

AFRICAN UNION

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REPORT ON THE ACTIVITIES OF THE UNION
AND ITS ORGANS FOR THE PERIOD
JANUARY TO DECEMBER 2021

EXECUTIVE SUMMARY

This Report reviews the activities of the AU Commission and its organs and specialized agencies for the year 2021 in the context of Agenda 2063. It is the first after the establishment of the new departmental structure of the Commission as part of the ongoing institutional reform. It is therefore in line with the logic of results-based management. It was prepared using an approach that consists of presenting the projects and actions carried out, highlighting the challenges encountered and proposing solutions for meeting them in the future.

Although the context for the implementation of these projects has been marked by the negative effects of the covid-19 pandemic, a difficult international environment, and challenges related to insecurity and increased terrorist activities on the Continent, the progress made attests to the African Union's will and determination to stay the course in Africa's development.

The Report is organized around the main themes that structure Agenda 2063 and opens with the AU's efforts in the area of security and improved governance despite the challenges posed by the resurgence of unconstitutional changes of government. On economic transformation, progress in the implementation of the African Continental Free Trade Area and reforms aimed at strengthening the private sector as the engine of the Continent's development should be welcomed.

The above-mentioned progress has been reinforced by inroads in infrastructure and agriculture as revealed by the PIDA and CAADP evaluations. The findings of these evaluations were used to extend these strategies to accelerate access to basic infrastructure services and to ensure food security.

Investment in human capital was also one of the priorities for 2021. Progress has been made in implementing the continental strategy for education in Africa, in promoting women's empowerment and in programs aimed at youth inclusion.

Also, the welfare of African populations has been at the center of the African Union's concerns as evidenced by the response to covid-19, support to CDC Africa, the strengthening of health systems, the establishment of the African Medicines Agency (AMA), the protection of children and the elderly and minorities, and various humanitarian interventions.

The Report also discusses achievements in the implementation of activities related to the 2021 theme on "Arts, Culture and Heritage: Levers for Building the Africa We Want.

Admittedly, progress has been made in the implementation of the various projects. However, they should encourage us to constantly surpass ourselves by making greater efforts to maintain the pace and overcome the shortcomings noted in the Report, particularly the problem of financing, governance of project implementation and technical and human capacities, etc.

Also, performance in terms of execution of projects with a continental dimension remains linked to improving institutional efficiency, which has already been taken care of in the current reform.

The major strategic axes of the African Union are carried at the highest political level by many Heads of State of the Continent in their capacity as Champions on various issues of high importance.

In the dynamic of the continuation of the reform and on the basis of the actions undertaken in 2021, the Commission is engaged in a phase of acceleration, deepening and rationalization of these activities in 2022 for the benefit of the collective strategic interests of our Continent.

I. INTRODUCTION

1. Formally launched in January 2017, the Institutional Reform of the African Union has entered its first operational phase after two important acts by the Assembly of the African Union, namely the adoption of the new departmental structure of the Commission in February 2020 and the election of the new Commission in February 2021. These two aspects of the same institutional innovation, by retroacting on each other, marked a break with the past whose shortcomings had precisely justified the need for a new managerial approach to the affairs of the Union.

2. The premises of this reform were dictated by the will of the Heads of State and Government to place the implementation process of the various programs contained in Agenda 2063 in a strategic approach spread over time and tightened around the triple requirement of transparency, readability and efficiency. This Agenda has therefore been divided into decades, the first of which runs from 2013 to 2023 and sets the expected level of achievement for each of the programs by that date. In turn, this first decade has been broken down into medium-term strategic plans, including the one covering the period 2018-2023, within which 2021 falls.

3. The present Report, prepared for the year 2021, is therefore part of the continuity of a global approach underpinned by the perspective of a new Africa to be built, the Africa we want. However, it has two characteristics that give it a particularly special flavor. The first is that it is the very first after the Institutional Reform has become operational. The second is its chronological position, towards the end of the first decade of the implementation of Agenda 2063.

4. These two particular marks alert us to the content of this Report. It should make it easier to measure the achievements of Institutional Reform by highlighting concrete accomplishments that have a positive impact on the lives of African citizens. It should also outline future actions to be taken to improve the operational performance of the various organs of the Union, especially as Institutional Reform continues to unfold.

5. Under the first point, the configuration of the Report, organized around the following seven main themes, namely, (i) Consolidation of Peace, Security, Governance and Democracy, (ii) Health, Social Protection and Migration/, (iii) Economic Transformation, Inclusive Growth and Environmental Preservation/, (iv) Investing in Africa's People/, (v) The Year 2021/, (vi) Institutional Reform and Governance of the Union/ and (vii) Africa on the International Scene provide specific information on the work done by the Commission, the organs and specialized agencies of the Union in terms of achievements in each of the areas mentioned.

6. However, it should be noted that the efforts made to achieve the expected objectives in these various areas have been strongly impacted by a series of negative factors, foremost among which is the covid-19 pandemic. It has imposed its law brutally and violently, disrupting health systems, particularly in Africa, by confronting them with the uncertainty of the mutation of the variants, forcing economic activity on the continent to decline and virtually cancelling out the gains made in terms of economic growth in previous years. Worse, its permanent presence induces a projection of shrinking economic activity in Africa within a range of -1.1% to 0.8% (source ?).

7. This economic slowdown has added to an already heavy debt burden. This has resulted in a crisis context that has led, among other things, to the adoption of an austerity budget, which has resulted in a downward revision of our development ambitions. On another level, the institutional instability expressed in the unconstitutional changes of government in some countries, the rise of terrorism associated with the tragic manifestations of religious extremism, intra-state conflicts, the perverse effects of climate change, unfortunately tend to acquire the status of structural parameters, with a strong destabilizing resonance. We must reverse this trend through a sustained and concerted effort to maintain the course set by the strategic and programmatic compass that is Agenda 2063.

8. In the wake of this effort, and under the second point relating to future projection, this report opens a window on the strategic objectives for 2022. Although, for reasons of strategic coherence, these objectives echo those of 2021 in the logic set by Agenda 2063. The fact remains that the modalities for their operationalisation will be rethought and adjusted to the requirements of the evolution of the economic, social and political environment of our continent.

9. During the year 2021, the Chairperson of the Commission pursued, with equal determination, the activities arising from his statutory responsibilities. These activities were both in terms of the internal management of the Commission and external interventions/representations in various capacities.

10. In terms of internal management, the Chairperson of the Commission has consistently ensured that the process of setting up the new departmental structure of the Commission resulting from the institutional reform went smoothly, while at the same time paying close attention to the implementation of the recommendations of the internal and external audits, from a clearly defined perspective: to place the virtues of integrity and responsibility effectively and sustainably at the heart of a daily professional practice based on a culture that is constantly nourished by the requirements of accountability.

11. Through the Commission's meetings, held on a weekly basis, and based on discussions with his closest colleagues, i.e. the Commissioners, he has made adjustments of a strategic or operational nature, refocused and clarified them, in order to ensure that the trajectory of the Commission's activities is moving in the direction of the objectives set.

12. In the context of the institutional reform, the Chairperson of the Commission chaired the meetings of the Coordination Committee bringing together the Commission and the Executive Heads of the Regional Economic Communities (RECs) and Regional Mechanisms (RMs), as part of the preparations for the 3rd Coordination Meeting between the AU, RECs/RMs and Member States, the main purpose of which was to establish a clear division of labour between the AU, RECs and Member States for greater efficiency in the implementation of the programmes contained in Agenda 2063.

13. He also prescribed measures for the acceleration of the second phase of the institutional reform, the scope of which includes the external entities of the Union, namely, the other organs of the Union, the Permanent Representations, the specialised agencies of the AU and the liaison offices.

14. With regard to interventions at the external level, the Chairperson of the Commission has systematically supported the institutional developments at the level of our Member States through his engagement with the Heads of State and Government, including encouraging them and taking part physically in their inauguration ceremonies. This support has always been demonstrated by the deployment, through the Department of Political Affairs, Peace and Security (PAPS), of electoral assistance and observation missions.

15. This political engagement of the President was also reflected in his direct or indirect presence or that of his special envoys or representatives in Member States experiencing political crises. In this regard, he appointed a High Representative for the Horn of Africa, H.E. Olusegun Obasanjo, former President of the Federal Republic of Nigeria, for the conflicts in Somalia and more recently in the Tigray region of northern Ethiopia.

16. Other special representatives and envoys were deployed to the Sahel, following institutional changes in the region. The Head of the Liaison Office in Chad combined his initial functions with those of the AU High Representative. The Sahel Mission's jurisdiction was extended to Guinea. The Chairperson took a position on the sudden crisis, condemning the coup and calling for a return to the foundations of the political agreement reached in 2019 under the auspices of the AU. He also condemned the coup in Mali and called for a return to constitutional order. He made two trips to Mali and also visited Guinea.

17. The Chairperson of the Commission issued press releases condemning the terrorist attacks in the Cabo Delgado region of Mozambique in March 2021, the uprisings in South Africa following the conviction of former President Jacob Zuma and the revolt of the people in the Kingdom of Eswatini, calling for concerted actions of regional and international solidarity in the fight against terrorist attacks, for dialogue and for the search for peaceful solutions through dialogue to resolve social conflicts.

18. The Chairperson of the Commission has also deployed his political engagement in his capacity as the Representative of the AU on the international scene. For instance, he has been involved in the establishment of our strategic partnerships, namely with FOCAC and Turkey as well as the preparations for the AU-EU Summit.

19. Lastly, alongside the Heads of State and Government, members of the Bureau of the Assembly, he has carried out intensive advocacy activities in favor of African positions, particularly with regard to the response to covid19, its impact on African economies and the need for substantial and innovative funding. This was also the case for the financing of African peacekeeping operations and the fight against terrorism in the Horn of Africa, the Sahel and the northern part of the Continent.

20. During these activities, he has constantly stressed the urgent need to reawaken the chains of African solidarity, since it is true that international solidarity cannot be mobilized when African solidarity appears to be less active or even less visible.

21. The major strategic axes of the African Union are carried at the highest political level by many Heads of State of the Continent in their capacity as Champions on different themes of high importance.

22. In this context, X Heads of State have submitted their Reports. They are H.M. LETSIE III, King of the Kingdom of Lesotho, Champion for Nutrition, H.E. Edgar Chagwa Lungu, then President of the Republic of Zambia, Champion for the end of early marriages, Report transmitted under the seal of his successor, H.E. Hakainde Hichilima, H.E. Roch Marc Christian Kaboré, Champion for the Elimination of Female Genital Mutilation and H.E. Nana Addo Dankwa Afuo-Addo, President of the Republic of Ghana, Champion for African Financial Institutions. (add all Heads of State who submitted their reports).

23. These various Reports provide analysis and strategic orientations in the different areas considered.

24. The African Union Commission will continue to be fully committed to serving and supporting all Champions in developing their activities for the benefit of the collective interests of our Continent.

25. Despite the many challenges, the year 2021 was therefore rich in activities, initiatives and developments on the various programs and themes that are of strategic importance to our Continent. The purpose of this Report is to summarize the Commission's activities in 2021.

II. CONSOLIDATING PEACE AND SECURITY, GOVERNANCE AND DEMOCRACY

26. Peace and security are closely linked to governance, democracy and human rights. During the year under review, these issues were addressed jointly by the Commission and the organs and specialized agencies of the African Union. This Report provides an account of the activities carried out in these different sectors.

A. AGENDA 2063 FLAGSHIP PROJECT: SILENCING THE GUNS

27. Achievements and progress made include, inter alia, the following: (i) In contribution to the theme of the **Year 2021: “Arts, Culture and Heritage: Levers for Building the Africa We Want”**, the Department of Political Affairs, Peace and Security (PAPS) engaged African artists from the five regions of the continent at a High Level Seminar in Accra on measures to utilize “Arts, Culture, and Heritage as Levers for Silencing the Guns in Africa”.; (ii) Adoption by the PSC of the Monitoring and Evaluation (M&E) Mechanism of the implementation of the AU Master Roadmap on Practical Steps to Silence the Guns in Africa by the year 2030; (iii) Improved engagement with all stakeholders including Member States, Regional Economic Communities and Regional Mechanisms for Conflict Prevention, Management and Resolution (RECs/RMs), civil society organizations (CSOs), youth and women on the implementation of silencing the guns initiative. The High-Level Debate on Silencing the Guns held in Nairobi, Kenya in November 2021 identified practical steps to advance the implementation of the AU Master Roadmap within the new decade (2021-2030).

28. Recommendations stand as follows: (i) Advocate and support the domestication

of the Silencing the Guns initiative including through promotion of tailored National Action Plans adapted to promote participation and contribution of the population; (ii) Expedite the process of establishing a Standing Committee on Silencing the Guns, with the tasks of enhancing collaboration with the RECs on the implementation of the AU Master Road and its M&E Mechanism; (iii) Strengthen the technical and human resources of the Silencing the Guns Unit through prioritizing recruitments and secondments from Member states.

B. PEACE AND SECURITY COUNCIL (PSC) SECRETARIAT ACTIVITIES

29. The PSC carried out the following main activities: (i) Enhanced response of the PSC to the various conflict, crisis and post-conflict/post-crisis situations in the Continent; (ii) field missions were conducted in South Sudan, from 24 to 26 March 2021; to Sudan from 29 March to 1 April 2021; to the Central African Republic, from 28 to 30 June 2021; to Mali from 14 to 17 July 2021; and to Somalia from 8 to 10 November 2021. The Council in conjunction with the AU Commission undertook a Fact-Finding Mission to Chad from 29 April to 6 May 2021 following the tragic killing of former President Idris Deby Itno; (iii) Improved coordination between the PSC and the Peace and Security Organs of the RECs/RMs, through the convening of the Second Annual Joint Consultative Meeting inaugural joint retreat of the AUPSC and APRM in Durban, South Africa laid the foundation for stronger synergies between AGA and APSA; (iv) Renewal of the mandate of the G-5 Sahel for additional one year with effect from 13 July 2021 premised on the consideration of their activities; (v) Renewal of the Mandate of the AU Mission in Somalia (AMISOM) until 31 December 2021 following the PSC's consideration of the situation in Somalia, as well as the activities of AMISOM and reaffirmed the commitment to review AU's engagement in Somalia post-2021; (vi) Renewal of the mandate of the Multinational Joint Task Force (MNJTF) at its 973rd meeting of 18 January 2021 for additional one year, from 31 January 2021 until 30 January 2022; (vii) Enhanced support to incoming African Members (A3) of the UNSC through the convening of the Eighth High-Level Seminar on Peace and Security in Africa at Oran, Algeria.

30. Recommendations are as follows: (i) Increase the capacity of the PSC Secretariat to be able to effectively support the work of the PSC; (ii) Compliance with Article 5 of the PSC Protocol: there is need for the AU to ensure that countries elected to the PSC have capacity to shoulder the responsibilities that membership of the PSC entails.

C. PEACE SUPPORT OPERATIONS

31. Main achievements include the following :

- (i) ***Enhanced Implementation of AU Mandated Peace Support Operations:*** (a) AMISOM continues to provide the enabling environment for political processes in Somalia whilst degrading the capabilities and reducing the threats posed by Al-Shabaab and other armed groups towards ensuring security and stability across its area of operation; (b) AMISOM also supported training and mentoring efforts of the Somali Police Force (SPF) as well as combat readiness mentoring of Somali National Army (SNA).; (c) The mission is also currently facilitating support to Somalia's efforts to deliver the ongoing indirect elections; (d) As part of the processes to develop the parameters and modalities for a post-2021 new AU mission in Somalia, the PSC has been actively seized, and have held series of

meetings and adopted Communiqués during its 1037th, 1042nd and 1053rd meetings on the subject. In this regard, the PSC have requested the Commission to re-engage with the FGS (and relevant partners) after stalled negotiations in October 2021 to conclude discussions on the mandate, composition, size, funding model for a new AU mission in Somalia post-2021.

- (ii) ***Sustained operationalization of the AU Military Observer Mission in Central Africa Republic (MOUACA)*** (a) With continued hostilities between the Central African Armed Forces and the armed *Coalition des Patriotes pour le Changement* (CPC), security challenges prevented phase one (1) deployment of Military Observers to the Team Sites/Sectors in Bouar, Kaga Bandoro and Paoua as planned; (b) Despite these difficulties, with the financial support of the European Union (EU) and an agreement between the AU and the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA), 21 Military Observers are currently deployed in Bangui. Planning is ongoing to facilitate deployment of Military Observers to the Team Sites/Sectors in two phases: phase one - to Bouar, Kaga Bandoro and Paoua) and Phase 2 to Ndele, Bria and Bosangoa starting from the first quarter of 2022 (c) Within this context, continued support towards implementation of the mandate of MOUACA's mandate is of utmost importance.
- (iii) ***Increased Support to AU Authorized Peace Support Operations:*** (a) As part of its efforts to ensure effective implementation of AU PSC's Communiqués on the operations of the **Multinational Joint Task Force (MNJTF)** against Boko Haram Terrorist Group, the AUC continues to provide additional support to the MNJTF, including assistance in the implementation of the Regional Strategy for the Stabilization, Recovery & Resilience of the Boko Haram affected Areas of the Lake Chad Basin Region. Provision of the additional support to the MNJTF with funds mainly contributed by the European Union (EU), whose current phase of support ends on 31 December 2021, with indications of continued EU support beyond 2021. Currently, there are limitations in the provision of additional support by the AU to the MNJTF. Thus, there is need for consideration of other options for a more adequate, predictable, and sustainable funding model and approach in support of the efforts of the Lake Chad Basin Commission (LCBC) and MNJTF; (b) Increased engagement and coordination with SADC to ascertain the forms of support to be provided to the SADC Mission in Mozambique (SAMIM); (c) Improved coordination and support to ongoing efforts in the Sahel to further degrade terrorist groups, including through the Group of Five (G5) Sahel Joint Force initiative.;(d) Building on key consultations held in 2020, the AU Commissioner for Political Affairs, Peace and Security has engaged ECOWAS Commission and ECOWAS Chair on the developments in the Sahel during his visit to Abuja in October 2021. (d) Increased engagements with relevant stakeholders on the situation in the Sahel through the convening of a High-Level Virtual Meeting on 1 November 2021 that brought together ECOWAS, representatives of the G5 Sahel Secretariat, its Member States as well as representatives from the

French Government. The meeting deliberated on the implications of the withdrawal/restructuring of Barkane Operations, including its implications vis-à-vis its support role to MINUSMA's operation and the broader security context.

- (iv) **Increased Operationalization of the African Standby Force (ASF):** (a) Reference is made to the Decision of the 14th Extraordinary Assembly on Silencing the Guns held on 6 December 2020, which declared the African Standby Force (ASF) fully operational and directed the AU-PSC to utilize its framework in mandating and authorizing AU peace support operations. In this regard, the AUC has submitted a draft Memorandum of Understanding (MoU) between the AU and the RECs/RMs on the deployment of the ASF as well as a draft 2021-2025 Work plan on the Enhancement of the ASF for consideration by the 14th Meeting of the STCDSS on 20 December 2021. The Commission will also continue facilitating reviews and alignment of all ASF policies with the AU Doctrine on PSO which was adopted by the 3rd Extraordinary Meeting of the STCDSS held on 30 January 2021 to guide AU PSOs and inform the revision of the ASF Concept. With the achievement of Initial Operational Capability (IOC) of the Continental Logistics Base (CLB) and confirmation of pledges by nine (9) Member States of various strategic lift assets, the Commission is certain that once the MoUs on the utilization of these air assets are signed between the AU and the respective Member States, rapid deployment of personnel and equipment for PSOs will be guaranteed - in line with the six (6) ASF scenarios.

32. Challenge: There is a need for sustained commitment and support by all AU Member States for the continuous enhancement and utilization of the ASF as the framework and tool for the conduct of all PSOs mandated and/or authorized by the PSC.

33. It is recommended in this regard, that the AU and RECs/RMs continue enhancing their collaboration and joint work in making the ASF a reality as a primary tool for the conduct of PSO in the continent.

D. MEDIATION AND PREVENTIVE DIPLOMACY

34. The Commission prioritized support to and facilitation of political dialogue and mediation processes, preventive diplomacy, and capacity building to AU Member States in political transition. The Department has also provided technical, financial, political and facilitative support to Member States as part of broader efforts to foster cooperation in the peaceful resolution of intra and inter-state conflict as well as promotion of durable peace and stability on the Continent.

- In Chad following the appointment of the SRCC and High Representative and successful resource mobilization efforts, the Department coordinated the deployment of technical expertise and the provision of financial and logistical support towards the organization of an inclusive national dialogue. (ii) Increased technical, financial, operational and capacity building support to the planned National Dialogue in the **Union of the Comoros** following high-level political engagements with the government and other stakeholders. There is however a need for more robust, sustained political engagement with the

government, political parties and civil society to ensure that the inter-Comorian Dialogue successfully engages all sectors of society and lays a firm foundation for the elections to be organized in 2024; (iii) Enhanced support to the High Representative for the **Horn of Africa**, especially to ongoing mediation efforts in Ethiopia. (iv) Promoted and supported the deployment of preventive diplomacy intervention, including leveraging the conflict prevention opportunity of the Commission's deployment of Election Observation Missions (EOM) to Member States conducting elections, strengthening their impact and value-addition. (v) Other key policy interventions recorded include the conclusion of the tenure of the outgoing members of the Panel of the Wise and enhanced consultation, cooperation and coordination with Member States on the nomination of new members of the 5th Panel, with regional and gender balance, for consideration. (vi) Improved coordination and collaboration with RECs/RMs as part of efforts to revitalize the Pan African Network of the Wise (PanWise), and identification of strategic areas of collaboration including the establishment, strengthening, and operationalization of similar regional mechanisms; response to early warning; experience sharing and opportunities to strengthen preventive diplomacy and mediation; as well as the decentralization of FemWise-Africa at regional and national levels. (vi) Facilitated sustained efforts to capacitate and engage women and youth mediation actors through regular training and numerous short and long-term deployment opportunities for FemWise-Africa; (vii) to consolidate the role of youth in conflict prevention and mediation, the Commission has initiated the process of establishing "WiseYouth", to leverage the gains made by the Union's Youth for Peace programme; (viii) Enhanced coordination and inclusivity of relevant stakeholders in mediation processes through convening of the 12th Annual **High-Level Retreat of the Special Envoys and High Representatives on the State of Peace, Security and Stability in the Continent** under the theme 'Improved Coordination and Harmonization for Impactful Mediation', (ix) Finally, facilitated ongoing review of the draft AU Mediation Support Handbook and a divisional Strategic Plan to reflect the new PAPS working approach, conflict prevention, management, and resolution experiences of the AU, as well as the extent to which it accounts for traditional approaches and perspectives to dialogue and mediation.

35. Challenges included: (i) Inadequate financial resources and technical capacities for effective preventive diplomacy and mediation efforts. (ii) Cumbersome operational management processes in the AUC that hinder rapid response and implementation of activities; (iii) Travel and meeting restrictions due to COVID-19; and (iv) Lack of a Mediation Experts Roster in the AU Commission

36. It is crucial to allocate strategic financial resources for conflict prevention and mediation efforts of the Commission, and an agile robust administrative system that allows timely deployment and flexibility while maintaining the necessary accountability for resources.

37. Following the formation of the 5th Panel of the Wise, it is imperative that a consistent link is reactivated between the Panel of the Wise and similar mechanisms at the REC/RM level including the organization of the 7th Retreat of PanWise;

38. As mediation is a broad field that often requires support from other Departments in

the Commission, a Commission-wide in-house training on mediation and other related areas is necessary to enhance operational capacities to support mediation efforts; and

39. It is necessary for the Department to harmonize its roster system and build standby mediation-related capacities.

E. ACTIVITIES OF REGIONAL FOCAL POINTS (DESKS)

40. The various regional desks provide detailed information on the security situation in the regions they cover. These desks are as follows (i) Southern Africa: the security information provided covers the following countries Mozambique, Kingdom of Eswatini, South Africa and Zambia; (ii) East Africa: information is provided on the security situation in the following countries: Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, Madagascar, Mauritius, Seychelles, Somalia, South Sudan, Sudan, Tanzania, and Uganda, but with a focus on the following key countries in the Horn of Africa: Ethiopia, Somalia, South Sudan, and Sudan; (iii) North Africa: the Report focuses on the security situation in Libya; (iv) Central Africa: the security situation in the following countries: Cameroon, Chad and CAR; (v) Great Lakes Region: DRC and Burundi.

F. PROTECTION OF CHILDREN IN ARMED CONFLICTS PROGRAMME

41. Achievements in this domain are as follows: (i) Development and validation of a policy on mainstreaming child protection in APSA; as well as a policy on child protection in AUPSOs respectively following decisions of AU Assembly, requesting the Commission to draft the two policies. The draft policies are undergoing internal processes before submission to the PSC; (ii) Development and validation of a conceptual framework for the monitoring, reporting and accountability mechanism to facilitate regular, reliable and accurate data on the situation of children in conflict, in line with relevant Assembly decisions. The commission is currently populating the conceptual framework for offline and online use.

42. Challenge: A proper rollout of the policies as well as the monitoring and reporting mechanism will require significant resources. The current budget allowance for child protection is grossly inadequate to support the implementation of the policies and the monitoring and reporting mechanism.

43. Recommendations: There is need to allocate adequate resources to enable meaningful implementation of the policies and for the timely rollout of the monitoring, reporting and accountability mechanism.

G. GENDER PEACE AND SECURITY PROGRAMME

44. The Commission through its Gender Peace and Security Programme continues to mainstream Gender in all AU efforts toward peace and security and to advance Women, Peace and Security (WPS) agenda that is anchored on the four pillars of prevention, protection, participation and, recovery and relief.

45. Progress made and Achievements are as follows: (i) Enhanced capacity building of PAPS and stakeholders to mainstream gender in activities and programme; (ii) Increased advocacy, partnership, promotion of research and dialogue; (iii) Improved

engagements with CSOs and Women Groups in Peace and Security in Africa

46. Recommendations: (i) It is crucial to allocate human resources and office equipment to facilitate the implementation of the GPSP; (ii) It is imperative to coordinate and harmonize the diverse activities related to WPS, which are undertaken by various unit/division in PAPS and OSE to avoid duplication of efforts.

H. YOUTH FOR PEACE AFRICA PROGRAMME

47. The Youth for Peace (Y4P) Africa Program achieved significant progress over the past three years. Following the adoption of the Continental Framework on Youth Peace and Security (CFYPS) and its 10-year implementation plan by the PSC in June 2020, the Y4P Program mainly focused on the advocacy and domestication of the CFYPS. Similarly, in line with the Assembly decision to enhance the capacities of youth on peace and security, the Program has provided policy guidance to young women and men in the development of key projects and resource mobilization strategies; as well as provided trainings on peace and security.

48. Progress and Achievements are, inter alia, : (i) Developed and implemented a campaign against Hate Speech titled “No Room for Hate Speech” in collaboration with the UN Office of the High Commissioner for Human Rights (UN-OHCHR), which facilitated a youth-led and focused online campaign to counter hate speech and promote human rights advocacy in Africa; (ii) Enhanced technical capacities of African youth especially those in higher education institutions and non-formal setting for conflict prevention and peacebuilding interventions. In collaboration with UNESCO’s IICBA, series of trainings for youth were conducted to enhance African member states’ capacities to use education to prevent violent extremism and its resurgence amid the COVID-19 pandemic, aligned with the spirit of TICAD 7 and NAPSA.; (iii) Amplified engagements, advocacy and sensitization at Member States on the Continental Framework on Youth, Peace and Security as well as on the AU Theme of the Year - Arts, Culture and Heritage: Levers for Building an Africa We Want and its intersections with youth, technology, peace and security.; (iv) Facilitated and promoted Inter-Generational Dialogues (IGDs) on the participation and contributions of youth to peace and security anchored on the 5 priority pillars of the Continental Framework on YPS (Participation, Prevention, Protection, Partnership and Coordination and Disarmament and Reintegration). (v) Finalized the selection of the second cohort of the African Youth Ambassadors for Peace (AYAPs), one from each of Africa’s five regions for consideration of the PSC and subsequent appointment by the Assembly in February 2022.

49. Expectations of the Program have grown tremendously with increasing requests for support on various YPS issues from youth, Member States, regional institutions and other partners. This has also opened opportunities to grow partnerships and collaborations to deliver on the mandate in accordance with the priorities of the AU Continental Framework on YPS. Therefore, the AU Commission, in collaboration with the RECs/RMs, should encourage Member States to implement the Assembly and PSC decisions as well as develop National Action Plans for the implementation of the CFYPS and other international norms on YPS to contribute to the removal of structural barriers to youth participation in peace and security.

I. AFRICAN UNION MECHANISM FOR POLICE COOPERATION

(AFRIPOL)

50. The AFRIPOL Secretariat undertook a series of activities despite some budget related issues and travel restricted occasioned by COVID-19. The 4th General Assembly held on 20th October 2021 in Algiers, Algeria provided substantial updates on progress made towards the operationalization of AFRIPOL to Member States since the 3rd General Assembly in 2019 and to adopt the conclusions of the Sixth, Seventh, Eighth and Ninth meetings of the AFRIPOL Steering Committee.

51. As part of the efforts to improve collaboration and sharing of information and data between police agencies, AFRIPOL has developed the African Police Communication System (AFSECOM). The basic AFSECOM equipment is currently installed at the AFRIPOL Secretariat in Algiers and 54 Member States. The procurement process of the datacenter equipment is under process. This improvement of the IT infrastructure will help the installation of the criminal analysis databases for wanted people, stolen vehicles and firearms in 2022.

52. Some achievements are as follows: (i) Review of AFRIPOL's functioning and mobilization of police agencies to tackle the crime challenges on the continent especially in the context of the growing threat of the links between terrorism and transnational organized crime.; (ii) Increased examination and understanding of the crime situation and security threats on the continent including human trafficking, drug trafficking, firearms trafficking, illegal migration, acts of terrorism, environmental crime and cattle rustling.; (iii) Facilitated modalities to establish the AFRIPOL Forensic Science Center within the AFRIPOL Secretariat in Algiers, in collaboration with INTERPOL and Google AdWords, launched in October 2021, a campaign to enhance the cybersecurity of Internet connectivity in Africa. The first phase of this project will benefit Ghana, Nigeria, Rwanda, Uganda and South Africa with plans to roll out to more Member States in 2022 (iv) Coordinated the AFRIPOL Working Group on Cybercrime; (v) AFRIPOL and INTERPOL's initiation of a strategic partnership with the cryptocurrency provider – Coin base. An MoU shall be signed in 2022 to facilitate a structured cooperation including AFRIPOL's direct access to Coin base in order to transmit requests from Member States concerning illegal usage of Coin base cryptocurrency.

J. JOINT FINANCING ARRANGEMENT PROGRAMME (PAPS)

53. The Joint Financing Arrangement (JFA) is a basket fund supporting the Peace and Security activities since 2010 under a MoU between the AU and Eight International Partners. Currently the signatories of the JFA MoU 2020-2023 are the AU, Netherlands, Norway, Sweden, Denmark, UK, Canada, Ireland, and Germany.

54. The JFA MoU 2020-2023 was signed by the AUC and all Partners, except Denmark, pending the signature of the bilateral agreement, APPIV-extension up to 31 December 2023 and has fully integrated the PAPS Department, including the former Department of Political Affairs; The JFA results based framework 2021-2023 has been updated in line with the merger of the PAPS Department.

55. COVID-19 has affected the implementation of activities and the budget performance expenditure;

K. FIGHT AGAINST CORRUPTION

56. The African Union has already in place a binding legal instrument of its own against corruption, adopted by the Heads of State of the Continent as far back as 2003 and brought into effect in 2006. In that regard, it may be important to mention that as of 20th December, 2021, the African Union Convention on Preventing and Combatting Corruption had been signed by as many as 49 AU Member States and ratified or acceded to by 45 of them. The African Union Advisory Board on corruption is mandated by the said Convention "to promote and encourage the adoption and application of anti-corruption measures by States Parties to prevent, detect, punish and eradicate corruption and related offences in Africa "; and in that regard, the Board undertook the following activities described hereunder during the reporting period:

57. The Board held Ordinary Sessions and Extraordinary Sessions, which considered, inter alia, reports from State Parties. In this regard, the Board received baseline reports from the following Member States: Botswana, Burkina Faso, Congo, Madagascar, and Tanzania. After due consideration, the reports were sent back to the respective Member States for their input. The Board also finalized reports from South Africa and Tanzania.

58. The Board also observed the commemoration of events marking anti-corruption.

59. It is worth noting that pursuant to Article 22(7) of the Convention, States Parties are required to report annually to the Board on measures taken to implement the Convention. To date, 16 out of the 45 States Parties have submitted baseline reports with 27 States being non-compliant. In order to facilitate the state reporting process, the Board adopted a revised questionnaire and state reporting guidelines and shared these with Member States. During the reporting period, the Board conducted review missions to Burkina Faso (physically) and Kenya (virtually), in August and June 2021 respectively.

60. The Board also administered a questionnaire with a particular focus on the Regional Economic Communities (RECs), as critical actors in the anti-corruption space, which provide a mechanism for collective action and cooperation. The RECs are recognized as instruments capable of facilitating cross -border activities such as information and intelligence -sharing on illicit financial flows; cross- border investigations; arrest and transfer of suspects; and skills exchange, amongst other related tools in the fight against corruption. The outcome of the research conducted through the questionnaires was insightful in revealing, inter alia, that there are already significant efforts and developments at the regional level, towards the development and implementation of regional programmes aimed at facilitating domestication of anti-corruption instruments and norms.

61. The Board has also organized a number of outreach activities in which it has collaborated with non -state stakeholders who have called for greater transparency and accountability.

62. Further, the Board has been active in the domains of enhancing public awareness through civic education and research and building coalitions on anti-corruption, with a special focus on changing the mindsets of young people in particular.

63. At the international level, the Board participated in activities organized by the UN, in particular during the 9th session of Conference of States Parties to the UN Convention

against Corruption held in Egypt in December 2021.

64. In spite of its achievements, the Board continues to face a number of challenges, including the non-attainment of universal ratification of the Convention, beyond the year of 2018, which was earmarked as the year of anti-corruption for achieving universal ratification. Member States that have not done so are therefore encouraged to sign and accede to the Convention.

L. PROMOTION OF HUMAN RIGHTS

65. The African continental human rights landscape comprises the African Union Commission and three other human rights bodies: the African Commission on Human and Peoples' Rights, (based in Banjul, the Gambia); the African Court on Human and Peoples' Rights (based in Arusha, United Republic of Tanzania); and the African Committee of Experts on the Rights and Welfare of the Child (which was recently located to Maseru, Lesotho). Together, these organs may be considered to constitute the AU Human Rights System.

66. The AU Commission (through the Human Rights Division of the Department of Political Affairs, Peace and Security) undertook a number of activities in the field of human rights to support the three afore-mentioned organs of the African human rights system. The Commission also collaborated with the AU Member States through the Sub-Committee for Human Rights, Governance and Democracy.

67. These activities undertaken by the Commission, flowed mainly from the implementation of the AU Human Rights Decade Action Plan (2021 to 2030), instituted in accordance with the AU Assembly Decision of July 2016. They included: (i) the AU Strategic Plan for the Promotion and Protection of human rights in Africa (2021-2030); (ii) holding the Fifth AU-NANHRI Policy Dialogue organized in November 2021 on the theme "The Role of the African National Human Rights Institutions (NHRs) in Promoting Arts, Culture and Heritage as Catalysts for Socio-economic Transformation"; (iii) supporting the development and implementation of the African Union Business and Human Rights Policy; (iv) operationalization of the African Union Human Rights Memorial Building and developing its programmes, and (iv) the establishment of the Pan African Human Rights Institute.

68. The African Court on Human and Peoples' Rights (ACHPR) worked assiduously to implement its mandate to promote and protect human rights across the Continent, as provided for in the African Charter on Human and Peoples' Rights. During the reporting period, it considered State Party reports as well as the adjudication of Communications relating to allegations of violations of human and peoples' rights. In the meantime, it also stepped-up its monitoring of compliance with provisions of the Charter by State Parties. It has also conducted enquiries into allegations of massive human rights in its Member States Parties. The ACHPR also endeavored to strengthen its capacity to enhance public awareness about its work.

69. These achievements, notwithstanding, the ACHPR continued to face during the same said reporting period, the perennial challenges which have constrained its work over the years. These included the continued lack of implementation of its decisions by Member States and the low degree of domestication of the provisions of the Charter, characterized by the persisting dearth of national legislation and judicial decisions based

on provisions of the African Charter.

70. The African Court on Human and Peoples' Rights received two additional instruments of ratification during the reporting period, thus bringing the total number of ratifications of the Human and Peoples' Rights Charter and related deposits to thirty-two. In spite of this welcome development, there remained as many as twenty-three AU Member States, which had not ratified the Protocol establishing the African Court.

71. While it is encouraging to note that during the same reporting period, two more AU Member States, namely Guinea Bissau and Niger, deposited their Declarations permitting the Court to receive cases directly from individuals, the total number of State Parties which had made the declaration stood at only eight.

72. The Court carried out numerous activities. Among these were a number of the latter aimed at improving access of African citizens to it. Other activities had to do with (i) the conduct of sensitization missions in October 2021 to Member States, resulting in one of them, Niger, depositing its Declaration allowing for the submission of individual cases, (ii) the first Judicial Retreat of Judges of the African Court in June, 2021 with the participation of human rights stakeholders on the Continent, (iii) the training of counsel on its roster in Arusha, Tanzania, in August 2021, as well as of journalists in October 2021 in Dar es Salaam; (iv) the convening, in collaboration with the Government of the United Republic of Tanzania, and under the auspices of the African Union, of the 5th African Union Judicial Dialogue on the theme, "Building Trust in African Judiciaries"; (v) Organization in Dar es Salaam in November, 2021, of the International Conference on the Impact and Implementation of decisions of the Court. The principal objective was to analyse the manner in which its decisions are received and implemented domestically across the African Continent, and assess their impact on the African human rights scene; (vi) meeting with the PRC in Addis Ababa in recognition of their crucial role as the principal stakeholders in the promotion and protection of human and peoples' rights in Africa; (vii) engagement with the African Governance Platform (AGA) members in different technical and political meetings held throughout the year. (viii) representing Africa at the global level during the 2nd International Human Rights Forum, held virtually in March 2021, which made it possible for the African Court to jointly collaborate with the other two regional courts (American Court of Human Rights and the European Court of Human Rights) in elaborating a publication that will feature their landmark cases, including African ones.

73. Challenges crippling the work of the Court could be summarized as follows: (i) the low number of States which have deposited their instruments of ratification of the Protocol, (ii) lower number of States which have deposited their Declarations; (iii) poor level of implementation of its decisions. As of June 2021, only 7% of its decisions had been fully complied with; (iii) there only 18% partial compliance had been achieved. Moreover, in 75% of the applications there was no compliance at all.

74. AU Member States that have not yet acceded to the Protocol are encouraged to do so. In the same vein, State Parties that have not yet deposited their Declarations are also encouraged to do so. In the same vein, State Parties that have withdrawn their Declarations are kindly invited to reconsider their decisions.

75. The African Committee of Experts on the Rights and Welfare of the Child (ACERWC) undertook a series of activities, including holding its 37th and 38th ordinary

sessions. Were considered during these sessions: (i) Reports of State Parties on their implementation of the Charter (ii) individual complaints; ACERWC also conducted investigations and undertook missions, and adopted various documents.

76. Regarding the consideration of reports of State Parties, that having received five of them, and considered three during the reporting period two have been the subject of Concluding Observations which have been sent to the States in question.

77. The Committee, while acknowledging the efforts that these State Parties were making to improve the rights and welfare of children, made in turn Concluding Observations on the existing gaps relating to such issues as the need for the provision of basic services such as health and education; incidents of violence against children; exploitation of children in prostitution; sexual abuse and trafficking and child marriage among other issues.

78. Other activities undertaken are as follows: (i) on-site visits to Member States (South Kordofan and Blue Nile Regions in Sudan, follow-up missions to Lesotho and Namibia, and Botswana) The latter decided to withdraw its reservation to the Charter; (ii) conducted Regional Sensitisation Workshop with the Network of African National Human Rights Institutions(NANHRI); (iii) developed Guidelines on Child Participation and a Note on the Impact of covid-19 on the Rights and Welfare of the Child, which was considered by selected Member States, civil society organisations and representatives of children.

79. The five remaining Member States that are yet to ratify the Charter on the Rights and Welfare of the Child are encouraged to do so and those with reservations to withdraw them.

III. HEALTH, SOCIAL PROTECTION AND MIGRATION

80. During the year 2021, the AUC carried out actions and improve the well-being of African citizens. These actions, which are part of Agenda 2063, revolve around improving the health of the population, in particular the response to Covid19, the protection of vulnerable populations and the issue of migration and the mobility of individuals, etc. The main achievements in this area are:

A. SOCIAL PROTECTION FOR VULNERABLE GROUPS

81. The AUC has continued these efforts to strengthen protection mechanisms for vulnerable groups through the adoption of the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Persons with Disabilities in Africa **and the protocol Rights of Older Persons**, implementation of AU Plan of Action to End Attacks and Other Human Rights Violations Targeting Persons with Albinism in Africa. Also the AU Saleema Initiative (to end MGF) Youth Victorious Ambassadors have held the first annual High Level Saleema Accountability which aims at creating a space for knowledge sharing to move forward the agenda for the elimination of Harmful Practices as per the AU Assembly Decision 737.

82. Other equally important actions have implemented especially: i) The AUC has successfully convened the 3rd African Girls Summit resulting in the Niamey call to action and the African Girls Empowerment Roadmap; ii) Drafted a report on Female Genital

Mutilation in Africa titled “*Getting to Zero Female Genital Mutilation in Africa: Strengthening Human Rights, Accelerating Efforts and Galvanizing Accountability*”, and a policy brief, iii) Ending Child Marriage Campaign (2021- 2022); iv) Policy Framework and Plan of Action on Ageing; v) The Draft Protocol to the African Charter on Human and Peoples’ Rights of Citizens to Social Protection and Social Security:

83. Regarding the protection of children, in addition to the celebration of the 30th anniversary of the Day of the African Child (ADJ): organized in June 2021, the African Committee of Experts on the Rights and Welfare of the Child (CAEDBE) studies the progress of the implementation of the aspirations of Agenda 2040, on children without parental care and a continental assessment of the impact of Covid-19 on the rights and well-being of children in Africa. Besides, the AUC undertook three (3) missions to the Kingdom of Lesotho, Botswana and Namibia to monitor the level of implementation of the concluding observations and recommendations issued by the ACERWC following the examination of the initial report of the latter on the implementation of the African Children's Charter.

84. Furthermore, during the 2021 the AUC conducted Humanitarian Assessment missions to 13 countries in support of the work of the PRC Sub-Committee on Refugees, Returnees and IDPs. The assessments were conducted to a selected 11 African Union member states that are adversely affected with displacement crises either from disasters or protracted refugee crises. In addition, the assessed member states will be given a solidarity gesture of \$150,000 each, totaling to \$1,650,000.

B. HEALTH AND NUTRITION

85. In the field of health, the AUC in collaboration with the World Health Organization Regional Office for Africa (WHO AFRO), organized and participated in 2021 Africa Vaccination Week observed under the theme “Vaccines bring us closer”. Also, as part of the commitment made under the Pharmaceutical Manufacturing Plan for Africa (PMPA) to develop an African pharmaceutical industry and ensure access to safe and effective medicines to all Africans, the AUC has started **Preparations for the establishment and operationalization of the AMA** after the deposit of the fifteenth instrument of ratification of the AMA Treaty by the Republic of Cameroon on 5th October 2021. The operationalization which included determining the requisite modalities to assess member states bids to host the AMA secretariat and finalize a draft Terms of Reference (TOR) to recruit the Director-General of AMA.

86. Likewise, the African Union Commission through the consultative process with the member states drafted **the Common Africa Position on AIDS (CAP)** on the 2021 High-Level Meeting of the General Assembly on HIV/AIDS. The draft position was further endorsed by a Ministers Meeting Working Group of Health, of the Specialized Technical Committee on Health, Population and Drug Control (STC-HPDC) on 24 May 2021. The Common Africa position has been submitted to negotiate Africa voice on the 2021 High-Level Meeting (HLM) of the United Nations General Assembly on HIV/AIDS that took place between 8th and 10th June 2021, to adopt a new political declaration to guide the future direction of the HIV/AIDS response. The common Africa Position bold commitments are aligned to the Global AIDS Strategy priorities of equitable and equal access to HIV services, break down barriers to achieving HIV outcomes; sustainable resource, efficient and integrated HIV responses into systems for health, social protection, humanitarian settings and pandemic responses.

87. In recognition of the value of human capital investment through nutrition and good health, with a particular emphasis on women, adolescents, and children, as key to Africa sustainable development, the Government of Cote d'Ivoire working closely with the Commission submitted a proposal on the theme of 2022 as nutrition. The 39th Executive Council of the African Union adopted the theme of 2022 on Nutrition. The Declaration of 2022 as the Year of nutrition ensures that at continental, regional and national levels there will be continued efforts including, advocacy, especially in the regions and communities where risks are most acute, strengthening social protection systems and safeguarding access to food and nutrition for the most vulnerable groups, especially young children, pregnant and breastfeeding women, older people and other at-risk groups.

88. In response to COVID-19, **Africa CDC** is leveraging the AU political, policy, and advocacy capacities, capabilities, and convening power to respond to the public health threats in Africa. The year 2021 is marked by the response to COVID-19, which continues to wreak havoc with the emergence of new viral variants. In fact, Africa CDC Supported expansion of COVID-19 testing in all Member States by giving Developed and distributed guidelines on PCR testing for COVID-19, use of rapid antigen test for COVID-19, use of rapid antibody test for COVID-19, external quality assessment, provided training on different laboratory disciplines related to SARS-CoV-2 testing for 1772 laboratory personnel from all Member States.

C. DRUG CONTROL AND CRIME PREVENTION

89. The African Union Commission has taken significant steps to accelerate the implementation of African Union Plan of Action on Drug Control and Crime Prevention (2019-2023): mid-term evaluation of progress by Member States in the implementation of the continental drug action plan undertaken.

90. The implementation of the strategy is complete with relevant actions, in particular: i) Experts group on Cannabis was also established. Strengthened jointly with the International Narcotics Control Board, capacities of national drug authorities in Africa in compliance with the three international drug control conventions especially in monitoring and reporting; ii) Continental Drug Epidemiology Reports: Developed and published Pan-African Epidemiology network on Drug Use report for 2021. Iii) Development of Drug Treatment and Prevention Professionals in Member States, iv) Regional Masters' training on Drug Demand Reduction was rolled out in 24 countries in Africa resulting in 641 national trainers who have trained 4,146 practitioners in their countries, of which 682 have been credentialed as addictions professionals.

91. Furthermore, in the context of Inter-Continental Dialogue on Drug Demand Reduction, the African Union collaborated with Asia, and Latin America and Caribbean countries to jointly organize 3 virtual trainings in drug dependency prevention, treatment, and care for national drug focal points as part of inter-continental dialogue to promote sharing of models, experiences and best practices.

D. FREE MOVEMENT OF PERSONS AND MIGRATION IN AFRICA

92. The African Union Commission has made tremendous milestones towards accelerating the implementation of Free Movement of persons in Africa, recognizing the Decision adopted to develop the Protocol on Free Movement of Persons in Africa- as

envisioned in the 1981 African Charter on Human and Peoples' Rights and the 1991 Treaty establishing the African Economic Community, (Decision Assembly EX.CL/Dec.908 (XXVIII), adopted at the January 2016 African Union (AU) Summit in Addis Ababa. In addition, the African Passport during its 27th Ordinary Session held in Kigali, Rwanda in July 2016, the AU Assembly of Head of States and Government requested the African Union Commission to, *“provide technical support to member states to enable them to produce and issue the African Passport to their citizens”*.

93. Despite the expressed aspiration of achieving a continental Free Movement of Persons and the fact that it is quite advanced in a few of the RECs, only 32 of the 55 AU Member States have signed the Free Movement of Persons Protocol while only 4 countries - Mali, Niger, Rwanda, and Sao Tome & Principe have ratified. The Protocol requires 15 ratifications for it to enter into force. Absence of a Special Envoy is a key challenge in fast-tracking mobilization and popularization of the Protocol.

94. National security and threats to public order including violent extremism and terrorism; cross border crime, human trafficking, proliferation of small arms and drug smuggling seriously affects cross border management and cooperation. High perceptions of Xenophobia, border crimes, irregular migration, cross border conflicts a key challenge. The need to share requisite information between all security apparatus in countries appears to be less alluring to many member states due to lack of a continental structure/framework to facilitate the same. Health security concerns such as Health epidemics as illustrated by the Ebola outbreak in 2014-15 and COVID-19 in 2020 pose a serious challenge to facilitation of travel across borders.

95. Strengthening Coordination between the African Union and the Regional Economic Communities towards implementation and domestication of the Free Movement Protocol. This also related to the need to align regional protocols on free movement with the AU Free Movement Protocol. This will enhance the sufficient capacity to implement the protocol and improve reporting processes.

96. As a flagship project of Agenda 2063, efforts should be made to include Free Movement as a constant agenda item of the Mid-Year AU/RECs Coordination meetings. The Chairperson of AUC to regularly communicate to the Chief Executives Officers of RECs to include the status of ratification of the Protocol on the agenda of their meetings. Establish a functional structure/ unit/section or Technical Working Group of Experts within the AUC and RECs Secretariats to coordinate matters of the implementation of the Protocol.

97. AUC, RECs, and Member States to ensure coordination in the harmonization and alignment of national laws and regional instruments to the Protocol, as it is critical for its successful implementation.

98. Concerning migration, which remains a priority for the African Union, concrete actions have been taken. AUC participated in the preparation and organization of seminar the Association of African Central Banks (AACB) on the theme: *“Remittances, Fluctuations of Exchange Rates and Management of Foreign Reserves: Financing Opportunities for Africa and Implications for African Central Banks”*; second conducted with various key stakeholders including AU Member States, development partners, the private sector on ways of considering digital technologies to ensure flow of remittances during the time of crisis such as the Covid-19 pandemic.

99. Technical assistance to MS/RECs on Migration Governance: 6 Member States and one REC supported to improve on their migration governance framework during the year. An assessment study conducted in the Kingdom of Lesotho and the East African Community (EAC) on migration government and report validated and awaiting implementation.

100. Popularization of Migration Policy Framework for Africa: 2 Workshops conducted with more than 120 participants, including civil societies across the continent. Publication of 3 newsletters on migration governance.

101. Migration and Health: Conducted research on “Migration and Health: Addressing *Current Health Challenges of Migrants and Refugees in Africa - from Policy to Practice*” and launched a policy brief and academic paper on migration and health situation in Africa to contribute to the body of knowledge in this area.

102. Prevention of Trafficking in Persons (TIP): Draft curriculum on prevention of Trafficking in Persons in Africa finalised under the African Union Horn of Africa Initiative. Draft policy documents on the prevention of Trafficking in Person (TIP) and Smuggling of Migrants (SOM) finalized and validated by Member States and awaiting endorsement.

103. The AUC launched a study on Return, *Readmission and Reintegration Programmes in Africa*. Initiated the drafting of Continental Draft Guidelines on the RRR for MS consideration. Facilitated the return of over 50,000 migrants stranded in Libya to their countries of origin and an additional 6,544 vulnerable refugees resettled under the Emergency Transit Mechanism. Extension of Memorandum of Understanding (MOU) establishing the Emergency Transit Mechanism (ETM) in Rwanda.

E. ADDRESSING MIGRATION DATA AND RESEARCH IN THE CONTINENT

104. The need for verifiable data as a basis of evidence-based policy development and implementation is still an important priority for improved migration governance in the continent. The following are key achievements to support Member States in enhancing their data collection and research in migration governance:

105. Operationalization of the African Observatory Centre (AOC) and African Center for the Study and Research on Migration (ACSRM): Secondment of staff to Morocco and Mali. Recruitment of relevant staff in process.

106. Hosting of the Annual Pan African Forum on Migration in Dakar, Senegal: over 150 participants and many more online from Member States, RECs, academia, civil societies, and UN. Discussions focused on strengthening labour migration governance in Africa with final report and recommendations.

107. The AU participated in the joint EU-AU Steering Committee on migration and agreed on key priority areas on Migration and Mobility.

108. The COVID 19 pandemic has also reversed the momentum towards key STC decisions, as meetings have been cancelled, rescheduled or new working arrangements

have affected delivery of the set outcome schedule.

109. There is low ratification and implementation of AU legal instruments and policy frameworks among Member States, limiting the extent of work pegged these frameworks.

110. Consider hosting statutory meetings like the STCs on a hybrid mode to attract more participation by Member States and RECs to fast-track endorsement of key draft documents.

IV. ECONOMIC TRANSFORMATION, INCLUSIVE GROWTH AND ENVIRONMENT

111. The African Union, through Agenda 2063, aims to transform Africa's economic structures in order to create the conditions for strong and inclusive growth, generating jobs and opportunities for all. To meet this ambition, the AUC's vision is to succeed in accelerating the process of economic diversification by promoting industrialization and promising service sectors such as tourism and new technologies. Also, the process is supported by the strengthening of access to energy and investment in infrastructure, the development of agriculture and the preservation of natural resources. Progress achieved in these fields during the reporting period are captured below and challenges to address are also mentioned.

A. INDUSTRY AND TOURISM

112. Despite the Covid19 crisis, the AUC has continued to implement priority actions for the development of the industry sector, in particular the strengthening of the private sector and the promotion of entrepreneurship among young people and women. It has also taken actions and measures towards the development of tourism as a strategic sector for the creation of wealth and jobs.

- **Accelerate productive transformation through industrialization**

113. The African Union Commission in close collaboration with RECs and Member States and with the assistance from partners, has taken step towards putting in place a robust mechanism for Entrepreneurship Development in the region for the sake of promoting entrepreneurship development through addressing policy impediments that continue to hamper entrepreneurship growth on the continent—particularly when it comes to regulation, finance, entrepreneurial skills development and education, access digital technology and regional integration and Trade.

114. Under the new structure of the AUC Entrepreneurship there is a Division exclusively dedicated to the Entrepreneurship and Investment. This division will focus on policies related to increasing investment into and development of both the formal and informal private sector e.g. promoting policies conducive for development of capital markets, coordinating African governments' policies on investment innovation and supporting African Investment Promotion Agencies (IPAs). To this end, several initiatives and programs were launched in 2021 to strengthen the private sector with particular emphasis on entrepreneurship:

- i. The Commission organized Youth and women entrepreneurship programme in Cairo, Egypt on 8-9 November 2021 under the Theme: "Empowering women

- and youth with digital, adaptive and creative entrepreneurial skills in the post covid19 era". It equipped them with firsthand modern creative and innovative entrepreneurship and Leadership Skills that would enable them navigate and steer their businesses through the current challenging times of Covid19 Pandemic. It also equipped entrepreneurs with digital expertise, emotional resilience and adaptability skills, prudent financial management skills, marketing and networking among others.
- ii. Enabling access to non-collateral capital for accelerated private sector development in Africa: Existing capital markets in Africa are dominated by regional and country stock exchanges with very a minute proportion of African private corporations with a registered Initial Public Offering (IPO) to mobilize additional capital for their business operations. Worthy to underscore the fact that in strict business practices start-ups like MSMEs are not allowed to mobilize additional capital through the available market because of the huge corporate governance and financial risks involved.

115. The only gateway for starts-ups and MSMEs to access capital without collateral is through private equity investment vehicles, Angel investors and Venture Capital. To our dismay, approximately more than 98% of start-ups and MSMEs in Africa find it difficult to access capital without collateral which further stifles their growth and trans-border business penetration operations in Africa.

116. The Commission is seeking to create and operationalize an enabling private sector driven venture capital platform to accelerate the creation of five robust venture capital market poles to ease access to capital for African start-ups and MSMEs.

117. Investment Promotion Network Website: The Commission has launched the Africa Investment Promotion Network website on 12 November 2021, in Cairo, Egypt. The network is envisioned to build the capacity of African Member States and Investment Promotion Agencies (IPAs) by providing accurate, up-to-date investor information of customized business support services to reap the benefits of international investment and link local productive sectors to the global economy. It covers different sectors of production of goods and services per Member State and underlines required information for local and Foreign Direct investors. The objective is to attract Domestic and Foreign Direct Investment and increase economic growth across Africa.

118. African Inclusive Markets Excellence Center (AIMEC): The long-term vision of AIMEC is to contribute towards an Africa where all people have access to markets for goods, services and jobs and hence benefit from prosperous and sustainable economic opportunities. Mission of AIMEC on the other hand is to become the recognized Pan-African public-private platform on inclusive business and inclusive market policy and programming, identifying, facilitating and replicating best practice in policy, programming and public-private collaboration across the entire continent. The Statute of AIMEC was adopted during the just concluded STC on Finance, Monetary Affairs, Economic Planning and Integration planned held on 17-21 May 2021. Currently the Department is in the process of finalizing the host agreement with the Government of Tunisia.

119. Africa Business Directory/Business Handbook: the African Union attaches great importance to the provision of transparent and identical information to all investors.

Business results will not be adequately reflected in the value of the shares unless there is high-quality communication with investors. It is within this context that the Department is in the process of preparing the Business Directory to facilitate contact among businesses within and outside the continent. This Directory is essentially produced for international exporters, importers, manufacturers, traders and merchants looking to establish contacts with their business counterparts and importers in Africa. It is also aimed at promoting direct contacts between African businesspeople and international suppliers by providing useful information on various aspects of the African market.

120. Made in Africa Guidelines: the draft Made in Africa - Criteria for Qualification Guideline is now completed and has been translated into all four AU working languages. The document will be submitted for approval or adoption at the next STC-TIM session. Meanwhile sensitization of the initiative will be carried out amongst stakeholders and the implementation mechanism for certifying qualifying products will be prepared.

121. Study on the development of regional value chains across Africa: The AfCFTA involves the strengthening of RVCs at continental, regional and national levels. Under the Agreement establishing the AfCFTA, one of its objectives under Article 3 (paragraph [g]) is to “promote industrial development through diversification and regional value chain development, agricultural development and food security”. It is in that context that the AUC has, in close collaboration with partners commissioned a continental study on “Identifying, Developing and Strengthening Sustainable Regional Sustainable Value Chains at continental scale”

122. Africa Quality Policy: It has long been appreciated that an important ingredient for the success and sustainability of Africa’s development efforts necessary for poverty alleviation and attainment of the Sustainable Development Goals (SDGs), is ensuring that the products and services produced in Africa meet requisite standards. In these regard, the draft Africa Quality Policy (AQP) was adopted by Ministers at the 3rd Ordinary session of the STC-TIM held on 3 September 2021. It will now be presented to Summit for endorsement in February 2022.

123. Despite progress made in the last few years the main challenges still faced include: inadequate government regulation, restrictive policies, poor infrastructure (particularly in power and transport), severe skills shortages and mismatches between employers’ needs and available workers (particularly those just out of school), trade restrictions, tariff and non-tariff barriers to African exports, difficulties in obtaining medium- and long-term finance on affordable terms, and a large informal sector. On an implementation perspective of the SME/I Strategy, challenges include: the impact of the COVID-19 pandemic that has reduce the interaction with Member States, RECs and other private sector representatives, the lack of financial resources to conduct all the relevant activities aimed at strengthening the role of SME/I in Africa’s sustainable development.

124. Emphasis should be put on the following areas in close collaboration with Member States and RECs: (i) continuously improving the business and regulatory environment for SME/I and Startups; (ii) prioritize the formalization of Startups and informal businesses; (iii) prioritize social protection for SME/I and Startups; (iv) integrate SME/I and startups in the creation of sustainable regional value chains under the AfCFTA; (v) diversifying continuously SME/I activities into higher value-added sectors in agriculture, industry and services; (vi) promote innovation and research development ; (vii) facilitate the adoption and implementation of better public policies by facilitating the design of integrated

programmes offering simultaneously entrepreneurial skills learning, business services and financing and (viii) facilitating the free movement of business persons across the continent.

- **The priority of tourism for the diversification of African economies**

125. With regard to the tourism sector, which contributes more than 10% of GDP in Africa and creates more jobs in the economies, the AUC was requested to develop a continental tourism policy and harmonized standards as well as a strategy that aims to provide a strategic direction action plan focused on the development of a competitive, sustainable and integrated tourism industry in Africa.

126. In this context, the AUC has synergized with strategic partners such as the United Nations Commission for Africa (UNECA), the United Nations World Tourism Organization (UNWTO), to join efforts to tackle the priority areas of the African tourism industry as identified by the ATSF: Branding, Tourism statistics, tourism product and post Covid19 Recovery.

127. At the invitation of the World Tourism Organisation (UNWTO) and the Ministry for Environment, Forestry and Tourism of the Government of Namibia, the African Union Commission attended the UNWTO Regional Conference on Strengthening Brand Africa for the Swift Recovery of the Tourism Sector, held from 14 to 16 June 2021 in Windhoek, Namibia and the Regional Workshop on Tourism Statistics held online 6 - 7 July 2021. Also, on February 2021, AUC finalized the Continental study on profiling and mapping the African Tourism product launched in late 2019.

128. The challenges relate to the lack of coordination and harmonization between collaborating institutions. The impact of the COVID-19 pandemic has reduced the interaction with Member States, RECs and other private sector representatives, along with the lack of financial and human resources to conduct all the relevant activities aimed at promoting the African Tourism industry. It is paramount upon all stakeholders to be better prepared and to take action to lessen the adverse impact of the pandemic and lay foundation for a competitive, inclusive and sustainable African Tourism Industry.

129. Taking into account the lessons learned from the Covid19 experience, the AUC should be playing a leading and guiding role in the coordination process to ensure prioritization and sustainability of the industry with the continental priorities through industrialization, job creation, youth and women entrepreneurship promotion and digital transformation. AUC should also take preventive steps towards addressing crisis related matters crises, build resilience and ensure tourism is part of national, regional and continental emergency mechanisms and systems.

130. The following actions are recommended to revive the travel and tourism sectors in Africa under the leadership of AUC: (i) Gradual implementation of the ATSF; (ii) Set up the Continental Tourism entity; (iii) Nominate the African Sustainable Tourism Champion; (iv) Reinforce tourism governance at all levels and initiate the process of harmonizing the African tourism policies at all levels; (v) Take tough measures to boost intra and inter regional tourism in Africa; (vi) Diversify Markets, Products and Services; (vii) Invest in market intelligence systems and digital transformation; (viii) Invest in human capital and talent development.

B. AFRICA'S REGIONAL AND CONTINENTAL INTEGRATION AGENDA

131. Conversely, the principle aim of economic integration is to make Africa an integrated market that not only boosts Intra-Africa Trade but also attract Foreign Direct Investment (FDI). It should also lead to greater industrial productivity and competitiveness in order to utilize its resources in the most commercially viable manner for the benefit of its citizens and engender, inter alia, projects for infrastructure and energy.

132. It may be recalled that Africa's vision, framed by a collective foresight of the African Union, is defined as "building an integrated, prosperous and peaceful Africa, driven by its own Citizens and representing a dynamic force in the International arena. It is envisaged therefore that Africa shall be a continent with seamless borders, and management of cross-border resources through dialogue; and a continent where free movement of people, capital, goods and services will result in significant increases in trade and investments among African countries thus further strengthening Africa's place in global trade.

133. The Abuja Treaty, stipulates that African States must endeavour to strengthen the Regional Economic Communities (REC), in particular by coordinating, harmonizing and progressively integrating their activities in order to attain the African Economic Community (AEC).

134. The AUC presented its annual report on the status of integration to the Third Mid-year Coordination Meeting based on the African Multidimensional Regional Integration Index (AMRII). The latter is a composite index of 8 integration dimensions and 33 indicators with well-defined thresholds. The AUC worked very closely with the RECs to assess their integration activities and policies. They came up with a number of important recommendations that were captured in the Third Mid-Year Coordination Meeting Report that has been submitted to Member states.

135. The Protocol to the Treaty Establishing the Africa Economic Community Relating to Free Movement of Persons, Right of Residence and Right to Establishment remains woefully neglected. Ratifications remain at a lamentable figure of Four (4). The countries that have ratified and deposited the Protocol with the African Union, are Rwanda, Niger, Mali and Sao Tome and Principe. The Protocol requires 15 ratifications to enter into force.

136. However, on a happier note regarding the question of relaxation of Visa regimes, the 2020 Visa Openness Index by African Development Bank and the African Union shows that 54% of the continent is accessible for African travelers, who no longer need visas to travel within Africa, or can get one upon arrival is up by 9% since 2016. In 2020, the Gambia joined Seychelles and Benin in allowing visa-free access for all African travelers. In addition, 20 countries have moved upwards in rank on the Index, while 50 countries improved or maintained their scores. The report also shows a significant rise in e-Visas, offered by 24 countries in Africa, reflecting 44% of the continent.

- **Implementation of AFCTA**

137. With the great impetus from the AFCTA Secretariat and the interventions of the

AUC, the Union has been able to galvanize overwhelming support for the AfCFTA culminating into 41 ratification of the Agreement. The negotiations on the remaining protocols and their annexes are ongoing under the AfCFTA Secretariat.

138. Pursuant to the realization of the AfCFTA, the AUC is working towards the development of the Customs Union as envisaged by the Abuja Treaty and the concerned Department is in the process of readiness assessment towards an African Customs Union. This should culminate into the establishment of the African Economic Community stipulated in the Abuja Treaty.

- **Development of Regional Value Chains across Africa**

139. The start of trading under the African Continental Free Trade Area (AfCFTA) on 1st January 2021, presents an opportunity for developing regional value chains (RVCs). This single African trade market aiming at connecting 1.3 billion people and a combined GDP of over USD 3.4 trillion is perceived as a catalyzer for inclusive and transformative industrialization, driven by knowledge and innovation emerging from the Fourth Industrial Revolution (4IR).

140. The AfCFTA involves the strengthening of RVCs at continental, regional and national levels. Under the Agreement establishing the AfCFTA, one of its objectives under Article 3 (paragraph [g]) is to “promote industrial development through diversification and regional value chain development, agricultural development and food security”. It is in that context that the AUC has, in close collaboration with partners commissioned a continental study on “Identifying, Developing and Strengthening Sustainable Regional Sustainable Value Chains at continental scale” and an economic report: the Africa’s Development Dynamics 2022 under the title “African Value Chains for a Sustainable Recovery and Realizing the African Continental Free Trade Area”.

141. On the other hand, the continental study is already in progress and expected to be finalized by end of June 2022. Conversely Africa’s Development Dynamics 2022 is at the final publishing stage. The AUC is determined to continue playing a leading role in the process of ensuring consistency of the Study with the continental priorities of value addition through industrialization, job creation, and digital transformation.

- **Collaboration with Regional Economic Communities**

142. In January 2017, the AU Heads of State and Government made two key decisions Assembly/AU/Dec. 635(XXVIII):

143. That there should be a clear division of labour and effective collaboration between the African Union, the Regional Economic Communities (RECs), the Regional Mechanisms (RMs), the Member States, and other continental institutions, in line with the principle of subsidiarity;

144. That in place of the June/July Summit, the Bureau of the African Union Assembly shall hold a coordination meeting with the Regional Economic Communities, with the participation of the Chairpersons of the Regional Economic Communities, the AU Commission and Regional Mechanisms. Ahead of this meeting, the AU Commission shall play a more active coordination and harmonization role with the Regional Economic Communities, in line with the Treaty establishing of the African Economic Community (the Abuja Treaty).

145. the Mid-Year Coordination Meeting has become the principal forum for the African Union and RECs to align their work and co-ordinate the implementation of the continental integration agenda. In 2021 we successfully held the third such Coordination meeting that yielded fruitful results *inter alia* in the areas of an effective division of labour, improving continental integration and making phenomenal strides in the fight against Covid19.

146. It may be recalled that the need to establish a clear and effective division of labour is necessitated by the need for the AU, RECs, Continental Institutions and Member States to work together in every area of integration based on their respective competencies so as to remove overlaps and duplication. This will ensure delineation of responsibilities within each area or sector of integration based on subsidiarity, comparative advantage, cost/burden sharing and proximity to the people. Furthermore, a clear division of labour would ensure optimal allocation of scarce resources in implementing integration programmes.

147. in close coloration with Member States, RECs., the AfCFTA and the Regional Mechanisms, an agreement on key areas of Convergence were reached including Economic Development, Integration, Investment and Industry; Agriculture, Food Security, Blue Economy and Environment; Education, Science, Innovation and Technology; Agriculture, Food Security, Blue Economy and Environment and Transport, Energy and Infrastructure

148. Another major achievement in 2021 towards collaboration with the RECs was the entry into force of the Protocol on Relations between the AU and RECs. The Protocol addressed the need to define the role of the Union and that of the RECs taking into account the principles of subsidiarity and comparative advantage, thereby allowing the RECs to advance the continental integration agenda in specific areas; Ultimately it established the revised institutional framework to govern relations between the African Union and the Regional Economic Communities against the backdrop of the AU Reforms.

C. AGRICULTURE, SUSTAINABLE ENVIRONMENT AND BLUE ECONOMY

149. The development of agriculture and food security has been strengthened by the implementation of several actions. Indeed, in order to facilitate the movement of agricultural products and services both trade and non-trade, the Commission developed a Food Safety Strategy as well as the Plant Health Strategy for Africa that will boost the implementation of the Sanitary and Phyto-Sanitary (SPS) Framework. In addition, to accelerate access to inputs and input services, the Commission has developed Continental Guidelines for the harmonization of Seed Regulatory Frameworks in Africa as well as Guidelines on the use of Biotechnology for Food and Agriculture in Africa. The Commission has also established the African seed and Biotechnology Platform rolled out the implementation of the Sustainable Mechanisation Framework and the Irrigation Development and Agricultural Water Management Framework.

150. it has also evaluated the Comprehensive African Agriculture Development Programme (CAADP) Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods and would be presented to the 35th Ordinary Session of the Heads of State and Government in February 2022.

The evaluation indicated that 51 Member States reported in 2021 compared to 49 in 2019 while four did not report. Forty-nine (49) indicators were tracked compared to 47 in 2019 and country progress was assessed based on the 2020 benchmark of 7.28 out of 10. The report revealed that while only one country (Rwanda) was on track towards achieving the Malabo Commitments by 2025, 19 Member States were progressing well and 31 were not on track.

151. Also other achievements in the areas of Post- Harvest Losses, Land Governance, Digital Agriculture, Rural Women, Common African Agro-Park Programme, Agribusiness and Investment. Regarding Sustainable Environment and Blue Economy, the key achievements include the development of the Climate Change Strategy, African Green Recovery Plan, African Pavilion at the UNFCCC COP26 in Glasgow, as well as the inauguration of Africa Multi-Hazard Early Warning System and Early Action Situation Room for Disaster Risk Reduction.

152. Despite the gains and achievements, worrying challenges persist and others have emerged, including the current state of food and nutrition insecurity on the continent, the degradation of natural resources, the lack of mobilization of sufficient financing, the impact of the COVID-19 pandemic on agricultural productivity which remains low. In addition, the growing security challenges posed by terrorist threats in the Sahel region are also noteworthy, as we report on the performance of affected countries against Malabo targets.

153. In fact, the unprecedented challenges facing the African food system with a confluence of shocks such as climate change and the COVID-19 pandemic have challenged policymakers to think differently about how to develop the agricultural sector. They posed a question on how to build resilient and sustainable food value chains in the future.

154. Member States should finance and implement the seven Malabo commitments and other strategies, including those related to climate change and food security. In addition, the objective of ensuring access to food in sufficient quantity and quality is to facilitate food exchanges and reduce nutritional diseases. To this end, the creation of a Pan-African food safety laboratory is necessary.

155. Efforts should be assessed to put in place a more favorable policy environment to encourage the private sector; to invest in agricultural research and development and to explore innovative mechanisms for financing research and development, accelerating investments for and by youth in agriculture and food security, develop systematic human resource strategies, taking into account existing and realized skills gaps and training needs.

- Climate Change_;

156. Addressing climate change challenges contributes to the attainment of the aspirations of Agenda 2063 and the Sustainable Development Goals.

157. Bearing in mind the enormous risks posed by climate change to Africa's development. I am pleased that through the support of AU member States, the AU Climate Change and Resilient Development Strategy and Action Plan is now ready and

will serve as a reference document to guide, coordinate and support the Continent's response to Climate Change for the period 2022-2032.

158. As we prepare for global climate negotiations, I would like to welcome the Arab Republic of Egypt as the incoming President for COP27. We look forward to a continued engagement with Egypt through the Committee of African Heads of States and Government on Climate Change (CAHOSCC) in the lead up to and at CoP27. Dubbed '*the African COP*' we hope to ensure that Africa's special needs and circumstances will be prioritized at the COP.

D. INFRASTRUCTURE, TRANSPORT, ICT AND ENERGY

159. The AUC has developed an integrated strategy for infrastructure and energy in line with the objectives of Agenda 2063 to support economic transformations and promote continental integration. The AUC has set itself the ambition of building for Africa an "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"

160. Thus, the AUC has made progress in 2021 in the implementation of the five flagship projects of Agenda 2063 which are considered essential for accelerating Africa's growth. Progress has also been made in the implementation of the PIDA 2 program and in transport, energy and information and communication technologies (ICT):

- **Agenda 2063 flagship projects**

161. The AUC has made significant progress in the implementation of the five flagship projects of Agenda 2063 despite the impact of Covid19: these are: (i) African Integrated High-Speed Railway Network; (ii) Grand Inga Dam Hydropower Project; (iii) Single African Air Transport Market (SAATM); (iv) Pan African e-Network (PAeN) for Telemedicine and Tele-Education; and (v) Cybersecurity.

162. In addition to mobilizing the necessary funding and capacity building, the recommendations for the implementation of the projects aim to increase the use of PAeN services, intensify advocacy for the ratification of the Malabo Cybersecurity, facilitate the adoption of national cybersecurity strategies; and Facilitate the adoption of national cybersecurity legislation by AU Member States. Also, regional SAATM champions should be appointed to lead advocacy efforts at REC level; Implement the recommendations of the continental study on the benefits of SAATM.

- **Programme for Infrastructure Development in Africa (PIDA)**

163. Programme for Infrastructure Development in Africa-Priority Action Plan PIDA-PAP 2 is the second PIDA priority action plan for the period 2021-2030. This portfolio is based on an inventory of projects proposed by Regional Economic Communities (RECs) and Member States (MS).

164. On 3-4 February 2021, the 38th Ordinary Session of the Executive Council endorsed the PIDA PAP2 priority list of 69 projects. This was subsequently adopted by the Assembly of Heads of State and Government.

165. The ongoing pandemic in 2021 has disputed the conventional modes of engagement of physical meetings and workshops which required institutions to adapt through online interactions. Furthermore, the engagement of AUDA with Member states has confirmed that deep impacts of the pandemic which has switched the priorities of member states to job, recovery, and resilience. This will put additional stress on mobilization of domestic resources and will require the economic impacts of PIDA projects to be quantified and highlighted.

166. for the realization of the PID2 program, there is a need for a continental approach for mobilization of resources for implementation of Infrastructure projects, by assisting AUDA NEPAD in coordinating strategic initiatives including through the following: i) Interfacing with AfDB and EU and other DFIs to collaborate on climate resilient and green infrastructure and mobilization of climate finance for PIDA PAP2 projects through the cross-cutting adaptation and mitigation windows. li) Interfacing with AfCFTA secretariat and AUC ETIM to identify the specific requirements of multimodal logistics services including rail, road, maritime, inland fluvial and short sea shipping for intra African trade to displace imports from outside the continent. lii) Implementation of the recommendations of the PIDA mid-term review carried out in 2019. Vi) Developing synergies between the PAP2 and energy projects and the Single African Electricity market.

- **Transports and mobility**

167. To support the industrialisation of the continent as well as the smooth implementation of the AfCFTA, the AUC has developed the following projects: i) Implementation of the African Road Safety Action Plan for the Decade 2021-2030; ii) A roadmap towards the development and implementation of the African Railway Network in the aim to achieve the global objective of reducing by 50% the number of deaths by road accident and serious injuries, by 2030.

168. Also, for the Facilitation and Harmonization of Transport Systems in Africa the following actions has been achieved: i) Implementation of the African Civil Aviation Policy (AFCAP); ii) development of a continental seamless airspace and air navigation services architecture; iii) the new version of the Intergovernmental Agreement on Trans African Highways was submitted to the OLC for review; and iv) improve Maritime Transport logistics and Port efficiency in Africa and develop a continental port Strategy:

169. The challenges the sector has been facing are: i) The lack of personnel for the development of land transport, in particular, certain sub sectoral including road transport development and maintenance, development of trans-African highway network, urban mobility, etc. ii) There is also lack of the necessary budget to implement key priorities , In particular, the maritime transport sector and the Railway sector iii) The COVID-19 pandemic has hard a detrimental effects on the African air transport industry and has negatively affected the momentum to achieve full operationalization of SAATM.

170. Proposed Way Forward includes: i) The recruitment of the needed experts and policy officers under the land transport sub sector; ii) There is a need to increase the budget allocated to the activities that have been less supported especially the maritime and inland waterways sub sector and the Railway sub sector. lii) A roundtable of

development partners to support the Transport and Mobility projects and programmes is proposed to ensure sustainable financing of this sector that is critical to continental integration agenda; iv) Concerted efforts by AUC, Member States and financial institutions to mobilize the continental stimulus package for the recovery of the African air transport industry is recommended, iv) The AUC should continue strengthening of AFCAC as the Specialized agency for Civil Aviation matters and Executing Agency of the Single African Air Transport Market (SAATM).

- **Information and Communication Technologies (ICT) Sector**

171. In the ICT sector, the AUC has been working on the following programs: i) digital Transformation Strategy for Africa (DTS); ii) Data Policy and Data Governance in Africa; iii) AU Interoperability Framework for Digital ID; iv) Policy and Regulation Initiative for Digital Africa (PRIDA)

172. As part of implementing the Digital Transformation Strategy for Africa (2020 – 2030), the following achievements were made: i) Development of AU Digital Health Strategy, Digital Education Strategy; Digital Agriculture Strategy and Implementation Plan for Africa; ii) Development of Digital Transformation of Posts; iii) Development of M&E Framework for the Digital Transformation Strategy for Africa (DTS).

173. The challenges include: Limited Resources to implement the Digital Transformation Strategy for Africa & hence intensity resource mobilization. Lack of framework and mechanism for monitoring and evaluating implementation of the strategy Low participation from RECs during online taskforce meetings and validation workshops and few inputs on the draft strategies and frameworks.

174. The way forward includes: Advocate more the importance of the Digital Transformation Strategy for Africa & intensify resource mobilization. Finalize Development of sectoral digital strategies for Education, Health and Agriculture. Finalize the institutional architecture and implementation plan for the DTS. Finalize the mapping of the digital transformation projects and DTS proposed actions and identify the area of focus. Encourage RECs to increase their participation during online taskforce meetings and validation workshops and provide timely inputs on draft AU strategies and frameworks.

- **Improving access to energy**

175. to help achieve sustainable development, enhanced wellbeing, and sound economic development by ensuring universal access to sufficient amounts of clean, appropriate and affordable energy; and (ii) to help African countries leapfrog towards renewable energy systems that support low-carbon development strategies while enhancing economic and energy security.

176. In the energy sector, the focus has been on the following main programs: i) Support the implementation of Africa Renewable Energy Initiative (AREI) in its Second Phase (2021 – 2030); ii) Geothermal Risk Mitigation Facility (GRMF); iii) Harmonisation of Regulatory Frameworks for the Electricity Market in Africa; iv) Africa Bioenergy Policy Framework and Guidelines; iv) Africa-EU Energy Partnership (AEEP).

177. The progress made in the implementation of the various projects is shortened in

2023: i) The launch in 2021 of the harmonization of the regulatory framework for the Electricity Market in Africa ; (ii) supporting the development of mini-grids in Africa; iii) Made a bioenergy development strategy and investment plan for the West Africa region, iv) recommend a study on gender mainstreaming in the energy sector in Africa in line with the objectives of the AU Strategy for Gender Equality and Women's Empowerment.

178. Progress has also been made by the African Energy Commission (AFREC) in implementing its strategic continental energy programs, including the Africa Energy Efficiency Program, Africa Energy Transition Program, Monitoring and reporting on bioenergy, capacity building in the energy sector and Africa. Energy Information System Program.

179. . The Resource Mobilisation Strategy is expected to accelerate efforts towards mobilisation of resources. More effective coordination of the AREI is required by continental, regional and national stakeholders to ensure all the perspectives are taken into account.

180. On the legal side, difficulties to secure geothermal resource licensing and closing of Power Purchase Agreements were reported. The lack of adequate capacity in the geothermal sub-sector resulted in extra costs for purchase of equipment, and the limited availability of geothermal experts has been an on-going challenge. With regards to developers, political reservations concerning supporting private developers were noted and developers faced difficulties in mobilizing their financial contributions as per the GRMF financial scheme.

181. A continuous Regional Capacity Building program through “Africa Geothermal Centre of Excellency” should enhance skills and knowledge related to geothermal energy. It is important to increase sensitization missions in GRMF implementing countries and encourage them to speed up the ratification of Power Purchase Agreements, Implementation Agreements and to harmonize the license requirements on the national government and county levels.

182. The challenges encountered are related to the establishment of the coordination unit which was not achieved as expected, resulting in capacity constraints within the energy division. On the other hand, mobilising utilities and regulatory authorities for capacity building through their respective power pools took longer than anticipated resulting in changes of some of the planned dates, which was further exacerbated by the COVID-19 pandemic. It is recommended to fast track the establishment of a coordination unit to ensure implementation AfSEM.

E. FINANCING AFRICA’S DEVELOPMENT

183. To accelerate the process of economic transformation, the continent's strategy must mobilize its internal resources as underlined in Agenda 2063, but also by attracting external financing because the savings rate is low for all countries.

- **Domestic Resource Mobilization (DRM)**

184. For reforming tax, the AUC in collaboration with the OECD have been producing the report on the evolution of income statistics in Africa, which covers 30 countries. The

report is an annual publication providing accurate, complete and reliable statistics on public revenues that can help measure the progress of tax policy reform. Also, this report remains today a reference document for situating the budgetary performance of African countries in relation to other countries.

185. To combat IFFs, the AUC proposes an integrated vision based on three pillars: (a) Strengthening Good Governance and Accountability; (b) Strengthening Revenue Base and Collection; and (c) Enhancing International Cooperation on Combating IFFs and Tax Strategy aims at developing institutional capacity for appropriately engaging more deeply and effectively in developing debates and positions around the tax on the African continental level.

186. In the future the following concrete actions should be taken: (i) strengthen the capacity of the AUC in coordinating the work on DRM and IFFs on the continent; (ii) nominate a Chairperson on DRM and IFFs to promote activities on DRM across the continent and successfully win the fight against illicit flows; (ii) Synergize AUC efforts and develop a coordinated approach in addressing the issues of IFFs and DRM.

- **International resources mobilization**

187. On the onset of the Covid19 Pandemic, the AUC has been working with the Finance Ministers and AU Special Envoys for the mobilization of international support for Africa's development.

188. In this context, the AUC participated in the Paris Summit in May 2021, where several issues were discussed, including debt sustainability and the rapid implementation of the G20 framework on debt treatment. In addition, the AUC lobbied to increase the allocation of Special Drawing Rights for the benefit of Africa, financing of Infrastructure and Modernization of the African macroeconomic framework and its appropriation by Africa. Also, The AUC has prepared a Programme of Action (Roadmap) for the period 2022 to 2025 to pull additional foreign investments towards the Socio-Economic development of Africa. The programme would be disseminated to Member States for their views prior to its finalization.

189. African countries had been particularly hard hit by the pandemic yet lacked the fiscal buffers to respond adequately. While DSSI and multilateral finance have proven beneficial, but they are insufficient to meet the financing needs of emerging nations. Concessional funding must be increased to accomplish agenda 2063 and reduce poverty and inequities, especially in developing countries. The new issuance of \$650bn worth of SDRs is important but disproportionately benefits developed countries that need them the least. A reallocation of the new issuance to African countries is vital to bridge their financing gap, and different scenarios can be explored. Further, reallocation modalities should address the needs of both low and vulnerable middle-income countries. On-lending SDRs via market mechanisms can lower the cost of borrowing and leverage critical investments in countries with market access and reallocation through PRGT will target the specific needs of LIC countries.

190. The AUC should provide technical support to the Champion on AUFIs and the Special Envoys in their advocacy efforts with the developed countries for the reallocation of the SDRs; and (b) Efforts should be made to secure additional US\$100 billion of the

reallocated SDRs to support the post-pandemic recoveries of African Economies. Therefore, the negotiations must continue with various European countries, the United States of America and other developed countries to support this initiative.

- **Setting up of the African Union Financial Institutions (AUFIs)¹.**

191. They constitute one of the flagship projects of Agenda 2063 that seeks to deliver on its goals for inclusive and sustainable development and are the main vehicles that will drive the continent's financial sector to finance infrastructure deficits, enhance productive transformation and facilitate intra-African trade.

192. The challenges towards the establishment of the AUFIs include the slow ratification of the legal instruments. Since adoption in 2009 and 2014 for the AIB and AMF, respectively, none of the financial institutions has reached the requisite number of ratifications to enter into force. In addition, there is a shortage of financing for the establishment of the AUFIs, and this is particularly detrimental to the operationalization of the AMI, which is the first step toward the establishment of the ACB and was supposed to be set-up by 2020.

193. To accelerate the establishment of AUFIs, the following recommendations could be made: (i) AUC should undertake the study on AUFIs to address all the technical issues including the establishment of the African Financial Stability Mechanism; ii) provide necessary support to the Champion to organize within two years an Extraordinary Session of the Assembly of the African Union Heads of State and Government that will be solely devoted on the establishment of the AUFIs; and (iii) AUC should build its capacity to monitor the implementation of the macroeconomic convergence criteria; and Member States should expedite the signing and ratification of the legal instruments establishing the AMF&AIB.

V. INVESTING IN THE AFRICAN PEOPLE

194. The AUC develops and harmonizes policies and programs in the areas of education, science, technology, space and innovation in line with the AU Agenda 2063 and the Global Agenda for sustainable development for inclusive growth and sustainable development in Africa. The priorities and actions undertaken in 2021 draw on the following key strategies: Continental Education Strategy for Africa (CESA 16-25), Continental Technical and Vocational Education and Training (TVET) Strategy; Science, Technology and Innovation Strategy for Africa (STISA 2024) and African Space Policy and Strategy.

A. CONTINUED TO SET CONTINENTAL POLICIES AND STRATEGIC DIRECTION FOR EDUCATION

195. Despite the COVID-19 pandemic severely disrupting education systems on the continent, the AUC has continued to implement the Continental Education policy, to build back better resilient and responsive educational systems on the continent to deliver on Agenda 2063. The programmes of the Division are guided by the Continental Education Strategy for Africa (CESA 16-25), which outlines key objectives for reorienting and

¹ The African Union Financial Institutions are the African Central Bank (ACB), the African Monetary Fund (AMF), the African Investment Bank (AIB) and the Pan-African Stock Exchange (PASE)

improving Africa's Education and Training Systems.

196. The achievements in 2021 in the education sector aimed at: i) development and Harmonization of African Higher Education and Quality Assurance; ii) Early Childhood Education Development (ECED); iii) Development of Digital Education Plan and Implementation Framework: and iii) Innovating Education in Africa by recognizing the role of technology in ensuring universal access, quality of delivery, and empowerment of graduates as effective contributors to socio-economic development.

197. In recognition of the teaching profession, incentivizing, encourage celebrating the commitment teachers in Africa, the Commission launched in 2021 a Call for teacher awards focusing on those teaching at both primary and secondary school levels. Also, in coordination with UNESCO IICBA the Teacher Development Cluster increased its membership to improve its functionality and more has to be done to bring in AU Member States to actively participate in the teacher development in the continent.

198. Regarding Technical and Vocational Education and Training (TVET), a continental virtual conference (Africa Creates Jobs) was convened on TVET and Skills Development; and within the framework of the Skills Initiative for Africa (SIFA). They were implementing interventions to promote the concept and practice of skills anticipation among African Union Member States, in which technical support was provided to 5 AU Member States to undertake situation analyses of skills anticipation systems and processes and to subsequently develop roadmaps for strengthening and integrating skills anticipation into national labour market information systems, which also speaks to the implementation of the Continental TVET Strategy to Foster Youth Employment.

199. In the wake of the severe impacts of COVID-19, the Commission in partnership with UNICEF convened Reimagining Education in Africa webinar to identify key areas and strategies for the re-thinking of education as well enhance the role and participation of women. The meeting welcome the DOTSS as the minimum package to transform the education systems with a strong view on Digital, Online/Offline, Teachers as facilitators, Safe School and Skills revolution, that member state can immediately implement. The meeting came up with a call to action. Further work was collaboratively done for the "operationalization of the DOTSS guideline"

200. As part of implementing CESA, the Curriculum Development Cluster undertook a mapping exercise to take stock and update evidence on the state of play of curriculum frameworks and practice in the African Union Member States in order to identify the different curriculum policies and practices, to compare their applications, trends, similarities and divergences, and the interactions of curricula with NQFs. The conclusions and findings of the mapping study will underpin and inform the design of the future African Continental Curriculum Framework (ACCF) to be recommended to member states. The insights and conclusions of the survey will also inform development of the ACQF.

201. In collaboration with the CESA Clusters, the Commission developed a draft Communication and Advocacy Strategy to support CESA implementation. The draft is ready for validation which is expected to be done in the next CESA 16-25 Inter Clusters Coordination Meeting in the first quarter of 2022. This will be followed by the development of an advocacy toolkit. Plans are also underway to develop and launch a quarterly newsletter featuring news on key activities. The newsletter is aimed at keeping policy

makers, the media, civil society and other stakeholders in tune with the policy documents and activities of the Education Division.

202. Implementation and monitoring some of these programs required physical engagements but Covid-19 restrictions posed limitations. Although the Cluster mechanism for CESA implementation, mobilizes the institutional comparative advances, capacities, expertise and resources, most programmes have inadequate funding, and depend on external donors.

B. PAN AFRICAN UNIVERSITY

203. The Pan African University was conceptualized in 2008 as part of implementing the Plan of Action for the Second Decade of Education for Africa to support the revitalization of higher education in Africa, and contribute to achieving the vision of the African Union. This flagship project exemplifies excellence, enhances the attractiveness, local relevance and global competitiveness of African higher education and research, and establishes PAU at the core of Africa's development.

204. The AUC identified five critical themes as key to the development of Africa and attainment of the vision of the African Union. These themes are addressed in the five separate PAU Institutes. In 2021, PAU continued its operations under the direction of the Department of Education, Science, Technology & Innovation (ESTI), as one University managed by a singular Rectorate, with a Senate supervised by a Council.

205. Students Graduation: The Pan African University registered remarkable achievements in terms of responding to the continent's demand for highly qualified and motivated human resources. More precisely, in the 2021 academic year, a total of 382 students (221 Males and 160 Females) graduated from the Pan African University Institutes. The breakdown of graduates by Institute, gender and level of study program is presented in the table below.

- **Selection of New Students**

206. The latest call for PAU scholarship applications (for the 2021-2022 academic year) was launched on 15 June 2021. The call was published on the PAU website and dispatched to AU Member States. Moreover, it was disseminated through academic networks and various social media. When the call was closed on 15 August 2021, there was a total of 10,789 applicants (8,658 for MA/MSc. and 2,131 for PhD) from 53 African Union Member States.

- **Entrepreneurship**

207. The entrepreneurship domain is geared by the PAU Innovation Challenge launched to raise the awareness of PAU students and alumni on innovation for the promotion of the entrepreneurial mindset. Students through academic thinking, are required to propose new solutions, which contribute to the economic, cultural, environmental and social development of the continent.

- **Pan African Virtual and E-University (PAVEU)**

208. The Launch of the Pan African Virtual & E-University (PAVEU) in December 2019 as a distance and e-learning arm of the PAU was a key step towards increasing accessibility of professional and academic education to citizens of the Continent. PAVEU is expected to enhance the accessibility of education across the continent under the online model that allows for access anytime anywhere. So far, the following three courses are offered on the online Learning Management System (LMS) with steps being made to scale up the number of courses in the 2021/2022 academic year;

- Cloud and Virtualization Concept (VMware) : 753 Candidates;
- Media and Information Literacy (UNESCO): 775 Candidates;
- Competence for employability (AVU): 1229;

C. SCIENCE, TECHNOLOGY AND INNOVATION

209. The science, technology and innovation programme promotes building and strengthening science, technology and innovation capacities in Africa and advocates for investments towards the 1 % of GDP allocation for R&D and leveraging on international collaboration and STI diplomacy. The programme has special focus on developing African space programme, promoting the use of space technologies through the implementation of the African space policy and strategy. The overarching objective is create enabling conditions for “accelerating Africa’s transition to an innovation-led, knowledge-based economy” through STISA-2024, to contribute to Agenda 2063.

210. Progress has been made in implementing the strategy in 2021. For this year, results have been achieved despite the impact of Covid19 under the African Union Research Fellowship (AURG) funded by the European Union. Also, within the AU-EU High level policy dialogue (HLPD) partnership on STI, several online meetings were organized in 2021, mostly to deliberate on the planned events and implement the outcome of the 55th Bureau meeting of the AU-EU HLPD for Science, Technology and Innovation which took place in May, 2021.

211. Upon the instruction of the 3rd Specialized technical Committee on Education Science and technology (STC-EST 3) the AUC organized the first of a serial of continental dialogues on traditional medicines to consult and advise on specific policy recommendations that will regularly put traditional medicine and medicinal plants at the core of Africa’s response to COVID-19 and future pandemics and revolutionize the public health systems. This first webinar focused on traditional medicines in African societies, including policies, regulatory and intellectual property issues relevant to protect and utilize traditional knowledge and traditional medicines.

212. The Global Monitoring of Environment and Security & Africa (GMES & Africa) initiative is designed under the African Outer Space Flagship Programme specifically focusing on Earth Observation theme and it is steered by the division of science and technology of the African Union Commission. The Key Result Areas by Pillar are: i) on Management: During the period under review (January – December 2021), the PMU undertook the 2020 Expenditure Verification Audit of consortia and the disbursement of Grants (including Top up Grants) to Consortia; ii) On data and infrastructure: The

procurement of 12 e-stations was completed. 10 e-stations were delivered and installed, whilst the delivery and installation of 2 e-stations is yet to be concluded. Iii) In the area of training: More than 20 trainings were conducted, mostly online with OSS, representing 1412 trainees. Iv) On outreach and communication: The publication and dissemination of communication materials have been ongoing through traditional and social media channels such as Twitter, Facebook, LinkedIn, and national Newspapers, etc.

213. The Agenda 2063 recognizes the critical role of space science and technology and has identified among its flagship programmes an “African outer space programme” that enables the continent to harness space sciences, technologies and innovations for Africa’s growth and transformation. the measures implemented in this context are: i) Consolidating and synergizing African regional and national space programmes; ii) Strengthening African Member States capacity in space policy, strategy and operation; iii) Establishment of the African Space Agency and; iv) development of proposals for the African Space Agency programmes:

214. For the implementation of the Strategy for Science, Technology and Innovation in Africa (STISA)-2024, three actions have been deployed for the operationalization of the African Observatory of Science, Technology and Innovation. These are: i) development and management of STI data for informed decision-making, strengthening monitoring and evaluation of the Science, Technology and Innovation Strategy for Africa (STISA) -2024, iii) the training of two young volunteers recruited (collaboration with UNESCO) in the analysis of STI data, the entry and management of data in the continental repository.

215. The African Union Scientific Technical and Research commission (AU-STRC) had not been benefited from a budget for the year. However, the AU-STRC as the Secretariat of the ASRIC was able to carry out its activities with the funds granted for ASRIC and the support of partners.

216. The activities carried out under this reporting period are as follows by the African Scientific Research and Innovation Council (ASRIC) are : i) Institutional Statutory Meetings ii) Popularization of STISA 2024; iii) Building Technical and Professional Competencies.

217. Also under Intra-African and International collaboration, A smart partner analysis study was conducted by the ASRIC and the AU-STRC and its Committees to identify potential partners that to build on their comparative advantages and readiness to support African STI endeavor. The ASRIC has also approached these potential international partners for cooperation with ASRIC such as the Chinese Academy of Sciences; the European Academy of Sciences; the French Academy of Sciences; the Academies of Sciences, Engineering, and Medicine of the United States of America; the Indian Academy of Sciences; and The Royal Society of the United Kingdom; Network of African Science Academies.

218. GMES and Africa Support Program (G&A SP) reprogrammed some activities to online events, and these were conducted virtually and/or in hybrid mode during the year. For Consortia where physical monitoring and restitution missions could not be conducted (such as MOI due to lockdown), virtual monitoring and technical support provision will continue in the future.

- Prioritize the Africa Space Week in the first half of 2022 to avoid further delays in engagement
- The AU-STRC has chronically not been having an annual approved budget which had been quite challenging to implement programmes and projects.
- In partnership, on many occasions the AU-STRC is at a disadvantaged position as it cannot contribute anything financially.
- Lack of funds to pay for reviewers of any of the ASRIC Scientific Journals papers as the ASRIC is always lobbying for experts to review technical papers and sometimes takes longer than expected as we are begging them.

D. WOMEN, GENDER AND YOUTH DEVELOPMENT

219. Pursuant to the Decision of the Executive Council of the AU Assembly to operationalize the Reform Agenda, the Women, Gender and Youth Directorate (WGYD) was launched in January 2021. In order to galvanize the WGYD, improve internal functions and amplify impact of work, a Period and Process Strategic Reflection (PPSR) exercise was conducted. The newly formed Directorate was streamlined into three divisions: the Coordination and Outreach Division (COD), Women & Gender Policy and Development Division (WGPD), and the Youth Development and Engagement Division. Several platforms for participation and engagement on issues affecting Women and Children and Youth were initiated. They include:

- **AU Men's Conference on Positive Masculinity to Eliminate Violence Against Women and Girls (EVAWG)**

220. The Conference was held in November 2021, under the theme *Galvanizing Positive Masculinity to End the Scourge of Violence in Africa*. It was convened by the AU under the leadership of H.E. Felix Antoine Tshisekedi Tshilombo, President of the Democratic Republic of Congo (DRC) and the AU 2021 Chairperson in collaboration with the AU 2020 Chairperson H.E. Cyril Ramaphosa, President of the Republic of South Africa; H.E. Macky Sall, President of the Republic of Senegal and upcoming 2022 Chairperson and, H.E. Nana Dankwa Akuffo-Addo, President of the Republic of Ghana and the AU Leader on Gender and Development Issues in Africa; and H.E. Moussa Faki Mahamat, the AU Commission (AUC) Chairperson. It was hosted in partnership with the African Women Leaders Network (AWLN) under the leadership of its Patron, H.E. Ellen Johnson Sirleaf, former President of the Republic of Liberia, with the support of UNWOMEN.

221. Immediate outcomes included the adoption of the Kinshasa Declaration to End Violence Against Women and Girls; a decision taken by nine Member States. Following the Experts meeting of the 6th Specialized Technical Committee on Gender Equality and Women's Empowerment (STC on GEWE) in December, a report with recommendations was adopted and will be tabled before the Ministerial STC scheduled for March 2022.

- **Institutional Mainstreaming and Coordination**

222. WGYD supported the development and adoption of various policy recommendations for institutional mainstreaming and coordination; Positive Masculinity

to Eliminate Violence Against Women and Girls; Women's Leadership; Entrepreneurship; and Women's Rights in Humanitarian Settings through the convening of high-level meetings and platforms which facilitated engagement between and within the AUC, and with Member States, RECs, UN Agencies, CSOs, as well as, Traditional and Religious leaders. A notable example of this work includes continued efforts to promote gender equality and women's leadership in the fight against COVID-19. In 2022, WGYD will disseminate the validated two reports titled "AU COVID 19 Gender Mainstreaming and Women's Inclusion Strategy", and "The Impact Study on COVID-19 and Gender Equality", as well as a Roadmap with recommendations on gender-responsive measures in addressing the pandemic.

- **Institutionalization of the Office of the Special Envoy (OSE) on Women, Peace and Security**

223. Pursuant to the 5th session, and re-iterated in the 6th session of the Specialized Technical Committee on Gender Equality and Women's Empowerment (STC-GEWE), the OSE is to be institutionalized. Noting complementary mandates particularly in implementation of the Zero-Tolerance for impunity of sexual violence in conflict and post-conflict contexts as articulated in the Kinshasa Declaration and Call to Action on EVAWG, WGYD continues to collaborate with the OSE through joint-initiatives such as the Men's Conference and resulting advocacy, and the 'African Women Leaders Network Intergenerational Retreat' (November 2021) to name a few.

- **African Union Online Course on Gender**

224. In July 2021, the Directorate finalized the development of the first AU online course on Gender which was launched virtually. This Gender course is aimed at providing information and building the capacity of all AU staff members to enable them to mainstream gender within their respective sectors, programs, projects, and policies for the betterment of the African women.

- **Advocacy and Outreach: Eliminating Violence Against Women and Girls**

225. WGYD, as a key partner in the Spotlight Initiative Africa Regional Programme (SIARP) Stream I, provided evidence to inform a regional study led by UNDP on Mapping of Laws and Policies on EVAWG. The study includes a mapping of interventions on ending sexual and gender-based violence, harmful practices (SGBV/HP), and promoting sexual and reproductive health and reproductive rights (SRH&RR). Findings of the study informed the engagement with Members States, RECs and CSOs on the development of a Regional Action Plan on EVAWG, and a monitoring and evaluation framework. The outcomes of the mapping exercise will further inform ongoing WGYD work including the AU Campaign on EVAWG.

- **Spotlight Initiative Africa Regional Programme (SIARP) Stream I**

226. SIARP in collaboration with UN Women co-hosted the launch of the inaugural Annual Continental Coordination Platform; envisioned to provide a space for Member States, RECs, UN country teams, civil society organization and other the implementing partners in the 8 SIARP countries to share the learning and best practices. It further included a social media campaign articulating commitments and statements by a range

of high-level participants, on positive actions to addressing thematic issues. The event attended by over 100 participants from over 20 countries further provided bases for the production of an outcome document which outlines lessons-learned and promising practices on EVAWG, SGBV, HP and SRH&RR programming. The Outcome document is scheduled to be disseminated in 2022.

- **AU Campaign to End Violence Against Women and Girls**

227. The Campaign was officially launched during the AU Men’s Conference on Positive Masculinity, and is premised on the following pillars: prevention; service delivery; humanitarian response; resource mobilization; research/knowledge development and reporting; and is anchored within the continental and global development frameworks, i.e. Agenda 2063 and Agenda 2030 on Sustainable Development Goals. Continent wide advocacy will continue through 2022; with national launches also planned for sustained advocacy and concerted outreach to the most vulnerable populations.

- **Participation, Leadership, Agency and Voice: African women’s leadership and participation towards achievement of gender equality and women’s empowerment strengthened**

- **Common African Position on GEWE**

228. In March 2021, with the support from WGYD, AU Ministers in Charge of Gender and Women’s Affairs adopted the Common African Position (CAP) on the CSW65 theme on “*Women’s full and effective participation and decision-making in public life, as well as the elimination of violence, for achieving gender equality and the empowerment of all women and girls*” which was tabled at the 65th session of CSW. The “Africa Common Position” included recommendations to Integrate continental and regional reforms and policies into national gender strategies; Elimination of discrimination against women, especially at the political level; Facilitation of women’s access to digital tools, particularly in rural areas, to strengthen their participation in community-level decision-making; and the need to address the patriarchal culture and traditional obstacles that prevent girls and women’s full participation in public life.

- **Women’s Development and Empowerment**

Trust Fund for African Women (TFAW)

229. The Trust Fund for African Women (TFAW) was designed in alignment with Article 11 of the Solemn Declaration on Gender Equality in Africa, as a financial implementable mechanism for the newly adopted African Women Decade on Financial and Economic Inclusion. In 2021, WGYD designed the Strategy for the launch of the fund, coupled with a Communication Plan, Monitoring and Evaluation Guide, as well as a Governance Manual. The TFAW was finalized, translated into 4 AU languages and presented at the FAW internal Committee convened by the Deputy Chairperson in December at the Experts meeting and will be presented at the Ministerial meeting to be held in early March 2022.

- **Financial and Economic Inclusion**

230. On 25 March 2021, WGYD in collaboration with the Office of the Special Envoy on Women, Peace and Security, and the Women's Economic Empowerment and Financial Inclusion (WEE-FI) work-stream of the World Economic Forum (WEF)'s Regional Action Group on Africa (RAGA), launched the Taskforce on Women Economic Empowerment and Financial Inclusion. The event was held as part of the month-long celebrations of International Women's Day (IWD), and in recognition of the African Women's Decade on Financial and Economic Inclusion of African Women 2020-2030. The launch also secured commitments from the private sector to unlock value-chains for the economic benefit of women, with an initial focus on food systems.

➤ **African Union International Center for Girls and Women's Education in Africa (AU-CIEFFA)**

231. AU/CIEFFA has engaged Member States to speedily implement radical changes directed at the education for women and girls. The Cluster has developed its 3rd Strategic Plan 2021-2025 focusing on Gender-responsive education frameworks, Curriculum reform and Teacher education, STEAM and skills development, and Education in emergency and humanitarian situations.

E. YOUTH DEVELOPMENT

• Youth: Education and Skills Development

232. The initiative focused on facilitating capacity and skills development, through Technical Vocational Education and Training (TVET) and strengthening the resilience of education systems in the wake of the COVID-19 pandemic. A curated training toolbox including modules on Pan-Africanism, Financial Literacy, Results-Based Management (RBM), Design and Systems-Thinking, and Youth Entrepreneurship to name a few, was launched and disseminated with training provided to approximately 1,127 young people. Engaging a continent-wide approach, the training was delivered during the AU YVC with the representation from 50 Member States, Luanda Biennale, AU-Model Summit Preparatory Training Session, as part of the Youth Leadership and Development Training with young people from 38 Member States, and in the Democratic Republic of Congo in collaboration with the DRC Presidential Panel on AU Chairmanship.

233. To support the aim of strengthening the resilience and sustainability of interventions WGYD participated in the adoption of the DOTSS Framework led by the Specialized Technical Committee on Education, Science and Technology. The aim of the Framework is to accelerate uptake of digital technology in schools thus transforming education systems. In response, WGYD launched an online learning platform in partnership with HP Life; further mitigating the continued risk of COVID-19 disruptions to education.

• Youth Employment

234. Pursuant to the Assembly of Heads of State Decision, 35% of the AUC workforce is to be made up of youth. WGYD continues to work within the AUC to support the implementation of this decision. This is conducted through initiatives such as the African Union Youth Volunteer Corps Programme, which saw an increase of 192% growth in the number of young people working in AUC departments between 2020 to 2021.

Furthermore, WGYD launched in partnership with GIZ and AfriLabs, launched the 'AU Digital Fellowship Program' which saw the recruitment and placement of 10 highly qualified tech fellows to serve in various AU departments and support the Digital Transformation aspirations of the Commission. Also, in collaboration with UNDP, WGYD launched the 2nd round of Young Women Fellowship Initiative which will recruit 25 women leaders for placement across UNDP and AUC offices for 12 months.

235. On the continent, WGYD is guided by Agenda 2063 target to reduce youth unemployment and underemployment by 2% annually. To this end the Directorate has worked on a range of initiatives to increase youth employability through early-stage career volunteering programmes. This is anchored in the Continental Volunteer Linkage platform which works to strengthen and/or revive volunteer initiatives across Africa. An example of this is the Volunteer Mobilization initiative² in response to the COVID-19 pandemic which saw the mobilization of 500 African Youth Volunteers.

- **Youth Entrepreneurship**

236. As part of Capacity Building, technical and financial support for entrepreneurs, WGYD launched the 100,000 Micro, Small and Medium Enterprises Initiative (MSME) in partnership with AUDA-NEPAD. Results include the launching of the MSME Academy with a focus on increasing access to finance in 13 countries; registering 25,000 MSMEs, and engaging with approximately 14,000 MSMEs through online events.

- **One Million by 2021 Initiative**

237. In line with the AYC and APAYE, the *One Million by 2021* initiative was launched in Addis Ababa, Ethiopia in April 2019 with the aim of reaching 1 million young people and empowering them with tangible opportunities through direct investment and essential interventions in the following areas: Education, Employment, Entrepreneurship and Engagement (hereafter 'the 4 Es'). The results of this initiative were consolidated in 2021. The *One Million by 2021* initiative recorded remarkable success in the areas of Education and skills, Entrepreneurship, Employment and Engagement. The Education and skills development programmes reached 1,297 young people through the AU Youth Empowerment toolbox, AUC Education sector response to COVID-19, Technical and Vocational Education Training. The Employment initiatives created opportunities for 2,140 youth through the African Union Youth Volunteer Corp (AUYVC) programme, African Young Women Fellowship (AfYWF) and the Volunteer Linkage Platform (VLP). In Entrepreneurship, opportunities were created for 40,040 young people through entrepreneurial grants, training and mentorship programmes. In total, the AUC provided opportunities for 8,774,852 young people through the initiative. To achieve this result, the AUC received financial, technical support and human resources support from partners including Member States, United Nations (UN) Agencies, and other development partners. The implementation of the *One Million by 2021* also provided opportunities for the AUC to validate its theory of change, refine initiatives, strategies, and implementation models, and build strategic partnerships for youth development and engagement.

238. The implementation of the initiative was used to establish the desirability and feasibility of youth development and engagement, and lay the foundations for the One

² In partnership with Generation Unlimited, Global Volunteer Initiative and UN Volunteers,

Million Next Level. As the successor of the 1 Million by 2021 initiative, the 1 Million Next Level, will focus on delivery, scale and impact.

- **Youth Engagement**

239. The Engagement Unit of WGYD undertakes a range of initiatives including the hosting of youth-led dialogues, providing platforms for youth participation, and further promoting youth-led advocacy and accountability. WGYD's online dialogues have collectively reached over 229,294 young people in Africa.

240. An accelerator to the work of the Unit, came with the appointment of the AUC Special Youth Envoy who was tasked to serve as a representative for African Youth, and advocate for the full implementation of the Africa Youth Charter and Agenda 2063. At the end of 2021, dialogues hosted by the Envoy reached over 7.6 million young people in Africa.

VI. 2021 AU THEME OF THE YEAR

241. The theme for the year 2021 was : "Arts, Culture and Heritage: Levers to build the Africa we want".

242. The activities carried out under this theme aimed to contribute to the development of the creative economy, African identity, sharing of values, social cohesion, and the protection and preservation of heritage, in particular through the inscription of more sites on UNESCO's prestigious World Heritage List.

243. The main activities included (i) the launch at continental level of the entry into force of the Charter for the Cultural Renaissance of Africa, the AU's main policy instrument in the arts sector, (ii) the national celebrations of Africa Day on 25 May 2021, (iii) the validation of the draft AU Plan of Action on Creative Cultural Industries (iv) approval of the draft AU Model Law on the Protection of Cultural Property and Heritage by the Specialized Technical Committee on Justice and Legal Affairs, (v) finalization of the draft African Common Position on the Restitution of Cultural Property and Heritage, (vi) launch of African Language Week, (vii) production of videos in African languages to raise awareness about covid-19.

244. The density of the cultural issue, its different components and its central role in the construction of African identity underline the need to continue the implementation of the agreed programs well beyond the year 2021. The Luanda Biennale offers the ideal framework for the perpetuation of our efforts in the field of culture.

VII. INSTITUTIONAL REFORM AND CORPORATE GOVERNANCE

A. FAST-TRACKING INSTITUTIONAL REFORMS AND TRANSITION PLAN

245. The institutional Reforms are aimed to ensure that all institutional processes and capacities are aligned to the aspirations and priorities of Agenda 2063. The new structure of the Commission aims to build an organization that is results-oriented and led by skilled human capital and transformative management.

246. The staffing of the new structure is to be achieved through two streams of work.

The first through recruitment and the second through skills audit and competency assessment. The readiness of the systems and processes in this regard was achieved through installing Recruitment and Selection Committee (RSC); appointing Interview and Assessment Ad-hoc Panel; engaging the services of an Independent Firm (Ernest and Young- EY) to support Recruitment and SACA processes.

247. Progress was made on the recruitment of senior management. Out of the 49 positions advertised, 7 have been filled, 2 are at the interview stage and 12 are at shortlisting. Unfortunately, 2 positions had to be re-advertised.

248. With regards to communication on the implementation of the transition plan, a comprehensive communication strategy was put in place to inform staff accordingly. As such, 4 town-hall meetings were held and was supplemented with the dissemination of factsheets. An online portal was created to promptly respond to staff members' questions and allay any anxiety about the transition process.

249. The skills Audit and Competency Assessment (SACA) was launched on 29th October starting with the staff holding Director Positions, and was completed by the Firm administering the SACA process. It is anticipated that the firm will complete the SACA administration process by June and the placement of the staff will be finalized in September 2022.

250. In line with Member States Decision, the process of installation of the Promotion and Mobility Committee will be finalized by mid-February 2022. Once installed, the Promotion and Mobility Committee will review the SACA Reports and make recommendations to the Chairperson through the Deputy Chairperson, on placement of successful staff on the new structure.

251. A call for application to the Voluntary Departure Scheme as approved by Member States was made for 30 days and closed 10th December 2021. Applications have been reviewed, and the approval of the applications of the eligible staff has been finalized based on the approved criteria.

B. CORPORATE GOVERNANCE AND ACCOUNTABILITY

252. Priority programs for the year were marked by the implementation of the new departmental structure of the Commission and the continued efforts to ensure a smooth and efficient transition period. This has provided a unique opportunity to improve and strengthen the governance, accountability, service delivery and capacity building frameworks and mechanisms within the Commission.

253. To this end, the Commission has made headway in restructuring, improving and putting systems in place that will yield greater results while abiding by the principles of transparency, accountability and sustainability. During 2021, a number of systems and processes were either put in place or enhanced to drive an efficient and effective Commission that is able to deliver on continental priorities, attract talented professionals, and operate within a strong accountability and performance-based environment.

254. The first step was the implementation of the New Merit Based Recruitment System (MBRS), which has reduced human intervention, increased credibility, transparency and fairness of the AU recruitment process and reduced the lead time by 80%.

255. To build the capacity of staff and optimize existing skills for service delivery, an online Learning Management System was developed and implemented. This AU-wide online learning system ensures equitable geographical, gender and youth distribution in the staff upskilling process, while facilitating identification of skilled and diverse human capital.

256. To implement the Reforms Decisions, the use of reliable systems and technologies is critical. To this end, the commission implemented an electronic signature solution; improved business continuity by ensuring continued critical systems operations during crisis; reduced risks by enhancing the mechanisms to protect the AU Data and Reputation, and installed systems that support collaboration as well as ease of communication. Likewise, the integration of the Payroll Systems into the SAP system was finalized.

257. Furthermore, the SAP Bank Communication Management (BCM) platform and the automation of DSA process were successfully developed to fast track payments.

258. Regarding clearance of audit findings, there was a total of 872 recommendations on the Office of Internal Oversight reports issued from January 2016 to 2019. The implementation status as of 30th October 2021 was as follows: 70% were implemented/closed, 25% were in progress, and only 5% were not yet implemented.

259. In addition, the Report of PwC on Forensic and Performance Audit of AUC contained 173 recommendations relating to Systemic Issues. The AU Commission has been tracking these recommendations and monitoring their implementation status through an Internal Accountability Committee (IAC).

260. As such, in June 2021, 80 recommendations were implemented/closed, while 93 recommendations were still pending (i.e. In Progress or Not Implemented). In this regard, the Commission has continued to work on the pending recommendations between July and November of 2021. Hence, the implementation status of recommendations on systemic issues as of 30th November 2021 stood as follows: 57% were implemented/closed, 35% were in progress, and only 8% were not yet implemented. The information on implementation rate was validated by the Office of Internal Oversight accordingly.

261. Meanwhile, the Audit Recommendation Tracking System (ARTS) was officially launched as an in-house monitoring tool developed to facilitate the implementation of external audit recommendation. Due to COVID 19 lockdown, a remote audit process was successfully introduced to finalize the backlog created in order to meet the deadlines for the External Audit Report.

262. As a Commission, we have prioritized the implementation of a number of budgetary and financial reforms to ensure prudent utilization of scarce resources and to enhance financial sustainability, accountability and self-reliance of the Union. With this in mind, the Commission made sure the development and approval process of the budget for 2022 was based on the guiding principles of having a unified union budget, ensuring inclusivity, emphasizing self-financing and the principles of complementarity and subsidiarity.

263. In October 2021, the Executive Council adopted the revised AU Financial Rules and Regulations to be endorsed by the Assembly of Heads of State and Government in February 2022. These Rules and Regulations are essential to strengthen the AU financial management systems that reflect best practices and the highest standards fit for a continental organization driving socio-economic development of its citizens.

264. The AU 2022 budget was approved by Executive Council within the required timeline, using the set AU Golden Rules and F15 contribution, leading to a more credible and transparent budgetary processes with clear performance metrics, execution rates and strategic priorities. Given this rationalization, the overall budget for 2022 reduced by 9.6% compared to 2021.

265. It was also observed during the budgeting process that with exception of one, all the nine Golden Rules have fully been operationalized across the Union. However, the implementation of Golden Rule number one and the predictability of revenues under Golden Rule number two, has regressed since 2019.

266. The process to modernize and digitalize the budgeting, financial and accounting systems and functions has continued. The need for having an efficient and robust digital systems and platforms has been further demonstrated during the COVID-19 pandemic.

267. In 2021, due to COVID-19 and its negative impact on most economies of the continent, the Commission continued to be prudent with the use of the Union's financial resources, in particular the contributions from Member States. However, these challenging times call for more concerted efforts to improve the burden-sharing and enhance financial predictability and timely payment of assessed contributions.

268. The established F15 Secretariat undertook to developed weekly reports on the status of Member States contributions and the application of sanctions. Active follow-up on contributions through regular notification to Member States on their status of contribution to the regular budget and Peace Fund was made and it is to be noted that the Union successfully collected 88% of 2021 assessed contributions.

269. Albeit these challenges, the Commission successfully completed and passed the EU 07 Pillar Assessment in 2021 looking at AU standards in Internal Control, Accounting, External audit, Grants, and Procurement. The report received by the European Commission from Ernst & Young confirmed that the African Union Commission (AUC) successfully passed all the assessed pillars thus allowing the EU to certify the AUC's financial and administrative systems as adequate to independently manage EU funds. Three new Pillars were added as continuity of efforts to the systems improvement.

270. All in all, the budgetary and planning processes were enhanced. The Consolidated Financial Statements of the Commission and other AU organs were also submitted timely to the Board of External of Auditors.

2022 Approved AUC Budget

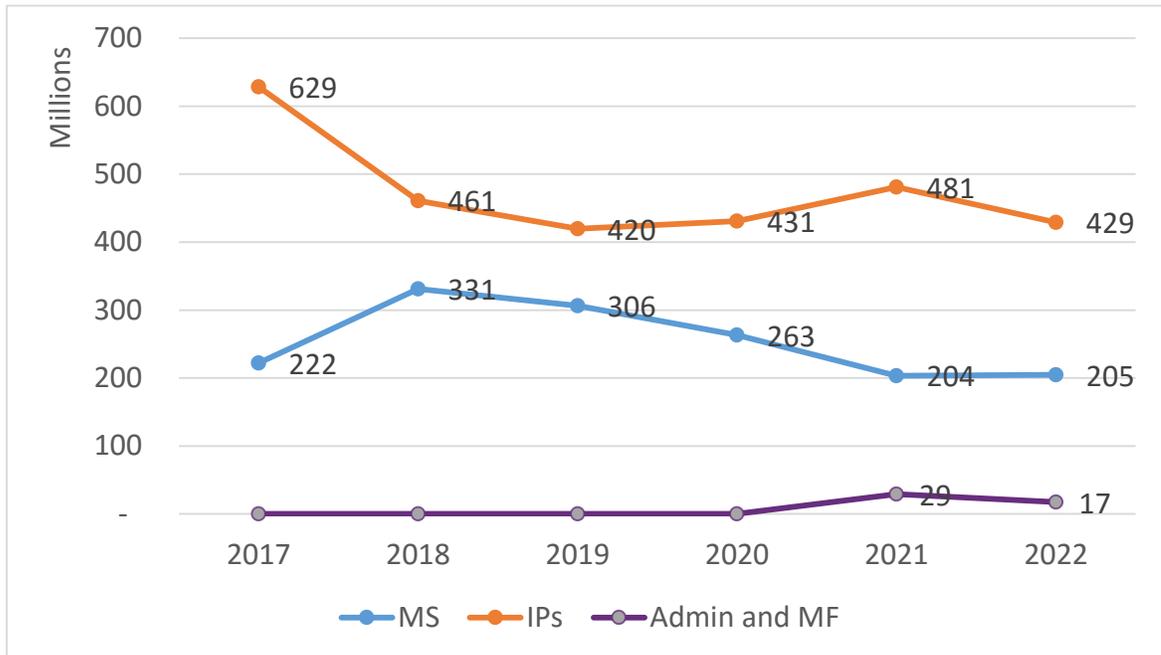
Operating – USD 95,005,515

Programs – USD 115,135,244

Total – USD 210,140,758

Trends of the AU Budget

Figure 1: Approved Budget by source of funds



As reflected in the Figure 1 above, the source of funding to finance the Union’s budget for the period 2017 to 2022 is from Member States, International Partners and Administrative as well as Maintenance Fund. The financing trend as reflected above is largely dependent on International Partners (IPs).

Figure 2: Trend of fund released against approved budget for the Union

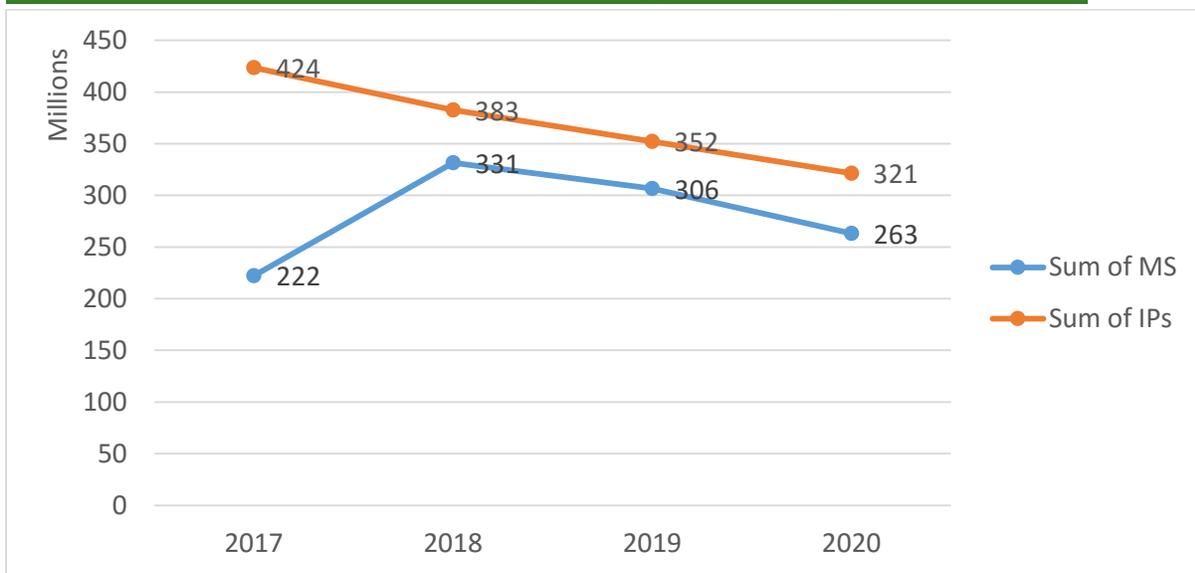


Figure 2 above, reveals that whereas the Member States released funds equal to the approved budget in Figure 1, the trend of International Partners released funds, is less

than the approved budget. This can be put down to various reasons, among others; differences in financial years, delays in reporting, overlapping activities, rigorous procurement process and so on.

Figure 3: Trends in Execution against released Fund and approved for AU

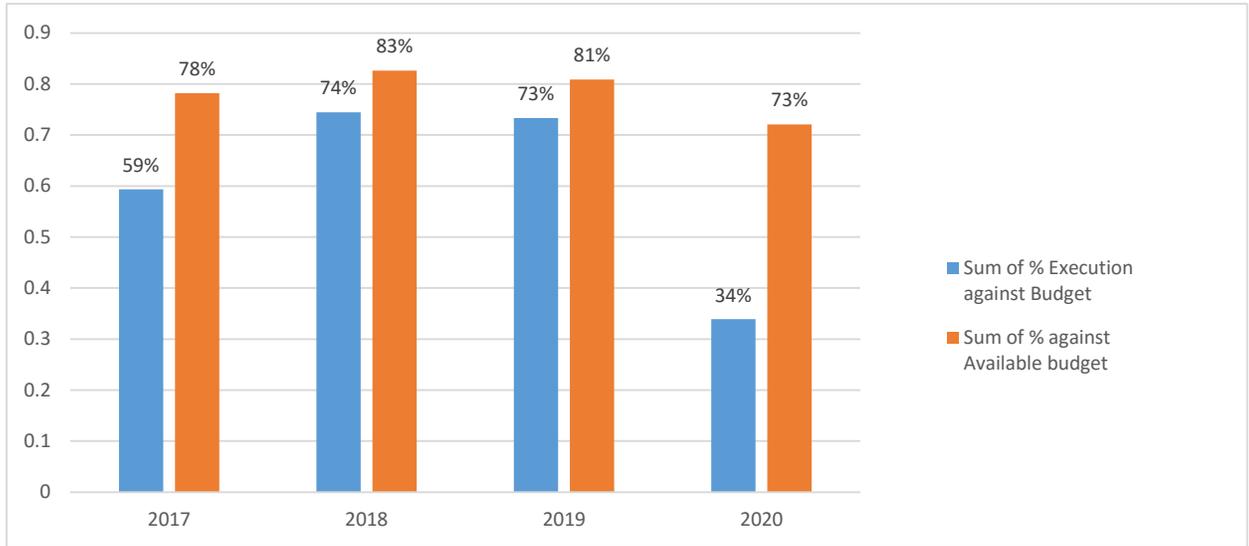


Figure 3 above reveals that, the execution of released funds against the budget is higher than the overall execution against the budget. This means that there's a strong correlation between released funds and execution of budget. When correlated with Figure 2 above, the reduction in the released of the Approved Partner funding contributes to the reduction in the execution of the budget.

Likewise, as revealed in this Figure 3, the four year execution rate against the available funds was satisfactory with the exception of 2020 due to the covid pandemic.

Figure 4: Trends of budget released for the AUC

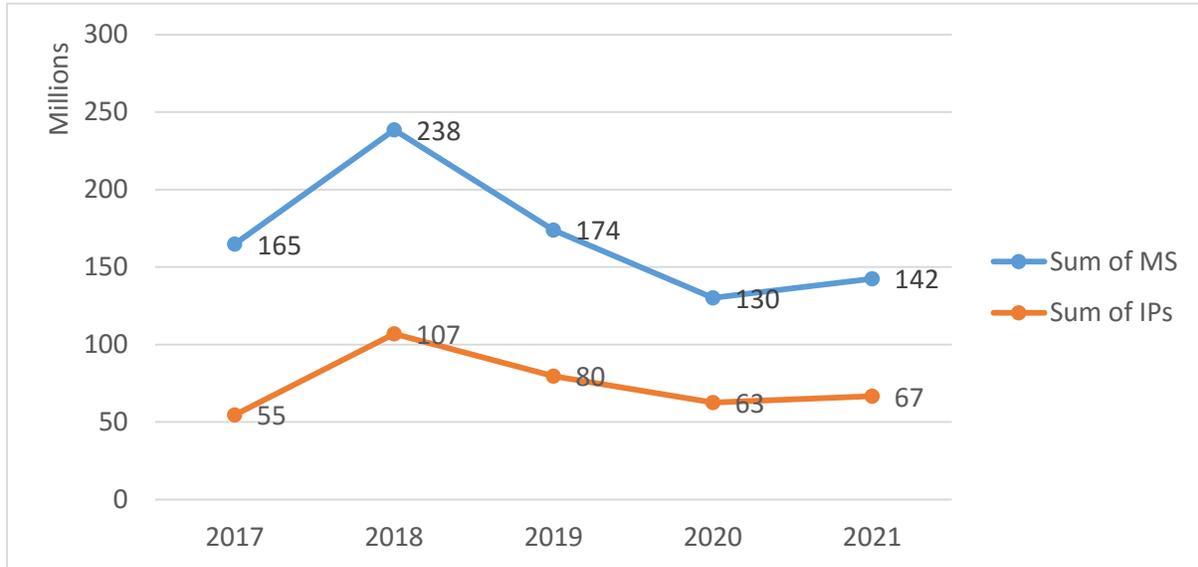


Figure 5: Trends in execution against funds availability for AUC

Given that the 2021 financial year is being consolidated at the Organs level, Figure 4 above only reflects the AUC released fund trends. This Figure 4 reveals that, the Member States released funds to the AUC is higher than the funds released by the Partners. Additionally, as revealed in Figure 1 above whereas the Partners commitment to the budget is high, their released fund is low.

The

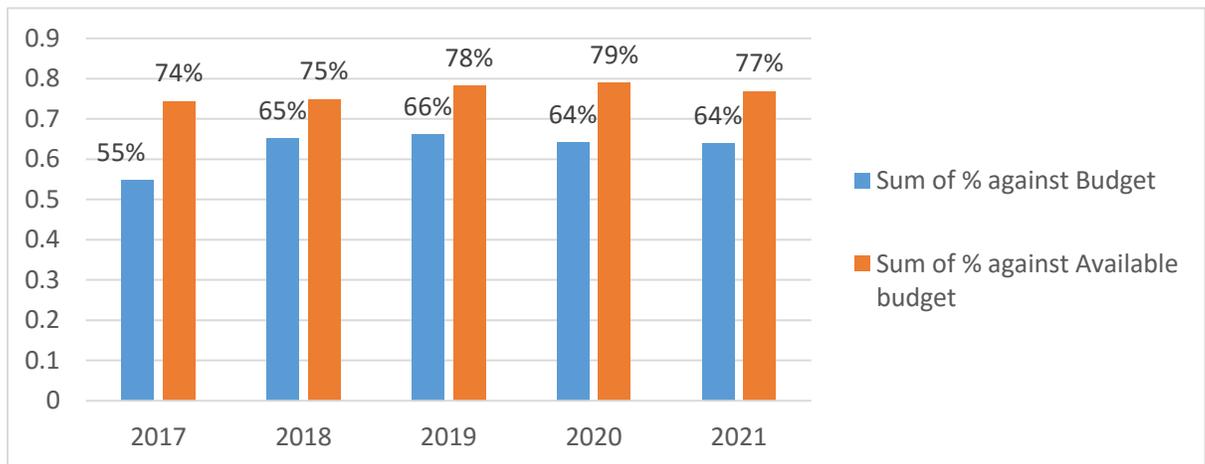


Figure 5 above reveals that, the five-year execution rate against released fund has remained relatively consistent, within the percentage range of 72% to 79%. This is a reflection of the ratios between the Operational and Program budgets. The Operational budget is higher than the Program budget. Therefore, the high operational budget execution has been maintained throughout the five-year period as revealed above.

C. STATUS OF THE AU PEACE FUND

271. Given that, the AU Peace Fund (PF) is a Special Fund to enhance Africa’s capacity

to address the scourge of conflicts on the Continent and to ensure that Africa, through the AU is conflict free and peaceful, the existing Peace Fund was revitalized.

272. Among others, the revitalization process included reconciliation of existing funds and certification of the same by Auditors.

273. Following the reconciliation, the cash balance available of US\$25,032,053.75 will be transferred to the Revitalized Peace Fund as per Executive Council Decision (EX.CL/Dec.1057-1072 (XXXV) Annex V - EX.CL/Dec.1057-1072 (XXXV) which requested the Commission to “Prepare a comprehensive statement of the previous Peace Fund collected through financial appropriations from Member States and Partners which should be merged with the new Revitalized Peace Fund so as to retain one Peace Fund”.

274. The details of the reconciled cash balance is set out below:

SN	Bank Name	Bank GL	Amount in USD
1	CHASE AU Peace Revolving Trust Fund	100555	6,175,220.23
2	CBE FCY-Peace Fund	103295	4,305,288.46
3	African Union Commission EU Support To MNJTF USD	160605	14,551,545.06
Total cash in the bank account			25,032,053.75

275. In order to revitalize the Peace Fund, the Assembly of Heads of State and Government through its Decision Assembly/AU/Dec.605 (XXVII), directed that Member States were to be assessed based on existing scale of assessment to contribute \$65 Million each year from 2017-2019 and \$51.25 Million from 2020-2023 to reach \$400 Million.

276. Towards this end, as at 31st December 2021, the Member States have made payments to the AU Peace Fund to the tune of \$246,562,944.36. The outstanding balance to reach the assessed contribution target of \$297.5 Million in 2021 is \$50,937,055.34. This is detailed below:

Year	2017	2018	2019	2020	2021	Total (US\$)
Assessment	65,000,000	65,000,000	65,000,000	51,250,000	51,250,000	297,500,000
Collection	52,790,057	54,486,724	58,671,551	43,730,723	36,883,889	246,562,944
Uncollected	12,209,943	10,513,276	6,328,449	7,519,277	14,366,111	50,937,056
% age	81%	84%	90%	85%	72%	83%

277. Based on the analysis above, as of 31 December 2021, Thirty-two (32) Member States have fully paid their Assessed Contribution. The number of Member States partially owing the Contribution of \$32.8M are twenty (20). Three (3) Member States owe the full contribution amounting to \$18.1M.

278. As such, the overall Peace Fund balance as of 31 December 2021 is \$258,343,736.15. The details are set out in the below table:

Details	Amount in USD
Total Member States Contribution Received	\$246,562,944.36
Voluntary Contributions Received from His Excellency the President of Senegal	\$499,463.45
Total Interest Earned	\$11,281,328.34
Total Fund Balance as of 31 December 2021	\$258,343,736.15

D. CHALLENGES

279. Like the rest of the continent and the world, the Commission's work has been overshadowed by the far reaching socio-economic and political impact of COVID-19 pandemic. This, however, has only strengthened our resolve to prioritize the objectives within our mandate.

280. The 2021 budget was under austerity measures and the onerous Policy Organs' approval processes and expert staff turnover affected the timely implementation of the Transition Plan's Phase One.

281. The majority of the senior management positions, particularly at the director level, were vacant and this affected strategic decision-making and delivery of mandate.

282. The revitalization of the new recruitment system was only finalized in April, hence affecting the filling of positions in 2021 under Phase One of the Transition Plan.

283. The implementation of audit recommendations requires more concerted efforts and measures to ensure each and every pending audit recommendation is fully implemented and on time.

284. In order to attain the Johannesburg Target of financing 100% of the Operational budget, 75% of the Program budget, and 25% of the Peace Support Operations, progress was recorded between 2015 and 2018.

285. However, from 2019 this trend took a reverse inclination away from the ideal. Member States contributions to the budget have gone down from US\$318 million in 2018 to US\$203 million in 2021. As such, Member States contribution to the Program budget, took an inverse direction from 45% in 2019 to 21% in 2021.

286. Additionally, the creation of over 10 newly established AU institutions since 2015 amidst Member States reduced contributions, has affected the target of limiting the Operational budget including salaries to 30% of the overall annual budget. Accordingly, this target increased from 31% in 2015 to 48% in 2021. To reverse this situation, the Member States 75% contribution to the Program budget in line with the Golden Rules is critical.

287. The delayed or non-contribution to the Peace Fund by some Member States might affect the intended target of \$400 M by 2023.

288. The delay in the establishment of the remaining Governance Structure components and adoption of the Financial Rules and Regulations to govern the Peace

Fund will affect the full operationalization of the fund.

E. LESSONS LEARNT & WAY FORWARD

289. In line with the Policy Organs' decisions, there is need for a systematic approach in setting the overall organisational performance objectives and cascading them effectively at all levels of the Commission and Organs.

290. Likewise, there is need to develop an integrated system to monitor and evaluate performance of programme budget and staff members.

291. The Member States' commitment to the decision of Financing the Union within the ratios of 100% operational budget, 75% for programmes and 25% for peace operations is getting increasingly urgent.

292. It is critical to continue with the principles of efficiency and accountability as the Commission matures to high level of transformation and reform. This will entail good corporate governance and administration; upholding a culture of transparency, rules, and tackling impunity.

293. Accountability to Member States has been strengthened with the establishment of a Governance Structure to provide oversight on the fund.

294. The new funding mechanism of Member States Contribution based on the new Scale of Assessment with the Sanctions Regime, has secured high level of Member States commitment and contribution to the Revitalized Fund.

295. The Decision of Member States and Board of Trustees to invest the fund has enabled the AU Peace Fund to earn higher return on investment.

296. Engagement and application of the sanctions regime on the defaulting Member States should be reinforced

297. To operationalize the Peace Fund, there is need to develop a mechanism to access the fund and call upon Member States support in this regard.

VIII. AFRICA IN THE GLOBAL ARENA

298. Despite the public health situation caused by the Covid-19 pandemic, the African Union was able to respect its engagements vis-à-vis its partners, in particular with the organization of the 3rd Africa – Türkiye Summit held in Istanbul, on 17 – 18 December 2021, the 8th Ministerial Conference of the Forum on China – Africa Cooperation (FOCAC) held on 29 – 30 November 2021, in Dakar, Senegal, and the 2nd African Union (AU) – European Union (EU) Summit held in Kigali, Rwanda, on 25 – 26 October 2021.

299. In addition, and following the endorsement of the Agenda 2063 Financing and Domestic Resource Mobilization strategy (DRM) by the Policy Organs, efforts are being made to operationalize the said strategy at Members States level in order to boost alternative sources of funding and reduce dependency on external funding.

300. AU Representational Missions across the globe continued to implement their respective workplans focused on political liaison with counterparts and stakeholders on the partner side, international cooperation with special focus on AU response to Covid-19 both in terms of Health care and Economic aspects in the year 2021.

301. With the objective of ensuring an effective and result-oriented management of all AU partnerships activities, the Commission has been engaged together with the PRC Sub-Committee of the whole on multilateral Cooperation, in the development of the AU Partnerships Strategy and Policy framework. Substantive progress has been made in this regard with the first draft Partnerships Strategy Framework being currently under review by the above-mentioned PRC Sub-Committee. It is expected that the Draft Partnerships Strategy Framework will be submitted to the June/July 2022 Executive Council for Decision.

302. During the 3rd Africa – Türkiye Summit, both sides adopted the Istanbul 2021 Declaration with an annex on Training Programme as well as the Africa-Türkiye Joint Action Plan 2022-2026, which summarize the activities and programs to be implemented under the Partnership. More importantly, the Summit adopted the establishment of an appropriate follow-up mechanism to ensure a regular Monitoring and Evaluation of the Africa - Türkiye partnership agreed cooperation areas.

303. In the same vein, the main outcome of the 2nd AU-EU Ministerial Meeting held in Kigali, was the adoption of the Kigali Communiqué, which underscored also the importance of a Monitoring and Evaluation Mechanism and agreed to establish a joint AU-EU Ministerial Follow-up Committee to monitor the implementation of all commitments from AU-EU Summits and Ministerial Meetings and requested the AU and the European Union Commissions to undertake consultations on the establishment and operationalization of this Committee.

304. Concerning the 8th FOCAC Ministerial Conference held in Dakar, the Meeting adopted the FOCAC Dakar Declaration as well as the FOCAC Dakar Action Plan 2022 – 2024.

305. The Directorate of PMRM is at the final process in finalizing the domestic resource mobilization Guides, which are recommended tools to operationalize the Financing and domestic resource mobilization and partnership strategy. It is envisaged that the DRM guides will be domesticated at RECs and Member States level in 2022.

306. The AU Missions continued to carry out their overall mandate in developing and maintaining a constructive and productive institutional relationships between the African Union and the United Nations and other Partner countries and institutions in promoting a common position/view within the African Group in international negotiations throughout the year as well as making a strong African voice and presence on the international scene in line with the Agenda 2063 aspirations, goals and priorities.

307. Apart from the Covid-19 pandemic, which resulted in the postponement of many activities, one of the main challenges faced in the management of partnerships is the non-compliance to relevant Decisions taken by the Assembly of the Union on Participation and representation in international cooperation and Partnerships fora. Despite the representation mechanism adopted to represent the continent when it comes to Summit

with a partner country, limiting the number of countries to only fifteen (15), thirty-nine (39) AU Member States participated in the Summit with Turkey for example.

308. For Africa to speak with one voice in international Forums and to ensure that partners observe AU Decisions, it is urgent that relevant Assembly Decisions on participation and representation in cooperation and partnerships fora are respected by AU Member States.

IX. CONCLUSION AND PROSPECTS FOR 2022

309. As indicated in the introduction to this Report, the Union's annual activities derive their coherence from the overall logic underlying Agenda 2063. As such, the main strategic objectives are repeated over the years with different modulations, depending on their cyclical relevance.

310. Building on the activities carried out in 2021, for the year 2022, the strategic objectives will focus on improving performance according to the directions provided by the policy organs in their various decisions. The priority areas will be: (i) AU institutional reform and governance; (ii) economic transformation, inclusive growth and environmental sustainability as well as investment in Africa's human capital; (ii) governance, human rights and institutions; (iv) consolidating peace and security and (v) advancing continental integration.

311. The first strategic objective, institutional reform and good governance, will be broken down into four components which are (a) realigning the institutions of the Union, (b) connecting the AU to its citizens, (c) effective and efficient management of the affairs of the Union, and (d) financing the Union. The second strategic objective, economic transformation, inclusive growth, environmental sustainability and investment in African human capital, will focus on (a) structural transformation involving capacity building of public health institutions, development of value chains at regional and continental levels, promotion of the establishment of AU financial institutions (b) agricultural productivity through the implementation of the bio-ecological initiative strategy and the Comprehensive Africa Agriculture Development Program (CAADP), (c) inclusive growth targeting areas that facilitate the empowerment of youth and vulnerable groups, (d) environmental sustainability through the promotion of public policies for the preservation of natural resources and the management of the effects of climate change (e) investment in human capital will include an education system focused on science, technology and information, youth empowerment, well-being and quality of life, gender and social protection.

312. The third strategic objective, governance, human rights and institutions, will be organized around (a) preparing and publishing reports on governance in Africa, (b) promoting policies on good governance, (c) promoting policies on human rights and the rule of law, and (d) promoting relevant institutions on the Continent. The fourth strategic objective, consolidating peace and security, will lead the Union to pursue programs related to the operationalization of the African Governance Architecture (AGA) and to intensify efforts to coordinate and strengthen the capacities of the Regional Economic Communities (RECs), Regional Mechanisms (RMs) and Member States in the area of early warning systems. The fifth strategic objective, advancing continental integration, will be structured around the following components; (a) infrastructure and energy, modalities for implementing the digital transformation strategy, (b) harmonization of trade regimes

of member states and RECs in support of the optimization of the African Continental Free Trade Area, (c) financial institutions and markets (d) conclusion of the pending negotiations on the African Continental Free Trade Area, (e) promotion of policies that enhance positive image through economic empowerment and culture, (f) promotion of policies that safeguard and ensure the promotion of Africa's oral traditions and history; (g) the promotion of Africa's pre-eminence in regional and international institutions.

313. In line with the momentum of the reform and building on the actions undertaken in 2021, the Commission is committed to accelerating, deepening and streamlining these activities in 2022 for the benefit of the collective strategic interests of our Continent.

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