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**ANNUAL REPORT OF THE CHAIRPERSON ON THE ACTIVITIES OF
THE AFRICAN UNION COMMISSION COVERING THE PERIOD
JANUARY TO DECEMBER 2014**



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PART A: CHAIRPERSON'S OVERVIEW

Introduction

- 1.** It is my honour to present the 2014 Annual Report of the African Union Commission (AUC), accounting for the work done during the period, January to December 2014.
- 2.** The Commission has responsibilities to facilitate and promote the implementation of the vision of the African Union (AU) for an integrated, prosperous, people-centred and peaceful continent that takes its rightful place in the world.
- 3.** 2014 was the first year of the implementation of the 3rd Strategic Plan (2014-2017), with the focus on concrete outcomes. This report highlights the work of the Commission in fulfilment of its mandate to coordinate efforts towards and speeding up continental integration and development.

2014 Highlights

- 4.** The major highlights for the Commission this year include the wrap-up of the 50th anniversary celebrations, consolidation of work on Agenda 2063, the on-going efforts to resolve and prevent conflicts on the continent, the declaration of the AU Year of Agriculture and Food Security, work in progress around alternative sources of funding, the concerted push on key continental initiatives in infrastructure, regional integration, industrialization, human resources development and climate change, and the consolidation of the Common African Position on the Post-2015 Development Agenda.
- 5.** The last year of consultations on the development of Agenda 2063 reinforced our view that the involvement of African citizenry in owning and taking responsibility for the Africa they want is critical to its success. In addition, we appreciate the involvement of our partners, the African Development Bank and the United Nations Economic Commission for Africa (UNECA), as well as the NEPAD Agency, the Regional Economic Communities (RECs) and various other AU Organs in this process. A special thank you also to the Africa Forum of Former Heads of State and Government for their consultative meeting with the Commission in December 2014 and the valuable inputs arising from this process. Last but not least, the participation of the governments of Member States, through their inputs at Summits and Ministerial meetings, the participation of their Planners and other inputs through either their National Development Plans and through written submissions showed the seriousness with which the continent takes its future.
- 6.** Furthermore, the Ministerial Retreat of the Executive Committee, held in Bahir Dar, Ethiopia in January 2014 provided an important platform for in-depth discussions on Agenda 2063 and programmatic and institutional priorities. Recommendations from the Retreat were adopted by the January 2014 Summit. Amongst other issues, the Retreat recommended the establishment of the Bahir Dar Ministerial Follow-up Committee on Agenda 2063. The Committee met twice (in June and in December 2014) and received reports from the Commission on priorities, especially on how to move the

integration agenda forward. The recommendations from the December 2014 meeting of the Committee, which discussed the Agenda 2063 flagship issues, will be tabled at the January 2015 Summit.

7. The African Union responded to the Ebola Virus Disease outbreak in Guinea, Liberia and Sierra Leone by mobilizing Member States preparedness and solidarity, and deploying the African Union Support to Ebola Outbreak in West Africa (ASEOWA) to the affected countries. Towards the end of the year, the Commission mobilized the African private sector to support the up-scaled deployment of health workers with a view to have a 1000 African health workers in the field with contingents from the Economic Community of West African States (ECOWAS), East African Community (EAC) and individual Member States. Furthermore, as mandated by the Extraordinary Session of Executive Council, held on 6 September 2014, in Addis Ababa, Ethiopia, the Commission with the Ministers of Health worked towards fast-tracking the establishment of the African Centre for Disease Control.

8. The work of the Commission takes place in the context of a fast-changing continent with many positive social, political and economic indicators moving in the right direction. However, progress on our overarching continental goals - to eradicate poverty, disease, violent conflict, dependence and underdevelopment - remains slow and hence the need to ensure that the implementation of Agenda 2063 should take account of lessons from the past. As an overarching mission that captures our national, regional and sector development plans, Agenda 2063 frames the work we do at various levels on peace and security and silencing the guns, modernisation of agriculture, effecting an African skills revolution, regional integration, infrastructure and industrialisation and on democracy, human rights and gender equality. It forms the basis for engagements between Africa and the world, and with the Common African Position on the Post-2015 development agenda as one of its medium-term milestones.

Africa in 2014

9. 2014 was a year of challenges, but also a year of many opportunities for the continent. Many countries continued to make serious efforts to meet the Millenium Development Goals (MDGs) Targets, especially on such areas as access to primary and secondary education; maternal and infant mortality, HIV and AIDS, reducing poverty, etc. The 2014 United Nations Development Programme (UNDP) Report on the MDG's noted that eight out of the ten top performers in speeding up on the MDGs are in Southern, Eastern, Central and Western Africa, with progress most rapid in the Least Developed Countries (LDCs).

10. Against many odds, including slow global economic recovery, the continent's growth path is still on an upward trajectory. According to the *African Economic Outlook 2014*, 25 African countries were projected to grow at a rate of 6% and above during the year, with East and West Africa leading the pack. Central Africa is a close third, driven by growth in Chad, Democratic Republic of Congo (DRC), Congo, Cameroon and Gabon. Only six countries (including South Africa and Egypt) were expected to record growth below 3%.

11. On average, continental tax revenues between 2005 and 2012 doubled, as a result of growth and to a much lesser degree improvements in revenue collection and management. Remittances and foreign direct investments also increased by over 40% for the same period, and indications are that remittances are now among the largest external flows to Africa.

12. Until 2011, Foreign Direct Investments (FDIs) were mainly in resource rich countries¹. However, this is beginning to change and raising possibilities of diversification in foreign investment beyond the extractive energy and mineral sectors.

13. Africans are leading the way in showing confidence in their continent, with growing numbers of businesses that are becoming truly Pan African. The largest shares of intra-Africa investments are in financial services, building and construction services, communications, electronic components, chemicals, and consumer products. African investors in 2012 represented 18% of total greenfields projects on the continent, in comparison with 7% in 2008. The top five African investors in Africa since 2003 remain South Africa, Mauritius, Egypt, Nigeria and Kenya in that order.

14. Public expenditure on infrastructure on the continent has been rising over the last few years, in many countries whereas overall budgets increased by 3% in the 2011-13 period, Budget allocations for infrastructure increased by 8% in the same period with 21 African countries reporting budget commitments of approximately \$46bn, according to the Infrastructure for Africa Consortium (ICA).

15. A whole generation of young African innovators and entrepreneurs working within and outside the continent are on the other hand doing amazing things and competing effectively. At the same time, access to post-school education, vocational training, jobs and capital remains a challenge for the overwhelming majority of Africans.

16. In a similar vein, women continue to push against the glass ceiling. For example, following the elections that took place this year in Mauritania and Algeria, we have seen significant increase in the numbers of women within the Executive ranks of these countries. Also, the number of women professionals and women in business as captains and business owners, members of the Board, to mention but a few, have continued to witness growth, although there is an urgent need to lay greater emphasis on positioning African women and giving them the necessary leverage that would enable them make valuable contributions within the African polity.

Integration

17. Intra-Africa trade, though growing, remains very low in comparison with other regions. Thus, according to the African Economic Outlook 2014, “Africa is the world’s fastest growing, but least globally integrated continent.” There is no question that the

¹ The top six FDI recipients in 2012 and 2013 were South Africa, Nigeria, Mozambique, Morocco, Ghana and Sudan. *African Economic Outlook 2014*, published by the AfDB, OECD Development Centre and the UNDP.

initiatives by the RECs, including the COMESA-EAC-SADC Tripartite arrangements, and the integration efforts within each regional bloc are raising the bar.

18. At the same time, this process has been very slow, especially with respect to free movement of the African people within the continent. Although ECOWAS and the EAC have made progress towards ensuring free movement of people within the regions,, and currently working on a common migration policy the time for Africa to embark on a committed drive towards realizing its integration agenda has come, and it is really a time and, it has become imperative for other regions and the continent to move faster.

19. There are other areas of integration where progress has been recorded albeit being slow. A decade after the adoption of the Yammasoukrou Declaration and Decision, 24 countries have open skies agreements with countries abroad, and hardly has any African country implemented the open skies agreements with each other. And yet, an industry report showed that if only twelve of the major airline countries in the continent opened their skies, over 155,000 new jobs would have been created and considerable additional revenue recorded.

20. The AU Commission has therefore initiated conversation with major airline companies on the continent, as well as with transport Ministers, aviation authorities and Governments, on the need to push for the realization of a single African aviation market. It is important that those countries, which are ready to do so, should be encouraged to take the lead. The Commission also started exploratory work on the Flagship Projects, which will anchor the implementation of Agenda 2063 Vision. Consultations have since commenced on the Integrated High Speed Train Network; on the Grand Inga Dam Project and Harmonization of Energy Regulatory Frameworks; the establishment of the African Passport and the Continental Free Trade Area, among others and we look forward to deepening this work going forward. The Commission will sign an MoU with the Government of the People's Republic of China covering cooperation in the areas of rail, highways, aviation and industrialisation (RHAI).

21. Amongst the recommendations from the December 2014 meeting of the Bahir Dar Ministerial Follow-up Committee, is the presentation of a Comprehensive Progress report on Integration to the AU Summit in June 2015 that will compare developments in different regions and sectors and make recommendations.

Democracy and Peace

22. The majority of the elections held this year were free and fair, and even where there were problems, concerted efforts were made to ensure such problems were resolved peacefully and timely, too.. Although there are still challenges, progress is being made towards creating peace and restoring constitutional order in Burkina Faso, Central African Republic, Egypt, Mali, Tunisia, Madagascar and Somalia. The suspension from the AU of Madagascar and Egypt were lifted after the two countries held elections during 2014. Tunisia had a smooth and peaceful transition and held successful parliamentary and presidential elections.

23. At the same time, we also had to deal with the threat of terrorism, in Nigeria and Kenya; and continuing instability in South Sudan, Libya, Central African Republic, and the Eastern parts of DRC.

24. The Commission and the RECs continue to be seized of these matters and working towards finding peaceful, democratic and lasting solutions to the challenges faced by these countries. Progress has been made towards the operationalisation of Africa's Rapid Response Capacity (ACIRC) and more generally on strengthening the African Peace and Security and Governance Architectures.

Institutional Reforms and Alternative Sources of Funding

25. Work is continuing to strengthen the institutions of our Union, to improve its working methods, enhance its operational capacity and increase its funding sources from within the Continent.

26. The Commission during 2014 faced serious financial challenges, with late payments of Member States contributions, as well as declining and late financing from Partners. At the same time, we made progress with the establishment of the AU Foundation and the AU Private Sector Roundtable on Ebola, which demonstrates the potential for generating domestic resources.

27. I therefore look forward to your leadership as you consider the report on the alternative sources of funding from the Conference of the Ministers of Economy and Finance (CAMEF) that will meet before this Summit.

The African Narrative

28. A review of coverage of Africa during 2014 shows a much more proactive communication from our side, especially on continental developmental initiatives, in addition to peace and security. As a result, there is some shift in the perceptions of Africa being predominantly conflict prone region, although this still dominates the discourse about the continent.

29. The Ebola outbreak and the attempts to paint a picture of an entire continent ridden with disease, shows that we must continue to be vigilant on the African narrative. The same goes for statistics about the continent. The operationalization of the AU Institute for Statistics, initiatives around systems of vital statistics by Member States, and work by the UNECA and the African Development Bank (AfDB) on improving locally generated data from the continent are therefore critical not only towards changing the narrative about the continent, but enabling us to monitor progress and tackle setbacks.

2015: THE YEAR AHEAD

30. The *Agenda 2063* Framework will be presented to the January 2015 Summit for adoption and work will be concluded during the first half of the year on the first 10 year plan. In addition, the flagship projects around which work has started must be taken

forward, and the Commission will proactively engage with Member States and RECs around these projects. We will also urge our Member States and RECs to take the necessary steps early next year, to start work on the integration of Agenda 2063 into their national and regional development plans and for its domestication within their national policy, legal and institutional frameworks, as affirmed in the 50th Anniversary Solemn Declaration. The Commission on its part will continue to popularize Agenda 2063 as adopted by Summit.

31. Amongst the recommendations from the December 2014 meeting of the Bahir Dar Ministerial Follow-up Committee, is that the five year ***Institutional review*** of the AU should look at the appropriateness of our current structures and modus operandi for the implementation of Agenda 2063. The Commission has started a comparative study between the AU and other similar regional institutions, a study upon which the institutional review can build upon.

32. The theme for ***2015 The Year of Women's Empowerment and Development towards Agenda 2063*** is significant, during the implementation of our continental framework. There is large degree of consensus and evidence of the social benefits of gender equality and the empowerment of women on families, communities and increasing evidence of economic benefits, in addition to women's rights as human rights. Societies with greater gender equality also tend to be more socially and economically inclusive and tolerant. The Commission has developed a theme paper with goals and activities for the year, and will have further consultations at the beginning of 2015 with Gender Ministers and women's organisations, focusing on mobilizing women and men, governments, civil society and business, in the implementation of concrete actions towards gender equality in Africa.

33. The goals for the AU Year of Women therefore include: The mobilisation and sensitization of men, women, governments and civil society around concrete actions to take forward gender equality in the continent, in all areas of human endeavour; Sharing and learning from experiences of best practices in the continent and the world; Deepen the mainstreaming of gender equality and women's empowerment in Agenda 2063 and regional and national policy frameworks and programmes.

34. We have to ensure a concerted push to assist Guinea, Liberia and Sierra Leone ***to stop the Ebola virus outbreak***, and to allow these countries to get back on their developmental track. We call on all AU Member States to contribute to this continental effort of solidarity. In addition, we also salute the Mobile Network Operators (MNOs) who are working with us to launch the Africa Against Ebola SMS campaign, enabling African citizens to donate to the efforts to stop Ebola. AU representative offices, where present, have also played an instrumental role in liaising with MNOs and in popularizing the campaign. We urge other Member States that have not yet joined to become part of this campaign through their respective mobile operators.

35. We will be having a substantial number of ***elections*** on the continent this year, and the AU must ensure that the conduct and management of the elections will consolidate the democratic processes rather than becoming sources of conflicts. A

report and analysis of the potential flashpoints will be presented to the Summit, so that we are able to take pre-emptive steps to enable peaceful and fair elections. Beyond elections, we will pay more attention to the promotion of the African Governance Architecture (AGA), and within that, strengthening democratic and developmental governance and public services, including local and decentralized government.

36. The Commission will also present to the Peace and Security Council Summit its report on the state of conflicts on the continent, an action plan towards silencing the guns by 2020, and the reports on Africa and the International Criminal Court (ICC) and of the Commission of Enquiry on South Sudan. These reports will provide pointers towards what needs to be done in 2015, in order to consolidate peace and security on the continent.

Conclusion

37. In carrying out its work, the Commission has worked with Member States, the RECs, the NEPAD Agency and the AU Organs, as well as with Partners including the African Development Bank, the UN Economic Commission for Africa (UNECA) and other development partners. We wish to convey to all of you our sincere appreciation for your invaluable contribution, and look forward to continued cooperation.

38. Finally, on behalf of the Commissioners of the AU, AU Staff at Headquarters, across the continent and in representative Offices, I present this 2014 Annual Report and thank the Policy Organs for their on-going support to the Commission.

PART B: 2014 AU COMMISSION ACTIVITY REPORT

Highlights of the Commission Work during 2014

39. During the period under review the African Union Commission (AUC) carried out representational activities, coordination and promotion of the implementation of continental frameworks, follow-up and implementation of the decisions of Policy Organs, advocacy on issues of concern to Africa, conflict resolution and governance issues, as well as servicing the African Union (AU) and its organs; as per its mandate set out in the Constitutive Act and Statutes.

40. Highlights for 2014 include:

- a) Wrap-up of the 50th anniversary activities;
- b) Consolidating work on Agenda 2063, including consultations with sectors, Member States, Regional Economic Communities (RECs); finalization of the Common African Position on Post 2015 Development Agenda; the development of the first Agenda 2063 10 year plan; and exploratory work on Agenda 2063 flagship projects;
- c) Initiatives in furtherance of integration and development, in particular in infrastructure, industrialization, agriculture, human resources development, science and technology;
- d) Further work on alternative sources of funding for Africa's development and institutions;
- e) The push to inform citizens of the work of the AU and to change the narrative about Africa through communications, including greater use of social media;
- f) Monitoring of elections and interventions in pursuance of good governance, democracy, human rights and the fight against impunity;
- g) Continuous work on peace and security challenges in the continent;
- h) On-going engagements with partners and the world;
- i) The promotion of gender equality, women's rights and the participation of young people.

41. The AU, Commission and RECs also had to respond to the Ebola Virus disease that ravaged Guinea, Liberia and Sierra Leone; mobilizing African preparedness and solidarity; for the first time deploying a humanitarian health mission in the form of the Africa Union Mission Against Ebola in West Africa (ASEOWA), and worked on fast-tracking the establishment of the African Centre for Disease Control.

42. The Commission in its capacity as secretariat of the African Union also supported the work of the Policy organs. During 2014, it organized and facilitated the proceedings of Ordinary and Extra-ordinary sessions of the Policy Organs, as summarized in Table 1 below:

Table 1: AU Policy Organ Meetings during 2014

No.	SUMMIT/MEETINGS	DATE&VENUE	THEME/ISSUES
1.	21 st Ordinary Session of the Assembly of the African Union	January 2014 Addis Ababa, Ethiopia	Agriculture and Food Security
2.	22 nd Ordinary Session of the Assembly of the African Union	July 2014 Malabo, Equatorial Guinea	Agriculture and Food Security
3.	Emergency meeting of the Executive Council on Ebola	6 September 2014 Addis Ababa, Ethiopia	Ebola

43. The Commission during 2014 convened a number of Ministerial meetings, many of them in the context of moving towards the establishment of the Specialised Technical Committees (STC) as set out in the Constitutive Act and Statutes. Most, if not all

This report should be read in conjunction with Departmental and Sectoral Reports for more detailed information

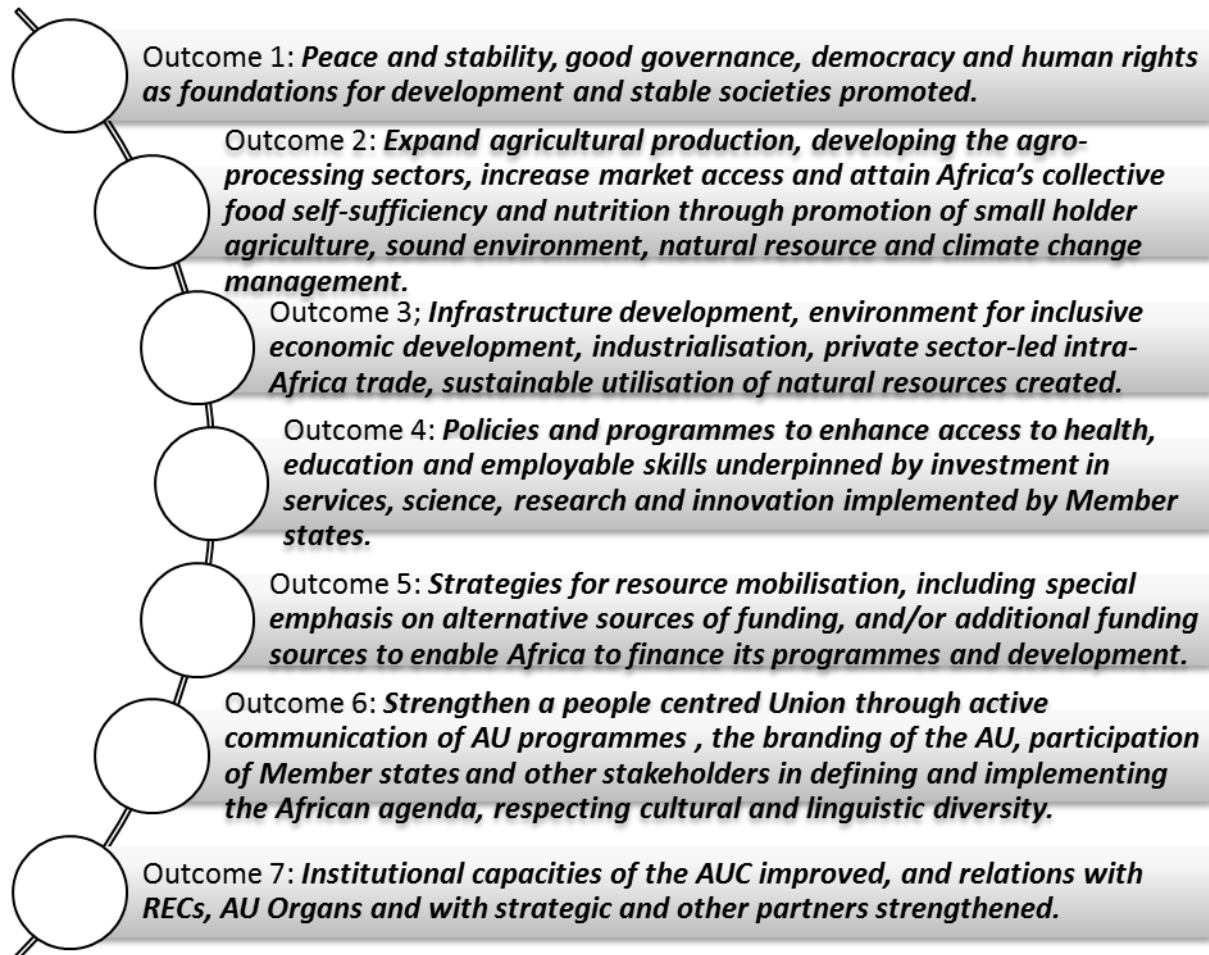
Ministerial and STC meetings also discussed their sectoral inputs into Agenda 2063.

44. Other high level meetings, such as the United States -Africa Leadership Summit in August 2014, were also facilitated by the Commission, working with Member States.

The 3rd AU Commission Strategic Plan (2014-2017)

45. The 3rd AU Commission Strategic Plan (2014-2017) enables the Commission to direct its efforts towards speeding up progress for an integrated, peaceful and prosperous Africa, within a democratic and developmental governance environment, paying particular attention to women and youth, working with Member States, the Regional Economic Communities and other continental institutions and bodies.

46. The 3rd Strategic Plan, with its focus on results and outcomes presents a shift in the way in which the Commission plans, budgets, implements and monitors its work, with annual targets that should be accounted for each year. The year 2014 is the first year of this approach. This shift has earnestly started, and is gradually being in the Commission does its work. The Plan is based on seven pillars, with seven outcomes (Figure 1) that represent priority areas in which over the four years of the plan the continent should record measurable progress.



47. The outputs for each outcome over the four years are set out below in Table 1:

3RD AUC STRATEGIC PLAN (2014-2017): OUTCOMES AND OUTPUTS
<i>OUTCOME 1: Peace and stability, good governance, democracy and human rights as foundations for development and stable societies promoted.</i>
Output 1.1 Capacities for conflict prevention, management, response and peace building in place.
Output 1.2 Participation of women, youth and civil society in peace building, conflict prevention and post-conflict recovery and development facilitated.
Output 1.3 Post-conflict reconstruction and peace building mechanisms enhanced.
Output 1.4 Good governance and democracy promoted
Output 1.5 Legal and shared values instruments, based on African and universal instruments promoted.
Outcome 1.6 Capacity of Africa to coordinate and respond to humanitarian situations and protect civilians in conflict and disaster zones enhanced
<i>OUTCOME 2: Expand agricultural production, developing the agro-processing sectors, increase market access and attain Africa's collective food self-sufficiency and nutrition through promotion of small holder agriculture, sound environment, natural resource and climate change management.</i>
Output 2.1 MS implementation of CAADP priority programmes including animal resources as an instrument to boost agricultural production and productivity for food and nutrition, eliminating hunger and reducing poverty supported.
Output 2.2 Implementation of priority programmes on environment, natural resource management and climate change facilitated.
Output 2.3 Programs for enhancement of agribusiness including access to productive resources and capacity of women, youth and persons with disabilities supported.
Output 2.4 Strengthening of infrastructure for market access and trade in agricultural products promoted.
<i>OUTCOME 3: Infrastructure development, environment for inclusive economic development, industrialisation, private sector-led intra-Africa trade, sustainable utilisation of natural resources created.</i>
Output 3.1 Enabling policy frameworks for inclusive development formulated, promoted and implementation capacity of MS enhanced.
Output 3.2 The Programme for Infrastructure Development in Africa facilitated.
Output 3.3 Access to modern energy services for the majority of African population enhanced.
Output 3.4 Policies and standards to promote continental integration facilitated.
Output 3.5 Trade and customs facilitation policies developed and promoted and CFTA negotiations facilitated.
Output 3.6 Policies for private sector engagement and improved business climate developed and promoted.
Output 3.7 Women, youth and persons with disabilities entrepreneurship promoted and supported.
Output 3.8 Policies for sustainable utilisation of mineral and other resources developed and promoted.
<i>OUTCOME 4: Policies and programmes to enhance access to health, education and employable skills underpinned by investment in services, science, research and innovation implemented by Member states.</i>
Output 4.1 Implementation of the African Health Strategy promoted
Output 4.2 Strategies for quality education, skills development and services, particularly for women and youth designed and promoted.
Output 4.3 Policies and strategic programs for investment in science, research and innovation designed and promoted to enhance Africa's global competitiveness.
Output 4.4 Framework for Social security and protection for vulnerable groups promoted.
<i>OUTCOME 5: Strategies for resource mobilisation, including special emphasis on alternative sources of funding, and/or additional funding sources to enable Africa to finance its programmes and development.</i>
Output 5.1 Financially sustainable and viable Commission and organs attained.
Output 5.2 Alternative sources of funding for Africa to finance its development programs identified and implemented
<i>OUTCOME 6: Strengthen a people centred Union through active communication of AU programmes , the branding of the AU, participation of Member states and other stakeholders in defining and implementing the African agenda, respecting cultural and linguistic diversity.</i>
Output 6.1 Rebranding of AUC, effective communication and increased visibility achieved.
Output 6.2 Stakeholder involvement in African agenda implemented, which reflects cultural and linguistic diversity, equal participation of women, youth and vulnerable groups improved.
<i>OUTCOME 7: Institutional capacities of the AUC improved, and relations with RECs, AU Organs and with strategic and other partners strengthened.</i>
Outcome 7.1 Institutional capacities of the AUC strengthened
Outcome 7.2 Relationship with AU Organs, RECs and strategic partners strengthened.

OUTCOME 1: PEACE, STABILITY, GOOD GOVERNANCE, DEMOCRACY AND HUMAN RIGHTS

Output 1.1 Capacities for conflict prevention, management, response and peace building in place.

Output 1.2 Women's rights, gender equality and participation of women, youth and civil society in peace building, conflict prevention and post-conflict recovery and development facilitated.

Output 1.3 Post-conflict reconstruction and peace building mechanisms enhanced.

Output 1.4 Good governance and democracy promoted

Output 1.5 Legal and shared values instruments, based on African and universal instruments promoted.

Outcome 1.6 Capacity of Africa to coordinate and respond to humanitarian situations and protect civilians in conflict and disaster zones enhanced

Introduction

48. Peace, security, stability, human rights and good governance are important conditions for development and social cohesion, and therefore remain critical priorities for the African Union.

49. There is encouraging progress in the synergy between the African Peace and Security Architecture (APSA), and the African Governance Architecture (AGA), which needs to be consolidated if we are to realise the goal of silencing the guns by 2020. Consistent movement forward in all five outputs should collectively help to steer the ship towards an Africa that is people-centred and peaceful.

50. The Commission is also focusing on the participation of women in the implementation of both architectures, including the protection of women, children and civilians in conflicts, as well as the promotion and enjoyment of their human rights.

Output 1.1 Capacities for Conflict Prevention, Management, Response and Peace-building

51. Significant progress has been made in the operationalization of the African Peace and Security Architecture (APSA), in order to provide the AU with the necessary tools to meet the challenges of promoting peace, security and stability on the Continent. Sustained efforts were made regarding the African Standby Force (ASF), which is supposed to be fully operational in 2015, and the African Capacity for Immediate Response to Crisis (ACIRC), which is designed as an interim arrangement pending the full operationalization of the ASF.

52. It is worth welcoming the progress made in some countries, notably Tunisia, with the completion of the transition, and Madagascar, with the consolidation of the gains made following the return to constitutional order. In spite of these gains, the overall situation, however, remains a concern in large parts of the continent, raising the risk of reversal in the progress made towards the promotion of peace, security and stability. A year after its eruption, the conflict in South Sudan remains unresolved, with the attendant consequences on the civilian population and the country, as well as on regional security and stability. Libya is another example of untold violence and continued conflict. The prospects for the early resolution of this crisis remain bleak. Through the

establishment of an International Contact Group for Libya, which held its inaugural meeting in Addis Ababa in early December 2014 the AU endeavours to enhance and coordinate international engagement towards the cessation of hostilities and the start of a viable political process. While the security situation in the Central African Republic (CAR) has improved, much more needs to be done to expedite the implementation of the transition, which should culminate with the holding of free, fair and transparent elections and mobilize financial resources commensurate with the reconstruction and development needs of the country.

53. In Mali, no effort should be spared for the early conclusion of the talks between the Government and the northern armed movements, undertaken within the framework of the Algiers Process. In Somalia, progress continues to be made both with respect to security, the recovery of strategic areas from the Al-Shabaab terrorist group, and the political process. In Sudan, the AU has continued to support efforts to address the conflicts in the Darfur region and in the two areas of South Kordofan and Blue Nile, as well as to initiate a national dialogue to comprehensively address the multifaceted challenges confronting the country. In the Great Lakes region, it is important that the signatories to the Peace, Security and Cooperation Framework for the Democratic Republic of Congo (DRC) and the region pursue their efforts towards the effective implementation of this agreement. Particular emphasis should be placed on the neutralization of the negative forces, specifically the Democratic Forces for the Liberation of Rwanda (FDLR), within the context of the relevant decisions taken at regional, continental and international levels. Furthermore, the situations between Eritrea and Ethiopia, as well as between Eritrea and Djibouti, warrant the continued attention of the AU. More generally, the Commission, through the AU High-Level Implementation Panel, was mandated to take active steps towards the promotion of a regional and holistic approach to the challenges of peace and security in the Horn of Africa. Equally important is the need for the AU to enhance its engagement in the search for a solution to the now four-decade long conflict in Western Sahara.

54. The ever growing threat of terrorism in Africa requires continued and concerted efforts from the AU. The Summit of the Peace and Security Council (PSC) held in Nairobi in September 2014, adopted a detailed roadmap, whose effective implementation will go a long way in addressing the scourge of terrorism and transnational organized crime.

55. During the OAU/AU 50th Jubilee, Member States committed themselves to achieve the objective of a conflict-free Africa by 2020. If this objective is to be realized, clearly all concerned should redouble their efforts and rededicate themselves to the implementation of the relevant instruments of the Union. In this respect, the need for renewed efforts to deepen democracy and promote human rights and good governance as a tool for effective conflict prevention cannot be overemphasized. In addition, the continent should enhance its ownership of peace efforts on the continent. This requires increased funding from within Africa.

Output 1.2 **Women’s Rights, Gender Equality and Participation of Women, Youth and Civil Society in Peace Building, Conflict Prevention**

56. The Commission has started extensive consultations with various stakeholders through the Office of the Special Envoy to strategize and to effectively advocate for the active participation of women in peace processes at different levels. The Commission further held consultations with women networks and experts, as well as convened an Open Session of the Peace and Security Council to formulate an agenda for women, peace and security for the year 2015.

Women’s Rights and Gender Equality

57. *Solemn Declaration on Gender Equality in Africa (SDGEA):* The Annual Report on the implementation of SDGEA for 2013 was presented during 2014 June Summit in Malabo, Equatorial Guinea, and it highlighted the progress made by AU Member States in terms of gender mainstreaming at national and regional levels.

58. *Commission on the Status of Women (CSW):* During preparations for the 58th Session of CSW, Ministers Responsible for Gender and Women’s Affairs on Africa Pre-CSW recommended the inclusion of a sixth (6th) pillar on “Gender Equality, Women’s Empowerment, and Women’s Rights” in the Common African Position on the Post 2015 Development Agenda. They also recommended that gender be mainstreamed across all pillars.

59. The milestone events were the African Gender Ministers Consultative Meeting on Agenda 2063, and a learning tour to Rwanda for Members of Parliament from the Great Lakes and Sahel Region. The Ministers’ meeting strongly recommended the continuation of having the joint Gender Ministers and Focal persons and GIMAC meetings on the margins of AU Summits.

60. A study on women in the Judiciary in Africa was initiated in partnership with the UNDP Governance team, which will establish and document the state of gender representation in the Judiciary institutions in Africa, and develop a continental response to close the gender gap in continental, regional and national judiciary institutions across Africa.

Output 1.3 **Post Conflict Reconstruction and Peace Building**

61. Within the framework of the implementation of the AU policy on Post-Conflict Reconstruction and Development (PCRD), and the African Solidarity Initiative (ASI), a validation workshop on the African Union’s intervention framework for the post-conflict reconstruction of Central African Republic, made recommendations on: the drafting of a new constitution, the electoral process, the reform of the public sector, as well as the inclusion and management of diversity.

Output 1.4 **Good Governance, Human Rights and Democracy**

62. The Commission worked with the RECs and Member States to develop an overall framework to address human rights, good governance and democracy through development of human rights strategy for Africa, strengthening Human Rights Observer Missions, the Development of an African Transitional Justice Policy Framework, and the promotion of human rights.

63. With regards to *the Human Rights Strategy for Africa*, the Commission worked with the RECs and Member States to develop an action plan focusing on the Post 2015 Development Agenda and aimed at developing consensus on how the African Union can complement and enhance the capacity of Member States to implement wider elements of social justice.

64. In line with the Peace and Security Council Decisions, the Commission through the Human Rights Observer Missions continues to follow up on the human rights situations in certain parts of Mali and Central African Republic.

ELECTIONS DURING 2014

65. African Union Elections Observation Missions (AUEOM) were deployed in the following Member States: Algeria, Botswana, Egypt, Guinea-Bissau, Malawi, Mauritania, Mauritius, Mozambique, Namibia, Sao Tome and Principe, South Africa and Tunisia. Ten (10) long-term observer teams were also deployed in Guinea Bissau, Malawi, Mozambique and Tunisia respectively, as part of AU's effort to support smooth transition processes as well as democratic consolidation.

66. In order to enhance the capacity of National Election Management Bodies (EMBs), the Commission facilitated BRIDGE training for the EMBs in Burkina Faso, Cameroon, Cote d'Ivoire, Madagascar, Togo and United Republic of Tanzania. Also training was conducted for Long Term Observer Missions (LTOMs) in order to strengthen their capacity to ensure improved quality and professionalism. In addition, there has been a gradual improvement in elections observation tools and methodology in order to ensure evidence-based reporting and improve the overall quality of AUEOM reports.

67. *Follow Up on Observer Mission Recommendations:* In November 2012, the Chairperson of the African Union Commission approved the publication of the AUEOM report as provided in Section V1 (h) of the Durban Declaration on the Principles Governing Democratic Elections. As a result, the Commission designed the *Follow Up on Recommendations Programme* to ensure broader interaction with election stakeholders in Member States and support them in the implementation of the recommendations of AUEOM reports.

REFORM OF THE PUBLIC SECTOR

68. The Commission embarked on the operationalization of the African Union Specialized Technical Committee (STC) on Public Service, Local Government, Urban Development and Decentralization and established the following sub-committees: (a) Public Service and Administration; (b) the STC Sub-Committee on Decentralization and Local Government; and (c) the STC Sub-Committee on Urban Development, Housing and Human Settlement. The three sub-committees agreed to jointly develop one comprehensive work plan for the STC.

69. ***Adoption of Local government and Decentralisation instruments and 3rd AMCOD:*** The *African Charter on the Values and Principles of Decentralization, Local Governance and Local Development* was adopted as one of the African Union Shared Values instruments during the June 2014 Summit in Malabo, Equatorial Guinea. The necessary documents in support of the establishment of the *African Union High Council of Local Authorities (AU-HCLA)* were approved during the June 2014 Summit in Malabo, Equatorial Guinea. The 3rd meeting of the Ordinary Session of the African Ministerial Conference on Decentralization and Local Development (AMCOD) was held in Cotonou, Benin Republic in August 2014. Key outcomes include the agreement by AMCOD to work with the two other Ministerial Conferences, to operationalize the African Union Specialized Technical Committee on Public Service, Local Government, Urban Development and Decentralization.

THE AFRICAN GOVERNANCE ARCHITECTURE

70. The Commission conducted joint planning and coordination activities with the RECs to enhance implementation of the African Governance Architecture. A three-year strategy and work-plan were developed for 2014-2017. They focus on building the capacity of AU organs and institutions and RECs to strengthen democratic governance and ensure effective assessment of compliance, reporting and implementation of AU Shared Values instruments among Member States. The Commission has developed guidelines to support Member States to fulfil their reporting obligations under the African Charter on Democracy Election and Governance. In addition, a sensitization workshop with Member States on their reporting obligations under the Charter is scheduled for the first quarter of 2015.

71. The Third Annual High Level Dialogue on Democracy, Human Rights and Governance in Africa: Trends, Challenges, Prospects and Opportunities was held in Dakar, Senegal in October 2014, under the theme “Silencing the Guns - Strengthening Governance to Prevent, Manage and Resolve Conflicts in Africa.” The Dialogue stressed that ending wars and silencing guns should be a collective responsibility of African citizens, AU Member States, the African Union, Regional Economic Communities, Civil Society Organizations, the Private Sector, Faith-Based Organizations, the Academia, and the international community.

72. Promoting ***synergy between the African Governance Architecture and the African Peace and Security Architecture:*** Pursuant to Assembly Decision on the

harmonisation of the African Peace and Security Architecture and the African Governance Architecture, the Commission established an inter-departmental taskforce on conflict prevention to enhance synergies, complementarities and cooperation between the two architectures.

Output 1.5 Legal and shared values instruments, based on African and universal instruments promoted.

73. Since the submission of the last report in January 2014, the pace of signature, ratifications/accession has decreased considerably when compared to the previous reporting period. Nineteen (19) new signatures were appended to the treaties compared to the fifty-one (51) signatures recorded during the previous reporting period, and twenty-six (26) instruments of ratification/accession were deposited compared to the thirty-two (32) received during the previous reporting period. In this regard, the Commission stepped up its efforts to sensitise Member States on the importance of the ratification and implementation of OAU/AU treaties. Efforts were also made to engage civil society organizations and the media through an advocacy workshop (in Dakar) and missions (in Burundi, Democratic Republic of Congo, Madagascar and Comoros) in the mobilization of Member States to sign, ratify and abide by the OAU/AU treaties.

74. *Promoting Constitutionalism and Rule of law:* A Brainstorming workshop on Expanding the AU Doctrine on Unconstitutional Changes of Government and to engage stakeholders in promoting and implementing the African Charter on Democracy, Elections and Governance took place in Pretoria, South Africa in July 2014. The workshop assessed the state of constitutionalism and rule of law in Africa and highlighted the challenges of entrenching constitutionalism and respect for the rule of law, with a particular focus on unconstitutional changes of government. It also contributed to the development of a comprehensive definition of unconstitutional changes of government that will lead to a common understanding of the phenomenon. This was pursuant to the implementation of the AU Assembly Decision Assembly/AU/Dec.220 (XII), which required the Commission to submit concrete recommendations on the appropriate measures to prevent unconstitutional changes of government, to develop capacity for the AU early warning mechanism, good offices and mediation.

FIGHT AGAINST IMPUNITY

The Hissene Habre Trial:

75. Progress has been made with regards to the preparations for the Hissene Habre trial. However, the trial is facing some difficulties with respect to the surrender of two accused persons detained in Chad. The Special Representative continues to engage with both countries to resolve these difficulties and accelerate the holding of the trial. The Special Representative proposed to set up at Ministerial Level a tripartite consultative mechanism on the Hissene Habre Case between AU, Chad and Senegal. This proposal was welcomed by Chad and Senegal. Therefore, the first session of this Consultative Mechanism will be convened in order to address all difficulties and

challenges, which might have negative impacts on the organisation of the Hissene Habre trial. The Commission will pursue consultations with the Presidents of Chad and Senegal respectively, so as to ensure the smooth organisation of the Hissene Habre Trial.

IMPLEMENTATION OF DECISIONS ON THE INTERNATIONAL CRIMINAL COURT (ICC)

76. Following the Decision of the Assembly/AU/Dec.493.(XXII) to speed up the process of expanding the jurisdiction of the African Court of Justice and Human Rights to try international crimes in the continent, the Protocol on the Statute of the African Court of Justice and Human Rights was adopted by the 23rd Ordinary Session of the Assembly held in Malabo, Equatorial Guinea in June 2014. However, to date, no Member State has signed and ratified it. It should be recalled that fifteen (15) ratifications are required for its entry into force. Therefore, the Commission reiterates its appeal to all AU Member States to speedily sign and ratify the Protocol.

77. The Commission is finalizing the development of a comprehensive study on the advisability and implications of seeking advisory opinions from the International Court of Justice (ICJ) on the immunities of Heads of State and Senior States Officials from States that are not Parties to the Rome Statute of the ICC as mandated by the 19th Ordinary Session of the Assembly of the Union held in Addis Ababa, Ethiopia in July 2012 (Decision of Assembly/AU/Dec.419 (XIX) on the International Criminal Court).

78. *Update on the proceedings initiated by ICC against the President of the Sudan:* By Decision ICC-02/05-01/09-195 dated 9 April 2014, the Pre-Trial Chamber II of the ICC found that the Democratic Republic of the Congo (DRC) has failed to cooperate with the Court by not arresting and surrendering President Bashir of the Sudan to the Court during his visit to the Democratic Republic of Congo on 26 and 27 February 2014 in order to attend the COMESA Summit. The Chamber referred the matter to both the United Nations Security Council and the Assembly of States Parties (ASP) to the Rome Statute. At the time of finalization of the report, no action was taken by the ASP and the UNSC with respect to the non-cooperation of the DRC with ICC for the arrest and surrender of President Bashir.

79. *Developments with respect to the proceedings initiated by the ICC against the President and Deputy President of Kenya:* The trial of Mr. Uhuru Muguai Kenyatta, President of the Republic of Kenya was scheduled on 7 October 2014. However, on 28 August 2014, the Trial Chamber V (b) issued an order requiring the Prosecution to file a notice by 5 September 2014 indicating whether or not it anticipated being in a position to start trial on the above-mentioned date. Following this order, the Prosecution filed the same date its notice indicating that it would not be in a position to proceed to trial on 7 October 2014.

80. President Kenyatta adhered to the summons of the Court in his private capacity and attended the status conference held on 8 October 2014. In doing so, President Kenyatta was obliged to set aside his duties as President and his Chair of the East

African Summit to respect the Court Ruling for his attendance. The consequence of not adhering to the summons would have led to the issuance of an arrest warrant.

81. Following the status conference, the Chamber V (b) issued on 3 December 2014 a decision rejecting the Prosecution's request for a further adjournment of the case against President Kenyatta, as well as the Defence's request to terminate the proceedings. Implementing the above-mentioned decision of the Chamber, the Prosecutor decided on 5 December 2014 to drop charges against President Uhuru Kenyatta due to insufficient evidence to prosecute. The Commission welcomed this decision through a Communiqué issued on 5th December 2014.

82. *Outcome of the 13th Assembly of State Parties (ASP) to the Rome Statute of the ICC:* The 13th Session of ASP took place in New York, USA in December 2014. The 13th ASP elected Adv. Sidiki Kaba, Minister of Justice and Keeper of the Seal of the Republic of Senegal as the first African President of the ASP for the next three (3) years. In the same vein, the ASP elected six Judges including an African Judge Adv. Antoine Kessia-Mbe Mindua from Democratic Republic of Congo.

83. The amendment proposals to the Rome Statute on the issues of immunities of sitting Heads of State and Government were not considered by the 13th Session of the ASP despite the request made by some African States Parties.

STRENGTHENING AFRICAN-WIDE LEGAL CAPACITY

84. In 2014, the Commission started new initiatives in order to strengthen an Africa-wide legal capacity. They include the establishment of **AU Legal Associates Programme**, which is envisaged as an Africa-wide legal capacity development programme, to provide and inculcate professional legal expertise in young African lawyers in the area of African integration law. Furthermore, the Commission signed a Memorandum of Understanding with the Loyola University School of Law to train the staff of the AU, RECs and AU Member States to strengthen their capacity to advance the rule of law.

Output 1.6 **Capacity of Africa to coordinate and respond to humanitarian situations and protect civilians in conflict and disaster zones enhanced**

HUMANITARIAN AFFAIRS, REFUGEES AND DISPLACED PERSONS

85. The Permanent Representatives' Committee (PRC) Sub-Committee on Refugees conducted assessments missions to Member States that are most affected by humanitarian situations namely CAR, Chad, Uganda and Zimbabwe, as well as countries affected by floods: Burundi and Madagascar. The purpose of these missions was to monitor the humanitarian situation in those countries while at the same time provide support in the spirit of burden sharing.

86. The Annual AU Humanitarian Symposium was held in Nairobi Kenya in December 2014. The Symposium focused on thematic issues that the African Union should build in developing the African Common Agenda in preparation for the 2016 World Humanitarian Summit. These include issues of humanitarian financing, humanitarian partnerships and building an African Base as first responders to humanitarian crisis and disasters in Africa.

87. On the question of citizenship and *Preventing Statelessness in Africa*, the Commission and the African Commission on Human and People's Rights (ACHPR) have concluded a study that was adopted by ACHPR in its last session. The purpose is to provide a basis for development of an AU policy on statelessness as a preventive measure. This study is in the process of validation by independent experts and relevant AU Organs.

88. On the question of disasters, the Commission held two meetings to review early warning systems in Africa. Such systems exist at national level but not at the continental level, thus making it difficult for the AU to provide continental resources that are timely and effective to avert human suffering. The Commission must consider ways of establishing such a centre in Africa. In relation to rapid response to disasters on the continent, even though rapid preparedness exists at the national level, there is none at the continental level. The Commission is therefore working out a way to establish a rapid disaster response unit.

89. A meeting to conceptualize an Africa-wide agenda on facilitation of free movement of persons in Africa was held in December 2014 with the aim to review the findings of the study on free movement of people in all the five AU regions to determine the least common denominator that can be the basis for a continental framework. These common issues will be used next year to prepare a continent wide policy on free movement of persons.

OUTCOME 2: EXPAND AGRICULTURAL PRODUCTION, DEVELOPING THE AGRO-PROCESSING SECTORS, INCREASE MARKET ACCESS AND ATTAIN AFRICA'S COLLECTIVE FOOD SELF-SUFFICIENCY AND NUTRITION THROUGH PROMOTION OF SMALL HOLDER AGRICULTURE, SOUND ENVIRONMENT, NATURAL RESOURCE AND CLIMATE CHANGE MANAGEMENT.

Output 2.1 MS implementation of CAADP priority programmes including animal resources as an instrument to boost agricultural production and productivity for food and nutrition, eliminating hunger and reducing poverty supported.

Output 2.2 Implementation of priority programmes on environment, natural resource management and climate change facilitated.

Output 2.3 Programs for enhancement of agribusiness including access to productive resources and capacity of women, youth and persons with disabilities supported.

Output 2.4 Strengthening of infrastructure for market access and trade in agricultural products promoted.

Introduction: 2014 Year of Agriculture and Food Security

90. The challenges that Africa faces today in the area of agriculture and rural development are numerous, the major ones being low level of productivity of the agricultural sector (crops, livestock, fisheries and aquaculture, forestry) on which the majority of the people depend for their livelihoods, hence the high level of vulnerability of a significant number of the people to the vicious cycle of poverty and the risk of hunger and malnutrition. According to recent estimates by the Food and Agricultural Organization of the United Nations (FAO) IN 2014, around one in four people in Africa remains undernourished, despite modest progress in recent years. Such a high level of prevalence of undernourishment is the highest among all regions in the world. Africa's dependence on imports of food and agriculture are estimated at levels between 87% and 90% on extra-African sources, leaving Africa with an import bill averaging US\$ 69.5 billion over the period, 2010-2012, rising by 15% per year, faster than intra-African trade at 12% and reaching US\$78 billion in 2012. This is despite abundant endowment in unexploited suitable resources (e.g. land and water) for agriculture.

91. It is for these reasons that 2014 was declared the Year of Agriculture and Food Security in Africa, marking the 10th anniversary of the Comprehensive Africa Agriculture Development Programme (CAADP), with a theme: "Transforming Africa's Agriculture for Shared Prosperity and Improved Livelihoods, through Harnessing Opportunities for Inclusive Growth and Sustainable Development". The Year has served as an important platform to review progress achieved in terms of CAADP vision, draw lessons and experiences from a decade of CAADP implementation, and chart an agenda, a strategy and plan of action for realization in the next decade. This was guided by the 2014-17 Strategic Plan of the Commission which prioritizes Africa's expansion of agricultural production, developing agro-processing and businesses sectors, increasing market access and attaining Africa's collective food self-sufficiency and nutrition security through promotion of smallholder agriculture, and sound environment and climate change and natural resource management.

92. Following the formal launch by the AU January 2014 Summit of the Year, broad-based and inclusive consultations and dialogues based on a rigorous analysis of the situation and trends were conducted involving Member States, RECs, Civil Society Organizations (CSO), farmers' organizations, the private sector, women groups, youth groups, knowledge institutions, and development partners on what should constitute the vision and goal of Africa's agricultural development agenda in the next decade. The broad-based consultations have led to renewed commitment to CAADP that it will continue to be the framework for Africa's agricultural development. The outcomes were validated by the Joint AU Conference of Ministers of Agriculture, Livestock, Fisheries and Rural Development that met in May 2014,

93. The "Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods" of June 2014 [(Assembly/AU/Decl.1(XXIII)] contains provisions on commitments to achieve progress by the year 2025 on specific measurable targets. African leaders have committed not only to the realisation of these targets, but also to Mutual Accountability to Actions and

Results through institutionalizing a system and practice of regular monitoring and tracking of progress as well as a biennial reporting to the Assembly by the Commission on results achieved starting 2017. The Commission and NEPAD Planning and Coordinating Agency (NPCA) have formulated the draft Implementation Strategy and Roadmap to achieve the 2014 Malabo Declaration. The Strategy and Roadmap has been submitted to the Executive Council for its consideration during the January 2015 Summit.

94. A CAADP Results Framework, designed to facilitate and expedite implementation and track progress towards achieving the 2025 CAADP vision, was also endorsed at the Malabo Summit. The CAADP Results Framework serves as a tool to enhance evidence-based planning, monitoring and learning by Member States in the pursuit of agriculture-led and inclusive economic growth and development.

Output 2.1 **Member States implementation of CAADP priority programmes including animal resources as an instrument to boost agricultural production and productivity for food and nutrition, eliminating hunger and reducing poverty supported.**

95. The implementation of CAADP has gathered momentum. To date, forty (40) Member States have formally embraced CAADP as a framework to guide them while refining their respective agricultural policies and strategies, of which thirty-two (32) have developed and are operationalizing their respective National Agriculture and Food Security Investment Plans. Several of these countries have undertaken Joint Sector Reviews in 2014 to enable better implementation of these plans. Furthermore, three RECs (ECOWAS, COMESA and IGAD) have prepared regional CAADP compacts and regional agricultural investment plans, which are being implemented. Similarly, Member States are increasing their budgetary allocations to agricultural development, as public agricultural investment in Africa increased by an average of 7.4% per year over the last decade. In terms of growth performance, seventeen (17) Member States have either met or surpassed the average 6% annual agricultural GDP growth target. Evidence indicates that such agricultural sector performance has contributed to the encouraging economic growth rates that many African countries have been registering over the last decade.

Output 2.2 **Implementation of Priority Programmes on Environment, Natural Resource Management and Climate Change Facilitated**

96. Encouraging achievements have been made to comprehensively address the daunting challenges of natural resources degradation compounded by climate change, desertification and erosion of Africa's biological resources. To this end, in collaboration with Member States, the Commission continues to raise the profile of these concerns using all available opportunities, including through Africa Environment and Wangari Maathai Day, Africa Water Week, Africa Dry Land Week and other events to raise awareness on environmental challenges facing the continent.

97. The Committee of African Heads of State and Government on Climate Change (CAHOSCC) continues to guide the engagement of Member States and the Commission on climate change issues to ensure that Africa's interests and priorities (common position) are advanced in a united voice as obtained in the recently concluded COP20 in Lima, Peru in December 2014.

98. Together with Member States and RECs, the Commission has been able to exploit earth observation and satellite technologies to address the need for reliable, timely and accurate land, marine and climate data and information to support decision making at national and regional levels.

99. To ensure the future of the Fouta Djallon Highlands, which is a vital water catchment and the source of many of the rivers in West Africa, the Commission has been in consultation with the ECOWAS Commission on the modalities of transfer of the management of the Fouta Djallon Integrated Programme to the latter.

100. In the area of ***Water and Sanitation***, the Commission continues to make good progress in the implementation of the Sharm-El-Sheikh commitments to accelerate the achievement of water and sanitation goals in Africa. The 2014 Africa Water and Sanitation Sector Report demonstrates the success of on-going efforts to strengthen and institutionalise the African Water and Sanitation Monitoring and Evaluation System that will form the basis for undertaking evidence-based, action-oriented interventions towards the actualisation of the Africa Water Vision 2025. The first of such initiative is the implementation of Assembly Decision [(Assembly/AU/Dec.516(XXII))] for which the Kigali Action Plan has been compiled from the National Needs Assessments of ten (10) selected Member States to redress deficiencies in the provision of water supply; and hygiene and sanitation services – particularly at rural household level – for an additional 5 million people in Africa. In addition, activities are underway to mobilise a minimum of € 50 million Euros to catalyse the implementation of the Action Plan.

101. As part of the preparations for the ***post-2015 global framework for disaster risk reduction***, the Commission in collaboration with the United Nations Office for Disaster Risk Reduction has been spearheading the development of Africa's contributions, which will form part of the global strategy to be adopted in 2015. To this effect, the Declaration of the High Level meeting on Disaster Risk Reduction held in May 2014 in Abuja, Nigeria recommended Africa's Contribution to the Post-2015 Framework for Disaster Risk Reduction, which is submitted for consideration by the AU policy organs during the January 2015 Summit.

102. ***To improve meteorological, climate and weather services in Africa***, a draft Plan of Action for the implementation of the Integrated African Strategy on Meteorology was completed as per the January 2013 Decision of the Executive Council on Meteorology. The draft was endorsed by the Bureau of the African Ministerial Conference on Meteorology (AMCOMET) in preparation for the Third AMCOMET session that was scheduled to be held in October 2014 but has been postponed till February 2015.

The African Risk Capacity (ARC) Agency

103. The African Risk Capacity (ARC) Agency was designed to improve the capacity of AU Member States to manage natural disaster risk, adapt to climate change and protect food insecure populations. To do this, the ARC offers weather insurance to participating governments through its commercial affiliate, the ARC Insurance Company Limited (ARC Ltd). This African-owned financial entity uses *Africa Risk View*, an advanced satellite weather surveillance and software, to estimate and access readily available funds to African countries hit by severe weather events.

104. ARC is an African solution to one of the continent's most pressing challenges, transferring the burden of climate risk away from governments – and the farmers and pastoralists whom they protect – to the ARC that can handle that risk much better. Pursuant to a decision by the AU Summit (Assembly/AU/Dec.417(XIX)) of July 2012, 41 countries participated in the ARC Conference of Plenipotentiaries in Pretoria, South Africa. Upon signature of the treaty by 18 AU Member States, the ARC was established as a Specialized Agency of the African Union in November 2012. Seven additional Member States have since signed.

Output 2.3 Programmes for Enhancement of Agribusiness including Access to Productive Resources and Capacity of Women, Youth and Persons with Disabilities Supported

105. *Promoting private sector investments in Agriculture:* Through initiatives such as the “New Alliance for Food Security and Nutrition” that was established at the G8 Summit in 2012 and “Grow Africa” partnership established in 2011 in collaboration with the World Economic Forum, favourable conditions are created to support Africa's private sector as well as governments of Member States to establish credible public-private partnerships for investments in agriculture and agricultural value chains. The Commission is working with Member States to ensure that progress is consolidated to make more gains.

106. *On land policy,* through the AU Declaration on Land adopted in 2009, the Commission has developed “Guiding Principles on Large Scale Land Based Investments in Africa”, which were subsequently endorsed by the AU Joint Ministerial Conference of Agriculture, Rural Development, Fisheries and Aquaculture, that was held in May 2014 in Addis Ababa, Ethiopia. A proposal on the establishment of an appropriate institutional framework, mechanism for tracking progress and reporting, and African fund for land policy has been developed and is currently being reviewed by the AUC, ECA and AfDB.

107. The Commission, under the auspices of the Joint Land Policy Initiative worked closely with RECs (COMESA, EAC, ECCAS, ECOWAS, IGAD and SADC), the Pan-African-Parliament and NPCA to prepare joint land policy programmes together aimed at developing regional and continental platforms to enable them to fulfil their respective mandates in accordance with the AU Declaration on Land. Supported by the Land Policy Initiative (LPI), a Civil Society Platform was established and an Action Plan on Land

developed with the Pan African Farmers Organisations (PAFO) to ensure civil society and farmers' contribution and support to the implementation of the AU Declaration on Land. The Commission organised the inaugural Conference on Land Policy in Africa in November 2014, at the AU Headquarters in Addis Ababa, under the theme 'the next decade of land policy in Africa: ensuring agricultural development and inclusive growth'.

Output 2.4 **Strengthening of Infrastructure for Market Access and Trade in Agricultural Products Promoted**

108. Progress has been made in the implementation of specific programmes of the African Union related to productivity enhancement and facilitation of trade in agricultural goods and services. The Commission continues to collaborate with technical and development partners to ensure that the decisions adopted by AU policy organs are implemented in the areas of agricultural inputs, seeds and fertilizers, as well as plant and animal health initiatives.

109. *On seed sector development,* through the African Seed and Biotechnology Programme (ASBP), the Commission continues to collaborate with the Forum for African Seed Testing (FAST) to strengthen the capacity of Member States in seed testing, and with Africa Seeds (formerly the Africa Seed Network) to enhance governance of the sector. On fertilisers, the Commission continues to lead efforts together with the African Development Bank in mobilizing resources needed for the operationalization of the African Fertilizer Financing Mechanism (AFFM), which was established to operationalize the Abuja Declaration on Fertilisers. Through this effort, in addition to the Federal Republic of Nigeria that had earlier contributed funds, the Government of Chad has pledged to contribute USD1 million to the Fund thereby reducing the funding gap to USD3 million.

110. *On food safety,* through the Partnership for Aflatoxin Control in Africa (PACA), a flagship programme of CAADP, the Commission is supporting Member States to address the health, food security and nutrition, and developmental challenges due to aflatoxin contamination of agricultural produce. Through PACA, the Commission has been able to support RECs (e.g., ECOWAS, COMESA) to identify regional priorities and develop a regional action plan to address the aflatoxin challenge. This is complemented by the launching of grass-roots activities for aflatoxin control in pilot countries. The Africa Aflatoxin Information Management System (AfricaAIMS) has been established to promote experience sharing and availability of harmonized, home grown information.

111. *On animal resources development,* interventions focused mainly on: (a) animal health, disease prevention and control systems, (b) animal resources production systems and ecosystem management, (c) access to inputs, services and markets for animal and animal products; and (d) animal resources information and knowledge management.

112. Through interventions in animal health, disease prevention and control systems, the Commission coordinated and facilitated the formulation and implementation of the Regional Strategy for the Control of African Swine Fever, and the Strategic Framework

for the Progressive Control of Neglected Animal Diseases. In addition, the Commission has been able to continue to provide much needed support to Member States through Quality Control certification of veterinary vaccines received from their vaccine producing laboratories. These are supported by provision of training of technicians from Member States.

113. The intervention in animal resources production systems and ecosystem management enabled the Commission to assess and map animal genetic resources and livestock related policies and regulations, which will contribute to the establishment of regional and continent wide strategic framework and cooperation arrangements to ensure a judicious utilization, management and conservation of Africa's animal resources and their ecosystems. Similarly, the Policy Framework and Reform Strategy for Fisheries and Aquaculture in Africa, was developed and subsequently endorsed by the Joint AU Conference of Ministers of Agriculture, Rural Development, Fisheries and Aquaculture, held in May 2014 in Addis Ababa, Ethiopia.

114. The Commission's efforts in coordinating Tsetse and Trypanosomiasis (T&T) eradication have continued to focus on policy guidance, strategic direction and direct technical support to T&T affected Member States and to mobilise resources for the implementation of T&T interventions. Monitoring and Evaluation activities constituted the basis for tracking implementation progress of the Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC) initiative. In collaboration with key partners, interventions have been provided in some countries to address this scourge and capacity building activities through training have been undertaken to strengthen countries' capabilities to reduce the burden of the T&T challenge in Gabon, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Nigeria, South Sudan, Sudan, Tanzania, Uganda and Zimbabwe.

115. Through the AU initiative on access to inputs, services and markets for animal and animal products, the Commission has been developing a draft framework for monitoring investments performance in the livestock sector. In addition, with a view to facilitating trade in livestock and livestock products, the Commission supported the coordination and harmonization of management of trans-boundary animal diseases through strengthening the capacity of Member States (for example, through developing regional guidelines and procedures on livestock identification and traceability and animal health certification).

116. The Commission has been coordinating the formulation of the Livestock Development Strategy that will fast-track the reforms in the sector and the realization of its full potential, through in-depth analysis, intensive and inclusive stakeholders' consultations and validation process. The draft Strategy has been submitted for consideration by the Executive Council during the January 2015 Summit.

OUTCOME 3: INCLUSIVE ECONOMIC DEVELOPMENT AND INDUSTRIALISATION DRIVEN BY ECONOMIC INTEGRATION

Output 3.1 Enabling policy frameworks for inclusive development formulated, promoted and implementation capacity of MS enhanced.

Output 3.2 The Programme for Infrastructure Development in Africa facilitated.

Output 3.3 Access to modern energy services for the majority of African population enhanced.

Output 3.4 Policies and standards to promote continental integration facilitated.

Output 3.5 Trade and customs facilitation policies developed and promoted and CFTA negotiations facilitated.

Output 3.6 Policies for private sector engagement and improved business climate developed and promoted.

Output 3.7 Women, youth and persons with disabilities entrepreneurship promoted and supported.

Output 3.8 Policies for sustainable utilisation of mineral and other resources developed and promoted.

Output 3.1 Enabling Policy Frameworks for Inclusive Development Formulated, Promoted and Implementation Capacity of Member States Enhanced

117. Post 2015 Development Agenda: The Common African Position (CAP) on the Post 2015 Development Agenda was adopted by the January 2014 Summit, which requested the High Level Committee (HLC) to elevate Peace and Security as a stand-alone pillar and ensure that Africa's priorities are integrated into the work of the UN Open Working Group (OWG) and Experts Group on Financing Sustainable Development Goals (SDGs). The Commission has been engaged in popularizing the CAP among Member States and harmonizing their positions in preparations for the negotiations that will take place in 2015.

Output 3.2 The Programme for Infrastructure Development in Africa (PIDA) facilitated

118. In 2014, important achievements have been made in the areas of capacity building, PIDA, transport, tourism and ICT.

119. Regarding human capacity enhancement, the Commission has taken steps to capacitate AUC, NPCA and the RECs for planning, facilitating and coordinating regional infrastructure programs and projects in particular the PIDA Priority Action Plan (PIDA PAP), which was supported by a three-year capacity building programme amounting to USD 16 Million from the African Development Bank and the German Government through GIZ. In addition, the Commission and NPCA established a PIDA Service Delivery Mechanism aiming at filling the capacity gap in the very early project preparation stages.

120. The Commission engaged the RECs with a view to restructuring PIDA PAP projects, identifying institutional instruments and promoting PIDA PAP in collaboration with AfDB and NPCA. At the Dakar Financing Conference in June 2014, 16 top priority projects were presented for adoption in the agenda for action and financing. The Institutional Architecture for Infrastructure Development in Africa (IAIDA) is being implemented. The PIDA Monitoring, Evaluation and Reporting (PIDA M&E) System covering the mapping and defining the role of all stakeholders has been adopted.

Transport and Tourism Development

121. The Commission has developed a three-year project on strengthening and consolidating management of the transport sector on the continent. The project aims at strengthening Africa-wide capacity to regulate, organise, promote and finance improved inter-regional and continental transport infrastructure and services through interconnectivity across regions by promoting safe trans-boundary transport corridors and harmonized transport policies.

122. High level consultations with the Government of People's Republic of China are on-going on cooperation in the development of trans-African highways, railways and aviation systems. The Commission continues to accord high priority to the development of transport networks in its short, medium and long-term strategic vision.

Railway Transport:

123. The Third Session of the Conference of African Ministers of Transport held in April 2014 in Malabo, Equatorial Guinea adopted Vision 2040 for Railway Development in Africa. The Vision underscores the importance of railways as the backbone of any credible transport network and outlines strategies for revamping the railway transport in Africa.

124. Furthermore, the Commission has launched the High Speed Train Initiative (HSTI) with the objective of putting in place and executing plans for construction of identified high-speed railway routes across Africa. To that end, it has initiated consultations on all the key issues for sustainability of the initiative, including the appropriate legal and institutional framework, mobilization of financial resources and investments, development of technology and manufacturing capacities, research and development as well as training and education.

Air Transport:

125. Since the endorsement of the Yamoussoukro Decision on the Liberalisation of Air Transport Markets in Africa by the Heads of State and Government in July 2000 in Lomé, Togo, it has not been implemented and African countries are still granting each other traffic rights on bilateral basis. To fast-track the implementation of the Decision and move towards the establishment of a Single African Air Transport Market by 2017, the Commission has undertaken consultations with key stakeholders including African airlines, aeronautical authorities and others with a view to securing substantial support for the initiative.

126. A study commissioned by IATA has indicated significant economic benefits to be gained from air services liberalisation in Africa. In that case, it has been determined that liberalisation between only 12 countries (Algeria, Egypt, Tunisia, Ethiopia, Kenya, Uganda, Angola, Namibia, South Africa, Ghana, Nigeria and Senegal) could generate 155,100 jobs in aviation, tourism, and the wider economy and contribute US\$ 1.3 billion

to annual GDP – about 0.07% of the GDP of the 12 countries. It is in the long-term interest of African countries to liberalise and unify their air transport markets. Currently, twenty four (24) African countries have “open skies” agreements with foreign countries, while there are no such agreements among African countries. The downside of not liberalizing African air markets is continued marginalization of African airlines in both the global and African markets.

127. In moving forward, the sector Ministers in December 2014 adopted the following texts: Competition Regulations, Dispute Settlement Mechanism, Consumer Protection Regulations, and Regulatory and Enforcement Powers of the Executing Agency, which will be submitted to the January 2015 Summit to facilitate the implementation of the Yamoussoukro Decision.

Maritime Transport:

128. The Commission initiated a project to strengthen the capacity of national and regional maritime administrations and ports in the areas of maritime safety, security, protection of the marine environment and enhancing port efficiency, in collaboration with the RECs, Specialised Institutions and Member States. These are priority areas of the Revised African Maritime Transport Charter. The project, supported by the EU, has started in the West and Central African regions and would later be extended to the rest of the continent.

Tourism:

129. The Commission put in place a strategy for tourism sector development in Africa within the framework of Agenda 2063. Following the meeting of a Working Group of African Ministers responsible for Tourism held in Seychelles in March 2014, the Executive Council in June 2014, endorsed the recommendation that the main goal of tourism under Agenda 2063 would be: **Africa to be the globally preferred Destination for Tourism.** To reach that goal, some specific strategic actions were defined including: (i) harmonization of tourism policies and regulations; (ii) institutional capacity building; (iii) strengthening tourism marketing including promotion cross-border tour packages; (iv) research and development; and (v) investment in tourism infrastructure and products.

Information and Communications Technology (ICT)

130. Based on the implementation of the goals of the 2014-2017 Strategic Plan and Policy Organs decisions, the Commission achieved the following: (i) Development of the action plan for the sustainability of the Pan-African e-Network for Tele-medicine and Tele-education as requested by the January 2014 Summit; (ii) Signature of agreement with Internet Corporation for Assigned Names and Numbers (ICANN) for the accreditation of DotAfrica, and the launching of the project within the framework of the 50th OAU/AU Jubilee; (iii) Successful coordination of the adoption of the AU Convention on Cyber Security by the June 2014 AU Summit; (iv) Progress in setting up national and regional internet exchange points within the framework of the African Internet Exchange

Point System (AXIS); and (v) Validation of the completed report on guidelines on addresses and postcodes.

Output 3.3 Access to Modern Energy Services for the Majority of African Population Enhanced.

131. The Commission pursued a number of strategies and actions, including: accelerating development of renewable energy and other sources; facilitating regional and continental clean power generation and transmission projects; and developing guidelines on renewable energy (Geothermal, Hydro, solar, bio-energy and wind) to contribute to socio-economic development of the continent.

132. Eastern Africa Regional Geothermal Programme: The overall objective of the Geothermal Risk Mitigation Facility (GRMF) is to encourage public and private sector developers by providing partial grants for surface studies (80% of the total cost) leading to drilling and for reservoir confirmation drilling (40% of drilling cost), thus mitigating the risk associated with geothermal resource exploration, and reducing risks and costs of early stage geothermal development. To this end, the Commission is coordinating and managing the GRMF programme for Eastern Africa that was set up in 2012, with financial support from partners.

133. As a result, five geothermal projects were awarded grants in 2014 for a total amount of USD 22 million. Once those projects are implemented they will add 640 MW by 2020. Four new projects will be awarded grants in February 2015 for an estimated amount of USD 10 million. The third application round was launched on October 30, 2014 in Arusha, Tanzania and more applications submitted from public and private developers are currently under evaluation.

134. Other achievements in the energy sector include: (i) training of 25 African experts in small hydropower plants; (ii) development of SE4ALL Action Agenda template and identification of 14 African priority countries for implementation; (iii) validation of gender mainstreaming study report on Bio-energy Policy; (iv) release and publication online of the 2014 African Energy Statistics Report; and (v) validation of Technical Guidelines for the Design and Operation of Stand-alone PV Power Plants and Grid-Connected Small Wind Farms for Electricity Generation in Africa.

Output 3.4 Policies and Standards to Promote Continental Integration FACILITATED.

135. *African Institute for Remittances (AIR)*: The Commission is facilitating the implementation of the decision of the Executive Council Decision, EX.CL/Dec. 808(XXIV) of January 2014, and negotiating with the Republic of Kenya on the modalities for hosting the African Institute for Remittances (AIR). “Transition structure” has been agreed for a period of 12-18 months so as to ensure early take-off of the Institute in Nairobi, Kenya.

Pan African Financial Institutions

African Investment Bank

136. With regards to the **African Investment Bank (AIB)**, the Protocol establishing the Bank was adopted by the Assembly of Heads of State and Government in February 2009. As at end of December 2014, twenty (20) 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, Madagascar, Senegal, Sierra Leone, Sao Tome and Principe, Togo and Zambia. The main challenge towards the establishment of the AIB is the slow progress in the ratification of its protocol. Only two countries, Libya and Congo, have ratified the Protocol while fifteen ratifications are required for it to enter into force.

137. Member States who have already signed the Protocol are therefore urged to ratify it. Those who have not yet done so are also urged to sign and ratify it in order to accelerate the setting up of this financial Institution.

African Monetary Fund

138. Concerning the **African Monetary Fund (AMF)**, its Protocol and Statute had been reviewed by African Ministers of Finance, Planning and Economic Development and then by Ministers of Justice and adopted by the Summit during its session held in June 2014 in Malabo, Equatorial Guinea. The Commission calls upon Member States to fast-track the signature and the ratification of these Protocol and Statute of the AMF.

The African Central Bank

139. Some progress has been made on efforts to establish the **African Central Bank (ACB)**. The Commission worked closely with the Association of the African Central Banks (AACB) to draft a Joint Strategy for the establishment of the ACB. It is yet to be adopted by the Assembly of Governors before its submission to the African Ministers of Finance, Planning and Economic Development for consideration.

Output 3.5 CFTA Negotiations Facilitated and Trade and Customs Facilitation Policies Developed and Promoted

140. During the review period, the Commission in collaboration with UNECA organized consultative meetings in five of the RECs (SADC, COMESA, AMU, ECCAS, and CENSAD) on the implementation of Boosting Intra-African Trade (BIAT) and establishing the Continental Free Trade Area (CFTA) as agreed in January 2012 AU Summit. The meetings on the BIAT/CFTA initiative involved the participation of key trade stakeholders, especially the private sector.

141. The roadmap for the establishment of the CFTA provides for the commencement of the negotiations in 2015. The Continental Task Force on CFTA, an organ of the CFTA architecture whose membership comprises of the representatives of the RECs, the

AUC, UNECA, and AfDB, did a significant amount of work in 2014 in preparation for the CFTA negotiations. During the year, the Commission organized two Sessions of the Task Force in April and October that made recommendations on critical issues pertaining to the CFTA negotiations, among others, the objectives and guiding principles, the institutional arrangements, the Draft Terms of reference for the CFTA Negotiating Forum (CFTA-NF), and Resource Mobilization.

142. The negotiations and establishment of the CFTA are expected to build on the gains of the FTAs in the RECs and best practices such as the COMESA-EAC-SADC Tripartite. In this regard, the Commission continued in 2014 to monitor the developments in the Tripartite FTA negotiations and the FTA processes of the other RECs with a view to drawing appropriate lessons for the CFTA.

143. With regard to the BIAT Action Plan, and following extensive consultations with stakeholders in the RECs, the revised version of the BIAT Implementation Strategy was presented to the Extraordinary Session of CAMOT held in Addis Ababa in April 2014. The Ministers directed Member States and RECs to establish Focal Points and Technical Working Groups for the development of national and regional BIAT Action Plans., Some Member States and RECs have commenced the process of the development of their concrete and implementable BIAT Action Plans with the technical and financial support of UNECA and UNDP.

Customs Cooperation and Trade Facilitation

144. Studies have shown that if the efforts to boost intra-African trade are underpinned by trade facilitation measures, the current level of intra-African trade, which stands at 10-12 per cent could double within a decade. Trade facilitation is also critical for improving the performance of African countries in global trade and taking full advantage of trade preferences granted to some of the countries. The Commission undertook a number of activities that are aimed at improving the efficiency of customs administrations in Africa, enhancing trade facilitation and reducing the costs of doing business.

145. *Trade in Services:* Four studies were undertaken in 2014 under the auspices of the Commission in the areas of air transport, education, business processing and banking services with a view to assisting Member States in developing their trade in services and in fully participating in the World Trade Organization (WTO) trade in services negotiations. The Commission also held validation workshops this year in Burkina Faso and Uganda on cultural industries and education services respectively, the outcome of which will serve as inputs in preparing informed papers to advise Member States on services.

146. *Multilateral Trade Negotiations and Africa's Trade with the rest of the World:* At around 3 per cent, the current share of Africa in global trade is not in line with the vision for the continent to take its rightful place in the global economy and in the multilateral trading system. As the Commission continued to prioritize the boosting of intra-African trade, it also focused on the implementation of activities aimed at improving

the performance of African countries in global trade through various partnerships and trade agreements.

147. *Economic Partnership Agreements (EPA)*: From the inception of the EPA process, the position of the Commission had remained that the negotiations between the EU, Member States and the RECs should not undermine Africa's integration. This position has been reinforced in paragraph 42 of the 4th EU-Africa Summit Declaration, which provides for a possible review of any EPA agreement that threatens Africa's integration. Although some divergences in the European Union (EU) and Africa's positions on EPAs still remain, some progress has been made in some of the texts towards resolving a few contentious issues such as the non-execution clause, the Most Favoured Nation (MFN) clause, capacity building support, and export taxes. To date, all EPA negotiating regions have signed, ratified or initiated the EPAs and are hence exempt from the 1st October 2014 deadline threat of exclusion from duty free quota free market access to the EU.

148. *Negotiations at the World Trade Organization*: During the period under review, the Commission provided administrative and technical support to African negotiators in the WTO. Such support facilitated the development of Africa's response to the outcomes of the Bali WTO Ministerial Conference and the decisions of the Policy Organs of the AU (including the HATC and Assembly) on the response. Following the decision of the Assembly of Heads of State and Government on the Bali outcomes, the Commission has engaged the leadership of the WTO Secretariat and some development partners on Africa's need for predictable and significant support and assistance to build the capacity necessary for effective implementation of the WTO Agreement on Trade Facilitation.

149. *African Growth and Opportunity Act (AGOA) and US-Africa Summit*: AGOA is due to expire in 2015. Several activities of the Commission in 2014 were geared towards ensuring the reauthorization of the Act for the post 2015 period and making future US-Africa trade and investment relations a more effective and inclusive instrument for the alleviation of poverty and attainment of sustainable development in Africa. Also in the year under review, some beneficiary countries, with the technical support of UNECA and AUC, embarked upon the process of the development of their national AGOA response strategies, as encouraged by Council decision EX.CL/Dec.830 (XXV) of the Malabo Summit of 2014.

150. A team of Ministers of Trade led by Lesotho has been delegated to meet with US Congress and the US Administration to lobby for a seamless reauthorization of AGOA for at least fifteen years with a coterminous Third Country Fabric Provision, for more flexible rules of origin and less cumbersome eligibility criteria in order to facilitate the participation of all African countries in AGOA. It will also call upon the US to carefully consider the potential preference erosion effect resulting from its current Free Trade Area (FTA) negotiations with the RECs, which could nullify AGOA objectives, and to advocate for the non-inclusion of non-trade issues in the reauthorized AGOA.

Output 3.6 Policies for Private Sector Engagement and Improved Business Climate Developed and Promoted

Promotion of Private Sector Development

151. The African Continent remains concerned about the low level of incoming Foreign Direct Investment (FDI) flows compared to other regions of the world as well as the intra-Africa cross-border investment. This situation continues to persist despite measures taken by Member States to improve the investment environment, including investment guarantees. In response, the Commission has developed a draft Pan-African investment code-based on best practices, and could be adopted by various Member States to suit their respective local situations. The draft code will be submitted to the special Ministerial Technical Committee on Economy, Finance and integration matters as well as the STC on Justice and legal affairs for consideration and adoption before its submission to the AU Heads of State and Government for its final adoption.

Monitoring and Evaluation of Socio-Economic Progress

Statistics Development Programme

152. The Commission is working towards the establishment of two major projects namely the Pan-African Institute of Statistics and the Pan-African Statistical Training Centre as per the Decisions (Assembly/AU/Dec.462 (XX)) and (Assembly/AU/Dec.424 (XIX)) in Tunisia and Cote d'Ivoire, respectively. As part of the implementation of these decisions, the Commission has prepared a draft 2014-2018 strategic plan of the Institute of Statistics of the African Union. The Commission is currently working on the institutional arrangements and structural organization of the Institute and Centre. The Commission is also developing a roadmap for the setting up of the Institute and Centre and including key priority activities, strategy for advocacy and promotion at political level for support to fast-track the establishment of the Institute and Centre.

Output 3.7 Women, Youth and Persons with Disabilities Entrepreneurship Promoted and Supported

153. The AU Commission has initiated specific projects to create and implement an environment for women's economic and political empowerment in Africa. The 9th Congress for Women Entrepreneurs in Africa conducted a training on supporting women to improve their entrepreneurial skills and launched the African Women and Youth Finance Digital Directory.

154. *Youth Employment:* Following the commitment of the Heads of State and Government to reduce youth and women unemployment (Malabo, July 2011), the Commission, AfDB, ECA and ILO embarked on a Joint Initiative on youth employment, and subsequently signed a Declaration of Intent. The implementation of the Joint Initiative has commenced, with pilots in Burkina Faso and Senegal.

Output 3.8 Policies for Sustainable Utilisation of Mineral and Other Resources Developed and Promoted

155. Economic transformation through resources-based industrialization and efficient management of Africa's natural resources is critical for attainment of sustainable development and Agenda 2063. The Commission implemented a number of programmes in 2014 to fast-track the process of Africa's industrialization and ensure that mineral resources and commodities serve as key instruments of sustainable development.

156. Mineral Resources Development: In furtherance of AU agenda for the development of Africa's Mineral Resources, Ministers responsible for Mineral Resources Development met in an extraordinary session in Zambia/Zimbabwe in November 2014 to discuss the institutionalization and sustainability of the African Mineral Resources Development Centre (AMDC). The key role of the Centre is to assist Member States operationalise the African Mining Vision (AMV) and to ensure that Member States obtain optimal revenues from mineral resources with mutual transparency and accountability by both mining companies and Governments. The Ministers recommended the establishment of the AMDC as a specialized agency of the AU with a degree of flexibility and autonomy but without the Member States of the AU losing ownership and they also adopted its Statute. The Ministers further recommended, among others, the need to conduct a study to analyse different modes of financing the AMDC.

157. Accelerated Industrial Development of Africa (AIDA): The Commission continues to implement Assembly decision on the industrial development of Africa. In this regard, it organized a Bureau meeting of the Conference of AU Ministers of Industry (CAMI) in September 2014 in Nairobi, Kenya, which deliberated upon and took decisions on a number of issues pertaining to the acceleration of industrial development in Africa. The Bureau meeting considered the Report of the Stakeholders Strategy Retreat on AIDA held in February 2014 and recommended that the retreat should be institutionalized, held twice a year and be used as a mechanism for reporting progress on the agreed agenda with partners.

158. On the issue of resource mobilization for AIDA, the Bureau recommended the identification of regional champions at the level of Heads of State and Government for the mobilization of resources from different sources, the establishment or strengthening of specialized financial institutions for industry, and to conduct an evaluation by the Commission of all the resource mobilization initiatives for industrial development. The Bureau further recommended, inter alia, that the Commission should take the lead in coordinating partners in the implementation of the Agro-industry and agribusiness in Africa initiative (3ADI), the establishment of national focal points to drive the process of implementation of the Pharmaceuticals Manufacturing Plan for Africa (PMPA) in collaboration with UNIDO, and the alignment of all national and regional strategies and plans with Agenda 2063.

159. African Commodities Strategy: The Commission has established an Inter-Departmental Technical Committee to undertake the development of the Commodities Strategy. The Committee organized a Consultative Meeting in Nairobi, Kenya on 26 September 2014 that was attended by the RECs and key stakeholders including NEPAD, African Minerals Development Centre (AMDC), African Business Roundtable (ABR), African Organisation for Standardisation (ARSO), UNDP and UN-Women. The Committee is expected to produce a comprehensive and holistic commodities strategy that will address and make proposals on strategic issues such as pricing, marketing and beneficiation of African commodities, value addition, vertical and horizontal integration and local content development, institutional mechanisms for commodities development including Monitoring and Evaluation, and national, regional and continental policies on commodities. The Commission will submit a progress report on the Draft Commodities Strategy for the consideration and decision of AU Policy Organs in 2015.

OUTCOME 4: ENHANCE HEALTH, EDUCATION AND EMPLOYMENT, UNDERPINNED BY SCIENCE AND TECHNOLOGY, RESEARCH

Output 4.1 Implementation of the African Health Strategy promoted

Output 4.2 Strategies for quality education, skills development and services, particularly for women and youth designed and promoted.

Output 4.3 Policies and strategic programs for investment in science, research and innovation designed and promoted to enhance Africa's global competitiveness.

Output 4.4 Framework for Social security and protection for vulnerable groups promoted.

Output 4.1 Implementation of the African Health Strategy promoted

160. *Population:* During the reporting period, the Commission focused on how to implement the recommendations of the Regional Meeting of the International Conference on Population and Development (ICPD) of 2013. The Commission developed an African Common Position that was presented at the Global ICPD Conference in April 2014 in New York. The Commission is finalizing the drafting of the 2014 State of Africa's Population Report.

161. *Nutrition:* In 2014, the Commission raised the profile of nutrition by facilitating the appointment of an AU Nutrition Champion to undertake high level advocacy on nutrition. His Majesty King Letsie III of the Kingdom of Lesotho was subsequently nominated as the AU Nutrition Champion by the African Task Force on Food and Nutrition Development (ATFFND) as per Executive Council Decision [(EX.CL/Dec.795 (XXIV)], which was also endorsed by the AU Assembly. The AU Nutrition Champion held his first advocacy event at the June 2014 AU Summit in Malabo where he convened stakeholders and called for more investment in nutrition. The Champion also played a key role in the adoption of the Malabo Declaration on Nutrition.

162. The Campaign on Accelerated Reduction of Maternal, Newborn and Child Mortality in Africa (CARMMA), which represents a continental response by the African Union to the Millennium Development Goals 4, 5 and 6, continues to call on countries to increase their commitment to ensure the prevention of maternal, newborn and child mortality. In 2014, two additional countries (Somalia and Madagascar) launched the CARMMA, bringing the total number of countries that have launched the Campaign to Forty-Four (44). The next phase of the campaign will include: the institution of Maternal Death Surveillance and Reviews (MDSR) in all AU Member States; focusing on ending preventable maternal, newborn and child deaths by 2030 and; ending child marriage and other harmful traditional practices targeted at the girl child.

AU Response to Ebola Outbreak

163. The outbreak of the Ebola Virus Disease (EVD) in West Africa has been unprecedented and the situation has gone from bad to worse. It started in Guinea in December 2013 and spread to Sierra Leone and Liberia. The overall EVD situation in the three countries remains a public health concern especially in the rural areas where access by public health personnel is difficult, and along the porous country borders to

neighbouring countries. It has recently spread to Mali from neighbouring Guinea. Mapping of Ebola Virus hotspots in the three countries has been completed. However, new cases still continue to surface in new parts of these countries.

164. Cognizant of the EVD emergency, the Peace and Security Council of the African Union met in Addis Ababa, Ethiopia in August 2014 and invoked Article 6 (f) relating to its mandate with regard to humanitarian action and disaster management.. Subsequently, the Commission established a medical mission: the AU Support to Ebola Outbreak in West Africa (ASEOWA). The following Member States have contributed and/or pledged medical personnel to ASEOWA: Nigeria, Ethiopia, Democratic Republic of Congo (DRC), Kenya, Uganda, Tanzania, Burundi, Rwanda, Namibia, and Saharawi Republic. As at 31 December 2014, ASEOWA has deployed to Liberia, Sierra Leone and Guinea, a total of 666 Volunteers including 115 from ECOWAS deployed under ASEOWA.

165. AUC has also taken a number of other measures to curb the situation. These measures, among others, include:

166. Urging Member States to lift travel bans and restrictions: in line with the decision of the Extraordinary Executive Council meeting in September 2014, the Commission engaged Member States to urgently lift all travel bans and restrictions. The Commission has also engaged CEOs of major African airlines and relevant government stakeholders to resume flights to Ebola affected countries. Some countries have lifted travel restrictions and flights have resumed.

167. Reconsideration of the ToR of AU Special Emergency Assistance Fund for Drought and Famine in Africa: As a result of the Ebola outbreak, the Commission has developed a strategy for the replenishment of the exhausted AU Special Emergency Assistance Fund for Drought and Famine in Africa (SEAF), and has commenced the review of the current terms of reference of the SEAF in Africa to provide a holistic approach to emergencies in Africa. The SEAF strategy and ToRs will be submitted to the PRC Sub-Committee in due course.

168. Visit by the Chairperson of the AUC to the Ebola affected countries: the Chairperson of the Commission visited Accra, Abidjan, Monrovia, Freetown and Conakry together with the Executive Secretary of the UN Economic Commission for Africa and the President of the African Development Bank to express solidarity and to assess the impact of the outbreak on the ground.

169. Resource mobilisation: The Commission is mobilizing financial resources for the daily sustenance and medical insurance. Funds have been mobilised from various stakeholders including, AU Member States, AU Staff Association, African Private Sector and Development Partners. The Commission organized a Business Roundtable in November 2014 in Addis Ababa, bringing together captains of industries from the private sector in Africa to raise funds for the fight against the EVD. In addition, the Commission also mobilized Telecom Operators to launch an SMS short code campaign to raise funds from citizens to support AU's efforts.

170. The Commission is putting in place a medium for long term programme including the establishment of an African Centre for Disease Control and Prevention (African CDC) in 2015 to build capacity to deal with public health emergencies and threats in the future. The Commission is also considering the transformation of ASEOWA into a core of African Health Volunteer Corps that could be quickly mobilized in future to respond to health emergencies on the continent.

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

171. The AU Summit in Malabo, Equatorial Guinea in June 2014 reaffirmed its previous commitments to ending AIDS, TB and Malaria and took note of the key recommendations of Member States Experts who met in Nouakchott, Mauritania. AIDS Watch Africa continues to take a lead in political advocacy for the full implementation of the African Union Roadmap for Shared Responsibility and Global Solidarity for AIDS, TB and Malaria with a specific thrust on domestic financing for health. The Commission convened various advocacy meetings on domestic financing for health including with Heads of State and Government, Ministers of Health and Finance, Regional Economic Communities and parliamentarians.

Output 4.2 Strategies for Quality Education, Skills Development and Services, Particularly for Women and Youth Designed and Promoted.

172. The AU education programme continues to be informed by the Plan of Action for the Second Decade of Education for Africa (2006-2015). Following recommendation by the Conference of Ministers of Education of the African Union (COMEDAF VI) held in Yaoundé in April 2014, the decision of the Malabo Summit calls on Member States to participate in the end-term evaluation of the second decade of education for Africa, and the development of the next ten-year strategy for education, which will be informed by the evaluation report, and guided by Africa Agenda 2063.

Pan African University

173. It will be recalled that the Pan African University (PAU) has five institutes as part of its architecture. Since its establishment in 2011, PAU has graduated its pioneer Masters Students at the PAU Institute for Basic Sciences, Technology and Innovation (PAUSTI) in Kenya in 2014. The Commission has also launched this year the fourth (4th) PAU Institute specializing in Water and Energy Sciences including Climate Change (PAUWES) in Algeria; and a decision was made that the Republic of South Africa will host the PAU Institute for Space Sciences. Three of the five Institutes have admitted their second batch of Masters Students, while PAUWES has admitted its first class of students. PhD programmes have been initiated in all four Institutes.

174. An Interim Rectorate has been established at the AUC Headquarters in Addis Ababa with staff to oversee the smooth running of the PAU, pending the establishment of the permanent PAU Rectorate. Evaluation Missions have been conducted in the Member States that applied to host the PAU Rectorate. The selection process will be

completed in the first quarter of 2015. The recruitment of the staff of the permanent Rectorate is underway, as the Commission strives to attract high calibre academics with excellent track record. As requested by the Malabo Summit Decision, an extraordinary meeting of the Bureau of the Conference of Ministers of the African Union (COMEDAF VI) has proposed five names of eminent personalities from the five African regions to be considered for election as President and Vice President of the PAU Council. The PAU Steering Committee, which has been operating as the governing body of the PAU, will hand over to the Council in the first quarter of 2015.

175. *The Nyerere programme*, which is managed by the Commission, continues to contribute to the production and retention of high level African graduates. Forty one (41) students in the basic Mwalimu Nyerere African Union Scholarship Scheme have already graduated successfully. To ensure inclusiveness, a special Call for women only was made in 2013 and 2014; and there will be a special Call for students with physical disability in 2015. Under the expanded Nyerere Programme that is sponsored and jointly managed with the European Commission, fifteen (15) university networks involving seventy two (72) Universities have received grants totalling about 35 million Euro, and are in the process of implementing intra-African academic mobility. The programme involves support to 272 Masters and PhD students and Academic Staff coming from twenty eight (28) Member States.

176. In implementing the AU Harmonisation Strategy for Higher Education, the pilot project for harmonising curriculum development will be scaled up from Sixty (60) Universities to One hundred and twenty (120). Pan African University is expected to participate at Masters level. Meanwhile the piloting of the African Quality Rating Mechanism has progressed with international experts assigned to validate the self-rating exercises in selected African Universities through site visits to the respective universities. An expert study report on the development of the Pan-African Quality Assurance and Accreditation Framework has been finalized. It will be validated in a workshop involving national and regional Accreditation Agencies as well as Ministries of Higher Education, with a view to the establishment of a Continental Accreditation Agency for Higher Education in Africa as called for by Summit.

177. *Teacher Development:* The meeting of the Steering Committee of African Conference on Teacher Development (PACTED III) was held during the time of COMEDAF VI. The Ministers reiterated the need to improve the status and working conditions of teachers as a prerequisite for quality education for achieving post 2015 development goals and the Africa Agenda of 2063. The Ministers also recommended the establishment of regional teacher development centres in Science, Mathematics and Technology, based on the Centre for Mathematics, Science and Technology Education in Africa (CEMASTEA) model.

178. *The Education Observatory* is a critical institution that is in charge of managing continental education statistics and education management information systems, however, it continues to face serious financial difficulties that impede its functions. The Commission has successfully recruited the Coordinators for the Education Observatory in Kinshasa and the International Centre for Girls and Women's Education in Africa

(CIEFFA) in Ouagadougou. Efforts are underway to get agreement from the 11 Member States (Angola, Benin, Burkina Faso, Central African Republic, Congo, Gabon, Gambia, Guinea, DRC, Senegal and Sudan) of the original Executive Committee of the African Institute for Education for Development (IPED) to facilitate clearing of the outstanding debt of nearly USD 2.7 million. Clearing this debt is urgent for IPED to carry out its important task of the African Education Observatory and Member States are called upon to contribute to this effect.

Youth Policy Frameworks

179. *The African Youth Charter.* To date, 34 Member States have ratified the African Youth Charter and deposited the relevant instruments at the Commission. The Commission has elaborated indicators of the Youth Charter, which have been developed and endorsed by the Statistics Directors General. The indicators will be instrumental in monitoring and reporting on implementation of the Youth Charter.

180. *The Youth Decade Plan of Action (DPoA)* - The DPoA seeks to clarify and standardize youth empowerment and development on the continent so as to be able to track the progress of the Members States based on the implementation of the Charter. Having reached the middle of the decade, the Commission embarked on a mid-term review (MTR) to track the progress on the implementation of the DPoA and recommend a set of priorities for the remaining 5 years of the DPoA in line with the post 2015 Development Agenda and Agenda 2063. The revised document was validated by the STC on Youth, Sports and Culture in October 2014.

181. *AUC Strategic Plan 2014- 2017* - “Draft Guidelines for Mainstreaming Youth in the African Union and Continent-Wide Activities” has been developed.

182. *Skills Development and Technical, Vocational and Education Training (TVET)*: The reviewed TVET strategy was endorsed by the Malabo Summit (2014). The Commission is working on elaborating a work plan for its implementation.

183. *African Union Youth Volunteer Corps (AU-YVC)* is African Union’s initiative for youth capacity building, empowerment and participation through volunteer action. Since its launch in December 2010, AU-YVC has recruited and trained 200 young professionals and deployed over 120 to Member States across the continent. The Commission is expected to boost its capacity to deploy more volunteers as well as provide technical assistance to Member States and RECs in setting up their volunteer initiatives. In order to strengthen youth volunteer initiatives at national, regional (RECs) and continental levels and deliver on its mandate, AUC is has signed an MoU with United Nations Volunteers to strengthen AU-YVC’s institutional capacity to be implemented in 2015.

184. *Intergenerational Dialogues:* The Commission has initiated an intergeneration dialogue programme between the youth and African Heads of State and to promote dialogue and Pan-Africanism across generations. The January 2014 Summit focused on youth unemployment and ways to engage African governments, the private sector,

development partners and civil society to address these issues. The Forum called upon African governments as well as the private sector, civil society and development partners to engage and work with the youth in areas related to job creation, skills development through quality technical education and vocational training (TVET) and small and medium enterprises (SME's), and access to land. The Forum also called on the African youth to take leadership upon existing and innovative technological opportunities, employment and entrepreneurial skills.

Output 4.3 Policies and Strategic Programs for Investment in Science, Research and Innovation Designed and Promoted to Enhance Africa's Global Competitiveness

185. African Union Kwame Nkrumah Scientific Awards Programme: The Commission implements with the Member States and the Regional Communities the scientific awards programme to raise the profile of science and technology sector and build a scientific culture among African citizens. Cash prizes are awarded to top African scientists in each of the following two sectors: (a) Life and Earth Sciences; and (b) Basic Science, Technology and Innovation at the national, regional and continental levels. For the 2014 Edition nine (9) cash prize each of USD 5,000 were given to young scientists at the national level through the AUC and the Third World Academy of Sciences (TWAS) cooperation. The following countries participated in the programme: Burkina Faso, Cameroon, Egypt, Malawi, Nigeria, South Africa and Sudan.

186. The programme was also implemented through the Regional Economic Communities (COMESA, SADC and ECOWAS) for women scientists only. There were only four (4) successful laureates from Central, Eastern, Western and Northern Africa received USD 20,000 cash prizes each on 19 December 2014 in Addis Ababa. The winners of the USD 100,000 for the continental level will receive their prizes during the January 2015 Summit in Addis Ababa.

187. African Union Research Grants Programme: This programme is a competitive financial instrument designed to support research and promote both intra-Africa and international collaboration in science. The Commission has undertaken monitoring activities on the 20 research grant projects that are under implementation. Currently, the Commission is preparing the Application Guidelines for the launch of a 10 million Euro third call for Research Grant Proposals in 2015. The programme is supported by the European Commission.

188. African Space Policy and Strategy: Through a ten Member States Space Working Group established by the Ministerial Conference on Science, Technology (AMCOST), the Commission developed a draft Space Policy and an Implementation Strategy. The draft Space Policy was presented to different stakeholders including the AU Ministerial Conferences of S&T and meteorology. In August 2014, the 4th meeting of the Working Group was held in Cairo, Egypt and a validation workshop held in December 2014 in Congo Brazzaville adopted the draft and decided to submit it to the Policy Organs.

189. Programme on Access and Benefit Sharing of Genetic Resources/Biodiversity: In response to the Assembly decision to include biodiversity among the priorities of the African Union, the Commission developed African Union Guidelines for a coordinated implementation of the Nagoya Protocol on Access and Benefit Sharing (ABS) to the Convention on Biological Diversity (CBD). The AU Guidelines on ABS will be presented to the upcoming meeting of the STC responsible for biodiversity for final consultation and adoption. The Commission further organized the African Coordination meeting in preparation for the first conference of the Parties serving as the meeting of the Parties to the Nagoya Protocol on ABS (COP-MOP 1) which was held in October 2014 in Pyeongchang, Republic of Korea. The African Coordination meeting served to brief the African Group of Negotiators on the negotiating items of COP-MOP1 and as the forum where African consensus positions were formulated. The meeting also strategized on the intervention of the African group in each of the working groups and contact groups of the COP-MOP1 thereby ensuring Africa is well represented and her positions are reflected. It is critical to note that Member States have increasingly been calling for the holistic support of the African Union Commission in all matters covered by the CBD itself as well as the obligations of Member States emerging from the Protocols of the CBD such as the Cartagena Protocol on Biosafety.

190. The Global Monitoring for Environment and Security (GMES) and Africa: GMES and Africa was launched in Lisbon, Portugal in December 2007 during the 2nd EU – Africa Summit. Following the validation of the agreed first three (3) thematic areas (i) Marine and Coastal Areas (ii) Water Resource Management and (iii) Management of Natural Resources and the call for the implementation, in April 2014, a cooperation agreement on GMES and Africa was signed between AUC and EC during the Africa-EU Summit in April 2014. Subsequently, a study to define an implementation plan of the next three thematic areas was launched and a Coordination Team met in December 2014 in Tunisia, and agreed to start the validation process for the following themes: (i) Food Security and Rural Development, (ii) Climate Variability Change, and (iii) Disaster risk reduction.

191. Africa-EU cooperation in Science, Technology and Innovation (STI): The Africa-EU High-Level Policy Dialogue (HLPD) was held in November 2013 focusing on the role of science, technology and innovation in ensuring “Food security, nutrition and sustainable agriculture (including water)” taking into account the cross-cutting issues. The HLPD established an Expert Working Group to develop a roadmap and to launch a Joint Africa-EU research and innovation partnership (flagship) programme in the first priority area of cooperation.

192. African Union Science and Technology Framework for Detection, Identification and Monitoring of Infectious Diseases of Humans, Animals and Plants in Africa: This flagship programme endorsed by decision EX.CL/Dec.746 (XXII), seeks to establish an African Union Network of Infectious Diseases Surveillance (AUNIDS). AUNIDS is a vital instrument to support the implementation of the African Centre of Disease Control and Prevention (ACDCP). The current Ebola Virus Disease outbreak has demonstrated, once more, the need for such a network.

193. *Science Technology and Innovation Strategy for Africa (STISA) 2024:* After the review of the Consolidated Plan of Action on Science and Technology, the Commission, in collaboration with the Republic of Congo organized an Extra Ordinary Session of African Ministerial Conference on Science and Technology, to enable the Ministers to consider the Draft Science, Technology and Innovation Strategy for Africa-2024 (STISA-2024), and its implementation institutional arrangements. Following the Ministers' recommendations, in June 2014, the Heads of State and Government adopted STISA-2024 as part of the long-term AU Agenda 2063.

194. *African Observatory for Science, Technology and Innovation (AOSTI):* As part of the operationalisation of AOSTI, the Commission has proposed a structure for the Observatory and associated cost implications. Following the Assembly Decision AU/Dec.521 (XXIII), the Commission will submit the Statute of the Observatory to the Specialized Technical Committee (STC) on Justice and Legal Affairs for consideration and final adoption. The Observatory during 2014 conducted training in Nairobi in October 2014 for the SADC and EAC countries under its Five-year MoU with the United Nations University (UNU) aimed at capacity building on design and evaluation of innovation policies in African countries.

Output 4.4 Framework for Social Security and Protection for Vulnerable Groups Promoted

195. *Accelerated implementation of the Social Policy Framework for Africa:* To facilitate the implementation of the Social Policy Framework for Africa (SPF), the Commission trained a group of 21 development planners from 20 Member States on social policy matters in collaboration with the UN Institute for Economic Development and Planning (IDEP) in Dakar, Senegal, in September 2014.

196. *Welfare of Persons with Disabilities:* Executive Council Decision EX.CL/750 (XX) of January 2013, requested the Commission to support the Ministerial Committee of Seven (7) Member States to oversee the liquidation of the assets of the African Rehabilitation Institute (ARI), and to develop a Replacement Structure for ARI for the implementation of the Continental Plan of Action on the African Decade of Persons with Disabilities (2010-2019). In this regard, the Commission submitted a Report on the Liquidation of the ARI Assets as well as the closing down of ARI offices during the 4th Session of the AU Ministers of Social Development in May 2014. The Ministers took a decision that ARI Member States in arrears should pay 30% of their calculated contributions towards the payment of separated staff of the ARI Secretariat. The Commission continues to engage RECs for the implementation of the Continental Plan of Action on the African Decade of Persons with Disabilities (2010-2019).

197. *Welfare of Older Persons:* The Commission finalized the Protocol on the Rights of Older Persons, which was adopted by the 4th Session of the AU Conference of Ministers of Social Development in Addis Ababa, Ethiopia in May 2014. The Protocol was already adopted by the African Commission on Human and People's Rights, and will be considered by the STC on Justice and Legal Affairs before submission to the

Executive Council in 2015. The Commission is developing a Monitoring and Evaluation Framework for the AU Policy Framework and Plan of Action on Ageing.

198. *End Child Marriage Campaign:* The Campaign to end Child Marriage in Africa was launched in May 2014. An AU Goodwill Ambassador for the Campaign was appointed. The Commission is finalizing plans to launch the Campaign at country level in selected countries.. The Campaign will run for at least four years and will subsequently be launched in other Member States with the highest prevalence rates of child marriage in Africa.

199. *African Charter on the Rights and Welfare of the Child:* The African Committee of Experts on the Rights and Welfare of the Child (ACERWC) held its three sessions in April, October and December 2014, respectively in Addis Ababa, Ethiopia. During the 23rd Session, the Committee organized a general discussion among stakeholder partners under the theme, “Ending Child Marriage in Africa” whose outcome was a Declaration with concrete recommendations to Stakeholders to eliminate child marriage in Africa.

200. The Commission supported the ACERWC to launch the Campaign on the Universal Ratification and Reporting on the implementation of the African Charter on the Rights and Welfare of the Child in the build up to the 25th Anniversary of the adoption of the Charter in 2015. The main challenges regarding the work of the Committee are that not all Member States have ratified the Charter, and some who have ratified, have not yet submitted any reports on the implementation of the provisions of the Charter pursuant to its Article 43 while other Member States have placed reservations on the application of the provisions of the Charter.

Labour, Employment and Migration

201. *Ouagadougou + 10 process:* As per Decision (Assembly/AU/Dec.498 (XXII)) of the Assembly of the African Union the Extraordinary Summit of Heads of States and Government was to take place in Ouagadougou, Burkina Faso, from 3-7 September 2014 under the theme, “*Employment, Poverty Eradication and Inclusive Development*”. Due to the Ebola Outbreak in West Africa, at the request of the Government of Burkina Faso, the 2014 Extraordinary Summit was postponed. The Extraordinary Summit was to consider the new Declaration and Plan of Action on Employment, Poverty Eradication and Inclusive Development, which were adopted at a Special Session of the Labour and Social Affairs Commission, in Windhoek, Namibia in April 2014.

202. *Labour Migration and Regional Economic Integration:* The Special Session of the Labour and Social Affairs Commission, in Windhoek, April 2014 adopted a Joint AUC-ILO-IOM-ECA Labour Migration Programme aiming at facilitating regional economic integration with focus on labour migration flows management within Africa, and facilitates the implementation of the AU Migration Policy Framework (Banjul, 2006). It is complemented by the Africa-EU Pan African project on Migration and Mobility with the specific objective to improve governance within Africa and between Africa and the EU, and enhance the protection of migrants’ rights.

203. Labour Market Information Systems Harmonization and Coordination Framework (LMIS-HCF):

In order to support the implementation of the AU Programme on Upgrading the Informal Economy, the Technical Working Group on Employment and Informal Economy has initiated the development of the Informal Economy and Labour statistics model which was endorsed by the meeting of National Directorate General of National Statistical Offices in Tunis, December 2014.

204. Social Protection for Informal Economy and Rural Workers:

The informal economy and rural workers account for a large share of the Labour Force in the continent, and are not covered by social protection systems. The Commission has developed an AU Social Protection Plan for Informal Economy and Rural Workers-SPIREWORK (June 2011), which addresses this key challenge. The Commission has also finalized a Document on Mainstreaming SPIREWORK into CAADP at all levels, which can be used by Member States to build resilience in the rural sector.

205. Human Trafficking and Smuggling of Migrants:

The Commission organized coordination Regional Ministerial Conference on Human Trafficking and Smuggling in the Horn of Africa in Sudan in October 2014, with the support of International Organisation for Migration (IOM), United Nations High Commissioner for Refugees (UNHCR) and United Nations Office on Drugs and Crime (UNODC). The meeting discussed measures to foster improved cooperation among the Member States in order to agree on, and operationalize a common approach in addressing the challenge of trafficking and smuggling within and from the Horn of Africa. The conference reached a common understanding on the root causes of human trafficking and smuggling in the region; identified and recommended key areas of action to address human trafficking and smuggling at regional and national level; proposed the establishment of concrete foundations for Inter State-Cooperation and dialogue on trafficking and smuggling; and adopted a Declaration and Action Plan/Strategy for the Regional Mechanism/initiative.

206. Culture:

The slow pace of ratification of the Charter for African Cultural Renaissance (adopted by the Assembly in 2006), has prevented its entry into force. Only eight (8) Member States have ratified the Charter for African Cultural Renaissance (Mali, Nigeria, Senegal, Congo, Ethiopia, Chad, Niger and South Africa) which requires two-thirds of Members States ratification for its entry into force. The Commission has undertaken the Inventory on Cultural Goods, which will enable the return of illicitly trafficked cultural goods to their countries of origin in collaboration with the European Union Commission. The Inventory on cultural goods report and its recommendations was adopted by the 1st Specialized Technical Committee Meeting on Youth, Culture and Sport (STC – YCS1).

207. Sport:

The Commission has been preparing with the Republic of Congo for the 11th African Games, which will be held in September 2015 in Brazzaville. It should be noted that only five (5) Member States have settled their arrears to the African Sports Council (Algeria, Cameroun, Eritrea, South Africa, and Tunisia), and that participation at the 2015 African Games is contingent on the payment of outstanding arrears.

OUTCOME 5: STRATEGIES FOR RESOURCE MOBILISATION TO ENABLE AFRICAN SELF-RELIANCE

208. A number of continental initiatives were undertaken or taken further during 2014, to ensure that resources are mobilized for African development, programmes and institutions. These include work by the Conference of African Ministers for Economy and Finance (CAMEF) as mandated by the Assembly to look at the implementation of the Obasanjo Panel Report; the establishment of the African Union Foundation; the Dakar Summit on Financing Infrastructure; convening of the AU-Private Sector Roundtable on Ebola; and the operationalization by the AfDB of the Africa 50 Fund.

209. The issue of alternative sources of funding is becoming critical, as we enter the implementation phase of Agenda 2063, but also in the context of the reduction in partner funding we are experiencing.

Alternative Sources of Financing the African Union– Implementation Modalities

210. The report of the Panel which was adopted in principle by the July 2013 Summit was submitted to the African Union Conference of Ministers of Economy and Finance (CAMEF) to explore ways and means to operationalize the proposals made in the report and also to explore other proposals.

211. CAMEF, at its meeting in Abuja in March 2014 discussed various modalities of implementation and set up a Ministerial Working Group in this regard. The Working Group met on the margins of the World Bank meetings in Washington in October 2014, and made the following recommendations, based on the principles of Fairness, Predictability, Flexibility and Compliance:

- a) The need for AU to over time cover a larger share of its budget by adopting a budget formula where it covers 100 per cent of the operating budget, 75 per cent of the programme budget and 25 per cent of the peace support operations budget, to be phased within five years from 2016;
- b) Member States mobilize non-treasury resources to support assessed contributions by adopting a levy on tickets for international flights originating in or out of Africa; a hospitality levy; and an SMS levy. However, Member States may decide to continue paying their assessed contributions from their treasury or any other options they may prefer;
- c) Member States be grouped into three tiers: 60 per cent of the budget covered equally by countries with shares of Continental GDP above 4 per cent; 25 per cent of the budget equally paid by countries with shares of Continental GDP between 1 and 4 per cent; and 15 per cent of the budget equally shared by countries with shares of Continental GDP less than 1 per cent; and

- d) The AU should build the capacity to collect assessed contributions and strengthen compliance. In this regard AU should approach the African Development Bank on the possibility of developing an effective collection mechanism.

AU Foundation

212. During 2014, the Foundation was registered in Mauritius, the inaugural Council appointed and the institutional systems of the Foundation put in place. The AU Foundation will therefore be officially launched at the Summit on 30 January 2015. The programme of the first year of the Foundation will focus on resource mobilization including building an endowment fund, and implementation of flagship programmes such as the Africa Dialogue Platform on Agenda 2063.

African Union Commission Resources Mobilization Strategy:

213. In 2014, the Commission started the process to develop a Resource Mobilisation Strategy, aiming at identifying other sources of funding, with particular focus on the domestic resources. The strategy will provide the Commission with strategic and realistic options that could be pursued to raise funds. The final document will be presented to the Policy Organs, once technical and internal consultations are concluded.

OUTCOME 6: A PEOPLE'S UNION

Output 6.1 Rebranding of AUC, effective communication and increased visibility achieved.

Output 6.2 Stakeholder involvement in African agenda implemented, which reflects cultural and linguistic diversity, equal participation of women, youth and vulnerable groups improved.

Output 6.1 Rebranding of AUC, Effective Communication and Increased Visibility Achieved

214. The Commission has continued to implement visibility plans, outreach activities and media strategies to support and popularise the programmes of the Commission. It has been instrumental in servicing journalists, which includes access, information sharing and enquiries, on an on-going basis and during important events organised by the AU.

215. *The AU Communication, Advocacy and Marketing Strategy 2014 – 2017:* The Commission has started implementing its Communication, Advocacy and Marketing Strategy 2014 - 2017, adopted in March 2014. The strategy is aimed at promoting the image of the Union and that of the continent through the popularization of its programmes in line with Agenda 2063 and it provides the framework for both policy and strategic communication options. The Strategy includes the use of communication platforms such as press conferences, social and new media, live streaming and AU website. The Commission is also currently modernizing the AU Media Centre and provides it with the necessary resources. In addition, the Commission issues a number of publications such as reference materials, policy documents, newsletters, treaties, journals, branding materials, audio-visual services and materials , to mention but a few.

216. *AUC Communication Cluster:* In order to harmonize AU implementation of its strategies for messaging and policies, and ensure that the Union speaks with one voice, one profile, and one AU brand, a cluster of AUC Communication focal points was set-up to exchange views on how best to communicate issues of importance to the Union. This has enhanced effectiveness and efficiency of the implementation of AUC communication strategy and has helped to maximize the use of limited human and financial resources.

217. *Ebola communication Strategy:* Having recognized the importance of communication in the fight against Ebola outbreak, the Commission has designed a comprehensive and holistic communication strategy on Ebola aimed at ensuring a proper communication on EVD to the general population and international community at large, as well as AU's response to the outbreak. The Commission is working closely with the African Union Support to Ebola Outbreak in West Africa (ASEOWA) in the implementation of the strategy, which includes the use of the AU website and a specialized website on ASEOWA (<http://pages.au.int/ebola>).

218. *AU Media Accreditation System:* The Commission has to date accredited 91 permanent journalists based in Addis Ababa from different media houses from local, regional and international news agencies to enable them to extensively report on the activities of the AU and serve as a hub between the Commission and African citizens as well as the rest of the world.

219. *Public Relations:* As a result of the growing popularization of the AU and its programmes, there has been greater awareness, engagement and feedback by the general African citizenry, the Diaspora and international community. The Commission has seen greater participation in programmes such as development of Agenda 2063 framework, AU's response against Ebola outbreak and other continental policy frameworks. This has also seen an increase in the visitation to the AU Headquarters to learn more about the Union.

Output 6.2 Stakeholder Involvement in African Agenda Implemented, which Reflects Cultural and Linguistic Diversity, Equal Participation of Women, Youth and Vulnerable Groups Improved

220. During the period under review, the Commission continued to prioritize the need to entrench, establish and sustain active engagement with a wider panoply of non-state stakeholders, such as non-governmental organizations, professional and social groups, community based organizations and faith based groups, in fulfilment of the commitment of the Constitutive Act.

221. In implementation of Executive Council Decision EX/CL Dec.849 (XXV) to resuscitate ECOSOCC, which is the platform for the participation of African CSOs and the Diaspora, the Commission facilitated the elections to the 2nd permanent ECOSOCC General Assembly, which took place in December 2014 in Nairobi. It should be noted, however, that not all Member States and regions are adequately represented in the ECOSOCC General Assembly, and therefore sensitization and elections will continue to ensure the full representation.

The African Union Diaspora Program

222. Pursuant to the Global African Diaspora Summit, the following five legacy projects were agreed upon: the African Institute for Remittances, the Skills database for Professionals in the Diaspora, the African Diaspora Volunteer Corps, and the Diaspora Marketplace for African Diaspora Action to promote Youth and Employment (DMADA) and the African Diaspora Investment Fund. However, consultations on issues related to coordination and resource mobilization for the effective implementation of this project are yet to be finalized.

OUTCOME 7: INSTITUTIONAL CAPACITIES AND RELATIONS WITH RECS, AU ORGANS AND PARTNERS

Outcome 7.1 Institutional capacities of the AUC strengthened

Outcome 7.2 Relationship with AU Organs, RECs and strategic partners strengthened.

Outcome 7.1 Institutional capacities of AUC strengthened

Introduction

223. The overall goal is to strengthen the institutional capacities of the AUC by putting in place measures to improve, on a continuous basis, the performance and operational efficiency of the Commission in terms of finance, human resources and administration, legal, strategic planning, internal audit, conference services, medical, protocol and all services in the Commission, through benchmarking and adoption of international best practices.

224. To carry forward these functions and within the 2014-2017 Strategic Plan the Commission adopted a Business Plan as a framework to achieve its overall objectives. The Business Plan has the following key priority areas:

- Enhance, strengthen and sustain accountability across the Commission;
- Drive performance and operational efficiency within the Commission;
- Pursue a financially sustainable and viable Commission; and
- Promote synergies with AU Organs, RECs and other stakeholders.

225. Building on the foundations laid in the 2009-2013 Strategic Plan, the Commission has continued in 2014 with the process of consolidating the positive gains in the area of Institution and Capacity Building.

Enhance, Strengthen and Sustain Accountability across the Commission

Review of the AUC Strategic Planning and Program Implementation, Monitoring & Evaluation System

226. In order to improve on operational efficiency and ensure further consolidation and internalisation of the Results Based Management Approach, the Commission undertook an in-depth assessment and situation analysis by reviewing the current planning, monitoring, evaluation and reporting systems, as well as, tools, processes and relevant templates, and defined a Road Map for development, installation and rolling out of an enhanced system. This is an on-going process, which will be presented to the Commission and Policy Organs during the course of 2015.

227. In its efforts to build a well-governed institution, the Commission continued to reinforce the corporate governance frameworks and systems to enhance accountability in all spheres of management and ensure that departments are oriented towards result-based performance.

228. *Administrative Policies:* In order to promote good governance across the Commission, a number of key administrative policies were developed in the year 2013 and processed through the relevant policy organs of the Commission. The Travel policy was approved in March 2014 while a further set of four (4) policies are completed and ready for enactment: the Recruitment and Selection policy, Education Allowance and Benefits policy, Medical Assistance Plan and Staff Leave and Holiday policy. Other policies are still in draft form, including in the areas of Information Technology (IT), Asset Maintenance, Record Management and Facilities and are expected to be finalized in 2015.

229. *Management Support Bodies*– After the reconstitution of the management support bodies in 2013, most of them are now operational and continue to support the decision making processes of the Commission. Monitoring of the functionality of the bodies is on-going as this provides timely information in order to check their performance with the aim of improving their contribution to the effective management of the Commission.

230. *Code of Ethics:* In order to improve governance standards within the AUC, the Commission developed the Code of Ethics and Anti-Harassment policies with the ultimate aim of establishing an Ethics Office, which will assist in guiding staff on their conduct and behaviour. Consultations with all relevant stakeholders within the Commission were done. In addition, an ethics' training of trainer's course was conducted in 2014 with the aim of training other staff in 2015. The policies will be submitted to the Advisory Sub-Committee on Budgetary, Finance and Administrative matters. Lastly, it is expected that the Code of Ethics will be ready for submission to the Assembly in January 2015.

231. *AU Salary Review:* As per the Executive Council's recommendation, the Commission conducted a comprehensive review of the salary structure, benefits and allowances for all employees of the Union including an analysis of the survey results with recommendations on remuneration packages as well as the financial implications involved. The purpose of the review was to benchmark the salary scale on best international practices and to establish a credible methodology for future reviews as well as improving the Terms and Conditions of Service for the staff so as to increase staff retention. The content of the report was presented in April 2014 to the members of the PRC Sub-Committee on Administrative, Budgetary and Financial Matters and a meeting is planned to resume discussion and finalization of the findings for endorsement by the Executive Council in January 2015.

232. *AUC Structure Review:* As part of the structural reform, the Commission is currently in the process of undertaking a comprehensive structural review in order to ensure that efficiency considerations are upheld, and that available skills match the needs in order to achieve planned results under the new Strategic Plan (2014-17) and Agenda 2063. An analysis of the human capacity needs throughout the various departments and directorates was done with a view to identifying the structure that will effectively deliver results as stipulated under the new Strategic Plan (2014-17) and

Agenda 2063. The outcomes and recommendations will be presented through the appropriate policy organs for consideration.

233. Talent Attraction, Recruitment and Selection: The Commission had made notable improvements in the area of prioritization of regular positions to be recruited in 2014 in the manner in which active and robust interactions took place with recruiting departments. Strategically, the process has seen more departmental involvement in the short-listing and interviewing processes, a factor which has given rise to thorough interrogation of what the recruitments mean in terms of meeting strategic needs of the departments and therefore of the Commission. With the general oversight of the Appointments and Promotion Board (APROB), clear guidelines and scoring methodologies for short-listing and interviews have been reviewed and re-assessed to align them with organizational strategies such as gender parity and regional distribution throughout the organization with a view to ensuring transparency, equity and greater propensity to recruit suitable candidates. As at 31 October 2014, a total of forty-one (41) advertisements had been published excluding backlogs of the year 2013 out of which 37 short-listings and 17 interviews were carried out and 45 appointments were made altogether. It is important to note that fifty-three per cent (53%) of these appointments have been female candidates, which is a step closer to the gender parity much needed within the Commission. With regard to the Executive Council decision mandating the Commission to oversee and supervise the recruitment and selection processes of all organs of the Union, the Commission took part in the recruitment process at the NEPAD Planning and Coordinating Agency and the Pan African Parliament (PAP).

234. E-SAP Recruitment: Since the launch of the E-Recruitment system in August 2011, there has been marked improvement in the time taken to carry-out recruitment. Short-listing of candidates has been simplified now because all applications get submitted in the same format and this leads to a candidate assessment process that is both effective and efficient. Continuous improvement of the e-systems has been the concern of the Commission with the objective to fully implement a well-rounded recruitment and selection process, which is automated, from the requisitions from departments to candidate notifications and final appointment in line with internationally Human Resources best practices in talent attraction, recruitment and selection as well as retention.

235. Contract Management System: The Commission has also implemented the e-SAP HR Contract Management system with a view to automating the issuance and renewal of all contracts within the Commission. This project has increased the efficiency, segregation and transparency in the Commission's contract management thus reducing the process cycle as well as getting performance statistics at all stages from the system.

236. Implementation of SAP Open Text Solution: The SAP Open-Text module, which is aimed at digitalizing the personnel documents with appropriate security mechanism into SAP-PDF read-only format for easy access by authorized users leading to a paperless environment, was implemented in 2014. This has led to reduction of operational costs - stationeries, printing costs; Reduction of long process cycles such as

procurement and payment process; improvement of transparency of business processes and online availability of archived documents and therefore no loss of documents.

237. *Implementation of SAP Mobility:* The primary objective of this project is to enable, at anytime and anywhere, SAP access (Employee Self Service and Managers Self Service) by authorized users using any smart devices such as iPads and smart phones. In doing so, authorized users will be able to have real-time access to information worldwide and thus reduce delay in approval and other functionalities and increase accessibility by managers to vital corporate data. The implementation of the project started in 2014 and is due to be completed in April 2015.

238. *Implementation of SAP Business Object and Dashboard:* The main objective of this project is to enable managers' availability to essential dashboard reports of SAP real-time transactions for decision making. The implementation of the project started in 2014 and is expected to be completed in mid-2015.

239. *E-payment with Chase Bank:* The Commission implemented E- payment in July 2014, which enables automation of electronic payments and transfer of funds from AUC SAP to Chase Bank for employee's salaries and emoluments as well as suppliers. This has reduced manual paperwork, payment process cycle, and increased accuracy of transactions/transfers, enabled on-line verification of transactions through e-statements, and facilitated the standardization of payment process; and enhanced transparency and accountability of transactions.

240. *SAP Roll out to AUC Offices and Organs:* The Commission has rolled out SAP ERP in 6 offices namely IBAR, Brussels, Geneva, New York and Peace Keeping Missions in Juba and Burundi. Preparatory work for SAP roll out to the Pan African Parliament (Midrand) and the African Court on Human and People's Rights (Arusha) had been done. The impact of system roll out is to reduce delays in compiling financial and other statements; enhance visibility, transparency and accountability of transactions; and increase the harmonization and standardization of processes.

241. *Medical Insurance:* Under the medical insurance coverage with Vanbreda Medical and Insurance Company based in Brussels, all short-term staff with contracts less than one year are medically insured.

242. *Administration of Justice:* In pursuit of administering justice for staff, the Commission in 2014 revitalized the systems of administration of justice across the Commission by reorganizing the grievance panel and the disciplinary board to deal with staff grievances and also handle all disciplinary cases. To operationalize the mandate of the Grievance Panel, a task force was set up to handle the outstanding administrative grievances besides finalizing grievance procedural policy. It is expected that all grievance cases will be resolved in the first quarter of 2015.

243. The Commission also constituted the Administrative Tribunal, which began its work in September 2014 after 18 years of inactivity.

Drive performance and operational efficiency within the Commission

244. The Commission continues to pursue organization-wide performance by adopting the international best practices, innovative and customer-based service and through optimal use of available human, financial and physical resources to achieve stakeholder-desired results. The driving force has been automation and integration of human resources, financial and procurement services into SAP ERP.

245. *Staff Performance, Training and Development.* The Staff Performance Management and Accountability Framework (PMAF) has been an effective mechanism for improving both individual and organizational efficiency. The performance cycle of staff members has been synchronized to start in January and end in December every year with the view for it to be aligned with the budgetary cycle as well as to effectively measure the staff performance deliverables and the departmental projects/programme execution rate. This change in PMAF cycle has ensured the mobilization of all staff towards greater corporate focus on the achievement of agreed goals and priorities through clearer roles and responsibilities, accountabilities and equitable distribution of workload.

246. *Data Centre Construction and Cloud Computing:* The on-going construction of the modular and full virtualized Data Centre will provide innovative technologies, applications and platforms, which will improve high availability of services for AUC's businesses. The equipment has been delivered and is being installed. Launching is scheduled for January 2015. The Data Centre is meant to provide reliable, secured, effective and efficient service provisions for the Commission, regional/representational Offices and Organs and RECs by hosting necessary IT equipment. The Centre will also be equipped with Cloud Computing Services where effective sharing of resources will be available via mobile devices such as Smart Phones, iPads, and others with a view to enhancing performance and efficiency of end users in their day to day activities.

247. *ITIL Implementation:* The Commission had embarked on the best IT Service International practices which is ISO approved for the provision of IT services to the Commission. The impact of this implementation is to have an effective and efficient service provision guaranteed with an internal Service Level Agreement, supported with clear standard operation procedures so that the AUC's clients will have a guaranteed service response time.

248. *Business continuity and disaster recovery:* In 2014, the Commission also strived to ensure that business is not disrupted due to continuity disasters in technology which are inevitable. The Commission through the MIS Division is implementing a disaster recovery solution so as to ensure business continuity for all AUC's applications. The roadmap for this project is under construction. This is vital in view of the electronic systems, which are available every day of the week, over the corporate network connecting the Commission, its regional and representational offices as well as all the Organs of the Union.

249. *Medical Services:* With the increasing number of clients and to meet their demands, the Commission in its plan has continued to upgrade the services to its customers by strengthening the medical delivery systems. In 2014 the Commission carried out an extensive renovation of its buildings thus creating more space to accommodate its operations.

250. The on-going Ebola outbreak in West Africa posed unprecedented challenges and strain on the services provided by the AU Medical Centre. It is providing screening for Ebola for AU meetings, as well as information to all staff and delegates. A two bed quarantine unit is under construction, equipment and medications have been ordered for the unit.

251. The Medical services worked very closely with the Peace and Security Department on medical clearance of troops to be deployed to the mission area and also on assessment of disability and death of soldiers that were deployed to Mogadishu, Somalia under AMISOM. Recently, the AU Medical Evaluation Board (AU-MEB) for Disability and Death has rendered technical assistance to ECOWAS and has managed to establish Medical Board for ECOWAS. The AU-MEB furthermore worked with ECOWAS Medical Team to assess the disability for troops from Togo, Niger, Burkina Faso and Chad that were deployed to Mali under AFISMA Mission.

252. *Conference Management:* The Commission continued providing interpretation and translation services for meetings and conferences. In order to provide cost-effective conference, the commission initiated a Printing Unit Workflow system that became operational by the end of the first quarter of 2014. The Commission also continued to build capacity in the staff providing interpretation and translation services through various in-house training and in modernization of equipment and software.

253. *Facility Maintenance and Management:* In 2014 the Commission continues to outsource some of maintenance activities through maintenance framework contracts with a view to reducing corrective intervention time and reduce maintenance cost in general. The successful implementation of the Archibus Maintenance System enabled the management and maintenance of the various facilities and office space management. The Commission has also been overseeing the construction, management and supervision of the various on-going Projects as well as facilities management of the existing buildings. As of October 2014, the division had 106 renting transactions which had generated a total income of USD311,916.78 in the renting of the conference rooms, office facilities, internal building space for exhibitions, disposal of obsolete assets and renting of external space - temporary cafeteria during summit and other meetings. The setting-up of a Maintenance Fund aiming at providing a sustainable financial sourcing for the maintenance of AUC premises has been one of the greatest achievements for the year 2014. The Commission intends to continue to generate incomes through facility management operations.

254. *Construction and Renovation Projects:* The Commission is currently extending and renovating the Medical Centre and the construction of the AUC Main Stores within the compound aiming at stopping the renting of external building and centralizing of all

stores into one location. The Cafeteria renovation and extension was completed in July 2014. The Commission is currently working on the implementation of the construction projects of the African Village Project and Residential Premises for the Deputy Chairperson and Commissioners following the acquisition of a grant of 215,000 m² of land from the Ethiopian Government.

255. Stores and Asset Management: In the area of management and control of assets, the Commission carried all its transactions on the SAP ERP system and because of this the lead time for asset requisitioning and issuance had been reduced. The Commission also launched an initiative of coding all its assets. The fixed asset codification, tagging and valuation project was completed in November 2014. This project is aimed at establishing a Main Asset Register using an automated ERP/SAP Management Process to enable easier management, control and tracking the movement of all assets as well as reflect accurate value of the Commission's assets in Financial Statements of the Commission within the International Public Sector Accounting Standards (IPSAS) Framework. The physical inventory and tagging of all AUC assets in Regional, Representation, technical and Peace Keeping Missions is planned for 2015. The Commission is also building a new warehouse. The construction of this warehouse within the premises of the Commission will facilitate the logistic support of having all stock items under one roof.

256. Procurement: As of October 2014, the Commission has had 22 Tender Board meetings and the total of transactions processed through the SAP system amounted to USD7,723,661.73, which is equivalent to 5% of the Commission's Budget (Inclusive of salaries and Travel costs). The Procurement budget allocation execution rate has increased to over 70 per cent. With the weekly tender board meetings, the procurement lead time and the purchasing cycle time has been reduced drastically. In line with the newly approved Financial Rules and Regulations, the Commission has embarked on the revision of the existing Procurement Manual.

257. Staff Travel: As part of efforts to improve travel services, the Commission signed new Service Level Agreements with the Lufthansa German Airline, Ethiopian Airline, Turkish Airline, South African Airways, Qatar Airways and Egypt Air with a view to having better service provision, which include and not limited to price reduction, credit facilities, supplementary luggage allocation and cancellation of penalty fees for no show or change of dates.

258. Security and Safety Services: Security and Safety Services has been providing security and safety to the properties of the Commission's premises as well as to staff members and their dependents at their residences aiming at reducing vulnerabilities. A warden Security and Safety system has been established and the division is in the process of collecting location data of staff members in order to facilitate prompt arrival of security personnel in case of any incidence. The Commission is also providing monthly updates to all staff members in order to keep them abreast about security situations in and around Addis Ababa. Further Security Firewall Project was completed and is up and running successfully and has improved overall physical security control, access into the AUC premises as well as enhanced camera surveillance of all buildings and

surrounding perimeters. The Phase I of the project has been completed which encompasses the protection of the AUC's Fence Perimeter, the main entrance checking with the Undercarriage Vehicle Surveillance Systems (UVSSs) and walkthrough metal detectors, IP Camera Control and video surveillance, and Access Card Control for gates and buildings.

259. *Development of service charter:* As part of its continued efforts to improve client services in line with standards of quality and seeking to play its key role to contribute on the achievement of the African Union Agenda 2063, the Commission has launched the Client Service Charter to highlight its commitments in providing advanced monitored services. This Charter has been developed in accordance with international standards and best practices. All stakeholders including higher management, employees and clients are engaged in the process of designing, reviewing, evaluating and amending the charter, in such a way that ensures continued improvement of the charter and hence the services in order to cater for the client's needs at all times.

260. *Skills profiling exercise.* In order to identify gaps between present skills sets and future requirements, a skills assessment was done in order to identify all skills, competencies and talents in the Commission. This will help in identifying the areas of employee development that are linked to the Commission objectives.

261. *Record Management:* For 2014, the Commission has successfully rolled out the AU Electronic Record Management System (AUREMS) to four AU Offices namely; New York, Washington, Algiers and Ouagadougou. The main objective of the centralized system is for the better management and keeping of records as well as ensuring business continuity and disaster recovery of all AU official records. The Commission has also started the establishment of the Record Centre with the objective to have all paper records centralized into one location and converting them into electronic format for use by different authorized users.

Pursue a Financially Sustainable and Viable Commission

262. Building on the lessons from 2013, the Commission managed to get 2015 budget approved in time at the June 2014 Assembly Session in Malabo. The Commission continued to enhance the financial viability and sustainability of the Commission by ensuring prudent, accountable and transparent use of the Commission's financial resources and by effectively supporting efforts to help identify and develop viable alternative sources of finance to support AU's programmes.

263. The driving force in 2014 has been the implementation of IPSAS after its adoption in 2013. The implementation of IPSAS, governance mechanisms, implementation Taskforce and working groups were established and a high-level plan and budget were prepared and approved. In the first quarter of 2014, the working groups prepared detailed work plans. The plans are monitored regularly and systematically reviewed. The Commission is expected to be IPSAS compliant by December 31st, 2014. Eight business areas have been categorized as critical (i.e. Financial statements; Property; Plant and Equipment, Revenue Recognition; Expenditure Recognition; Foreign Exchange,

Inventory; Employee Benefits liability and Budget Matters) as implementation and efforts are being made to ensure compliance. IPSAS Policy Manual has been developed, and Financial Procedures manual will be finalized by the end of 2014. Implementation training has been conducted across staff of the Organs and institutions of the Union.

264. The Commission continued to monitor Peace Support Operations Division (PSOD) operations and provide financial support in a way to improve the financial management of the new offices and ensured that new peacekeeping operations followed financial procedures. The Commission is leading the continued efforts in the implementation of Union-wide financial management reforms in order to improve fiduciary oversight, internal controls and risk management.

265. In its pursuit for financial prudence the Commission developed the Anti-fraud and Corruption and Enterprise Risk Management, which are now being finalized for implementation. Also it is working vigorously towards harmonization of processes and procedures as well as common services and uniformity in application of integration-wide policies. Further the revised Financial Rules and Regulations were approved in January 2014. Throughout the year financial management reports were provided as such information was readily available for policy and management decision making.

266. The Commission also underwent an institution assessment for qualification for new funding by the European Union where seven (7) pillars were audited, including Internal control, Accounting, External Audit, Grants, Procurement and Sub-delegation. The outcomes of the audit will be released in January 2015. The Commission successfully closed the EU 55 million and outstanding implementation and audit issues were addressed to ensure maximum use of resources. The project activities will be closely monitored and mitigation actions will continue to be applied to the extent possible. We are hopeful that the financial statements for 2014, which will be concluded by March 2015, will be IPSAS compliant.

267. *Internal Audit:* The Office of Internal Audit (OIA) implemented 37 projects from both the Annual Plan and Requests from Management. In summary, the OIA implemented 25 audit projects (57% of the plan) which are in various stages (i.e. either final/draft report issued or field work in progress). In addition, OIA conducted 12 other audit projects outside the Annual Audit Plan based on various requests by Management. The OIA is currently working on the last quarter plan to implement the remaining projects. Overall, the audits conducted have resulted in improvement of several aspects of internal controls at the Headquarters, AU organs, representational/regional offices as well as field missions.

268. Through enhancement in staff resources and capacity building initiatives, OIA was able to conduct various types of audit reviews including financial, compliance, operational (performance audits), information technology, and investigations. Moreover, audit staff training, as well as the attendance of professional conferences has helped the OIA to keep abreast with current internal auditing practices.

269. The two Audit Committees i.e. Internal Audit Progress Committee (IAPC) and PRC Sub-committee on Audit Matters that were operationalized in 2013 have continued to discharge their functions in due course. Having these committees in place has enhanced the confidence of AU's partners, since the committees, among others, facilitate the review of implementation of audit reports.

Outcome 7.2 Relationships with AU Organs, RECs and Strategic Partners Strengthened

270. The report in the different outcomes and outputs shows that there are dynamic engagements with **AU Organs and RECs** on the various programmes and initiatives of the AU, ranging from peace and security to the various developmental initiatives. The RECs played a critical role in the development of Agenda 2063, and with their inclusion in the Bahir Dar Ministerial Follow-up Committee, contribute towards the broader strategic focus on implementation and coordination. The Commission has facilitated coordination meetings with the RECs, UNECA, AfDB and NPCA, which has contributed to enhancing harmonization of continental policies and programmes.

271. Support to AU Policy Organs: Acting as an organ responsible for secretarial and administrative support to policy organs, the Commission has continued to facilitate the work of the Policy Organs. The Commission through the management of programme of events and agendas has made the organisation of events cost effective and has contributed to the coordinated management of these events in a coherent and organised manner. The Commission has continued to improve in terms of the planning, organisation and servicing of all AU Policy Organs during the period under review.

272. The AU Commission's relationship with the **other strategic continental institutions**, the UN Economic Commission for Africa, the NEPAD Agency and the African Development Bank continues at pace, ranging from joint activities as indicated throughout the report, as well as participating in each other's activities, and the continued collaboration on the development of Agenda 2063.

Cooperation with International Partners

273. During the period under review, the Commission, in collaboration with partners and organizations, and in line with its annual timetable, convened the following Summits:

- **4th Africa-EU Summit** in Brussels, Belgium from 2nd to 3rd April 2014, under the theme "Investing in People, Prosperity and Peace". The Summit adopted the Declaration, the 2014-2017 Roadmap and a separate Declaration on Migration and Mobility;
- **1st Africa-US Leaders' Summit** in Washington, D.C., United States from 4th to 6th August 2014 under the theme "Investing in the Next Generation";
- **2nd Africa-Turkey Summit** in Malabo, Equatorial Guinea from 19th to 21st November 2014 under the theme "New Model of Partnership for the

Strengthening of Sustainable Development and Integration” The Summit adopted a Declaration, a Joint Implementation Plan and 2015-2018 Matrix of key priority projects.

274. *Africa-Arab Partnership:* The Commission worked in collaboration with the General Secretariat of the League of Arab States towards the follow up of the outcomes of the 3rd Africa-Arab Summit as follows:

- Co-organized three meetings of the Coordination Committee of the Africa-Arab Partnership at the Senior Officials Level, in Addis Ababa, Cairo and Kuwait. The Committee developed the Consolidated Work Plan for the implementation of the Resolutions of the 3rd Africa-Arab Summit;
- Participated in the Ministerial coordination meeting, which took place in New York on 22 September 2014 to approve the Work Plan for implementation;
- Took a number of initiatives to enhance the capacity of the Africa-Arab Cultural Institute based in Bamako, Mali;
- In collaboration with the Coordination Committee and the State of Kuwait also followed up on the implementation of the initiatives of H.H. the Emir of Kuwait on Investment and Development in Africa, which was disclosed during the 3rd Africa-Arab Summit.

275. *Tokyo International Cooperation on Africa’s Development (TICAD):* The Commission co-organized the First TICAD V Ministerial Meeting in Yaoundé, Cameroun in May 2014, which reviewed the Matrix of Implementation with other co-organizers of the TICAD V. This Implementation matrix agreed on projects aimed at realizing outcome targets set forth in the TICAD V Action Plan. The proposal of the Ministerial meeting to reduce the frequency of TICAD Summit from five (5) to three (3) years is under consideration. In accordance with the principle of Summit rotation, TICAD VI scheduled to take place in 2016 will be hosted in Africa.

276. *Africa-Korea Forum:* The Commission received USD 500, 000 from Korea within the context of the Korean Fund. This fund is being used to implement programmes, including projects in Trade and Industry, Rural Economy and Agriculture and Human Resources, Science and Technology.

277. *Forum on China-Africa Cooperation (FOCAC):* The Commission stays actively engaged in the implementation of the 2013 – 2015 Plan of Action. During the visit of H.E. Mr. Li Keqiang, Premier of State Council of China to the African Union Commission in May 2014, both sides agreed to strengthen cooperation on poverty reduction between the People’s Republic of China and the African Union and implement the High-Speed Train Initiative. China has decided to establish a Mission to the African Union in Addis Ababa, in furtherance of its relationship with the AU.

278. *Africa-India Forum Summit:* The Forum was postponed by the Government of India on the grounds of the Ebola outbreak in West Africa. The Commission remains engaged with the Government of India to agree on a new date for the Forum.

279. *Africa-South America (ASA) Summit:* In spite of commitments made at the 3rd Africa-South America (ASA) Summit held in Malabo, Equatorial Guinea, in February 2013, nothing concrete has been done towards executing specific projects and programmes. However, following the holding of the First ASA Ad Hoc Committee meeting held in September 2014, in Quito, Ecuador, a roadmap has been developed leading up to the 4th ASA Summit. In addition, there is the proposal to empower the Secretary General of the Union of South American Nations (UNASUR) to become an effective counterpart of the AUC towards establishing a truly bi-regional cooperation.

280. *Review of Africa's Strategic Partnerships:* An overall evaluation of Africa's partnerships with the rest of the world has been concluded and the outcome document is being considered by the Commission and the PRC.

PART C: CONCLUSIONS AND THE YEAR AHEAD

Lessons and Challenges

281. Work done this year around infrastructure, Ebola, agriculture as well as the consultations around Agenda 2063 shows that the AU has a window of opportunity to build broad-based consensus amongst Africans and the Diaspora, not only about its vision, but about doing things differently to enable implementation of African priorities. Key to this is the commitment to strengthen, utilise and resource African programmes, strategies and institutions.

282. The discussions on alternative sources of funding have taken long, but there is a building momentum for the continent to develop solutions to the funding of its development. In addition, the Commission and all AU Policy Organs must ensure that we utilise our meagre resources prudently, effectively, efficiently and accountably.

283. The drive for peace and security, democratic elections, a human rights culture, the management of diversity and for developmental and accountable governance is equally necessary to enable the peoples of the continent to have stability, and to create a conducive environment and appropriate institutions for development, human security and shared prosperity.

284. The 3rd Strategic Plan compels the AU Commission in its work to pay much greater attention to outcomes rather than only activities. The 2014 Annual Report indicates that we have not yet achieved this. The Commission will ensure that the focus on results becomes entrenched in its organizational culture.

2015: The Year Ahead

285. The following will be among the main issues and priorities in 2015:

- Implementation of the 3rd Strategic Plan and the priority results areas identified, changing our organizational culture towards results and examining the institutional arrangements necessary for the implementation of Agenda 2063;
- Five years from our target to silence the guns, to ensure that the elections this year do not become sources of violent conflicts, to renew efforts to resolve the remaining conflicts and strengthen the African Governance Architecture;
- Vibrant, broad-based and concrete activities with measurable results around the theme of Women's Empowerment and Development toward Africa's Agenda 2063;
- Progress on alternative sources of funding AU institutions, and more generally resource mobilization for African priorities;

- Support Member states and RECs towards the integration and domestication of Agenda 2063, and ensure coordination and advocacy on the implementation of the key flagship projects;
- Ensure on-going monitoring and promotion of continental integration including the submission of the report in mid-year on the status of integration.

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