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**ANNUAL REPORT OF THE CHAIRPERSON OF THE
AFRICAN UNION COMMISSION**

**FOR THE PERIOD
JANUARY TO DECEMBER 2016**

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Abbreviations

3ADI	African Agribusiness and Agro-industry Development Initiative
AAEA	Association of African Election Authorities
AAU	Association of African Universities
ABC	African Business Council
ACB	African Central Bank
ACBF	African Capacity Building Foundation
ACDEG	African Charter on Democracy, Elections and Governance
ACDC	African Centres for Disease Control
ACDE	African Council for Distance Education
ACS	African Charter on Statistics
ADEA	Association for the Development of Education in Africa
AEP	African Economic Platform
ADEA	Association for the Development of Education in Africa
AFCAC	African Civil Aviation Commission
AfDB	African Development Bank
AFDEG	African Charter for Democracy, Elections and Governance
AFRIPOL	African Union Mechanism for Police Cooperation
AFR100	African Forest Landscape Restoration Initiative
AGA	African Governance Architecture
AIB	African Investment Bank
AIR	African Institute for Remittances
AGOA	African Growth and Opportunity Act
AIDA	Accelerated Industrial Development of Africa
AMCEN	African Ministerial Conference on Environment
AMF	African Monetary Fund
AMISOM	African Union Mission to Somalia
AMLA	African Mining Legislation Atlas
AMV	African Mining Vision
ARIA	Assessing Regional Integration in Africa, annual report by AfDB, AUC and UNECA
APSA	African Peace and Security Architecture
ARC	African Risk Capacity Agency
ARIS	Animal Resources Information System
ASEOWA	African Union Support to Ebola Outbreak in West Africa
ASRO	African Organisation for Standardization
AUC	African Union Commission
AUDVC	African Union Diaspora Volunteer Corps
AU-YVC	African Union Youth Volunteer Corps
AXIS	African Internet Exchange System
BIAT	Boosting Intra-African Trade
BRIDGE	Building Resources in Democracy, Governance and Elections
CAADP	Comprehensive African Agriculture Development Programme
CAHOSC	Committee of Heads of State and Government on Climate Change
CAMES	Conseil Africain et Malgache pour l'Enseignement Supérieur
CARMMA	Campaign for Accelerated Reduction of Maternal Mortality in Africa
CAR	Central African Republic
CESA 16-25	Continental Education Strategy for Africa (2016-2025)
CIDO	Citizens and Diaspora Directorate
CFTA	Continental Free Trade Area
CHSTP	Continental High Speed Train Project

Abbreviations

CODGs	Committee of Director Generals
COMESA	Common Market for Eastern and Southern Africa
CTC	Customs Technical Committee
CTS	Critical Technical Skills
DIC	Department of Information and Communications
DPA	Department of Political Affairs
DREA	Department of Rural Economy and Agriculture
DSA	Department of Social Affairs
EAC	East African Community
ECCAS	Economic Commission of Central African States
ECOWAS	Economic Community of West African States
EFA	Education for All campaign
EMB	Electoral management body
EMIS	Education Management Information Systems
EOA	Ecological and organic agriculture
EPA	Economic Partnership Agreements (European Union)
EU	European Union
FAO	Food and Agricultural Organisation
FTA	Free Trade Area
GHoA	Greater Horn of Africa
HATC	High Level African Trade Committee composed of Heads of State and Government
IBAR	Inter-Africa Bureau for Animal Resources
ICAO	International Civil Aviation Organisation
IGAD	Intergovernmental Authority for Development
HRO	Human rights observer
HRST	Department of Human Resources, Science and Technology
IDEP	Institute for Economic Development and Planning
IUCEA	Inter University Council for East Africa
JLMP	Joint Labour Migration Programme
KAP	Kigali Action Plan on Water and Sanitation
LAP	AU Legal Associates Programme
LiDeSA	Livestock development study for Africa
LOI	Letter of Intent
LPI	Land Policy Initiative
MDG	Millennium Development Goals
MESA	Monitoring Environmental Security in Africa
MOU	Memorandum of Understanding
NPCA	NEPAD Planning and Coordination Agency
OAATU	Organization of African Trade Union Unity
OLC	Office of Legal Counsel
PACA	Partnership for Aflatoxin Control in Africa
PAFO	Pan African Farmers Organisation
PAIC	Pan African Investment Code
PANVAC	Pan African Veterinary Vaccine Centre
PAQAAF	Pan-African Quality Assurance and Accreditation Framework
PASE	Pan African Stock Exchange
PAU	Pan African University
PIDA	Programme for Infrastructure Development in Africa
PMPA	Pharmaceutical Manufacturing Plan for Africa

Abbreviations

PRC	Permanent Representatives Committee
PSC	Peace and Security Council
PSD	Peace and Security Department
RUFORUM	The Regional Universities Forum for Capacity Building in Agriculture
SAAM	Single African Aviation Market
SAATM	Single African Air Transport Market
SADC	Southern African Development Cooperation
SDG	Sustainable Development Goals
SDGEA	Solemn Declaration on Gender Equality in Africa
SHaSA	Strategy for the Harmonization of Statistics in Africa
SPS	Sanitary Phytosanitary
STATAFRIC	African Union Institute for Statistics
STISA	Science, Technology and Innovation Strategy for Africa
STC	Specialized Technical Committees, AU Organs as per Article 14 of Constitutive Act.
TVET	Technical Vocational Education and Training
UMA	Arab Maghreb Union
UNECA	United Nations Economic Commission for Africa
UNCCD	UN Convention to Combat Desertification
UNGA	United Nations General Assembly
WAHO	West African Health Organisation
WCO	World Customs Organisation
WIMAfrica	Women in Maritime Africa
WTO	World Trade Organisation

PART A: OVERVIEW

Introduction

1. During the year 2016, the African Union Commission worked with Member states and other continental partners and Regional Economic Communities to advance a number of the key continental priorities, amongst others the domestication of Agenda 2063, promoting education and health systems as key continental priorities to build human capabilities, the arduous route towards self-reliance, continuous advocacy for youth and women's empowerment, and focusing on the key pillars of inclusive growth: agriculture, infrastructure development, skills, economic integration and industrialization.
2. These efforts were made despite some setbacks, including extreme weather conditions; the continuation of the commodity bust cycle; elections and post-elections related instability; the threat of terrorism, and internal strife in Libya, Mali, Burundi and South Sudan.
3. Despite this, the continent is building resilience, working on common solutions to mitigate and adapt to climate change, to attain and maintain peace, to build inclusive, democratic societies and shared prosperity.
4. The year 2016, the last year of the term of office of this Commission, was therefore focused on consolidating and institutionalizing the above priorities, set out at the beginning of its term. These priorities were reflected in the work of the Commission covered in this Annual report, and in the strategic reflections by the Executive Council, in its various retreats held during 2016.

The African Paradox

5. One of the strategic issues that the Executive Council of the African Union, during its Ministerial Retreats on Agenda 2063 over the last few years kept returning to is the issue of the resolution of the African Paradox, identified by the Organisation of African Unity (OAU) over thirty years ago. The paradox is that of a continent rich in natural resources, yet as it entered the new millennium, its people are amongst the poorest in the world and it remains on the margins of global production, safe as provider of raw materials.
6. Other symptoms and causes of this paradox include still-low levels of economic integration, the fragmentation of fifty-five small economies, the large infrastructure backlog, low agricultural productivity and resultant food insecurities and disproportionately high food import bills, low levels of job creation, and rising inequalities.
7. In the struggles against slavery, colonialism and apartheid the political project of liberation and independence, and the socio-economic project of self-reliance and prosperity were regarded as different sides of the same coin. The resolution of the African paradox has therefore been central to the Pan African project of the last half a century - as set out in the OAU Charter, the Lagos Plan of Action, the Abuja Treaty, NEPAD, and now Agenda 2063.

8. As the period of the Millennium Development Goals (MDGs) came to an end in 2015, reviews show that despite progress made in changing the trajectory of many social and economic indicators, the number of African people living in poverty is increasing, because of the failure of income growth to keep pace with rising population growth.

9. The eradication of poverty is therefore a central goal of Agenda 2063, and a key measure of progress to build the Africa we want. In the work on Agenda 2063, instead of using the global dollar indicator to measure poverty, the approach focused on a definition of 'living in poverty', which refers to any African who is unable to satisfy any of the following basic needs: adequate food and nutrition, shelter and clothes for themselves and their families, educate their children, and access to basic health care, clean water, affordable energy and sanitation.

10. This definition of poverty is in line with the human rights approach of the African Charter on Human and Peoples Rights, which gives equal weight to the rights to education, health, shelter, nutrition, as it does to freedoms of assembly, movement and the press.

11. The African Economic Outlook 2016:92, identified three factors that contribute towards continued poor performance on poverty and human development, despite the positive social and growth trends: (a) inequality weakens the impact of growth on poverty; (b) weak structural transformation limits work opportunities; and (c) limited advances in gender equality hamper skills and entrepreneurial development.

12. Africa is home to seven of the fastest growing economies in the world, but it is sadly also home to thirteen¹ of the forty most unequal countries in the world, most of them in Southern Africa. People living in rural areas are still more likely to be poor than urban dwellers, and with the persistence of the gender pay and income gap, so are women.

13. The above means that the pursuit of growth is not enough; although we need sustained growth of at least 7% in order to double the scale of economic impact in a decade and create the conditions for drastic reduction of poverty. Inequality impacts on opportunities, stability and eventually on growth, and the capacity to reduce poverty. In order to reduce inequality and foster inclusion, the quality of growth is therefore important. In the context of African structural transformation, this includes economic policy that leads to diversification, infrastructure development and job creation, and fiscal and monetary policies that deliberately facilitates investment in productive capabilities as well as the social wage (housing, nutrition, education, health care).

¹ Namibia, South Africa, Lesotho, Botswana, Sierra Leone, Central African Republic, Zambia, Swaziland, The Gambia, Zimbabwe, Madagascar, Rwanda and Mozambique.

14. The overarching priority of the *First Ten-year Implementation Plan of Agenda 2063* therefore is for every African citizen to have freedom from want, hunger and disease. It is to ensure decent living standards and shared prosperity.

15. The vision and call to action of Agenda 2063 is fundamentally about resolving the African paradox, through united action and the involvement of all African states, institutions, sectors and citizens.

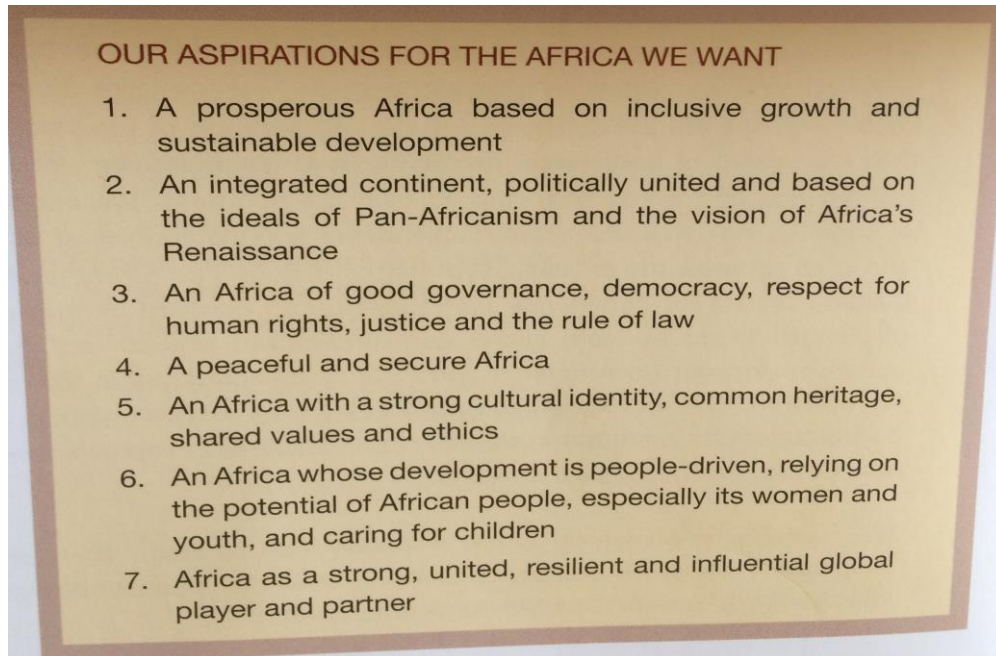


Figure 1. The 7 aspirations for Agenda 2063

Agenda 2063

16. The Commission was mindful that the orientation and implementation of Agenda 2063 started in 2013, as the first year of the fifty-year continental journey. The work to advance Africa's agricultural and agro-processing revolution, infrastructure development, on industrialization and the drive for value addition and beneficiation, the skills revolution and progress on the Agenda 2063 Flagship projects are all part of building this momentum for implementation, and so is the ongoing popularization amongst all sectors of the African citizenry.

17. The seven aspirations of Agenda 2063 (Figure 1) encompass every aspect of human endeavour, from democracy, human rights and peace, to inclusive growth and sustainable development, from Africa's position in the world to the enduring Pan African shared values reflected in our diverse and rich heritage and cultures. Agenda 2063 is therefore both a vision of the Africa we want and a call to action.

18. The First Ten Year Implementation Plan of Agenda 2063 (2013-2023) provides an overarching and integrated framework with priorities, flagship projects and incremental targets and timelines towards achieving the enduring Pan African objectives of development, economic integration and political unification. It recognizes the complementary responsibilities of different stakeholders - governments, civil society, regional economic communities and continental institutions. Above all, Agenda 2063 enables the participation of all Africans in its implementation, with measures to hold each other accountable.

19. During the development of Agenda 2063, the continental framework took in consideration the national development plans of at least thirty-three Member States. After its adoption, a further process of domestication started in 2015, and continued in during 2016 with further domestication missions with Member states and RECs. The objectives of the domestication missions are to:

- Build state institutions/civil society awareness, engagement and ownership of Agenda 2063 to catalyse and sustain momentum for transformation and change;
- Ensure Member States translate commitments in Agenda 2063 in their national development vision and plans for medium term socio-economic transformation; and
- Facilitate common approaches to implementation and monitoring of Agenda 2063.

20. Figure 2 shows the thirty-one (31) countries where awareness-raising domestication missions were conducted. A review workshop for the countries that had these missions, along with RECs, was held in December 2016 in the Kingdom of Lesotho.

21. Internal domestication processes were also conducted in 2016 within the Commission, and with the various organs, as they are preparing their strategic plans for the next phase, aligned with the First Ten Year Implementation Plan. Support missions

were conducted during this year with the NPCA, the Pan African Parliament, the Anti-Corruption Commission, the African Court on Human and Peoples Rights, the AU Commission for International Law, the African Commission on the Welfare and Rights of the Child and with ECOSOCC.

Figure 2: Domestication missions with Member states (2014-2016)

Central Africa	East Africa	North Africa	Southern Africa	West Africa
Cameroon Congo Republic DRC Sao Tome and Principe	Comoros Djibouti Eritrea Kenya Mauritius Rwanda Seychelles Sudan	Algeria Saharawi Republic	Botswana Lesotho Malawi Mozambique Namibia Swaziland Zambia Zimbabwe	Benin Burkina Faso Cote d'Ivoire Ghana The Gambia Liberia Nigeria Senegal Togo

22. The Malabo Summit of the AU in July 2014 gave a mandate to the Commission to facilitate the implementation of key Agenda 2063 flagship projects, i.e. projects with a strategic impact on integration and development. A number of these projects have been considered and prioritized by their respective STCs, with pre-feasibility and feasibility studies concluded or being conducted to guide their implementation.

23. During 2016, the Commission also started distribution of a number of complementary documents to Agenda 2063 to Member States and other stakeholders. These include the Risk Assessment, the Financing of Agenda 2063 discussion document and a study by the African Capacity Building Foundation (ACBF) on Capacities for the Implementation of Agenda 2063.

24. The Commission also leads the development of the Agenda 2063 Accountability and Measurement Framework, working with the NEPAD Agency, PCA, UNECA, AfDB, ACBF and the African Symposium on Statistical Development. This work also seeks to advance an integrated framework for implementation and monitoring of Agenda 2063 and the Sustainable Development Goals. Amongst the progress made on this to date include:

- The development of Agenda 2063 10-year Implementation Plan core indicators and data sources, validated by the Directors General of National Statistics Offices in Tunis in November 2016. The NPCA and STATSSA have been assigned to profile the indicators and to develop metadata.
- The development of Agenda 2063 scorecards in targeted areas, including the African Gender Scorecard presented to Summits in 2015 and 2016, and work is in progress on the development of scorecards on Silencing the guns by 2020, on Governance; and on Culture.
- Joint technical work with the RECs to align their monitoring and evaluation systems to those of Agenda 2063, including annual report for Member States and bi-annual reports for RECs.

25. Lastly, a draft Agenda 2063 template for joint reporting on national priorities, Agenda 2063 and the SDGs have been developed, with the entire framework to be presented to the STC in March 2017 and to Summit in July 2017.

Agenda 2063 and the SDGs

26. There is large degree of alignment between Agenda 2063 and the SDGs, and the Commission has been engaging with the UN Agencies through the Regional Coordination Mechanism (RCM), as well as other UN forums on the importance of joint implementation and monitoring in Member states.

27. Amongst the challenges faced is the need for much higher visibility and funding for the global Sustainable Development Goals (SDGs); this is compounded by the delays in finalizing the Agenda 2063 results framework and indicators. The resolution of the 9th Meeting of the STC on Finance, Monetary Affairs, Economic Planning and Integration, that met 4-6 April 2016 in Addis Ababa, Ethiopia, recognised the need for a single integrated framework for implementation of Agenda 2063 and the SDGs. This was endorsed by the 27th Assembly of the Union in Kigali, Rwanda July 2016.

Agenda 2063 is both a Vision and an Action Plan. It is a call for action to all segments of African society to work together to build a prosperous and united Africa based on shared values and a common destiny.

28. In this regard, the joint publication by the AUC, UNECA, African Development Bank and UNDP, *MDGs to Agenda 2063/SDGs, Transition report 2016*² raises some approaches to ensure synergies between the global and continental programmes, including:

- The need for ongoing sensitization and awareness-raising about the two agendas, including effective messaging, grassroots sensitization, targeted follow-up consultations with line ministries and planning commissions;
- An integrated results framework between the SDGs and Agenda 2063;
- An integrated approach to implementation, with a draft toolkit developed by ECA that maps the SDGs and Agenda 2063 at goal, target and indicator levels, providing a diagnostic tool for integrating both agendas into national planning frameworks;
- Effective institutional arrangements at national, regional and continental levels;

² *MDGs to Agenda 2063/SDGs, Transition report*, published by the AUC, UNECA, African Development Bank and UNDP, September 2016

- Alignment of planning cycles: the AUC and other Organs' Strategic Plans will be changed to Agenda 2063 Medium Term Plans, based on the Ten Year Agenda 2063 Implementation Plans, the first from 2018-2023;
- Cooperation on Follow-up and reporting.

29. Moreover, in a forum convened by Save the Children and the Permanent of Mission of Ghana on Agenda 2063 and the SDGs early December 2016 in Addis Ababa, the importance of learning lessons from the MDGs, and a common accountability framework were stressed, so that the onerous reporting requirements from the AU and UN system on Member states are rationalized.

30. The Commission and the Permanent Representative Committee (PRC) in all partnership engagements and meetings have also ensured that Agenda 2063 is central to African engagements and priorities. The PRC Subcommittees on Multilateral Cooperation and on Programmes and Conferences have been particularly helpful in this regard. All declarations arising from partnership summits and other meetings held over the last few years therefore specifically refer to Agenda 2063 as Africa's development framework, and the action plans reflect Agenda 2063 priorities.

31. An outstanding matter however, is for the adoption of a UN General Assembly resolution that recognizes Agenda 2063 as the African transformation and development framework (as was the case with NEPAD), so that it provides a basis for UN Agencies more generally to support countries in the implementation of Agenda 2063.

32. The New York AU Mission with the African Group of Ambassadors should be taking this matter forward for the UNGA in September 2017, together with the new Commission.

The State of African Integration

33. The foundation of all continental frameworks since the formation of the OAU in 1963, indeed of Pan Africanism, is the drive for an integrated and united Africa. This is mirrored in the aspirations of Agenda 2063, its priorities and goals and in the Flagship projects. The African integration project seeks to bring together not only the efforts of countries, but most importantly of people, institutions and markets. An assessment of the state of integration therefore must reflect on all these elements.

34. During 2016, we continued to make slow, but steady progress with the integration project and with some notable advances. Steady progress continued on infrastructure development, including cross-border transport, communications and pipelines, and a concerted push on renewables.

35. Strides are being made in many countries in expanding and upgrading of internal road transport networks. Africa's road network has grown by over 35% since 2000, albeit from a low base. After decades of disinvestment in railway, many countries are revamping railway networks, including the Djibouti-Nairobi, Mombasa-Nairobi and the Dakar-Bamako lines in East and West Africa.

36. ECCAS, SADC and East African countries have created single-area mobile phone networks across several countries, in order to reduce roaming costs. During 2016, Tanzania and Burundi joined the EAC initiative, a decade after the first group Kenya, Rwanda and Uganda started. The One Area Network in East Africa has seen not only a drop in prices, but also hundred-fold increase in subscribers and cross-border calls and SMS traffic.

37. Progress is not only being made in renewables (geothermal, solar, hydro, biomass and wind), but also in expanding gas and oil pipelines to serve continental and export needs, including a feasibility study for gas pipeline from Mozambique to other parts of SADC; further development of the West Africa Gas Pipeline, from Nigeria to Benin, Ghana and Togo; construction of the Horn of Africa Pipeline to transport jet fuel, diesel and gasoline from the Port of Djibouti to Ethiopia; construction of a heated oil pipeline from Uganda to the Indian Ocean, serving Kenya, South Sudan, Uganda and possibly Ethiopia; and work on the Trans-Sahara Gas Pipeline from Nigeria to Europe, through Niger and Algeria.

38. Through the African Peace and Security Architecture, joint political efforts to help resolve national conflicts as well as regional threats such as terrorism and maritime safety and security are more the rule than the exception. The continent commits over 45,000 peacekeepers to AU and United Nations missions and is developing its capacity for rapid response through the voluntary African Capacity for Immediate Response to Crises (ACIRC) and the African Standby Force.

39. A number of the Agenda 2063 flagship projects, such as the process towards the establishment of the Continental Free Trade Area, Pan African X-change project, the Grande Inga Dam, the Pan African Virtual University, the Pan African Integrated High Speed Rail Network, Free movement of people and the African Passport, the Pan African Space Programme, the Single African Air Transport Market and others are also registering progress.

40. With regard to the status of economic integration, the joint AU, UNECA and AfDB annual publication, *Assessing Regional Integration in Africa VII* (2016:2), makes the observation that “African countries’ commitment to integrating their economies remain unwavering, ... and that progress continues along the dimensions of integration identified in the Abuja Treaty, (albeit) uneven across regional economic communities and countries.”

41. The report highlights the following key messages on economic integration in 2016:

- *The Tripartite Free Trade Area and the Continental Free Trade Area are major milestones in Africa’s trade integration: the Tripartite Agreement helping to rationalize regional trade agreements amongst the three participating RECs and the CFTA negotiations that started in 2016, covering trade in goods and services, investment, intellectual property rights and competition policy.*

- *The RECs continue to adopt formal trade measures:* with specific focus on legal frameworks to deepen trade integration within RECs, such as the operationalization of the ECOWAS Customs union launched in 2015 with the introduction of a common external tariff amongst eight of the fifteen Member States; and movement in the Arab Maghreb Union towards a free trade area.
- *The share of intra-African trade in gross domestic product is rising, albeit slowly:* SADC is amongst the highest performing regional trade agreement globally, sixth out of thirty two), and intra-African imports as a share of African GDP has risen from 2.7% in 1995 to above 4.5%.
- *African countries have taken steps to boost trade in goods within the continent:* This includes lowering tariffs on intra-regional imports. The East African Community has a zero average applied tariff on imports within the bloc, whilst ECOWAS and COMESA apply average tariffs of around 1.9%. COMESA, EAC, ECOWAS and SADC have all adopted measures to facilitate transport and reduce non-tariff barriers.
- *Rising intra-regional trade in intermediate and capital goods:* the growth of intraregional trade in intermediate and capital goods at more than 11% a year since 1995 (way above the average GDP growth of 4.4%) suggests at the development of regional value chains, especially in Southern and West Africa.
- *Growing, yet untapped potential of intra-African trade in services:* Services increasingly account for a growing and larger share of domestic GDP in a number of economies across the continent. However, African countries import an estimated USD 98 billion in services from outside the continent. The continent must therefore do more to lower barriers to services trade between African countries, to allow more African firms to capture this market. This is an important component of the CFTA negotiations. Trade in services is also supported by progress on free movement of people, allowing service providers to deliver business on-site, and allows recipients of services to travel to where providers are in the continent (education, medical care, tourism, and so on).
- *Mega-regional trade agreements and Economic Partnership agreements with the EU make it crucial for Africa to complete, quickly, the Continental Free Trade Area:* none of the current mega-global trade agreements currently being negotiated include Africa, and with the potential of the EPAs to undermine integration, swift movement towards the CFTA will not only consolidate the African market, but also help mitigate against the impact of those agreements.
- *Intra-African direct investments still limited, though Pan African banks are emerging:* Nigeria, South Africa and Kenya have been amongst the top foreign direct investors into the continent. With more African banks opening

branches across the continent, the potential for financial integration is great, provided barriers to cross-border lending are lowered.

- *Some RECs are harmonizing mining policies and standards:* this is particularly true for ECOWAS and SADC, but not for others, where more should be done to implement the African Mining Vision as a blueprint for continental mining standards. The decision of the Kigali Summit in July 2016 for a Model law on Mineral rights, and the presentation of the draft African Commodities Strategy to the Addis Ababa 5th Ministerial retreat of the Executive Council in December 2016 should help speed up this process.

Assessing Regional Integration in Africa VII, 2016

African countries' commitment to integrating their economies remain unwavering, ... progress continues along the dimensions of integration identified in the Abuja Treaty, (albeit) uneven across regional economic communities and countries.

African Regional Integration Index Report, 2016

Deeper integration means larger markets and industrialization and productivity as part of value chains. It means talent mobility thanks to greater visa openness. Investments in infrastructure means less congestion along regional corridors and facilitation of trade by cutting time and costs.

42. The three continental institutions, the AU Commission, UNECA and African Development Bank piloted the first *African Regional Integration Index report* in 2016, which measures five dimensions of integration: regional infrastructure, trade integration, productive integration, free movement of people and financial and macro-economic integration.

The African Passport and Free movement of people

43. One of the major steps forward during 2016 was on free movement of people, as an Agenda 2063 flagship projects. The Commission presented a report done in consultations with the RECs on the Free Movement of People to the Me'kele Retreat of the Executive Council in January 2016. Flowing from this, and in order to facilitate intra-Africa trade, business and investment - both small and large - the decision was taken in January 2016 Summit to encourage all Member States to introduce a 30-day visa on arrival policy for all citizens from fellow African countries, to launch the African passport in 2016 and to adopt a comprehensive Protocol on Free movement of People by 2018.

44. This initiative builds on work already in progress within the Regional Economic Communities on free movement of people. Already, East African Community citizens enjoy 3 month visa-free stays in Member States for national passport holders and a 6 month visa-free stays for EAC passport holders; COMESA grants 90 day visas-on-arrival for citizens of its FTA Member States; SADC countries are currently granting 90-day visa free stays to its citizens although it is being done through bilateral agreements;

and ECOWAS is granting visas-on-arrival to its citizens and 7 members have adopted the ECOWAS passport, which allows citizens to travel without visas. Seychelles, Mozambique, Rwanda, Comoros, Uganda and Madagascar offer either visa-free access or visas-on-arrival to all African citizens, and were followed in 2016 by Ghana, Benin, Togo and Namibia.

45. Rwanda, as a result of implementing the Africa's most liberal migration policy has enjoyed a 24% rise in tourism from African countries and a 50% rise in trade with neighbouring countries, including a 73% rise in trade with the DRC. Progress on movement of people in other regions, especially Central and North, and between regions is much more limited.

46. The African passport was launched at the AU Summit in Kigali in July 2016. A process to convert this into an e-passport has started with the International Civil Aviation Organisation (ICAO), which will enable us to negotiate with other regions in the world about the recognition of the African passport. The African e-passport will be ready for issuance by February 2017. Member states were also encouraged to start the process within their national legislation to issue the passport, and the Commission distributed guidelines and the prototype to all Member states in 2017, once the e-passport process is completed.

47. A recent study on the potential impact of the extension of the African passports across African nations estimates that it could increase travel in the continent by 24% and revenues from tourism by 20%.

48. The technical work with experts on preparations of a *draft Protocol on Free Movement of People* has started, and two meetings of independent experts held. Consultations with Member states on the Draft Protocol will start in 2017, with planned meetings of MS experts, to be considered by the STCs on Migration, Refugees and IDPs and the STC on Legal Affairs, before submission to the Summit in 2018 for adoption, as per the Ten Year Implementation Plan.

2017 - THE YEAR AHEAD

49. During 2017 we will celebrate fifteen years since completing the transformation from the Organisation of African Unity to the African Union. This is an important milestone for the continent, and an opportunity to review progress made in building a Union that helps us to achieve unity, solidarity, cohesion, cooperation among peoples of Africa and African states, in pursuit of the mission set out in the Constitutive Act.

50. It is also appropriate that the Summit in January 2017 will receive the report of President Paul Kagame of Rwanda on AU Reforms, as the implementation of Agenda 2063 takes off.

51. 2017 has been declared the *Year of Harnessing the Demographic Dividend through investments in Youth*. As the most youthful continent, the year will allow for reflection and commitment to the issues of this important segment of the African citizenry. These issues range from access to education, skills and technology, jobs and economic opportunity, and for their voices and contributions to be heard and felt in their

communities and the continent. The last two years have seen horrific stories of deaths in the Sahara and Mediterranean Sea, of young Africans in search of a better life. The focus of this year, in word and action should give hope to our young men and women, that they indeed are valued as the drivers, and innovators of Agenda 2063 and the African renaissance.

52. 2017 will also see the installation of a new Commission, following the extension of the mandate of this Commission and the elections set for January 2017. The Commission has done its part to make the necessary preparations for the nominations and elections, in accordance with relevant Statutes and Regulations. It will also work with the incoming Commission to ensure a smooth transition.

WORD OF THANKS

53. Since this will likely be the last report of the Commission for this term and under my leadership, I would like to use this opportunity to thank Heads of State and Government and Members of the Executive Council for the support given to the Commission during this period, and for the gracious hospitality and constructive engagements, whenever the Commission visited Member States.

54. We appreciated the role played by the Permanent Representative Committee, PRC), in our collective drive towards attaining the African development and integration agenda, even amidst and although we had moments of disagreement on tactical issues.

55. We had excellent cooperation with other AU Organs, including the Regional Economic Communities, based on the complementary roles that each had to play.

56. A special word of thanks to the Ethiopian Government and People, as host the Headquarters of our continental organization, for the cooperation over the years. From warm welcome by the city of Addis Ababa on our arrival, the cooperation with the Federal Government in the organization of the 50th Anniversary in 2013, and with regional and city governments and other institutions, whenever we visited other parts of Ethiopia. It was indeed a second home to all of us.

57. The relationship that the AU Commission developed during its term with the UN Economic Commission for Africa, under the leadership of Dr. Carlos Lopes and now Dr. Abdullah Hamdok, and with the African Development Bank with Dr. Donald Kaberuka and now Dr. Akinwumi Adesina, has cemented a strong, strategic relationship, which help in moving forward key continental initiatives, including the development and implementation of Agenda 2063 and the SDGs.

58. The African Union Commission and staff of all AU Agencies are critical to the implementation of our mission and programmes. As Pan African public servants, along with the public services of Member States, they are the foot soldiers for the implementation of Agenda 2063.

59. The African civil society and private sector, as well as the African Diaspora in their diversity, have shown great willingness to cooperate and work with the African Union, on a variety of continental priorities.

60. A word of thanks to our international Partners, whom we engaged and cooperated with in the various forums, and who provided much needed financial support to critical AU programmes, as the continent explores the difficult route towards self-reliance.

61. Last, but not least, to the Deputy Chairperson, Mr. Erastus Mwencha and the Fellow Commissioners, for their cooperation and diligence, which allowed us to weld the Commission into a team with common purpose, conscious of individual and collective leadership responsibilities.

Dr. Nkosazana Dlamini Zuma
AU Commission Chairperson

PART B

2016 ACTIVITY REPORT

PART B

2016 ACTIVITY REPORT

AU COMMISSION HIGHLIGHTS OF 2016

62. The African Union Commission during 2016, the final year in office of the current Commission as elected in 2012, carried out its representational activities, the coordination and facilitation of continental frameworks, as per its mandate set out in the Constitutive Act and Statutes.

63. The key areas of its activities during 2016 include:

- A.** Convening and servicing meetings of the policy organs, including the two Summits held in Addis Ababa (January 2016) and Kigali (July 2016), the Extra-Ordinary Summit on Maritime Safety, Security and Development held in Lomé, Togo in November 2016, meetings of the Permanent Representative Committee and meetings of the Specialised Technical Committees (STC).
- B.** Working with Member states, RECs, the NEPAD Planning and Coordination Agency (NPCA) and other institutions on the Implementation of Agenda 2063, and other continental frameworks including in the areas of education, infrastructure, science and technology, agriculture, youth development, integration, women's empowerment.
- C.** Activities related to the theme for 2016, the Year of Human rights with Particular focus on the Rights of Women.
- D.** Convening of the first Retreat of the Assembly of Heads of State and Government at the Kigali Summit in July 2016, on *Financing the Union*, and preparing to convene the second retreat at the January 2017 Summit on *AU Reforms*, to be lead by HE President Paul Kagame.
- E.** Outreach to civil society, the Diaspora and the private sector on various AU programmes, including the revitalization of ECOSOCC and two forums with the African Editors Forum on popularizing Agenda 2063, held in Kigali and Pretoria.
- F.** Implementation of Agenda 2063 Flagship projects, in particular:
 - Establishment of the Project Implementation Unit at the NEPAD Agency for the Integrated High-speed Train Project and preparations for conducting the Pre-Feasibility study;
 - Decision in January 2016 on the introduction of a 30-day visa on arrival at Member state level and the launch of the African Passport in July 2016, the application to ICAO on the e-passport, preparations for the draft Protocol as part of the drive towards Free Movement of People;
 - Presentation of the Study on Free Movement of People to the Mek'elle Retreat in January 2016, launch of the African passport at the Kigali Summit, an application to ICAO for the e-passport, and work started on a draft Protocol on Free Movement of People towards adoption in 2018.

- Convening of the CFTA negotiations forums to agree on the work plan and towards the target of launch by 2017, including reports to the Closed-Closed session of Summit.
 - Launch of more Pan-African Exchange network points in Member states;
 - Agreed that the Pan African E-University shall be the open and distance learning arm of the Pan African University.
- G.** Convening of the Ministerial Retreats of the Executive Council on implementation of Agenda 2063 and other strategic matters in Me’kelle (January 2016), Nairobi (May 2016) and Addis Ababa (December 2016).
- H.** Continuing the domestication of Agenda 2063 with Member states, the AU Organs and with RECs, and working towards finalization of the Agenda 2063 Indicators and Accountability framework.
- I.** Working with the Peace and Security Council, RECs and the Chair of the Union on various Peace and Security issues, including South Sudan, Somalia, Libya, Burundi and Mali, as well as engagements with the UNSC on peace and security matters.
- J.** Engagement with the UN Agencies and others on the relationship between Agenda 2063 and the SDGs and joint implementation and monitoring.
- K.** Celebrations of a decade since the adoption of the African Youth Charter, signing of the MOU with the Pan African Youth Union, popularizing the formation of AU Youth clubs, engagement with the All African Students Union, and introduction of a Youth Mainstreaming instrument in the Commission.
- L.** In line with the *African Charter on Democracy, Elections and Governance (2007)*, the Commission coordinated observer missions for the elections and referendums in 23 countries during 2016: Benin, Cabo Verde, Central African Republic, Chad, Comoros, Congo Republic, Cote d’Ivoire, Djibouti, Equatorial Guinea, Gabon, The Gambia, Ghana, Sao Tome and Principe, Niger, Seychelles, Somalia, Sudan, Uganda, Zambia and Zanzibar in the United Republic of Tanzania.
- M.** Final verdict on the Hissene Habre court case, the establishment of the Court of Appeals and a decision to establish a Trust fund for the victims; development of the instruments for the South Sudan Hybrid court as per Summit decision, and initiating engagement with South Sudan on its establishment; and ongoing interactions on the International Criminal Court.
- N.** Continuation of institutional reforms including the review of the AU Staff Rules and Regulation, process improvements and cost saving, adoption of outstanding administrative documents and standard operating procedures.
- O.** Follow-up on the implementation of decisions of Summits;

- P.** Preparations of the 2017 budget adopted at the Kigali Summit in July 2016 and preparations of the 2018 Budget framework paper; adoption of the 2014 audited financial statements and finalization of the 2015 audit by the AU Board of External Audit of the Commission and other AU Organs.
- Q.** Presentation of the Review of Strategic Partnerships to the PRC, and preparations for and working on the following partnership areas:
- FOCAC partnership: implementation meeting with ministerial focal points on implementation, preparations of the AU-China Capacity building plan with the ACBF;
 - Preparations for the TICAD VI Summit held in Nairobi;
 - Ongoing work on the partnership with the EU, focusing on implementation on the joint programme;
 - Hosting of HE President Pak of South Korea at the African Union Headquarters, and preparations for the Africa-Korea Ministerial meeting held on 6-7 December 2016;
 - Preparations for the 4th Africa-Arab Summit in Malabo, Equatorial Guinea in November 2016;
 - Engagements with the AU Partners Group based in Addis Ababa;
 - AUC-US State department engagements as per the 2013 MOU and the 2015 US-Africa Leaders Summit, focus on four cooperation areas, and high level talks towards the transition on 12 December 2016;
 - Work on the AU-Turkey partnerships, including the joint Business forum held in Istanbul.
- R.** Review of the 3rd AUC Strategic Plan (2012-2017) and start of work on the Medium-term Framework of the Commission based on Agenda 2063 (2018-2023).

64. The January 2016 Summit appointed the Ministerial Committee to oversee the elections of the new Commission, as per the Constitutive Act and relevant Statutes. Nominations opened in February 2016, followed by a meeting of the Ministerial committee and distribution of the final nominations for the Commission to Member States. Unfortunately, the Kigali Summit did not manage to reach the two-third threshold to elect one of the candidates for Chairperson, the elections were postponed to January 2017, and the term of the current Commission extended.

65. The nomination process for the elections at the January 2017 was re-opened after the Kigali Summit, and nominees' names and biographies distributed to Member States by October 2016.

2016 Meetings of AU Policy Organs

66. The Commission in its capacity as Secretariat of the African Union also supported the work of the Policy Organs. During 2016, it organized and facilitated the proceedings

of Ordinary and Extra-ordinary sessions of the Executive Council and Assembly as below:

Table 1. Ordinary and Extra-ordinary Summits in 2016

No	SUMMIT	DATES and VENUE
1	26 th Ordinary Session of the Assembly of Heads of State and Government	January 2016 Addis Ababa, Ethiopia AU Headquarters
2	28 th Ordinary Session of the Executive Council	January 2016 Addis Ababa Ethiopia AU Headquarters
3	27 th Ordinary Session of the Assembly of Heads of State and Government	July 2016 Kigali, Rwanda
4	29 th Ordinary Session of the Executive Council	July 2016 Kigali, Rwanda
5	Extra-Ordinary Summit of Heads of State and Government on Maritime Safety, Security and Development	November 2016 Lome, Togo

67. The following meetings of Ministerial Specialised Technical Committees (STCs) were convened during the year:

SPECIALISED TECHNICAL COMMITTEE	DATE and VENUE
STC on Gender and Women's Empowerment	16 January 2016, Addis Ababa, Ethiopia
STC on Finance, Monetary Affairs, Economic Planning and Integration	4-5 April 2016, Addis Ababa, Ethiopia
STC on Justice and Legal Affairs	1-9 September 2016, Lome, Togo
Extra-ordinary session of the STC on Communication, Information and Communication Technologies	16 September 2016, Bamako, Mali
STC on Public Service, Local Governance, Urban Development and Decentralisation	7-9 December 2016, Addis Ababa, Ethiopia

68. The Commission moreover provided support to the meetings of the Permanent Representatives Committee, and its Subcommittees during the year, and to Assembly and Executive Council committees, usually on the margins of Summits.

69. The Commission also provides a range of programmatic, legal and administrative services to other Organs, Specialised Agencies and Peace Support Operations, including:

- Assistance with recruitment of staff and human resource management, procurement, logistics and financial reporting;
- Negotiations and finalisation of host agreements and interventions with host governments where required;
- Support for the development of their strategic plans and Agenda 2063 domestication, and other programmes; and

- Involving them in relevant programmatic activities and meetings.

High level visits to AU Headquarters

70. During 2016, the Commission hosted two high level visits from non-African Heads of State and Government to the AU Headquarters.

71. The first was the visit of Her Excellency, Park Geun-hye, President of the Republic of Korea, whose visit took place on 27 May 2016. H.E. President Park, made her address in Nelson Mandela Hall on the relationship between Africa and South Korea, laying the foundation for the joint Ministerial Forum held in December 2016.

72. The German Chancellor, Her Excellency Mme Angela Merkel visited AU Headquarters on 11 October 2016, where she inaugurated the Julius Nyerere Peace and Security Building together with the AU Commission Chairperson, Dr Dlamini Zuma and the Prime Minister of Ethiopia, HE Mr. Hailemariam Desalegn, and in the presence of members of the Peace and Security Council.

3RD AU COMMISSION STRATEGIC PLAN (2014-2017)

73. The implementation of the 3rd Strategic plan and its alignment to the Agenda 2063 First Ten Year Implementation Plan was further consolidated in the work of the Commission during 2016, based on the seven outcomes of the 2014-2017 Strategic plan as in Figure 3 below.

Figure 3: 7 Outcomes of the AU Commission 3rd Strategic Plan



74. Ahead of plans to develop the next AU Commission Strategic Plan for presentation to the Summit in July 2017, a review of the 3rd Strategic Plan was conducted at the beginning of October 2016.

Outcome 1

Democracy, Human rights, Governance and Silencing the Guns

Peace and stability, good governance, democracy and human rights as foundations for development and stable societies promoted.

OUTPUTS

- Capacities for conflict prevention, management, response and peace building in place.
- Participation of women, youth and civil society in peace building, conflict prevention and post-conflict recovery and development facilitated.
- Post-conflict reconstruction and peace building mechanisms enhanced.
- Good governance and democracy promoted
- Legal and shared values instruments, based on African and universal instruments promoted.
- Capacity of Africa to coordinate and respond to humanitarian situations and protect civilians in conflict and disaster zones enhanced

Introduction

75. We celebrated 2016 as the Year of Human Rights with particular focus on the Rights of Women. Through the range of activities by AU Organs, governments, regional institutions and civil society, the indivisibility of rights and the important link between political, economic and social rights were highlighted. The year provided an opportunity to also reflect on the challenges of governance, inclusive societies and on discrimination.

76. The continent has many shared values, which are contained in the various normative frameworks, including the AU Constitutive Act and the African Charter on Human and Peoples Rights. All countries and institutions have to commit to progressively realize the rights in these frameworks, to ensure that the human dignity of all Africans is respected.

77. The year's special focus on women build on the theme of the previous year, and allowed for greater advocacy and practical measures to advance the rights of girls and women, as indicated by the Mid-term status report on the Decade of Women and the 2nd African Gender Scorecard, presented at the Kigali Summit in July 2016.

78. With at least twenty elections held in various countries this year, many observed by the AU and RECs, the African Charter on Democracy, Elections and Governance continue to be a critical guide. At the same time, the January 2016 Summit and the 5th Executive Council Ministerial Retreat in December 2016 noted the broader tasks of democratic and developmental governance, as critical to the African democratic project.

79. Last, but not least, the task to silence the guns continues unabated, as reflected in the African initiatives to resolve and prevent conflicts, and the focus on the task of post conflict reconstruction.

Women's empowerment and participation

80. There is emerging agreement and evidence that the empowerment and participation of the African woman and child is central to the continent's agenda for integration, peace and shared prosperity. It is not only a development imperative, but also a matter of rights, inclusion and democracy, since women make up more than half of the continent's population.

81. The Commission, working with Member states, RECs and other continental and global partners, has over its term of office advocated for and advanced initiatives, in line with the AU normative frameworks, in particular the Maputo Protocol on Women's Rights and the African Women's Decade and on the Solemn Declaration on Gender Equality in Africa.

82. Through the Women, Gender and Development Directorate, the following areas were priorities: implementation of the Solemn Declaration on Gender Equality in Africa (SDGEA), Maputo Protocol on Women's Rights and the African Women's Decade; building partnerships and advocacy; strengthening women's voices in peace processes; development of African gender mainstreaming mechanisms, tools and guidelines; operationalising the Fund for African Women (FAW); and strengthening capacity of AUC, AU Organs, RECs and Member States in gender mainstreaming. These meetings also play an important role in mobilising the African women's movement behind the annual AU themes and programmes of the Union. The incoming Commission should engage with Member States to ensure that these meetings are institutionalised, without undermining the autonomy of the women's movement to meet on issues of common concern.

83. The Commission continues to work with the Pan African Women's Organisation (PAWO). PAWO, established in 1962, played a critical role in mobilizing women in the struggles against colonialism and apartheid, and in the development of the continent and the building of a non-sexist Africa. It continues to have an important role in the mobilisation of women and men for the implementation of Agenda 2063, and for women and girls empowerment. It is therefore recommended that the incoming Commission consider the recommendation, which arose from the Nairobi Retreat of the Executive Council, that PAWO be granted AU Specialised Agency Status, subject to the decision of the Assembly on African Union Reforms.

84. *The Mid-term status update report on the Decade of Women (2010-2020)* was launched at the Kigali Summit in July this year, with twenty two Member states who submitted reports on practical initiatives to realize African women's and girls' rights, some of these initiatives outlined in Figure 4 below:

Figure 4. Initiatives to realize African girls and women's rights, reported in the Midterm Status update report on the Decade of Women (2010-2020)

- Ethiopia reported that today 11 million women have land-holding certificates, of which 9.11 million jointly held with their husbands, and 2 million land certificate held by women alone. Today, 60 percent of rural women in the country own land.
- Mauritania reported the use of the AU-Fund for African Women to support small enterprises, including a fish cultivation project for unemployed young women.
- The Government of Guinea implemented a special programme for free caesarean surgery, which has contributed to the reduction of maternal mortality rate from 982 per 100,000 live births to 724 per 100,000 births.
- Sudan, amongst others, has established a health insurance system for women.
- In Benin, like other countries, girls are exempted from fees in secondary schools, also offered partial scholarships when pursuing science and technology.
- Namibia, Liberia, Mali and Rwanda, amongst others, are implementing gender-responsive budgeting, and have incorporated it into the national development planning processes.

85. While AU Member States ratified and adopted many of the gender equality instruments, a slow reporting on those legal obligations has been experienced over the years. For example, only three Member States reported on the Maputo Protocol, 48 Member States reported on the SDGEA, 13 submitted their initial reports, 20 submitted their second reports, while 11 have submitted their third reports.

86. The Pre-Summit Gender meetings, which were held before each Summit provided an important forum for Ministers of Gender, women's organisations, networks and groups, the AU Commission, the RECs, UNECA, AfDB, the NEPAD Agency and other partners to meet in a common forum and to monitor progress and agree on action, to advance the cause of women and girls.

87. The Commission and other stakeholders also advocated and brought together relevant institutions and groups, and in other circumstances trained women, around such issues as agribusinesses, women and peace talks, entrepreneurship, financial inclusion, elections and reproductive rights. It also found expression through campaigns to reduce maternal, child and infant mortality (CARMMA), civil society campaigns such as the Elect Her aimed at increasing women's public representatives by helping to get more women elected, the campaign to end child marriages, the work of the AU Commission Special Envoy on Women Peace and Security, including work with women in conflict or which emerged from conflict especially in Mali, Burundi, South Sudan, Central African Republic, eastern DRC, Somalia and Darfur. During this period, gender training was also introduced for peace-keepers, and for human rights observers.

88. During the Year of Women in 2015, the first African Gender Scorecard awards were introduced at the Summit in Johannesburg, followed by the second at the Summit in Kigali in July 2016. It is an important common instrument to measure progress with gender equality and empowerment, and is incorporated into the Agenda 2063 First Ten Year Implementation Plan. The Scorecard should be expanded to include, under the category of women in leadership, such indicators as female Speakers, Chief Justices, Ministers, Permanent Secretaries and so forth.

Figure 5. Women in Parliaments and Heads of State and Government

Country	Date of latest election	% Women in Parliament 2016	% Women in Parliament in 1990	Woman Heads of State and Government
1. Rwanda	16.09.2013	63.8%	17%	Prime Minister (1993-1994)
2. Senegal	01.07.2012	42.7%	13%	Prime Ministers (2001-2002 and 2013-2014)
3. South Africa	07.05.2014	42.0%	3%	No
4. Namibia	29.11.2014	41.3%	7%	Prime Minister (2015-present)
5. Mozambique	15.10.2014	36.9%	16%	Prime Minister (2004-2012)
6. Ethiopia	24.05.2015	38.8%	-	No
7. Angola	31.08.2014	36.7%	-	No
8. Tanzania	25.10.2015	36.5%	-	No
9. Burundi	29.06.2015	35.8%	-	Prime Minister (1993-1994)
10. Saharawi Republic	2012	35.0%	-	No
11. Uganda	28.02.2016	33.5%	12%	No
12. Algeria	10.05.2012	31.6%	2%	No
13. Zimbabwe	31.07.2013	31.5%	11%	No
14. Tunisia	26.10.2014	31.1%	4%	No
15. Cameroon	30.09.2013	31.1%	14%	No
16. Sudan	13.04.2015	30.5%	-	No
17. Somalia	23.10.2016	?	-	No
18. South Sudan	04.08.2016	??%	-	No
19. Mauritania	23.11.2013	25.2%	-	No
20. Lesotho	28.02.2015	25.0%	-	No
21. Equatorial Guinea	26.05.2013	24.0%	13%	No
22. Cabo Verde	20.03.2016	23.6%	12%	No
23. Eritrea	01.02.1994	21.9%	-	No
24. Guinea	28.09.2013	21.9%	-	No
25. Seychelles	08.09.2016	21.2%	16%	No
26. Madagascar	20.12.2013	20.5%	7%	No
27. Kenya	04.03.2013	19.7%	1%	No
28. Sao Tome & Principe	12.10.2014	18.2%	12%	Prime Ministers (2002-2004 and 2005-2006)
29. Zambia	11.08.2013	18.0%	7%	No
30. Togo	11.08.2016	17.6%	5%	No
31. Malawi	20.05.2014	16.7%	10%	President (2012-2014)
32. Libya	25.06.2014	16.0%	-	No
33. Chad	13.02.2015	14.9%	-	No
34. Egypt	17.10.2015	14.9%	4%	No
35. Niger	21.02.2016	14.6%	5%	No
36. Gabon	17.12.2011	14.2%	13%	No
37. Guinea Bissau	13.04.2014	13.7%	20%	Prime Minister (2012)
38. Djibouti	22.02.2013	12.7%	0%	No
39. Ghana	07.12.2016	12.7%	-	No
40. Sierra Leone	07.11.2012	12.4%	-	No
41. Mauritius	10.12.2014	11.6%	7%	President (2015-present)
42. Liberia	11.10.2011	11.0%	-	Chairperson Council of State (1996-97) President (2006-present)
43. Botswana	24.10.2014	9.5%	5%	No
44. Burkina Faso	29.11.2015	9.4%	-	No
45. The Gambia	29.03.2012	9.4%	8%	No
46. Cote d'Ivoire	11.12.2011	9.2%	6%	No
47. DRC	28.11.2011	8.9%	5%	No
48. Mali	24.11.2013	8.8%	-	Prime Minister (2011-2012)
49. Congo Republic	15.07.2011	7.4%	14%	No
50. Benin	?	7.2%	3%	No
51. Central African Republic	14.02.2016	7.2%	4%	Prime Minister (1975-1976) Interim President (2014-2016)
52. Swaziland	20.09.2013	6.2%	4%	No
53. Nigeria	28.03.2015	5.6%	-	No
54. Comoros	25.01.2015	3%	0%	No
Africa				
World		23%	13%	

89. The push for gender equality was also a goal of our institutional reforms, to increase the number of women and building awareness of gender mainstreaming in all work of AU organs and RECs.

90. We are far from reaching our target of full inclusion of women and girls, of all Africans, irrespective of gender reaching their full potential. To consolidate the progress that Africa has made and is making in this regard, we must ensure that we stay the course.

Democracy, Human Rights and Governance

91. Agenda 2063 commits governments and citizens alike to build a continent with universal cultures of good governance, democratic values, gender equality, respect for human rights, justice and the rule of law.

92. Work is being done based on the normative frameworks of the continent, including advancing free, peaceful and fair elections, advocate for respect for human rights, the rule of law and constitutionalism, and working with Member states to build people centered and developmental public service and local government.

Promoting Free, Fair and Peaceful Elections

93. During 2016 eighteen (18) elections were held in the continent, at different levels, in the following Member states: Benin, Cabo Verde, CAR, Chad, Comoros, Congo Republic, Cote d'Ivoire, Djibouti, Equatorial Guinea, Gabon, The Gambia, Ghana, Sao Tome and Principe, Seychelles, Somalia, Uganda, Zambia, and Zanzibar in Tanzania, which were observed by the AU in accordance with the African Charter on Democracy, Elections and Governance. The AU does not have a mandate to observe local government elections, but during 2016, local and municipal elections were held in Burkina Faso, Cabo Verde, Guinea, Mali, Rwanda, South Africa, Uganda and Zambia.

94. The Commission's engagement with Member States in elections is guided by the African Charter on Democracy, Elections and Governance (ACDEG), and activities include building capacity of Elections Management Bodies, and Election Observer Missions to countries. Where difficulties were anticipated, pre-election high-level assessments were conducted, and long-term observer missions deployed. The Elections Observer Missions of the AU are drawn from the Pan African Parliament, members of the PRC, Election Management Bodies, Civil Society Organisations and academia, and there is increasingly stronger cooperation between the AU and RECs election observer missions. During this period, the AUC also supported Somalia in building the capacity of this country's new electoral institution. Reports are provided on a regular basis to the Peace and Security Council on elections, and the management of post-elections conflict resolution, where this was needed.

95. Deliberate efforts were made to enhance the participation of women in the observer missions and in electoral processes, with women formerly constituting less than 15% of the observer missions. The number of women in observer missions have been increased, gender issues incorporated in the observer programming and a gender

focal point appointed in the Political Affairs department to oversee these issues. The first ever all-Female Observer mission was deployed to the Seychelles during their elections this year. The departments of Political Affairs and Women and Gender also collaborate on the development of guidelines on Gender and Elections.

96. The majority of the elections were relatively free, peaceful and fair, with some exceptions. The African Charter on Democracy, Elections and Governance entered into force in 2012, and number of State parties to the ACDEG currently stands at twenty-five (25). The STC on Education also took a decision to work towards the inclusion of the ACDEG in school curricula, so as to promote its normative values amongst all citizens.

97. The Assembly in its Closed-session in January 2016 discussed Elections and Governance, with the following observations and decisions (Assembly/AU/Dec. 592(XXVI), urging all Member States to:

- Ratify the relevant normative charters;
- Ensure professionalization and depoliticisation of security establishments, building constructive civil-military relations and accountability of security establishments to parliaments through relevant portfolio committees;
- Address the trend of use of youth/militias by political parties and call for their immediate disbandment;
- In line with the ACDEG, maintain zero tolerance on military coups and other methods of unconstitutional changes of government (UCG) by strengthening tough measures against perpetrators of UCG including asset freeze and travel ban;
- Ensure constitutional amendments done in line with the ACDEG as baseline and active participation of citizens; and establish permanent and impartial constitutional review bodies;
- Strengthen electoral management bodies (EMBs);
- Integrate youth and women in national and regional politics.

98. This experience of elections over the last four years has been reviewed and consolidated into a report, focusing on the lessons learned for the African democratization project, by the Department of Political Affairs. The discussions of the Addis Ababa 5th Ministerial Retreat on Global Trends and Implications for Africa *“emphasized that (a) Africa should promote its identity and core values, putting Africa first and advancing her interest within the context of globalisation; and (b) Democracy should be predicated on the principles of inclusion, popular participation and elections should not be seen as a quick-fix solution to crisis.”*

African Governance Architecture

99. The Commission and RECs continues to work towards the full operationalization of the African Governance Architecture, since democracy is more than just periodic elections. The AGA Platform was formed with the various policy organs, including the PAP, the African Court and Commission for Peoples and Human Rights, the APRM and with the RECs.

100. Based on agreements to synergise work in this area between the Commission and the RECs, COMESA, ECOWAS, IGAD and SADC have appointed focal persons on AGA. In line with Article 44.2 (a) of the *Charter on Democracy, Elections and Governance*, benchmarks for implementation and evaluation of compliance by Member states have been developed for review.

101. There is growing synergy between the African Peace and Security and the African Governance Architectures, since they form two side of the same coin. Interdepartmental task forces on Conflict Prevention and Post-Conflict Reconstruction were established to this end, with the PRCD task force undertaking a joint mission to CAR to assess the post conflict needs and responses. The Interdepartmental task force on Conflict prevention collaborates on election observer missions, preventative diplomacy missions, joint briefings to the Peace and Security Council and the early warning system.

2016 as AU Year of Human Rights

102. 2016 as the Year of Human Rights allowed for reflections on the challenges we face, with a range of activities including conferences, publications, the debate at the Kigali Summit, the launch of the Human Rights Memorial site at the AU Headquarters, and use of social and traditional media to promote the theme.

103. A deliberate programme to reach out to young people is being implemented, and during 2016 four regional workshops with youth held, focusing on political participation, gender equality and youth employment. Two policy briefs on youth participation and the rights of young women are being prepared as an outflow of this work. The Commission also annually commemorates the Rwanda Genocide, Africa and International Human Rights Days, and International Tolerance Day, in addition to the annual High Level Dialogue on Human Rights.

104. We are increasingly required to deploy human rights observers (HROs) in conflict situations, and they report on their findings and observations to the Peace and Security Council. This helps to highlight the plight of civilians, especially children, women and refugees, in conflicts and is a key part in the fight against impunity.

Constitutionalism and the Rule of Law

105. The Commission assists in capacity building on constitutionalism in post-conflict situations, engaging parliaments, the judiciary, civil society and academics.

106. This year, a regional consultation with representatives from the Judiciary was held in West Africa with ECOWAS on Justice reform and the Rule of Law; and another regional consultation with East African countries with Parliaments, Ministries of Foreign Affairs and civil society on constitutionalism, the rule of law, good governance and the promotion of AU instruments in this regard.

African Public Services and Local Government

107. The Specialized Technical Committee on Public Service, Local Government, Urban Development and Decentralization (AU-STC 8) held its first meeting on 24-26 November 2014 in Brazzaville, Republic of Congo. The current subcommittees of the AU-STC No. 8 are *Public Service and Administration (PSA)*, *Decentralization and Local Governance (DLG)*, and *Human Settlement and Urban Development (HUD)*. The Department of Political Affairs (DPA) of is the Secretariat of the AU-STC 8 and the programme that underpins AU public sector activities. As per the provisions of the article 16 paragraph 2 of the Rules of procedure of the STC 8, adopted respectively by the AU Specialized Technical Committee on Justice in November 2015 and by the African Union Summit in January 2016, the Bureau of the STC 8 is expected to meet at least once a year.

108. In the context of the ratification, entry into force and implementation of the *African Charter on the values and principles of Decentralization, Local Governance and Local Development* adopted by Heads of States and Government in 2014 in Malabo, Equatorial Guinea, the Sub-committee on Decentralization and Local Governance conducted advocacy activities to promote ratification. Five (5) regional seminars organised by United Cities and Local Governments of Africa (UCLGA) in partnership with AU-STC 8 took place in Dakar-August 2015, Pretoria-August 2015, Entebbe-September 2015, Nouakchott-September 2015 and Brazzaville-September 2015 for the Representatives of national associations of Local Authorities and other international organizations.

AU High Level Council on Local Government

109. The establishment of the AU-HCLA was adopted during the 2014 AU Summit in Malabo together with the *African Charter on the Values and Principles of Decentralization, Local Governance and Local Development*. The AU-HCLA is a new consultative organ of the African Union intended to engage people in their own community development through their leaders and traditional rulers at the local level. In this regard, a High Level Consultation Workshop followed by a stakeholder consultation on the African Union High Council of Local Authorities (AU-HCLA) was held in Dakar, Senegal in April, 2015.

110. Till date, the AU-HCLA has not yet been established due to the fact that its proposed structure which will be based in Dakar, Senegal is still to be adopted by the PRC-Subcommittee on Structure and Administrative issues.

Common African Position on Habitat III

111. The STC 8 Subcommittee on Human Settlement and Urban Development facilitated the development and consultations on the draft African Common Position on Habitat III during 2015.

112. Views of other non-state actors on the draft Common African Position were also sought and incorporated in the document, which was adopted by the Ministers of the

STC 8 Subcommittee on Human Settlement and Urban Development during the African Regional meeting on Habitat III on 25 February 2016 in Abuja, Nigeria. The African Common Position on the Habitat III process (CAPH3) was presented to the AU Summit held in July 2016 in Kigali, Rwanda where it was finally adopted.

Decolonisation process

a) Chagos Archipelago

113. The 50th Anniversary Solemn Declaration, adopted at the 21st Ordinary Session of the Assembly in May 2013, acknowledged that notwithstanding the immense progress made in achieving the mission of the OAU of decolonisation, that there is a need to ensure the completion of this process for those African peoples still under colonial rule. It thus reaffirmed the call to end expeditiously the unlawful occupation of the Chagos Archipelago, the Comorian island of Mayotte and also reaffirm the right to self-determination of the people of Western Sahara.

114. In pursuance of this Declaration, the 25th Assembly of Heads of State and Government through a resolution (Assembly/AU/Res.1 (XXV)) reiterated its support to the Republic of Mauritius in its actions to exercise its sovereignty over the Chagos Archipelago, in accordance with international law, including those of a diplomatic and legal nature at the level of the United Nations. The Assembly furthermore supported the early and unconditional return of the Chagos Archipelago, including Diego Garcia, to the effective control of the Republic of Mauritius.

115. Following a request from the Government of the Republic of Mauritius, the Chairperson of the Commission, Dr. Nkosazana Dlamini-Zuma officially communicated to the President of the United Nations General Assembly (UNGA) on 6th September 2016 on the status of the Chagos Archipelago in relation to the Republic of Mauritius. This communication was in line with the African Union determination to safeguard and consolidate the territorial integrity of the Member States and to fight against all forms of colonialism.

116. Subsequently, and with the support of the Africa Group of Ambassadors in New York, the United Nations General Assembly decided to include the issue on the agenda of its current session (71st), under the item 87: "*Request for an advisory opinion of the International Court of Justice on the legal consequences of the separation of the Chagos Archipelago from Mauritius in 1965.*"

117. In line with the AU Constitutive Act and past decisions, including the Solemn Declaration on the 50th Anniversary of the OAU/AU, it is vital that the African Union continue to remain engaged on the side of Mauritius to ensure the complete decolonisation of all African states.

b) Western Sahara

118. The unfinished task of the decolonization of Western Sahara has been of concern to the AU and its predecessor, the OAU. The AU remains engaged in political and

diplomatic efforts to secure a peaceful resolution, in compliance with the principles enshrined in the OAU Charter/ AU Constitutive and the UN Charter. Cognizant of the stalemate in the peace process for the Territory, which is under the aegis of the UN, the AU Special Envoy for Western Sahara, former Mozambican President Joaquim Chissano continues to spare no effort find a solution and highlighting the issue with the permanent members of the UN Security Council, the UN Secretary General and other stakeholders.

119. During the period under review, the process suffered yet another setback, with Morocco's unilateral measures against MINURSO by expelling 84 of its staff, including all those that were in the AU Representation in Laayoune. Morocco did so following the visit of the UN Secretary-General to the Territory, in March 2016. The UN Security Council, after considering the report of the Secretary General, adopted resolution 2285 (2016) on 29 April 2016, extending the mandate of MINURSO for 12 months. The process of the return of MINURSO staff has been slow, and the AU Representation has still not been allowed to return, with sensitive documents unattended in its offices.

120. Tensions have flared-up in Al-Guarguarat, the narrow buffer strip in south-west Western Sahara, when Moroccan forces in August 2016, crossed the berm, in contravention of the 1991 Ceasefire Agreement. The action prompted the deployment of the Frente POLISARIO military forces to the area. The Commission responded to this through a statement, urging both parties to uphold the 1991 Ceasefire Agreement, to create the necessary environment for resumption of talks and the early holding of the referendum for the Saharawi People, consistent with the resolutions and decisions of UN and AU.

121. The protection of human rights of the Sahrawi population in the Territory has been of concern over the past few years, and there is an urgent need for independent and sustained monitoring of the human rights situation in both Western Sahara and the refugees camps. The growing frustration of the youth population, the harsh living conditions, and the deterioration of humanitarian situation demand a resolution and a greater focus on young people, to prevent them from being attracted to violent extremist groups or terrorism, as we focus our endeavours this year on youth empowerment.

122. In addition, the issue of the exploitation of the natural resources of Western Sahara by non-Saharawis has been a matter of great concern to the AU and the international community. In this regard, the EU Court of Justice ruled that "in view of the separate and distinct status guaranteed to the territory of Western Sahara in accordance with the Charter of United Nations and the principle of self-determination of peoples, the EU-Morocco agreements signed in 2012 are not applicable to the territory."

PEACE AND SECURITY

123. Since the 50th Anniversary Solemn Declaration pledge in May 2013 that the current leadership of the continent will not bequeath to future generations a continent of wars, genocide or violent conflicts, the drive to silence the guns by 2020 has been at the centre of all initiatives of the Commission, working with Regional Economic Communities and other stakeholders.

124. In discussions on an action plan towards achieving this goal, amongst the issues to address have been identified as:

- Internal conflicts as a result of structural underdevelopment and poverty; exclusion and inequality, whether on the basis of region, ethnicity, or religion, and failure to manage diversity. This often results in violent conflicts that are intractable, flaring up periodically until reaching crisis points;
- Despite early warning systems, including the African Peer Review Mechanism, interventions take place only once conflict reach crisis points, more needs to be done to focus on prevention and early interventions;
- Proliferation of small arms and light weapons;
- Centrality of democracy, inclusion, strong institutions and developmental governance in managing inclusion and stability, and to combat extremism;
- Impact of climate change, exacerbating pastoral and other conflicts over grazing land and water;
- Review the general trend of elections as a viable means of returning a post-conflict country to normalcy; and trend of elections as a trigger and facilitator of violence in different contexts;
- Tackling terrorism and transnational and organized crime through cooperation;
- Addressing illicit financial flows, blood minerals, piracy and illegal fishing;
- External influences and interests in African conflicts.

125. The Commission during 2016 worked with the affected countries, the RECs and other stakeholders to consolidate post-conflict situations in Cote d'Ivoire, Madagascar, Guinea Bissau, Liberia, Sudan and Central African Republic; to resolve the conflicts in Somalia, Burundi, South Sudan, Western Sahara, Mali and Libya; and face the threats of terrorism of Boko Haram and Al Shabaab, the Lord's Resistance Army, and groups like ISIS and others in the Sahel region. It has also been involved in conflict prevention in the DRC, and in post-election situations that turned violent or with potential for violence such as Gabon and The Gambia.

126. More generally, the Commission developed a new three year programme on Security Sector Reform, Disarmament and Reintegration; provided support to Member States to control the illicit proliferation of small arms and light weapons, and in the fight against terrorism and violent extremism; continued efforts towards the operationalization of the African Union Mechanism for Police Cooperation (AFRIPOL); the deployment of the Panel of the Wise in support of conflict prevention and mediation; regular horizon scanning reports to the Peace and Security Council on potential threats and emerging peace and security challenges; and, through the AU Border Programme provided technical support for border delimitation and demarcation between several Member States.

127. The Commission also continued work on the African Standby Force and with volunteer nations on the African Capacity for Immediate Response to Crises (ACIRC); involving women in peace and security activities and strengthening the mediation capacity of the African Union, RECs and Member states.

128. The strong cooperation with the RECs on various peace support operations, mediation and joint activities in support of implementation of peace agreement in Member states emerging from conflicts, has also become a key characteristic of the peace and security architecture.

Figure 6. African Union Peace Support Missions

AFRICAN UNION MANDATED MISSIONS	DEPLOYMENT TIMELINE
African Union Mission in Burundi (AMIB)	2003-2004
African Mission in Sudan I (AMIS I)	2004
African Union Mission in Sudan II (AMIS II)	2004-2007
African Union Mission for Support to the Elections in the Comoros (AMISEC)	2006
African Union Mission in Somalia (AMISOM) (2007)	2007 to date
African Union Mission in the Comoros (MAES) (2007)	2007
Africa-led International Support Mission in Mali (AFISMA)	2013
African led Support Mission to the Central African Republic (MISCA)	2013-2014
United Nations/African Union Hybrid Mission in Darfur (UNAMID)	
AU - AUTHORIZED:	
United Nations/African Union Hybrid Mission in Darfur (UNAMID)	2007 to date
Democracy in Comoros	2008
Regional Coordination Initiative against the Lord Resistance Army (RCI-LRA)	2011 to date
Multinational Joint Taskforce against Boko Haram (MNJTF)	2015 to date

Source: AU Peace Support Operations Division booklet, 2016

Implementation of AU Plan of Action on Drug Control and Crime Prevention (2013-2017)

129. The Commission is on track to achieve the target number of 25 Member States with drug control strategies, with a cumulative total of 15 countries achieved by 2016. Ten (10) MS were selected to participate in a pilot project to establish National Drug Use Observatories/ Surveillance Networks. The Commission prepared and presented the Common African Position on Drug Control and Crime Prevention at the United Nations General Assembly Special Session on the World Drug Control in New York in April 2016 and continued advocacy for the AU Plan of Action on Drug Control. The Drug Control Management Unit was operationalised at the Commission.

Legal support to AU Organs

130. The Commission developed the rules of procedure for the fourteen (14) Specialised Technical Committees (STCs) that were operationalised. As secretariat of the STCs, it organised meetings, ensuring that STCs' decisions are in accordance with the Rules and Regulations.

131. To date, sixty-one (61) treaties have been adopted under the aegis of the OAU/AU and thirty-four (34) have entered into force. The most recent is the African

Charter on the Values and Principles of Public Service and Administration, which entered into force on 23 July 2016. Three other treaties are in force provisionally in conformity with their respective treaties: the African Maritime Transport Charter (1994), the Constitution of the African Civil Aviation Commission (revised, 2009) and the Agreement on the establishment of the African Risk Capacity Agency (2012). The latest instrument adopted is the Charter on Maritime Security, Safety and Development, adopted in Lome, Togo on 15 October 2016.

132. The Commission promoted the signature and ratification of the OAU/ AU Legal instruments, through working with Member States on National Sectoral Committees on Ratification/Accession (Decision EX.CL/Dec.837 (XXV)). Since the last annual report, eighty (80) new signatures were appended to treaties and forty-one instruments of ratification/accession deposited (compared to fifty-one and thirty-two respectively in the last period).

133. *Legal Capacity and Training:* The Commission in collaboration with various partners continued training for Member States, during 2016 workshops on legal/legislative drafting were conducted in English and French targeting drafters from MS Parliaments, Law Reform Organisations and other national policy and law-making bodies. The AU Legal Associates Programme started in 2015 provides legal experience to young African lawyers (minimum a Masters in Law) in the area of African integration law, with ten young lawyers (two per region) based at the AU for one year. The first cohort of six is already based at the Office of Legal Counsel, with the remaining four being recruited. Ten legal individuals from across the AU organs received scholarships for 2015/2016 to finish a one-year Masters in Rule of Law and further six admit for 2016/2017 at the Loyola University Chicago School of Law. Graduates are engaged through the programme as legal researchers for the Commission, to undertake research on contemporary legal issues.

The fight against impunity

134. *Hissene Habre Trial:* A guilty verdict was delivered on 30 May 2016 in the Hissene Habre trial by the African Extraordinary Chamber, established between the AU and the Government of Senegal to prosecute persons most responsible for international crimes committed in Chad between 1982 and 1990. In accordance with the statutes of the court, appeals were lodged by the accused, the victims and a cross appeal by the General Prosecutor. The Appeals Court was established and started its work on 1 October 2016, to be completed on 30 October 2017. The Steering Committee for the Funding of the African Extraordinary Chambers (AU, Senegal, Chad, and Belgium, France, Germany, Luxemburg, Netherlands, EU, USA and the OHCHR) held two sessions, to adopt financial and activity reports of the Chambers and adopt the modalities for the organization of the pledging conference for reparation for the Hissene Habre Victims in accordance with the Statute of the Court and decision Assembly/AU/Dec.615 (XXVII) of the Kigali 2016 Summit.

135. *Hybrid Court on South Sudan:* An inter-departmental taskforce on the establishment of the independent hybrid court for South Sudan has been set up (as per Communique of 547th PSC meeting), and some partner funding for its operationalization

secured. Consultations with the government of South Sudan have been initiated, and emphasis is being placed that the Hybrid Court should be part of the process of justice, peace, healing and reconciliation.

136. *International Criminal Court.* The Commission continued to implement Assembly decisions on the ICC, including:

- Convening meetings of the Open-ended Ministerial Committee on ICC;
- Facilitate engagements between the Open-ended Committee and stakeholders;
- Preparation of the Draft Withdrawal Strategy and Draft Action Plan on Arrest Strategies for the Open-ended Committee and the Peace and Security Council;
- Participating in session of the Assembly of State Parties to the Rome Statute of the ICC.
- Attempts were made to meet with the UN Security Council in September 2016, without success.

137. *African Court of Justice and Human and People's Rights:* the Commission continues to advocate for the signature and ratification of the Protocol on the Statutes of the Court, which has not yet entered into force. Once it enters into force, it will create a permanent continental criminal justice mechanism to enhance the rule of law and the fight against impunity.

Outcome 2

Agriculture, Agro-processing, Environment and Natural resource management

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.

OUTPUTS

- 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.
- Implementation of priority programmes on environment, natural resource management and climate change facilitated.
- Programs for enhancement of agribusiness including access to productive resources and capacity of women, youth and persons with disabilities supported.
- Strengthening of infrastructure for market access and trade in agricultural products promoted.

Introduction

138. African agriculture remains central to the transformation of the continent. The efforts of the Commission, working with the NEPAD Planning and Coordination Agency, RECs and other institutions remains focused on the urgent task of modernization of African agriculture: to realize our collective food security, for raising rural incomes, boosting supply of food to fast-growing cities and supplying raw materials to support agro-processing.

139. Following the advocacy and planning that characterized 2014 as the African Year of Agriculture, and the adoption of the *Malabo Declaration on the Acceleration of CAADP*, more countries completed their national agricultural investment plans, public and private investments into agriculture are improving, more countries are taking measures to extend the rights of land ownership to women and to provide extension services to smallholder farmers.

140. In addition to home-grown challenges, African agriculture also confronts the impacts of climate change, and are building continental responses including climate-smart agriculture, reforestation initiatives, programmes to address challenges facing lakes such as Lake Chad and others, and initiatives such as the Great Green Wall of the Sahel. The Commission working with CAHOSC, and with partners presented a united continental position on the Climate Change negotiations, culminating in the COP21 and the adoption of the Paris Agreement in 2015, and in 2016, the COP22 in Marrakesh.

141. A key demand by women during the Year of Agriculture was for access for women farmers and farmworkers to modern implements, to relegate the handheld hoe to the museum. The campaign was launched at the Johannesburg Summit in June 2015, with the support of Polish tractor company URSUS, and continues to be a mobilizing point for concerted efforts to increase women's productivity and incomes through modern technology and access to finance.

142. The Department of Rural Economy and Agriculture (DREA) in the Commission has three divisions: Agriculture and Food Security; Environment, Climate Change, Water and Land Management; and Rural Economy; plus the six (6) Specialized Technical Offices: Inter-African Phytosanitary Council (IAPSC) based in Yaoundé, Cameroon, Coordinating Office for the Development Project of the Fouta Djallon Region in Guinea, Conakry, Inter-African Bureau for Animal Resources (IBAR) in Nairobi, Kenya, Pan African Veterinary Vaccine Centre (PANVAC) based in Debre Zeit, Ethiopia, Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC) based here at the AUC Headquarters and Semi-Arid Food Grain Research and Development (SAFGRAD) based in Ouagadougou, Burkina Faso. DREA is also implementing three flagship programmes, namely; (i) Comprehensive Africa Agriculture Development Programme (CAADP), (ii) Partnership for Aflatoxin Control in Africa (PACA) and (iii) New Alliance for Food and Nutrition Security.

Comprehensive Africa Agriculture Development Programme (CAADP)

143. The first decade of CAADP has placed Africa's agriculture at the forefront of the development and transformation agenda, with its goal to ensure the allocation of at least 10% of national budgets to agriculture. Though most countries still fall short of reaching this target, aggregate investments in agriculture has grown. CAADP also serves as a platform for mobilising private sector investment and forging partnerships between local and international private companies.

144. A Mutual Accountability Framework (MAF) has been adopted, using the CAADP outcomes together with an additional set of accountability indicators to facilitate review, dialogue and accountability among stakeholders. The 2016 annual CAADP Partnership Platform Meeting, which brought together agricultural sector players, was held on 10-15 April 2016 in Accra, Ghana. Mechanisms such as agricultural sector reviews at country level, and annual CAADP Partnership Platforms are increasingly being used for review and to monitor impact on agriculture performance.

145. The CAADP process also includes initiatives on capacity building for key African institutions at regional and continental levels, to enable them to facilitate and support CAADP frameworks at country and regional levels on sustainable basis. By 2016, 41 Member States have signed CAADP compacts; 28 among them now have national agriculture and food security investment plans, and these have become their medium term expenditure frameworks for agriculture, with improved agricultural planning.

146. Though only a few countries met the Maputo 2003 target of at least 10 per cent budget allocation to agriculture, on average public agricultural expenditures have risen

by over 7 per cent per year across Africa since 2003, nearly doubling public agricultural expenditures since the launch of CAADP.

147. Several Member States have also achieved significant improvements in tackling the challenges of hunger and undernourishment. These successful experiences are strong indicators that inclusive growth as advocated under CAADP is a long-term process requiring significant and continuous budget allocations over time, as well as concrete and appropriate policies, programmes and strategies coupled with strong political commitment and leadership.

148. As a result of CAADP implementation, agriculture in Africa continues to grow by 4% per annum though still below the AU target of 6%. This growth took place whilst the continent's agricultural sector also battles the impact of climate change, with extreme weather conditions, and increased droughts and floods. The special focus on women's role in agriculture, recognised in the Malabo Declaration has seen the launch of the campaign to relegate the handheld hoe to the museum by 2025, and replace it with appropriate technology, as well as the campaign for women's land rights.

149. The Commission, in collaboration with NPCA and AU-IBAR has strengthened cooperation among Africa's Regional Fisheries Bodies, Basin Commissions, and Regional Economic Communities. These institutions can now speak with one voice on fisheries and aquaculture matters at continental and international fora.

150. The Abuja Declaration on Fertilizer by Member States of the African Union and Regional Economic Communities (RECs) is also being promoted. Under this declaration, fertilizer use in Africa is to be increased from 8kg/ha to 50kg/ha. Presently, usage of fertilizer in Africa is around 22kg/ha.

Organic and Ecological Agriculture

151. In line with the African Union decision on Organic Agriculture (Ex. CL/Dec. 631 (XVIII)), the Commission continues to promote organic agriculture in Africa in collaboration with other partners. A Continental Steering Committee for the Ecological Organic Agriculture (EOA) Initiative for Africa is functional, with the African Union Commission as chair of this Committee. The Committee developed a revised Ecological and Organic Agriculture Action Plan (2015 -2020) and EOA Strategic Plan (2015 – 2025), which is poised for implementation and boosting organic agriculture in Africa.

152. The Commission also organizes regional training workshops on "*organic standards and certification systems*" and "*modern organic production and marketing*" for 110 organic farmers and practitioners from Member States of the African Union. The training also helped strengthen institutional ecological and organic agricultural capacities in ECOWAS, EAC, SADC and COMESA.

153. For Africa to obtain premium benefits from its unique agricultural products, the division has been creating awareness on the subject of Geographic Indications (GIs) in the overall context of organic agriculture. The Commission is coordinating the

development of the Continental GIs Policy framework, to enhance the protection and sustainable exploitation of African agriculture.

Agricultural Commodities and Agro-processing

154. The departments of Rural Economy and Agriculture and Department of Trade and Industry have cooperated to develop the draft African Commodities Strategy. DREA is coordinating the Agricultural Commodities Sub Committee informed by two objectives of the main strategy: a) measures to address price volatility to ensure more stable and higher incomes for African commodity producers b) strategies to use Africa's wealth of natural resources, its competitive and absolute advantage in commodities markets to ensure favourable commodity prices for Africa.

155. In agricultural and other commodities, it also focuses on initiatives to encourage vertical and horizontal diversification, anchored in value addition, local content development, and extracting higher rents from their commodities, as part of a holistic, value chain approach.

156. As part of a comprehensive approach to develop the African agro-processing sector and drastically reduce our dependence on imported processed food, the *African Agribusiness Strategy*, championed by the African Development Bank, the NEPAD Agency and the AUC was developed. It provides a framework for continental institutions to work with countries to kickstart agro-processing value chains, and working with RECs, regional agro-processing value chains.

157. This include a focus on processing of traditional exports where Africa has demonstrated global competitiveness in production (coffee, cacao, cotton), scaling up and processing non-traditional products and substituting agricultural imports such as tomato paste, soybean cakes, and so forth. Moreover, it requires the creation of a policy environment for the large-scale dissemination of productivity increasing technology, inputs and capital; input and output market structures to allow the full realization of increased production; and a well-functioning and vibrant private sector and agribusiness sector³.

158. The initial steps towards establishing the agro-processing value chains are being taken, though not yet widespread, helped by growing public and private investments in agriculture more generally, initiatives to attract more young people to agriculture and agribusinesses, and improvements in infrastructure and regional free trade areas, where they exist.

Agricultural sciences and research

159. The report on Capacities for the implementation of Agenda 2063 by the African Capacity Building Foundation (2015), highlighted agricultural sciences as one of the

³ CAADP, Feed Africa: Strategy for Agricultural Transformation in Africa 2016-225 (AfDB, May 2016);

critical skills gap areas for the continent. The promotion and strengthening of Agricultural research and training is therefore a critical component of the Science, Technology and Innovation Strategy for Africa (STISA-2024), adopted in 2014. The area agricultural science is also a critical sector in the Tuning project on harmonization of university curricula and standards.

160. In this regard, a special mention is necessary for the association of agricultural universities, RUFORUM, who came together initially as 8 universities to find ways of attracting more young people to agricultural studies, mobilizing support for Masters and PhD scholarships, and cooperating to ensure the development of agricultural sciences. Having grown to 33 universities by 2016, they and other universities are playing an increasingly critical role in agricultural innovation and improvements in productivity of farmers through research, access to information, and to technology.

AU Inter-Africa Phytosanitary Council (AU-IAPSC)

161. With the efforts of the AU-IAPSC hosted in Cameroun, the Commission strengthened the phytosanitary capabilities of Member States in order to improve crop production and productivity, ensure food security and promote trade in accordance with international phytosanitary treaties and standards. The Comprehensive Phytosanitary Capacity Assessment is being used to guide the development of national and regional strategic plans.

162. Other work of the Council includes the harmonization of pesticides registration laws; control of trans-boundary pests; establishing an effective surveillance programme to provide a basis for developing and updating national and regional pests-list and an information management systems for phytosanitary/trade data.

163. AU-IAPSC also maintains a regular consultative forum on International Standards for Phytosanitary measures with national plant protection organizations; and capacity strengthening through training on Pest Risk Analysis and Pest diagnostic, and on Invasive pests and Surveillance procedures.

164. The Commission leads the development of the Sanitary and Phytosanitary (SPS) chapter of the Continental Free Trade Area Protocol and participates in the CFTA negotiation processes to provide inputs into the broader Trade in Goods in agricultural commodities.

165. In collaboration with DREA technical offices (AU-IBAR and AU-IASPC) the division is supporting market access for African agricultural commodities. Sanitary and Phytosanitary (SPS) measures constitute an important factor in market access. The division supports SPS capacity building of African experts and facilitates training on international SPS measures and compliance in collaboration with the WTO Standards and Trade Development Facility, the Codex Alimentarius Commission, World Organization for Animal Health (OIE) and FAO. A Continental SPS Committee has been established to coordinate SPS issues at the continental level and the African Union Commission is the chair of this committee.

Semi-Arid Food Grains Research and Development (SAFGRAD)

166. SAFGRAD, based in Ouagadougou, Burkina Faso helps to enhance regional partnership networks and provides support to Member States for the promotion of agricultural research and development. SAFGRAD supports and coordinates efforts by Member States to control parasitic weeds for boosting crop production.

167. Through the project on *Biological control of insects that affect fruits production and trade*, SAFGRAD brought together and facilitated exchange of regional expertise and other resources for implementation, including putting in place an Insectarium in Burkina Faso to serve the sub-region, and training of experts from Member States to promote regional actions.

168. SAFGRAD, in collaboration with partners, also work on strengthening capacities of Member States and other actors on resilience to climate change and desertification. It helps strengthen the capacity of African agricultural research institutions by providing training to young researchers in the area of climate change and desertification.

Partnership for Aflatoxin Control in Africa (PACA)

169. The partnership for aflatoxin control aims to protect crops, livestock, and people from the effects of aflatoxins, and in the process, contributes to improving food security, health, and trade. PACA generates and promotes the use of locally relevant evidence through country-led situation analysis and policy scoping studies across Regional Economic Communities. It supported 6 Pilot Countries in developing national aflatoxin control action plans and mainstreamed them into national strategies for implementation.

170. The presence of PACA Country Officers and National Steering Committees was critical when AUC through PACA intervened to assist the United Republic of Tanzania in addressing the aflatoxicosis outbreak that took place between June and mid-September 2016 and which claimed 18 lives. PACA continued to support its pilot countries by building capacity for surveillance of aflatoxin contamination and evidence generation in Nigeria and Malawi.

171. PACA also partners with the private sector in the fight against aflatoxin (MoU with Mars); and dialogue with farmers and private sector. Through these partnerships, alliances are built against aflatoxins with nutrition, health, agriculture and rural development initiatives. Information dissemination and publications (website, AfricaAIMS, published materials, conferences) as well as advocacy at all levels. PACA also continued to play one of its pivotal roles of convening and coordinating stakeholders. AUC through PACA convened a diverse array of stakeholders in a three-day biennial meeting (2nd PACA Partnership Platform Meeting) to share lessons learned and address their common challenges in an effort to achieve a common goal of mitigating aflatoxins on the African continent.

New Alliance for Food Security and Nutrition

172. The New Alliance for Food Security and Nutrition is a partnership aimed at mobilisation of private sector investments in agriculture. It comprises country specific commitments articulated in Country Cooperation Frameworks/Agreements. In these frameworks, AU Member States commit to reform or develop new policies that will facilitate responsible private investment in agriculture in support of smallholder farmers, including women and youth. The New Alliance (NA) is chaired and coordinated by the Africa Union Commission (AUC).

173. The New Alliance Secretariat at the Commission coordinates implementation at continental level in partnership with country teams and a broad range of stakeholders in 10 Member States including Benin, Burkina Faso, Cote d'Ivoire, Ethiopia, Ghana, Malawi, Mozambique, Nigeria, Senegal, and Tanzania.

174. The achievements of the New Alliance during 2016 include: finalizing the Joint 2015-16 New Alliance and Grow Africa Annual Progress Report; undertaking missions to support country processes in the ten member countries; facilitating the Leadership Council Meeting which was held in New York in September 2016; building partnerships and facilitating a number of stakeholder engagement meetings to promote dialogue between public, private sector, and civil society actors on promoting private sector investment in the agriculture sector.

175. The New Alliance has also played an instrumental role in the scaling up of the Country Agribusiness Partnership framework to mobilize private sector investment under the Malabo Declaration across the 54 Member States. This tool is to be rolled out as part of the launch of the National Agriculture and Food Security Investment Plan Appraisal/Formulation process in AU Member States, to ensure that private sector is effectively engaged.

International partnerships on Agriculture and Food Security

176. The Commission maintained the AU - EU cooperation in the field of agriculture, focusing on agricultural policy cooperation in food security and nutrition improvement. The AU-EU Agriculture Contact Group was established to facilitate technical dialogue between the two institutions and input for higher-level political engagement. The Contact group facilitates communication at all levels for the implementation of Joint Africa EU Strategy (JAES) 2014-2017 roadmap with a focus on agriculture, food security and food safety.

177. The Commission worked to enhance cooperation between Africa and the Arab region on agriculture and food security. In collaboration with the League of Arab States and the Government of the Republic of Sudan, the 3rd Africa-Arab Ministerial Conference on Agricultural Development and Food Security was organised, and

adopted the Khartoum Declaration on promoting Africa-Arab Trade and Investments for accelerated agricultural development and food security.

Land Policies and supporting Farmers associations

178. The Commission in collaboration with UNECA is implementing the land policy framework and guidelines to help secure land rights in Africa, increase productivity, improve livelihoods, enhance natural resource management and contribute to broad-based economic growth, stability and peace on the continent.

179. A workshop on *Pastoralism* in Ouagadougou was organised, which examined resilience and adaptation to drought in pastoralists areas and systems in Africa and improving the incomes and welfare of pastoralists and agro-pastoralists. The workshop brought together participants from pastoralist networks, associations and societies, civil society organizations, RECs and partners.

180. A *draft Policy framework on Rural Infrastructure and Access to Markets* was completed, and to be validated before presentation to the Policy organs for adoption.

181. The Commission also promotes linkages among regional farmers' organizations, cooperatives and their networks; and participated in and supported the annual meetings of the Eastern Africa Farmers Federation (EAFF), Southern African Confederation of Agricultural Unions (SACAU) and the Pan-African Farmers Organization (PAFO). These meetings strengthened the institutional capacities of farmers' organizations in Africa.

ENVIRONMENT, CLIMATE CHANGE, WATER, AND LAND MANAGEMENT

182. The strategic actions of the Commission on Environment Climate Change Water and Land Management include the promotion and facilitation of:

- Sustainable management of the environment and natural resources, including water, land, biodiversity;
- Measures towards implementation of the Africa Climate Change Agenda, including Green Economy;
- The implementation of the Great Green Wall for the Sahara and Sahel Initiative
- The realization of the Africa Water Vision 2025;
- Implementation of the African Regional Strategy on Disaster Risk Reduction;
- Programme on Monitoring for Environment and Security in Africa;
- Member States and Regional Economic Communities capacity strengthening through implementation of the Multilateral Environmental Agreements.

Conservation of biodiversity

183. On biodiversity conservation, the RECs were supported to develop and/or revise their biodiversity conservation programmes. Furthermore, in addressing the challenge of illegal exploitation of Africa's wildlife, the Commission has developed, and is

implementing the African Common Strategy on Combatting Illegal Trade and Illegal Exploitation of Wild Flora and Fauna in Africa.

184. To showcase the contribution of Natural Resources to Africa's socio-economic development, the Commission worked on a *natural resource accounting framework*, with workshops organized during 2013 and 2014 for National Planners on integration of NRA into National planning processes.

185. To leverage the contribution of the forestry sector to Africa's sustainable development, a *Continental Framework on Sustainable Forestry Management* was developed, the draft validated by experts and will soon be presented to the AU Policy organs for adoption.

186. As part of reinforcing the ecosystem approach at regional level, the Commission continues to coordinate the activities of the **Fouta Djallon Highlands programme** to enhance the management of this important water shed. The Commission facilitated the adoption of a framework convention for cooperation among the Member States in the West African region.

187. To raise awareness on environmental challenges and opportunities facing Africa, the Commission annually organized commemorative events on Africa Environment and Wangari Maathai Day, International Day for Disaster Risk Reduction and other global and regional events.

Climate change

188. To promote sustainable management of the environment and natural resources the Commission in collaboration with relevant partners facilitated the active participation and common voice of African stakeholders in the various United Nations Multilateral Environmental Agreements on climate change, desertification, chemicals and biodiversity. The Commission conducted capacity building sessions for the negotiators of the various conventions in particular on Mercury and Desertification to familiarize them with the Africa's priorities and on the principles of negotiations.

189. In addition, the Commission supported the Republic of Namibia in hosting the UN Convention on Combating Desertification (UNCCD) Conference of the Parties (COP) in 2013 and continues to provide a platform for Africa to showcase its efforts in addressing Climate Change through various fora including regional conferences such as the Climate Change and Development Conference (CCDA) and by mounting 'African Pavilions' at United Nations Framework Convention on Climate Change (UNFCCC) COPs in Durban, South; Paris, France; and in Marrakech, Morocco in 2016.

190. To promote the mainstreaming of climate information into development planning processes, the Commission is in partnership with UNECA and AfDB in the implementation of Climate for Development in Africa (ClimDev-Africa). ClimDev-Africa provides relevant climate information to guide Member States in climate proofing their development.

191. The Commission, with the Committee of African Heads of State and Government on Climate Change (CAHOSCC) and African Ministerial Conference on Environment (AMCEN) continue to strengthen and promote the *African Common Position on Climate Change* negotiations. This includes supporting the African Group of Negotiators in UNFCCC meetings including Conference of Parties, inter-sessional, and regional consultation meetings. A major achievement was the adoption of the CAHOSC High Level Work Programme on Climate Change in 2014 in Malabo. The CAHOSCC Gender and Women Programme and the CAHOSCC Youth Programme launched in Nairobi in June 2016, with draft Work Programmes will be submitted to the AU Policy Organs.

192. The Commission developed a draft *African Strategy on Climate Change*, which was submitted to the African Ministerial Conference on Environment (AMCEN) for revision and endorsement, and will be presented to the AU Policy Organs for adoption.

193. The Commission also facilitated African ministerial consultations during COP 22 held in Marrakesh, Morocco in November 2016. A key outcome of COP 22 is the adoption of Decisions on preparations for the entry into force of the Paris Agreement (Figure 7, below). Another outcome of COP 22 was the pledge of 80 million USD to the Adaptation Fund, in support of developing countries.

194. Subsequent to COP22, the First session of the Conference of the Parties servicing the Meeting of the Parties to the Paris Agreement (CMA 1) was suspended on 19 November 2016 and will reconvene in 2017.

FIGURE 7. COP22 MARRAKESH DECISION ON ENTRY INTO FORCE OF THE PARIS CLIMATE CHANGE AGREEMENT

- Entry into force and signature of the Paris Agreement;
- Completion of the work programme under the Paris Agreement;
- Additional matters relating to the implementation of the Paris Agreement;
- Adaptation Fund;
- The 2018 Facilitative dialogue by the Presidency of COP 22 in collaboration with Presidency of COP 23; and
- Enhanced Action prior to 2020.

195. The Commission in collaboration with the NEPAD Planning and Coordinating Agency (NPCA), Africa Development Bank and United Nations Economic Commission for Africa provided technical back up for Africa's engagement at COP 22 and again mounted the Africa Pavilion with exhibitions and over 90 side events showcasing success stories on Africa's responses to Climate Change, working this year with the Government of Nigeria and ECOWAS. An interdepartmental delegation from the Commission participated at COP22, led by the Commissioner Rural Economy and Agriculture and the Commissioner for Infrastructure and Energy.

196. Africa Day at COP22 was celebrated on 16th November 2016 on the theme: *Implementation of the Paris Agreement: Nationally Determined Contributions (NDCs) in Africa: Moving from Commitment to Action.*" The day was graced by AU leaders, including Excellencies Professor Alpha Conde, President of the Republic of Guinea and Africa Union Coordinator on Renewable Energy for the African continent; H.E. Lt Gen. Dr Seretse Khama Ian Khama, President of Botswana; H.E. Faure Gnassingbe, President of Togo; and H.E. Ellen Johnson Sirleaf, President of Liberia amongst other dignitaries. The Africa Day also included Ministers, Members of National Parliaments and the Pan African parliament; journalists; researchers and partners to discuss Africa's needs and implementation of the its commitments and the Paris Agreement.

197. Other side events held at COP 22 included the launch of the African Environmental Partnership Platform (AEPP); Climate for Development in Africa (ClimDev-Africa) Phase 2 Business Plan; Ministerial Session on Sustainability, Stability and Security in Africa (3S); and the King of Morocco Summit with the African Heads of State and Government, which adopted the *Marrakech Action Proclamation for our Climate and Sustainable Development.*

198. The extensive drought that resulted from the 2015/16 El Nino weather phenomenon was far-reaching for Africa, exposing more than 60 million people to food shortages. The Commission convened a Ministerial Roundtable on the Economic and Social Impact of Extreme weather and other shocks in April 2016, to look at responses, including implementation of the Malabo Declaration for Agricultural Transformation, to build resilience of agricultural production systems, including the centrality of prevention, mitigation, institutional infrastructure, and capacity building. Africa must thus learn from past disasters and strengthen its responses.

Great Green Wall for the Sahara and Sahel Initiative

199. As part of the implementation of the Pan-African initiative of the Great Green Wall for the Sahara and Sahel Initiative, eight countries were supported in developing their National Strategies and Action Plans. In many of these countries, the governments created autonomous national directorates to fast-track the implementation of the initiative.

200. To capitalize on existing and emerging knowledge in the area of sustainable land management, a partnership platform in the form of a Regional Hub for knowledge management and sharing, hosted by the Commission. The Commission in collaboration with the World Bank and the FAO have mobilized financial resources to support countries through the Action Against Desertification and the SAWAP programmes.

Africa Water Vision 2025

201. To deliver on the *Africa Water Vision 2025*, in accordance with the Sharm El-Sheikh Commitment, an Assembly Declaration on Water and Sanitation, an Africa Water and Sanitation Sector Monitoring and Evaluation System, through which Member States conduct self-assessments on their individual progress towards the achievement of Water and Sanitation Goals in Africa, has been developed and operationalized, with

regular reports on the implementation of the Sharm El-Sheikh Declaration submitted to the AU Assembly.

202. On the basis of those reports, six targeted interventions to provide support to Member States are being implemented to achieve the targets of Africa Water Vision 2025 and the SDGs including the African Water Resources Management Priority Action Programme 2016 - 2025; Kigali Action Plan; Programme for Universal Access to Water Supply and Sanitation in Africa (Operation 2M4M); African Clean Villages Programme; Sustainable Sanitation for Food Security Programme; and a Human Capacity Development Programme.

203. To enhance synergies and global partnerships to implement the above, Memoranda of Understanding have been signed with relevant partners. The Commission is currently facilitating Member States efforts to mobilize the resources required to fund the programmes.

Africa Regional Strategy on Disaster Risk Reduction

204. To enhance resilience, and in line with the AU Decision on the implementation of the *Africa Regional Strategy on Disaster Risk Reduction (DRR)*, the Commission has put in place a dedicated Coordination unit for Disaster Risk Reduction. The Commission secured the sum of three million Euro from the EU Intra ACP funds for a period of five years to implement the strategy, and has harmonized the Africa Strategy on Disaster Risk Reduction with the Sendai Framework on Disaster Risk Reduction 2015-2030. The Harmonized framework was adopted by the Sixth African Regional Platform on DRR and the Fifth High-Level Meeting on Disaster Risk Reduction held in November 2016 in Mauritius.

205. The Commission recommends that the January 2017 Summit, adopts the *Programme of Action for Implementation of the Sendai Framework for DRR 2015-2030 in Africa*; and the *Mauritius Declaration on the Implementation of the Sendai Framework in Africa* as recommended by the Mauritius Fifth High Level Meeting. (The Report and Draft Decision will be distributed at the Summit)

Monitoring for Environment and Security in Africa

206. The Commission, with financial support of €37M from the European Union, implements the Monitoring for Environment and Security in Africa (MESA) programme. Through the MESA programme, 49 Member States have been provided with equipment which they now use to access satellite-based earth observation (EO) information on agriculture, climate, disasters, the environment, fisheries, and natural resources in near-real time.

207. This contributes to Africa's preparedness and response to disasters, droughts, floods, as well as its capacity in monitoring its resources including illegal fishing. Additionally, the Commission has been supporting Member States to monitor wild fires, support agriculture, and conduct climate assessments.

208. Based on the needs identified by the RECs, the Commission supported resource mobilisation efforts and the establishment of six (6) regional environmental and climate change monitoring projects:

- Coastal and Marine Resources Management in ECOWAS and IOC;
- Water Resources Management in CEMAC;
- Land Degradation Mitigation, Natural habitat Conservation, and Forest Monitoring in IGAD;
- Water Management for Cropland and Rangeland Management in ECOWAS, and
- Agricultural and Environmental resources Management in SADC.

209. Additionally, the Commission established a continent-wide project on Climate Services for Disaster Risks Reduction (DRR) in Africa.

210. In order to enhance the capacity of member States in accessing, analysing and disseminating near-real time satellite environmental and climate data and information, the Commission supported the acquisition and installation of 189 sets of computer equipment in 49 AU Member States.

211. To ensure sustainability of the Africa's efforts in earth observation, the Commission facilitated installation of training equipment in four (4) African Regional Training Centres. So far, 191 African experts from over 40 African institutions have been trained as Trainers; over 2,000 African experts have been trained. Additionally, an online Learning Management System has been established allowing all Africans from anywhere to access learning materials and follow courses. Moving forward, sustaining a systematic environmental monitoring system will enable making time, and informed decisions and interventions.

Weather and Climate Services and Strategy

212. To strengthen the National Meteorological and Hydrological Services, the Commission facilitated the development of the *Integrated African Strategy on Meteorology (Weather and Climate Services)*. The Strategy was endorsed by the Executive Council in January 2013 and the African Ministerial Conference on Meteorology (AMCOMET) adopted an Implementation and Resource Mobilisation Plan for 2016 - 2025. This was submitted to the First Session of the Special Technical Committee on Agriculture, Rural Development, Water and Environment for adoption.

213. The Commission in collaboration with the Secretariat of AMCOMET, the World Meteorological Organization in implementing the adopted Plan is further facilitating three RECs and some Member States National Meteorological and Hydrological Services (NMHSs) to develop National Strategy that would help to secure funding.

214. The facilitation of implementation of Global Framework for Climate Services in Africa is also in progress. Furthermore, the Commission, in collaboration with the World Meteorological Organisation (WMO) and the African Development Bank (AfDB)

facilitated the establishment of the Regional Climate Centre (RCC) in the ECCAS region to build regional resilience to climate change and related disasters.

Management of Animal Resources

215. The work of the Commission on animal resources management is organized through the three specialized technical offices (STOs), each with a distinct mandate: the Inter-African Bureau for Animal Resources (AU-IBAR), the Pan African Animal Vaccines Centre (AU-PANVAC), and the Pan African Tsetse and Trypanosomiasis Eradication Campaign (AU-PATTEC).

Figure 8 Mandates of the three AU Technical Offices on Animal resources

Agency	Mandate
Inter-African Bureau for Animal Resources (AU-IBAR), based in Nairobi	To support and coordinate the development and utilization of animal resources (livestock, fisheries and wildlife) for the well-being of the people and for economic development
Pan African Animal Vaccines Centre (PANVAC), based in Debre Zeit	To promote the availability of safe, effective and affordable veterinary vaccines and diagnostic reagents, To facilitate the development and the introduction of improved or new vaccines; Strengthen Africa's capacity building in veterinary vaccine development production and quality assurance.
Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC), based at AU HQ Addis Ababa	Provide leadership in the progressive creation of tsetse and Trypanosomiasis free areas, within the shortest possible time through collective and concerted action by AU Member States,. Ensure improved human and animal health, enhancement of human, animal and agricultural productivity, increased responsible use of natural resources and that the reclaimed areas are sustainably, equitably and economically exploited.

216. Work of the **Inter-African Bureau for Animal Resources (AU-IBAR)** in fulfilment of this mandate include the following:

- The global declaration by the World Organisation for Animal Health (OIE) and the FAO of freedom from Rinderpest, which serve as a model for the control of other Trans-boundary Animal Diseases (TADs). AU-IBAR, in collaboration with AU-PANVAC, led and coordinated a long campaign of efforts aimed at eradicating the disease in Africa;
- Institutional capacity strengthening in combating trade-sensitive diseases of livestock, improving animal health certification to enhance livestock exports and creation of employment opportunities and enhancing trade infrastructure;
- Enhanced coordination of fisheries development initiatives among Member States, RECs, and Fisheries Bodies;

- Facilitation of the establishment of community based mechanisms for the management of grazing and water resources for livestock in hot-spots in West and East Africa;
- Capacity strengthening of the emergency relief and preparedness of Member States for early detection and response against Avian Influenza;
- Mobilization of resources as part of the response to the food crises in the Horn of Africa Region for use in livestock specific interventions aiming at strengthening the capacity of livestock keepers to cope with food insecurity;
- Facilitation of Member States in the formulation and adoption of African common positions on matters related to animal health and food safety standards in international SPS standard-setting fora;
- Establishment of a Pan African Forum for livestock Exporting Countries (PAFLEC) as well as the analysis of marketing pathways;
- Facilitation of negotiations between livestock exporting countries and importing countries in the horn of Africa, resulting in enhanced export of livestock from the region to the Middle East.

217. In line with relevant AU decisions⁴, the **Pan African Tsetse and Trypanosomiasis Eradication Campaign (PATTEC)**, has achieved the following in the areas of capacity building, Member States buy-in to the PATTEC initiative and partnership building and collaboration:

- Hundreds of professionals and technicians drawn from 30 tsetse and Trypanosomiasis affected countries have been capacitated with knowledge and skills in planning and execution of PATTEC Projects and the application of Geographical Information Systems Technology in planning, implementation and monitoring and evaluation of interventions. The Commission has further facilitated the development of a training course on informed decision making in T&T interventions. Over 150 African experts have been trained;
- Tsetse and Trypanosomiasis interventions has been demonstrated through a number of ways, notably, the increased visibility of initiatives against T&T as a public good and the commitment to securing loans to address this problem;
- Additionally, 14 Member States have signed the Kinshasa Agreement to work together to eradicate tsetse;
- The Commission provided technical support to AU Member States involved in T&T interventions in order to strengthen their collaboration on their contributions to the Galana presidential initiative on food security through intensified irrigation in the coastal area;
- AU-PATTEC supported member States e.g. Uganda to finalize their Tsetse and Trypanosomiasis Eradication Project (UTTEP) as well as in validating National T&T interventions work plan (e.g. Gabon);

⁴ Decision AHG/Dec. 156 (XXXVI) and Decision AHG/Dec. 169 (XXXVII)

- With regards to resource mobilization, the Commission successfully mobilized support for the creation of one million square kilometers of Tsetse free areas in affected countries by 2025 and to eradicate the Tsetse fly in the shortest time in the spirit of Africa partnership. USD300,000.00 were secured to support capacity building in Planning and execution of AU PATTEC projects;
- AU-PATTEC Coordination Office has strengthened partnership and collaboration with regional and international organizations in the areas of technical, financial and material support. The PATTEC office has been upgraded to the level of Technical and Scientific Office to coordinate T&T activities at continental level and collaborates with all stakeholders including multi and bilateral partners;
- In the area of partnership building and collaboration, there has been increased prospects for international response to T&T issues, greater recognition of peaceful use of nuclear techniques in T&T control in support of food security initiatives, enhanced prospects for international consensus on appropriate T&T control strategies based on internationally agreed standards, and improved linkages between research and field implementation;
- The Commission provided policy guidance through the development of guidelines for the identification, formulation and management of T&T programmes; Policy Framework for Integrating T&T Intervention programmes in rural development strategies; and Policy framework for sustainable management of T&T intervention programmes.

218. Through efforts of **Pan African Animal Vaccines Centre (PANVAC)**, it has been possible to achieve the following:

- Increased use of the International Independent Quality Control of Veterinary Vaccines service provided in Africa by PANVAC, by Member States as a result of which the number of certified vaccines used in the vaccination campaign has increased considerably;
- AU-PANVAC was designated as the World Organization for Animal Health (OIE) Reference Laboratory in quality Control of Veterinary Vaccines;
- Establishment, since 2009, of the main technologies for the production of essential biological reagents. The Pan African Repository of vaccine strains has also been established at PANVAC, with the launch of the Bio-Safety Level 3 Laboratory in October 2011;
- Establishment of an independent husbandry for laboratory animals at PANVAC. In addition, PANVAC, with partners, manages the newly established New Process Development Laboratory, which has become fully functional;
- Facilitating the transfer of appropriate vaccine production technologies in Africa, as part of efforts to provide capacity building support to Member States.

Outcome 3

Inclusive economic development, Infrastructure, Industrialisation and Trade

Infrastructure development, environment for inclusive economic development, industrialisation, private sector-led intra-Africa trade, sustainable utilisation of natural resources created.

OUTPUTS

- Enabling policy frameworks for inclusive development formulated, promoted and implementation capacity of MS enhanced.
- The Programme for Infrastructure Development in Africa facilitated.
- Access to modern energy services for the majority of African population enhanced.
- Policies and standards to promote continental integration facilitated.
- Trade and customs facilitation policies developed and promoted and CFTA negotiations facilitated.
- Policies for private sector engagement and improved business climate developed and promoted.
- Women, youth and persons with disabilities entrepreneurship promoted and supported.
- Policies for sustainable utilisation of mineral and other resources developed and promoted.

Introduction

219. Economic diversification and structural transformation remain at the core Africa's drive to ensure decent standards of living for all its citizens, and towards shared prosperity as an aspiration of Agenda 2063 and our Constitutive Act.

220. During 2016, work with Member states, the RECs and other institutions continued to implement the various continental frameworks in infrastructure development (PIDA), Industrialisation (PAIDA), the African Mining Vision and more generally the programme of economic integration as set out in the Abuja Treaty and the accelerated Minimum Integration Programme.

INFRASTRUCTURE DEVELOPMENT

221. There is overwhelming evidence that the resilience of African growth of the last decade or so is to a large part due to investments in infrastructure development; at the same time the backlog in infrastructure remains a major brake on African growth. It remains therefore a critical priority of all Member states, RECs and continental institutions.

222. The mandate of the Commission in the area of infrastructure, and as per the Programme for Infrastructure Development in Africa (PIDA) is therefore *“to enhance Regional and Continental efforts for accelerated integrated infrastructure development*

and the effective and sustainable deployment of energy resources". The core activities of the Commission in this area therefore are:

- Harmonisation of sector policies and strategies;
- Development of interconnected infrastructure networks;
- Monitoring and facilitation of implementation of policies, strategies and major continental integration infrastructure projects;
- Contribution to mobilisation of resources for infrastructure & energy development;
- Advocacy for Africa's interests in matters of infrastructure and energy development

Programme for Infrastructure Development in Africa (PIDA)

223. The overarching vision of the Programme for Infrastructure Development in Africa (PIDA), adopted by the 18th Ordinary session of the Assembly (Assembly/AU/Decl.2(XVIII)) in January 2012, is to ensure that by 2030 Africa has *"integrated infrastructure of transport, energy and communications, that is safe, reliable, efficient and affordable, capable of promoting regional and continental integration and sustainable development of the continent"*.

224. The Programme for Infrastructure Development in Africa (PIDA) is implemented with Member States and in partnership with the United Nations Economic Commission for Africa, African Development Bank and the NEPAD Planning and Coordinating Agency (NPCA).

225. The PIDA Priority Action Plan (PAP) has 51 projects and programmes of Transport, Energy, ICT and trans-boundary water that promote regional integration and help reduce the infrastructure deficit, at an estimated cost of US\$68 billion, to be implemented between 2012 and 2020. PIDA priority projects were selected based on economic analysis and selection criteria, taking into account national and regional infrastructure development plans, and in close consultation with Member States, Regional Economic Communities (RECs), development partners and the private sector.

226. At regional levels, the RECs through their regional master plans, are also taking forward initiatives towards infrastructure development, building regional energy pools, and regional transport infrastructure in the areas of both road and rail.

227. Across the continent, the following sectoral progress with PIDA and Agenda 2063 flagship projects have been achieved in different areas of infrastructure, as outlined below.

Figure 9: Continental Infrastructure frameworks (in place or being developed (2016))

PROGRAMME FOR INFRASTRUCTURE DEVELOPMENT IN AFRICA (PIDA)		
Existing Sectoral policies being implemented		
Energy Sector <ul style="list-style-type: none"> The African Bioenergy Policy Framework and Guidelines Programme for Solar Energy Development in Africa The Africa Hydropower 2020 Initiative Sustainable Energy for All (SE4ALL) in Africa Programme Africa Renewable Energy Initiative 	ICT and Postal Sector <ul style="list-style-type: none"> Reference Framework for the Harmonization of Telecommunications/ICT Policies and Regulations Strategic Orientation and Action Plan for the Development of Postal Services in Africa African Regional Action Plan on Knowledge Economy (ARAPKE) AU Convention on Personal Data protection and Cybersecurity Cybersecurity and Internet Governance 	Transport and Tourism Sectors <ul style="list-style-type: none"> Intergovernmental Agreement on Standards and Norms for Trans-African Highways African Road Safety Charter Vision 2040 for Railway Revitalisation in Africa African Civil Aviation Policy (AFCAP) Yamoussoukro Decision on Liberalisation of Air Transport Markets in Africa African Maritime Transport Charter NEPAD Tourism Action Plan Continental Tourism vision under the AU Agenda 2063.
Frameworks under development or to be adopted to support Agenda 2063 Ten Year Implementation Plan		
Energy Sector <ul style="list-style-type: none"> Harmonization of Regulatory Frameworks in the African Energy Sector 	ICT sector <ul style="list-style-type: none"> Broadcasting: Analogue to Digital Terrestrial Television Transition; Harmonized ICT Policies in Africa (HIPA); Strategic Framework for Communication and Information Technology Development in Africa- the Comprehensive ICT Strategy for Africa (CISA) Regional interconnection Policies framework Outer Space: African Union Space Policy and Strategy towards creation of an African Space Agency (AfriSpace) 	Transport and Tourism sector <ul style="list-style-type: none"> Continental Integrated Transport Policy Harmonized Tourism Policy, Strategies and Standards for Africa

Transport

228. After decades of neglect and underinvestment, Rail transport is increasingly being recognized as a strategic economic sector, crucial to efficiency in production and trade activities of countries and the continent. In that regard, the *Vision 2040 for Railway Revitalization in Africa* was developed and adopted in June 2014 to correspond to the horizon of PIDA. A number of Member States have initiated and are implementing railway construction projects with the standard gauge (1,435 mm) as stipulated in the Vision in order to modernize African railways and ensure their capacity for future development into higher speeds.

229. On road transport, apart from expanding the national, regional and continental road networks based on the transport corridors, we have also formulated and disseminated Road Standards Norms for the Trans-African Highways (TAH) and the Inter-Governmental Agreement for their implementation, and continue to monitor and review of the implementation of the African Action Plan for the Global (UN) 2010-2020 *Decade of Action for Road Safety*.

230. Pre-feasibility studies are in progress or have been completed on a number of major trans-African transport corridors with a view to mobilizing financial and technical support for their strengthening including construction, rehabilitation and modernization. This includes: Dakar-N'djamena-Djibouti Transport Corridor (Trans African Highway 5 & 6), Djibouti-Libreville Transport Corridor (proposed Trans African Highway 10), Lobito Transport Corridor (Trans African Highway 9), Trans African Highway No. 3 in central Africa linked to the proposed Kinshasa-Brazzaville Bridge, Cotonou-Ouagadougou-Niamey-Abidjan Railway and Gambia Bridge on Trans African Highway 7.

231. Action is underway to enhance the operational efficiency of major transport corridors through the implementation of the Programme on Support to the Transport Sector in Africa, within the framework of the EU-Africa partnership. The main objectives of the programme are to support the development of 'smart corridors', efficient road maintenance systems and the elaboration of a Comprehensive Transport Policy.

Single African Air Transport Market (SAATM) Project

232. The alignment of the Regulatory and Institutional documents of the Yamoussoukro Decision on the Liberalisation of Air Transport Markets in Africa has been finalized and the documents are ready for publication.

233. Work has also been done to facilitate start-up activities for opening air transport markets among participating Member States; a coordination framework for executing functions of the Single African Air Transport Market between AFCAC and the RECs, has been set up and so has the processing of grant finance from African financial institutions for the start-up activities of the Executing Agency. The Commission has also signed an MOU with on the promotion of Regional Aviation Cooperation.

234. The following critical actions have to be undertaken to give impetus to the Single African Air Transport Market (SAATM) project:

- Following up implementation of actions expected of the committed Member States to open up their air transport markets to each other (as outlined in the AUC letter ref. no. *CIE/L/20/188.16 of 18th May 2016*);
- Finalising consultations between the AUC, AFCAC and the RECs to ensure timely adoption and signing of the AFCAC-RECs MOU;
- Preparation and adoption of a Multilateral Air Service Agreement (MASA) to replace the Bilateral Air Service Agreements (BASAS) and avoid the need for Member States to undergo the cumbersome and lengthy process of negotiating bilaterally among themselves to open up their markets to each other;
- Defining the structure, budget and sustainable sources of funds for the Executing Agency;
- Elaboration of the external policy guidelines for aviation relations with third parties;
- Elaboration of a continental aviation infrastructure master plan.

235. Other critical areas in the air transport sector addressed by the Commission include aviation safety, security and environmental protection. Activities to monitor and facilitate programmes on these areas are done in collaboration with the International Civil Aviation Organisation (ICAO) and the African Civil Aviation Commission (AFCAC). An ICAO supported programme on aviation safety, based on the AU 2012 Abuja Safety Targets (AFI Plan) is under implementation and in April 2016, Ministers in the sector adopted detailed Aviation Safety Targets to be implemented under the AFI Security and Facilitation Programme (AFI SEFCAL Plan).

African Integrated High Speed Railway Network (AIHSRN) Project

236. The project was initiated as an Agenda 2063 flagship project due to its high potential for speeding up socio-economic development and continental integration in line with the spirit of the 1991 Abuja Treaty as per Decision EX.CL/Dec.821 (XXV). In implementing the project, a core team of African experts under the leadership of the AUC was formed.

237. Based on the MOU on Road, Rail and Industrialisation (RAI) signed with China after the visit of the Chinese Premier to the AU, a joint Africa/China team of experts on Rail was established. The main focal organization for this project in China is the National Development and Reform Commission (NDRC). However, as the projects moves to implementation stage, it is expected the Ministry of Commerce (MOFCOM) of China will become a major player for the strategic partner. Currently, the two sides are working to finalize the joint vision, plan of action, and execution of the comprehensive pre-feasibility study of the project.

238. The following activities have been initiated according to the road map and are on course:

- Conducting a comprehensive Pre-Feasibility Study of the AIHSRN project;
- Collaboration with departments of Trade and Industry and HRST for capacity building and industrialisation aspects of the AIHSRN project;
- Launching and staffing the Project Implementation Unit (PIU), based at the NEPAD Agency, including the appointment of the interim Executive Director and other staff;
- Finalisation of the Concept Note on Training needs analysis and call for admission of first batch of students;
- Finalisation of the Communication Strategy;
- Preparation of a Comprehensive Profile of African Railways Industry Cluster; and
- Preparation of preliminary Action Plan for the Industry Scope including Local Content.

ENERGY SECTOR

239. In the Energy Sector, the focus has been on the following main areas of activity, mainly in the area of renewable energy, towards enhancing access to modern energy services and harmonization of energy regulations, in preparation for the CFTA:

Africa Renewable Energy Initiative

240. The Africa Renewable Energy Initiative (AREI) was adopted and officially launched at the COP21 in Paris, December 2015: Since then, a Technical Working Group chaired by the Egyptian Minister of Environment, AMCEN President was established.

241. The draft AREI governance instrument proposed by AfDB in line with AU Assembly decision (Assembly/AU/Dec.603 (XXVI)) of June 2015 requesting AfDB to take appropriate measures in consultation with AMCEN and AUC to complete its work on the draft governance framework and related establishment documentation. These frameworks should be adopted by the AREI Governing Board at its initial meeting convened by the CAHOSCC.

242. There is in principle agreement on the overall AREI Work Plan, activities to be undertaken during the first 12-month establishment phase of AREI as well as the terms of reference and establishment of an interim Delivery Unit (IDU) for an initial 6 month period, including the immediate appointment of its Head. The AfDB committed to financially support this recruitment for 6 months.

243. Updates on the operationalization of the African Renewable Energy Initiative was presented at the 6th special session of AMCEN, Cairo, Egypt, from 16-19 April, 2016 and at the New York signing ceremony on the Paris Agreement on 22 April, 2016.

244. The AU Summit in Kigali Rwanda in July this year decided (Assembly/AU/Dec.603 (XXVI)) on the governance structure of AREI and mandated the AU Commission in collaboration with the African Development Bank as co-leaders of the AREI and HE Alpha Conde, President of the Republic of Guinea and Coordinator of Renewable Energy in Africa, to ensure the operationalization of AREI within the framework of the development and industrialization of Africa and to report to the next Ordinary Session of the Assembly in January 2017.

Sustainable Energy for All Initiative

245. The Sustainable Energy for All Initiative (SE4ALL), which was adopted by the Conference of Energy Ministers of Africa (CEMA), November 2012. More than 27 African countries are now implementing the SE4All Action Agendas and the Investment Prospectus developed in more than 17 countries. The early adopters have already technically validated and politically adopted the documents and are developing follow-up activities, particularly in the promotion of the investment opportunities and establishment of permanent national SE4All coordination secretariat. African decision-makers and international organisations recognize the contribution of the Hub in the implementation of the SE4All initiative, and in promoting the Action Agendas as national implementation tool for SE4All and SDG7.

Africa Bioenergy Policy Framework and Guidelines

246. Facilitation and advocacy for the implementation of the ***Africa Bioenergy Policy Framework and Guidelines*** adopted by the CEMA in November 2012 and Heads of State and Government in January 2013. The Commission has developed guidelines to ensure Mainstreaming of gender in the Africa Bioenergy Policy Framework and guidelines; commissioned seven (7) case studies for Ethiopia, Kenya, Rwanda, Mauritius, South Africa, Burkina Faso and Cameroon on Biofuel for Transport and Households; and worked with partners to strengthen capacity building training on Bioenergy.

Continental Harmonized Regulatory Framework for the Energy Sector

247. A draft strategy document and Action Plan for the harmonization of regulatory frameworks to be validated by stakeholders and adopted by the STC on Energy, Environment, Transport and Tourism was developed. This harmonized regulatory framework was seen as necessary to prepare for the Continental Free Trade Area and the development of an energy market in each region.

Africa-EU Energy Partnership

248. The Africa EU Energy Partnership was launched at the Africa-EU Summit in Lisbon, Portugal in 2007. The two Commissions, in collaboration with the AEEP secretariat identified ways to enhance coordination of key regional and global initiatives such as PIDA, ElectriFI, Power Africa, the Geothermal Risk Mitigation Facility, AREI, SE4All in Africa and the Africa Energy Leaders' Group.

Regional Geothermal Program

249. The development of the Geothermal Risks Mitigation Facility (GRMF) established in 2012 by the AUC, the German Federal Ministry for Economic Co-operation and Development (BMZ) (20 Million Euro), and the EU-Africa Infrastructure Trust Fund (EU Africa ITF) (30 Million Euro) in cooperation with the German government-owned development bank. KfW and the UK DFID joined the initiative in 2014 with a contribution of 47 Million Pound. The initiative encourages public and private sector developers, providing grants for partial financing for surface studies and drilling for reservoir confirmation, mitigating risks associated with geothermal resource exploration.

250. The Geothermal Risk Mitigation Facility awards grants that cover project costs related to surface studies (80%), drilling (40%), infrastructure (20%) and continuation premium (30%). In total, the Facility have already awarded 15 projects from Ethiopia, Kenya and Comoros Islands, Djibouti, Rwanda for an amount of 62 \$ million. During 2016, eight (8) projects qualified for GRMF grants out of 16 Expressions of Interest in the 3rd Application Round. The 4th application has also been launched.

Hydropower 2020 Initiative

251. This initiative is based on a study completed in 2009 to stimulate the development of major hydropower projects on the continent, including capacity building for energy experts of AU Member States. Under Agenda 2063, it includes facilitation and advocacy for the development of Inga Hydropower as a flagship project.

252. Activities on the “*Grand Inga Hydropower Project*”, with its potential capacity of generating 42,000 megawatts of renewable electricity include the development of a Public-Private-Partnership model for the Ministry of Energy of the Democratic Republic of Congo (DRC) and the Power Utility (SNEL) for the Inga III project, (ii) signing of a Treaty on Grand Inga Project between South Africa and DRC on 29 October 2013 and ratified by DRC Parliament on 21 November 2014 and signature of a Cooperation Agreement on Energy Resources as well, (iii) launching of the selection process of the private developer among three pre-shortlisted consortia started in August 2015 and is expected to be completed by 2016 to enable the launch of the construction of Inga 3 in June 2017, completion of technical studies, tender documents and resource mobilization process by June 2017.

253. The AUC also signed a Financial Agreement with the Italian Government for capacity building for the development of small hydropower in the East Africa Community (EAC) this year, within the Africa-EU Energy Partnership framework.

Information Communications and the Information Society

254. The Commission work on the information society are based on the following outputs: (i) management of scarce common resources, the dot Africa project and radio spectrum; (ii) facilitation of the harmonization of Postal and ICT policies and regulations in Africa (iii) Action Plan for the sustainability of the Pan African e-Network (PAeN) as flagship project of the Agenda 2063, for Tele Medicine and Tele Education implemented, (iv) advocacy to promote the ratification of the AU Convention on Cybersecurity and protection of personal data and its supporting its domestication into national laws; (v) ARAPKE Projects developed and Implemented, (vi) African Postal Sector Policies Regulations and Strategies developed and harmonized (vii) AU Organs Decisions on Infrastructure and CIT Implemented

African Internet Exchange System Project (AXIS)

255. The AUC signed a financing agreement to support implementation of the African Internet Exchange System project (AXIS) with funding from the Euro-Africa Infrastructure Trust Fund and the Government of Luxembourg. AXIS aims to keep Africa’s internet traffic local to the continent by providing capacity building & technical assistance for National Internet Exchange Points and Regional Internet Exchange Points in Africa. For example, following the establishment of the Internet Exchange Point (IXP) in Namibia, latency was reduced from 300ms to 2ms and nearly 2 million USD was saved in one year.

256. During 2016 capacity building to support the establishment of national internet exchange points was provided to thirty (30) Member States. The capacity building support facilitated the setting up of the necessary management structures and prepared network engineers with the technical skills to interconnect their networks to the internet exchange point.

257. National internet exchange points have been established in thirty two (32) Member States, and through an open tendering process, eight (8) internet exchange points (IXPs) of Congo, Egypt, Gabon, Kenya, Nigeria, Rwanda, South Africa and Zimbabwe have been awarded grants to grow to become regional internet exchange points (RIXPs). Under the grant awarded to the Kenya Internet Exchange point, the African Union Commission has supported the establishment of the first Global GSM Roaming Exchange (GRX) in Africa and only the fourth in the world. Moreover, considerable dialogue has taken place between regulators, policymakers and industry on these exchange points.

Pan African e-network (PAeN) for Telemedicine and Tele-education

258. The Pan African e-network is a flagship project of the Agenda 2063 that has been in operation for more than five years. As of 1 September 2016 the network has been installed in 48 AU Member States and has provided Tele education services to a total of 19,300 students enrolled in various undergraduate and graduate disciplines in different Indian universities and around 730 Tele-medicine consultations per annum.

259. During 2016, in addition to Tele education and Tele-medicine services provided, the AUC has pursued the implementation of the Action Plan for the sustainability of the PAeN. An Oversight Committee (POC) that proposed a managing structure of the network and a funding mechanism through Users-contributions for the operations, maintenance and development of the PAeN after the transfer to Africa and carrying out an evaluation of the assets of the network that will be transferred to Member States. The agreement on Technical assistance with India was extended to March 2017, allowing additional time for the Oversight Committee to finalise its mandate.

Dot Africa, Cyber-security and e-Governance

260. During 2016, the Commission facilitated training for AUC staff on e-Governance and Cyber security was provided through intensive workshops provided by the Government of Estonia and Sofrecom; continued work to promote and advocate on Dot Africa including pending issues of the project; and held an extraordinary session of the STC on Communication and ICT on Internet Governance and Cyber-security issues, which adopted a draft *Declaration on Internet Governance* to be considered by the 2017 January Summit.

The Blue Oceans Economy

261. 2016 has also seen an acceleration of the continental focus on its blue oceans economy, culminating the in AU Extraordinary Summit on Maritime Safety, Security in Development in November 2016.

262. Africa's blue territories, its two oceans, two seas, lakes and rivers, especially its maritime space, constitute a vast resource which should be key to continental development and transformation. Thirty-eight of African states are coastal zones, and 90% of trade with the world conducted by the oceans. The maritime sector and blue economy globally has seen renewed attention, with a focus on unexplored oceanic natural resources as well as its potential to for energy generation that is renewable. Major sectors of the blue economy include fisheries, aquaculture, tourism, transport, ports, coastal mining and energy⁵.

263. At the same time, there are rising global concerns, highlighted in the report of the Oceans Commission, about illegal harvesting, depletion, degradation and pollution of oceans and seas, as there are about the diminishing water levels of lakes, in the context of climate change and other human activities. Moreover, given African capacities to protect and develop its blue economy, illegal fishing, piracy and security have become major challenges.

264. It is for all these reasons that Agenda 2063 refers to the Blue economy as a new frontier for African renaissance. The African Integrated Maritime Strategy 2050 (AIMS2050), adopted in January 2015 and following in the footsteps of the African Maritime Transport Charter, provided for the first time a comprehensive and integrated approach, connecting security and economic development, environmental concerns with African ownership of this resource and natural heritage. The AIMS2050 introduced 25 July as the African Day of Seas and Oceans, and the Commission celebrated this day for the first time in 2015, bringing together various sectors involved in the Blue economy.

265. The consultations leading to the development of AIMS2050 also saw renewed mobilisation within the sector, with critical organisations such as the African Port Authorities, the African Ship-owners Associations and others such as the Women in Maritime Africa (WIMAfrica) being formed. A number of countries also adopted national blue economy and maritime strategies. Quite a few international partnerships also developed around African activities in this area. The Commission in 2016 signed Memorandum of Understanding with the African Ship-owners Association and WIMAfrica, undertaking to collaborate in the furtherance of Africa's blue economy.

266. The 2016 Extraordinary Summit on Maritime Safety, Security and Development, hosted by Togo in October 2016 was therefore a highlight of this process, with the adoption of the Lomé Charter on Maritime Safety, Security and Development, and the agreement on the development of its Annexures.

267. The Commission has put in place a roadmap towards the development of the Annexures, with expert inputs and drafting, culminating in a meeting of relevant STCs (Infrastructure, Transport and Energy, Agriculture and Trade and Industry) and finally, presentation to the Summit in July 2017.

⁵ UNECA. (2016). *Africa's Blue Economy: A policy handbook*. Economic Commission for Africa. Addis Ababa

Economic integration and Continental Free Trade Area

268. The economic integration remains a key Pan African aspiration and the Agenda 2063 Ten Year Implementation Plan focuses on consolidating a number of flagship projects towards this end. It bears repeating that Africa remains the least integrated region in the world, and the Commission during its term of offices therefore advocated for and brought together relevant stakeholders around key integration projects which have stalled or not gotten off the ground, such as the Yamoussoukro Declaration on the creation of a Single African Air Transport Market, and launching of the negotiations process towards the Continental Free Trade Area in July 2015.

269. The integration project was also given further impetus by the economic integration initiatives of the RECs during this period. Most notably, was the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA)⁶ launched on 10 June 2015 in Sharm El Sheik, Egypt. The twenty-six (26) TFTA member countries have a combined gross domestic product of US\$1.2 trillion. With a combined population of 626 million people, it represents just over half the total African population and economy⁷. There are talks in the context of the CFTA negotiations, of extending it to other regions. The Arab Maghreb Union (AMU) signed three out of the four protocols for the Union's free trade area. ECOWAS launched its customs union as of 1 January, 2015; by April 2015 eight of its fifteen member states already begun to implement the common external tariff required under the customs union.

270. Several RECs have reduced intra-regional import tariffs to lower levels: EAC applies a zero average tariff on imports within the Community; and ECCAS and COMESA both apply tariffs averaging around 1.9%. Intra-regional tariffs within SADC and ECOWAS are higher, at 3.8% AND 5.7% respectively. COMESA, EAC, ECOWAS and SADC have all taken steps to facilitate transport and to lower non-tariff barriers. Though intra-African trade on aggregate remains low due, progress is being made in West, Southern and East Africa; with East Africa comparing well with regions such as ASEAN and MERCOSUR,⁸ and COMESA and ECOWAS recording fair progress on the movement of labour.

271. The vision of the Abuja Treaty is ultimately to have an African Economic Community (AEC), as the last of six stages that involve the strengthening of sectoral cooperation and establishment of Regional Free Trade Areas (FTAs), a Continental Customs Union, a Common Market and a Monetary and Economic Union. On 15 June 2015, the 25th AU Summit launched the negotiations for the Continental Free Trade Area (CFTA) with a view of establishing an African single market in 2017.

⁶ The TFTA will stretch from Cape Town to Cairo, creating an integrated market with a combined population of almost 600 million people and a total Gross Domestic Product (GDP) of about US\$1 trillion.

⁷ *Regional Integration in Africa*, Faizel Ismail. Destination East 3ROUTE, 27th October 2014,

⁸ Prof. T Mkandawire's Keynote Address: "On the politics of regional integration." Tralac Annual Conference, 15 – 16 May 2014, Cape Town, South Africa.

272. Work by the Commission on the CFTA include facilitating the implementation of the Minimum Integration Programme (MIP), focusing on priority areas, in which RECs could strengthen their cooperation and benefit from best integration practices. This remains the key focus on the Ministerial retreats, the AUC-AfDB-UNECA-RECs Coordination meetings, and the meetings of Ministers of Integration.

273. The key challenges for the regional integration agenda remain the harmonization of policies and programmes across RECs; encouraging public private sector partnerships to carry out infrastructural projects; developing capacities to develop bankable regional and continental infrastructural projects; building institutional capacities (financing and banking systems, statistics institutions, etc.); and conflicts which have hindered progress, particularly in ECCAS, IGAD and CENSAD.

274. Following the launch of the CFTA negotiations at the Summit in Johannesburg in July 2015, during 2016 the Commission recruited the secretariat for the CFTA, and convened CFTA negotiations to kickstart the process. The establishment of the CFTA will significantly accelerate the growth of Intra-Africa trade and use trade more effectively as an engine of growth and sustainable development with a target to double intra-Africa trade by 2022. It will also strengthen Africa's common voice and policy space in global trade negotiations and establish a firm platform to deepen continental trade integration.

275. Three sessions of the CFTA Negotiations Forum have been held, tackling the following issues:

- Adoption of the Rules of Procedure for the CFTA Negotiations institutions, and Terms of reference for technical working groups;
- Consideration of the draft modalities for Trade in Goods and Trade in Services. Phase 1 of the CFTA negotiations, which includes Trade in Goods and Trade in Services, is expected to be completed by the end of 2017;
- Phase Two of the negotiations, which has not been launched will include Investments, Intellectual Property Rights and Competition Policy.

276. The AUC developed a resource mobilization strategy and capacity plan with the support of the Trade Advocacy Fund. Further, in line with their commitment towards regional integration and the CFTA, Member States committed to fund USD 3 million of the CFTA activities in 2016, and USD4.9 million in 2017. The technical capacity and capacity building for the Commission, RECs and member states has been provided by several partners including UNCTAD, ATPC, TAF, TRALAC, TRAPCA inter alia. The Commission established and started recruitment for the CFTA Support Unit in 2016, which will have 14 professional staff by 2017.

277. During the Kigali Summit in July 2016, the Heads of State and Government discussed the CFTA and adopted a decision (Assembly/AU/Dec.608 (XXVII)), which directed the Commission to prepare draft Template Agreement for the CFTA, identify five eminent persons from the five regions to champion the CFTA and to develop a continental programme on Non-Tariff Barriers. The Commission has implemented these tasks and will report to the January 2017 Summit as directed by the Decision.

Boosting Intra-Africa Trade

278. Despite the slow pace of diversification, there are encouraging signs, with manufacturing goods rising to 40% of goods traded amongst African countries, as against 13% of its exports to the rest of the world. The Implementation of the Action Plan on Boosting Intra Africa Trade (BIAT) is a priority for the continent, with the target set in the First Ten Implementation Plan of Agenda 2063 to double intra-Africa trade by 2022. The BIAT Action plan focuses on seven clusters, namely Productive Capacities, Trade Facilitation, Trade Information, Factor Market Integration, Trade related Infrastructure, and Trade Finance. The BIAT Action plan is a key part of the agenda for economic integration, to create conditions necessary for the effective utilization of the CFTA by the African private sector.

279. A draft Charter for the establishment of the African Business Council (ABC) was developed and consultation among Regional private sector bodies are ongoing on its establishment. A project for the operationalization of the Trade Observatory is included as part of the CFTA Architecture. Regarding the Customs Technical Committee (CTC) the subject was considered during the Sixth meeting of the AU Sub-committee of Directors General of Customs and it was proposed that the AU Directors General's rules of procedure would be amended to include the functions of the CTC.

280. The 'thick borders' within the continent remain a major obstacle to intra-Africa trade, compounding trade cost amongst and between countries. Elements of our thick borders include cumbersome procedures, poor logistics and infrastructure. Under the Customs programmes, the Commission with Sub-Committee of Directors General of Customs Administrations therefore developed a *Road Map and Strategy for Continental Interconnectivity of Computerized Customs Information Systems in Africa*. It has also started work on a single window system for Africa and on a border management strategy to serve as an instrument for balancing lawful and easy movement of goods and people, and the need to enhance border security. In line with its mandate to build capacity of Customs administrations of Member States in trade facilitation, the Commission, in collaboration with the World Customs Organisation (WCO), held a workshop for the West and Central African regions and for the Eastern and Southern African regions in June 2016 and November 2016 respectively. The Department is also working with the WCO on addressing the important issues of ethics and integrity in customs and in this regard organized a workshop for Member States in December 2016 in Dakar, Senegal.

281. The African Trade Forum, Pan-African platform for reflection and discussion on trade issues is an avenue for stakeholders to discuss progress and challenges for Africa's market integration and the Third Forum was successfully held on 26-30 November 2016 at the AU Headquarters.

282. As part of the Monitoring and Evaluation of progress achieved under the Action Plan on Boosting Intra-African Trade, a stocktaking exercise was undertaken in 2015 and a follow-up workshop was organized in 2016, which informed the work programme

for department of trade and industry for 2017. This includes the role of competition policy and Non-Trade Barrier reduction in Africa's trade competitiveness, among others.

Industrialisation and economic diversification

283. Boosting inter-Africa trade is closely linked to levels of economic diversification and therefore industrialization. Progress is being made in this regard, albeit slow, with at least fifteen countries still depending on less than two products for 75% of their exports and twenty-two countries on less than ten products for 75% of their exports. There are also seventeen other countries, and growing, where more than ten products account for over 75% of their exports, as per Table 10 below:

Table 10. Number of products accounting for more than 75% of Exports in African countries in 2013.

Number of products accounting for > 75% of exports	Countries	Number of countries
1	Angola, Chad, Congo, Libya, Nigeria, Sao Tome and Principe, South Sudan; Botswana	8
2	Equatorial Guinea, Eritrea, Gabon, Guinea, Guinea Bissau, Niger, Sierra Leone	7
3 to 5	Algeria, Burkina Faso, Burundi, Central African Republic, Comoros, DRC, The Gambia, Liberia, Malawi, Mali, Mauritania, Rwanda, Seychelles, Somalia, Sudan, Zambia.	16
6 to 10	Benin, Cabo Verde, Cameroon, Ethiopia, Ghana, Mozambique	6
More than 10	Cote d'Ivoire, Djibouti, Egypt, Kenya, Lesotho, Madagascar, Mauritius, Namibia, Senegal, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zimbabwe	17

Source: African Economic Outlook, 2015

284. It is these realities that prompted the 1st Retreat of the Executive Council at Bahir Dar in January 2014 to call for the development of an African Commodities Strategy, reiterated during the Retreats in Me'kelle and Nairobi, in the context of the discussions on the African Paradox. The implementation of a Commodities strategy should enable African countries to add value, extract higher rents from their commodities, integrate into the global value chains, and promote vertical and horizontal diversification anchored in value addition and local content development.

285. The African Commodities Strategy will be presented for consideration and adoption to Member States in 2017 following a validation process with the relevant STC in November 2016 and the 5th Executive Council Ministerial Retreat in Addis in December 2016.

286. The Commission continued to work on the Action Plan for the Accelerated Industrial Development of Africa (AIDA) with UNIDO and UNECA. Given the prioritization of industrialization in Agenda 2063, the STC on Trade, Industry and

Minerals adopted a Ministerial Declaration in May 2016 to include industrial development issues in the terms of reference of the High Level African Trade Committee composed of Heads of State and Government (HATC) and to appoint an Eminent Industrialist as special envoy on industrial development. The STC recommended that 2019 be adopted as the Year dedicated to the Theme of Africa's Structural Transformation through industrial and mineral resources development.

287. In collaboration with the Pan African Quality Infrastructure (PAQI) and the German Technical Assistance Agency (PTB), the Department prepared a Road Map and Capacity Building programme in the area of quality infrastructure, Technical Barriers to Trade (TBT) and sanitary and phytosanitary (SPS) measures to provide robust technical support to the CFTA negotiations. It has also facilitated a study on the quality infrastructure status of all African countries. Another major continental industrial development initiative is the African Agribusiness and Agro-industry Development Initiative (3ADI). The objective of the initiative is to promote industrialization and sustained economic growth through value addition to African agricultural products and better linkages between the agriculture and other sectors of the economy.

288. Several value chains projects are being implemented by Member States and Regional Economic Communities in order to enhance regional integration and intra-African trade in food and other agricultural products. The Commission, for example, is working with COMESA and other RECs to formulate a continental framework for the Cassava Value Chain.

289. The development of Special Economic Zones and Manufacturing Hubs is becoming an important aspect of the implementation of PAIDA, and features very prominently in the different partnership programmes, including with China, Korea and others. Within the implementation of the MOU signed between the AUC and China on the Promotion of Cooperation in Railways, Road, Regional Aviation Networks, and Industrialization, the Commission designed in 2015 a Strategy Paper for the Industry Pillar: the development of Special Economic Zones (SEZ) and Manufacturing Hubs; the enhancement of SMEs competitiveness and the growth of Regional Value Chains and Industrial Clusters; the Implementation of World Class Business Practices in Innovation and Manufacturing Technologies as catalyst; and anticipating the strengthening of Africa capabilities to effectively provide goods and services to The High Speed Train Project through a Local Content policy.

290. The Commission is also very engaged in the promotion of SMEs in Africa. A draft Master Plan 2017-2021 and SME Development Strategy to support job creation and improve incomes have been prepared and validated at the technical level through a workshop held in October 2016 that brought together the RECs, UNECA, ARSO and other stakeholders. The documents are expected to be adopted by the relevant policy organs in 2017.

291. With Africa producing less than 2% of the pharmaceutical products it consumes and with 25% of the global burden of disease, the Pharmaceutical Manufacturing Plan for Africa (2007) remains critical, with evidence that safe and effective medicines can be produced in low- and middle-income countries. A progress report on the implementation

of the Pharmaceutical Manufacturing Plan for Africa (PMPA) was considered by Ministers at the STC meeting in May 2016 and recommendations made for the AUC and its Member States to implement. A number of Member States have already identified production of pharmaceuticals as a national priority at the national level including Botswana, Ethiopia, Ghana, Kenya and Tanzania. With the exception of South Africa and Egypt, local production is currently limited to manufacturing final formulations, which include analgesics, simple antibiotics and vitamins.

292. The Commission has continued to advocate for the important role Services in Africa's transformation and has undertaken a number of initiatives. It undertook 5 case studies on Africa's Services Exports, including on Air Transport Services in Ethiopia, Banking Services in Nigeria, Cultural Services in Burkina Faso; Business Processing/ICT Services in Senegal and Education Services in Uganda and published the findings in a book titled "*Services Exports for Growth and Development: Case Studies for Africa*", available in hard copy and soft copy.

293. A Capacity Building Programme and workshops on services negotiations were conducted for AU Member States and RECs. It has also formulated a *Services Sector Development Programme 2016-2020*, which serves as a strategic Roadmap to assist Member States, RECs and Private Sector in boosting intra-African Trade in Services.

African Mining Vision

294. The Commission through its Department of Trade and Industry, in collaboration with the UNECA monitored and facilitated the domestication of the Africa Mining Vision through the development of country mining visions. A major output of the efforts of the Department is the establishment of the Africa Minerals Development Centre (AMDC) as a specialized agency of the African Union. The AMDC Statutes were considered in 2015 and adopted by the Summit of January 2016. An evaluation mission of the AUC led by the Trade and Industry has visited the facilities of the five Member States offering to host it, namely Zambia, Guinea, Kenya, Sudan and Mali. A decision on the selection of the host country will be taken at the January 2017 Summit. A study is being conducted by an independent consultant, through technical assistance from UNDP, is conducting a financing and sustainability mechanism study of the African Mining Development Centre. It is important for Member States to sign and ratify the Statute of the AMDC as soon as possible.

295. With regard to geological information, implementation of the African Minerals Geosciences Initiative (AMGI) was launched in Mali and a work-plan for 2015/16 endorsed at the technical level. A Partnership with Brazil within South Industrial Cooperation was established and the African Minerals Geoscience Centre (AMGC formerly SEAMIC) was identified as an African institution to host the data with its secretariat to be established within the AMDC.

African Private sector and Business development

296. The private sector remains a critical pillar of development, transformation and growth in the continent; it already 'generates two-thirds of Africa's investment, three-

quarters of its economic output, and nine-tenths of its formal and informal employment⁹. Although the African private sector only accounts for 11% of the global private sector, in the context of sustained economic growth and over the past decade or so, it is characterized by entrepreneurship and innovation across many sectors, and with exponential growth of Pan African businesses, not only in extractive sectors, but also in banking and finance, retail, construction and ICT.

297. Challenges facing the sector in Africa include infrastructure (especially transport and energy), tariff and non-tariff barriers to African exports, shortages and mismatch of skills; a large informal sector, access to finance and relative underrepresentation of medium size firms. More can and should therefore be done to encourage and support the sector.

298. The AU Commission elaborated the *2016-2020 Private Sector Development Strategy* to assist Member States with policies in support of private sector development. The Strategy provides regulatory reforms (Pillar I), capacity-building and the provision of business development services (Pillar II), strengthening local micro, small and medium-sized enterprises (Pillar III); and a stronger engagement of the Private Sector to shift labour from lower to higher productivity sector during the coming decade and beyond.

299. In its support to micro, small and medium-sized enterprises, particular attention is given to women entrepreneurship and employment. Through the Strategy, the Commission is pushing for gender-sensitive business regulation, and is addressing the specific training and support needs of women as entrepreneurs and workers to ensure that recent improvements in girls' education are translated into real economic opportunities for women. The Commission will also support MSMSE access to wider and diversified set of financial services, with interventions ranging from capacity strengthening of financial intermediaries to the support for capital to local banks for the financing of micro, small and medium-sized enterprises.

Inaugural African Economic Platform, 20-22 March 2017

300. Amongst the flagship projects decided at Malabo Summit in 2014, as the African Economic Platform (AEP), a strategic forum to bring together the political, business and academic leadership of the continent to discuss and agree on action for each sector to take forward the economic transformation agenda.

301. The Inaugural African Economic Platform will be hosted by Mauritius from 20-22 March 2016, focusing on amongst other issues the Continental free trade area, developing human resources, and strengthening regional value chains in all sectors. The Commission signed a delegation of authority with the AU Foundation and a host agreement with the Government of Mauritius around the organization of the event.

⁹ AfDB Private Sector Development Strategy 2013-2017

Multilateral Trade Negotiations and African trade with the World

302. To strengthen African positions and the positions of Member States in the spirit of unity and solidarity, the Maputo Summit of the AU had directed the AU Commission to harmonize and coordinate the efforts of African countries/ regions in multilateral trade and other negotiations. The coordination meetings, technical workshops, and retreats organized by the Commission through its Trade and Industry Department, have resulted in common African positions, Declarations, and Decisions adopted by the AU Ministers of Trade, Executive Council, and the Assembly of Heads of State and Government.

303. Following the re-authorization of the US African Growth and Opportunity Act (AGOA) for another ten years (2015-2025), the Commission works with UNECA to encourage Member States to adopt national AGOA strategies in order to maximize benefits from AGOA and prepare themselves for a new type of trade relationship with the US after 2025. In April 2016, the Commission in collaboration with the AU Mission in Washington, ECA and AfDB organized a Mid-Term Review for all AGOA eligible Member States to discuss AGOA implementation and prepare for the 15th AGOA Forum of September 2016. It also allowed for dialogue with US Congress members, private sector and civil society. Ministers of Trade who gathered for the 15th Forum in September 2016 reviewed the recommendations from the Mid-Term Review and submitted to the US counterpart as Africa's position on AGOA implementation and possible future relations between the US and Africa.

304. The Economic Partnership Agreements (EPAs) negotiations with the European Union, which commenced in 2002 and were scheduled to end in December 2007, are yet to be concluded. The AUC is not a party to the EPA negotiations, but in the spirit of Maputo, it convenes coordination meetings of Member States/negotiating RECs in order to achieve a harmonized approach to EPA implementation and ensure that it is aligned to Africa's long-term development objectives, including the establishment of the CFTA. An *EPA Implementation Guide* has been developed as a tool to assist Member States in implementing EPAs.

305. The Commission with AU Mission in Geneva and UNECA organized a Retreat for Ambassadors and Experts of the African Group, on 25 – 26 April 2016 on the theme: "*Building stock of the results of the 10th Ministerial Conference of Nairobi and chart the way forward for the conclusion of the Doha Development Agenda*". The Retreat took stock of the Tenth WTO Ministerial Conference successfully held in Nairobi and to elaborate a common position of the African Group as part as the Post Nairobi Work Programme. The outcome was discussed by the STC on Trade, Industry and Minerals in May 2016, and the STC endorsed the recommendations of the Geneva Retreat and requested the Commission to prepare a strategic paper for consideration by the STC Sub-Committee on Trade, to prepare a strong Declaration on WTO issues, preceded by a review, to be considered by the January Summit of 2017 in preparation for the 11th WTO Ministerial Conference.

306. The 5th Ministerial Retreat of the Executive Council, which was held in Addis Ababa on 8-9 December 2016, agreed report to the next meeting of the Executive

Council on the need to finalise the adoption of the African Commodities Strategy by the policy organs, recalled the decision by the Kigali Summit for a model law on mineral resources to be developed, for us to meet the AU target of launching the Continental Free Trade Area (CFTA) by 2017, with benchmarks and timelines; and that the AUC should work out modalities and propose to policy organs, the appointment of an African Trade Negotiator to negotiate on behalf of the Continent.

Pan African Investment Code and Continental Financial institutions

307. There are encouraging signs in intra-African investments, with South Africa, Nigeria, Kenya and increasingly Egypt being counted over a number of years as amongst the top foreign direct investors in the continent. Data over the last decade also shows that intra-African investments as the most important source of FDI for low and middle income countries such as Burundi (79%), Namibia (42%) Rwanda (62%), South Sudan (64%) and Uganda (45%), as well as for countries that are not major commodity producers.

308. In order to further boost intra-Africa investments and FDI more generally, the Commission commissioned and completed a study on a Pan African Investment Code. The study was reviewed and validated by the Member States, and a draft *Pan African Investment code* development. The Code should help to attract investments, and create policy space for friendly environmental investment. It should simplify investment-related legislation and create the platform for future harmonization as regional and continental integration deepens. The code was reviewed by independent investment and legal experts from across Africa and was submitted to the STC on Economy, Finance and Integration matters for consideration. The STC recommended further consultation on the draft code and requested Member States to submit proposal on amendments, to be reviewed by a meeting of Government officials. Outcomes will be submitted to the STC in March 2017 for consideration and adoption before submission to the AU Heads of State and Government.

309. The creation of Pan African financial institutions were one of the earliest decisions taken at the Heads of State and Government meeting in Abuja at their 4th Ordinary Session. Decision No. Assembly/AU/Dec. 64(IV) of the Abuja Summit allocated the seat of the African Investment Bank (AIB) to Libya, the seat of the African Central Bank (ACB) to West Africa and that of the African Monetary Fund (AMF) to Central Africa. Decision No. EX.CL.Dec. 242(VIII) taken in Khartoum urged the latter two regions to organize consultations within them in order to communicate their choice to the Commission at the latest on 31 March 2006. The West African region agreed that the ACB would be hosted in Nigeria, while the Central Africa agreed that the African Monetary Fund would be hosted in Cameroon.

310. Although work was done at a technical level on the three continental Financial institutions provided for in the AU Constitutive Act, namely the African Investment Bank, the African Monetary Fund and the African Central Bank, progress with ratification have delayed the establishment of these institutions. Although by December 2016 more than twenty countries have signed the Protocol on the African Investment Bank (adopted in

February 2009) only Libya and the Republic of Congo have ratified. Fifteen ratifications are required for it to come into effect, and Member States are urged to ratify.

Strengthening African statistics and the data revolution

311. Statistical development in Africa is necessary to ensure harmonised, reliable, timely, accurate and comparable statistics in a coordinated manner, necessary for planning, reporting and monitoring of the impact of Agenda 2063 and integration. According to the UN, there are seven African countries that have not conducted any population or household census over the last thirty years, and 19 countries that have not done censuses regularly every 10 years. Other basic administrative records are also missing, such as birth registrations with half of children under the age of five without birth certificates. Challenges for statistical development include insufficient national statistical systems, lack of human and financial resources, and the lack of effective coordination of statistical activities within the African Statistical System at national, regional and continental levels. The period 2012-2016 has seen targeted focus on statistical development, building on policy frameworks and previous initiatives.

312. The Commission participate or spearhead the publications of the following annual statistical publications, with various partners:

- African Statistical Yearbook.
- Status of Labour Migration Statistics in Africa;
- Key Stats on African Integration;
- Africa MDG report;
- Assessing Regional Integration in Africa (ARIA);
- Status of Intra-Africa Trade; and
- AU-EU Statistical Portrait.

313. There is also progress with the establishment of continental statistical institutions, as per AU Summit decisions. The African Union Institute for Statistics (STATAFRIC), whose role is to collect, harmonise and aggregate data published by the National Statistics Institutes of African Countries, as a centre of reference for quality statistics on Africa (the vision); and providing comparable and quality statistics for evidence based decisions in support of the African Integration Agenda (the mission). Assembly/AU/Dec.462 (XX) agreed that STATAFRIC will be headquartered in Tunisia, and the host agreement to be signed before the January 2017 Summit.

314. Summit also agreed on the establishment of a Pan-African Statistical Training Centre in Yamoussoukro at the Institut Polytechnique Felix Houphouet Boigny, Cote d'Ivoire. The host agreement will also be concluded before the January 2017 Summit. In the meantime pending the signing of the host agreement, courses on Harmonization of Statistical methods in National accounts and Labour statistics will take place from the 24th October 2016 in the Pan-African Statistical Training Centre.

315. The *African Charter on Statistics*, adopted in February 2009 by the Heads of State and Government, entered into force in February 2015, with 32 signatory countries

and 17 ratifications. Cameroon and Uganda, have also recently ratified the ACS and are in the process of depositing ratification tools with the AUC. Main activities to implement the Charter include advocacy initiatives and sending reminder to countries regarding the importance of ratifying the ACS, and to strengthen the production of accurate and reliable statistics.

316. The overarching framework document for coordination and harmonisation of statistics is the *Strategy for the Harmonization of Statistics in Africa (SHaSA)*, which was implemented over five years from 2010-2015. In that time, of the 14 specialised technical groups, only 8 were operational to varied degrees. Efforts are underway to revise SHaSA for consideration of the 2016 Committee of Director Generals of National Statistics Offices (CoDGs).

317. The review of the Millennium Development Goals (MDGs) demonstrated the need to engage all stakeholders in the formulation, implementation and monitoring and evaluation of development agendas. At the continental level, Africa adopted Agenda 2063 and its First Ten Year Implementation Plan, and at a global level, the UN Sustainable Development Goals has been adopted. Both frameworks seek to achieve inclusive growth and sustainable development. Africa has contributed to the new agenda by developing a Common African Position (CAP) on the Post 2015 Development Agenda, which represented a united African voice in the formulation of the SDGs. In the spirit of the successful reporting process of the MDGs in Africa and the presence of Agenda 2063 and the SDGs for sustainable development, Africa has agreed to follow an integrated follow-up and reporting mechanism for the two development agenda for the combined benefit of the continent.

318. Mapping of the two agendas at goal, target and indicator level have been done and core group of indicators that will be reported at national level have been developed in collaboration with different stakeholders. Efforts are also underway to align the two agendas into national development plans in an integrated manner.

319. The Pan African Statistics Programme (PAS) was launched in January 2016 by Eurostat to support the African Union Commission in developing statistical capacity and help enhance the African Statistical System. It builds on the *Strategy for the Harmonization of Statistics in Africa (SHaSA)* and the *African Charter on Statistics*. More specifically, the PAS aims at improving the collection, production and dissemination of good quality official statistics in Africa. It will also provide direct support to the AU Institute for Statistics once established. Several activities have been implemented in form of workshops and trainings, and future planned activities are envisioned to take place in all the domains (National Accounts, Trade Statistics, Governance, Peace and Security Statistics, SDGs, Labour Statistics, Migration Statistics and Environment and Climate Change Statistics) over the coming three years.

Outcome 4

Education, an African Skills revolution and Health for all, at all Ages

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.

OUTPUTS

- Implementation of the African Health Strategy promoted
- Strategies for quality education, skills development and services, particularly for women and youth designed and promoted.
- Policies and strategic programs for investment in science, research and innovation designed and promoted to enhance Africa's global competitiveness.
- Framework for Social security and protection for vulnerable groups promoted.

Education and an African skills revolution

320. We continue to advocate for a continent of well-educated citizens and an African skills revolution, underpinned by science and technology, research and development. The Commission worked with Member states and civil society towards improving conditions and training of teachers across Africa; the promotion of vocational education and training; increasing access to early childhood education, advancing universal access for all African boys and girls to basic and secondary education, revitalization of the higher education sector and a focus on science, technology, research, engineering, research and mathematics.

321. Agenda 2063 goal of an educated, skilled African population finds expression in the education targets for the First Ten Year Implementation Plan including access to early childhood education, improving access and the quality of basic and secondary education, gender equity in education, access to vocational training opportunities to young people, develop STEM across the system and develop higher education.

Comprehensive Ten Year Continental Education Strategy

322. The Second Decade of Education (2005-2015) came to an end during the term of this Commission, and its successor, the Comprehensive Ten Year Continental Education Strategy, 2016-2025 (CESA16-25) was adopted by the STC and the AU Summit in Kigali in 2016.

323. The CESA 16-25 strategy is aimed at reorienting the African education and training systems to meet the knowledge, competencies, skills, innovation and creativity required to nurture African core values and promote transformation and sustainable development at the national, regional and continental levels. The issue of teachers and teaching remains core to education development. Also highlighted are Science and Technology; a demand for a paradigm shift in Technical and Vocational Education and Training; gender; value inculcation in education (e.g. peace and democracy); as well as

ensuring access and inclusion for the remotely situated, the slower learners, the poor and the hungry and so on. An important area of institutional development is strengthening Education Management Information Systems (EMIS) at all levels. Thematic clusters have been established around teacher development, women and girls education, EMIS, Safe schools, School feeding, Higher education and TVET, amongst others.

324. The departments of Human Resources, Science and Technology and Political Affairs work together to incorporate democracy and good governance into school curricula, and peace education and safe schools are being promoted working together with ADEA, UNESCO, Save the Children and the Peace and Security Department.

Teacher Development

325. The teacher is essential to achieve the goals of literacy and the skills and education revolution called for under Agenda 2063. Africa is short of over two million teachers in its education systems; even as a significant number are under-qualified and untrained, with disproportionate shortages in STEM and certain geographic areas. Salaries for teachers take up over 80% of African education budgets, whilst living and working conditions of teachers in Africa remain generally poor, with little incentives to attract the best students into the profession. The Pan African Conference on Teacher Development (PACTED) was established in 2011, with a steering committee consisting of Kenya, Togo and Senegal; and with the International Task Force of Teachers for *Education for All* acting as a key technical partner. In 2014, PACTED called for professionalization of the teaching profession; and the July 2014 Summit called for a Study on the Training, Working and Living Conditions of Teachers in Member States, in order to provide and information baseline to inform interventions.

326. Over the last four years, almost nothing has been assigned by the AUC to support the activity of Teacher Development. All work that has been done under this theme was through technical support from partners including NGOs, and linking this to other activities. In 2015 an NGO called the Open Society in Southern Africa provided 50,000 USD to support the Teacher Study, commissioned in 2016. The study outcomes and proposals for appropriate interventions were validated in December 2016. Implementation is bleak as Teacher Development was deleted from the 2017 programme since no budget was allocated to it.

Strengthening Science and Mathematics Education

327. The scientific literacy needed for agenda 2063, the 21st century skills for employability, innovation and entrepreneurship; the life skills required for lifelong learning and responsible citizenship for sustainable development all call for enhanced STEM education for all. However, the teaching and learning of STEM is undermined by inadequacies in teacher preparation and in the teaching and learning materials and pedagogies; as well as non- popularity of these subjects. A study was carried out in 2011 towards identifying teacher training centers that could be developed into regional centres for strengthening the teaching and learning of STEM in primary and secondary education, with the support of CEMASTEIA and UNESCO IICBA. Capacity building

activities planned include development of alternative processes for producing scientific teaching materials.

328. The Commission worked in partnership with the African Institute for Mathematical Sciences and its Next Einstein Initiative to promote scientific education and research. Engagement was initiated with Diaspora in the USA through Michigan State University, Harvard University and AU6RC in Canada for leveraging on partnerships for African Universities to enhance STEM scholarship, including links with the productive sector for promoting innovation.

329. Not forgetting humanities and arts subjects, the Commission participated in the UNESCO General History of Africa project, popularizing the pedagogical materials developed for primary and secondary schools, and continued work started in 2015 to address university curricula.

School Feeding Programme

330. The performance, retention and ability to compete of children in school, are affected by many factors related to poverty, including hunger. The AU Summit in January 2016 designated 1 March each year as African School Feeding Day, The day was observed for the first time in Niger this year, with several Member States and partners participating.

331. A multi-agency and inter departmental Technical Committee has been established to support and advocate for school feeding programmes in the continent. A Study was commissioned to map school feeding in Member States to draw lessons for strengthening the practice, with technical support from the WFP Centre for Zero Hunger in Brasilia. The outcome will form a basis for experience sharing, and monitoring the prevalence, progress and effect of school feeding on education access, retention and quality during the period of CESA 16-25.

Education Management Information Systems (EMIS)

332. Education Management Information Systems is a strategic tool for quality education development. Activities include a measurement framework for monitoring and evaluation of education systems, providing information for policy analysis to enable knowledge based planning, management and development of education. It requires the enhancement of capacities of Member States for collecting and managing education data to generate accurate, timely and meaningful data; and to interpret and use it strategically.

333. The African Education Observatory, has the mandate to implement EMIS, but has not been operational for long. The Commission, through the Department of Economic Affairs has partnered with the Association for the Development of Education in Africa (ADEA) to work on project on Harmonisation of African Statistics. As a result, they have published the *Statistics Manual for Education Indicators* for the Second Decade of Education, two publications of *AU Education Outlook* and several policy briefs by ADEA.

The Pan African Institute for Education Development

334. The Pan African Institute for Education for Development (IPED) (formerly African Bureau of Educational Sciences), is a specialized institution of the African Union under the HRST Department, with the responsibility to function as Africa's Education Observatory, for building robust EMIS to ensure knowledge-based education planning.

335. The IPED Executive Council of Member States handed over the agency to the AUC in 2008. Its mandate includes monitoring and evaluation of implementation of continental education programs; implementation of continental Education Management Information System; development and maintenance of a database of indicators for Education in Africa; capacity building of Member States specialists in EMIS; and periodic publications on the status of education in Africa and policy analyses. IPED has organised training sessions for EMIS specialists in collaboration with ADEA and other partners for Member States and RECs.

336. IPED has a large debt owed to former staff and their families. The leases from the government for all IPED property are expired and need renewal. There is no host agreement between IPED and the DRC government.

337. The AUC recruited one Officer for IPED in August 2016, who has developed new software for data collection and management. The instruments are being piloted by several partner agencies. The Commission should expedite finalization of staff recruitment, and find ways for payment of inherited debt. The Commission may consider selling IPED landed properties to offset the debts.

HIGHER EDUCATION TRANSFORMATION

338. As populations grow, we have also seen phenomenal growth in enrolment in universities and higher education over the past two decades: from 2.7 million students in 1991, to 9.3 million in 2006 and over 11 million last year (an average of 16% a year).

339. Uganda that was dominated by Makerere University up until 1998, now has at least six other public universities. Zimbabwe who in 1980 had one university, now counts 12 universities (8 public and four private). Ethiopia's higher education growth has been described as phenomenal, growing from two universities during the early 1990s to over 30 today. Nigeria and Egypt have the highest number of students in higher education, 1 million and 1.8 million respectively. Despite this phenomenal growth, the gross enrolment rate in Africa remains low at below 10%, including very low gross enrolment rate of around 1.4% in Seychelles and 1.8% in Niger, and a high of 39.9% in Mauritius.

340. The growth in the sector has not been accompanied by same levels of growth in funding and investment in universities, which at the same period grew only at 6% a year. The sector faced many challenges, not least of all funding and relevance in a growing knowledge based global environment. Over the last four years, a number of initiatives started to address this, culminating in the Africa Higher Education Summit held in Dakar in March 2015, and the decision to form a Committee of HoSG on Education in 2016.

341. The Commission pushed forward on completion of the first phase of the Pan African University, following its launch in December 2011. The PAU brings together faculty and students from across the continent into specific thematic centers of excellence. PAU and its four operational Institutes in Algeria, Cameroon, Kenya and Nigeria worked implemented activities pertaining to University governance, planning and coordination, curriculum development, as well as student admission and graduation.

342. The Tlemcen Institute for Water Resource, Environmental studies and Climate change in Algeria was opened, the location for the PAU Institute for Space Sciences in South Africa finalized, a start made with the establishment of the PAU Rectorate headquarters in Cameroon and recruitment of Rectorate staff. Following the graduation of the first batches of Masters students PAU Institute for Basic Sciences, Technology and Innovation based at Jomo Kenyatta University of Agriculture and Technology in November 2014 and from the PAU Institute of Governance, Humanities and Social Sciences based at the University of Yahoude in March 2015, both institutes now host the second intake of PAU students.

343. In April 2016, a curriculum validation exercise for the PAU Institute for Governance, Humanities and Social Sciences (PAUGHSS) to ensure infusion of PAU curricula with the African perspectives and Agenda 2063 was held. Based on PAU Council recommendations, the PAU Statute has been revised and subsequently adopted by the January 2016 Summit.

344. The process of the harmonization of higher education in the continent is still proceeding slowly, decades after the adoption of the Arusha Convention in 1981 aimed at promoting the mobility of faculty, students and professionals across Africa. Implementation takes place at three levels, (a) national level with more countries establishing national regulatory and qualifications bodies; (b) at regional level through the work of regional bodies such as the Inter-University Council for East Africa (IUCEA), the Conseil African et Malgache pour l'Enseignement Superier (CAMES), and work in RECs such as the General Convention on the recognition of Degrees, Diplomas and Certificates and other qualifications in ECOWAS Member States, and the SADC process to establish national qualifications frameworks, leading to a regional qualifications framework (RQF). CAMES continues to implement its Licence-Master-Doctorat (LMD) reforms, aligning the seven higher education qualifications in Francophone countries to the three degrees of Bachelors, Masters and PhD. Eight AU Member States are also members of the Association of Arab Universities, working towards the establishment of regional mechanisms for quality assurance.¹⁰

345. Thirdly, at continental level, the Commission work with the regional bodies, and with the Association of African Universities (AAU), UNESCO and the Association for the Development of Education in Africa (ADEA) on harmonization, tuning and the development of an African Quality Ratings Mechanism. Flowing from the African the AU

¹⁰ *Harmonization of Higher Education in Africa or Why we Need to Hang in There Together...* ADEA Policy Brief. 2015

Harmonization Strategy for Higher Education, a preliminary report on the initial pilot in 60 universities was published in 2013¹¹. By 2016, after the scaling up of this pilot process in 2014, nearly 200 participating universities from 42 member states are involved in the harmonization programme. The Tuning Approach has also been expanded to now include Medicine, Teacher Education, Mechanical Engineering, Agricultural Sciences, Civil Engineering, Economics, Geology and Higher Education Management.

346. The following specific instruments and initiatives are key to the development and harmonization of African higher education:

- *Addis Convention for Recognition of Academic Qualifications*: working with UNESCO, the aim is to expedite the ratification and implementation of the Addis Convention for mutual recognition of qualifications in higher education. A Working Group has been established with designated country focal persons to expedite the ratification process. Currently 16 States have signed but none has ratified;
- *The African Quality Rating Mechanism (AQRM)* was developed in 2007 as a tool for harmonisation and a culture of continuous quality improvement in African higher education institutions through self-evaluation and external validation. Following a pilot testing, the instrument was revised in 2014. The AQRM is now available for implementation, and is well spoken of by the African higher education community;
- *The Pan-African Quality Assurance and Accreditation Framework (PAQAF)*, developed in 2015, in the process towards establishing a Continental Accreditation Agency for higher education, in collaboration with the European Commission and the Association of African Universities. The PAQAF was validated by national and regional quality assurance agencies and adopted by the 2016 January Summit;
- *The Mwalimu Nyerere African Union Scholarship Scheme*, launched in 2007 for young Africans to study science based programmes at Masters and PhD levels in African countries outside of their own. Special Calls were made for only Female Applicants in 2013 and 2014. In 2015 and 2016 Special Calls were made for Applicants living with Physical Disabilities. So far, 127 students from 31 Member States have been awarded Nyerere scholarships;
- *The intra-African mobility scheme* was launched in 2010 as an extension of the Mwalimu Nyerere Scholarship. It involves mobility of students and exchange of academic staff among selected Networks of African Universities from different geographic regions. Currently, 15 partnerships involving 72 universities, facilitating mobility for 690 Masters Students, 335 PhD and 140 staff are being implemented, with a fund of 35 million euro from the EU. A new call for applications was advertised in 2016 with a fund of 10 million Euro.

¹¹ *Tuning Africa. Tuning and Harmonization of Higher Education: The African Experience*, Preliminary edition. Deusto University, Bilbao. 2013

347. Following the African Capacity Building Report on the *African skills gap and Capacities for implementing Agenda 2063* completed in 2015, we worked with Member States, continental and other institutions, advocating for a greater focus on science, technology, engineering and mathematics education, and with international partners for opportunities for more African young men and women to get scholarships to study overseas. We thank the many countries that have responded and continue to respond to this call.

348. New and faster technologies and greater African access to the internet with the extension of broadband and mobile telephony, has opened up opportunities for e-learning. It is for this reason that this is one of the Agenda 2063 flagship projects.

349. The **Pan African Virtual University (PAVU)**, also called the ***African Virtual and E-University***, is aimed at massification of further and higher education, addressing the human development needs of Agenda 2063. It aims at accelerating development of human capital, science and technology and innovation through increasing access to tertiary and continuing education in Africa by capitalizing on the digital revolution and global knowledge; reaching large numbers of students and professionals in multiple sites simultaneously- anywhere, any time; and by consolidating African initiatives and strategies on accelerated development.

350. Based on consideration of the merits and demerits for different business models for the Pan African Virtual University, the Commission recommended that Pan African Virtual University stands as the Open and Distance-learning (ODL) arm of the PAU. This will enable faster implementation and operationalization of the flagship project.

351. The PAVU Task force has started work on a Project Document and a five year Business Plan, exploring modalities to link the Pan African Virtual University with the Pan African E-Network and the Pan African University Network (PAUNET).

Empowering African youth

352. The fact that the continent has the largest youth population in the world is one of the greatest opportunities, which if not harnessed, may also become one of its greatest threats. Already over 70% of Africans are below 35 years, and 200 million people between the ages of 15 and 24 years. By 2025, it is predicted that a quarter of the world's young men and women will be African and by 2040 Africa will be home to the largest labour force in the world, as the rest of the world records ageing populations.

Countries with the greatest demographic opportunity for development are those entering a period in which the working age population has good health, quality education, decent employment and a lower proportion of younger dependents. Realizing a demographic dividend requires multiple investments. The most essential are building the capabilities of people and ensuring that their rights and freedoms to achieve their potential.¹ [UNFPA, 2015]

353. This matter has gained considerable attention over the last few years, including in Agenda 2063.

354. There is general agreement that this demographic dividend must be a key factor that drives African transformation, requiring multiple investments and an enabling environment of children and young people to reach their full potential. This is in contrast to the headlines of the last few years of young African men and women dying in the Sahara/Sahel and the Mediterranean Sea, in search of an illusive better life.

355. The Commission continued to strengthen relationships with the Pan African Youth Union, the All African Students Union and other continental networks, with national Youth Councils of Member States, and encouraged young people to form AU Youth Clubs in institutions of learning and other places where they gather. It also continues to consolidate the AU Youth Volunteer Programme, with greater transparency in its recruitment and selection process.

356. Other work of the Commission, through the Youth Division in HRST, during 2016 centered on the following areas to address critical gaps:

- **Promoting the African Youth Charter:** since the endorsement of the Charter 10 years ago, 42 Member States have signed, 38 have ratified and deposited the relevant instruments at the Commission. The 10TH anniversary of the African Youth Charter (AYC) dubbed Banjul +10, was held in Banjul, The Gambia on the 24th of May 2016. This was essentially a platform to review progress that has been made, the challenges involved in the implementation of the Charter, and to chart a future course of action;
- **The Youth Decade Plan of Action (DPoA)** - The decade plan of Action was developed to ensure the implementation of the African Youth Charter. It serves to help strengthen national capacities for youth empowerment and development. *Guidelines for Youth Mainstreaming at the African Union and Continent-Wide Activities* were launched in 2016;
- **African Union Youth Volunteer Corps (AU-YVC):** This continental program recruits and work with youth volunteers, to work in all 54 countries across the AU. Revitalization of the AUYVC programme is currently undertaken and once completed, the programme 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. The Commission and United Nations Volunteers (UNV) also signed a Project Initiation Plan (PIP) to strengthen the AU-YVC, and on mechanisms to engage and support RECs and Member States in implementing national and regional volunteer initiatives.

357. The declaration of 2017 as the *Year of Harnessing the Demographic Dividend for Investments in Youth* is timely, to consolidate and advance the work already being done to promote access to education, and towards meeting the Agenda 2063 targets for the next decade, to work towards Member states and the continent facilitating and providing opportunities for at least 70% of young school-leavers to gain skills and at least 30% access to higher education.

358. The Roadmap for the 2017 AU Theme was presented and adopted by the Kigali Summit in July 2016, working with a range of different partners. The Commission also

introduced a logo and essay competition during 2016 around the theme of the year, and the results of these will be unveiled at the January 2017 Summit.

Technical, Vocational Education and Training (TVET)

359. Implementation of the *Continental Strategy for Technical Vocational Education and Training* to foster youth employment, centered on the following activities:

360. *Operationalization of the Skills Initiative for Africa project:* This is a joint initiative of the Commission and the Federal Ministry for Economic Cooperation and Development (BMZ), German, aimed at creating new prospects through for employment and income opportunities for young people in Africa. Five pilot countries, Tunisia, Nigeria, Cameroon, Kenya and South Africa were selected as multipliers in their respective regions and to serve as pilots. Through the initiative, an African dialogue platform shall be established to showcase innovative and successful approaches and promote continental exchange and networking opportunities.

361. To address skills shortages across the continent, a scoping study was undertaken on Skills Portability at the Continental and REC and levels. Key recommendations were the development of an African Continental Qualification Framework (ACQF) and a methodology for Skill Forecasting. This will enhance skills recognition and mobility, help alleviate skills imbalances across sectors and regions and enhance integration.

362. A draft TVET Communication Strategy document was developed, but must be validated and disseminated. The compiled report on promising TVET practices from Africa provides prototypes and learning models for enhancing TVET models was completed and distributed.

363. A TVET monitoring tool was developed to help unearth relevant information, empirical data, statistics, data gaps, and skills shortages as well as identify progress being made in each country with regard to the implementation of the Continental Strategy for Technical and Vocational Education and Training (TVET). Specifically, a meta-analysis of the data captured will enable each country to make inferences on the evolution of the TVET environment and track the progress being made. The tool shall be piloted in all the five AU regions.

364. A comprehensive elaboration of the youth and women employment pillar of the First Five Year Priority Programme on Employment Poverty Eradication and Inclusive Development was finalized. The Five Year Priority Programme will contribute to the achievement of specific targets of the Ten Year Implementation Plan of Agenda 2063 and under the Ouaga+10 follow-Up Mechanism.

HEALTHY LIVES AND WELLBEING FOR ALL, AT ALL AGES

365. Concerted and collective efforts at all levels saw at the end of the Millennium Development Goals period, significant advances in health, including on HIV, AIDS, TB and Malaria and on the reduction of maternal and infant mortality, not least because of

the work done by Health Ministries, the WHO, civil society organisations, health workers, business and continental and international partners and through campaigns such as the CARMMA, ALMA and AWA.

366. In the context of the *Africa Health Strategy (2007-2015)* work on strengthening health systems, communicable and non-communicable diseases therefore continued.

HIV, AIDS, malaria and infectious diseases

367. The 2013 Abuja Declaration Adopted by Heads of State and Government provided for transformative actions to end AIDS, TB and Malaria by 2030. African countries in this context made commitments, and targets and milestones. Following the global reviews on progress with tackling the three diseases, a further *Catalytic Framework to end AIDS, TB and Malaria in Africa by 2030* was adopted by Heads of State and Government in 2016. The framework provides a new strategic direction aligned to Agenda 2063 and the recently adopted SDGs.

368. The recently adopted *Africa Scorecard on Domestic Financing for Health*, a framework for improved advocacy with Member States, should aid financial planning and expenditure tracking. Information sharing on best practices in the AIDS responses and in health financing was documented for sharing among Member States. Sustained advocacy on health financing has seen gradual increases by some Member States in allocations to health. The Commission's advocacy efforts yielded results for the replenishment of the Global Fund with African Union Member States contributing US\$34 million for this global financing mechanism for the three diseases.

Africa Centres for Disease Control and Prevention

369. Following the devastating Ebola Virus Pandemic of 2013-2016, the Commission made progress in implementing decisions of the policy organs to expedite the operationalization of the Africa Centers for Disease Control and Prevention. The relevant decisions are that of January 2015, decision *Assembly/AU/Dec. 554(XXIV)* that endorsed the establishment of the Africa CDC and *Decision Assembly/AU/Dec. 589(XXVI)* which adopted the Statutes in January 2016.

370. The Commission, working with Ministers of Health took the following steps towards operationalization of the Africa CDC:

- Designation of the five (5) Regional Collaborating Centers (RCCs) by the Governing Board of the Africa CDC,
- Establishment of an Emergency Operations Center (EOC) under the African CDC' Surveillance and Response Unit,
- Recruitment of the Africa CDC Director, establishment of epidemiologists fellowship program and development of a Strategic Plan.

371. The Africa CDC has thus commenced operations and responded to more than 5 epidemic outbreaks in 2016. From 2017, it will start offering training and capacity building to Member States to meet the core capacities of the International Health

regulations. The Africa CDC is set to strengthen Africa's public health capacity to be prepared and response to diseases through partnerships, science, policy and data-driven interventions and programs.

Maternal, New-born and Child Health Activities

372. Through the Campaign on Accelerated Reduction of Maternal, New-born and Child Mortality in Africa (CARMMA), the Commission with Member States and civil society continue to champion for high level leadership and commitment for the maternal, new born and child health issues in the continent to reduce the still unacceptably high levels maternal and child deaths.

373. CARMMA was launched in over 80% of Member States. In-country activities following these launches have significantly contributed to reductions in maternal and child deaths witnessed in the continent between 2010 and 2016.

Health Statistics and interventions

374. The Commission put in place and continues to maintain the online health data platform "African Health Stats" www.africanhealthstats.org, a one-stop shop for health data and information. The platform serves as an accountability and advocacy tool to catalyse action, showcase and celebrate progress and share lessons and experiences. In addition the department has initiated the operationalization of the *Strategy for Harmonization of Statistics in Africa* (SHaSA) technical working group on health statistics.

375. Working closely with WHO and PMNCH the on-going review of the UN Secretary-General's *Global Strategy on Women's, Children's and Adolescents' Health* has taken into consideration the continental post 2015 aspirations and priorities. Key health policy instruments (African Health Strategy, the Maputo Plan of Action and the African Regional Nutrition Strategy) that have been guiding the health interventions in the continent were revised and providing the health framework for the post 2015 period.

Pharmaceutical Manufacturing Plan for Africa (PMPA)

376. The African Medicines Agency Task Team is operational, having convened its second meeting, reviewed its 4-year work plan, and the legal and institutional framework, including draft Statutes for the establishment of the African Medicines Agency. The *AU Model law on Medical Product Regulation* was adopted by the AU Assembly of HOSG in January 2016.

377. An event on financing the pharmaceutical sector in Africa was organized on the margins of the 9th Joint AUC-ECA Ministers of Finance and Economy, attended by AfDB, AUC and ECA, private sector, RECs and Member States in March 2016. A draft concept on establishment of a financing agency for pharmaceutical development in Africa was drafted and initial discussions commenced by a working group.

Nutrition

378. Malnutrition remains a major public health problem in Africa. Micronutrient deficiencies, especially in iodine, vitamin A and iron are common, particularly in the most vulnerable groups such as young children and pregnant women. About 45% of African children are chronically undernourished and may thus have suboptimal brain development, which is likely to have long-lasting harmful consequences for cognitive ability, school performance and future earnings.

379. Proven interventions to prevent stunting and other forms of under-nutrition include improving women's nutrition, especially before, during and after pregnancy; early and exclusive breastfeeding; timely, safe, appropriate and high-quality complementary food; and appropriate micronutrient interventions. These interventions are most effective when they focus on the critical 1,000-day window extending from pregnancy and until a child turns two years of age.

380. Nutrition is thus central to human and societal development in Africa and to address nutrition issues, the AUC is involved in the following activities:

- The AU adopted the Revised African Regional Nutrition Strategy (2015-2025);
- Africa Day for Food and Nutrition Security (ADNS), 30th October of each year, adopted during the 15th AU Assembly in July 2010;
- The Cost of Hunger in Africa (COHA) Study: this multi-country and multi-disciplinary study was conducted jointly by the AUC, UNECA, and WFP. The study in 12 Countries showed that hunger imposed a high cost to the health system and large losses in GDP of between 2 and 17% due to reduced productivity. The findings are used by respective Member States to strengthened national nutrition policy and strategic documents;
- The Africa's Renewed Initiative for Stunting Elimination (ARISE 2025 Initiative), is aimed at bringing together regional efforts on the reduction of child under-nutrition in Africa. Its goal is to support Member States towards the reduction of child under-nutrition by at least 10 percent for stunting and 5 percent for underweight by the year 2025;
- Appointment of His Majesty King Letsie III of the Kingdom of Lesotho as Africa's Nutrition Champion in 2014 (Decision Ex.CL/Dec.795 (XXIV)). During his two-year term as Champion (2014-2016), His Majesty has provided excellent leadership and high level advocacy for nutrition across the Continent. He launched the AU's revised Africa Regional Nutrition Strategy (ARNS) 2015-2025 which has resulted in increased and focused attention being paid to Mal-and Under Nutrition. As a result of his efforts, progress is expected in reaching the targets to reduce malnutrition and stunting by 10 and 5 percent with some Member States.

381. The Commission acknowledges and commends the role of His Majesty King Letsie III and in this regard, wishes to recommend to the Executive Council, an

extension of his mandate as the AU Nutrition Champion from January 2017 to January 2020.

Social security and vulnerable groups

382. During the same period, the Commission also helped to spearhead greater awareness on the rights and protection of children, participating in campaigns around girls education, against female genital mutilation and other harmful cultural practices, highlighted the situation of children in armed conflict, promoted the importance of birth registration and in 2015, launched national campaigns against child marriages. As we celebrated the Silver Jubilee of the adoption of the *African Charter on the Rights and Welfare of Children* in November 2015, it was clear that much more needs to be done to restore the dignity of the continent's vulnerable children, children in conflict and to provide a nurturing environment and opportunities for all African boys and girls to reach their full potential. The African Committee on the Rights and Welfare of the Child during this year has considered communications regarding child rights matters in the Governments of Cameroon, Malawi and Mauritania. The Committee sent concluding observations to Gabon, Algeria and Madagascar after the presentation by the Governments on the implementation of the Charter.

383. In addition to the above, ongoing work on developing frameworks for Social Policy, including a focus on the rights of people living with disability, were undertaken with Member States.

SCIENCE AND TECHNOLOGY

Science, Technology and Innovation Strategy

384. The Commission developed the Science, Technology and Innovation Strategy for Africa 2024 (STISA-2024) as part of the long-term AU Agenda 2063. The STISA-2024 is premised on deploying science technology and innovation (STI) in the areas of agriculture, health, infrastructure development, mining, security, water, energy, and environment among others; all of which form the six key priority areas under the strategy. The strategy was adopted by the Assembly in June 2014, as a continental framework for accelerating Africa's transition to an innovation-led, knowledge-based economy within the overall framework of the African Union's Agenda 2063.

STC on Education, Science and Technology

385. In the implementation of the Summit Decision EX. CL/Dec.420 (XIII) to reconfigure all sectoral Ministerial Conferences into 'Specialized Technical Committees' (STC), the Commission in October 2015 institutionalised the STC on Education, Science and Technology, bringing together in a complementary formation the Education and Science and Technology sectors. The STC elected a Bureau composed of the following Members States from the Ministries in charge of Education and the Ministries in charge of Science and Technology from Egypt (Chair), Nigeria (1st Vice-Chair) , South Sudan (2nd Vice-Chair), Cameroon (3rd Vice-Chair) and Botswana (Rapporteur).

Kwame Nkrumah Scientific Awards Programme

386. The African Union Kwame Nkrumah Scientific Awards promotes public understanding and participation in Africa's STI agenda and raises awareness on the central role of S&T in Africa's socio-economic development. The programme which the Commission implements jointly with the Member States and the RECs and supported financially by the Third World Academy of Sciences (TWAS), the EC and the AfDB recognizes excellence in STI for young researchers, women and pioneer scientists in the continent by awarding them prizes, ranging from USD 5,000 – 100,000. During the last seven years, 47 young researchers at the national level, 30 women scientists at the regional level and 14 scientists at the continental level received the prizes.

Supporting Researchers in Africa

387. The Commission runs the African Union Research Grants Programme as a competitive financial instrument to mobilize African scientific excellence, and promote both intra-Africa and international collaboration in the implementation of priority areas articulated in Africa's science, technology and innovation strategy. The Commission recognizes that grant funding plays a critical role in accomplishing its mission by availing significant resources to support institutions that enhance its ability to deliver on its mandate. The Commission to develop and adopt a grants management manual that sets the administrative policies, contracting procedures, internal controls and institutional capacity requirements of the Commission (AUC) to provide effective grant oversight, coordination function and improving the efficiency and effectiveness of programs and services funded through grants.

388. Under this programme, the Commission in collaboration with the European Commission awarded 14.5 million Euros to 20 lead institutions ranging from €500,000 to €750,000 between 2011 and 2012 to do research in 46 locations of Africa, involving a network of 54 research institutions established between Africa, Europe and New Zealand.

389. In 2016, the Commission received additional 17.5 million Euros under the EU Pan African programme to launch additional two Calls on the theme: Food and Nutrition Security and Sustainable Agriculture. The 2016 Open Call for Proposals was launched on the 18th of May, 2016 with a deadline for submission of application set on the 31st of August, 2016. A total of 265 Applications from 31 African Countries and 8 European Countries were received and assessment process of this proposals have begun and grants ranging from 500,000 to 1000,000 USD will be awarded to each successful applicant by December 2016. This call for proposal supports the Africa's Science Technology and Innovation Strategy-2024 which addresses the aspirations identified under Agenda 2063 and Priority 3 on Human development of the EU-Africa partnership.

Agenda 2063 Space Flagship program

390. Aspiration 7, of Agenda 2063 focuses on protection and utilization of space and its applications. The Commission, guided by the Member States-based Working Group, articulated an *African Space Policy and Strategy* that was subsequently adopted in Jan

2016 by the AU Assembly thus laying the basis of an continental outer space program that focuses on building space capabilities for the continent on (i) Earth Observation, (ii) Satellite Communication (iii) Navigation and Positioning and (iv) Space Science and Astronomy.

391. Since the adoption of the documents, the Commission has commenced efforts to define the institutional form, legal requirements and coordination of the African space program. This includes drafting of the statutes in response to the Decision Assembly/AU/Dec. 589(XXVI) that requested the Commission to continue its work and develop a framework for the implementation of the Strategy, a governance framework to cover the legal requirements and protocols, and financial requirements for an operational African Outer-Space Program.

Global Monitoring for Environment and Security (GMES)

392. The Global Monitoring for Environment and Security and Africa (GMES & Africa) initiative is among the early deliverables in the long-term EU-Africa Joint Strategy for cooperation. The Maputo Declaration of October 2006 provided the necessity for the EU- Africa partnership to avail the European infrastructure and facilities, under the Copernicus programme (Space programme) to Africa, Caribbean, and Pacific (ACP) countries. This commitment led to the launch of GMES & Africa process in Lisbon, Portugal, on 7th December 2007 during the 2nd EU-Africa Summit. This cooperation will address the growing needs of African countries and the RECs to access and use of Earth Observation (EO) data for the implementation of sustainable development policies and will enable the two continents to jointly respond to global challenges.

393. By end of 2016, the Commission will operationalise the first project under GMES and Africa based on 2 services to address management of natural and water resources; and marine and coastal areas that is funded under the PanAf Programme for 28 million euros. The Commission has set up a Coordination Unit and has ensured that the programme will build on the achievement of the MESA projects, which will end in September 2017.

Biodiversity, biosafety and access to genetic resources

394. In response to the Assembly decision to include biodiversity within the priorities of the AU the Commission has been engaged in supporting Member States in the coordinated implementation of their obligations under the Convention on Biological Diversity (CBD) and its Protocols (the Cartagena Protocol on Biosafety and the Nagoya Protocol on Access to genetic resources and Benefit Sharing arising from their utilization (ABS). AU Member States as Parties to the Convention on Bio Diversity are required to integrate the implementation of the Convention and its Protocols to improve efficiency and effectiveness. In this regard the Conference of the Parties (COP) requested Parties to integrate biosafety and ABS in to the national biodiversity strategies and action plans and other relevant sectoral policies. The Commission hence co-organized a workshop with the Secretariat of the CBD where mainstreaming and coordination at the national and regional levels were discussed and agreed.

395. Albeit the recognition on the importance of biodiversity, there has not been much coordination at the level of the continent in the manner of support in implementing the CBD and its Protocols. Therefore the Commission constituted a Continental Coordination Committee on biodiversity comprised of the key pan-African actors. The first meeting of the Continental Committee was held which agreed on its terms of reference and actions forward including coordinating support in the preparations of the African Group of negotiators for the COP 13 in December. The Committee will meet every year to update progress on implementation at the level of each constituency and coordinate implementation of decisions by AU Policy organs.

396. The Commission has further advanced its coordinator role in co-organizing an African regional preparatory meeting with the Secretariat of the CBD and the Convention on International Trade on Endangered Species (CITES) where the Department was in charge of the closed session discussions of the African Group of Negotiators that lead towards common African positions on the upcoming agenda items of the COP 13, MOP 812 and MOP 213 respectively.

397. A final African Coordination Meeting will be organized right before the opening of COP 13, COP-MOP 8 and COP-MOP 2 of the CBD and its Protocols in December 2016 which is expected to be key in the preparations of the African Group and in providing an avenue for formulating the African Common Positions also helping the group in strategizing the African negotiating approach. The Commission will be represented at the COP as an observer lending support to the African Group on technical issues as well as sharing developments with the global body on implementation of the CBD and its Protocols at the level of the AU.

EU-Africa on science, technology and innovation

398. The EU-Africa High-Level Policy Dialogue (HLPD) on science, technology and innovation serves both (1) as a political structure (endorsed by the 3rd EU-Africa Joint Summit in Tripoli in 2010 and launched in October 2011), that enhances our dialogue through promoting better common understanding, building mutual trust and ownership of our partnership; (2) as a technical platform for defining and setting priorities of mutual benefit for current and future collaboration and joint implementation design.

399. In 2013, the HLPD agreed on a step by step process of identifying priorities for implementation focusing on impactful common challenges shared across the whole partnership and endorsed the first priority on the role of science, technology and innovation in ensuring “Food, security, nutrition and sustainable agriculture (including water)” and emphasised on an integrated approach that takes into account the cross-cutting nature of innovation/ entrepreneurship, research infrastructures and technical competence building.

¹² Conference of the Parties serving as the Meeting of the Parties of the Cartagena Protocol on Biosafety

¹³ Conference of the Parties serving as the Meeting of the Parties of the Nagoya Protocol on ABS

400. In 2016, the HLPD adopted a Roadmap towards a jointly co-owned EU-Africa Research & Innovation Partnership on Food and Nutrition Security and Sustainable Agriculture. The draft Roadmap focuses on Sustainable intensification; Agriculture and food systems for nutrition, Expansion and improvement of agricultural markets and trade and cross-cutting issues that include innovation and entrepreneurship.

African Observatory on Science technology and Innovation

401. The main activities of the Observatory for the period 2012-16 focused on: (1) institutional and organisational set-up; (2) Building capacities in Science, Technology and Innovation (STI) indicators and related policies for AU members States and RECs; (3) Strengthening national innovation systems in African countries; (4) Providing up-to-date information on scientific and technological investments and outputs to decision-makers in Member States and RECs and (5) initiating strategic partnerships.

402. Followed by it's the interim structure which was put in place in 2012, it was agreed that the AOSTI would become a specialised technical office for the measurement of STI in 2013. The AOSTI Statutes was further adopted in January 2016 whereby operational and programme budgets have finally been allocated from the AU for the 2017 Financial Year.

403. A five-year programme of work of the AOSTI was operationalized which focused on strengthening national innovation systems and informing decision makers of Member States and RECs in STI indicators and related policies. Since commencement, the Observatory was instrumental in strengthening STI capacities of many African and delivering trainings to more than 500 individuals including government officials, researchers, statisticians and parliamentarians. Several publications that focused on science led socio-economic development in Africa including: working papers, policy briefs and articles in international journals were developed and released targeting Member States, RECs, private sector and STI policy research institutes.

404. What is more, AOSTI supported Member States and RECs in providing skills and imparting knowledge to manage and use STI statistical information. The Observatory has built capacity on STI indicators matters and related policies at national and regional levels. Nevertheless, the delay in the disbursements of the pledged funds for the AOSTI operations and for the implementation of its projects were the major challenges encountered by AOSTI over the period under consideration.

Scientific, Technical and Research Commission

405. The Science, Technical and Research Commission (AU-STRC), based in Abuja works on the following initiatives and projects:

406. Following the adoption of the Science, Technology and Innovation Strategy for Africa (STISA-2024) and its implementation under second priority area prevent and control diseases and ensure wellbeing. The African Union, *Science and Technology Framework for the Detection, Identification and Monitoring of Infectious Diseases of Humans, Animals and Plants in Africa* endorsed by the AU Executive Council

EX.CL.766 (XXII) in January, 2013) calls for the establishment of the AU Network of Infectious Disease Surveillance that is functional through an network of national and regional centres in all the AU levels. In this regard the AU-STRC is rendering support to the Department of Social Affairs in the implementation of the ACDC.

407. The *African Union Network on Sciences* is a virtual network that involves a wide range of individuals/institutions working together to address Africa's scientific and technological development challenges. It is a platform where African Scientist, Engineers, Innovators, Inventors and Technology developers will be able to interact, cooperate, exchange information/knowledge and complement one another in research and academic work. It is also an innovative way to enhance brain circulation and bridge the African based Scientists and those in the Diaspora to address Africa's Challenges. The project is to be implemented in four phases. The work and initiative of this network was commended by the Third World Academy of Sciences, the African Academy of Sciences, The Bibliotheca Alexandria, AfDB, UNESCO, and GIZ among others.

408. The STRC convened two meetings to garner support and mobilize resources for the project. The first was with the host country Nigeria where all stakeholders including the Ministry of Communication Technology, Ministry of Science and Technology, Nigerian Communication Commission, Nigerian Information Technology Development Agency, and the Ministry of Foreign Affairs, the meeting recommended that the concept be presented to the Minister of Communication Technology. On presentation to the Minister, a joint Task Force was set up for the implementation of the project. The terms of reference for the implementation was developed and meetings were ongoing. The meeting with partners and private sector was also held where MTN Nigeria requested for detailed feasibility and viability study, sustainability, as well as system requirement for the project.

409. The Science Technology Research Commission has engaged the services of the Federation of African Engineering Organization and MBS Engineering to develop a Needs Analysis for the African Network of Sciences, for fundraising purposes. In the meantime, data collection of prospective users are being done continuously by the office, and so far, over 3000 pieces of data were received.

Africa's Science Technology and Innovation challenges and Climate Change

410. In line with the STISA 2024 priority of live together-build the society is envisaged to developed programmes that offers solutions to climate change challenges. This is a continuing project that analyses the Africa's challenges on climate change impact. The second on the series of this study is the 'Climate Change Impact in Africa: Challenges and Opportunities within the Realm of Science, Technology and Innovation'. This study was commissioned by STRC based on what science and technology can offer to tame the impact of climate change in Africa and was carried out based on reviews of other research work done out by experts. The analysis was done and submitted to the Nigerian Environmental Society for further review and editing before final publication.

African Scientific Research and Innovation Council

411. The need to create the African Research and Innovation Council (ASRIC) is inspired by the Decision Ex.CL/Dec.747 (XXII) and Decision Ex/CL/Dec.216 (VII) adopted by the Executive Council. ASRIC will serve as a platform for promoting scientific research and innovation addressing development challenges. Its statute was adopted by the Assembly in 2016. The Commission is working on the modalities of launching the ASRIC.

Pan African Intellectual Property Organization

412. The Assembly took a decision AU/Dec. 138 (VII) on the establishment of a Pan African Intellectual Property Organization (PAIPO), with engagements with Member States, regional Intellectual Property institutions (i.e. the African Regional Intellectual Property Organisation, the Organisation Africaine de la Propriété Intellectuelle and World Intellectual Property Organisation) in the implementation of this decision. The Assembly in 2016 adopted the Statute for establishing the PAIPO and endorsed the offer by Tunisia to host PAIPO.

Development of Africa Health Research Capacity

413. As a follow up to the Africa-India Health Sciences Meeting that was held on 1st - 3rd September, 2016 the STRC is working under the framework of India Africa partnership in consultation with the Nigeria Ministry of Health to develop projects and programmes on capacity building for health researchers and medical practitioners for the ECOWAS region. The conceptual framework is to be presented in due course to other African Regions to develop a common Africa position.

414. The STRC, UNESCO and Merck are organizing the 2nd MARS Summit from 28 to 29 of November 2016 in Ethiopia, Addis Ababa with a theme; Infectious Disease and Woman Health. The Summit will be showcased by keynote addresses, panel discussion, posters display and launching of the best African woman researcher award on health this is to recognize outstanding contribution of women researchers/scientists with the aim to promote STEM. There will be bilateral discussion at the margin of the Summit to bring on board Merck for the India Africa Health Sciences capacity building platform.

Outcome 5

Resource mobilisation and Financing the Union

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.

OUTPUTS

- Financially sustainable and viable Commission and Organs attained.
- Alternative sources of funding for Africa to finance its development identified and implemented.

Introduction

415. The sustained growth that the continent experienced over the last fifteen years, has also found expression in increased and more diversified funding potential for development and continental priorities. Moreover, the structure of funding has changed, with overseas development aid becoming a smaller portion of overall continental funding, as traditional donors battled the global financial crisis of 2007/8 and recession, despite commitments by the G8 to increase ODA and as other sources of funding grew exponentially, including remittances and private and public sector investment.

416. At the same time, as the demands on the African Union for peace and conflict interventions, the development and implementation of continental development frameworks, to promote and enforce normative frameworks on democracy and governance, and to further integration, funding from international partners grew exponentially as a proportion of overall funding of the Union.

417. The last decade has thus seen a renewed drive for greater self-reliance in the financing of the Union, the mobilisation and direction of domestic resources, stemming illicit financial flows from the continent, attracting more and the right type of foreign direct investment, creating conditions for intra-African investments and more effective use of remittances. Specific initiatives and decisions in this regard include:

- The Obasanjo High Level Panel on '*Alternative sources of Funding the African Union*', appointed in 2008 and reported to the Assembly in May 2013. The report was adopted in principle, processed by the Conference of Ministers of Finance and laid the foundations for subsequent decisions of the Assembly on Financing the Union, including the 2015 January Summit decision on the 100%: 75%: 25% formula; the 2015 Johannesburg Summit *Declaration on Self-Reliance* and the decision of the Kigali Summit in 2016 on the introduction of a binding 0.2% AU levy on eligible import goods;

- The report by the NEPAD Agency of 2013, which explored various domestic sources including pension funds, the private equity market, development finance institutions, sovereign and other national funds; as well as the Dakar Summit on Financing of Infrastructure of June 2014, the Financing for Development Forum held in Addis Ababa in 2015 and the number of other discussions we had and have on financing of malaria, universities, water and sanitation, SMMEs, etc.;
- The Mbeki Panel on Illicit Financial Flows, and the follow-up actions towards implementing recommendations of the panel report;
- The establishment of the African Remittances Institute in Nairobi;
- Initiatives to mobilise private sector funding, including for the AU Ebola efforts through the Africa Against Ebola Solidarity Trust, the formation of the AU Foundation in 2014, initiatives such as the New Alliance for African Agriculture, and the work of the African Philanthropy Forum and other foundations.

Financing Agenda 2063

418. One of the accompanying strategies of the Agenda 2063 framework the *Agenda 2063 Financing and Resource Mobilisation Strategy* was presented to the Ministers of Finance at their meeting in 2015. The Strategy identifies the areas in the First Ten Year Implementation Plan where additional and/or new funding (at national, regional and continental levels) are required, the sources of funding and the instruments for channelling resources to priority programmes and initiatives.

419. The financial intermediation vehicles considered as part of the First Ten Year Implementation Plan focus on three levels: (i) existing commercial financial vehicles such as commercial banks, micro finance institutions, development finance institutions, insurance companies, stock exchange and bond markets; (ii) new commercial financial intermediation vehicles such as the AfDB's Africa 50 Fund, the African Investment Bank, and regional stock and commodity exchanges; and (iii) existing and new non-commercial finance channelling including national budgets, budgets of RECs and the AU.

420. The Ministers of Finance agreed that the African Development Bank will be the lead institution to facilitate, coordinate, monitor and evaluate financing of Agenda 2063.

421. In December 2016, the NEPAD Agency and the East African Community launched an Investors guidebook on 16 infrastructure projects for African integration as a follow-up to the 2014 Dakar Summit on Infrastructure Financing, and the AU Commission held a workshop with the AfDB and other experts on the financing Agenda 2063 strategy.

422. The AU Budgetary process, starting in 2016, increasingly focuses on funding for Agenda 2063 priorities and flagship projects, and this is reflected in the 2017 Budget adopted and the 2018 Budget Framework paper.

Financing of the Union

423. The decisions of the Summits on Alternative Sources of Funding to ensure reliable, effective, fair and adequate financing of African Union are being implemented incrementally.

424. During 2016, the new Scale of Assessment, (2016-2018) based on the three-tier system agreed on in Summit decisions Assembly/AU/Dec.561(XXIV) and Assembly/AU/Dec.578 (XXV) was adopted by the Summit in January 2016. This Summit further called for the convening of a Retreat of Heads of State and Government on Financing of the Union, to include Ministers of Foreign Affairs and Ministers of Finance,. In January 2016, the Commission also appointed Dr. Donald Kaberuka, former President of the AfDB as AU High Representative on the Revitalisation of the Peace Fund.

425. The HoSG Retreat on Financing the Union was convened in Kigali on 16 July 2016, and guided the Summit decision on (a) revitalization of the AU Peace Fund, (b) the introduction of a binding AU levy on illegible imports from the continent, to be operationalized from 2017; and (c) the establishment of a committee of ten Finance Ministers.

426. The Commission conducted a study on the implementation of the levy, with specific focus on the existing community levies of ECOWAS and ECCAS, convened a meeting with Ministers of Finance in September 2016, which discussed the Guidelines for operationalization of the AU levy, and the establishment of the Committee of Ten Finance Ministers (F10). The F10 held its first meeting on the margins of the IMF/World Bank meetings in October 2016, finalized its terms of reference and the Guidelines, which were subsequently distributed to all Member states. The F10 also agreed to meet with the Bureau of the African Association of Central Banks, which is planned for January 2017.

427. The Commission will report on the implementation of the decision on financing the Union to the Summit in January 2017, as required. It has also started work on the 2018 Budget Framework Paper, which will be presented to the F10, before presented to the Summit for adoption with the 2018 Budget in July 2017.

2016 and 2017 Budgets

428. The Commission presented the annual budget framework documents to the policy organs during 2016, based on the following underlying principles: results and accountability for delivery; efficiency, effectiveness, discipline and transparency in the sourcing and use of resources; oversight by the PRC Sub-Committees to ensure streamlining, legitimacy and alignment with mandate and goals of Agenda 2063; efforts within the Alternative sources of funding framework to ensure sustainable funding of AU

operations and programmes with domestic funding; robust accountability and oversight mechanisms; and observance of the principles of subsidiarity and complementarity.

429. 2016 Budget: The Union policy organs adopted a total budget of USD 416,867,326 with 150,503,875 for operations and a USD 206,363,451 programme budget. Member States committed 40% of this total budget as per the agreed Scale of Assessment, and the Commission had to raise the remaining 60% from development partners. Member States contributions cover the Operational segment of the AU budget. By end of December 2016, about 75 percent of assessed contributions were received from Member States, with proactive engagements of Member States by the AU Commission.

APPROVED BUDGETS	2015	2016	2017
Total budget	393,037,453	416,867,326	782,108,049
• <i>Operational budget</i>	<i>142,687,881</i>	<i>150,503,875</i>	<i>488,525,786</i>
• <i>Programme budget</i>	<i>250,349,572</i>	<i>206,363,451</i>	<i>293,582,263</i>
Funding of Budgets			
• <i>By Member states</i>	<i>147,318,607</i>	<i>169,833,340</i>	<i>205,149,538</i>
• <i>By International Partners</i>	<i>225,536,171</i>	<i>247,033,986</i>	<i>576,958,511</i>

430. 2017 Budget: The Policy organs in July this year adopted the 2017 Budget, amounting to a total of USD782,108,049 with the proviso that the Commission ensure the closing of the funding gap. Consultation meetings were held with international partners for financing the 2016 Programme Budget. Efforts continue to be made for non-JPA international partners to join the pool funding to streamline activities and reduce transaction costs. In its reports to development partners on the use of partner funding, the Commission has endeavoured to focus on results as opposed to activities, by enhancing the Results Based Management framework (RBM) at the AUC as well as AU organs and NEPAD. The revised standardized template is being implemented, addressing challenges highlighted by partners and internal stakeholders regarding the current reporting format. The Commission is also implementing the Resource Mobilisation Strategy.

Outcome 6

Building a Union of the People

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.

OUTPUTS

- Rebranding of AUC, effective communication and increased visibility achieved.
- Stakeholder involvement in African agenda implemented, which reflects cultural and linguistic diversity, equal participation of women, youth and vulnerable groups improved

Introduction

431. A key feature of the AU Constitutive Act is its commitment to the involvement of the African citizens, civil society and the African Diaspora in the activities of the Union. The Commission and Organs therefore continue to engage and strengthen links with civil society and the Diaspora, including strengthening of ECOSOCC.

432. It also requires a very proactive communications and outreach strategy by all Organs, to inform citizens and Member states about the work of the Union, and how they can get involved. The development of the brand of the African Union, as representing and advancing the aspirations of the African people as set out in Agenda 2063, also requires ongoing work.

433. During the development of Agenda 2063, the cultural and creative sector took the initiative to organise their own consultations, the Creative Hub, resulting in the framing of *Aspiration 5, an Africa with a strong cultural identity, common heritage, shared values and ethics*. The practical areas for action elaborated under this aspiration in the First Ten Year Implementation Plan - on the preservation and advancement of African languages, embedding Pan Africanism in all school curricula and cultural assets, and the promotion and celebration of the creative and arts industries - requires more support towards the sector, given its potential.

434. The Citizens and Diaspora directorate (CIDO) of the Commission, within the axis of shared values, worked to entrench, establish and sustain active engagement with the African civil society and Diaspora, including non-governmental organizations, professional and social groups, community based organizations, faith based groups and the wider panoply of non-state actors in fulfilment of the commitment of the Constitutive Act to create a people-centered and people-driven community in the African Union.

Work with the African Civil Society

435. The task of involving African civil society in activities of the Union rests with all departments and sections of the Commission, and has been mainstreamed into all its work and as Agenda 2063 is being implemented.

436. Through CIDO, the Commission during 2016 focused on a number of specific initiatives with civil society, in addition to providing support to ECOSSOC. It also facilitated consultations with civil society and the Diaspora in the following partnerships: the Forum for China Africa Cooperation (FOCAC); Tokyo International Conference on African Development (TICAD); Africa-Ecuador; Africa-League of Arab States; Africa-Korea, and finally the Africa-EU partnership.

Interfaith Dialogue Forum and Interfaith Dialogue on Violent Extremism

437. To promote religious tolerance, peace and social cohesion in the wake of religious extremism and related conflicts, the Commission worked with partners to promote inter and intra religious dialogue among followers of different faiths. This is done through two means. Firstly, a Forum between the national religious councils of all Member States, together with faith based organisations, scholars, women and youth is jointly organized with King Abdullah Bin Abdel Aziz Centre for Interreligious and Intercultural Dialogue (KAICIID); in fulfilment of the MOU signed with KAICIID in 2014.

438. The forum provides for dialogue on the role of religious leaders in Agenda 2063, on peace and security, and women and gender. The aim is to establish an Interfaith Dialogue Forum, building on the Abuja Declaration on Interfaith, an action plan, and the election of a permanent Steering Committee to work with the AU to support the process of interreligious and intercultural dialogue within African communities, and enhance partnerships between religious leaders and the AU.

439. Secondly, plans are afoot for an interfaith dialogue on Violent Extremism (iDOVE) between Africa and Europe in 2017. The dialogue will be jointly organized between CIDO, GIZ and IPSS. iDOVE is particularly focused on youth and bringing them together in dialogue with policy makers in regional, continental and international organizations working on this topic. The outcomes are threefold, (i) creating space for dialogue between the different actors, (ii) launching an outreach website to reach out, and educate target groups and train respective stakeholders, and (ii) support small scale youth run projects which promote values of tolerance, mutual respect and better understanding.

440. The main achievement of these interreligious dialogues is that religion is acknowledged as a positive force to promote tolerance, and complements the use of military dominated peace support operations when tackling matters of religious or violent extremism. Such a comprehensive approach must deepen understanding of the root causes of extremism, crafting innovative and contemporary approaches for countering violent extremism on the continent and between continents.

Partnership with Organization of African Trade Union Unity

441. Within the Shared Values pillar in the AUC Strategic Plan, the AU Commission through CIDO established the AU-OATUU Partnership Forum. The objective is to create a structured platform to harness the support of organized labour to the integration and development efforts of the African Union. The 6th Annual joint AU-OATUU Forum 2015 was adopted a joint road map for the popularization of the Agenda 2063 Framework and specific roles by Trade Unions in the implementation and monitoring of the Agenda.

442. The Forum called for the drafting of a joint work plan for the implementation of aspects of the Agenda 2063 that directly relate to decent conditions for workers; with particular regard to human and trade union rights, employment, social dialogue and social protection. To this end, the Forum called for the extension of the social protection floor to all workers as a key to sustainable development.

443. The AU and OATUU further agreed to enhance collaboration on other Agenda 2063 thematic issues that relate to labour, including but not limited to: child labour, occupational health and safety, work place conditions, minimum wage, skills development, discrimination, and gender equality.

African Diaspora Programmes and Networks

444. The Diaspora programme had three main priorities (a) the consolidation of Diaspora Networks, (b) the Diaspora for Development Projects, and (c) Capacity Building of Member States diaspora Focal points.

Consolidation of Diaspora Networks

445. The program focused on expanding these networks to different continents, as forums for engagement of the diaspora, which has succeeded in expanding the networks in the different continents. To date the following networks are in existence and CIDO work with them to ensure gender balance, the involvement of professionals and young people.

446. *The Pan African Australasian Diaspora Network (PAADN)* was established in 2015, comprising the African diaspora in Australia and New Zealand. In 2016, as a result of the work of the network, the Australian parliament visited the African Union in 2016, showing keen interest to support supporting Diaspora programmes and in engaging with the African continent.

447. A planned follow up visit to Australia will prepare for a regional consultative conference to help finalize the Australasia Diaspora Engagement strategy and brainstorm on Diaspora Projects suitable to the subcontinent.

448. *The Caribbean Pan-African Network (CPAN)*, operational since 2004, remains a key interlocutor with the African Union in the Caribbean community. During the reporting period, a working session was held between CIDO and CPAN on the sidelines of the latter's Annual General Meeting, which launched a consultative process for joint

initiatives to be undertaken by the AU, CARICOM and CPAN within the context of the UN Decade of People of African Descent. The following mechanisms were proposed for consideration by CARICOM and the AU Commission:

- the creation of an African Union Desk at the CARICOM Secretariat;
- the mutual deployment of official diplomatic staff to both organizations; and
- outreach to CARICOM Prime Ministers and Ministers of Government to establish support for an AU/CARICOM/ CPAN Initiative within the context of the Declaration of the Global African Diaspora Summit.

449. High-level Caribbean diplomatic officials, including Dr. Edward Carrington, former Secretary-General of CARICOM and Ambassador Patrick Edwards, former Ambassador of Trinidad and Tobago to the African Union, welcomed these initiatives and pledged to guide the process for the establishment of an informal working group mechanism comprising representatives of the AU, CARICOM and CPAN to oversee the implementation of the meeting outcomes.

450. Mapping and consultations are ongoing to develop networks in **Canada, Europe** and in the **Middle East** along with the League of Arab States.

Diaspora for Development Programmes

451. There are five projects within this programme. First, a study to survey and map African diaspora populations in 5 countries in Europe, namely, United Kingdom, France, Belgium, German and the Netherlands. The study will look at the overall size of the Diaspora populations, demographic and geographical distribution; professional and educational profile; type and level of current engagement with origin country in particular and Africa in general; gauge the level of awareness of the various development and diaspora engagement policies at the national, regional and continental levels; and assess the key factors influencing the participation of the diaspora in their homeland. The findings of the project will generate reliable data and information on African diaspora populations in the selected countries to inform, guide and influence the development and implementation of diaspora policies and programs at all levels: continental, regional and national. The mapping of the African diaspora in Europe is particularly important in informing the African position and the role of the African Diaspora in the current 'migration crisis' in Europe.

452. Second, and in line with the above mapping Study, the Commission works with the UNHCR and IGAD on the role of the Diaspora in irregular migration to Europe. The project, still in inception stage, aims to emphasize a positive and development role of the Diaspora in the Horn of Africa. A crowd-funding for ideas consultation planned amongst the three parties and select Diaspora – including community leaders, academics and professionals, to help come up with a clear perspective and projects.

453. Third, mapping of diaspora business networks in Europe, to help consolidate the skills and resources of diaspora associations. This exercise will be complemented by the mapping of the Local entrepreneurs, including diaspora returnees. The aim is to form a

network that connects African business and professional partners with clusters of skilled, creative and entrepreneurial groups within the African Diaspora in Europe.

454. Fourth, the organization of events, in collaboration with the US Mission to the AU, on social change through art, including a workshop to promote the goal of an Africa with a strong cultural identity as set out in the Ten Year Implementation Plan. The workshop brought together successful diaspora groups who engage with AUC participants on the use of arts and music to encourage dialogue, to disseminate messages of the AU and Agenda 2063; and as a mean to create employment.

455. Finally, CIDO as part of the AUC delegation, participated in the World Humanitarian summit, where it shed light on the role of the African diaspora in humanitarian responses. The 2014-2016 Ebola response was used as a case study of the Ebola crisis, highlighting contributions in three areas:

- Advocacy efforts of the diaspora, particularly professional and celebrity diaspora, that helped support AU campaigns, the declaration of Ebola as a global health emergency and scaled up responses by WFP and WHO to scale up and provide the necessary assistance;
- Remittances: even though remittances accounted for less than 50% of inflows, during the crisis it increased to over 800 million dollars;
- Innovative & Volunteer projects: this included diaspora physician missions to Ebola affected countries, food organization responsible for providing safely packaged local food to quarantined areas, and provision of medical materials including innovative therapy through the Convalescent Serum Therapy (CST).

Capacity Building of Member States Diaspora Focal points

456. Building the capacity of Diaspora focal points within national ministries and offices of the AU Member States remains an important aspect towards better diaspora engagement strategies. To address this gap, a technical workshop was held in Addis Ababa from 15-17 September 2016 to design the framework for a Diaspora Engagement Toolkit for Diaspora policy makers in AU Member States and Diaspora. The toolkit will explore good practices and lessons learned on diaspora engagement globally with a specific Africa focus.

457. Building on this, a workshop of Diaspora Continental focal points was organized on 13-15 December 2016, which will brought together Member States together with AUC, RECs, diaspora experts, networks and organizations. This workshop provided a platform to convene, interact and establish networks, partnerships in the field of diaspora engagement and to present the AU Diaspora Engagement Toolkit, and provided the information to design a certificate program on Diaspora Engagement.

African Diaspora Corps Pilot

458. This project is aimed at operationalization of AU Assembly decision (Assembly/AU/Dec.478.(XXI) on the *Implementation of the Global African Diaspora Five*

Legacy Projects. The same Decision established a self-funding Technical Committee of Experts to be composed of the Heads of the AUC, NEPAD, ADB, UNDP, UNECA, RECs, Africa Capacity Building Foundation, Heads of Implementing Agencies and Representatives of the Diaspora and Private Sector to co-ordinate and monitor the implementation of the Legacy Projects that were endorsed by the Assembly in July 2012. Consultations were done between the Commission and Member States on operational modalities of the Technical Committee, particularly its self-funding.

459. While this process continues, technical partnerships in North America is being leveraged to pilot a Diaspora Volunteer Project to inform the development of the AUDVC global program once ready for roll-out by the Technical Committee. A project technical workshop on the design of the pilot volunteer corps project was held in partnership with Cuso International, a global leader in volunteer-based development programming. The workshop developed the final technical framework for a 4-year, \$6million dollar project that would see technical experts recruited from the African Diaspora community in Canada to be placed with the AU Commission and with local partner organizations in five (5) AU Member States, focusing on organizational and economic development.

460. In addition to project funding already pledged from the World Bank, CIDO and Cuso International presented a project concept note to the Government of Canada through the Department of Foreign Affairs, Trade and Development (DFATD), with follow-up discussions with Government of Canada officials. A key challenge was the withdrawal of Cuso International from the project coalition due to an internal restructuring exercise. However, CIDO is currently in consultation with the World University Service Canada, an established voluntary service organization, to take on the role of Canadian implementing agency.

ECOSOCC Activities and Challenges

461. The Commission, acting on the decision of the Executive Council in Malabo in June 2014, continued to give support to ECOSOCC, including sensitization missions to popularize this organ in Member states and get their civil society organisations to nominate representatives to ECOSOCC; the holding of the ECOSOCC meetings in accordance with its Statutes, the formation of national and sectoral clusters and most recently, taking forward the recommendation for the relocation of the ECOSOCC headquarters to Lusaka, Zambia.

462. ECOSOCC also plays an important role in the popularization of Agenda 2063, and in advocating for national domestication and the involvement of civil society. ECOSOCC collaborated with the Young Africa Leadership Initiative (YALI) through its flagship project the Mandela Fellowship program. It held joint conferences with YALI in East, West and Southern Africa to introduce the African Union, ECOSOCC and Agenda 2063. ECOSOCC and the secretariat were invited to participate in the Mandela Fellowship Summit in Washington DC. During the Summit, the AUC through ECOSOCC, CIDO and SPPMERM participated in an exhibition where copies of the Agenda 2063 were placed in the Library of the Congress; did a presentation on Agenda 2063 and signed a Memorandum of Understanding with the International Research and

Exchanges Board (IREX) a non-governmental organization working with the Department of State in the selection and organization of YALI Mandela fellows.

463. A key challenge to the full optimization of ECOSOCC as an organ to deliver on its advisory functions to the AU, has been the absence of a strategic plan for the organ. An internal process to develop an ECOSOCC Strategic Plan is in progress, as part of the internal domestication of Agenda 2063 in all future strategic plans of AU organs.

464. Challenges faced by ECOSOCC include inadequate staffing of the, lack of sufficient programme resources of ECOSOCC, limiting its capacity to organise consultations with African citizenry on the theme of each year, popularizing Agenda 2063 at grassroots and conduct sensitization missions to Member States. Vacancies on the General Assembly remain a critical shortcoming, in direct contravention of the Decision of Council (EX.CL/Dec.869 (XXVI), which directed the Commission and ECOSOCC to ensure widest possible representation of Member States within ECOSOCC.

CULTURE, ARTS AND HERITAGE

465. The focus of 2016 as the Year of Human rights, found expression not only in the political and economic spheres, with its focus on rights, but also in broader movements around culture, arts and heritage. This is because African identifies, political action and development are deeply rooted in culture and heritage, and shaped and influenced by the concrete living conditions and environment. The culture and creative sectors and industries therefore play a critical role in the shaping of Agenda 2063 and the Pan African integration project.

*'One of the good things (of Pan Africanism) on an ideational level is that there is a very deep commitment to the continent.
How often do you see Africa on music albums? How often you see Africa on earrings, t-shirts with Africa? Africa is probably the most drawn, the most sculpted, the most sung about continent ever...there is a very strong sense that Africa really matters to Africans.'*
Prof. Thandikwe Mkandiwire

466. It is in the light of this 'deep commitment to the continent', and based on AU frameworks on Culture and Heritage, that the Commission working with Member States, and other partners engaged with the sector on these matters. On request of the cultural sector, a special Creative Hub Africa consultation was convened with the cultural sector in 2014. This consultation was the driving force behind Agenda 2063 *Aspiration 5. An Africa With a Strong Cultural Identity, Common Heritage, Values and Ethics.*

467. The Commission also cooperated with the African Heritage Foundation to popularize the mandate of the agency, which is the protection and recognition of African cultural heritage, in partnership with UNESCO. The Commission, in collaboration with the European Union Commission has undertaken the *Inventory on Cultural Goods*, to facilitate the return of illicitly, trafficked cultural goods to their countries of origin.

468. A number of other developments in the cultural and creative sector in Africa are as encouraging, such as:

- Developments in the African film industry, from the growth of Nigerian Nollywood, incentives in a number of countries for the film industry, the growth of FESPACO and other film festivals on the continent, and the increasing number of African films in international festivals. The AU Commission with the Member states, Pan African film organizations and National Film Commissions met in Nairobi in July 2015 to consider a report on the status of the African film industry, and what to do to strengthen it, including the need for intra-Africa centers/consortiums for production and distribution. Work on the recommendations from this workshop continued in 2016. Across the continent, the film and audio-visual sector represents 5 million jobs, 1 million of these in Nigeria. This meeting also urged the AU to move towards implementing its decision taken in Maputo in 2003, to establish the African Audiovisual and Cinema Commission (AACC);
- Despite the challenges faced by the African clothing, leather and textile sectors from international competition, there are encouraging advances in this sector, particularly in the fashion industry. The African Development Bank report on *Fashionomics*, highlighted the potential of this very labour intensive industry, and what the continent can do to invest in the sustainable fashion and textile industry. Young and women entrepreneurs in these sectors are becoming amongst the rising examples of African brands, and the growing number of continental fashion events is testimony to this;
- In a similar vein, the performing arts, publishing, music, arts, and other sectors are flourishing, despite sufficient support and resources. A report by PwC released in 2016¹⁴, for example, commented on an increasing demand for local music. According to the report, the trend shows '*rapid earnings growth in many African countries, fuelled largely by live performances by local artists.*' Social media also help with the faster spread of cultural products across the continent, from sharing music, e-books, comedy, film and television programmes to online market places for these cultural and creative products. Africa during 2016 also mourned the passing of musical icon Papa Wemba on 24 April, at the age of 66.

469. The growing number of Pan African Cultural Festivals is an area of integration, promotion of people to people contact, sharing of experiences and promotion of the

¹⁴ <http://www.vanguardngr.com/2016/10/africas-music-industry-changes-tempo-to-local-beat/>

African Renaissance, which has been severely neglected by the AU Commission, in terms of a visible presence, exhibiting programmes of the Union and engaging with the cultural and creative sector of the continent. As recommended in Agenda 2063, these festivals and gatherings of the creative sector play a critical role in promoting the values of Pan Africanism and the African Renaissance. We must encourage Member States to support the participation of their nationals in these Pan African events, and urge the AU Commission and relevant Specialised Agencies to ensure a visible presence of the African Union at these events, as part of outreach on Agenda 2063.

470. The Host country, Rwanda for the July 2016 Summit received a proposal from the Thabo Mbeki Foundation on '*Promoting the Culture of Reading in Africa.*' The rationale is that the skill of reading is essential for individual intellectual and personal development, for wider societal advancement, and that this skills need to be actively cultivated. The concept note makes proposals on initiatives to be supported by the African Union in this regard, including:

- Declaring An African Decade of Reading;
- A prize for African writers of non-fiction and fiction;
- Support for reading clubs and libraries;
- The convening of an African studies conference; and
- An African publishing initiative.

471. Unfortunately it could not be included as an item on the agenda of the Summits, and it is recommended that the incoming Commission take this proposal forward within the policy organs.

Communications and Outreach

472. Communication and outreach activities are carried out across the Commission, in addition to the dedicated work done by its department of information and communication (DIC).

473. The DIC during 2016 carried out communications activities around all AU activities, including Summits and programmes and activities of the Commission, specialized agencies and organs.

474. The revamp of the AU website continued in 2016, although a number of challenges are still experienced, mainly due to shortages of staff in the department. The Commission continues to grow its social media presence, on YouTube, Facebook, Flickr, Twitter and Linked-in.

475. The live-streaming of AU events continued, with AU events uploaded during 2016. All videos uploaded since 2013, are readily available for users to access on demand. This remains an important record of activities and events of the Union, including Summits.

476. The branding of the AU spearheaded by DIC is on track, focusing on the role of the AU as representing and promoting the aspirations of all Africans, not only governments. Decisions of the African Union around such issues as the financing of the Union and the launch of the African passport and the Continental Free Trade Areas, has helped to further this branding of the Union.

477. The AU Commission continues to produce and distribute AU publications, promoting continental programmes. These include the AU Echo on the theme of 2016; the annual production the AU Handbook (now in its fourth edition) with the support of the Government of New Zealand; and the Agenda 2063 toolkit and package. Main channels for distribution include at summits, guided tours at AU Headquarters, conferences and meetings outside of Addis Ababa, and through the website. The Commission also signed an MOU with the Book of African Records in December 2016, to cooperate on the publication of an *African Factbook*.

478. The Commission also ensures ongoing engagements with the media, facilitating their participation in Summits and events. During 2016, two workshops were held with the African Editors Forum, in Kigali (July) and in Pretoria (October) on the role of the Media in popularizing Agenda 2063 and shaping the African narrative. Amongst the media services provided by DIC include media invitations, press releases and conferences, live streaming, photographs, video and social media.

479. The African Leadership Academy on 9 December 2016 in Addis Ababa, organised the first-ever live television debate, MjadalaAfrika, with the five candidates for AU Commission Chairperson. A report on the impact of the debate in popularizing the AU and its programmes, is being done; to test how to improve future debates.

Outcome 7

Institutional development and reforms

Institutional capacities of the AUC improved, and relations with RECs, AU Organs and with strategic and other partners strengthened.

OUTPUTS

- Institutional capacities of the AUC strengthened
- Relationship with AU Organs, RECs and strategic partners strengthened.

Introduction

480. The African Union and its organs continue to evolve and development, fourteen years after its launch in 2002. During 2016, the following areas of institutional development remained the focus of the Commission work:

- Ongoing reform and renewal of the Commission's processes and procedures, in order to enhance efficiency and governance;
- Gender mainstreaming in the Commission; and
- Streamlining the work of Summits and the Union.

481. The main purpose of ongoing institutional development is to enable the Union to better deliver on its mission, make a lasting impact on continental development, and to effectively use its resources.

Strengthening the efficiency and effectiveness of the Commission

482. The Commission, in accordance with its Statutes (Article 3.2), has the responsibility to:

- Represent the Union, defend its interests and act as the Union's custodian of the Constitutive Act, protocols, treaties, legal instruments, decisions adopted by the Union and those inherited from the OAU;
- Initiate proposals, implement decisions taken by policy organs, including strategic plans and studies and the Union's Programme and Budgets for the consideration of the policy organs;
- Act as Secretariat by organizing and managing meetings of the Union;
- Work out draft common positions and coordinate the actions of Member states in international negotiations;
- The establishment of operational units, management of budgetary and financial resources, assets and liabilities, including collection of revenue and receipt of other funding;

- Take action in the domains of responsibility as may be delegated by the Assembly and the Executive Council and all other areas where a common position has been established;
- Prepare and submit reports, strive for the popularization and promotion of the objectives of the Union, collect and disseminate information on the Union and set up a reliable data base;
- Mobilise resources and devise appropriate strategies for self-financing, income-generating activities and investment for the Union;
- Promote integration, socio-economic development, peace and security; build capacity for scientific research and development for enhancing socio-economic development in the Member States and mainstream gender in all programmes and activities of the Union;
- Strengthen cooperation and coordination of activities between Member States in fields of common interest, harmonise, elaborate, coordinate and promote the programmes of the Union with those of the RECs;
- Undertake research on building the Union and on the integration process.

483. The Commission made progress in 2016 in improving its institutional capacities as well as its operational systems and procedures. This included measures to improve performance and operational efficiency in terms of finance, human resources and administration, and other core business processes and services. At the same time, AUC continued to enhance its institutional and corporate governance, promote organizational change and accelerate measures to strengthen the human capital management and the status of women and youth within the Commission.

484. There were challenges on several fronts, including the funding situation, vis-à-vis rising challenges that require coordinated continental action, as well as the AU's coordinating and driving role under Agenda 2063. Nevertheless, AUC's reform agenda for its core business processes progressed according to plan. The Commission focused on four priority reform strategies, namely enhancing corporate governance; improving process efficiency; and reducing operational cost.

485. In 2016, an AU Code of Ethics and Conduct, and a policy on anti-harassment, were adopted by AUC. An independent Chief Ethics Officer assumed post, reporting directly to the Chairperson. Peer-to-peer learning arrangements were made with the African Development Bank to enable effective roll out of the Code and issuance of complementary policies. Starting next year, a mandatory training programme on ethics will be delivered on a yearly basis in at least two official languages. A system for financial disclosure will be designed to ensure integrity of key staff, and a system for prevention of misconduct will be in place.

486. A review of the AU Staff Regulations and Rules (SRR) was conducted and discussed with members of the PRC in December 2016. This was done based on a gap analysis concluded in 2015. The new SRR expands the scope for career management and succession planning to enable the AU to attract and retain talent.

487. The AU Administrative Tribunal was reconstituted and sat for the first time in 2015 in nearly a decade to hear pending matters. The Office of the Legal Counsel represented AUC and defended eight matters during the Administrative Tribunal Session of 5-16 October 2015 held in Addis Ababa, Ethiopia. The judges of the Administrative Tribunal delivered their judgments on 26 October 2015. The Administrative Tribunal once again convened a regular session 30 May to 3 June 2016. During this session, preliminary hearings on four cases were conducted. Judgments on these cases are expected during the first quarter of 2017.

488. Improving *Procurement*: The AU Procurement rules were revised in 2016. The Procurement Manual was aligned with the AU Financial Rules and Regulations, and the anti-fraud and anti-corruption policies, which came into effect in 2014. The new Manual also covers the specificities of procurement for peace-keeping operations and extends procurement integrity to external offices, such as AU liaison offices. It also has additional modules such as grant management and management of funds passed through the AUC to AU organs or other stakeholders. Systems for e-procurement as well as e-recruitment were also introduced in 2016 to make those practices more efficient, and ensure transparency and fairness vis-à-vis all suppliers.

489. The Commission continued to implement the International Public Sector Accounting Standard (IPSAS), since 2014. AUC will be generating its third IPSAS-compliant financial report this year. The introduction of IPSAS has improved organizational governance in accounting and financial management.

490. *Safety and Security*: In response to changing safety and security conditions, the AU upgraded its safety and security systems and policies. An e-security system was operationalized and an emergency response programme was launched in 2016.

491. *Structure Review*: In an effort to create a structure that has the capacity to implement the mandates of Agenda 2063, and improve the operational efficiency of the Commission, a structure review was completed in 2015 for the Commission and presented to the Summit in January 2016. In 2016, this process continued for all AU organs, including aligning the mandates of the Commission and the NEPAD Planning and Coordination Agency. Restructuring proposals were finalized and presented to the Permanent Representatives Subcommittee on Restructuring.

492. *Financial Reform*: AUC has been undergoing reforms aimed at modernizing its budgeting, financial and accounting systems and functions with a view to improve the operational efficiency in accounting and financial management at par with international standards. Key to this was the introduction of the International Public Sector Accounting Standard (IPSAS) in 2014. This resulted in improved management, which reduced ineligible costs, addressed hidden liabilities and proper segregation of duties and responsibilities.

493. In 2016, AUC has continued to see the positive impacts of the enhanced risk management system that it has put in place over the past four years. It has transformed AMISOM into a model Peace Support Operation for the continent, which was a move positively acknowledged by funding partners and other stakeholders. The formation and

operationalization of the Board of External Auditors ensures professionalism and audit credibility of stakeholders.

494. *Standard Operating Procedures (SOPs):* SOPs were introduced to all AUC core business processes, including human resource management, procurement, and finance. As a result, processes such as procurement and recruitment take less time, on average. Procurement of goods and services now takes on average 105 days, compared to 150 days in 2013. At the same time, the compliance rate increased by 75% against audit recommendations compared to 2013. Similarly, recruitment time was reduced by 95 days. Implementation of the administrative reform programme will save thousands of hours of work, and afford the Commission faster turnaround times.

495. Automation: AUC has continued to implement its information technology (IT) strategy in line with international best practices in IT infrastructure, IT security, networking and usages. Last year, the AU created its first own centralized data centre, to which all AU-relevant documentation and data were migrated this year. This offered greater storage capacity, faster access to tools, systems and data, and enhanced security.

496. The IT user experience was significantly enhanced this year, as 2000 new and enhanced computers were deployed to all staff this year, and the Enterprise Resource Planning (ERP) infrastructure was upgraded. Furthermore, all AU Organs and Offices were equipped with new IT materials.

497. *Budget planning:* The AU launched a major project to upgrade its human capital management and finance systems to better support its administrative processes, staff development and movements. A new Budget Planning module is being implemented to improve budget management. All SAP modules are appropriately aligned with IPSAS. Use of SAP and IPSAS significantly expedites time spent on processing and reporting for all core business operations.

498. In terms of next steps, the AUC will focus on IT for business continuity. More specifically, AU will enhance its IT emergency response systems by establishing an IT-supported enterprise risk management system, including installation of an IT and video conferencing networked with regional offices.

499. Learning *and Development:* In 2016 AUC conducted an organization wide needs analysis and defined its learning and development strategy for the next three years. The Strategy was designed based on the AU Values. Subsequently, a training plan was designed and approved for 2016.

500. The African Union Leadership Academy (AULA) was operationalized this year. AULA is the main mechanism for delivering on the AU's Learning and Development Strategy. Since its inauguration in January, 300 members of the AU Staff and Permanent Representatives Committee have been trained on programme/project management and have participated in policy programme dialogue. Furthermore, the AU has established technical cooperation with the European Union, the World Bank, the

African Development Bank and the United Nations on peer to peer learning as well as staff exchanges, which has so far benefited a number of AUC departments.

501. *Balanced Scorecard (BSC)*: This year, the AU launched a project to develop a Balanced Scorecard system, modeled after Agenda 2063 objectives, and shared with RECs, agencies, NEPAD, and eventually cascaded down to member states. Through the BSC, the project aims build AU capacity to develop, monitor and execute programs for better results and impact. It will build internal capacity and improve performance management system to demonstrating the capacity of the staff and the Union to better execute projects which are impactful and cost effective.

502. Reducing *Operational Costs*: Several measures taken this year have led to significant reductions in operational costs. Financial reforms have also contributed to cutting costs. For example, the Electronic Payment System put in place by AUC has shortened payment processing time to just a day compared a week in 2012. Also, IPSAS reports need 70% less reporting time than previous methods.

503. *Smart Conferencing*: In addition to the use of the DVD System to minimize paper use, the introduction of innovative smart conference devices has brought the Commission closer to the attainment of full smart conferencing status, leading to paper smart conferencing. The application of this cutting edge method during 2016 summits and other major meetings has impacted positively on the operations of the Commission and is estimated to have saved the Commission approximately USD 600,000 this year.

504. The Commission upgraded its *in-house printing capacity*. New printing machines were purchased, which are capable of perfect binding, saddle stitching, folding, stacking & punching, and integration. Along with other heavy duty reproduction machines, the enhanced printing unit will meet the needs of the Commission, thereby significantly cutting down on printing costs.

505. *KAIZEN Management System*: With support from the Japanese Government, the AU has implemented KAIZEN system for process improvement, operational efficiency, and waste minimization. Staff were trained this year, and procurement, financial and human resource management processes were re-aligned with the Organisation's operating model.

506. *Medical services delivery systems* were enhanced by equipping the clinics and diagnostic services with the state of the art equipment, enhance the knowledge and skills of AUC medical staff, and to strengthen the health policies at the AU Commission. This year's project have built on accomplishments over the past four years, which medical insurance and services were enhanced for staff, peace support operations, and representatives of Member States. Enhanced medical services have cut costs and staff time involved with sending employees out for basic medical services. It will also generate future income towards self-financing of this important service.

Gender Mainstreaming in the AU Commission

507. Following the assessment of gender mainstreaming within the Commission undertaken in 2014, the Commission has taken steps towards realizing the goal of gender parity and a gender sensitive institutions.

508. Knowledge of Gender mainstreaming was fostered through training and technical assistance among departments. Gender focal points in each department were appointed, who are responsible to ensure mainstreaming of gender in departmental and individuals work plans, working with the Women, Gender and Development Directorate.

509. Progress on gender mainstreaming is tracked at AUC through a system of indicators in order to ensure that AUC meets its targets of equitable representation of both genders.

510. The following other institutional Gender Action Plan activities were undertaken in 2016: A draft Work-place Gender policy is under review, and ensuring that the revised and new policies, such as the draft Staff rules and Regulations, Procurement manual, Review of HIV Work Place and Medical Assistant plan reflect gender equality in the work place.s

511. The revamped Recruitment and Promotion policies and practices also sought institutionalized gender parity, in order to maximize the possibility of attracting qualified women to fill positions, towards gender parity in the Commission. As a result, the proportion of women in professional positions at AUC staff in 2016 stands at 34.25 percent compared to 29.5 percent in 2015 and 15% in 2014.

512. At the most senior level, Figure 11 below shows progress towards gender parity with Directors appointed in the Commission. By December 2016, we had seven (7) female and eight (8) male directors, with four vacant positions with recruitment in progress.

Figure 11: Gender Profile of AU Commission Directors (2016)

	POSITION	GENDER	COUNTRY	REGION
1	Secretary General	F	Mali	West
2	Director Social Affairs	M	Nigeria	West
3	Director Economic Affairs	M	Cote D'Ivoire	West
4	Director Medical services	M	The Gambia	West
5	Director Gender	F	Guinea	West
6	Director Finance	F	Senegal	West
7	Director Internal Audit	F	Zambia	South
8	Director Trade and Industry	F	Swaziland	South
9	Director Political Affairs	M	Lesotho	South
10	Director Information and Communications	F	Kenya	East
11	Director Rural Economy and Agriculture	M	Uganda	East
12	SPPREM	M	Ethiopia	East
13	Conferences	F	Algeria	North

	POSITION	GENDER	COUNTRY	REGION
14	Infrastructure and Energy	M	Mauritania	North
15	Administration and HR	M	Chad	Central
16	HRST	Vacant		
17	CIDO	Vacant		
18	Peace and Security	Vacant		
19	Legal Counsel	Vacant		

Streamlining Summits and AU Reforms

513. The Bahir Dar Ministerial Retreat of 2014 tasked the Commission to make recommendations on the Streamlining of AU Summits, so that they focus on strategic issues and are conducted in a more efficient and effective manner.

514. The Commission conducted a comparative study between the AU and other regional institutions including CARICOM, the EU, the Organisation of American States (OAS) and the East African Community. A number of lessons emerged from this, which were taken into consideration as we made recommendations on the streamlining of work of the AU, and the Commission Restructuring Project. The report was also submitted as part of background documents for the Task team Chaired by President Kagame on AU Reforms.

515. The recommendations on Streamlining of Summits were adopted at the Assembly of Heads of State and Government Summit in Johannesburg in July 2015 (Assembly/AU/Dec.582 (XXIV)). The following core elements have since been implemented:

- Clearer delineation of decisions between the Assembly and the Executive Council, and to delegate decision making powers and mandate to the Executive Council, except on strategic issues;
- Operationalization of the Specialised Technical Committees, and their delegated power to take decisions on matters within their competency, unless it has financial or legal implications, or where powers are the purview of another Organ;
- Streamlining Assembly Agendas including standardizing the Official opening sessions, introducing a Closed-Closed session for strategic discussions on Governance, Peace and Security, Integration or any other matter of strategic importance;
- Subcommittees of the Assembly to only report once a year to Summit, and membership to rotate every 2-3 years;
- The Assembly to convene in Retreat format to afford sufficient time to deal with strategic issues. The first such retreat was held in Kigali in July 2016 on Financing the AU and the second will be held in January 2017 in Addis Ababa on AU Reforms;
- Reducing the numbers of decisions taken at each Summit, so that we are able to implement fewer decisions more effectively;

- Rationalising the participation of external partners in Summits, so that Member States delegations may focus on the matters before Summits, and encouraging them to visit African countries to engage on bilateral issues;
- Allow for full participation of the RECs in deliberations of Summits, sharing experiences in the advancement of the continental integration agenda;
- Allocation of additional resources to allow for timely translation of documents and effective translation and interpretation.

516. Since the introduction of these reforms, Summits are indeed becoming more efficient and effective.

517. The Ministerial Retreats of the Executive Council have become an important forum for strategic reflections on matters of integration and the implementation of Agenda 2063, meeting in more informal settings and focusing on a limited set of issues at a time. During 2016, three retreats took place, in Me'kelle (January 2016), Nairobi (May 2016) and Addis Ababa. Amongst the issues that arose from these retreats, which were or will be taken forward as recommendations to Summit:

- Proposals on measures to take forward free movement of people: the introduction of 30-day visa on arrival for all African citizens in all African countries; the African passport and a Protocol on free movement by 2018 (Me'kelle retreat);
- The need to pay greater attention to the resolution of the African Paradox, and in particular the adoption of the African Commodities Strategy (presented at the Addis Ababa retreat);
- Taking measures to strengthen and support innovation in agriculture and agro-processing technology (Nairobi).

518. The Retreat in Nairobi also formalized the Bahir Dar Ministerial Follow-up committee on Agenda 2063 and its terms of reference.

519. Relationships with Regional Economic Communities are proceeding well, with cooperation on infrastructure, agriculture, industrialization, governance, gender as well as peace and security.

520. The Commission looks forward to the report of President Kagame on AU reforms, to be presented at the Heads of State and Government retreat in January 2017.

Africa and the World

521. The Commission, in pursuit of the aim to build a continent that place a dynamic role in the world, facilitates the development of common African positions on global processes, works with the PRC on Africa's strategic partnerships and represents the AU in various global forums, promoting Africa's agenda and interests.

Accreditation to the African Union

522. In line with Part II, Section II (3) of the Criteria for Granting Observer Status and for a system of Accreditation within the African Union adopted by the Executive Council in July 2005, the Commission received and considered request for accreditation from non-African states and organisations, and did accredited during the reporting period

523. The total number of non-African states and international organisations accredited to the Union now stands at one hundred and five (105), eighty four (84) non-African states and twenty one regional and international organisations.

AU Representative and Liaison offices

524. The AU at present has permanent missions/representative offices in Brussels, Cairo, Geneva, the Southern African Representative office in Malawi, at the UN headquarters in New York and in Washington. The missions play the role of promoting the programmes, image and decisions of the African Union and advocate for common African positions and interests; represent the African Union at multilateral and bilateral levels; engage with civil society, media and the Diaspora; and facilitate and provide support to the African Groups of Ambassadors.

525. The AU currently has liaison offices in the following countries: Burundi, Chad, Central African Republic, Comoros, Cote d'Ivoire, DRC, Guinea Bissau, Liberia, Libya, Madagascar, Sudan, South Sudan, Western Sahara, ~~Algiers~~, Kenya (rear AMISOM HQ; and Somalia (forward AMISOM HQ). The liaison offices, which forms part of the Peace and Security department were initially established to support peace processes, but since 2013 also play a broader representative role as well as more generally promoting AU programmes. Additionally, the AU has also established liaison offices within the following RECs to enhance coordination and collaboration: COMESA (Lusaka, Zambia), ECOWAS (Abuja, Nigeria), ECCAS (Libreville, Gabon), EAC (Arusha, Tanzania), IGAD (Djibouti), and SADC (Gaborone, Botswana).

STRATEGIC PARTNERSHIPS

526. The review of Strategic partnerships, finalized by the Commission in 2015, was submitted to the PRC Committee on Multilateral Cooperation in 2015. The Subcommittee has considered it, made its own inputs and submitted it to the PRC for review and further directives. It is expected that the Report would be presented to the Policy organs as soon as possible.

527. The evaluation highlighted the general and specific challenges of nine (9) current strategic Partnerships. It identified the basic principles that would guide Africa's Strategic Partnerships, and the importance of cooperation based on equality, complementarity and mutual benefits, as well as greater emphasis on sound monitoring, evaluation reporting mechanisms to aid implementation and positive impact on the continent.

528. Rounding off the evaluation, the study concluded that most partnerships have overly ambitious and unrealistic domains of cooperation with too many activities, which are not achievable during the stipulated timeframes. The need to therefore strengthen and empower a Partnership Management and Coordination Office to drive the process of delivering on the objectives of the partnerships was noted and proposed. It is expected that the Report, when adopted would also see the lifting of the moratorium on the establishment of new partnerships, within adopted principles.

529. Although the strategic review still has to go to the policy organs, it is important to note, the year 2016 witnessed more focus and greater dynamism in the AU partnerships. The renewed purposeful thrust stemmed from the need to streamline and rationalize the scope of African Union's engagement with its partners, and more importantly align such engagements with Africa's strategic goals as contained in Agenda 2063 and its First Ten Year Implementation Plan.

530. During the period under review, the Commission promoted closer collaboration with all the AU Strategic Partners, advancing the implementation of the agreed areas of cooperation, promoting Africa's interests and fostering mutual and beneficial relations and organised Partnerships summits and meetings.

The VI Tokyo International Conference of African Development, Nairobi

531. The TICAD VI Summit was co-organized by the Commission with the Government of Japan, the United Nations Office of the Special Adviser on Africa, the United Nations Development Programme and the World Bank. It took place in Nairobi, in Kenya, on 23-28 August 2016, the first TICAD Summit held in Africa. The Summit adopted the Nairobi Declaration and Implementation Plan in which Japan pledged to invest in Africa USD 30 billion from 2016 to 2018, in three priority areas: (i) structural economic transformation through economic diversification and industrialization, (ii) resilient health systems for quality of life, and (iii) social stability for shared prosperity, as enshrined in Agenda 2063 and its First Ten Year Implementation Plan.

532. While the Summit enabled the African side to have more influence on the TICAD process, including the roles of African Union and Japan it becomes increasingly important to focus the implementation of the TICAD VI Plan on regional flagships programmes along with its bilateral engagements, in line with Agenda 2063 and its First Ten Year Implementation Plan and to adopt a more efficient accountable, monitoring and reporting mechanism.

The 4th Africa-Arab Summit, Malabo

533. The Commission, in collaboration with the General Secretariat of the League of Arab States and the Government of Equatorial Guinea, organized the 4th Africa-Arab Summit, in Malabo, Equatorial Guinea, on 23 November 2016. The Summit reviewed political and socio-economic developments in Africa and the Arab regions, implementation of Resolutions of the 3rd Africa-Arab Summit and adopted the Malabo Declaration, which called for a renewed political commitment of the two sides. The Summit also endorsed a Declaration on Palestine and adopted relevant resolutions.

534. Despite this progress, the Summit faced a major challenge around the Morocco-Western Sahara issue, which saw a number of members of the Arab League walking out of the Summit. Since a quorum of Arab League members remained, the Summit concluded its business, despite the disruptions and delays.

4th Africa–Korea Ministerial meeting

535. The Commission, together with Ethiopia, as host country, and Korea organized the 4th Africa – Korea Ministerial Forum on 6 and 7 December 2016, in Addis Ababa. The Forum adopted the Addis Ababa Declaration and a Framework of Cooperation. It underscored the need for African countries and Korea to strengthen their political, social and economic cooperation and to promote a partnership for sustainable growth. The next Africa-Korea Forum will be held in 2021 in Seoul, Korea.

Africa-European Union

536. The AU Commission participated in a joint Africa-EU technical meeting on 4th April 2016 in Addis Ababa. The 8th College-to-College meeting was also held in Addis Ababa, Ethiopia, on 7th April 2016. The meeting reviewed progress in implementing outcomes of the 4th Africa-EU Summit in Lisbon in 2014 and discussed preparations for the 5th Africa-EU Summit, which will take place in 2017 in the Republic of Côte d'Ivoire.

Africa-Turkey

537. The six priority projects, with a five-year timeframe, agreed on at the 2nd Africa-Turkey Summit held in November 2014 in Malabo are being implemented. Arising from this, an Africa-Turkey Business Forum was held in Istanbul, Turkey, in November 2016. Both sides look forward to holding, in 2017 the Turkey Africa Think Tank Forum, the Africa Turkey 7th Senior Officials Meeting and the Turkey Africa Ministerial Review Conference.

538. Looking ahead in 2017, the Commission will continue to invest in a robust, result-oriented engagement with Partners, to ensure that the interest of the African Union set out in Agenda 2063 and its First Ten Year Implementation Plan form the crux of all engagements.

Multilateral Organisations

539. The Commission participated in meetings of various international organisations including the UN General Assembly and meetings of various UN Agencies.

540. During the Extraordinary Summit on Maritime Safety, Security and Development in Lomé in November 2016, a consultative meeting was organized on the Future of the ACP. The meeting made recommendations for consideration by the AU Policy Organs.

Africa mourns the passing of Fidel Castro

541. The continent mourned the passing of Fidel Castro, who made an indelible contribution to African liberation and development, to the Non-Aligned Movement and to the development of the global South. The funeral and memorial service in Cuba was attended by a number of African Heads of States and other representatives. The Commission attended the funeral, represented by the Chairperson. An exhibition on his life will be opened during the January 2017 Summit, and the PRC has decided to dedicate a special session to pay tribute to Castro.

CONCLUSION

Recommendations and issues for decision

542. Arising from this 2016 Annual Report of the Commission, the following issues are tabled for decision by the Policy organs at the January 2017 Summit:

- (a) On extending the term of the current AU Champion on Nutrition;
- (b) On Recommendations of the Sendai Ministerial meeting on Risk Reduction and Management;
- (c) [On granting of Specialised Technical Agency status to the Pan African Women's Organisation (PAWO) and the African Capacity Building Foundation (ACBF), in principle and subject to the Assembly decision on AU Reforms];
- (d) On the process with regards to the Chagos Archipelago;
- (e) Recommendations on the Future of the ACP.

Handover to new Commission

543. In preparations for the handover to the new Commission, which would have been completed by October 2016, but for the decision to extend the term of office of the current Commission to January 2017. All Commissioners have handed in the zero drafts of their Handover report. The administrative process of separation of the previous Commissioners have also been approved and started.

544. Following the Kigali Summit decision to extend the term of the current Commission till the January 2017 Summit where fresh elections will take place, the roadmap was revised, so that the handover can be completed by April 2017.

545. The Commission will finalized a consolidated report of its four years in office, for distribution to Member states during the Handover period. The date for the Official Handover will be set with the Chairperson of the new Commission and the Chairperson of the African Union.

Conclusion

546. This last report of the current Commission for its four years in office marks a Union and continent that is making progress, despite the headwinds we face. The African Union as an institution is developing and has shown remarkable ability, to adapt and when necessary, to seize the moment.

547. More needs to be done to speed up the integration agenda, since this will aid the structural transformation of the continent and towards better standards of living for all Africans.

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