

AFRICAN UNION
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**REPORT OF THE CHAIRPERSON OF THE COMMISSION FOR
THE PERIOD JULY TO DECEMBER 2006**

INTRODUCTION

The 10th Ordinary Session of the Executive Council and the 8th Ordinary Session of the Assembly of the Union are taking place at the start of the home stretch leading to the end of the mandate of the first African Union Commission christened at the baptismal font of Maputo, Mozambique, in July 2003, and installed in office on 17 September of the same year in Addis Ababa, Ethiopia, Headquarters of the Union and of the Commission. Though the hour of stock taking has not yet arrived, the present Report highlights the activities undertaken by the Commission during the period under review, that is, July-December 2006.

The activities are the welcome results of the close collaboration between the Commission, Member States, other organs of the Union and all the Regional Economic Communities (RECs), as well as with the General Secretariat of the United Nations, its Specialized Agencies, the European Union and the European Commission and the development partners accredited to the African Union. We are delighted, in this regard, to report that the United States of America has opened a mission to the African Union here in Addis Ababa. I would like, at this juncture, to express our sincere gratitude and appreciation to all those who, directly or indirectly and in various ways, provided support and assistance which enabled us to achieve the results we did during the period under review.

It is for me real pleasure to inform Council and the Assembly that the activities carried out during this period form part of the continued implementation of the priorities mapped out in the 2004-2007 Strategic Plan as the Commission's framework of action approved by Member States. The underlying objective of the activities was to consolidate the young Union in the making, and launch it firmly on the path of integration, the only possible way to achieve the economic, social and cultural development of the Continent.

To this end, our efforts at putting in place the Architecture of the Union are very much underway. After the establishment and take-off of the African Court on Human and People's Rights, all our attention is now focused on the strategy to rapidly establish the Financial Institutions of the Union, a strategy anchored on the creation of preparatory technical committees through which these institutions would become functional as soon as possible. I would like to thank and commend Member States of the Central Africa region for having decided to establish the Headquarters of the African Monetary Fund in Yaoundé, Cameroon. With that decision, each of the three major financial institutions of the Union now has its Headquarters:

- The African Central Bank – Abuja, Nigeria;
- The African Monetary Fund – Yaoundé, Cameroon; and
- The African Investment Bank – Tripoli, Libya.

During the period under review, the search for and consolidation of peace and security in the Continent were top priorities for the Commission and Member States. To this end, efforts have been invested, and are indeed under way, to find lasting solutions to the major conflicts in the Continent, especially in Darfur (The Sudan) and Somalia. The Peace and Security Council held meetings at the highest level during the period and came up with strategies to end the crises, implementation of which will be a challenge in the months ahead. It is only the cooperation and collaboration of the warring parties that can

significantly help us to resolve these crises. The Report also dwells on all the other theatres of conflict in the Continent and the efforts deployed by the Commission to resolve the conflicts.

In this connection, it is important, in my view, that we respect the rules which we ourselves have put in place in terms of peaceful co-existence of our States, avoiding the use of the territory of a State to destabilize a neighboring State and systematically rejecting any seizure of power by unconstitutional means, especially by force. Additionally, we should accord special importance to the principle of non-indifference, which has, today, done our Union proud.

It is also my pleasure to inform Council and the Assembly that the Commission has continued to work resiliently with Member States to consolidate the foundations of democracy and good governance. In this regard, the Commission has fulfilled the provisions of the Banjul Decision requesting it to “review” both the legal form and the substance of Article 25 of the Charter on Democracy, Elections and Governance. The Charter has now been finalized and is being submitted to this Session of Council for final adoption.

Furthermore, the Headquarters of the Commission was, on 10 December 2006, host to the 2nd Meeting of the Bureau of the 5th Pan-African Conference of Ministers of Public Service, chaired by South Africa. That meeting served as framework for evaluation of the activities undertaken between the Conference itself and 1st Meeting of the Bureau in the context of implementation of the Addis Ababa Declaration and future actions, particularly preparations for the upcoming “Global Forum on Anti-Corruption”, due to take place in South Africa in April this year.

The measures we took in relation to the creation of a stable political climate conducive to implementation of the Continent’s economic integration agenda did not make us lose sight of the economic, social and cultural development programmes we have put in place to speed up the process of integration. The areas covered are diverse, embracing:

- legal matters;
- gender;
- civil society and the Diaspora;
- administrative and staff welfare matters;
- peace and security;
- political matters;
- science and technology;
- education;
- social affairs;
- infrastructure and energy;
- rural economy and agriculture;
- economic matters; and
- trade and industry.

The above subjects have either been developed in this Report or have been placed as separate items on the Agenda of Council or that of the Assembly.

Permit me to make specific mention of the Special Summit on Food Security held in Abuja, Nigeria, at the initiative and invitation of the President of the Federal Republic of

Nigeria. That Summit also endorsed the Green Wall for the Sahara Initiative aimed at stemming desert encroachment.

To implement all the activities laid out in the above-mentioned areas, we need a solid and well-structured Commission endowed with adequate human and financial resources. The Commission has continued to deploy efforts in this direction in order to improve its administrative and financial management.

In this connection and following the adoption of the Financial Rules and Regulations of the Union in Banjul in July 2006, the Staff Rules and Regulations were recently finalized and submitted to the policy organs of the Union for consideration and adoption. In the same vein and to more effectively manage the funds provided by Member States through their statutory contributions, and by the partners in the form of budget assistance, the Commission is about to implement a "Process Facility" which, during a transition period of two years, will enable it to render account of the use of the funds, in full transparency. This Process will contribute to establishment of a definitive administrative and financial system for the Commission. I would like, in this regard, to express my profound gratitude to the partners for assisting us in this area.

This "Process Facility" is a component of the ongoing Institutional Transformation which is intended to put in place a strong and responsible Commission, capable of playing its role as the driving force of the Union. Phase II of the Institutional Transformation which is in progress will serve to implement the action plans deriving from the activities of Phase I.

However, I observe, with regret, that despite the commitments made by Member States in adopting priority programmes for implementation by the Commission, financial obligations are not yet being fully honored. Member States' contributions to the regular budget are not always forthcoming, and arrears of contributions are mounting, extending even further the list of the countries under sanction. As at the date of finalizing this Report, the arrears stood at the high level of US\$ 14, 626,331.77 for 2006, and a total of US\$ 42,923,575.27 brought forward from previous years, all amounting to US\$ 57,549,907.04. This situation is critical. I therefore make an urgent appeal to Member States that have not already done so, to pay up their contributions to the regular budget; and for those that have accumulated arrears, to clear these arrears to enable the Commission to function smoothly. I take this opportunity to thank those Member States which have never failed in their obligation in this area, thus helping to provide the Commission with the financial resources it needs to execute its programmes.

Still on financial support to the budget of the Commission, I am pleased to inform Council and the Assembly that, during the period under review, the Commission concluded preparations for a budget financing and support agreement for an amount of fifty-five (55) million Euros to be provided over a period of three years by the European Union through the European Commission. Other partners have similarly made contributions of various amounts individually, namely: Germany (BMZ/GTZ), Norway, Denmark, The Netherlands, Canada, China, Japan and Great Britain. I once again take this opportunity to extend my most sincere gratitude to them all, on behalf of the Union.

To conclude, it is my pleasure to inform Council and the Assembly that the Commission has continued to broaden the horizon of Africa's cooperation with other regions of the world, thereby consolidating the Continent's position in the concert of nations. Thus,

apart from the traditional China-Africa Summit held in Beijing on 4-5 November 2006, the Commission, in collaboration with Nigeria and South American countries, members of the Community of South American Nations (CASA), organized the First Africa-South America Summit in Abuja, on 30 November 2006 at the invitation of Nigeria. That Summit was preceded by meetings of senior officials and Foreign Ministers of the two Continents. I hereby extend the sincere gratitude of the Union to the President of the Federal Republic of Nigeria for hosting this Summit as well as the Summit on Food Security, both of which were held during the second half of 2006.

Still on building strategic partnerships with Asian powers, the Commission and the Government of India initiated talks and preparations for the Africa-India meeting slated for the first half of 2007 – an initiative that will consolidate the foundations of South-South cooperation so much expected by Member States. Measures are similarly underway to build partnerships with European Union countries, Russia and Arab countries.

May I now renew to the Ministers, members of the Executive Council, the Heads of State and Government meeting in this Assembly, and to all their collaborators, my best wishes for a Happy and Prosperous New Year, 2007.

Alpha Oumar Konaré

A. LEGAL MATTERS

A.I. DEPOSITARY FUNCTIONS

1. I wish to inform the Executive Council that since the submission of the last report in July 2006, there has been significant developments with regard to the status of OAU/AU treaties. Indeed, as you are aware, we have adopted a new legal instrument in Banjul, the Gambia, in July 2006 namely the African Youth Charter. I need not emphasise the importance of this Charter and I am pleased to note that so far three (3) countries have signed it and those are Mali, Burundi and Togo.

2. Further, I am also pleased to inform Council that the African Convention on Preventing and Combating Corruption which was adopted in Maputo, Mozambique, in July 2003 has entered into force on 5 August 2006. I would like to take this opportunity to congratulate all the Member States which have ratified this very important instrument and would like to urge Member States, which have not done so, to accelerate the process of ratification/accession to this Convention and for all the OAU/AU treaties so as to facilitate their early entry into force.

A.II. ACCREDITATION OF NON-AFRICAN STATES TO THE AFRICAN UNION

3. In accordance with Part II, Section II (3) of the *Criteria for Granting Observer Status and for a system of Accreditation within the African Union* (the Criteria), adopted by the Executive Council in July 2005, I have continued to receive and consider requests for accreditation from various non-African States, bearing in mind the supreme interest of the Union and the concerns of Member States. I wish to inform Council that since the last reporting period, I have accepted the letters of accreditation of five (5) non-African States in addition to those that were accredited earlier in line with the provisions of Part II, Section II (3) of the Criteria for the granting of AU Observer Status and a System of Accreditation within the AU. The names of the representatives accredited since my last report and their respective States are listed in the table below:

No.	Names of Accredited Representatives	Country
1.	Mr. Luis Mariano Joubertt Mata	Bolivarian Republic of Venezuela
2.	Mr. Gerard Corr	Ireland
3.	Mr. René Schaetti	Switzerland
4.	Mr. Ahmed Salah Eldin Noah	League of Arab States
5.	Mr. Milan Cigan	Slovak Republic

4. The total number of non-African States accredited to the Union is now forty (40).

A.III. RELATIONSHIP BETWEEN THE VARIOUS ORGANS OF THE AFRICAN UNION

5. With the launching of the Pan African Parliament in March 2004, the operationalisation of the African Court on Human and Peoples' Rights, and the march towards the setting up of the Financial institutions and other organs of the Union, it is imperative that the policy organs take up their responsibility and make decisions that would avoid permanent problems in the future. The issues that require determination relate to the crucial issue of responsibilities of these organs vis a vis the policy organs of the Union. If these new institutions are members of the same family of institutions, to what extent are they bound by decisions of the policy organs such as the Assembly or the Executive Council? What is the role of the Permanent representatives Committee in relation to these new institutions? Do the AU Financial Rules and Regulations as well as the Staff Rules and Regulations apply and bind them? Are they entitled to determine their own policies with regard to management of finances, auditing of accounts, determination of allowances and per Diem rates for officials of these policy organs? These are critical issues that must be addressed at the earliest possible moment in order to avoid tensions and ensure proper accountability and transparency and compliance with the vision, objective, policies and decisions of the Union.

A.IV. REGISTRATION AND PROTECTION OF NAMES, ABBREVIATIONS, AND EMBLEMS OF THE AU AND NEPAD WITH THE WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)

6. Council will recall that during the 3rd Ordinary Session of the Assembly held in Addis Ababa between 6 - 8 July 2004, the Assembly adopted decision Assembly/AU/Dec.49 (III), wherein it endorsed the recommendation of the 4th Ordinary Session of Council in held in Addis Ababa, Ethiopia in March 2004 to retain the Emblem and Flag of the former OAU, and adopt them as the new Flag and Emblem of the Union. In addition, the Assembly also decided to select the rearranged (revised) version of the Anthem of the former OAU as the new AU Anthem.

7. In the light of the foregoing and given the fact that the full complement of the AU paraphernalia (flag, anthem, logo and emblem) had been chosen, the Commission took the necessary steps to protect the Intellectual Property Rights of AU Paraphernalia under Article 6ter of the Paris Convention for the Protection of Industrial Property (Paris Convention).

8. It will be further recalled that in the last report on this matter to Council in July 2005, I had indicated that the Commission had finalized the official request for the Protection of intellectual property, of the name, abbreviation, flag and emblem of the AU and of the name, abbreviation and emblems of the New Partnership for Africa's Development (NEPAD) by submitting in June 2005 an application and 600 copies of each of the paraphernalia in accordance with WIPO requirements.

9. WIPO, by a communication dated 12 December 2006, informed the AU that it communicated on June 24, 2005 the said Names, abbreviations of AU and NEPAD, flag and Emblems of the AU and NEPAD to the countries party to the Paris Convention as well as to the Members of the World Trade Organization (WTO), which are not bound by the Paris Convention but which are bound or will be bound to apply it by virtue of the

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) of April 15, 1994.

10. Further, WIPO informed the Commission that “In accordance with Article 6ter(4) of the Paris Convention, the countries and Members of WTO that had received the above communication had a period of twelve months from the receipt of the notification, to transmit their objections against the protection of the AU’s intellectual property rights in their territories. Where no such refusal is communicated, it is assumed that countries parties to the Paris Convention and the Countries and Members of the WTO have no objection to the AU application. The WTO has not received any objection to the AU’s request for protection. Accordingly, the AU and NEPAD paraphernalia now enjoy the necessary protection.

11. I further wish to draw the attention of the Council to the need for Member States to take the necessary measures to assure the protection of the Intellectual Property Rights of the African Union, in their various countries through the enactment of appropriate national legislation. Article 6ter of the Paris Convention requires Member Countries to refuse registration to conflicting and offending marks and to prohibit use of the armorial bearings, flags, other emblems, abbreviations and names of countries or International Intergovernmental Organizations (IIO’s) of which one or more countries are members.

12. Most AU Member States are State Parties to the Paris Convention. This means that Member States that are parties to the convention have a duty and responsibility to protect the AU paraphernalia and those of its programme, the NEPAD, from misuse by unscrupulous businessmen. Some AU Member States (State Parties to the Convention) have gone a step further to incorporate the benchmark provisions of Article 6ter into their domestic laws. Others have only incorporated the basic provisions of Article 6ter into their domestic legislation and law. Even though there may be deficiencies in protection as compared to the benchmark, these countries nonetheless, acceded to the Paris Convention and they provide protection in accordance with Article 6ter in their municipal laws. In respect of AU Member States that have not acceded to or become members of the Paris Convention and do not have any domestic legislation that provides for the protection of IIO’s trademarks, the AU will enjoy protection only if it applies for and obtains registration of its trademarks or publishes cautionary notices in these countries. Therefore, the Commission wishes to appeal to all Member states to ensure that they take the necessary steps to provide for the protection of AU’s trademarks in their domestic legislations.

B. WOMEN, GENDER AND DEVELOPMENT

13. I would like to inform Council that activities in the area of Women, Gender and Development continue to be devoted to laying the capacity foundation in mainstreaming gender in the AU Commission, AU Organs, Regional Economic Communities (RECs) and Member States.

14. In implementing the *AU Solemn Declaration on Gender Equality in Africa (SDGEA)*, several calls were made requesting Member States to submit their baseline reports for submission to this January 2007 Summit. Unfortunately, to date, only nine (9) Member States have submitted their reports, namely: **Algeria, Burundi, Ethiopia, Lesotho, Namibia, Mauritius, Senegal, South Africa and Tunisia**. A synthesis of the reports is submitted for consideration, along with my own report, in consonance with the requirements

of operative paragraphs 12 and 13 of the *SDGEA*. I thank our partners who have also submitted their reports in this regard, namely ADB, IAC, UNIDO and WFP.

15. In this connection that a Consultation on the Role of Civil Society Organizations (CSOs) in the Monitoring and Reporting on the *Solemn Declaration on Gender Equality in Africa* was held at the AU Commission in November 2006. The purpose of the Consultation was to work out a modality of collaboration between CSO partners and the Gender Directorate in the annual monitoring of and reporting on the implementation of the *SDGEA*. This is because all the commitments contained in the *SDGEA* constitute bold moves that provide enlarged opportunities for the involvement of CSOs and other stakeholders for active participation in the review process and in translating these commitments into concrete actions at the regional, sub-regional and national levels. At the end of the Consultation, the CSOs adopted mechanisms to coordinate their Shadow Reporting on the *SDGEA*; develop a Directory of CSOs in all sectors of development for the Commission to draw upon for policy development initiatives; and, to coordinate women civil society organizations' activities during AU Pre-Summits.

16. The African Union Commission, in collaboration with UN IDEP, organized an **AU Course on Gender Responsive Economic Policy-Making in Africa** from 23 November to 14 December 2006 in the premises of the AU Commission. This Course, the first of its kind in Africa, has the objective of filling the capacity gap for African economic policy makers, budget planners, development practitioners and policy advocates in designing and implementing gender sensitive economic policies and programmes. It also seeks to bridge the knowledge gap of the economists on gender issues and to improve the economic literacy of gender experts. It will therefore be recalled that the Beijing Plus Ten Review of 2005 identified the lack of skills and limited understanding of gender among policy makers as one of the main reasons why economic and trade policies as well as bilateral and multilateral trade agreements in Africa have continued to be gender-blind and consequently have negatively impacted on women and gender relations.

17. The Commission is now posed to begin engaging with each Directorate of the AU Commission with the Gender Directorate, with a view to drawing up departmental plans for mainstreaming gender into their respective programmes, and for building their capacity for gender analysis. In order to address the paucity of gender mainstreaming tools within the AU, the Commission is publishing a ***Handbook on Good Practices in Gender Mainstreaming in Africa***, which will inform different AU Organs, RECs, Member States and other stakeholders on integrating gender into policy making, strategic planning, programme implementation, monitoring and evaluation. A **Gender Audit** of AU Departments, RECs and other Organs of the AU has been carried out. The main objective of the Audit was to establish the extent to which AU's institutional frameworks, legal instruments, policies, programmes and activities address issues of gender and women's empowerment. The Audit also sought to generate modalities on how best gender and women's empowerment could be mainstreamed within the AU. An AU Five-Year Gender Mainstreaming Strategic Plan and Budget is also being developed.

18. The AU has been building partnerships and carrying advocacy around women's human rights, especially targeted at the early ratification of the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa, its popularization and domestication. Partnerships and coalitions are being built for the launching of a continental campaign on addressing young women and girls' higher vulnerability to

HIV/AIDS infection in Africa. In this regard, an expert consultation on this concern was organized in July 2006 in Addis Ababa, Ethiopia as a joint initiative of the African Union Commission and Population Services International.

C. INTERNAL AUDIT ACTIVITIES

C.I. ACTIVITIES

19. The role of the Office of Internal Audit is to provide assurance and advisory services to the management of the Commission. The Office also supports top management in the effective discharge of their responsibilities by furnishing them with analyses, appraisal, counsel and recommendation on the activities reviewed.

20. Since the Banjul Summit in June 2006, the audit activities undertaken by the Office of Internal Audit include the review of:

- a) Medical Center, Stores and Fixed Assets management - Headquarter;
- b) Integrated Development of the Fouta Djallon Highlands - Conakry;
- c) Center for Linguistic & Historical Studies by Oral Tradition -Niamey;
- d) Scientific, Technical and Research Commission - Lagos;
- e) African Commission on Human and Peoples' Rights (ACHPR)-Banjul;
- f) AU Permanent Observer Mission in New York;
- g) AU Permanent Observer Mission in Washington;
- h) AU Permanent Observer Mission in Brussels;
- i) Procurement of goods and services – Headquarter;
- j) Payroll and Staff Benefits – Headquarter;
- k) African Union Mission in Sudan (AMIS) – Cash verification.

C.II. IMPACT AND CHALLENGES

21. The Office assists management in the achievement of the vision, mission and objective of the Commission by promoting the establishment of efficient and effective internal control, by assessing risks and recommending measures to mitigate those risks. Thus, the Office is playing a proactive and decision support role in the building of an efficient, transparent and accountable Commission.

22. Nevertheless, in order to attain its objectives as needed and to provide the necessary value-added services, the Office of Internal Audit has an acute shortage of manpower. I believe that this problem will be solved with the current recruitment process and the review of the Maputo Structure.

C.III. THE WAY FORWARD

23. In accordance with the Strategic Plan of the Commission for the Year 2004-2007, the Commission has planned to prepare an Audit Charter, an Audit Manual and organize a workshop to management on the role of Internal Audit, risk assessment and good governance. The firm that will carry out these activities has now been identified and the contract with the selected firm will be signed on December 2006. This capacity building exercise will assist to provide the required services to the Commission and to fulfill the demands of AU partners that arose due to enhanced relationship and support. Furthermore, the workshop that will be organized for managers would mitigate the passive resistance form auditees, foster a proactive approach to the risk management process, and encourage managers to work diligently and positively with the Office of Internal Audit.

D. AFRICA CITIZENS MATTERS

24. I would like to report to Council that activities relating to African Citizens and the Diaspora for the period under review focused on the following areas: a) further development of the plan of action for practical, effective and sustainable relations between Civil Society Organizations and the peace and security agenda to facilitate the operationalization of Articles 12(3) and 20 of the Peace and Security Council (PSC) Protocol; b) support for the 2nd Conference of Intellectuals of Africa and the Diaspora (CIAD II) held in Salvador de Bahia, Brazil from 12-14 July 2006; c) support to the Africa-South America Summit held in Abuja, Nigeria, from 26-30 November 2006; d) support to the development of the African Diaspora Process; e) mainstreaming CSO activities in the affairs of the various Departments of African Union Commission; f) continued support for ECOSOCC; and g) capacity building for CIDO.

D.I. SUPPORT FOR THE AU PEACE AND SECURITY AGENDA

25. The Commission has continued to work strenuously on strengthening CSO support for the peace and security agenda with the support of Danish Africa for Peace Programme.

26. As part of this process, I am happy to inform Council that the Commission, in collaboration with the African Centre for Peace and Development (ACPD) organized the 3rd and final AU-Civil Society Consultative Workshop on Enhancing Collaboration between the AU and CSOs in the area of Peace and Security in Dar es Salaam, Tanzania, from 28-30 October 2006. The meeting, which brought together CSOs in the Eastern and Southern regions, reviewed and consolidated the outcomes of the two previous workshops held in Accra, Ghana, in August 2005 and Abuja, Nigeria, in April 2006. It also reviewed the AU Roadmap on the Continental Early Warning System (CEWS) with a view to providing effective inputs on how to harness civil society contributions for the policy process. The meeting recommended, amongst others, that the African Union should set up an Advisory Council of CSO Experts working in the area of peace and security to support the AU peace and security agenda in general and the work of the Peace and Security Council (PSC) in particular. It also recommended that the AU should provide a structured platform for CSO participation in order to improve the operations of the CEWS. The meeting further agreed

on the need for an accreditation policy for CSOs to operationalize the provisions of Articles 12(3) and 20 of the PSC Protocol.

27. As a follow-up to this meeting, a framework document entitled “Civil Society Participation in Conflict Prevention in Africa: An Agenda for Action” was presented to the forum of Governmental Experts on Early Warning and Conflict Prevention held in Kempton Park, South Africa, from 17-19 December 2006, wherein it outlined the importance and role of CSOs in conflict prevention and early warning processes, as well as how the AU can harness its contributions to add value to the peace and security agenda. In its conclusion, the meeting of Governmental Experts welcomed and endorsed the Commission's proposal in this regard, including the proposal for an accreditation policy for CSO involvement in the work of the Peace and Security Council. The Commission is in the process of drawing up a framework document that would be reviewed by the proposed CSO Advisory Group of Experts for consideration by the Executive organs. It is my broad expectation that the Advisory Council of Experts will be established in the first quarter of 2007.

D.II. THE AFRICAN DIASPORA PROCESS

28. I am also pleased to inform Council that, in line with Decision Assembly/AU/Dec.131(VII), the Commission participated actively in the Emancipation Day Ceremony in Trinidad and Tobago on 1 August 2006 along with the Executive Secretariat of the Economic Community of West African States. The Commission and the AU-Diaspora Network in the Caribbean (CPAN) are also preparing a framework document for more formal and structured participation in this process as decided by Executive policy organs for consideration by the Assembly in July 2007.

29. Ongoing collaboration with CPAN is evidence of what the Commission is doing in other regions to forge and establish Diaspora networks where they do not exist and consolidate and build on existing ones. As part of this effort, the Commission, in collaboration with Diaspora organizations, will also inaugurate the AU-Central and South American Diaspora Network in January or February 2007. The inauguration has been postponed twice this year due to problems of logistics but preparations are now advanced for the launching in early 2007. The Network, when established, would support the outcomes of the Africa-South America Summit and harness the inputs of the African Diaspora in the region for the building of the African Union.

D.III. MAINSTREAMING CIVIL SOCIETY PARTICIPATION IN THE WORK OF THE COMMISSION

30. Work is also in progress in mainstreaming CSO activities in the work of the Commission. To this end, various Departments, such as Peace and Security, Social Affairs (to harness inputs for the AU-EU Summit on Migration), the Economic Affairs and other Departments (on the AU-EU Cooperation Framework), and the Directorate of Gender, and the Directorate of Human Resources, Science and Technology collaborated with the African Citizens and Diaspora Directorate at various levels (“Popularization and Public Understanding of the Importance of Scientific Research and Technology for the Development of the African Continent”).

D.IV. SUPPORT FOR THE CONSOLIDATION OF ECOSOCC

31. The Commission has sought, through the ECOSOCC Secretariat, to continue to provide strong support for the activities of the Interim ECOSOCC Assembly. In particular, the Commission is concerned to ensure that the work of executive organs of the Interim ECOSOCC assumes greater dynamism and vigour and that elections are held in time to pave way for a post-Interim Assembly that can take its proper place within the framework of the African Union. In this regard however, the Commission has placed premium on respecting the relative autonomy and sense of direction of ECOSOCC and has thus restricted itself to offering institutional and policy support, advice and suggestions for the acceleration of the pace and momentum of ECOSOCC efforts. On 8 September 2006 and in response to a communication received from the Presiding Officer, I personally sent a detailed correspondence proffering advice and suggestion on the way forward with a continued assurance of strong secretariat support, when and if required. To this end therefore, the Commission recently recruited two (2) new staff to serve as the nucleus of the ECOSOCC Secretariat at Headquarters and have begun work in earnest. I expect that in the year 2007 and, as the Interim ECOSOCC moves towards the end of a “renewed” mandate, the statutory organs will meet regularly as scheduled to consolidate a work programme that will enable it to complete its agenda on time. It is our cherished hope that as soon as elections into the post-Interim Assembly are completed, ECOSOCC can move effectively towards the operationalization of cluster committees and the area of support for other continental agenda such as post-conflict reconstruction and peace building, the African Peer Review Mechanism and attainment of Millennium Development Goals (MDG).

32. In the period under review, the Commission has continued to work to implement its mission of mainstreaming civil society and the African Diaspora in the building of the African Union. Consequently, its impact is felt vividly in all aspects of the work of the Commission. It has had challenges associated with a limited and growing staff strength but has still worked assiduously and with credible results. It is important that as it seeks to build on this effort, Member States and Civil Society Organizations should cooperate with the Commission meaningfully to extend the quality of its impact and ensure that it has result-oriented outcomes that would have multiplier effect and consolidate the vision of the Constitutive Act of the Union for an active partnership between governments and all segments of the African Community, including the Diaspora.

E. ADMINISTRATION AND HUMAN RESOURCE DEVELOPMENT

E.I. AFRICAN UNION VSAT PROJECT

33. I am pleased to report to Council that the VSAT Project has reached its implementation phase. The objective of the VSAT network project is to establish a closed communication network and provide dedicated, secure, reliable and independent infrastructure between the AU Headquarters, its regional offices and the RECs for purposes of improving and securing the communication system.

34. A total of 25 Remote sites will be installed in all AU offices and RECs within Africa, US and Europe both for Corporate Data and Internet from the main service providers for fast access. Technically, a Central Hub antenna will be installed at the AUC HQ in Addis

Ababa and 21 small antennas (VSAT) will be installed in all African offices. The Europe and USA offices will use the International Fibre backbone lines that connect the continents.

35. The Commission has entered, after a thorough and comprehensive bidding process, into a turn-key contractual agreement with the most responsive Service Provider, Emerging Markets Communication Ltd (EMC), responsible for the installation and monitoring of the network in September 2006. The project has officially kicked-off in October 2006 and is expected to be fully completed and commissioned in May 2007. Upon completion of the project, the commission will have the following:

- All the offices of the Commission throughout the world will have a direct, smooth, reliable, secure and independent communication system exclusively for internal use.
- The services to be provided will be Data, Voice, Internet and Video Conferencing.
- Reduction in telephone communication costs within the offices of the Commission, which would be incurred otherwise by making international calls to these offices.
- Reduction in travel and related expenses by holding meetings through Video conferencing.
- Acquisition of a central database where all the offices of the commission can get and/or provide information to be accessed directly from all over the sites.
- Enhancing the collaboration work with ease of communication.

36. This project is of great importance and a big milestone for both the Commission and Member States in the quest of the continent to narrow the digital gap between Africa and rest of the world.

37. However the Commission is facing a serious problem with regard to the payment of the license fees for VSAT importation and operation in each country in Africa, which ranges from \$2,500 to \$6,000 per year. For the 21 African sites, thus, this will bring a total fee of around \$100,000.00 per year on average. The USA and Europe offices, however, are not suffering from such a problem. This recursive cost will avert the objective of the project and make it pointless, regarding its cost saving strategy.

38. I would therefore like to appeal to all member states concerned and seek their cooperation in order to grant the Commission the **necessary exemption measures** in order to enable the Commission to maintain this project fruitful and basic tool for the growth and development of the continent.

E.II. PENSION, INSURANCE AND STAFF WELFARE

39. Under my direction, efforts were intensified to reform the Commission's social security scheme and to align it with existing international standards.

40. To this end, the concerned departments of the Commission carried out the following activities during the period under review:

a) Pension Scheme

41. The study for the complete overhaul of the Pension Scheme has been concluded, and I now have the pleasure to submit the results to Council. The Commission recommends the creation of a Pension Fund, abrogation of the contract with ALICO, consolidation of the

contribution base, adjustment of the rate of contribution to age brackets and extension of period of service. The recommendations mark a clean break from the existing Provident Fund system and institute effective payment of annuities to departing staff members. It would be appreciated if Council could adopt this plan to enable the Commission to implement your decisions during 2007.

b) Insurance Policies of the Commission

i) Group Life Insurance Policy

42. As part of the review of the social security system, I got recruited a Consultancy Firm of Actuaries to audit the group insurance policies and come up with recommendations to improve the staff insurance cover. I have the privilege to submit to this august Council, the outcomes of the study which recommends the merger of the Pension and Insurance Schemes.

43. Regarding insurance of short-term contractual staff, the study recommends a consolidated and universal cover, and abrogation of all the policies that have hitherto been in force.

44. With respect to insurance policy for monitoring and observer missions taken out with Lloyds of London for staff on election observer and peacekeeping missions, the Commission had to rescind the policy cover for the staff of the AU Mission in The Sudan and, instead, created a Trust Fund whose management modalities will be defined in due course.

45. The long-term objective is to create an insurance fund separate from that of the staff of the Commission, in view of the nature of the risks to be insured.

ii) Medical Cover

46. The Commission devoted sustained attention to the issue of medical cover for staff and their families during the period under review. It initiated in-house debate on the desirability of maintaining and improving the existing Medical Assistance Plan, following a critical evaluation and in view of the need to introduce a Medical Insurance Policy. The brainstorming seminar on this matter held on 3 November 2006 put forward recommendations which were, in turn, passed on to the Consultants tasked to review the Social Security Scheme.

47. The study on medical cover analyzed the medical assistance management system and came up with an action plan for implementation in 2007. It is my wish that Council approves this action plan and allocates the necessary financial resources to enable the Commission to effectively pursue its plan for reform of the Social Security Scheme.

c) Introduction of New Insurance Policies

i) Business Travel Insurance Policy

48. It is absolutely necessary to take out this policy in view of the frequency and intensity of travels in the Commission which bring to the fore the obvious limitations of the Medical

Assistance Scheme. I therefore gave the necessary directives to the competent department which, after having followed the tendering procedures stipulated in the relevant texts, introduced the business travel insurance policy.

ii) Cash and Fidelity Insurance

49. All external audit reports had consistently recommended the introduction of the above insurance policy to protect the financial resources of the organization against possible manipulation and dishonesty on the part of some staff members. This policy became effective during the second half of 2006.

d) **Harmonization of the Commission's Remuneration Policy**

50. The existing remuneration policy of the Commission is fraught with a lot of shortcomings which need to be rectified. During adoption of the Strategic Plan of the Commission and, indeed, the successive budgets, you had without major difficulties agreed to allocate resources towards the conduct of a study to harmonize the salary scales. In view of the urgency of the matter, I selected a Consultancy Firm to assist in the formulation of a coherent remuneration policy based on strict, universally accepted and market-driven principles and/or on more credible principles. It is my pleasure to inform Council that the study has been completed and that the pertinent report will be presented to it for consideration and the necessary guidelines.

e) **Working Session with "ALICO"**

51. A delegation of ALICO arrived in Addis Ababa in August 2006 to discuss the Insurance and Pension Schemes management system. With regard to the Insurance Scheme in particular, two issues were addressed, namely: abrogation of Clause 17 of the insurance contract with the exception of cases of HIV/AIDS and insurance cover for staff members' dependants. I would like to inform Council that the Commission reached an agreement with ALICO on the issue of HIV/AIDS, and that that company has started to cancel the exclusion clauses from the HIV/AIDS risk cover and to introduce new rules ahead of the policy renewal due to take place in January 2007.

f) **Staff Rules and Regulations**

i) Staff Welfare

52. After fourteen months of closure, the Commission's cafeteria resumed activity on 23 November 2006. The Commission completely renovated the cafeteria. A new restaurant service provider was selected following a tendering procedure.

53. It is my pleasure to further inform Council that the Commission, alongside the Staff Association, participated in efforts to promote the health and welfare of staff. In this connection, substantial resources were mobilized to procure new equipment for the Commission's gymnasium.

ii) Staff Entitlements

54. Council will recall that, in Khartoum in January 2006, it approved payment of education allowance to the locally recruited staff up to a ceiling of US\$ 2,100 per child for a maximum of four children.

55. Pursuant to that decision, the Commission issued a Circular defining the modalities for management of this allowance and then made it functional in February 2006. I am glad that the concerned staff are satisfied with the humanitarian and generous gesture of Council which, by that same token, also did honour to the Commission, in as much as it contributed to improvement of the quality of human resources in the Continent. The Commission is, however, facing enormous problems with education allowance which, like several other allowances, inescapably calls for complete overhaul. If adopted, this measure will result in a review of some of the principles adopted in Maputo in 2003. I have directed the relevant departments to prepare a report to this effect. The report will be submitted to Council in its next session for consideration.

F. PEACE AND SECURITY

F.I. INTRODUCTION

56. Since the Council session in Banjul, the Commission's efforts in the field of peace and security have focused on the following : the establishment of the continental peace and security architecture; structural prevention of conflicts, through the elaboration of the border programme, and the implementation of the Policy on Post-Conflict Reconstruction and Development; monitoring situations on the ground, including efforts at peace building and consolidation in the countries emerging from conflict; counter-terrorism and the issue of small arms and light weapons.

F.II. STATUS OF ESTABLISHMENT OF THE CONTINENTAL PEACE AND SECURITY ARCHITECTURE

57. During the period under review, efforts to establish the continental peace and security architecture were pursued. Progress has been made in the operationalization of the Continental Early Warning System and the African Standby Force.

a) Continental Early Warning System

58. Last June, I briefed Council on the efforts being exerted by the Commission to operationalize the Continental Early Warning System (CEWS), as provided for in article 12 of the Protocol Relating to the Establishment of the Peace and Security Council (PSC). I indicated that the next steps in this process would involve the convening of a meeting of experts from Member States to agree on a roadmap for the operationalization of the CEWS.

59. I am pleased to inform Council that the envisaged meeting was organized in Kempton Park, South Africa, from 17 to 19 December 2006. It brought together experts from fifty (50) Member States and the Permanent Representatives based in Addis Ababa, as well as the Regional Economic Communities (RECs). In addition, the meeting included representatives from African research centers, academic institutions, and NGOs, as well as a number of international organizations, who participated as observers.

60. The meeting, which was opened by Mr. Ronnie Kasrils, Minister for Intelligence Services of the Republic of South Africa, in the presence of the Commissioner for Peace and Security of the African Union, adopted a Framework for the Operationalization of the CEWS, recommending a number of steps to be taken to put in place an effective and efficient early warning system. A separate report on the outcome of the meeting has been submitted to Council for consideration and endorsement.

b) African Standby Force (ASF)

61. As Council is aware, a number of workshops aimed at formulating policies for the ASF in the areas of doctrine, Standard Operating Procedures (SOPs), Command, Control, Communication and Information System (C3IS), training and evaluation, and logistics, were convened in the first half of 2006. These initial workshops identified equally crucial additional areas for which policies were needed, namely the medical, legal and civilian component of the ASF, as well as the legal and financial aspects. Subsequently, workshops on the medical, legal and civilian aspects of the ASF were held, while the workshop on finance has yet to be convened. The results of these workshops were reviewed at a harmonization workshop aimed at producing consolidated ASF policy documents. It should be noted that some specific aspects of each of the identified policy areas still require finalization.

62. The next step in this process would involve the convening of a meeting of African Chiefs of Defense Staff and Ministers of Defence and Security, to consider the outcomes of the workshops, before their final adoption. The outcomes of the workshops will be augmented by the production of the Vision of the ASF, a document that will consolidate all aspects of the ASF, and the Roadmap for Phase 2, which will spell out further steps to be taken in the operationalization of the ASF. The adoption of these documents will thus provide the AU with the required guidance to fully operationalize the ASF.

63. The formation of the Regional Standby Brigades is a priority in the establishment of the ASF. Four RECs/Regions (SADC, ECOWAS, EAST & ECCAS) have created the institutional structures of the ASF. However, the RECs/Regions are not yet operationally ready to deploy in regional formations. Their readiness is dependent on training, availability of required equipment, and existence of ASF logistics depots to sustain regional deployments, all of which shall be determined in due course. In the Northern Region, efforts are underway for the signing of the Memorandum of Understanding (MoU) that will be the regional legal instrument to operationalise the North Africa Standby Brigade (NASBRIG). While the ASF is being developed, consideration is also being given to the creation of a rapid deployment capability from within the already pledged units by the RECs/Regions. This would be a major step towards AU deployments in ASF regional formations. A draft training directive has been developed, and will be discussed with the Peacekeeping Training Centres of Excellence with a view to being issued to the RECs for operational readiness.

64. I am glad to report that progress has been made in the recruitment of staff for the ASF Planning Element (PLANELM) within the Peace Support Operations Division, at the AU Headquarters. Five officers were selected for the various positions in the continental PLANELM, namely Staff Officers for Operations, Logistics, Training and Evaluation, Plans

and Coordination, and Communication. Their recruitment is expected to be concluded during January 2007.

65. As Council is aware, the PSC Protocol provides for the establishment of a Military Staff Committee (MSC) to advise and assist the PSC in all questions relating to military and security requirements for the promotion and maintenance of peace and security in Africa. The functioning of the MSC has been greatly hampered by the fact that a number of PSC members do not have defence attaché in Addis Ababa. Hence, efforts continue to be made to sensitize the concerned members of the PSC on the need to have senior military officers posted in Addis Ababa to serve as members of the MSC. Currently, only 7 out of the 15 PSC members have appointed senior military representative to the MSC.

F.III. STRUCTURAL PREVENTION OF CONFLICTS AND POST-CONFLICT RECONSTRUCTION

a) Structural Prevention of Conflicts – AU Border Programme

66. During the period under consideration, the Commission undertook a number of initiatives to advance the AU border programme, which is one of the components of its 2004-2007 Plan of Action emanating from the Vision and Mission, as well as the Strategic Framework, accepted in principle by the 3rd Ordinary Session of the Assembly of the Union, held in Addis Ababa in July 2004. It should be noted that, since the attainment of independence by African countries, the borders, whose demarcation dates back to the colonial era, have unfortunately been a recurrent source of conflicts; most of these borders are ill-defined or not delimited.

67. As a result, African leaders adopted a number of decisions on the issue of borders. In addition to the solemn affirmation of the commitment of all Member States to respect the borders existing on their attainment of independence, mention should be made of the provisions of the Memorandum of Understanding on Security, Stability, Development and Cooperation in Africa (CSSDCA), adopted by the Assembly of Heads of State and Government in Durban, South Africa, in July 2002. Considering that border problems continue to constitute a threat to peace and security in Africa, the Memorandum, in conformity with Resolution AHG/Res.16(II) on the inviolability of borders inherited from colonialism, provides for the delimitation and demarcation by 2012, with the assistance, if need be, of the United Nations Cartographic Unit, of inter-African borders which have not yet been defined. The conclusions of such an operation will be deposited with the African Union and the United Nations.

68. The border programme is in line with the above-mentioned decisions. It is a question of working towards the attainment of the following objectives: delimitation and demarcation of African borders which have not yet been defined; strengthening of transborder cooperation; harmonization of policies for the integration of regional and sub-regional organizations, etc.

69. In the coming months, the Commission plans to organize a Conference of African Ministers in charge of border issues, to decide on concrete actions to be carried out. It is envisaged that this Conference will be preceded by a Meeting of Government Experts and other preparatory activities. The Commission will keep Council informed of developments in its efforts.

b) Post-conflict reconstruction and development

70. At its session in Banjul last June, the Executive Council adopted decision EX.CL/Dec.302(IX) on the AU Policy for Post-Conflict Reconstruction and Development (PCRD). In this decision, the Executive Council approved the PCRD Policy as adopted by the Meeting of Government Experts convened in Addis Ababa from 8 to 9 June 2006. Council requested the Commission, in collaboration with the Regional Economic Communities (RECs), the relevant United Nations institutions and other institutions, and African Non-Governmental Organizations (NGOs), to take all the necessary steps for the effective implementation of the Policy. Council decided to establish a multidimensional Standing Committee to provide political support and mobilize the necessary resources for the implementation of the Policy .

71. Pursuant to this decision, the Commission developed guidelines for the implementation of the Policy, covering both the political and operational aspects. This document was considered during a workshop held in Addis Ababa, on 26 September 2006, which brought together the relevant Departments of the Commission, the RECs, the relevant United Nations Agencies and other institutions.

72. Concerning the political aspects, the workshop considered issues relating to the structures and guidelines required for the implementation of the PCRD Policy. With regard to the operational aspects, the workshop focused its discussions on, inter alia, the development of operational guidelines at the regional level, the building of the capacities of countries emerging from conflicts and resource mobilization.

73. On the basis of the deliberations of the workshop, the Commission is in the process of revising the document on the operational implementation of the Banjul Decision on the PCRD Policy. This document will subsequently be submitted to the Peace and Security Council (PSC) for consideration and necessary action.

F.IV SITUATIONS ON THE GROUND

74. The period under review was marked by encouraging developments in a number of situations. It is worth mentioning, among others things, the successful completion of the transition process in the Democratic Republic of Congo (DRC), with the holding of elections which ushered in a new political order; the continuing progress in Burundi and in Liberia, within the framework of post-conflict reconstruction and consolidation of peace in these countries; and the continuing process of the return of constitutional order in Mauritania. Encouraging developments were also observed in Northern Uganda, with the signing, on 26 August 2006, of a Cessation of Hostilities Agreement between the Government of Uganda and the Lord's Resistance Army/Movement, as well as in the conflict in Eastern Sudan, with the signing, on 14 October 2006, of a Peace Agreement between the Government of Sudan and the Eastern Front. Furthermore, the recent developments in the situation in Somalia open up new opportunities, which the AU and the international community as a whole should seize.

75. The attacks perpetrated by rebel elements in the North-East of the Central African Republic (CAR) and the ensuing combats, which continued until the end of November 2006, are proof of the precariousness of the situation in that country and the need for sustained support for efforts geared towards consolidating peace. The situation remains equally precarious in The Comoros. In Côte d'Ivoire, it was not possible to organize elections within the timeframe set by Resolution 1633(2005), leading the international community to decide on a new transition period which will last until October 2007. No progress was observed in the peace process between Eritrea and Ethiopia, as well as the situation in Western Sahara. With regard to Darfur, there are continuing efforts to broaden the support base of the Peace Agreement concluded in Abuja in May 2006, and reach a consensus on the issue of peacekeeping in the region. However, relations between The Sudan and Chad continued to be beset with difficulties.

76. The following paragraphs give an overview of the developments that occurred in the different conflict situations in the Continent, as well as other related issues.

a) The Comoros

77. At its Banjul Session, I briefed Council on the then encouraging developments in the national reconciliation process in The Comoros. I reported on the conduct of the electoral process which culminated in the election of President Ahmed Abdallah Mohamed Sambi, in application of the principle of rotating presidency laid down in the new Constitution of the Union of The Comoros. At the same time, I highlighted the challenges that the Comorian parties would need to overcome in order to consolidate the reconciliation process.

78. The election of the new President of the Union of The Comoros in May 2006 had given rise to hope for a significant improvement in the relations between the executive of the Union and the executive branches of the Autonomous Islands, through the establishment of permanent dialogue between the Comorian entities. The appointment of a coordinator for government action in Anjouan and the enactment on 7 September 2006 of organic laws on the constitutional powers to be shared, followed by the signing of the relevant implementation decrees and the establishment of the Inter-Comorian Committee charged with considering their implementation modalities, reinforced this hope.

79. However, these measures did not end the deadlock that had resulted from the disagreement between the Executive of the Union and the Executives of the Autonomous Islands on the issue of division of constitutional powers that should devolve on each of the Comorian entities. This disagreement is essentially over security issues, particularly the arming, strength and missions of the internal security forces, as well as the status of public enterprises, the judicial organization and the status of the magistracy (the divergence here is related to the prerogatives of the Head of State with regard to the appointment of magistrates and division into judicial districts).

80. Regarding security issues, the Presidents of the Autonomous Islands of Grande Comore and Mohéli have called for the rapid transfer of the gendarmerie and police forces, their structures and equipment. If implemented, the requested transfer would lead to these two Islands being supplied with arms that exceed the framework of missions of maintaining law and order and conducting criminal investigations constitutionally devolving on internal security forces.

81. However, it is in Anjouan, where the military, administrative and institutional authority of the Union has yet to be established, that the situation is of particular concern. It should be pointed out that the Comorian national army has yet to be deployed on the Island. The many incidents that have occurred recently highlight the prevailing tension. Protests were held on 24 December 2006 against the Anjouan authorities, and the President of the Union accused the President of the Autonomous Island of Anjouan of continuing to sustain the separatist movement, mainly by arming militia in the Nioumakélé region, north of the Island. For their part, the Anjouan authorities accused the central Government of seeking to overthrow them.

82. On 31 December 2006, the President of the Autonomous Island of Anjouan seized small arms and light weapons meant to equip the detachment of the Comorian national army to be deployed in the Island; the President of the Union demanded the immediate return of these arms. The Anjouan Authorities demand that they be informed in advance of any deployment to Anjouan of military officers of the Union. Furthermore, difficulties arose in the implementation of the appointment of State officials to the port and airport, as well as to head the Island representations of the public enterprises.

83. The lack of progress in the integration of Anjouan Island into the New Comorian Ensemble Comorian as well as the breakdown, on 5 December 2006, in Inter-Comorian talks on the sharing of constitutional powers, could lead to the radicalisation of positions and the emergence of separatist demands in the other Autonomous Islands. This has been the case in Grande Comore, which demands the rapid transfer of constitutional powers which are to be shared.

84. These difficulties come against the background of preparations for the election of the Presidents of the Autonomous Islands scheduled for March-April 2007. In the absence of international assistance and a resolution of the problem of shared powers, the demands of the Autonomous Islands could undermine the institutions established by the Agreements that put an end to the dual separatist and institutional crises that the Archipelago experienced for many years.

85. In this context, the President of the Union of The Comoros addressed a letter to me on 18 December 2006, in which he requested the assistance of the AU to reestablish republican legality and enforce the Fomboni Framework Agreement in the Autonomous Island of Anjouan. In another letter dated 19 December 2006, the President of the Union of The Comoros requested that I express unequivocal disapproval for the initiative of the Presidents of the Autonomous Islands to establish different armed forces under independent commands, which would inevitably undermine the security and stability of the country. On 23 December, he wrote to me, once again, to request that an international force be dispatched to Anjouan to assist the Comorian Government in deploying the national army and recover arms not normally needed for the maintenance of law and order. Similar correspondence was addressed by the President of the Union to the bilateral and multilateral partners of The Comoros.

86. For my part, as part of the sustained efforts of the AU to consolidate the national reconciliation process in The Comoros, I sent my Special Envoy, Francisco Madeira, to the Archipelago, from 13 to 19 October 2006, to assess the situation. During his stay, Mr. Madeira held talks with the authorities of the Union and the Autonomous Islands, as well as with the representatives of the international community and the civil society, on the options

to be explored and resources to be mobilized to resolve the differences on the conflict of powers.

87. At the time of finalizing this report, arrangements were underway for the establishment and deployment, before the end of this month and under the supervision of my Special Envoy for The Comoros, of a multidisciplinary team of experts to assist the Comorian parties to overcome their differences on power sharing, in strict compliance with the Constitution of the Union of The Comoros. The Commission approached the Francophonie, the League of Arab States and the United Nations to enlist their participation in the deliberations of the team of experts. A ministerial meeting of the countries of the region and the Troïka on the Comoros is also planned, as well as a meeting of the PSC, to take stock of the situation and decide on measures that could be taken to overcome the current difficulties.

b) Somalia

88. The period under review has witnessed dramatic developments, especially since December 2006, with the outbreak of fighting between the Union of Islamic Courts (UIC) and the Transitional Federal Government (TFG). At the time of writing, the TFG, with the support of Ethiopia, had taken control of the areas previously occupied by the UIC.

89. Council would recall that, since the formation of the Transitional Federal Institutions (TFIs), there have been a number of initiatives launched by the AU, IGAD and the League of Arab States, as well as other stakeholders, to further reconciliation in the country and bring about the much needed peaceful political settlement. Notwithstanding these efforts, militia elements loyal to the network of UIC took control of large parts of southern and central Somalia, beginning from June 2006, following the defeat of the warlords who had earlier exercised control of those areas, in particular in Mogadishu. Indeed, the establishment of the UIC constituted a major shift in the balance of power across the country, and raised serious concerns in the region due to its mixture of politics and extremist religious ideology.

90. Given the continuous instability in Somalia, and with a view to moving the peace and reconciliation process forward, an initiative was taken by the League of Arab States to sponsor an inter-Somali dialogue. The first Arab League sponsored peace talks, held in Khartoum in June 2006, reached agreement that the two sides recognize each other, refrain from hostilities and resume discussions on 15 July 2006. The League of Arab States-initiated talks enjoyed wide international support and, in September, produced a joint declaration in which both sides agreed to form a unified force at some unspecified future date. The third round of talks took place from 30 October to 3 November 2006. The UIC, while expressing a willingness to rejoin the dialogue, set conditionalities, namely the withdrawal of Ethiopian troops from Somalia and that Kenya should not co-chair the sessions as per the International Contact Group's decision in October. The talks were aborted and the AU, along with the international partners, undertook to carry out further consultations to prepare for the resumption of the discussions.

91. It should be recalled that, soon after the UIC established itself as a political force in Somalia, President Abdullahi Yusuf Ahmed claimed that the Union was linked to international terrorists and was receiving material support from foreign forces. Subsequently, the UIC declaration, in October 2006, of "Jihad" against Ethiopia, together

with its aggressive attempts to extend its authority throughout Somalia, including by attacking the areas controlled by the TFG, renewed fears in the international community that a confrontation was increasingly likely, with far-reaching regional implications.

92. It is against this background that Ethiopian forces intervened in Somalia during the last week of December 2006, in support of the TFG; the Ethiopian Government also indicated that this intervention was an act of self-defense against the UIC. While the fighting between the UIC, on the one hand, and the TFG, with Ethiopian support, on the other, was continuing, I issued a communiqué on 22 December 2006, in which I expressed grave concern at the deteriorating situation in Somalia and deplored the escalation of the fighting. I also expressed my concern at the humanitarian consequences of this upsurge in violence and urged the UIC and the TFG to put an immediate end to the fighting. I urged the UIC and the TFG to fulfill the commitments made during their discussions in Khartoum, and to work in earnest towards creating propitious conditions for the speedy resumption of dialogue, under the facilitation of the League of Arab States and IGAD, and within the framework of the Transitional Federal Charter, which remains the only viable framework for achieving lasting peace and reconciliation in Somalia.

93. Subsequently, on 27 December 2006, I convened a consultative meeting on the situation in Somalia at the AU Headquarters in Addis Ababa, with the participation of the Executive Secretary of IGAD and the Deputy Secretary-General of the League of Arab States. Having reviewed the situation in Somalia and deliberated on the urgent steps needed to further the peace process, the meeting, inter alia, appealed to all parties concerned to put an end to the fighting. The meeting further appealed to the TFG and the UIC to resume, as a matter of urgency, their political dialogue in Khartoum, under the co-chairmanship of the League of Arab States and IGAD.

94. The TFG has now gained control over the country, and the remnants of the UIC are trapped along the Kenya-Somalia border. Given the precariousness of the situation, however, the TFG has requested the Ethiopian Government to keep its troops in Somalia until the full stabilization of the country and subsequent deployment of AU troops.

95. As Council would recall, at its 62nd meeting, held on 13 September 2006, the PSC approved the deployment plan of IGASOM, as reviewed by the AU Military Staff Committee. Accordingly, IGASOM was mandated to undertake tasks aimed at providing security support and institutional capacity building for the TFIs and creating conducive conditions for dialogue and reconciliation in Somalia. Council further requested the Commission, working closely with IGAD, to take all necessary steps, including through consultations with the European Union and other partners, in order to mobilize the required funding and logistical support for the deployment of IGASOM in Somalia as soon as possible. Subsequently, the UN Security Council adopted resolution 1725 (2006), which, inter alia, authorized IGAD and Member States of the African Union to establish a protection and training mission in Somalia, to be reviewed by the Security Council after an initial period of six months.

96. On 5 January 2007, the International Contact Group on Somalia met in Nairobi to review the situation in that country. In the communiqué issued at the end of its deliberations, the Contact Group stressed that there was an historic opportunity for the Somali people to reach sustainable political solutions for Somalia based on the framework of the Transitional Federal Charter. The Contact Group confirmed its readiness to provide immediate support for the stabilization of Somalia, the effective functioning of the TFIs, and

to provide humanitarian and development assistance. The Contact Group welcomed the commitment of President Adbullahi Yusuf to inclusive governance and his determination to prevent the resurgence of warlordism. The Contact Group emphasised the urgent need for funding to facilitate the deployment of a stabilization force in Somalia based on resolution 1725 (2006), and noted the important role of the UN in facilitating longer term reconstruction and stabilization in Somalia.

97. On its part, the PSC met on 8 January 2007 in a briefing session. On that occasion, the PSC noted that the recent developments in Somalia represented a new and historic opportunity that should be seized upon by the Somali parties and the international community alike, with a view to fostering peace and reconciliation in Somalia. The PSC stressed the need for an all-inclusive political process, as provided for in the Transitional Federal Charter of Somalia, in order to consolidate stability, peace and reconciliation in the country. The PSC recalled its earlier decisions on the deployment of a peace support mission in Somalia. In this regard, the PSC underlined the urgency of the deployment of such a mission in order to build on the current momentum to stabilize the situation and the need for continued support by the United Nations and its Security Council, as well as by the other AU partners. At the time of finalizing this report, the Commission was involved in consultations with all concerned to see how best to expedite the deployment of a peace support mission to assist the TFG in its efforts to stabilize the situation and enhance the prospects for lasting peace and reconciliation in Somalia.

c) Eritrea - Ethiopia

98. During the period under review, no progress has been made in the peace process between Eritrea and Ethiopia. The demarcation process remains paralyzed, while, as confirmed by the United Nations, the security situation in and around the Temporary Security Zone (TSZ) has further deteriorated .

99. The Eritrea-Ethiopia Boundary Commission (EEBC) invited the parties to two meetings, first on 15 June, and then on 24 August 2006, to consider some procedural changes that the EEBC had proposed and to check the progress made by the Parties in taking the necessary steps to enable it resume its activities. However, both meetings were eventually cancelled.

100. On 29 September 2006, the Security Council adopted resolution 1710(2006). In that resolution, the Security Council, inter alia, regretted the lack of progress on demarcation, and called upon both Parties to cooperate fully with the EEBC, including attending its meetings. The Security Council also reiterated its demands expressed in resolution 1640(2005), namely (i) that Eritrea reverse, without further delay or preconditions, all restrictions on UNMEE's movement and operations and provide UNMEE with the access, assistance, support and protection required for the performance of its duties; and (ii) that Ethiopia accept fully and without delay the final and binding decision of the EEBC and take immediate concrete steps to enable, without preconditions, the Commission to demarcate the border completely and promptly.

101. In early November 2006, the EEBC wrote to the Parties, informing them that "because of the serious and continuing impediments by which the Commission has been confronted in seeking to fulfill the mandate, entrusted to it by the terms of the Algiers Agreement of 12 December 2000, to demarcate the boundary in accordance with its

Delimitation Decision of 13 April 2002, as well as the absence of any indication by the Parties of a likely change in their attitudes, the Commission has decided that it will complete the process of demarcation by the use of coordinates to establish fixed points on the boundary to be connected to each other by appropriate straight lines and river lines”, adding that “the Parties may, if they wish, jointly erect boundary pillars on the fixed points”. The EEBC invited the Parties to a meeting to be held in the Hague on 20 November 2006. The EEBC also extended invitations to the Witnesses to the Algiers Agreements, including the AU, to send representatives.

102. In response to the letter addressed to it, Ethiopia wrote to the EEBC strongly protesting against the course of action being envisaged, describing it as legally invalid. Eritrea, too, protested, rejecting the Commission’s notion of derogating the physical demarcation to the Parties. As a result, neither Party attended the meeting convened by the EEBC on 20 November 2006, in the Hague.

103. On 27 November, the EEBC issued a statement in which it made an appraisal of its mandate and activities since its creation. In view of the difficulties encountered and having surveyed the alternatives available to it, the EEBC indicated that it felt “obliged to adopt another approach to effect the demarcation of the boundary”. The EEBC stressed that “modern techniques of image processing and terrain modeling make it possible, in conjunction with the use of high resolution aerial photography, to demarcate the course of the boundary by identifying the location of turning points (called “boundary points”) by both grid and geographical coordinates with a degree of accuracy that does not differ significantly from pillar site assessment and emplacement undertaken in the field”. By these means, the Commission indicated that it had “identified the location of points for the emplacement of pillars as a physical manifestation of the boundary on the ground”, the list of which was communicated to the Parties, together with explanatory comments and maps. The EEBC proposed that the “Parties should, over the next twelve months, terminating at the end of November 2007, consider their positions and seek to reach agreement on the emplacement of pillars. If, by the end of that period, the Parties have not by themselves reached the necessary agreement and proceeded significantly to implement it, or have not requested or enabled the Commission to resume its activity, the Commission hereby determines that the boundary will automatically stand as demarcated by the boundary points.”

104. In the meantime, and following reports by UNMEE indicating that Eritrea had sent heavily armed troops into Sector West of the TSZ, together with some militia, who occupied an UNMEE post for a short while, the Security Council issued, on 17 October 2006, a press statement in which, among others, it called on Eritrea to immediately withdraw its troops and once again reaffirmed the integrity of the TSZ. Eritrean Government officials explained their act as geared towards assisting agricultural activities in the area. Although some of the troops and militia were seen to withdraw from the TSZ, UNMEE estimates that there still remain about 2,000 Eritrean troops in the Zone.

105. The difficulties facing the peace process have also impacted negatively on the functioning of the Military Coordination Commission (MCC). The 38th meeting of the MCC, which was due to be held in mid-September 2006, could not take place, as a result of the conflicting schedules of the Parties. An attempt to organize the meeting in November did not materialize, as Ethiopia requested a postponement, on the grounds of the Eritrean invasion of the TSZ. On 8 November 2006, Eritrea informed UNMEE that it had suspended

its participation in the MCC, until Ethiopia provides clarification on its request for postponement, which, in its view, amounted to a withdrawal from the Agreement on Cessation of Hostilities of 18 June 2006.

106. In its resolution 1710 (2006) referred to above, the Security Council decided to extend the mandate of UNMEE for a period of four months, until 31st January 2007. The Security Council also expressed its intention, in the event it determines that the Parties have not demonstrated progress towards demarcation by 31st January 2007, to transform or reconfigure UNMEE, and requested the Secretary-General to present updated options for possible changes to UNMEE's mandate. In this respect, it is worth noting that, in his special report on Ethiopia and Eritrea, dated 15 December 2006, the Secretary-General has proposed four options: the first option would consist of a reduction in the UNMEE military strength from the current 2,300 to 1,700 military personnel – this option would allow the present observation capability to be maintained while reducing the overall strength; under the second option, UNMEE would maintain a military strength of 1,700 personnel, but the entire UNMEE force headquarters and units integral to it would be relocated from Asmara to the Ethiopian side, leaving only a small liaison office in Asmara; the third option would be to transform UNMEE into an observer mission supported by a smaller military protection force – the strength of the force would be reduced from the current 2,300 to 800 personnel; finally, under the fourth option, UNMEE would be converted into a small liaison mission maintaining offices in Addis Ababa and Asmara. At the time of finalizing this report, the Security Council was yet to make a decision on the various options proposed to it.

107. In conclusion, I would like once again, to stress the need for sustained political efforts to assist the two countries overcome the current difficulties in the demarcation process and normalize their relations. The African Union, which played a critical role in the process that led to the conclusion of the Algiers Agreements, remains prepared, working with its partners, to assist the Parties to achieve this objective.

d) Sudan

(i) Darfur

108. During the period under review, efforts to promote lasting peace and reconciliation in Darfur have continued, amidst a volatile security situation on the ground. These efforts focused mainly on the implementation and broadening of the support base of the Darfur Peace Agreement (DPA) of 5 May 2006, and the enhancement of the peace support operation in Darfur.

109. As part of efforts towards the implementation of the DPA, a DPA Implementation Team within the African Union Mission in the Sudan – AMIS (AMIS-DPAIT) - and various coordination mechanisms provided for in the Agreement have been established. The Preparatory Committee (PrepCom) for the Darfur-Darfur Dialogue and Consultation (DDDC) was formally inaugurated in Khartoum, in November 2006. The preliminary work of the Committee, which had already begun in the framework of the Joint Working Commission on the DDDC, is being intensified. The PrepCom is scheduled to meet in January 2007. Consultations are continuing with regard to the designation of the Chairperson of the DDDC.

110. Regarding the implementation of the power sharing provisions of the DPA, the Government of Sudan (GoS) has allocated certain posts to the Sudan Liberation Movement /Army (SLM/A – Minni) and agreed to reserve some posts for the signatories of the Declaration of Commitment (DoC) and for those who would join the DPA in the future. On wealth sharing, the GoS has issued presidential decrees to establish various commissions and bodies as stipulated in the DPA. The implementation process of the DPA provisions relating to the Comprehensive Ceasefire and Final Security Arrangements has been made difficult by a number of factors linked, among others, to the parties' respect of their commitments and the logistical and financial constraints facing AMIS. Finally, consultations on the establishment of the Darfur-Assessment and Evaluation Commission (D-AEC), which is an oversight mechanism charged with ensuring the full and timely implementation of the DPA, have been completed.

111. Efforts to broaden the support base of the DPA have continued since last June. However, no significant progress has been made so far in this respect, owing to a number of factors, including the volatile security situation on the ground, the divisions within the rebel movements and the lack of coordination among the various initiatives undertaken to move the process forward. It is against this background that the GoS and the SLM/A group of Abulgasim Imam signed a Political Agreement in Tripoli, on 18 November 2006. On 28 December 2006, the SLM/A group of Abulgasim signed the DoC.

112. In the meantime, the Commissioner for Peace and Security, on 9 October 2006, at the African Union Headquarters, met with Mr. Ahmed Tugod Lissan, Chief Negotiator of the Justice and Equality Movement (JEM), to discuss issues relating to the broadening of the DPA. The Commissioner also made contact with Mr. Abdulwahid El Nour, Chairman of the SLM/A (Abdulwahid), and with Dr. Khalil Ibrahim, the President of JEM, and invited them to come to Addis Ababa for consultations on the peace process.

113. The need to re-energize the political process was discussed by the high level consultation on the situation in Darfur held in Addis Ababa, on 16 November 2006, under the co-chairmanship of the then UN Secretary-General, Kofi Annan, and myself. Representatives of the five permanent members of the Security Council, the Sudan, Congo, Egypt, Gabon, Libya, Nigeria, Rwanda, Senegal, South Africa, the European Union and the League of Arab States attended the meeting. Among others, the high level consultation stressed the need for the various initiatives aimed at addressing the concerns regarding the DPA and its implementation to be brought under one umbrella, as well as the need for the parties, including the non-signatories in particular, to engage in the process with the necessary commitment and a willingness to compromise. It was agreed that the next step would be for the UN and the AU to call a meeting that would bring together the non-signatories, the SLM/A-M, and the GoS, so as to resolve outstanding issues.

114. From 27 November to 2 December 2006, my Special Envoy for Darfur, Dr. Salim Ahmed Salim, visited the Sudan, to consult with senior Government officials and other key stakeholders, with a view to bringing the holdout groups on board the peace process. Subsequently, the AMIS-DPAIT, together with the United Nations Mission in the Sudan (UNMIS), reviewed the current initiatives to bring the non-signatories on board the DPA, with a view to finding ways of harmonizing them, removing overlap and providing synergy between them. Initial contact has already been made with some of the groups concerned, and plans are underway to follow up on these first exploratory discussions.

115. In early January, in New York, the new UN Secretary-General, Ban Ki-moon, held a meeting with Dr. Salim Ahmed Salim and Ambassador Jan Eliasson, who has been appointed UN Special Envoy for Darfur, in the presence of senior UN officials, to discuss the situation in Darfur. The meeting identified steps to further peace and reconciliation in Darfur. Since then, Ambassador Eliasson has visited Addis Ababa, where he had consultations with the Chairperson of the Commission and the Commissioner for Peace and Security, as well as the Sudan, where he met with senior officials and other stakeholders.

116. As indicated above, the efforts to address concerns relating to the DPA and its implementation are being undertaken against the backdrop of a volatile situation on the ground. The period under review was characterized by continued fighting between the Government forces and the non-signatories, tensions among and within the rebel belligerent factions, tribal conflicts, and persistent instability along the Chad-Sudan border. It should also be noted that attacks against civilians, humanitarian workers and AMIS have continued unabated. As a result, civilian populations continued to flee their villages and the human rights and humanitarian situation remain a matter of great concern. While humanitarian operations are negatively affected by the prevailing security situation, the humanitarian organizations and agencies have nevertheless been able to implement the bulk of their programs. However, additional funding will be required in the coming months to maintain the current levels of assistance.

117. Following the signing of the DPA, the Ceasefire Commission (CFC) was inaugurated on 13 June 2006 in El Fasher, while the first session of the Joint Commission (JC) was convened in Addis Ababa on 23 June 2006. The JC has so far held four meetings, during which it addressed itself to the problems impeding the smooth functioning of the CFC and to issues relating to the prevailing security situation in Darfur. At its last meeting, held on 15 December, the JC noted the fast deteriorating situation in Darfur. Among the factors that led to this situation, the JC highlighted the re-emergence of the Janjaweed and their attacks on innocent civilians, as well as the resolve of the parties to the conflict to pursue a military solution. The JC condemned these violations in the strongest terms and called for a complete and comprehensive cessation of hostilities by all the parties. The JC decided that, where violations had clearly been proven to have taken place, punitive measures should be taken against the perpetrators by the appropriate bodies, including the PSC and the UN Security Council. It should be noted that the GoS did not attend the meeting following the rejection of the motion for postponement it tabled on the ground that more time was needed to prepare well in order to address the items it had proposed for inclusion in the agenda.

118. Council would recall that, at its meeting held in Banjul on 27 June 2006, the PSC, having taken note of the outcome of the UN/AU joint technical assessment mission that visited the Sudan and Chad in June 2006 and the position of the GoS rejecting the proposed transition from AMIS to a UN peacekeeping operation, reaffirmed its earlier decisions on ending AMIS mandate by 30 September 2006 and on the transition from AMIS to a UN peacekeeping operation. At the same time, the PSC expressed its readiness to review the mandate of AMIS in the event that the then ongoing consultations between the GoS and the United Nations conclude on an agreement for a transition to a UN peacekeeping operation.

119. On 31 August 2006, the UN Security Council adopted resolution 1706 (2006) in which it decided, inter alia, that UNMIS' mandate shall be expanded, that it shall deploy to Darfur, and therefore invited the consent of the Government of National Unity (GoNU) for

this deployment. The Security Council decided that UNMIS shall be strengthened by up to 17,300 military personnel and by an appropriate civilian component, including up to 3,300 civilian police personnel and up to 16 formed police units. The Security Council requested the Secretary-General to take the necessary steps to strengthen AMIS, and authorized him, during the transition, to implement the longer-term support to AMIS outlined in his report of 28 July 2006. Subsequently, the Sudanese officials publicly announced their country's categorical rejection of resolution 1706 (2006).

120. At its meeting of 20 September 2006, in New York, the PSC noted that the efforts aimed at reaching an agreement on the envisaged transition from AMIS to a UN peacekeeping operation did not conclude successfully and decided that consultations involving the GoS, the UN and the AU should be undertaken to discuss issues relating to the deployment of a UN peacekeeping operation in Darfur, with a view to addressing the concerns raised by the GoS on the impact of this deployment on the sovereignty and unity of the country, as well as ensuring that the envisaged UN operation is effected in a way consistent with the relevant PSC decisions. In the meantime, the PSC decided to extend the mandate of AMIS until 31 December 2006.

121. As a follow-up to the PSC decision of 20 September 2006, a tripartite consultative meeting, involving the AU, the UN, and the GoS, took place on 13 November 2006, in Addis Ababa, followed by the high-level consultation on the situation in Darfur referred to above. At the consultation, the UN Secretariat presented a proposal on a phased approach to a strengthened peacekeeping presence in Darfur. The first step in this sequence would involve the full and expeditious implementation of the short-term United Nations support package (light support package) provided for the resolution 1706 2006). This would be followed by an enhanced support package (heavy support package). The third step would be a hybrid AU/UN operation. To this end, the UN proposed that a jointly appointed AU/UN Special Representative lead the operation. Additionally, the appointment of the Force Commander and Deputy Force Commander, as well as other key decision-making positions, would be coordinated between the AU and the UN. A hybrid operation would also benefit from substantial UN involvement in its command and control structure. Under the proposal, the Secretary-General would be prepared to recommend to the General Assembly that the UN provide full financing to the Mission at any step of the sequence. The high level consultation agreed to the proposal; however, the Sudanese delegation requested more time to consult their Government on some aspects of the hybrid operation, namely the appointment of the Special Representative and Force Commander and the strength of the force to be deployed.

122. At its meeting held in Abuja on 30 November 2006, the PSC decided to endorse the conclusions of the high level consultation. It further decided that the Special Representative shall be jointly appointed by the Chairperson of the Commission and the UN Secretary-General, after appropriate consultations as per the practice; the Force Commander, who should be an African, shall be appointed by the Chairperson of the Commission in consultation with the UN Secretary-General; the Mission shall benefit from UN backstopping and command and control structures and systems; and that the size of the force shall be determined by the AU and the UN, taking into account all relevant factors and the situation on the ground, as well as the requirements for it to effectively discharge its mandate. The PSC also decided to extend the mandate of AMIS for a period of 6 months, from 1 January 2007, subject to review and based on the availability of financial resources. The PSC appealed to the UN to consider logistical and financial support to the Mission, as envisaged

in the conclusions of the high level consultation. Subsequently, both the conclusions and the PSC communiqué were endorsed by the Security Council, which called for their implementation by all parties without delay.

123. On 18 December 2006, the UN Secretary-General addressed a letter to President Omar Hassan Al-Bashir, describing the crucial actions, which must be undertaken for the effective implementation of the Addis Ababa conclusions. In his reply to the letter of the UN Secretary-General, dated 23 December 2006, President Al-Bashir stressed that the conclusions of the high level consultation and the PSC communiqué constituted a viable framework for a peaceful settlement of the conflict in Darfur. In this regard, the President agreed that the implementation of phases 1 and 2 of the UN support package should start as scheduled, through the tripartite AU/UN/GoS mechanism established to facilitate the implementation of the UN support for AMIS, and that his Government would render all required assistance in that respect. With regard to the hybrid operation, the President indicated that it should be determined in accordance with the relevant provisions of the PSC communiqué of 30 November 2006. More generally, he stressed that “all stakeholders (were) now in full agreement on the phased-approach support package by the UN to AMIS, (and) that the next step should be the adoption of a UN Security Council resolution endorsing the Addis Ababa conclusions and the PSC communiqué and authorizing immediate financial support.” On the political process, he emphasized the need to expedite the convening of the UN/AU sponsored peace talks.

124. I am pleased to report to Council that discussions between the UN and the AU on the heavy support package are expected to be finalized shortly, after which a joint letter transmitting the details of the support would be sent to the GoS, so that the implementation can begin in full transparency. The heavy support package includes, among others, substantial air assets, significant military and police advisory capacity, civilian support for the implementation of the DPA, and a range of UN capabilities. Joint AU/UN consultations on phase III (hybrid operation) are scheduled towards the end of January 2007.

125. In the meantime, and following the positive response of President Al-Bashir to the letter the UN Secretary-General and myself, addressed to him last September, the implementation of phase I (light support package) is proceeding smoothly. A number of UN civilian police and military personnel have already been deployed in the mission area; in addition, UNMIS has started moving equipment to El Fashir in support of AMIS.

126. I would like to inform Council that, as of 1st January 2007, AMIS strength stood at 7,442 personnel, comprising 5,222 Protection Force elements, 799 Military Observers and Staff Officers, 1,408 Civilian Police personnel and 13 Ceasefire Commission members, drawn from 28 Member States. In this regard, it should be recalled that, at its New York meeting, the PSC requested the Commission, with the support of Member States, the UN and Partners, to take all necessary measures to enhance AMIS on the basis of the new Concept of Operations (CONOPs) for the implementation of the DPA, which, among others, provides for the induction of additional 6 infantry battalions, military observers, staff officers and civilian police workers. However, the implementation of the decision is hampered by the serious financial and logistical constraints that continue to face AMIS.

127. In conclusion, and in spite of the many challenges facing the AU and the larger international community in their efforts to bring the conflict in Darfur to a definite end, there exists today some prospects of decisively moving the peace process forward. As indicated

above, efforts to make the DPA more inclusive and facilitate its implementation are being intensified. It goes without saying that for them to succeed, it is vital that the Sudanese parties create conducive security environment on the ground. I therefore urge all the parties, including the GoS, to refrain from any hostility and commit themselves to an effective ceasefire on the ground. Furthermore, progress is being made regarding the implementation of the phased approach to a strengthened peacekeeping presence in Darfur, as agreed in the conclusions of the Addis Ababa consultation and the communiqué of the PSC meeting in Abuja. In this respect, I am encouraged by the positive response of President Al Bashir, which paved the way for the implementation of the UN support package in a spirit of cooperation and transparency. Against this background, it is crucial that the issue of funding by the UN through assessed contributions be pursued expeditiously in conformity with the letter and spirit of the phased approach as endorsed by the Addis Ababa consultation and the PSC at its Abuja meeting.

ii) Implementation of the Comprehensive Peace Agreement

128. The period under review witnessed the celebration of the second anniversary of the Comprehensive Peace Agreement (CPA), which was signed in Nairobi on 9 January 2005. The celebration, which took place in Juba, South Sudan, was led by President Omar Hassan Al Bashir and First Vice President Salva Kiir. On that occasion, the Sudanese leadership reaffirmed its commitment to peace in the whole of the Sudan. It also seized the opportunity to launch the new Sudanese currency called the “Pound”; this new currency, agreed to in the CPA, replaced the old Sudanese Dinar as from 9 January 2007.

129. Since last June, a number of steps have been taken as part of the implementation of the CPA. The National Constitutional Review Commission (NCRC), which is charged with reviewing national legislation, has helped to further the legislative process on several CPA Commissions. In November 2006, the NCRC finalized a number of important bills, including those relating to the Civil Service Commission and the political parties, which are now being discussed by the National Assembly. The Human Rights Commission bill has not yet reached the National Assembly, as it is under consideration by the Council of Ministers, which has proposed amendments to it. On its part, on 21 December, the National Assembly passed the 2007 national budget for the Sudan, while the South Sudan Legislative Assembly (SSLA) went into recess after passing four bills. It should, however, be pointed out that the SSLA faces an enormous backlog because of its lack of the necessary legal expertise to review existing draft legislation.

130. The Ceasefire Political Commission (CPC), which is responsible for monitoring the national ceasefire, and the Assessment and Evaluation Commission (AEC), responsible for monitoring the implementation of the CPA and conducting a mid-term evaluation of the unity arrangements established under it, continue to meet and work closely with the Sudanese authorities. On 21 November 2006, the Commissioner for Peace and Security met in Addis Ababa with the Chairperson of the AEC, Ambassador Tom Vraalsen, to exchange views on the implementation of the CPA and on how the AU could best continue to assist the process through the AEC and in other ways towards the achievement of the ultimate goal of the CPA.

131. However, as at the writing of this report, other important Commissions provided for by the CPA were still to be formed both at the national and the Southern Sudan level. Those to be formed at the national level include the Electoral Commission, the Commission for the

Protection of the Rights of Non-Muslims in the national Capital, and the Council for the Development and Promotion of the National Languages. At the level of Southern Sudan, Commissions that have yet to be formally established include the Land Commission, the Civil Service Commission, the Anti Corruption Commission, the Human Rights Commission, the Relief and Rehabilitation Commission and the Disarmament, Demobilization and Reintegration Commission.

132. The security arrangements agreed to by the Sudanese parties within the CPA stipulate that the 'two forces shall be disengaged, separated, encamped and redeployed as will be detailed in the Comprehensive Ceasefire Agreement'. The agreement further stipulates that, except for those deployed in the Joint/Integrated Units (JIUs), the rest of the forces of the Sudan Armed Forces (SAF) currently deployed in the South shall be redeployed North of the South/North border of 1/1/1956 under international monitoring and assistance within and up to two and a half years (2 1/2) from the beginning of the Pre-Interim Period, while the rest of SPLA forces currently deployed in Nuba Mountains and Southern Blue Nile shall be redeployed South of the South/North border of 1/1/1956 as soon as the JIUs are formed and deployed under international monitoring and assistance. As of December 2006, the SAF had reported 67.2% force redeployment, while the SPLA had reported 100% redeployment to the South.

133. On 18 November, President Omar Al Bashir visited Juba, where he met with First Vice President Salva Kiir, the Government of Southern Sudan (GoSS) Council of Ministers, as well as a high level committee on security issues. On that occasion, President Al Bashir called for better cooperation between the NCP and the SPLA on security matters, particularly regarding the problems of the Other Armed Groups (OAG). The President also addressed the Southern Sudan Legislative Assembly, stressing the need for Southern Sudan to attract foreign investment. After the visit, both President Bashir and First Vice President Salva Kiir expressed confidence that outstanding issues on the CPA implementation would be resolved by the end of 2006.

134. However, in an unfortunate turn of events, clashes between the SPLA and SAF forces occurred in Malakal on 28 and 29 November 2006, marking the first major violation of the ceasefire agreement; about 150 people, including civilians, were reported killed in the clashes. On 29 November, the Ceasefire Joint Monitoring Commission (CJMC), which reports to the CPC, met in an emergency session, and agreed on an immediate ceasefire, withdrawal of forces and a joint investigation on the matter. The situation is now reported to be under control.

135. One of the major issues still pending within the CPA implementation process relates to the resolution of the Abyei impasse. Contrary to what was agreed to within the CPA, the Abyei State continues to function without a proper Administrative Body. This is primarily because the Abyei Boundaries Commission (ABC) report, which was to facilitate the establishment of Abyei administrative body, has not yet been implemented ever since it was presented to the Sudanese Presidency in July 2005. The two major Parties to the CPA had agreed, at their meeting held in Khartoum from 27 to 30 May 2006, on ways of resolving this matter, including the setting up of a Joint Political Committee that is to come up with recommendations on how best to resolve this impasse.

136. From 8 to 13 August 2006 in Khartoum, the National Congress Party (NCP) and the Sudan People's Liberation Movement (SPLM) political leaders convened an NCP/SPLM

Joint Political Committee meeting. During that meeting, they agreed to establish three sub-committees dealing with security, economic and political issues, respectively. These new bodies have been designed to align the NCP and SPLM policies on major national issues, and to co-ordinate public statements. The Joint Political Committee was due to meet in September, but the meeting was postponed.

137. Two years after the signing of the CPA, significant progress has been made in its implementation. However, a number of challenges still lie ahead, hence the need for continued commitment from the parties in implementing their obligations as stipulated by the CPA.

e) Situation in Chad and Relations between Chad and The Sudan

138. After several months of relative calm, Chad became embroiled in armed conflict, notably in the East and South-East of the country where the rebellion resumed its activities. In October 2006, the Union of Forces for Democracy and Development (UFDD), a coalition of three rebel movements led by Mahamat Nouri, former General in the Chadian Armed Forces (ANT), launched attacks in several localities. Another rebel movement, the Rally of Democratic Forces (RaFD), also launched an attack in the Biltine region. Chad accused The Sudan of involvement in these attacks, an accusation which the latter denied.

139. The armed clashes between the ANT and the rebels caused a significant loss of human lives and massive population displacement, thus exacerbating the humanitarian situation along the border with The Sudan. The rebel activities were a source of concern, more so as they resulted in the temporary occupation of several localities such as Goz Beida, Am-Timan, Biltine and Abéché, as well as extensive looting in some areas.

140. Faced with this situation, the Government of Chad decided, on 14 November 2006, to declare a state of emergency in several regions of the country, including N'Djamena. For my part, in a Press Release dated 25 November 2006, I strongly condemned these attacks which I saw as a flagrant violation of the principles enshrined in the Constitutive Act of the African Union, including respect for the territorial integrity and unity of its Member States, and an unacceptable attempt to seize power by unconstitutional means. I called upon all Member States to demonstrate, as a matter of urgency, active solidarity towards Chad, in keeping with AU principles. I urged the armed groups to put an immediate end to their attacks and called upon all the concerned parties to adopt the path of dialogue, as the only way to find lasting solution to their problems.

141. In this context, I note, with satisfaction, the peace agreement signed in Tripoli in December 2006 under the auspices of the Libyan Jamahiriya, between the Chadian Government and the United Front for Change (FUC) led by Captain Mahamat Nour Abdelkerim. I hereby urge the two parties to implement this agreement scrupulously and call upon the other Chadian armed movements to opt for negotiation so as to arrive at acceptable solutions to the problems facing the country. I also encourage the Chadian Government and the Opposition to engage in dialogue so as to consolidate the democratic process and enhance the prospects for peace and stability in the country. In this regard, I would like to express my satisfaction at the receptivity shown by Chadian leaders.

142. Council will also recall that relations between Chad and The Sudan took a turn for the worse in the wake of the attack on N'Djamena in April 2006. These relations did not see any significant improvement during the period under review.

143. The two countries resumed dialogue following the meeting between Presidents Idriss Déby Itno and Omar Hassan Al Bashir, in Banjul, in July 2006. This resulted in President Al Bashir travelling to N'Djamena on 8 August 2006 to attend the swearing-in of President Déby. The two countries also decided to resume their diplomatic relations and cooperation, and to put in place joint mechanisms to ensure security along their common border in pursuance of their previous commitments.

144. Unfortunately, tension erupted again following the clashes along their border in October 2006. Chad once more accused The Sudan of backing the Chadian rebels, an accusation categorically denied by the Sudanese authorities. At a mini-Summit convened in Tripoli on 21 November 2006, the Heads of State of Chad and The Sudan renewed their commitments under the Tripoli Agreement of February 2006 and agreed to fully implement them.

145. The Peace and Security Council, for its part, met twice, on 15 and 23 November 2006, respectively, to hear communications from Chad and The Sudan on the relations between the two countries. At both meetings, the PSC voiced concern at the incidents that had occurred along their common border and the deterioration in their relationship. The PSC urged them to maintain constant dialogue pursuant to the Tripoli Declaration and Agreement, and all the other instruments they had signed, so as to maintain peace, security and stability in the region, and to create the mechanisms envisaged to this end. Permit me to underscore the urgency of stabilizing the situation at the border between the two countries, as this would help improve the relations between Chad and The Sudan and facilitate efforts to resolve the Darfur crisis.

f) Central African Republic

146. During its session in Banjul, I briefed Council on the efforts made to consolidate peace and stability in the CAR. I underscored the measures taken by the Central African authorities to press ahead with the reforms in the administration and public finance sectors; the activities of Central Africa Economic and Monetary Community (CEMAC) multi-national Force (FOMUC) deployed in several provinces of the country; and the multi-disciplinary experts' mission fielded by the AU in Bangui in collaboration with the African Development Bank (ADB) and the United Nations Economic Commission for Africa (UNECA), to identify the urgent needs of the country and the type of assistance which AU Member States and partners could provide.

147. It was against this background that several incidents occurred in the province of Vakaga between May and November 2006. These were, notably, the attacks on the Central African Armed Forces (FACA) and FOMUC at Gordi and Tiringoulou in May and June 2006 by armed elements, followed by attacks on, and occupation of, several localities by rebels of the *Union des forces démocratiques pour le rassemblement (UFDR)* between 29 October and 28 November 2006. Subsequently, and thanks to support from the French detachment at Boali, the FACA were able to regain control of these localities.

148. Both the current Chairperson of the African Union and myself strongly condemned these attacks and reiterated the AU's rejection of all attempts to change government by unconstitutional means. Furthermore, my Special Envoy, Sadok Fayala, proceeded to Bangui as an expression of the AU's support for the efforts deployed by the Central African authorities and to monitor the situation in that country. He availed himself of that visit to reiterate the AU's engagement alongside the Central African authorities in the latter's efforts at ensuring the country's recovery, and the Union's rejection of any seizure of power by force.

149. The PSC met on 7 December 2006 to examine the situation in the CAR in light of the report of the multi-disciplinary experts' mission and the outcome of Mr. Sadok Fayala's visit. The Prime Minister of the Central African Republic, Elie Doté, participated in the meeting, using the occasion to present the three major pillars of his government's programme, namely: restoration of security and consolidation of peace; macro-economic and financial stabilization, and reconstruction of basic infrastructure.

150. After deliberation, the PSC reiterated its commitment to the sovereignty, territorial integrity and stability of CAR and to constitutional legality, and its rejection of all attempts to seize power by force. The PSC encouraged the States of the region to examine ways and means to strengthen FOMUC to enable it to more effectively contribute to consolidation of peace and security in CAR. The PSC also requested me to explore how best to sustain the engagement with the authorities of the country and all the political and social players for the promotion of national concord, respect for the institutions, human rights and good governance.

151. The PSC welcomed the collaboration between the AU, ECA and ADB, which made it possible to despatch a multi-disciplinary experts' mission to the CAR, and endorsed the recommendations put forward by the mission. Lastly, the PSC underscored the need for AU Member States, as a way of showing solidarity and in line with the Framework on Post-Conflict Reconstruction and Development adopted by the Executive Council at its session held in Banjul, to back the efforts aimed at achieving socio-economic recovery in the CAR and consolidating peace and stability in the country.

152. On the economic and social front, the period under review was marked by the conclusion of discussions with international financial institutions for the resumption of cooperation with the CAR. Moves to clear ADB loans continued during the period under review. However, talks between the Government and the World Bank stalled in the mining and forestry sectors for which the Bank called for more transparent management.

153. Despite the progress achieved in the promotion of peace and stability in the Central African Republic, the overall situation remains fragile as evidenced by the attacks launched in the North-East of the country at the end of 2006. Therefore, it is imperative for Africa and for the partners of the CAR in the international community to continue to rally behind the country and provide it with assistance commensurate with the challenges that it has to tackle.

g) Burundi

154. In Burundi, the period under review was characterized by significant progress in the peace and reconciliation process, despite various political tensions. In this regard, mention should be made of the signing on 7 September 2006 of a Comprehensive Ceasefire Agreement between the Government and Agathon Rwasa wing of Palipehutu-FNL, and the definitive withdrawal of the United Nations Operation in Burundi, which, on 1 January 2007, was replaced by the United Nations Integrated Office in Burundi whose activities will be oriented to development.

155. The Comprehensive Ceasefire Agreement provides for a Joint Verification and Monitoring Mechanism (JVMM) in which the AU is to participate together with the UN and the Burundi parties. In pursuance of the activities devolving on to the JVMM, the AU was requested to help ensure the security of the combatants during movement to the assembly areas and the protection of the personalities. Under the terms of the Agreement, the AU is to create a special working group for the protection of Palipehutu-FNL leaders and combatants and their movement to the assembly areas, monitor and evaluate the process of establishment by the JVMM of the mechanisms to address issues relating to rank harmonization, allocation of posts and career path in the defense and security forces; and play a key role in all efforts deployed to implement the repatriation programme.

156. At its 65th meeting held on 9 November 2006, the PSC approved the establishment of a special working group, as stipulated by the Comprehensive Ceasefire Agreement, and mandated me to solicit the support of Member States to this end. The PSC welcomed South Africa's expressed readiness to contribute to the establishment of the special working group and requested me, in close collaboration with the Facilitator, Mr. Charles Nqakula, South Africa's Minister for Safety and Security, to submit, as soon as possible, proposals on the modalities of establishing the special working group. In the meantime, the PSC requested me and the Facilitator, in consultation with the partners, to take appropriate measures to consolidate the progress achieved with the signing of the Comprehensive Ceasefire Agreement, including the immediate deployment by South Africa of the forces that would assist in the implementation of the Agreement within the framework of the proposed special working group.

157. On 28 December 2006, and as a follow up to the PSC decision, the AU Mission in Burundi, jointly with UNOB and the Government of Burundi, organized the official ceremony for transfer to the African Union of a South African contingent, which hitherto had operated under UNOB mandate. That ceremony marked the official commencement of the mission of the AU special working group in Burundi. This contingent, which is 768-man strong, now constitutes the nucleus of the AU force in Burundi, as stipulated by the Comprehensive Ceasefire Agreement. Furthermore, the Commission approached Member States to provide it with officers to serve on the JVMM and on the joint liaison teams.

158. One of the major events of the period under review was the Government's announcement of an attempt to destabilize the institutions which resulted in the arrest and imprisonment of seven personalities, most notably the former President and Vice-President of the Republic, respectively. During the legal proceedings instituted to try the case, the Supreme Court Prosecutor called for life imprisonment for six of the seven accused. Judgment was reserved and the Court has up to two months to deliver its verdict.

159. With regard to post-conflict reconstruction and development, Burundi constitutes, together with Sierra Leone, the first field test for the UN Peace-building Commission. It will, in this connection, receive US\$ 25 million from the Special Fund for Peace-building, designed to finance projects relating mainly to governance, the security sector, rule of law and land tenure matters.

160. In addition, on the occasion of the New Year, the President of the Republic announced the release of some categories of prisoners (AIDS sufferers, detainees without records, etc), free primary, secondary and above all university education for widows as well as motherless and fatherless orphans. This was undoubtedly a welcome step, which would boost the ongoing process in Burundi.

161. The reactivation of regional, bilateral and multilateral cooperation has become a reality. Burundi is now member of the East African Community. It has also been chosen to host the Secretariat of the International Conference on the Great Lakes Region. Similarly, dynamic bilateral cooperation has developed both with the development partners and with many countries of the Continent.

h) Democratic Republic of Congo

162. The period under review was marked by legislative elections and the first round of the presidential poll, both of which took place on 30 July 2006, as well as by the second round of the presidential and provincial elections held on 29 October 2006. The two elections took place against the background of political tension marked notably by the bloody events of 20, 21 and 22 August 2006 and of 11 and 21 November 2006.

163. The provisional results of the 30 July presidential election, declared by the Independent Electoral Commission (IEC) on 20 August 2006, placed Mr. Kabila Kabange Joseph and Mr. Bemba Gombo Jean Pierre ahead of the thirty-three (33) candidates, having won 44.81% and 20.03% of the votes, respectively. The turnout was 70.54%, with twenty-five million persons registered.

164. Article 71 of the Constitution of the 3rd Republic, adopted by the referendum of 18-19 December 2005 and promulgated on 18 February 2006, stipulates that the candidates with the greatest number of the votes cast shall be eligible for the second round. After looking into the complaints filed by the candidates, the Supreme Court published the final results on 15 September 2006, confirming the provisional results declared by IEC on 20 August 2006. The IEC also fixed 29 October 2006 as the date for the second round.

165. Pursuant to the decision of the 54th meeting of the PSC held on 2 June 2006, the African Union fielded a high-powered election observer mission made up of members of the civil society, the Pan-African Parliament and national parliaments. AU observers were deployed in the eleven provinces of the country. The AU mission coordinated its activities with African observer missions (ECCAS, SADC, SADC-FORUM, EISA and South Africa). It also served as liaison with the international observer missions (European Union, International Organization of the Francophonie, the Carter Centre, etc).

166. After the poll, the heads of the African and international observer missions exchanged views on the conduct of the elections, and agreed to issue a joint communiqué on the elections. This communiqué, signed on 1 August 2006, was presented to the national

and international press on behalf of and in the presence of all the heads of mission, by the head of the African Union mission. The Heads of Mission of AU, ECCAS and South Africa, for their part, signed and, through the Head of the AU Mission, issued a joint statement on 2 August 2006. The AU Mission issued its own statement on the elections which it published on 6 August 2006. All the statements, in essence, recognized and applauded the high voter turnout. They urged the candidates to respect the choice of the Congolese people and to use legal means to pursue their complaints in the event of dispute.

167. Following the publication of the final results and ahead of the second round, the Congolese political landscape witnessed profound transformation. Two grand alliances were formed around the two candidates: the Alliance for the presidential majority (AMP), which supported the candidature of the outgoing President during the first round, received the backing of the candidates who came third and fourth with 13.06% and 4.77% of the votes, respectively; while the Rally of Congolese Nationalists, which supported Mr. Bemba in the first round, had the backing of up to ten first round candidates to form the Union for the Nation.

168. Despite the admirable conduct of the electoral operations, the political tensions which characterized the campaign and the period preceding the publication of the provisional deteriorated into clashes between armed elements of the two second round candidates, which claimed several lives on 20, 21 and 22 August 2006. These events mobilized the international community, which went to great lengths to defuse the tension. In this regard, efforts by the International Transition Support Committee (CIAT) had the support of the countries of the region, the AU, the United Nations and of DRC partners in the peace process. It was against this background that, at its meeting of 22 August, the PSC, among other things, strongly condemned the recourse to violence. It urged the two candidates to show a high sense of responsibility and to immediately put a stop to the escalating violence, and thereby create propitious conditions for the successful conclusion of the transition and live up to the hopes generated by the commendable conduct of the 30 July 2006 voting.

169. The political tensions abated only slightly in the period around 29 October 2006 polls. Concerned by the possible impact of this situation on the voting, the CIAT got the two parties to negotiate and sign a series of commitments. It was against this background that the elections were held on 29 October 2006. The provisional results published on 15 November 2006 placed Mr. Kabila on top with 58.05% of the votes cast, as against 41.95% for Mr. Bemba. After considering appeals for cancellation filed by the Union for the Nation, the Supreme Court published the final results on 27 November 2006, confirming the provisional results as announced by the IEC on 20 August 2006. Mr. Kabila was declared President of the Republic, and was sworn in on 6 December 2006.

170. Anticipation of the publication of the results of the second round was similarly marked by violence. A demonstration on 11 November 2006 turned into clashes with the police, claiming four victims, including three civilians. On 21 November, demonstrators, who gathered to back their candidate as the Supreme Court heard his appeal, had confrontations with the police. A wing of the Court building was set on fire and documents were carted away. Consequently, the Supreme Court relocated to a room in the Foreign Ministry for the hearing, from where it announced the final results on 27 November 2006.

171. I would like to applaud the stabilizing role played by MONUC, the European Force in the DRC (EU-FOR/DRC) and the European police (EU/POL) throughout the presidential

elections. I would also like to hail the remarkable efforts deployed by the International Panel of the Wise led by Joaquim Chissano, former President of the Republic of Mozambique, and comprising former Heads of State of Nigeria, Ghana, Namibia and Burundi, as well as a former Prime Minister of Senegal, to get the Congolese stakeholders to accept the results of the elections, thereby contributing to the successful conclusion of the transition in the DRC.

172. Mr. Jean Pierre Bemba, whose bid to get the 29 October 2006 elections annulled was rejected by the Supreme Court, made the commitment to “run a strong and republican opposition” through the next five years.

173. At another level, mention should be made of the sudden deterioration of the security situation in North Kivu where, on 26 and 27 November 2006, the 81st and 83rd brigades made up of dissidents still loyal to the deposed General Laurent Nkunda attacked elements of the 11th and 12th brigades of the Armed Forces of the DRC (FARDC) deployed in the locality of Saké. After taking Saké and threatening the city of Goma, Nkunda’s men were repulsed by the FARDC with support from MONUC. Scores of rebel soldiers surrendered and were taken to reorientation centres. Efforts are underway to contain the situation and find a lasting solution.

174. Taking place as they did on the eve of the proclamation of the results of the presidential election, these events showed the fragility of the security situation in the country. They underscored the importance of integration of former combatants and the urgency of building a homogenous republican national army.

175. The establishment of institutions emanating from free and democratic elections marks the conclusion of the long transition process in the DRC and opens a new page in the history of the country. It now behoves upon the various Congolese political stakeholders to rally for the difficult task of reconstructing their country and consolidating peace. The support of the international community remains crucial in this regard.

i) International Conference on the Great Lakes Region

176. Council will recall that, as part of preparations for the Second Summit of the process of the International Conference on the Great Lakes Region, the third meeting of the Regional Inter-Ministerial Committee (RIMC) was held in Bangui from 20 to 22 February 2006, and adopted the draft Pact on Security, Stability and Development. It similarly adopted the drafts of the priority action programme on the four themes of the Conference and the draft document on the Pact’s implementation follow-up Mechanism.

177. The Bangui meeting, however, left pending issues relating to the date of the Summit, details regarding the budget of the follow-up Mechanism and the two countries that are, respectively, to host the Secretariat of the Conference and provide the first Executive Secretary. Several sector and consultative meetings were subsequently held to conclude preparations for the Summit and try to find a consensus on the pending issues. In this connection and in view of the progress achieved in the transition process in the DRC, 14 and 15 December 2006 were slated for the Summit to be held in Nairobi.

178. Ahead of the preparations for the Nairobi Summit, on 31 August 2006, I met with Mr. Ibrahima Fall, Special Representative of the United Nations Secretary General for the Great

Lakes Region. Mr. Ibrahima Fall also had a working session at the Headquarters of the Commission with Mr. Mucagele Sirmino, NEPAD Director General, on 12 September 2006, to address the process of harmonization of the infrastructure projects endorsed by the Conference and similar projects on NEPAD's action programme. Furthermore, the Commission hosted a meeting of RIMC on 18 November 2006, which discussed matters that needed to be resolved prior to the Summit.

179. The 2nd Summit of the process of the Conference was, as planned, held in Nairobi on 14-15 December 2006. It was preceded by preparatory meetings of national coordinators and the RIMC held, respectively, on 10 and 11 December 2006.

180. The African Union Commission took an active part in the preparations for and organization of the Summit. Besides its participation in all the preparatory activities in the context of the AU/UN joint Secretariat, the Commission provided the logistics support needed for the Summit. The Commissioner for Peace and Security was in attendance at the RIMC meeting. I participated in the Summit accompanied by the Commissioners in charge of Peace and Security and of Political Affairs, respectively.

181. The Summit adopted the Pact on Security, Stability and Development for the Great Lakes Region comprising Protocols, Action Programmes, the Regional Follow-up Mechanism and the Special Fund. The Pact is designed to provide a legal framework for relations between the eleven Member States of the process of the Conference, implement the Dar-es-Salaam Declaration, the Protocols, Action Programmes, the Regional Follow-up Mechanism and the Special Fund for Reconstruction and Development, and create the conditions for sustainable security, stability and development among Member States.

182. The six Protocols cover the four themes of the Conference, namely: peace and security; democracy and good governance; economic development and regional integration; as well as social and humanitarian matters. The Action Programmes also cover these four themes.

183. The Regional Follow-up Mechanism is made up of the Summit of Heads of State and Government, the RIMC, the Secretariat of the Conference, the national coordination mechanisms, the collaboration mechanism and other structures or specific forums that would, if need be, ensure implementation of the Pact. The Secretariat of the Conference is the technical and coordination organ of the Conference, and is to be run by an Executive Secretary with four-year non-renewable mandate.

184. The operating budget of the Secretariat of the Conference shall be prepared every two years by the Executive Secretary and approved by the Summit on the recommendation of the RIMC. Its sources of financing are Member States' statutory contributions, the resources obtained from cooperation and development partners of the Great Lakes Region and all such other resources as shall be determined by the Conference.

185. The Special Fund for Reconstruction and Development shall derive its resources from Member States' statutory contributions and voluntary contributions from partners. It shall be held at the African Development Bank (ADB), which shall be the Fund's manager.

186. The Summit further designated Burundi and the United Republic of Tanzania to host the Secretariat of the Conference and provide the first Executive Secretary, respectively.

Tanzania has appointed its national coordinator to assume the position of Executive Secretary. The Democratic Republic of Congo was designated to host the next Summit (the third in the series) slated for 2008. Thus, Kenya, Tanzania and DRC will constitute the Troika of the process of the Conference during the period between the 2nd and 3rd Summits.

187. The adoption of the Pact on Security, Stability and Development marked a crucial stage in the efforts aimed at promoting lasting peace and development in the Great Lakes Region. I hereby urge the countries concerned to give concrete expression to their commitments. I call upon other Member States, the United Nations and other development partners to support the implementation of the Pact by providing the requisite assistance to the Secretariat of the Conference and to the Special Fund for Reconstruction and Development of the Region.

j) Liberia

188. The situation in Liberia has, since my last report, witnessed considerable progress. The Government of President Ellen Johnson-Sirleaf, which has identified national reconciliation, sustainable development and economic governance as the key priority areas, continues to grapple with the arduous task of post-conflict reconstruction in the face of very limited resources. It is pertinent to emphasize that the Government is faced with enormous challenges, and the current dearth of resources has a negative impact on its ability to deliver on socio-economic matters.

189. In order to tackle the problem effectively, the Government of Liberia is in the process of completing its Interim Poverty Reduction Strategy, which is fashioned around the following pillars: peace and security, economic revitalization, infrastructure, and governance and rule of law, which are aimed at meeting the development challenges of the country. Also supporting overall governance is the Governance and Economic Management Programme (GEMAP), which has created the opportunity, in key Liberian institutions, for internationally recruited experts to work with their Liberian counterparts to establish transparent financial management systems, train and build the capacity of Liberian staff, and report openly on their revenue and expenditure.

190. It is against this backdrop that the Government of Liberia will be approaching its international partners at the Partners Forum, planned for Washington in February 2007, to discuss, among other things, the issue of the country's debt, which has been estimated at USD3.7 billion, half of which is accrued interest. The meeting will also afford international partners, particularly the Bretton Woods Institutions, the opportunity to sign up to the Interim Poverty Reduction Strategy being put together by the Government of Liberia. In this regard, I should like to call upon Liberia's international partners, including the multilateral financial institutions, to seriously consider the outright cancellation or, at least, a substantial reduction of Liberia's debt.

191. Security remains a major concern for the Government. Security Sector Reform is on going, with the reconstitution of the armed forces on course. The first 150 soldiers of the new Armed Forces of Liberia recently graduated, after having successfully completed their training by the United States Government.

192. The Government is currently fast decentralizing and reestablishing the structures of governance across the country, with a view to enhancing national authority. With the return

of Internally Displaced Persons (IDPs) and refugees to their different localities, communal tensions are being experienced, resulting, in some cases, in conflict. A major example of such communal tension was experienced in Nimba County, resulting in flashes of violence, which the UN Mission in Liberia was able to contain. In a bid to find an immediate solution, the Government setup a Committee to look into the causes of the conflict.

193. As Council is aware, the Government passed the Truth and Reconciliation Commission (TRC) Act on 12 May 2005. Since then, significant progress has taken place, including the inauguration of the College of Commissioners, while the statement-taking segment of the process has taken off in different counties. It is envisaged that the Commission will proceed, in an accelerated manner, with the other aspects of the process to ensure that the work is completed within the two years allotted to it.

194. The humanitarian situation in the country continues to improve following the final resettlement of all IDPs and the closure of all related settlements. With regard to refugees, the UNHCR continues to encourage voluntary repatriation of Liberian refugees from across West Africa. At the moment, about 155,000 registered refugees still remain in various countries in West Africa. The human rights situation in Liberia also continues to improve. However, there remain many challenges.

195. The Government of President Ellen Johnson-Sirleaf should be commended for the steps it has taken towards peace building and post-conflict reconstruction. However, these efforts cannot succeed without the full support of the international community, including the African continent. It is against this background that the PSC, at its meeting held on 18 August 2006, stressed the need for the AU and its Member States to make a significant contribution towards peace building and post-conflict reconstruction in Liberia. In this respect, and as requested by the PSC, I intend to dispatch to Liberia a multidisciplinary team of experts to assess the situation and come up with concrete recommendations on the assistance that could be rendered by the AU and its Member States.

k) Côte d'Ivoire

196. Efforts taken since last June did not lead to any significant progress in the peace process and to the holding of elections within the time-limits prescribed by Resolution 1633 (2005) adopted by the United Nations Security Council on 21 October 2005. In fact, the relevant international institutions had to decide to grant a new transitional period of one year, during which those outstanding activities of the peace process would have been carried out so that free and regular elections can be organized by 31 October 2007 at the latest.

197. The period immediately following the session of the Executive Council was dominated by the issue of identifying the population, which is one of the pre-conditions for holding the elections. The nationwide extension of mobile court hearings to deliver duplicate birth certificates and certificates of nationality began on 17 July 2006 under difficult conditions. While the "Front populaire ivoirien" (FPI) actively called for a boycott, the "Rassemblement des Houphouëtistes pour la démocratie et la paix" (RHDP) took a contrary stand. This controversy led to serious clashes between the young patriots of the FPI and RHDP youths, resulting in the loss of human life and considerable material damage. The Ivorian leaders made efforts to ease the tension and enable the mobile court hearings operation to continue. These efforts resulted mainly in the conclusion, on 26 July

2006, of an agreement between the young patriots and the RHDP youths to put an end to the clashes.

198. On 3 August 2006, the Cabinet of the Prime Minister published a practical guide on the mobile court hearings and a document containing practical provisions for the issuance of certificates of nationality. These two documents, in conformity with Ivorian law, separate the issuance of duplicates of birth certificates during mobile court hearings from the obtaining of certificates of nationality issued by the presidents of courts of first instance, sectional court judges or the magistrates they delegate, in their chambers and in the absence of claimants. In a speech delivered on 6 August 2006, on the occasion of the commemoration of the 46th independence anniversary of the country, President Laurent Gbagbo stated notably that the mobile court hearings were for the sole purpose of issuing duplicates of birth certificates, certificates of nationality were issued by the presidents of the residence courts, and that no new voters list would be established.

199. The decision not to allow mobile court hearings to issue certificates of nationality was rejected by opposition political parties, as well as by the “Forces nouvelles”, which equally decided to withdraw from the military dialogue. Another controversial issue dividing the Ivorian parties was the role to be played by the National Institute of Statistics (INS) at the preparatory phase of the elections.

200. It is against this backdrop that the impartial forces were not able to verify the pre-cantonment of combatants although the forces concerned claimed it had been completed. Elements of the Defense and Security Forces of Côte d’Ivoire (FDSCI) were regrouped at 35 sites and those of the Armed Forces of the New Forces (FAFN) at 50 sites.

201. Furthermore, the dismantling and disarming of the militia in the western part of the country, which started on 26 July 2006, could not be completed. By early August, about 880 combatants had been registered, of whom 701 were demobilized. Only ninety (90) arms and 510 rounds of ammunition were recovered. The low number of arms collected compared to the number of combatants caused the officials of the programme to suspend it, by stopping the distribution of security nets.

202. The Prime Minister organized a meeting bringing together the five main Ivorian leaders on 5 September 2006 in an attempt to break the deadlock in the situation. However, there was no consensus at the meeting to enable a solution to the crisis. Meanwhile, the Prime Minister had sent peace missions to some localities within the country.

203. For his part, the Chairperson of the AU, President Denis Sassou-Nguesso, paid a working visit to Abidjan from 10 to 12 September 2006, during which he met with the Ivorian leaders to help them overcome their differences. Despite his efforts, the deadlock in the situation could not be broken, especially as concerns exceptional measures to be taken to re-launch the identification operation.

204. Following the decisions taken at the high level meeting held at Yamoussoukro on 5 July 2006, the United Nations Secretary General organized a follow-up meeting in New York on 20 September 2006, bringing together Ivorian political actors and the representatives of the AU and of the region. The participants noted that it was no longer technically possible to organize elections by 31 October 2006. They then agreed that

issues relating to the new transition should be considered at official meetings of ECOWAS, of the PSC, and of the United Nations Security Council.

205. The ECOWAS meeting on Côte d'Ivoire was held on 6 October 2006 at Abuja. The PSC met on 17 October 2006 to consider the recommendations made at Abuja. At the meeting, the PSC, after endorsing the observation by the ECOWAS Summit on the expiration, on 31 October 2006, of the twelve-month transitional period set by its decision of 6 October 2005 and Resolution 1633 (2005), as well as on the impossibility of organizing the presidential election on the scheduled date, decided that a new transitional period not exceeding twelve months shall be established from 1 November 2006, so that outstanding issues of the peace process could be pursued and completed. During this period, President Laurent Gbagbo would remain Head of State while the transitional Prime Minister, Charles Konan Banny, would have all the necessary powers and means to successfully carry out the tasks assigned to him. The PSC decided to accept the request of President Thabo Mbeki for South Africa to hand over the role of mediation following its election as member of the United Nations Security Council. President Sassou Nguesso, as Chairperson of the African Union, was entrusted the task of pursuing the mediation, in conjunction with the chairman of the ECOWAS Commission and, as and when necessary, with any other African leader willing to contribute to the restoration of peace in Côte d'Ivoire.

206. Following the PSC decision, the UN Security Council adopted Resolution 1721 (2006) on 1 November 2006, in which, having taken note of the impossibility of organizing presidential and legislative elections by the scheduled date, it endorsed the PSC decision according to which President Laurent Gbagbo would remain Head of State from 1 November 2006 for a new and final transitional period not exceeding twelve (12) months, and also the decision to extend the mandate of Prime Minister Charles Konan Banny for a new and final transitional period not exceeding twelve months. The resolution reinforced the Prime Minister's powers to enable him to implement all the provisions of the Road Map established by the International Working Group (IWG) and of the agreements signed between the Ivorian parties so that free, open, fair and transparent elections can be organized by 31 October 2007 at the latest.

207. On 2 November 2006, the President of the Republic, in a message to the nation, declared that he would hold consultations with the active forces of the nation to sound their views and suggestions on new ways of ending the crisis in Côte d'Ivoire.

208. The consultations organized by the President took place from 4 to 21 November 2006. The main recommendations made by the various forces consulted can be resumed under five points: formation of a new government excluding Prime Minister Charles Konan Banny; application of Côte d'Ivoire's Constitution and defense of republican institutions; departure of the Licorne force which would be replaced by an African force; elimination of the zone of confidence; immediate and unconditional disarming and direct negotiation with the rebellion.

209. For their part, opposition political parties and the "Forces nouvelles" reaffirmed their support for Resolution 1721 (2006) which they consider to be ideal solution to the crisis. In this respect, they indicated their support for the Prime Minister towards the implementation of the Resolution.

210. Meanwhile, on 8 November 2006, the Prime Minister, issued a televised statement in which he affirmed his determination to apply Resolution 1721 (2006), focussing on the main tasks assigned to him.

211. The IWG held its first ministerial meeting following the adoption of Resolution 1721 (2006) on 1 December 2006. In the final communique adopted at the end of its deliberations, the IWG noted with deep concern the delay that exists already in the implementation of Resolution 1721 (2006) and the deterioration of the political climate in Côte d'Ivoire. The IWG recalled that Resolution 1721 (2006) requires full compliance by all Ivorian parties and that no legal provisions should be invoked by them to obstruct the peace process. Bearing in mind the assessment of the peace process scheduled to be conducted by 1st February 2007 and while encouraging the Prime Minister in his determination to fully implement resolution 1721 (2006), the IWG invited him to take a number of measures, including the relaunching of the pre-identification process, the identification of the population, the preparation for elections, as well as the disarmament and demobilization of ex-combatants, and the dismantling and disarmament of militias.

212. The President of the Republic once more addressed the Nation on 19 December 2006 to inform the people of the follow-up to the recommendations ensuing from the consultations held from 4 to 21 November 2006. On this occasion, he reiterated the need for Ivorians to take ownership of the process of finding a solution to the crisis. Accordingly, he made the following five proposals:

- institution of direct dialogue with the rebellion with the aim of disarming them and reuniting the country;
- suppression of the zone of confidence;
- establishment of a national civic service;
- general amnesty; and
- putting in place of an assistance programme for the return of persons displaced by war.

213. The political parties grouped within the RHDP rejected the President's proposals to resolve the crisis. The "Forces nouvelles" announced their stand on 1 January 2007: any dialogue must be conducted within the scope of Resolution 1721 (2006).

214. The humanitarian situation during the reporting period remained precarious and worrying as a consequence of the political deadlock in the country. The social atmosphere throughout the country was further affected by the toxic waste dumped in Abidjan last August, recurrent acts of violence in the West of the country and in the confidence zone, and obstacles to free movement.

215. In conclusion, it should be noted that at the time of finalization of this report, the IWG was preparing to meet to consider developments in the situation. For his part, President Sassou Nguesso was holding consultations with the various stakeholders to agree on the best possible means of reviving the peace and reconciliation process in Côte d'Ivoire.

I) Mauritania

216. During the period under review period, the situation in Mauritania continued to evolve positively. Following the approval by referendum, with a score of 713263 votes, 96.97% of

the votes cast, of the country's new Constitution, the electoral process entered a decisive phase, with the holding of the first and second rounds of the twin municipal and legislative elections on 9 November and 3 December 2006, respectively.

217. My Special Envoy for Mauritania, Vijay Makhan, and an observer team, comprising Members of the Pan-African Parliament, civil society representatives, Members of National Electoral Commissions and African personalities, took part in the conduct of the election both at Nouakchott and in other major towns in the country. The observers, both national and international, unanimously agreed that the elections in general were organized and conducted according to universal standards, in a democratic and conducive atmosphere and that they had been free, fair, transparent and credible.

218. The results of the second round of the legislative elections gave the "Coalition des Forces du changement démocratique" (CFCD) 41 of the 95 seats of the National Assembly. This coalition, formed in May 2006, is composed of parties of the former opposition, particularly the "Rassemblement des forces démocratiques" (RFD), the "Alliance populaire progressiste" (APP), the "Renouveau démocratique" (RD), the "Union des forces de progress" (UFP) and the "Group des Centristes réformateurs". Parties of the former majority won 15 seats, while their former allies, the "Indépendants" won 39. Similar trends were recorded in the municipal elections, where the CFCD won the majority of seats in major urban areas. The presidential election scheduled for 11 March 2007 shall mark the culmination of the political transitional period started in the country on 3 August 2005.

219. I hereby commend the sound conduct of these different elections and the respect by Mauritanian authorities of the commitments they made. I would like to appeal to the people of Mauritania to continue to uphold the spirit of civic duty and responsibility at the last phase of the democratic transition. For its part, the AU will not relent in its efforts to support the ongoing process till the end.

m) Western Sahara

220. Since the session of Council in Banjul, no progress has been made in the international efforts to find a peaceful solution to the conflict in Western Sahara that would allow the exercise of the right to self-determination by the people of Western Sahara, based on relevant United Nations resolutions.

221. The Personal Envoy of the United Nations Secretary-General, Ambassador Peter van Walsum, has conducted his second tour of the region last September, visiting Rabat, Tindouf and Nouackchott, to consult on the way forward, in order to break the stalemate which has bedeviled the peace process for the last several years. The Personal Envoy also traveled to MINURSO, in the Territory, for the first time, and familiarized himself with its operations.

222. On 16 October 2006, the Secretary-General submitted a report to the United Nations Security Council. On 31 October 2006, the Security Council, having considered the report, adopted resolution 1720 (2006), reaffirming its commitment to assist the Parties to achieve a just, lasting and mutually acceptable political solution, which will provide for the self-determination of the people of Western Sahara in the context of arrangements consistent with the principles and purposes of the Charter of the United Nations. The Security Council

also decided to extend the mandate of the United Nations Mission for the Referendum in Western Sahara (MINURSO) until 30 April 2007.

223. Finally, on 14 December 2006, the United Nations General Assembly adopted a resolution on the question of Western Sahara. In that resolution, the General Assembly, inter alia, underlined Security Council resolution 1495(2003) in which the Council expressed its support of the peace plan for self-determination of the people of Western Sahara as an optimum political solution on the basis of agreement between the two Parties, and reaffirmed the responsibility of the United Nations towards the people of Western Sahara.

F.V. COUNTER-TERRORISM

224. During the period under consideration, the Commission has continued to provide support to the African Centre for the Study and Research on Terrorism. In spite of staff constraints, the Centre has been able to carry out several activities aimed at developing the capacity of Member States in counter terrorism and enhancing inter-African cooperation. The Centre has also deepened its cooperation with a number of relevant international institutions.

225. The Commission was also been working to strengthen Member States' capacity to meet their regional and international legal obligations, as required by the AU Plan of Action on the Prevention and Combating of Terrorism and Security Council resolution 1373 (2001). To this end, the AU embarked on a project to develop an Anti-terrorism Model Law that would be a ready-made technical assistance to Member States, enabling them to achieve the following objectives:

- (a) operationalise continental counter-terrorism instruments, including the 1999 OAU Convention and its Protocol thereto on the Prevention and Combating of Terrorism and the African Union Plan of Action on the Combating and Prevention of Terrorism in Africa, as well as the relevant international instruments; and
- (b) harmonize efforts and legal frameworks at the national, regional and continental levels for the prevention and combating of terrorism in Africa.

226. The Commission contracted two legal experts to prepare a draft Model Law, which focuses on the suppression of the financing of terrorism. This draft Model Law was submitted to the Commission, and a meeting of technical experts was convened in Addis Ababa in December 2006 to consider the document with the aim of improving it. The two consultants are now in the process of making amendments to the draft Model Law. Once this is completed, the Model Law will be submitted to a meeting of Member States, for consideration and subsequent incorporation into domestic legislation.

F.VI SMALL ARMS AND LIGHT WEAPONS

227. During the period under review, the Commission has focused on the implementation of the decision of the Executive Council adopted in Khartoum, in January 2006, which requested it to take the necessary steps towards the establishment of a legally binding instrument to prevent, combat and eradicate the illicit trade in small arms and weapons in Africa.

228. To this end, the Commission has developed an elaborate roadmap that would ensure that the process leading to the final legally-binding instrument is consultative, and takes into account all concerns that Member States may have. The Commission is now in the process of developing a comprehensive questionnaire relating to the form and content of a legally-binding instrument, that would be submitted to Member States for completion. The completed responses would then be collated by the Commission before being subject to review by a meeting of governmental experts from Member States.

**G. POLITICAL AFFAIRS, DEMOCRATIZATION, GOVERNANCE,
HUMAN RIGHTS, HUMANITARIAN AFFAIRS**

229. For me personally and for the Commission, democracy, elections, governance and human rights are fundamental issues that need to be monitored closely and constantly. Today, Africa is confronted with the challenge of consolidating democratic values and practices and also restoring the culture of peace and reconciliation – after long years of conflict. Free, transparent and fair elections constitute one of the prerequisites for the installation of democratic governments and the promotion of good governance.

230. Democratization and electoral processes are taking place normally in Member States. Although a few incidents have been recorded here and there, the peoples of Africa and their leaders have shown proof of great wisdom and high political maturity which have enabled the success of these processes. Slowly but steadily, Africa has resolutely and irreversibly embarked on the march to full-fledged democracy, which is a guarantee for peace, security and development.

231. As regards, governance and combating corruption, I salute the entry into force, on 5 August 2006, of the African Convention for Preventing and Combating Corruption; this really reflects the will of Member States to move forward in their struggle to eradicate bad governance.

232. The recognition and realization of Human Rights are essential for the establishment of an efficient democratic system. There are international and regional treaties on human rights as well as national constitutions to ensure the promotion of democratic values, including transparent and free elections. Human rights are indivisible and interdependent. The African Union is particular about this fact in its efforts to promote human and peoples' rights in accordance with the African Charter on Human and Peoples' Rights and with other relevant human rights instruments.

233. I am happy to inform Council of the following activities the Commission has carried out in the areas of democratization, governance, human rights and humanitarian affairs.

G.I. DEMOCRATIZATION AND OBSERVATION OF ELECTIONS

a) Observation of elections in Member States

234. The Commission sent observer missions to the Democratic Republic of Congo, Zambia, Mauritania and Madagascar.

235. Generally, the conduct of the elections in Member States was satisfactory. They were highly expected in some of these States, particularly in the Democratic Republic of Congo, which was emerging from a long transitional period. The African Union's participation in the observation of the various electoral processes highlights the organization's will to take concrete action for the consolidation of peace and stability in Member States, which are indispensable for their economic and social development.

236. The results of the second round of the presidential election held in the Democratic Republic of Congo on 29 October 2006 gave President Joseph Kabila 58.05% of votes cast, and he was declared President of the Republic. The organization of the election marked the culmination of a long transitional period. It is a decisive stage for the consolidation of peace and stability in Congo.

237. In Zambia, following general elections held on 28 September 2006, President Levy Mwanawasa was reelected for a second mandate with 42.98% of the votes cast.

238. The legislative and municipal elections conducted in Mauritania on 19 November and 3 December 2006 were hitch-free. They mark the take-off for the return of constitutional rule in the country; the process will culminate in presidential election in March 2007.

239. An AU observer mission was also sent to Madagascar for the presidential election of 3 December 2006. Outgoing President Mr. Marc Ravalomanana was re-elected at the first round.

b) Meeting of election observers and national electoral institutions

240. In accordance with its programme of work, the Commission organized a meeting of election observers and national electoral institutions at Bujumbura from 12 to 14 December 2006. The meeting had the following objectives:

- Facilitating an exchange of experience in the organization and observation of elections;
- Strengthening relations among national electoral institutions, election observers and other partners in the organization and observation of elections;
- Raising awareness of human rights and election observation;
- Identifying difficulties encountered in the organization and observation of elections;
- Designing strategies to strengthen national electoral institutions and election observation by the African Union.

c) Prospects

241. The role of the African Union Commission as outlined in the Durban Declaration of July 2005 on principles Governing Democratic Elections in Africa requires the Commission to adopt the appropriate instruments and frameworks that will enable it to effectively carry out this role. They include:

- The manual for African Union observers, which will facilitate the performance of their duties in the field;
- The effective establishment in 2007 of the Democracy and Electoral Assistance Unit to better coordinate Commission activities relating to election observation and electoral assistance;
- The effective establishment of the Electoral Assistance Fund whose purpose is to support the activities of the Unit and of certain national electoral institutions in accordance with the relevant provisions of Decision EX.CL/Dec.300 (IX) on the Establishment and Organization of a Democracy and Electoral Assistance Unit and Fund, adopted at Banjul, The Gambia;
- Initiation of the debate on the role of political parties in the democratic process in Africa.

G.II. GOVERNANCE

a) African Charter on Democracy, Elections and Governance

242. Within the framework of implementation of Decision EX.CL/Dec.288 (IX) on the African Charter on Democracy, Elections and Governance, I convened a meeting of eminent African legal experts on 19 – 20 December 2006. They reconsidered the legal form of the draft Charter, including Article 25 (5). The new draft Charter has been tabled before you for consideration and adoption.

243. Once it is adopted, the African Charter on Democracy, Elections and Governance will be a major legal instrument, guaranteeing the promotion of democracy and good governance, the protection of human rights and the consolidation of the rule of law.

b) Anti-Corruption Activities

244. The Political Affairs Department actively participated in the preparatory meetings of the Africa Forum on Anti-corruption and the Global Forum V, both of which will take place in South Africa in February and April 2007, respectively. The Department also took part in the formulation of the concept note and the agenda of both meetings, and is working towards the second Conference of National Anti-Corruption bodies in early 2007.

c) The Second Bureau Meeting of the 5th Pan African Conference of Ministers of Public/Civil Service and Administration

245. I am pleased to report to Council that the Second Ministerial Bureau meeting of the 5th Pan-African Conference of Ministers of Public/Civil Service and Administration took place on the 10th December 2006 in Addis Ababa at the AU Commission; it was established, as being strategic and necessary in providing Bureau members to review progress to-date and determine what could be done collectively to ensure that the set objectives are met. These objectives are undertaken under the leadership and support of the Chairperson and the Technical partners of the Bureau.

246. Central to the tasks of the Bureau are the need for a positive delivery ethos among public servants at the continental and local level and the need for countries to move quickly from adoption to implementation in order to give effect to efforts of the Bureau in all spheres. Further more, member states were called on to provide individual contributions towards ensuring that the collective program becomes a reality for all to experience, as reliance on donations seem to be problematic, especially with regard to the EU fund apportioned to the objectives of the Bureau.

247. The Office of the Chairperson of the 5th Pan-African Ministerial Bureau presented a report on issues discussed at the First Ministerial Bureau. The report essentially reviewed progress made on the Abuja Work Program which includes the Africa Public Sector Innovation Awards, Anti-Corruption, African Public Service Charter, Post Conflict Reconstruction and Development and African Public Service Day Celebrations. Each item was presented with a follow up discussion and decisions as follows:

(i) Public Sector Innovation Awards:

248. The initiative with regard to these awards is championed under the guidance of Mauritius, with the assistance of NEPAD and the Chairperson's Office. The material for initiating this process has been completed and the awards will be presented at the 6th Pan African Ministers' Conference. It was noted that a service provider would be needed to manage the process and case studies will be drafted on all recognized innovations.

(ii) Public Sector Anti Corruption:

249. The anti-corruption initiative is championed by Nigeria and the primary responsibility for its implementation lies with AUC and the NEPAD secretariat. The presentation, made by Nigeria, provided a detailed overview and the lessons that can be learnt from implementing anti-corruption strategy; as well as highlighting specific research questions, which are critical to building an understanding of corruption and anti-corruption in the African context. The Bureau also expressed the need for more use of data and information provided by the APRM. It was concluded that the proposed research on Nigeria's experiences could be started and presented at the next Pan African Conference of Ministers.

(iii) Post-Conflict Reconstruction:

250. A need has been expressed to establish a framework with executable activities, together with an initiative on ensuring that there is an exchange of experiences on post-

conflict experiences. Burundi is yet to confirm its readiness as the champion behind this initiative and the Bureau needs to ensure that technical parameters are established for the initiative to move forward.

(iv) Africa Public Service Day (APSD):

251. The APSD has been firmly entrenched by ministers as part of the Governance and Public Administration area of their program. The APSD sub-committee that was constituted was mandated to ensure that the 2006 APSD program was properly focused and documented across the continent as most experiences shared emanated mainly from SADC. Sudan remains the champion of this effort and stressed the necessity for engagements on the matter to unfold and that greater planning be in place for the 2007 celebrations.

(v) African Public Service Charter:

252. Countries were expected to report on the status of domestication of the Charter within national policies and legislation. Such reports will be followed by regional workshops that will generate information and ideas on approaches for the review of the Charter as well as its implementation. It was made clear that the Charter should reflect African value systems as well as the essential elements of an ethical public service.

253. The meeting also reviewed appointment of champions, implementation challenges, the ADMIN report and NEPAD's capacity building initiative. The latter was considered by the Bureau and more time was requested in order to study the initiative before being tabled in AU policy organs and RECs and subsequently becoming an Continental Strategy on capacity building.

254. In closing, the participants stressed the importance of substantive interactions between members of the Bureau. It was stated that a follow-up Ministerial Bureau meeting would take place on the margins of the Africa Forum on Anti-corruption in February 2007. Finally, the Chairperson urged technical partners to consider supporting least developing countries in attendance at Ministerial meetings, as they are unable to attend due to lack of funds.

d) External Session of the Hague Academy

255. The Commission hosted the 34th External Session of the Hague Academy from 10 to 17 November 2006, which was attended by nationals of East and Central African countries. The Session, which was the first to be hosted by an international organization, was devoted to the general theme of the transformation of the OAU into the AU. Beyond its academic dimension, it offered a singular opportunity to popularise the action of the African Union. I personally addressed the participants on the origins of the Pan-African organization and the challenges it has faced over the years.

256. I hail this particular initiative which not only confirmed the need for interaction between an international academic institution and our continental organization but also gave the participants better knowledge of our mother organization and of the challenges and stakes confronting it. In agreement with the Academy, we intend to pursue the experience as much as possible.

G.III. HUMAN RIGHTS

257. During the period under review, the Commission carried out the following activities:

a) Operationalization of the Resource Centre for Democracy, Governance and Human Rights

258. I am pleased to report that the Centre for Democracy, Governance and Human Rights continues to make progress. The Centre continues to be equipped with publications, audiovisual materials, Internet facilities and human resources, in order to enable it meet the needs of the increasing users, including representatives of Member States, National Human Rights Institutions Civil Society organizations and individuals, which is all geared towards achieving its goals of:

- (i) Providing multi-sectorial audience with first hand information
- (ii) Contributing to the building and consolidation of the African Union institutional capacity; and
- (iii) Serving as a reference point for access to physical and interactive specialized information on human rights, democracy and good governance in Africa.

259. The Commission appreciates the efforts of all its partners that have contributed to this development.

b) Supporting the African Commission on Human and Peoples' Rights (ACHPR)

260. The African Union Commission continues to prioritize support to the as the continent's main human rights mechanism.

261. The Commission continues to work on the process of consultations between the ACHPR and other organs of the Union, with a view to improving their relationships and strengthening the capacity and the role of the ACHPR. The Commission facilitated the holding of the 40th Ordinary Session of the ACHPR and also attended the Session as well as the NGO Forum organized on the eve of the Session.

262. The Commission participated in a Sensitisation Seminar on the Rights of Indigenous Populations/Communities organised by the ACHPR from 13-16 September 2006 in Yaounde, Cameroon.

c) Celebration of Human Rights Day

263. The Commission issued statements on Africa Human Rights Day, 21st October 2006; International Tolerance Day, 16th November 2006; and International Human Rights Day, 10th December 2006.

264. On Africa Human Rights Day, the Commission called for support to the newly established African Court on Human and Peoples' Rights and the African Commission on Human and Peoples' Rights. It also reiterated its call for the ratification and implementation of international and regional human rights instruments.

265. On International Tolerance Day, the Commission joined the international community in calling for the promotion of political, religious and ethnic tolerance as a sine qua non for peace, economic and social advancement for all peoples. It emphasised that Member States, political and religious actors, the media and civil society organisations have a critical role in the promotion of tolerance, respect for democratic, good governance and human rights.

266. In its Statement, marking International Human Rights Day, 10th December 2006, the Commission called upon the international community and our peoples, including community leaders, individuals, the media, Civil Society Organisations to join the AU in its efforts to make poverty history and restore the human rights and dignity of our peoples.

d) Future plans

267. Our human rights related activities for the next semester, includes strengthening the African Commission on Human and Peoples' Rights, workshop on the Implementation of the decisions and recommendations of Policy organs of the AU related to human Rights, Human Rights Capacity Building for AU Staff, Commemoration of International Human Rights Days, Strengthening the Human and Technical capacity of the AUC Human Rights Resource Center and Reinforcement of the capacity of National Human Rights Institutions and Civil Society Organizations in the promotion and protection of human rights.

G.IV. HUMANITARIAN AFFAIRS, REFUGEES AND DISPLACED PERSONS

268. Since my last report, the Continent continues to grapple with the serious problem of forced displacement. While some countries are emerging from conflict and anticipating the return of their people, others are in the throes of violence, causing the flight of thousands of their populations; and at the same time hundreds of thousands of our people are also facing harsh weather conditions, forcing them to leave their homes in search of shelter. This was clearly witnessed by the high-level delegations of the PRC Sub-Committee on Refugees, Returnees and Internally Displaced Persons that visited Algeria and Chad between October and November last year.

269. As stated above, Member States remain concerned about the victims of the forced displacement, in particular the increasing number of internally displaced persons (IDPs) now more than 15 million is 51 per-cent of the world's IDPs population. This figure does not take into account the 25 million people affected by other humanitarian crises such as natural and man-made disasters. Council will recall that due to the magnitude of the problem of IDPs who lack proper protection, the AU Summit of Heads of State and Government for its part adopted a Decision (EX.CL/Dec.179) in Abuja, Nigeria, calling for the development of a legal instrument to ensure the protection of Internally displaced persons in Africa. I wish to report that the Commission engaged a consultant who drafted the instrument and is ready for review by Government Experts this year. Indeed this instrument will go a long way in ensuring the protection of the staggering number of IDPs.

270. I wish to pay tribute to countries of asylum that continue to welcome refugees despite their meagre resources even though these countries have been faced with the problem of "donor fatigue" for sometime now.

271. During the period under review, the PRC Sub-Committee on Refugees, Returnees and Internally Displaced Persons continued to implement its Plan of Action by undertaking field assessment missions to Algeria and Chad between October and November 2006. The objectives of the missions were to assess the worsening humanitarian situation in the two countries. They therefore held consultations with the Governments of Algeria, Chad and Sahrawi Democratic Republic (SADR), and some humanitarian agencies on the humanitarian situations prevailing in the countries. In solidarity with the Governments and the refugees, the African Union granted financial contributions of US\$ 250,000 to Chad to care for the over 250,000 refugees from Central African Republic and Darfur (Sudan) while the Sahrawi refugees received US\$ 200,000.

272. Similarly, the Commission continued to strengthen its cooperation with relevant partners especially the UNHCR, WFP, ICRC, IOM and AHA through joint programmes including meetings and seminars. The major meetings, and seminars among others were: the 29th Ordinary Session of the AU Coordinating Committee on Assistance and Protection to Refugees, Returnees and Internally Displaced Persons in Africa, the 57th Session of the Executive Committee of the High commissioner's Programme (EX-COM) the Launching of the ICRC Study on Customary International Humanitarian Law (IHL) in Africa, and the 9th AU-ICRC Brainstorming Day for the African Ambassadors accredited to the AU and Ethiopia. In addition to the assistance extended to refugees, the Commission made donations of US\$ 100,000 each to victims of floods in Ethiopia and Kenya.

273. On the Outcome of the Ouagadougou Ministerial Conference on Refugees, Returnees and Internally Displaced Persons of June 2006, which requested the PRC Sub-Committee on Refugees, AU Partners, Civil Societies and NGOs to remain engaged in monitoring its implementation, the Commission reviewed the Draft Policy on Access to Post-Primary Education for Victims of forced Displacement in Africa for its adoption by this Executive Council Session.

274. The Commission has been reporting the positive developments in addressing the root causes of the forced displacement for the past three consecutive years resulting from the return of thousands of refugees and internally displaced persons on the Continent. However, due to the numerous challenges that Member States have to face, the African Union Commission together with the PRC Sub-Committee on Refugees, Returnees and Internally Displaced Persons and in close cooperation with the AU partners has to forge ahead to meet these challenges as was evidenced during the June 2006 Ministerial Conference on Refugee, Returnees and Internally Displaced Persons in Ouagadougou, Burkina Faso and also during the missions of the PRC Sub-Committee on Refugees.

275. Finally, I look forward to the impending Special Summit of Heads of State and Government on forced displaced Persons in Africa, in 2008, in accordance to the Decision of the Executive Council, which was adopted in Banjul, The Gambia in July 2006. In this regard, I urge our partners and other humanitarian agencies to collaborate fully with the Commission to start preparations this year for the success of this important Summit as was clearly evidenced in the outcome of the Ministerial Conference on Refugees, Returnees, and Internally Displaced Persons that took place in Ouagadougou, Burkina Faso, in early June 2006.

Free Movement

276. The Commission has started in earnest the process of implementing decision EX.CL.211(VII) adopted in Sirte, Libya in July 2005. In this regard, the Committee of Experts on the AU Free Movement agenda held a meeting from 11 to 12 December 2006 at the AU Headquarters. The meeting considered in detail the different forms, texts and security features necessary for an African Diplomatic Passport and developed a sample. It is my hope that the sample will be launched during this Summit.

G.V. AFRO ARAB COOPERATION

277. I would like to draw attention of Council to the fact that it is almost 30 years since the Cairo Declaration and Plan of Action were adopted by the First Afro-Arab Summit, which took place in Cairo, Egypt, in March 1977. The period has witnessed several new developments and challenges in Africa and the Arab world as well as at the global level. It is therefore important that the Cairo agreements be reviewed and modified to accommodate these changes and challenges. In light of this, the African Union Commission and the General Secretariat of the League of Arab States, during their second Inter-secretariat Consultative Meeting have reached an agreement to set-up a Committee composed of relevant professionals from the two sides to deliberate on a new vision and Plan of Action for Afro-Arab Cooperation. The meeting of the Committee is scheduled for February 2007 in Cairo, Egypt.

278. It is my strong belief that the Commission should exert consolidated and enhanced efforts to translate the new concept of "Afro-Arab Brotherhood" into concrete programs and actions. To this effect, a number of high level and technical discussions were held and working visits to specialized organizations of the League of Arab States (LAS) were made by the Commission. The Second African Union/League of Arab States Inter-secretariat Consultative Meeting was also held at the Headquarters of the League of Arab States in Cairo, Egypt, from 4 to 6 December 2006. The meeting reviewed progress of Afro-Arab Cooperation and recommended new programs and projects for 2007 and beyond.

279. During the Inter-secretariat meeting, agreements were also reached to facilitate the setting-up of Afro-Arab Committee of Ambassadors in selected capitals such as Addis Ababa, Cairo, Geneva, Brussels and New York. The objective is to strength political and diplomatic relations between Africa and the Arab regions and enable them consult each other, adopt common positions on major regional and global issues of common concerns. The regional offices of the African Union Commission and the League of Arab States are mandated to facilitate, coordinate and follow-up the work of these committees. Similar agreement was also reached to create direct links between parallel organizations of the two sides with a special emphasis on economic actors. To this effect consultative meetings between General Unions of Chambers of Commerce and Industry and specialized ministerial councils of the two sides are envisaged.

280. Following the agreements reached between the two sides, a study on the "Development of an Institutional Mechanism for Afro-Arab Strategic Studies/redefinition of the role of the Afro-Arab Cultural Institute" has been commissioned and is in progress. The consultants assigned to carry out the study held their first brainstorming meeting at the Headquarters of the African Union in Addis Ababa, in October 2006, to clarify the task and discuss modalities for the study.

a) The Afro-Arab Cultural Institute

281. The Afro-Arab Strategic Study will also focus on restructuring of the Afro-Arab Cultural Institute, based in Bamako Mali. In its nearly five years of existence this Institute adopted its basic documents and developed an ambitious scientific program. However, its activities, funding and results are far from satisfactory. It was therefore considered important to transform this Institute into an Institute of Strategic Studies not only to create a platform for dealing with Afro-Arab strategic issues, but also to rescue the Institute from complete collapse.

282. The proposed Institute for Afro-Arab Strategic Studies, in addition to its prime objective of promoting cultural exchanges, would initiate and facilitate in-depth analysis and recommend remedies for major problems, including geo-political, diplomatic, economic, historical, peace and security, cultural, that positively or negatively affect the Afro-Arab regions, closer cooperation between them and assist in formulating research-based policies and strategies on Afro-Arab Cooperation. This important study is expected to be completed by the end of January 2007. Upon its completion a workshop for prominent African and Arab intellectuals will be organized in March 2007 to validate the outcome of the study.

b) The 7th Edition of the Afro-Arab Trade Fair

283. The other major occupation of the Commission in respect of Afro-Arab Cooperation was the organization of the 7th Edition of the Afro-Arab Trade Fair, which was planned to take place in Khartoum, The Sudan in November 2005. I regret to inform Council that, in spite of all the very commendable efforts exerted by the Government of The Sudan and the Organizing Committee of the Fair, this edition had to be postponed twice leading to The Sudan's withdrawal to host the Fair due to low level of confirmation by African and Arab Countries.

284. The failure of the 7th Edition of the Fair was a clear message to the African Union and the League of Arab States, reminding them of the urgent need to revisit the current practice of organizing this event; and to gradually withdraw from playing a lead role in the organization of this event, shifting it to the private and civil society sectors of the two regions. With this in mind the two sides have now finalized preparations for commissioning an external evaluation of the Fair with possible financial assistance from the Arab Bank for Economic Development in Africa (BADEA). The general objectives of the evaluation are to assess the impact of the Fair on Trade and Investment exchanges, examine its contribution in facilitating direct links between business communities of the two regions and identify organizational and practical problems that hindered progress of this project with a view to improving its efficiency and effectiveness in the future.

285. The two sides have also finalized negotiations on a new "General Agreement on Cooperation between the African Union and the League of Arab States", which shall replace the current agreement signed in 1986. The new agreement shall take on board new developments and elaborate the concepts and objectives of "Afro-Arab Brotherhood". It is expected to be signed in the near future.

286. Similarly, a Memorandum of Understanding between the African Union Commission and the Arab Fund for Technical Assistance to African Countries has been negotiated and finalized while negotiations on similar instruments between the Commission and the Arab Organization for Agricultural Development (AOAD), Arab Authority for Agricultural Investment in Agriculture (AAAI) and the Arab Bank for Economic Development in Africa (BADEA) are well underway. The above legal instruments shall assist the Commission to effectively guide and coordinate the all-rounded cooperation arrangements with the League of Arab States and between its members and the specialized organizations of LAS.

287. All efforts to enhance and further expand Afro-Arab Cooperation will not bear fruits without continued political dialogue at higher level. In recognition of this fact, the two sides have agreed to explore possibilities to hold the Second Afro-Arab Summit in 2007. The Summit will be important to adopt a new Vision and Plan of Action on Afro-Arab Cooperation and develop more practical coordination and follow up mechanisms.

288. As has been reported repeatedly, the position of Afro-Arab Cooperation within the African Union Commission was not given due recognition under the Maputo Structure. This has been a point of concern during all technical and high-level discussions and meetings on Afro-Arab Cooperation held in the past two years and also during the Meeting of the Working Group on Afro-Arab Cooperation and the First and the Second AU/LAS Inter-secretariat Consultative Meetings held in May 2004, May 2005 and December 2006, respectively. During all these discussions and meetings requests were forwarded to the Commission to consider upgrading Afro-Arab Cooperation from a Unit to a Directorate to enable the African Union pursue meaningful cooperation with the Arab world. I am optimistic that this year, Afro-Arab Cooperation will experience renewed boost and vigour and the programmes put on a higher gear of implementation for the realization of our common vision.

H. GENEVA OFFICE

H.I. A DIFFICULT INTERNATIONAL ENVIRONMENT

289. African countries and the international community, aware of the development issues that handicap the African continent, have elaborated and continue to elaborate numerous strategies and approaches designed to extricate Africa and other parts of the world from under-development. The focal point of all the initiatives continues to be the United Nations document by which all Member States undertook to achieve the eight Millennium Development Goals (MDGs) by 2015.

290. All United Nations agencies and specialized organs and also various international and inter-governmental organizations have made it their key issue. This is why in the WTO, the Doha round currently being negotiated has a strong connotation for development. In the WIPO, development agenda is topical. In the Human Rights Council, the right to development is also increasingly discussed. In the IOM relations between Migration and Development is given wider media coverage.

291. Therefore, the question is how these initiatives and concepts are translated into realities and actions? The reality during debates, discussions and negotiations give the

quick impression that nothing has been achieved and nothing can be taken for granted. The little that developing countries can obtain is only at the cost of fierce struggles during which man becomes a real wolf against his own fellow man. The reality of negotiations in Geneva, if our positions are to be accepted, calls for solid negotiators who can prepare meetings with determination and appropriate resources.

292. The second half of 2006 was marked in the Permanent Delegation of the African Union in Geneva by a multiplicity of activities that can be divided into two major areas: support and coordination of the African Group and the representation of the African Union Commission.

H.II. REPRESENTATION: NUMEROUS ACTIVITIES TO BE ACCOMPLISHED

293. The Geneva office has served as interface between the Commission and international organizations. It has fulfilled, as best as it could, a substantial part of its mission of representation and defence of the interests of the Commission and the African continent. In this respect, the Bureau had to cover more than 350 meetings organized at the United Nations and other international organizations based particularly in Geneva and Berne. The Office received more than 1030 letters and dispatched 1103 correspondences. It also received 945 faxes and sent more than 7045. Electronic correspondences were too numerous to quantify. The Bureau was handicapped in its efforts by lack of human and financial resources in addition to communication problems which did not enable it to participate in some major events.

H.III. THE AFRICAN GROUP: GROUP COHESION TO BE MAINTAINED

294. The African Group was the subject of a very significant part of the activities of the Geneva office. No stone was left unturned in maintaining Group cohesion and seeking balance in the harmonization of views with a view to adopting common positions. Some of the support lent to the African Group was in the form of preparing declarations, making suggestions, proposed ideas, mobilized logistics, holding ordinary and extraordinary meetings, consultations with the African Group as well as missions or groups from other regions.

295. The Geneva office organized and hosted in its premises, 48 meetings at Ambassadorial level and 65 at Experts' level. Regarding WTO issues, the office also organized for the African Group, more than 120 meetings in its premises. As part of the deliberations at the Human Rights Council, more than 35 emergency meetings were also organized by the Bureau at the Palais des Nations. It should be noted that consultation meetings with other groups during negotiations have not been taken into account.

296. In the hope of beefing up bilateral and multilateral cooperation and establishing mutually beneficial partnerships between African countries, the African Union and international organizations represented in Geneva as well as outside, the Geneva Representation invited 26 eminent personalities to meetings of the African Group.

H.IV. SIGNIFICANT ACHIEVEMENTS BY THE OFFICE AND THE AFRICAN GROUP

297. Regarding the Human Rights Council, the African Group made important contributions to discussions on the establishment of this organization. It also thwarted all attempts designed to severely criticize the Sudan with regard to the situation in Darfur. However, numerous contributions still have to be made in order to participate in consolidating this newly established organization.

298. Regarding the World Intellectual Property Organization, the African Group decisively contributed to the continuation of deliberations for the conclusion of the development agenda. It is currently deeply involved in deliberations on protection of genetic resources, traditional knowledge and traditional cultural expressions.

299. Moreover, following a workshop in Montreux, jointly organized by WIPO and the AU on intellectual property, the plan to establish a Pan-African organization of intellectual property was recommended. This plan was thoroughly considered by the various partners during the quadripartite meeting (WIPO, ARCT-OAPI-ARIPO) held by WIPO in Geneva and in which the Commissioner for Human Resources, Science and technology participated.

300. Consequently, at the Conference of African Ministers of Science and Technology (AMCOST), held in November 2006 in Cairo, it was recommended that a Pan-African Organization of Intellectual property should be established under the auspices of the African Union Commission in order to harmonize and streamline activities relating to intellectual property in all Member States of the African Union. An action plan document on intellectual property for Africa, prepared by the Bureau and the African Group could possibly be presented to the Summit.

301. Through constructive dialogue with the Universal postal Union, Africa is henceforth an area of concern of this institution. What remains to be done is to take advantage of the situation while maintaining this spirit of solidarity and generosity.

302. Regarding the World Trade Organization, in spite of the suspension of negotiations and even if prospects are dim, Africa is intensively preparing to participate more actively in future meetings.

303. Intense lobbying activities were undertaken by the African Group in order that African may obtain a bigger share of the Budget of the International Organization for Migration, specially as significant contributions were made to the programme budget committee of this organization. A constructive dialogue has been established with the International Labour Office. Important and well considered proposals were made by the African Group to the intergovernmental working group on intellectual property and on innovation and public health of the World Health Organization.

The African Group can do better

304. The African Group has achieved some results but it can do better. Apart from the group solidarity of the Group which has been achieved and some of its positions which have been taken into account, the Group must seriously build its capacities in order to

produce more substantial results. It should really be proactive and succeed in putting its own initiatives and proposals on the negotiating table at various meetings.

305. Future successes in the negotiations require from the African Group intense and high expertise work on all issues of interest to Africa so that her voice could be heard more forcefully than in the past. The Group should be strengthened in resources and the capacities of its members updated.

H.V. PROSPECTS

Geneva office: Resource Building

306. It is quite obvious that the additional staff that the Commission had the foresight to provide to the office was a significant contribution, but the quality and quantity of work likely to be produced requires further building of the capacities of the Bureau in human, material and financial resources.

307. Respect for the African Group in Geneva is growing. Its cohesion is envied by others and makes Africa and the African Union more visible. The increasing number of African Representations being established in Geneva, exceeding forty missions, are further proof of the level of operation of the Group.

308. Admittedly, this increase in the number of members has advantages with regard to strength and influence of the Group and this calls for more involvement of staff and resources in the Geneva office. For example, the quantity of documents to be produced increases as a result of the increase in the number of members. What is worse is the meeting hall that has become too small for the African family. Ambassadors are compelled to squeeze against each other at meetings.

309. But the force and cohesion of the African group should be maintained. In this respect, it should be given further support for example in building its capacities in order to make it more proactive. The Geneva office would be honoured if it could be endowed with an appropriate programme budget and further have the means and resources for the needs of the African cause in the various United Nations bodies with a view to making the Group and the African Union Commission more visible.

310. In order to make our organization more visible, build capacities of the African Group and maintain its cohesion, the office settled on a minimum number of activities. However, the availability of additional funds and sourcing for supplementary funding will help at least to achieve success during the current and future negotiations. The Geneva office envisages at least the organization of the following activities:

- four quarterly seminars and studies on economic and trade issues;
- a seminar on issues related to social affairs, health and work in July 2007;
- a seminar on human rights issues in May 2007;
- a seminar on strengthening cooperation with the HCR, IOM and the United Nations Office for Humanitarian Affairs;
- Celebration of Africa Day on 25 May 2007 in Geneva.

311. Palpable results have been achieved with limited resources. In order to be well prepared and better heard at future fora, the office of the African Union should constantly be endowed with:

- premises that could host in a dignified manner the African Group and the entire family in Geneva;
- a programme budget that will enable it to continuously beef up the capacities and positions of the African Group;
- additional staff in adequate quality and quantity;
- resources that will enable it to support the Group in its activities outside Geneva;
- resources that will enable it to participate in meetings and conferences organized by the African Union Commission at Ministerial level on issues of interest in Geneva.

I. HUMAN RESOURCES, SCIENCE AND TECHNOLOGY

312. I have the pleasure to report to Council some of the activities carried out by the Commission in the areas of Education, Science and Technology, and Youth as efforts towards enhancing capacity on the Continent.

I.I. HUMAN RESOURCES AND YOUTH

a) African Youth Charter

313. I personally launched officially the African Youth Charter on 16 November 2006, during the opening ceremony of the African Development Forum (ADF V), following its adoption of by the Heads of State and Government at the last Summit in Banjul (July 2006). Given the intensive involvement of different stakeholders, particularly the youth, and the advocacy and the popularization of the Charter to the decision makers, it was expected that the required number of Member States will soon sign and ratify the Charter leading to its coming into force. To date, three member States have signed the Charter at the AU Legal office and started the ratification process (Mali, Burundi and Togo). The Department of Human Resource Science and Technology will ensure the follow up, the coordination and monitoring of the processes and progress made in Countries with technical support of the Pan African Youth Union, international organizations and UN Agencies. I would like to use this opportunity to appeal to all Member States to sign and ratify the new Charter for it to become operational within the shortest time possible with the view to granting our Youth with the necessary framework for its activities.

314. To that effect, the Commission has launched the process of laying down mechanisms for the revitalization of the Pan African Youth Union. The Union has been identified as an important player in ensuring the implementation of the Charter. It is also seen as a key agent to improve communication between the AUC and the African Youth. The Department is putting measures in place to ensure sustainable technical and financial provisions for the African Youth Union. These preparations follow on Decision of the Executive Council at its 9th ordinary session in Banjul to revitalize the Pan African Youth Union as a continental youth structure. The Consensus Declaration from the African Development Forum (ADF V) also strongly recommended the reinforcement of the Pan

African Youth Union, as an important pillar to coordinate, monitor, and communicate activities of African youth and to serve as the strategic link between AUC and African Youth. An extraordinary Conference of Ministers of Youth is planned for early next year to consider the draft strategy to revitalize the Pan African Youth Union.

b) Capacity Building in Technical and Vocational Training (TVET)

315. Technical and Vocational Training (TVET) have been identified as some of the key areas which should be attended to as part the Plan of Action for the Second Decade of Education for Africa. TVET is considered as key activity to deal with the large numbers of young unemployed people in Member States and also with the high drop out rate of youth from African schools. It is expected that through an improved provision of TVET, in and out of school, young people will be provided with the technical and vocational skills for employment and to start their own businesses.

316. In partnership with relevant development partners such as the African Development Bank and the ECA, the Commission is planning to initiate a venture capital fund for African youth trained in TVET similar to the Grameen Bank in Bangladesh. It is expected that improved provision of TVET will afford African youth better opportunities for a livelihood in their own countries and thus stem their illegal migration.

c) International Centre for Girls and Women's Education in Africa (CIEFFA)

317. The Department of HRST has been assigned the responsibility to oversee the activities of CIEFFA, a specialized Institution of the AU based in Burkina Faso, which is responsible for improved enrolment and performance of girls in education. This year, both the Commission and CIEFFA management focused on integrating CIEFFA programmes in the Plan of Action for the Second Decade of Education. According to this Plan of Action, CIEFFA will develop a comprehensive survey of girls' enrolment in schools to identify the countries, that have the most serious problems. CIEFFA will then conduct workshops with key stakeholders in these countries in order to develop strategies for improving girls' enrolment and performance in schools. CIEFFA is also involved in the TVET programme, which will be implemented for the benefit of girls and young women. Discussion will continue between the Commission and CIEFFA in order to finalize the collaboration process and to guarantee that CIEFFA is an effective technical branch for the AU Commission through the implementation of the Plan of Action on Gender and Culture, one of the seven sub-sectors of the Second Decade of Education for Africa.

I.II. EDUCATION

a) Second Decade of Education in Africa (2006-2015)

318. The sixth ordinary session of the Assembly of Heads of State and Government of the African Union adopted a decision declaring the years 2006 – 2015 as the Second Decade of Education in Africa. The Plan of Action for this Second Decade was drafted in June 2006, and launched by the Prime Minister of Mozambique during the second extra-ordinary session of the Conference of Ministers of Education of the African Union (COMEDAF II) in Maputo in September 2006. The Plan of Action will lead to harmonisation of education

policies and activities of Member States of the African Union, and provide a basis for more rationalised engagement with development Partners in Education.

b) Education Observatory of the African Union

319. The AU Member States Ministers, during COMEDAFII in Maputo, have taken the decision to transform the Pan-African Institute for Education for Development (IPED) into an Education Observatory for the African Union. This observatory will be mainly responsible for facilitating the development of education information systems in Member States and also developing databases of African education statistics. In September 2006, the 14th Session of the Executive Council of IPED took place; during that session, IPED's eleven member states committed to clearing IPED's outstanding debts totalling over three million US dollars, within the next two years. The Commission organised an audit mission in October 2006, which established IPED's capacity building needs, resulting in an appropriate programme of interventions, to enable IPED take on its new role as Education Observatory.

c) Enhancing the Teaching of Science and Mathematics

320. The Department HRST has started collaboration discussions with the officials of JICA supported programme for the strengthening of the teaching of Maths and Science in African countries (SMASSE). The improvement of teachers' capacities in maths and science was identified as one of the key areas for attention in the Plan of Action for the Second Decade of Education.

d) Mwalimu Nyerere African Union Scholarship Scheme

321. This scheme has been advertised and the selection process should be completed soon. A consultant has been recruited to develop the Scheme further, including developing collaborative linkages with the European Erasmus Mundus programme; establishing a mechanism for accessing support from Member States and Partners; and improving provision of information on scholarships to all Member States.

I.III. SCIENCE AND TECHNOLOGY

322. As Council is aware, the January 2007 Summit of Heads of State and Government has been assigned the theme "Science, Technology and Research for Africa's Development". The Heads of State and Government will have an opportunity to cast a fresh re-appraisal on the role of science and technology for Africa's socio-economic development in view of the dynamic changes facing the continent. In preparation for this Summit, the Commission organized a series of conferences on science and technology so as to contribute to the recommendations of the African Ministers Conference on Science and Technology (AMCOST). These activities are as follows:

a) The 2006 AfriCANDO Hemispheric Summit on Science, Technology and Research for Africa's Development

323. This conference was organized by the Foundation for Democracy in Africa (FDA) in collaboration with the Commission; it aimed at promoting the involvement of the African Diaspora in helping to strengthen institutional capabilities for sustainable development in

Africa, thereby developing Africa's scientific and technological capability for socio-economic growth. The Commission facilitated the holding of this meeting based on the African Union call for total mobilization of all segments of the African population towards the accomplishment of its objectives and to bridge the Diaspora and their African continent. The Conference concluded by encouraging the relocation of small and medium enterprises from the diaspora to African Union Members states.

b) First African Union Congress of Scientists and Policy Makers

324. The first African Union Congress of Scientists and Policy Makers was organized and sponsored by the Commission as another preparatory process to the January 2007 Summit. The Congress focused on the following three main themes: ► African solutions for African challenges through S&T; ► Growing and sustaining African human capital; and ► Creating enabling environment for science and technology development. At the end of the Congress, scientists and policy makers recommended that the year 2008 should be the year of science and technology; and technology transfer as the way forward to achieve the MDGs. Finally, they highlighted the important role of the Indigenous Knowledge and technologies for Africa's socio-economic development.

c) 2nd African Congress for Scientific Research, and Technology

325. Also guided by the need to mobilize all African population segments for the accomplishment of AU objectives, the 2nd African Congress for Scientific Research, and Technology was organized by the Commission, in collaboration with the African Society of Scientific Research and Technology (ASSRT), and the National Research Center of Egypt. The participants called for the establishment of a national steering committee to draw a "scientific road map" at national level; and an Inter-African mutual cooperation mechanism for promoting the enrolment of women in science & technology and engagement of media in the popularisation of science and technology.

d) The extraordinary Conference of the African Ministers Council on Science and Technology (AMCOST)

326. The extraordinary Conference of the African Ministers Council on Science and Technology (AMCOST) took place in Cairo Egypt from 20th to the 24th of November 2006 to consider the recommendations of the above-mentioned conferences and to distill their own recommendations to the Summit. The following were recommended to the Assembly of Heads of State and Government of the African Union; ► Declare 2007 the African Year of Science and Technology for the launch of mechanisms to popularize Science and Technology in Africa; ► Approve the establishment of a Pan-African Intellectual Property Organization (PAIPO); and ► support South-South cooperation in science, technology and innovation and enhance its role in international partnerships. AMCOST endorsed the High-Level African Panel on Modern Biotechnology, and the ministers committed themselves to a number of science and technology issues that are aimed to trigger the rollout of Africa's Science and Technology Consolidated Plan of Action.

e) An African Union Exhibition

327. An African Union Exhibition with the technical support of the United Nations Economic Commission will be organized in Addis Ababa from 22nd to 30th January 2007 in

parallel to the Summit. The Exhibition aims to showcase innovative African projects that can highlight the return on investment in S&T and convince the policy makers that Science and Technology is indeed the driving-force for our socio-economic development.

I.IV. INFORMATION AND COMMUNICATION TECHNOLOGY

328. I would like to confirm to Council that, as per the decision of the Heads of State in the Banjul Summit in July 2006, the Commission has proceeded with the formalization of the Steering Committee and the establishment of a working group on the Implementation of African Regional Action Plan on Knowledge Economy (ARAPKE) with the view to identifying flagship projects and prepare for a Resource Mobilization Conference to be held on April 2007. The conference will bring together the private sector, development partners, academia, civil society, and member States to agree on mechanisms for allocation of resources and implementation of ARAPKE projects. In the same line, the African Union Best Practices Award (AUBPA) has been launched during the African ICT Week 2006. The Award is a unique initiative of the African Union in inspiring the information society. It is the leading continental award in Africa honoring excellence in Web design, functionality and creativity by creating a talent pool of bright and creative minds that work as catalysts for the African Socio-Economic growth using ICT as a tool and spreading its benefits across time zones, cultural divide and across socio-economic layers.

I.V. ACTIVITIES IN THE AREA OF BIOSAFETY

329. In July 2003, in Maputo, the Executive Council adopted decision EX.CL/Dec/Dec.26 (III) on "The Africa-wide Capacity Building in Biosafety". The decision inter alia:

"stresses the need for Member States to equip themselves with the necessary human and institutional capacities to deal with Biosafety issues within the framework of the implementation of the Cartagena Protocol on Biosafety;"

330. To implement this Decision, a 3 year project with a total budget of 2 million Euros on capacity building for an Africa-wide biosafety system was developed with financial and technical support from the German Development Cooperation (GTZ) through a financing by the Federal Ministry for Economic Cooperation, the aim of the project is to equip the AUC with the necessary capacity and effective instruments to support Member States in implementing the Cartagena Protocol on Biosafety and using the African Model Law on Safety in Biotechnology. The Project will incorporate biosafety into the political and institutional frameworks of the Member States.

331. The Project has developed a draft African Strategy on Biosafety and is working on the revision of the African Model Law on Safety in Biotechnology, taking into account current challenges and latest developments in the field in Africa. The draft document of the African Strategy on Biosafety was presented and adopted by the Extraordinary Conference of the African Ministers Council on Science and Technology (AMCOST) in November 2006.

J. SOCIAL AFFAIRS

332. I would like to draw Council's attention to the fact that, the African Social Sector is deeply concerned about the increasing and widespread poverty, and the associated inadequate social welfare services available for the majority of African populations. The gap between the poor and rich is becoming wider with the increasing burden of disease, hunger, lack of essential services as well as internal and external migration. The demographic situation of the continent is still a cause of concern. Despite tremendous efforts over the past several decades to balance population growth with available resources, Africa continues to experience rapid population growth with a demographic structure characterized by young age, high level of dependency ratio and largely uneducated as well as unemployed or underemployed people. The mismatch between population growth and usable resources has resulted in environmental deterioration, deforestation, and desertification. These phenomena have in turn aggravated the incidence and intensity of draught and famine, mass starvation and hunger as well as growing rural-urban migration in search of non-existing employment and income generation opportunities.

333. Unless Africa invests in people-centred programmes that aim at according all citizens their fundamental human rights, the continent cannot hope to achieve the MDGs by 2015. It is in this regard that the Commission is striving to keep social issues high on the agenda of the African Union.

J.I. HEALTH, NUTRITION, POPULATION

334. The health sector in Africa is severely constrained by limited infrastructure, weak health systems, inadequate budgetary allocations, and increasing erosion of the human resources for health. Moreover, the sector is also plagued by heavy disease burden including the HIV/AIDS pandemic whose devastating impact continues to affect millions of lives, communities, economies, and social institutions. Malaria and other infectious diseases, too, exert tremendous pressure and remain formidable challenges for public health in Africa. There are also several health problems caused by malnutrition, poverty and underdevelopment.

335. In an effort to address the challenges in the areas of health, nutrition and population, the Commission has been engaged in developing, promoting and implementing different policy instruments and advocacy tools during the period under consideration. Some of these include:

- Preparation of the "State of Africa Population Report 2006";
- Elaboration and adoption, by African Ministers of Health, of the Maputo Plan of Action on Sexual and Reproductive Health and Rights in Africa;
- Revising the Africa Regional Nutritional Strategy;
- Revitalization of the role of traditional Medicines in Africa; and
- Preparations for the convening of the 3rd AU Conference of Ministers of Health, and the 6th Session of the Congress of African Population Commission in the course of 2007.

336. Moreover, the AU Commission has been involved in regional and international fora, notably with the Government of the Peoples Republic of China, the ACP and the EU, in the areas of population and development, health including reproductive health, HIV/AIDS and Avian Influenza during the reporting period. These efforts have not only increased the AU's visibility, but also helped to strengthen partnership with various actors in the areas mentioned above.

J.II. HIV/AIDS, TUBERCULOSIS, MALARIA AND POLIO

a) AIDS Watch Africa (AWA) Programme

337. To re-energize this programme as an advocacy platform at Head of State level, and as had been requested, a Meeting of Advisors on HIV/AIDS to AWA Heads of State and Government was convened on 4 – 5 September 2006 in Addis Ababa. The Advisors elaborated an Action Plan to guide them as they coordinate the responsibilities allocated to each AWA Member at the July 2006 Banjul Meeting. Among others, they decided to meet twice a year to compare notes and prepare progress reports to the AWA Chairperson, Head of State of Nigeria. The next Meeting of the AWA Advisors is scheduled for January 2007 whereby the plans will be finalized for operationalization.

b) Follow up on the May 2006 Abuja Special Summit on HIV/AIDS, TB and Malaria (ATM)

338. The outcomes of the Special Summit on ATM aim at acceleration of efforts towards universal access to comprehensive HIV/AIDS, TB and Malaria services, with emphasis on access to prevention, treatment, care and support by all people. To be meaningful, the same people should have adequate nutrition, safe water, shelter and sanitation and other essential services. This requires an integrated and multi-sectoral approach, only possible through well-coordinated partnerships at national, regional, continental and international levels. A sustained availability of human and financial resources and commodities are called for as well. The theme of the 2006 World AIDS Day: "Accountability" was aimed at reminding Leaders at all levels and indeed all individuals that they are accountable to fellow human beings being accorded their fundamental human rights.

339. After the Abuja commitments were endorsed by the Banjul ordinary session of the AU Assembly, the documents were forwarded to Member States, RECs and partners for implementation. They have also been disseminated at any available opportunity such as regional and continental forums, with the support of development partners. A draft Implementation Plan has been drafted for presentation to the AU Conference of Ministers of Health in April 2007. It proposes actions to be carried out by Member States, CSOs, RECs, AU Organs and programmes, and International Development Partners, and also gives guidelines for reporting, monitoring and evaluation.

340. Because there are many players at different levels in the implementation of HIV/AIDS, TB and Malaria Strategies, it is necessary to coordinate and harmonize programmes and actions at various levels. It is in this regard that the AU Commission, in collaboration with UNAIDS, ECA, WHO and other UN Agencies, organized an Inter-Agency Meeting on Coordination and Harmonization of HIV/AIDS, TB and Malaria Strategies in Addis Ababa, 6 – 8 November 2006. The main objectives were to work out how the Commission and RECs could coordinate better and harmonize their programmes and work

towards a common agenda. The UN Agencies and ADB were encouraged to coordinate and improve their support to AU and, including capacity building and technical support. The Commission and RECs were advised to endeavour to collaborate in planning and collaborate in planning and operationalizing their major programmes. The Commission was urged to bring RECs together while the UN Agencies were advised to set up a Task Force to coordinate their support. As a follow up to the Inter-Agency meeting the Commission collaborated in the Regional Stakeholders Review of the Five-year HIV/AIDS Strategic Plan of the East African Community, Arusha, Tanzania, 4 – 5 December 2005. In the same vein, the Commission participated in “the International Conference on the Social Sciences and HIV/AIDS in Africa: New Insights and Policy Perspectives,” Addis Ababa, 20 – 22 November 2006.

341. For effective control of HIV, the surest means is a vaccine as there is no proven cure yet. Since the virus changes itself frequently and occurs in many strains, such a vaccine would need to be appropriate for the specific type of HIV, in other words based on research done in Africa. Moreover, it would have to be affordable and accessible to Africans at risk of HIV. It was to address this concern, among other objectives, that the African AIDS Vaccine Programme (AAVP) was established. It operates within the framework of the International AIDS Vaccine Initiative (IAVI). The AAVP urges and supports African Researchers and Research Institutions to collaborate with 1st World Research institutions and development partners to carry out HIV research in Africa, with African Scientists. As a follow up to the 3rd African Forum of AAVP which was held in Yaounde, Cameroon, in October 2005, the AU/AAVP Regional Consultation on HIV Vaccine Research and Development was organized in October 2006 in Addis Ababa, and adopted constructive recommendations for the continent to consider.

c) Re-launch of the Malaria Eradication Campaign in Africa

342. After a period of satisfactory control, malaria resurged in Africa near the end of the last century and not only became epidemic once more, but also spread to new areas. This was due to many challenges such as drug and insecticide resistance, global warming, environmental degradation and conflicts. At the same time malaria was eradicated in many countries in the World, including a few in Africa. If this could happen in some countries, it can happen in others. It is with this conviction and in implementation of the May 2006 Abuja Special Summit on ATM commitments that the Commission, in collaboration with Member States, RECs and UN Partners, plans to launch the Malaria Eradication Campaign on 25 April 2007 on Africa Malaria Day. The Commission, in collaboration with the Multilateral Initiative on Malaria (MIM), is also calling for support to health research in Africa, particularly for malaria control. In this regard, MIM seconded a Research Expert to the Commission between June and November 2006 to address this neglected area.

d) Polio Eradication:

343. In 2003, there was hope that Polio would be eradicated by 2005. At that time, only three countries were reporting Polio transmission. However, this was not to be due to some challenges in Africa and Asia. In Africa, Polio got exported to countries where transmission had stopped; from West Africa to the other four regions. To stop our children from dying or being maimed by a disease which is easy to prevent with an effective and easy-to-administer vaccine, every individual has a role to educate the public and disseminate correct information so that all children get immunized. I have decided to take the lead in

urging Heads of State and Government of affected countries to intensify efforts to have all children immunized.

J.III. LABOUR, EMPLOYMENT AND MIGRATION

a) Follow-up of Ouagadougou Declaration, Plan of action and Follow-up Mechanism on Employment Promotion and Poverty Reduction

344. Poverty and unemployment continue to haunt the continent. It is in this connection that employment promotion is one of the priority programmes of the African Union Commission's agenda. In line with the Banjul Executive Council Decision EX.CL/Dec.290 (IX), the Commission organized 5 (five) Regional Workshops on Integrated Employment Promotion Policy and Programmes in the five regions of Africa. The deliberations of these workshops focused on: Studies on Employment analysis of each region and the Regional Frameworks on Integrated Employment Promotion Policies. These are in line with the Declaration and Plan of Action of Ouagadougou Extra-ordinary Summit on Employment Promotion and Poverty Reduction (2004). AU Member States actively participated in these workshops. The Regional reports will be analysed and compiled into a continental Progress Report.

b) Migration and Development

The Common Position on Migration and Development

345. The Council may also recall the Banjul Decision EX.CL/Dec.305 (IX) on the African Common Position on Migration and development. As mentioned in paragraph 9 (i) of the decision, the African Union Commission engaged in consultations with the European Union through the 2 preparatory meetings held in Brazzaville and in Malta respectively. The outcomes of the preparatory meetings were the draft Agenda for the Africa-EU Ministerial Conference and the Joint Africa-EU Declaration on Migration and Development.

346. On the kind invitation of the Great Socialist People's Libyan Arab Jamahiriya, The Africa-EU Ministerial Conference on Migration and Development was held in Tripoli from 21 to 23 November 2006. The Conference adopted the Africa-EU joint Declaration on Migration and Development and the Ouagadougou Action Plan to Combat Trafficking in Human Beings Especially Women and Children. These documents are submitted as separate Agenda items to Council for consideration.

c) Control of HIV/AIDS at Workplace

347. In line with the Abuja Declaration on HIV/AIDS, Tuberculosis and other Related Infectious Diseases (2001) and subsequent commitments of African Leaders, and the Commission HIV/AIDS Strategic Plan (2005-2007), the Commission with the support of the ILO, organized a workshop on HIV/AIDS at Workplace (AU Commission), which took place at ILRI, Addis Ababa 17-18 October 2006. The workshop adopted the AU Commission Workplace Policy on HIV/AIDS. This policy will be processed for adoption through normal AU channels.

J.IV. SOCIAL WELFARE

a) Child Survival, Protection and Development

348. Children issues have continued to be kept high on the Agenda of the Department of Social Affairs. The Department has pursued the follow-up of the ratification of the African Charter on the Rights and Welfare of the Child. In that regard, it should be noted that the Republic of Congo deposited its ratification instrument on 10 October 2006, being the 39th country to ratify the Charter. I would like to urge once again Member States, which have not yet done so, to expedite the ratification process.

349. It will be recalled that in Decision Assembly/AU/Dec.75(V), adopted in July 2005, on “*Accelerating Action for Child Survival and Development in Africa to Meet the MDGs*”, the Commission was mandated to develop a roadmap on Child Survival in collaboration with UNICEF and WHO. Subsequently, a draft has been developed and the Commission is in the process of finalizing it. The final draft of the document will be presented to the Mid-Term Review Meeting on the African Common Position on Children to be in May 2007.

b) AU Award for Children’s Champions in Africa

350. Council will recall that the First AU Award for Children’s Champions in Africa was awarded during the Banjul Summit in July 2006. The AU Commission would like to inform Council that the African Network for the Prevention and Protection and against Child Abuse and Neglect (ANPPCAN) was the winner of the award. ANPPCAN, which had an instrumental role to play in the conception and elaboration of the African Charter on the Rights and Welfare of the Child (ACRWC), and has continued to undertake innovative measures to improve child protection. It is hoped that ANPPCAN, in collaboration with the network of NGOs, would continue to lobby for the ratification of the ACRWC and to promote child protection and development.

c) African Committee of Experts on the Rights and Welfare of the Child

351. I am pleased to report to Council that the African Committee of Experts on the Rights and Welfare of the Child (ACERWC), which was established in 2001 to monitor the implementation of the provisions of the African Charter held its 8th Meeting at the AU Conference Centre in Addis Ababa, Ethiopia, from 27 November to 1 December, 2006. During the meeting, the eleventh Member of the Committee who was elected by the Khartoum Summit in January 2006, was sworn in. In conformity with various Articles of the African Charter, the Committee adopted a number of important guidelines, namely, on Communication, Investigation and Granting of Observer Status to NGOs and other Organisations dealing with children issues. The Committee also finalised its Work Plan (2005-2008) and decided that the pre-session for enabling the Committee to consider State Parties’ Reports would be held soon after its next meeting. It should be mentioned that only four countries have so far submitted their reports: Egypt, Mauritius, Rwanda and Nigeria. I would like to appeal to Member States whose reports are due, to forward their Reports to the Committee as soon as possible. Member States are also called upon to support the activities of the Committee, and other stakeholders involved in efforts to improve the welfare of the African child.

d) Promoting the Welfare of the Aged and Ageing

352. Within the framework of the implementation of the AU Policy Framework and Plan of Action on Ageing and Dec.EX.CL/290(IX) adopted in July 2006, the AU Commission is pursuing its efforts to establish the Advisory Council to monitor the implementation of the Plan of Action on Ageing. In this regard, consultations are going on with Help-Age International – Africa Region, which is our main partner on this issue, to finalise the modalities for the establishment of the Advisory Council. It is also envisaged that regional consultations would be carried out with a view to obtaining concerted views on the matter. In September 2006, a regional Consultation on Ageing and HIV/AIDS was held in Yaounde, Cameroon, to address the challenges faced by many older persons who get obliged to care for AIDS orphans when they lack energy and resources, and may themselves be disabled.

e) African Centre for Applied and Training in Social Development (ACARTSOD)

353. In implementation of the recommendation of the 4th AU Labour and Social Affairs Commission on the “Al-Ghaddafi Initiative on African Youth, Children and Women in the 21st century”, as endorsed by the 9th Session of the Executive Council, ACARTSOD convened a Roundtable in November 2006 to develop strategies to implement the Initiative. Among others, the objectives of the Roundtable were to: ●share knowledge and information and take stock of the various challenges afflicting Africa’s youth, children and women; ●define policy actions; identify priority modalities to improve the well-being of children, youth and women; and ●consider modalities for collaboration with Government Ministries, AU Commission, UN Agencies, NGOs, and other Organisations. Participants at the Roundtable included the Representatives from the AU Commission, UN ECA, National and International Organisations, Academic Institutions and Universities. The Roundtable adopted a long and short-term strategy on the implementation of the Initiative. These included, inter-alia: ●supporting the MDGs; ●conducting of sensitization campaigns on social policies at national level; ●establishment of data on best practices as well as a Website on the Initiative; ●creation of a Fund to carry out the activities of the Initiative; ●establishment of a Regional Observatory on children, youth and women; and ●the development of a roster of Experts who worked on children, youth and women. It was also recommended that an Experts Group Meeting be held on the Initiative.

f) Drug Control

354. I would like to draw Council’s attention to the fact that the trafficking and abuse of illicit drugs has escalated on the African Continent. A position of “Senior Policy Officer, Drug Control” was provided for in the structure of the AU Commission, within the Department of Social Affairs; the post was filled since 1 July 2006. Subsequently, assessment missions were conducted to six (6) REC Secretariats on the status of implementation of the AU Revised Declaration and Plan of Action on the Control of Drug Trafficking and Abuse (2002-2006). The recommendations of the mentioned assessments will feed into the elaboration of the next AU Plan of Action on Drug Control (2007-2010), to be submitted to the 3rd AU Ministerial Conference on Drug Control during the latter half of 2007.

J.V. SPORTS

355. The Commission has been leading the process for the African Union Launch of the International Year of African Football 2007, in collaboration with the Governments of Ethiopia and South Africa. This launch, which will take place during the AU Assembly in January 2007, will usher in dedicated activities not only to improve the technical level of football and other sport codes and their administration on the Continent in 2007 and beyond, particularly emphasize the role of sport in peace building.

J.VI. CULTURE

a) African Academy of Languages (ACALAN)

356. As Council may recall, the Statutes and Rules of procedure of the Academy have been adopted in June 2006 during the Session of the Interim Governing Board (IGB) of ACALAN at their meeting in Addis Ababa at AU headquarters. Furthermore, the Hosting Agreement of ACALAN between the Commission of the African Union and the Republic of Mali is in process of finalization. The organizational structure of ACALAN has been drafted. Finalization of the structure is anticipated and is currently awaiting finalization by the interim General Secretariat of the Academy is presently headed by Mr. Adama Samasseko.

b) International Year of African Languages

357. The International Year Of African Languages (IYAL) was launched in June 2006 during the Session of the Interim Governing Board in Addis Ababa. In this regard, the ACALAN Secretariat has developed a programme of activities for the IYAL. Among these activities proposed are the organisation of an international seminar on the partnership between the African and European languages, mobilization of efforts with UNESCO to promote 2008 as the International Year Of Languages, and the organization of regional colloquiums for ACALAN. Out of the five regional colloquiums, which are to take place in Southern Africa, East Africa, Central Africa and Northern Africa, the first one has already been held in Bamako, which is that of the West Africa.

c) Pan-African Cultural Congress

358. The 1st Pan African Cultural Congress of the African Union was held in Addis Ababa from 13 to 15 December 2006. The meeting was attended by participants from Africa and the Diaspora. The main theme of the Congress was to explore the relationship between ***Culture, Integration And The African Renaissance***, in short how to use culture to promote integration and the African Renaissance. The meeting was the culmination of a series of events organised by the African Union over a three-year period, which included:

- Preparatory Conference - Addis Ababa, 2004
- Meeting of independent Experts- Nairobi, 2005
- 1st AU Meeting of African Ministers of Culture and Education – Nairobi, 2005
- 6th AU Summit, Khartoum, Sudan, which focussed its deliberations on culture and education.

359. The participants of the Congress engaged in debates and discussions around the eight sub-themes of the Congress which were: ●Memory and heritage; ●Culture language and education; ●Cultural rights freedoms and intellectual property rights; ●Culture development and social transformation; ●African culture, the media and new technologies; ●Culture youth and gender; ●Cultural development; and ●Cultural policies in Africa. The Congress emphasised the necessity of the implementation of a number of conventions such as the Linguistic Plan Of Action For Africa, the Dakar Plan On The Cultural Industries, the Nairobi Plan, and in particular the Cultural Charter for the African Renaissance. The participants in the Congress reviewed a draft Consensus Statement, and drafted a Cultural Policy Framework for further elaboration and review before adoption.

K. INFRASTRUCTURE AND ENERGY

360. I am pleased to report to Council that, during the period from July to December 2006, the Commission embarked on a number of activities of strategic importance in the area of infrastructure and energy. Priority was placed on the elaboration of policies and strategies in the fields of railway transport, electricity, oil and gas, Telecommunications and ICT as well as on the implementation of specific projects aimed at the development of ICT infrastructure and services in Africa. These included the e-Governance VSAT project for the African Union Commission and his Regional Offices, the Pan-African e-Network project for Tele-education and Tele-medicine in cooperation with the Government of India and the Unified Telecommunication Numbering project.

361. In the course of strengthening cooperation with partners, the Commission participated in meeting regarding the Infrastructure Consortium for Africa (ICA) and the Europe-Africa Partnership on Infrastructure as part of the efforts to support and accelerate development of infrastructure in Africa. In the same spirit, elaboration of a coordination mechanism for the development of infrastructure in Africa was initiated in collaboration with key partners including the Regional Economic Communities, the African Development Bank (ADB) and the NEPAD Secretariat. Furthermore, the African Union – European Union dialogue on cooperation in the development of transport, telecommunications and energy infrastructure in Africa advanced significantly with the African Union Commission-European Commission Task Force meeting held on 11-12 September 2006 at Brussels.

K.I. TRANSPORT SECTOR

a) Joint AU – EU Seminar on Civil Aviation

362. The African Union and the European Commission organised the first joint aviation seminar on 13-14 September 2006, in Brussels. This was part of the ongoing cooperation dialogue between the two organisations in the field of air transport. The dialogue is focused on resolving policy differences as well as determining areas including ways and means of strengthening cooperation in air transport matters between the two continental regions. The event was attended by high-level representatives from 30 African States, Regional Economic Communities and specialised aviation organisations.

363. During the Seminar, the importance of AU-EU aviation partnership and support to the regional integration process in Africa was emphasised. The Yamoussoukro process on the liberalisation of air transport in Africa as was outlined by the AUC and the experience of the EU in reorganising its internal aviation market were regarded as invaluable input to the efforts of the AU in developing an overall continental aviation policy.

364. The seminar covered key economic and technical issues on which, it was agreed, sound cooperation mechanism between the two continents could be structured. These include:

- Economic regulation (including market access regulation)
- Competition policy in air transport
- External aviation policy
- Aviation safety and security
- Single European Sky (Air Traffic Management)
- SESAR – Single European Sky industrial and technological programme
- Satellite navigation systems
- African experience in Air Transport liberalisation – Yamoussoukro Decision

365. One of the main issues that the seminar was intended at addressing was apprising African stakeholders on the new EU aviation external policy which underscores the status of the entire EU region as a single sky and, therefore, requires all existing bilateral air service agreements (BASAs) concluded between individual EU states and third countries to include a specific clause (EU community clause) to that end.

366. Given the perceived implication of the new EU external aviation policy on the market access and competitive regimes between the two continents, the AU Commission is spearheading the elaboration of a common negotiating position to ensure that Africa's aviation interests are not compromised in the course of interacting with the EU as a single party in the existing BASAs. To that end, the outcome of the Brussels seminar has been taken into account in the ongoing elaboration of Guidelines for Negotiation of Air Services Agreements between AU and EU States.

b) Cooperation between the African Union and the International Civil Aviation (ICAO)

367. The period was characterised by purposeful actions aimed at strengthening cooperation between the African Union and ICAO beginning with the attendance in person of the ICAO Secretary-General, Mr. Taïeb Cherif, at the second Conference of African Ministers responsible for the air transport held in Libreville (Gabon), May 2006. At the conference, the Secretary-General expressed ICAO's appreciation of the new vigour with which the African Union is addressing air transport issues in the continent. In that regard, he indicated the intention of his organisation to direct more of its attention to the African civil aviation industry and forge stronger relations with the African Union to that end.

368. Afterwards, the Commission invited the Secretary-General to the Headquarters of the African Union to discuss critical issues affecting air transport in Africa and future cooperation between the two Organizations of ICAO. The visit took place on 15 August 2006 and the occasion was largely used by the AU Commissioner for Infrastructure and Energy and the ICAO Secretary-General and their delegations to hold discussions on a

concept paper prepared for a joint project on building a sustainable air transport sector for Africa. The African Civil Aviation Commission (AFCAC) and the African Airlines Association were also represented.

369. The two organisations concluded that the African Union Commission should participate in the entire process of the project preparation and management in a leadership capacity as co-chairperson of the Steering Committee of the project. ICAO would be the executing agency and would undertake to mobilise the resources needed for the implementation of the project.

370. It was also agreed that arrangements should be made to involve other organisations like the UN World Tourism Organisation (UNWTO), World Bank and Airports Council International (ACI) which have shown interest to join the project in kind or financially. The project planned duration is three years and the commencement date was set at January 2007 following the conclusion and signature of a MoU between the two organizations.

371. The meeting also served as an important opportunity to discuss other outstanding issues including the resolution of the often divergent and conflicting external policy dimension of air transport of states and regions, support to Africa's efforts to develop an integrated transport master plan, ICAO's database sharing, war risk insurance (Global Time scheme); brain drain and assistance to the restructuring of the African Civil Aviation Commission (AFCAC). Finally, the two delegations decided to jointly organise an Africa wide conference on aviation security in early 2007.

372. With regard to the concept paper on sustainable air transport for Africa proposed by ICAO, both Organisation felt that effort should made for its materialization and partners such as UN World Tourism Organisation (UNWTO), World Bank and Airports Council International (ACI) have shown interest to join in kind or financially the project which should start in January 2007 and last three years. Necessary steps aimed at formalizing the cooperation between AUC and ICAO through a MoU are being taken.

c) ICAO Global Symposium on Air Transport Regulation

373. Given the international character of air transport, the International Civil Aviation Organisation (ICAO) has been working on an effective and agreeable operational environment for the ongoing globalisation of the civil aviation industry. In this regard, the Commission was invited to the ICAO Global Symposium on Air Transport Regulation which took place in Dubai from 18 to 19 September 2006.

374. The main objective of the symposium was to provide a forum which could bring together states, industry stakeholders and other aviation partners to review the progress of liberalisation, share information and experiences, exchange views on the issues and challenges, and discuss possible ways to move liberalisation of air transport forward. In that context participants took stock of liberalisation endeavours in the regions/continents and assessed the implications of liberalisation on the performance of the aviation industry. They, also, considered strategies for ensuring aviation safety and security in the changing environment and for enhancing the benefits of liberalisation in the sector.

375. The deliberations focused on the disparities in the progress of liberalisation in the various regions/continents and their linkages with different levels of development. The

Yamoussoukro Decision on the liberalisation of Air transport Markets in Africa was considered as a case in point. The concerns of countries with weaker aviation sectors were also addressed as well as the need to maintain strong regulatory systems that would ensure that international standards for safeguarding aviation safety, security and environmental protection are being effectively adhered to.

376. In conclusion, it was agreed that in the medium to long term, liberalisation on air transport has many advantages and, therefore, countries and regional groupings should make concerted efforts to address the challenges to ensure that the benefits of liberalisation are realised. In that regard, the need to move forward through constructive dialogue and cooperation and the involvement of all parties concerned was underscored.

d) Implementation of the Yamoussoukro Decision on the Liberalisation of Air Transport Markets in Africa

377. I hereby inform Council that the Commission initiated a number of activities related to the implementation of the 1999 Yamoussoukro Decision on the Liberalisation of Air Transport Markets in Africa as mandated by the Resolution of Ministers responsible for Air Transport adopted at their first conference under the auspices of the African Union in Sun City, South Africa in May 2005 (Sun City Resolution).

378. In that connection, the Commission has initiated studies with a view to addressing the following outstanding issues and components of the Yamoussoukro Decision:

- Evaluation of the implementation of the Yamoussoukro Decision;
- Harmonisation of Competition Rules (Article 7)
- Elaboration of a Dispute Settlement Mechanism (Article 8)
- Setting up the African Air transport Executing Agency (Article 9)

379. The output of those studies would be considered by sector experts meetings and workshops planned to be held in early 2007 after which the respective documents would be finalised and submitted to the Third AU Conference of the Ministers responsible for Air Transport scheduled to be held in Addis Ababa in May 2007.

380. Once again, I would like to use this opportunity to urge all Member States to give the Yamoussoukro Decision high priority and take all the necessary measures to ensure its full implementation to avoid further marginalisation of Africa in the global civil aviation industry.

e) Preparation of the Transport Infrastructure Master Plan for Africa

381. I am pleased to announce that the work relating to the preparation of the Integrated Transport Master Plan for Africa is progressing well. After developing the concept and the methodology of the elaboration of the Master Plan, and after extensive consultations with International Institutions well versed in the preparation of Infrastructure Master Plan, the preparation team has apprised the representatives of the RECs of this important project and their potential roles during the Infrastructure Consortium for Africa meetings that took place in Addis Ababa from 19 to 20 June 2006.

382. The urgency to produce this Master Plan was underscored during the meeting of the AU Commission, RECs and the European Commission (EC) held in Brussels, Belgium in

July 11, 2006 on, among other things, Europe-Africa Partnership on Infrastructure. During this meeting, it was agreed that EU support to infrastructure development in Africa would be based on the continental transport master plan ensuring trans-continental connectivity from which priority projects would be selected in agreement between the AU and the RECs.

383. Preparatory work has continued with consultative missions to the RECs by a joint AU/ECA team. According to the main objective of the missions, the consultative team has identified with the RECs their recently concluded, on-going, and proposed studies, projects, and activities relevant to transport infrastructure development and collected relevant data and information which are being entered into the database. The consultative team also ascertained with the RECs possible priority projects and criteria used to develop and classify them to enable a comparative analysis, establish continent-wide set of guidelines and priorities and produce major corridors of integrated all-modes transport infrastructure. The consultations were carried with all the RECs as follows:

- ECOWAS (Abuja), ECCAS (Libreville) and IGAD (Djibouti), including Senegal Ministry of NEPAD and its unit working with IGN France International, in August and September; 2006
- SADC (Gaborone), COMESA (Lusaka), and EAC (Arusha): in September and October 2006; and
- UMA (Rabat), and CEN-SAD (Tripoli): in October and November 2006.

384. Consultations were also carried out with specialized agencies including:

- The Port Management Association of Eastern and Southern Africa (PAMESA) located in Mombassa and covering SADC, COMESA and EAC,
- Inter-Governmental Standing Committee on Shipping (ISCOS) also located in Mombassa,
- The Northern Corridor Transit Transport Coordination Authority based in Mombassa and covering Kenya, Uganda Rwanda, Burundi and the Democratic Republic of Congo (DRC),
- The Commission Internationale du Bassin (of Rivers) Congo-Oubangui-Sanga. (CICOS) located in Kinshasa. This organization deals with inland water transport, among other things.
- The Union of Africa Railways (UAR) also located in Kinshasa,
- Organisation pour la Mise en Valeur du Fleuve Sénégal (OMVS) located in Dakar,
- Centre de Suivi Ecologique pour la Gestion des Ressources Naturelles (CSE) located in Dakar, also dealing with infrastructure development in Africa.
- Kenya Port Authority located in Mombassa, Port of Dakar Authority, Port de Djibouti,
- Libyan Railways and Roads Authorities.

385. The acquired data is being processed and it is being used to depict the transport components and corridors in their correct spatial locations and cross-referenced with one another in the performance of a full analysis of all relevant factors, conditions and alternatives. This work is being carried out per REC, transport mode and priorities and collated in integrated preliminary trans-African networks and corridors.

386. The acquisition data from all interested parties is enriching the database and contribute to the production of a preliminary pre-projection of the Master Plan by Mid-

February 2007. The pre-projection Plan would then be discussed AU-ECA wide by late Mid-March 2007. Discussions with the RECs and Specialized Agencies would then be held by the end of April 2007.

387. After incorporating comments and suggestions from the RECs and Specialized Agencies, and the acquisition of necessary data to fill in the gaps in networks and corridor development, further technical discussions would be held in the third quarter of 2007. These technical discussions will be followed by technical analysis and synthesis, firming up the Plan, which would then be presented to Transport Ministers for consideration in their conference planned during the third quarter of 2007.

K.II. ENERGY

a) Conference of African Ministers Responsible for Hydrocarbons (Oil and Gas)

388. The soaring oil prices, which represent a windfall for producing countries, constitute a major problem for importing countries, particularly poor countries. Faced with this situation, the Sixth Assembly of the Union, held in Khartoum, The Sudan, in January 2006, decided to establish an African Petroleum Fund whose main objective will be to mobilize resources to assist African oil-importing countries to mitigate the impact of oil crises and facilitate the financing of their oil imports.

389. The Seventh Assembly held in Banjul, The Gambia, from 1 to 2 July 2006, revisited this issue and requested the African Union Commission to conduct a comprehensive analysis of the issue and present a detailed strategy for cooperation and solidarity between African oil-producing and non-producing countries with a view to: (i) alleviating the effects of high oil prices on the economies of poor non-producing African countries, (ii) maximizing the oil revenue of oil-producing African countries and (iii) increasing the volume and upgrading the quality of petroleum products in Africa in order to achieve the development objectives of the Continent.

390. Furthermore, on 27 July 2006, at a Meeting of African Ministers responsible for Energy of non oil-producing countries held in Dakar, Senegal, the African Non-Petroleum Producers' Association (ANPPA) was launched, chaired by Senegal. In a Declaration adopted on that occasion, the African Union Commission was requested to rapidly coordinate African solidarity in the oil sector, particularly by establishing the African Stabilization Fund and a mechanism for supply under preferential conditions for African non-petroleum producing countries.

391. In response to the missions entrusted to it and recalled above, the African Union Commission and the African Development Bank jointly initiated a study on « The Impact of High Oil and Natural Gas Prices on African Economies » and, «The Mechanism for the Establishment and Operation of an African Petroleum Fund » intended to assist African petroleum importing countries to alleviate the oil crises and facilitate the financing of their oil imports.

392. The results of this study were presented at the First African Union Meeting of Ministers responsible for Hydrocarbons (Oil and Gas) held in Cairo, Egypt from 14 to 15 December 2006.

393. The decisions, recommendations and Plan of Action of the above-mentioned meeting are a separate item on the Executive Council agenda.

b) Implementation of the decisions and recommendations of the Conference of Ministers responsible for Electric Energy

394. The proposals for the structure and operation of the Conference of African Ministers responsible for Electric Energy (CAME), as an organ for the coordination of policies and strategies for the development of the African electricity sector, its Rules of Procedure and its detailed Plan of Action were elaborated.

395. A draft Memorandum of Understanding between this organ and its counterparts in the water and environment sectors, namely, AMCOW and AMCEN respectively, are being prepared. During the first quarter of 2007, the Commission will organize a meeting of the Bureau of the Conference for the adoption of these instruments.

396. The study for the elaboration of the Continental Policy and Master Plan for the development of the African electricity sector was launched. The main activities to be carried out are as follows:

- Evaluation of the present status of the sector;
- Elaboration of the Continental Policy;
- Preparation of guidelines for the elaboration of the Master Plan for the development of the sector.

397. Indeed, the study should be based on the policies and programmes of the Regional Economic Communities (RECs). A workshop for the validation of this phase of the study will then be organized during the first half of 2007 and will bring together representatives of the RECs, Regional Energy Pools and specialized institutions in the sector such as the ECA, ADB, NEPAD Secretariat, AFREC and UPDEA.

398. Within the framework of the establishment of a Commission for the coordination of Major Integrating Hydroelectric Projects, I have the pleasure to announce that the Commission initiated a legal and institutional study with a view to providing an appropriate and reassuring framework for all stakeholders in the development of major integrating hydroelectric projects such as the Great INGA Project. The Egyptian Government agreed to host the first meeting on this important project during the first quarter of 2007.

K.III. TELECOMMUNICATIONS AND INFORMATION AND COMMUNICATION TECHNOLOGIES (ICTs)

a) Pan-African Network Project for Online Tele-Medicine and Tele-Education Services

(i) Background of the Project

399. The Project for the establishment by India of a Pan-African Network for online services through fibre optics and satellite is designed to provide Tele-Medicine and Tele-Education services to the 53 Member States of the African Union.

400. At the level of the African continent, the network will be made up of a Hub Earth Station, which will be linked via Satellite with:

- 53 VSAT Stations installed in 53 National Hospitals (one hospital in each Member State) for Tele-Medicine, 53 VSAT Stations installed in 53 National Universities (one university in each Member State) for Tele-Education;
- 5 VSAT Stations installed in 5 African Universities called Regional Nodal Universities and 5 VSAT Stations installed in 5 African Hospitals called Super Specialized Regional Hospitals contributing to provide the Network's Tele-Medicine and Tele-Education services, respectively;
- In India, the network will also be composed of a Hub Earth Station, which will be linked to 6 Indian Hospitals and 6 Indian Universities to provide the Network's Tele-Medicine and Tele-Education services, respectively.

401. The African Hub Earth Station will be linked to the Indian Hub Earth Station by submarine fibre optic cable.

402. India undertook to finance the project to the tune of 50 Million US Dollars for the supply, installation, operationalization, rental of satellite bandwidth and fibre optics and the maintenance of the network for a 5-year period. Furthermore, India will be responsible for building capacities through the training of the staff of Member States and the fees of the Indian lecturers who will lecture 10,000 students, 500 doctors and 1,000 nurses.

403. Two Agreements were signed between the African Union Commission and India. The first Agreement, with the Indian Government, relates to the general aspects of the establishment of the Pan-African Network. The second Agreement, with the Indian company «Telecommunications Consultants India Limited» (TCIL), concerns the supply, installation, operationalization and maintenance of the Network by TCIL for a 5-year period.

404. Furthermore, the Agreement between India and each Member State wishing to participate in the Project was initialled by the two parties. The main responsibilities of the African Union Commission, India and Member States wishing to participate in the Project were laid down in the different Agreements mentioned above. The signing of the Agreements marked the beginning of the effective implementation of the project.

(ii) Project Implementation

405. Within the framework of the supervision and monitoring of the implementation of the project, a Steering Committee was established. This Committee comprises representatives of the African Union and India. To date, the Steering Committee has held three (3) meetings, during which the following key issues were considered:

- i. Adoption of the organization, functions and work programme of the Steering Committee and Technical Sub-Committees;
- ii. Analysis of technical proposals by India in relation to the recommendations of the Special Advisory Committee;
- iii. Consideration of:

- Specifications of software that will be used in the Network as well as the structures of Tele-Medicine and Tele-Education component;
 - Specifications of the technology and standards of Tele-Medicine and Tele-Education equipment;
 - Tele-Medicine and Tele-Education services that will be provided by the network;
 - Viability and sustainability of the project;
 - India's obligations;
- iv. The selection of the State to host the Master Hub Earth Station of the Pan-African Online Services Network and the selection of Regional Universities and Hospitals;
- v. Consideration of the tariffs of services that will be offered by the Network as well as the modalities and management structure of the Pan-African Network before and after 5 years of assistance from India.

(iii) Selection of Host States: Hub Stations, Regional Universities and Hospitals

406. Concerning the selection of the State to host the Network's Hub Earth Station, the process used included the following stages:

- elaboration and publication of a Request for the Expression of Interest in eleven (11) African States with international submarine fibre optics cable landing points;
- analysis of proposals by an Evaluation Commission established by the Steering Committee;
- a visit of sites proposed by the first three countries selected. At the end of the process, Senegal was selected to host the Hub Station.

407. The selection of five (5) Regional Nodal Universities and five (5) Regional Super Specialized Hospitals was carried out according to a process similar to that used for the Hub Station. Thus, at the end of the 3rd Meeting of the Steering Committee in July 2006, two (2) Universities and one (1) Hospital were selected. The tenders process should be continued in order to finalize the selection of the remaining Universities and Hospitals.

(iv) Fulfilment of the obligations of the African Union Commission

408. The African Union Commission contributed to the implementation of the project by conducting the following activities:

- Elaboration of the texts of the different Agreements and Protocols in the four working languages of the Union and their transmission to Member States for signing with a view to their participation in the project. To date, the African Union Commission has received the Memorandum of Understanding signed by fourteen (14) States;
- Sensitization of States and key stakeholders on the need to participate in the project;
- Financing and organization of meetings of the Steering Committee;

It should be mentioned that the implementation of the project was initially scheduled to be completed in 18 months starting from the signing of the Agreements.

409. In conclusion, the African Union Commission and the Steering Committee made considerable efforts towards the implementation of the project. However, it should be noted that difficulties arose in the implementation of the project, the most important of which are:

- The inadequate human and financial resources allocated for the monitoring of the implementation of the activities and recommendations of the Steering Committee;
- The tardiness of Member States in confirming their participation in the project by signing the Country Protocol.

b) e-Governance Project (VSAT)

410. It is a real pleasure for me to announce the launching of this Project. The e-Governance Project (VSAT) of the African Union is aimed, within the context of the institutional transformation, at ensuring full connectivity and providing modern telecommunications services between the Headquarters of the Commission, the Regional Offices, external representations, the Regional Economic Communities and Member States, through the establishment of a satellite interconnection network.

411. The Project will enable the African Union to have its own telecommunications system, and consequently, greater autonomy in terms of services and availability. The network will provide the African Union with videoconferencing, high speed Internet, IP telephony and instant messaging services, coupled with video discussions in real time. It will also make it possible to share knowledge and know-how as well as information, and will promote teamwork, thereby enhancing productivity and maximization of resources (savings on communications, travel costs, etc).

412. The contract with the service provider was signed with a five (5) month implementation schedule. The project is now in the practical implementation phase marked, *inter alia*, by:

- Payment of the first invoice submitted by the service provider;
- Beginning of the manufacturing of equipment;
- Designation of focal points in the beneficiary sites and requests for frequencies from the competent authorities of the countries to host the sites;
- Preparation of sites to receive the equipment.

c) Harmonization of Policies and Regulatory Frameworks for Telecommunications and Information and Communication Technologies (ICTs)

413. Telecommunications and ICTs constitute the foundations and facilitators of socio-economic and cultural development. More specifically, the establishment of effective telecommunications and ICT systems would be an indispensable lever to attain the ultimate goal pursued by the African Union which is the integration of the Continent.

414. Unfortunately, annual statistics, particularly those of the International Telecommunication Union (ITU), show that despite efforts deployed by States and their partners in terms of restructuring, development and modernization of networks and services, the digital divide continues to increase and remains a source of concern.

415. In this regard, many of the Continent's development players placed the Telecommunications and ICT sectors at the centre of their priority actions. However, the multiplicity of players involved in frequently varied activities for the same objectives and the same beneficiaries, do not necessarily guarantee the effectiveness and the efficiency of this collective effort, and even less the expected results. It is also acknowledged that the optimal and efficient development of intra and inter-regional infrastructure, as well as their rational utilization, requires prior definition and establishment of a conducive and appropriate policy and regulatory framework.

416. In response to the considerations summarized above, the Commission carried out, with the support of a High-Level Committee, studies on the elaboration of a harmonized reference policy and regulatory framework, to promote the rapid and harmonious development of regional and continental telecommunications and ICT networks and services.

417. The main results expected from the study are:

- The statement of a shared regional and continental vision on the role, expectations and impetus to be given to the telecommunications and ICT sector;
- A harmonized reference policy framework for the development of the telecommunications and ICT sector and regulatory practices applicable at regional or even continental levels, particularly strategic orientations, and issues which should be included in community guidelines to be established, etc;
- The identification of cross-cutting priority studies to be carried out;
- An appropriate mechanism for consultation and cooperation between key stakeholders and partners, particularly to strengthen community approaches in activities for the development of the sector;

418. The approximate timeframe for implementation is six months. At the end of 2006, the Draft Report of the High-Level Committee will be transmitted to members of the Committee and Regional Economic Communities, for consideration with a view to its adoption by the High-Level Committee in February 2007, followed by its presentation to Experts of Member States and RECs during regional workshops. During the first quarter of 2007, the organization of a Conference of Ministers in charge of Telecommunications and ICTs is envisaged for the consideration and adoption of the conclusions of the study.

d) Project for the establishment of a Unified Telecommunications Numbering Space in Africa

419. I am glad to report that this project, which began in 2004, is progressing normally. The main objectives of the project are to:

- Stir the interest of operators to build regional federating networks with African Internet exchange points;

- Strengthen the interconnection of networks and promote the establishment of Pan-African services;
- Provide a powerful symbol for African unity and integration;
- Contribute to increased competition and the telecommunications and ICT services market in Africa;
- Contribute to reducing the digital divide.

420. The preliminary study carried out in 2004 proposed the following options for the establishment of a Unified Numbering Space:

- Obtain from the International Telecommunication Union, in conformity with recommendation E164, a common country code or code for groups of African countries (+28 or 288) which will co-exist with the present individual international country codes;
- Use this common country code for pan-African services essentially directed towards ICTs.

421. The preliminary study also proposed the following two main phases for the establishment of the unified space:

- **Phase 1:** Establishment of the African Telecommunications Numbering Space (ATNS) which will coexist with the present individual country codes;
- **Phase 2:** Evolution towards an integrated numbering plan with integration of other functions .

The financial resources required for the implementation of the project were estimated at 1, 500,000 US Dollars over an overall period of 2 years.

422. The conclusions of the preliminary study were presented to Experts from Member States in March 2005, who approved the option, the phases and the methodology for the establishment of the unified numbering space. They recommended that:

- The necessary contact should be initiated for the mobilization of resources with a view to launching the initial preparatory activities;
- Studies should be conducted on the economic opportunities in order to promote the commitment of Member States to participate in the project;
- A public relations plan should be elaborated for the promotion of the project with a view to sensitizing all players and stakeholders, and enlisting the support of other regions of the world;
- Sensitization and information campaigns should be conducted during regional, continental and international events organized in the telecommunications sector.

423. The implementation of the project is characterized by activities for sensitization and information, carried out by the Commission in 2005 and 2006 during events in the telecommunications sector, and economic opportunity studies, the results of which are expected by early February 2007.

424. These results will focus essentially on:

- The economic and business opportunities offered by ATNS resources and services;
- The integration of emerging technologies in the structure of the ATNS network;
- The expectations of network operators, service providers and investors in the Telecommunications/ICT sector, who will be potential users of ATNS resources.

K.IV. OTHER ACTIVITIES

a) Definition of Infrastructure Development Coordination Mechanism

425. The mechanism was defined by the Commission in collaboration with the ADB and NEPAD Secretariat, and broadened to include the RECs and AU Specialized Institutions.

426. The stakeholders of Africa's infrastructure development will play the following key roles:

- The Assembly of the Union shall determine Africa's infrastructure development vision;
- The African Union Commission shall define continent-wide sector infrastructure policies and strategies;
- The NEPAD Secretariat shall develop and prepare the projects and programmes of the Union;
- The Regional Economic Communities shall execute the projects and programmes of the African Union as the building blocks of integration;
- The African Development Bank shall mobilize resources and assist the African Union Commission in obtaining funds and in advocacy actions for the Union's programmes;
- The Specialized Institutions shall provide support to the African Union Commission, the NEPAD Secretariat, the Regional Economic Communities and the States;
- Member States shall have the primary duty to implement the projects and programmes of the African Union with the assistance and facilitation of the RECs and other key regional and continental institutions.

427. In keeping with the above distribution of responsibilities and given the leadership role to be played by the Commission in coordinating and harmonizing Africa's initiatives in the field of infrastructure development, the functioning of the Coordination Mechanism will be anchored on the following broad principles:

- The African Union Commission is to organize a preparatory meeting of the key stakeholders prior to each meeting of the Consortium for Infrastructure in Africa. Other similar meetings are to be held, under the leadership of the African Union Commission prior to any important event pertaining to the issue of infrastructure development in the Continent (Africa Partnership Forum Meetings, European Union-Africa Partnership, etc) to formulate a common African position;

- Greater involvement of the African Union Commission in the formulation of the development policies and programmes of the Regional Economic Communities and vice versa, so as to boost this synergy;
- Involvement of the Specialized Institutions in all infrastructure development programmes in Africa at all levels, both at the level of the African Union Commission and that of the Regional Economic Communities; and
- Improve communication and information exchange among the concerned stakeholders, horizontally (among the Regional Economic Communities and the Specialized Institutions and between the Regional Economic Communities and the Specialized Institutions) and vertically (between the above Institutions and the organs of the African Union).

428. The parties recognized that the Mechanism would function even better when the integration of NEPAD into the processes of the African Union would have been effective. As a matter of fact, all sorts of redundancies and duplications were observed between the Commission and the NEPAD Secretariat whose statutory organs operate on parallel lines. In contrast, for the other institutions, the issue was more than anything else that of further enhancing the synergies, complementarities and coordination, with each institution playing its own role. This consensus, which was achieved in respect of infrastructure, should serve as a tool for understanding the prevailing general feeling on the need for Africa “to speak with only one voice”.

b) High-level policy and regulatory framework for NEPAD’s broad band infrastructure network for Southern and East African States

429. A ceremony for the signing of the Protocol relating to the high-level policy and regulatory framework for NEPAD’s broad band infrastructure network for Southern and East African States, was held in Kigali, Rwanda, on 29 August 2006, under the very high patronage of His Excellency Paul Kagame, President of the Republic of Rwanda. Ahead of the ceremony, the Ministers in charge of ICTs in the concerned States met at the same venue on 28 August 2006 to examine the Protocol. At the end of the meeting, they adopted a resolution on several issues contained in the Protocol.

430. It should be recalled that the process leading to the Protocol, subject of the ceremony in Kigali, necessitated several meetings of high-level officials and the input of both NEPAD and ICT experts of Southern and East African States as well as that of some development partners. Anchored on the Constitutive Act of the African Union, the Protocol’s main objective is to facilitate and engage the partners for construction and management of NEPAD’s broad band infrastructure network for the States of Southern and East Africa based on the principle known as free access. The Protocol further commits the signatories to harmonize their national policy and regulatory framework instruments, aligning them with the Protocol.

431. The Kigali ceremony saw the effective signing of the Protocol by Lesotho, Madagascar, Malawi, Rwanda, South Africa, Tanzania and Uganda. The deadline of 30 November 2006 was set for other countries to sign the Protocol. A second signing ceremony took place in Cape Town, South Africa, on 16 October 2006, at which the Republic of Botswana and the Republic of Zimbabwe signed the Protocol.

c) Strategy Conference of the Universal Postal Union

432. The objectives of the above meeting held in Dubai from 14 to 16 November 2006 were to showcase the latest changes and the stakes with which the postal sector has to contend, evaluate the level of implementation of the Bucharest strategies (2004) and formulate the roadmap for adoption at the Congress to be held in Nairobi in 2008. At the invitation of the Director General of the Universal Postal Union, the African Union Commission attended the meeting, represented by a delegation led by the Chairperson of the Commission.

433. In fact, there exists in Africa several initiatives aimed at developing the postal sector. The World Bank assists many African countries in their reform of the postal sector. By a strategy devised by West and Central African countries, a money transfer project was implemented in partnership with UPU and the French postal organization. As the Chairperson of the Commission underscored and yearned for, the Pan-African Postal Union is expected to play a vanguard role in this regard by seeing to it that the development policies of the postal sector are harmonized at continental level.

434. At the end of the debate, it was agreed that, for the postal system to be developed and transformed, the following prerequisites will have to be met:

- globalization of the sector;
- harmonized regulations;
- liberalization and promotion of competition;
- promotion of the use of new techniques (ICTs), e-trade; and
- human resource development.

L. RURAL ECONOMY AND AGRICULTURE

435. Since the submission of the last report in July 2006, I would like to inform Council that there have been significant developments with regard to the implementation of the African Agriculture Agenda. More specifically, within the framework of the Comprehensive Africa's Agriculture Development Programme (CAADP) and the Sirte Declaration on Agriculture and Water, the Commission has continued to focus its interventions on key selected areas of comparative advantage where its leadership has value addition and could make significant impact on Africa's agricultural growth and rural development, and management of the environment and natural resources.

L.I. IMPLEMENTATION OF THE MAPUTO 2003 DECLARATION FOR THE ALLOCATION OF AT LEAST 10% BUDGET ALLOCATION BY MEMBER STATES TO THE AGRICULTURE SECTOR

436. As a follow up to the implementation of the 10% Budget Allocation, the Commission and NEPAD Secretariat jointly continue to monitor the implementation of the decision by member states and regularly data are collected from member countries and analysed. In order to improve the quality and accuracy of data collected at country level, the AUC and NEPAD received support from the World Bank amounted of USD \$50,000.00 that was transferred to FAO in order to enhance and building capacity of member states in data collection and analysis.

437. To date, 19 countries have submitted data using the recommended methodology that is comparable across countries. This data shows that for 2004, three countries were allocating above 10 percent, 4 countries were between 5 and 10 percent and 12 countries were below 5 percent. The next step is to build national and regional capacity to effectively monitor the implementation of the decision as well as lobby and advocate for member states to allocate more financial resources into the agriculture sector.

L.II. IMPLEMENTATION OF THE AFRICAN AGRICULTURAL AGENDA WITHIN THE CAADP–SIRTE FRAMEWORK

438. I am pleased to report that one significant progress has culminated in the endorsement of the CAADP-Sirte Integrated Plan by the Assembly of Heads of State and Government during its seventh ordinary session in Banjul, 2006 through Decision Ex.CI/Dec.297 (IX). Following this Decision to move the agricultural agenda forward within the context and process of economic integration in the continent, the Commission, in collaboration with the NEPAD Secretariat, organized a consultative meeting between the AUC, the NEPAD Secretariat and the Regional Economic Communities agricultural teams from 7 to 9 November 2006. The purpose of the meeting was to forge effective interaction between AUC, NEPAD and RECs in order to build and reinforce their coordination capacity, harmonization of efforts, definition of roles, collective effort to mobilize resources for agriculture agenda and investment in Africa. In addition, the meeting also aimed to define communication and coherent reporting system and to share lessons and emerging impacts/challenges in the implementation process of agricultural programmes across the continent. In this connection, the meeting agreed to hold and institutionalised two meetings every year between AUC, NEPAD and RECs agricultural teams with aim to provide the platform for the three key institutions to: report on progress, achievements and challenges in the implementation of the agriculture agenda in Africa; address collective understanding and alignment of goals and targets of the agriculture programme at continental, regional and national levels; internalise and institutionalise interactions between AU Commission, NEPAD and RECs for an ultimate smooth coordination and reporting of progress on the Africa's agriculture agenda, among others. The first meeting is planned for May 2007. It was also agreed that the outcome of the meeting would feed into AU Ministerial Meetings/Summits and CAADP Partnership Platform. Other major issues agreed upon for collective efforts include: developing a coherent communication system and joint strategy for resource mobilization from domestic and foreign sources.

L.III. IMPLEMENTATION OF CAADP PRIORITY PILLARS

a) PILLAR I: Extending the Area under Sustainable Land Management and Reliable Water Control Systems

(i) Cooperation in Trans-boundary Water Management

439. The Commission has been working closely with the African Ministers' Council on Water to strengthen existing River and Lake Basin Organizations (R/LBOs) by bringing them together, under one organizational body. In that regard, the two initiated consultations with the African Network of Basin Organizations (ANBO) with the view to making the latter a purely Pan-African network, with core membership of River and Lake basin organizations, as opposed to its current membership structure, which includes organizations outside the

continent. The transformation to a purely pan-African network would require a review of the current membership and statute of ANBO. To this end, the Commission and AMCOW have had consultations with the ANBO Secretariat with the view to achieving the desired transformation. Work on the transformation process is actively underway. The proposals for transformation will be submitted to the next General Assembly of AMCOW for endorsement and subsequently to the ANBO General Assembly for approval.

440. In July 2006, the Commission reported that it had secured support from the United Nations Environment Programme (UNEP) to develop guidelines for the establishment of cooperation agreement for transboundary waters in line with the commitments contained in the Sirte Declaration on agriculture and water. To this effect, the guidelines have been prepared and will be submitted to an experts and Ministerial meeting during the course of the year for validation and endorsement. The purpose of the guidelines is to provide information to guide the Member States wishing to conclude cooperation agreement for the integrated Management of a Basin that they belong to.

(ii) African Monitoring of the Environment for Sustainable Development (AMESD)

441. During the period under review, the Commission reported on its agreement to host the Project management Unit (PMU) of the “African Monitoring of the Environment for Sustainable Development (AMESD)”, which is an environment and natural resources monitoring programme, based on satellite data and information. The programme will benefit ECOWAS, IGAD, SADC, CEMAC and IOC, and will be funded through the EDF. The European Commission has approved the Financing Agreement for the programme and the Commission of the African Union and the European Commission are in the process of identifying a consulting firm for the project management service. The AMESD project is expected to be launched before the end year 2007.

(iii) Conference of the Parties (COP) to the Bamako Convention

442. The Commission could not proceed with the convening of the first Conference of the Parties (COP) to the Bamako Convention, which was scheduled to take place in Bamako, Mali, from 20 to 24 November 2006. A part from the paucity of responses from Member States to confirm their participation (only Tanzania had indicated its readiness to participate by 1st November), the Commission could not mobilize sufficient financial resources to support the participation of the Parties and the non-party Member States. The Commission was obliged to postpone the COP until April 2007. Consultation will continue with Mali on this issue.

(iv) Climate Change

443. Given the economic, social and environmental significance of the impacts of climate variability and change, and given Africa’s vulnerability to these impacts and the continent’s low resilience, the Commission and the United Nations Economic Commission for Africa (UNECA) and the African Development Bank, with the support of partner institutions, such as the Global Climate Observing System-Africa (GCOS-Africa), have initiated efforts to prepare necessary actions for climate change adaptation in Africa. While it is obvious that the implementation of such adaptation plans may not be effective unless the major Green House Gas (GHG) producing countries significantly cut down on their emission, the

continent has an obligation, in the context of relevant global agreements that Member States are parties to, warranting such plan. The plan, if effectively implemented will contribute to the attainment of sustainable development regionally and environmental sustainability globally. The Commission will make a presentation on “Managing Climate Change for Africa’s Development” to this Summit with relevant recommendations and propose Decisions. Also a draft Action Plan will be submitted for consideration.

(v) Green Wall for the Sahara Initiative

444. In December 2006, in the margins of the food security summit in Abuja, Nigeria, the Commission and the Government of the Federal Republic of Nigeria launched the Green Wall for the Sahara Initiative. It would be recalled that H.E. Olusegun Obasanjon, President of the Federal Republic of Nigeria, proposed the Initiative to the fifth ordinary summit in 2005 and the Commission was requested to facilitate the process. Based on this request, the Commission elaborated a concept paper, which was the subject of the launch. For 2007, the Commission would be focusing on the development of a programme of implementation, with particular focus on transboundary cooperation activities, which would be submitted for the consideration of the Technical and Steering Committees of the Initiative for consideration. The commission would do everything possible to ensure a successful programme development and implementation and will keep the Summit regularly informed on progress.

b) PILLAR II: Improving Infrastructure and Trade-related Capacities for Market Access

(i) Establishment of Common Market of an African Common Market for Food Products

445. Africa is the only region of the developing world where the regional average of food production per person has been declining over the last 40 years, putting large segments of the population at risk of food insecurity and malnutrition. Agriculture, including fisheries and forestry, continues to dominate the economies and societies of most African countries and is an important vehicle for economic growth. The sector continues to produce the bulk of food consumed in Africa, accounting for about 60 percent of total employment and about 20 percent of total merchandise exports and GDP. The sector is the main source of raw material for industry, and as much as two-thirds of manufacturing value-added in most African countries is based on agricultural raw materials.

446. Despite the importance of agriculture in their economies, trade in agricultural products amongst the African countries remains at a relatively low level. Imports of agricultural products to the continent have been rising faster than exports since the 1960s and Africa as a whole has been a net agricultural importing region since 1980. Current agricultural export patterns in Africa are characterized by a small number of traditional commodities and dependency on preferential access to a few developed-country markets. This is symptomatic of inadequate capital formation and heavy de-capitalization, which raise costs and lower productivity in the agricultural sector. Small subsistence farmers, most of whom are women, have been particularly affected. Furthermore, the declining performance of the agricultural sector has compelled many farmers and other economic agents to engage in practices that degrade land resources, deplete forests and other natural vegetation and harm marine and other aquatic resources. Nevertheless, agriculture will

remain, in the foreseeable future, the most important sector for addressing food insecurity and poverty in Africa.

447. These problems and how to overcome them have been at the forefront of the debate on Africa's meagre economic performance, - hence in the Assembly of the Heads of State of the former Organization of African Unity (OAU) that took place in Lusaka in July 2001, it was decided that a possible catalyst to the solution to Africa's food insecurity problem was the creation of an African common market for agricultural products under the auspices of the African Union. As result, the FAO in partnership with the AUC started the process that should culminate with the establishment of African common market for basic products.

448. To date, consultants were hired and after the successful organization of inception workshop, the regional assessment should start soon following the hiring of regional consultants.

c) PILLAR III: Increasing Food Supply and Reducing Hunger

(i) Early Warning Systems for Food Security

449. Council will recall that the strengthening and coordination of Early Warning Systems (EWS) for food security have been identified by Member States as a priority theme; it was therefore recommended an assessment of the existing systems. The objective of the assessments was to obtain a clear understanding of the efficiency and effectiveness of existing early warning systems as a mean to enabling the development of appropriate mechanisms to dealing with natural calamities that affect food and nutrition security in Africa. The assessment missions began in May 2005 and were completed in December 2005. They were conducted in three regions of Africa that are often faced with food insecurity namely West Africa, Southern Africa and the Greater Horn of Africa. In addition, the main regional organisations in Early Warning systems such as CILSS, SADC and IGAD were consulted during the field work. The assessments in each region began with a planning workshop followed by country and regional field visits. Preliminary results were then discussed with key partners in regional workshops (Ouagadougou, Gaborone and Nairobi). Reports were prepared for each country assessed and each region as well.

450. The Assessment Missions reviewed both strengths and weaknesses of existing EWS on food security, and assessed the extent to which they are relevant, credible, cost-effective and sustainable, at regional and national levels. The Assessments concluded by providing recommendations on how best to enhance early warning capacity for greater food security in Africa. The continental final synthesis report was presented to the Member States' Experts and subsequently the Ministers during the Libreville, Gabon Ministerial Meeting held in November 2006. As result of the discussions held, two major recommendations were made by during the experts meeting:

- (i) That EWSs also should become part of an expanded food security information and analysis system that can produce viable, relevant and credible information.
- (ii) That countries, regional organizations, development partners and the African Union focus their collaborative efforts on creating or strengthening institutional mechanisms that guide the development of the EWS and

enable them to evolve in a dynamic and sustainable manner, responsive to their principal users.

451. Taking into account these recommendations, the next step will be the building up of strengthened EWSs that can produce viable, relevant and credible information at regional and national levels. Also, institutional mechanisms are to be developed in order to guide the development of effective and functional EWSs in Africa.

(ii) An African Position on Genetically Modified Organisms

452. The advent of genetic engineering in agriculture has clearly changed the content and nature of the debate on how to respond to food insecurity and on how to achieve longer-term agricultural growth and food security. Nonetheless, there are two extreme positions that appear to polarize the debate on Genetically Modified Organisms (GMOs) namely the extreme pro-genetic engineering and extreme anti-genetic engineering positions. The extreme pro-genetic engineering groups tend to catalogue potential benefits of the technology and often dismiss any concerns about potential risks as they tend to portray biotechnology as the panacea to combat food insecurity in Africa. On the other extreme are the anti-biotechnology activists who see no evident benefits and associate the technology with nothing but danger and risks and therefore suggesting the ending of the development, commercialisation and application of such technology.

453. Africa's lack of clear consensus and strategic approaches to address these emerging biotechnology issues has allowed different interest groups to exploit uncertainty in policymaking, regardless of what may be the objective situation for Africa. Therefore, there is a need for Africa to generate a position on GMOs that will help the African policymakers and sections of the public to better assess the issues related to GMOs through development and dissemination of reliable information and guidance available to these groups.

454. Agricultural biotechnology can be used to help farmers in African countries to produce more by developing new crop varieties that are drought-tolerant and resistant to insects and weeds. Of course, thorough testing is necessary to ensure the safety of new crop varieties developed through biotechnology. In Addition, issues about safety must be addressed head-on if the advantage of GMOs is to be exploited in Africa.

455. African governments have recognized the importance of regional cooperation to address possibilities and the range of issues associated with biotechnology and genetic modification. It is in this context that the Commission embarked in continental process to generate an African position on GMOS that will help member states to address issues pertaining to modern biotechnology and biosafety by endorsing decision EX.CL/Dec. 26 (III) that calls for an African common position on biotechnology. In addressing this issue, the Commission organized a workshop at the AU headquarters in Addis Ababa on October 17-19, 2006 to address the issues of GMOs in agriculture and try to develop guidelines on the controversies, risks, challenges and myths surrounding the growth and development of biotechnology in Africa. Following to this, the report was presented to the experts and Ministers during the Libreville, Gabon Ministerial Meeting held in November, 2006.

456. The main observations from the experts meeting are that genetic engineering is a tool that can be used to resolve some of the constraints of African agriculture and should be considered along with other farming practices (fertilizer, seed, soil and water conservation,

post harvest storage and processing, and commercialization). Also, biotechnology can be used to characterize genetic biodiversity for better protection, conservation and utilization (DNA fingerprinting). However, it is necessary to recognize the high cost related to biotechnology research and development and therefore it is necessary to encourage international collaboration and partnership as well as institutional linkages, regional initiatives (NEPAD Centers of excellence) and innovative approaches to access patented technologies for the benefit of small holder farmers.

457. One special remark was that to harness the benefit of GM technology, it is necessary for Africa to develop facilities for regulatory purposes, to enhance scientific capacity of institutions operating in biotechnology research and development and those conducting risk assessment studies, and establish GMO testing facilities and to streamline regulations for testing GMO crops to assess their merit. In this regard, the Commission will continue to facilitate the establishment of continental mechanism to that can ensure that the benefits of GMOs are accrued whereas the potential risks are minimized. Among other planned actions is the establishment of taskforce to move the African agenda on modern technology and creation of African database on GMOs for information sharing (regulatory, policies, etc).

(iii) The African Seed and Biotechnology Programme

458. Council will recall that the Ordinary Session of the Assembly held in Sirte, Libya, in 2005 discussed the importance of improved seeds for increasing agricultural productivity and food security in the continent. The Assembly requested the Commission, in collaboration with the Food and Agriculture Organization of the United Nations (FAO), to develop a comprehensive programme for the seed sector.

459. Following to this, Member States that participated in the FAO 24th Regional Conference in January 2006 welcomed the proposed African Seed and Biotechnology Programme, applauding the integrated approach that was envisaged.

460. To further develop the proposed Programme as requested, the Commission, in collaboration with FAO, convened an Expert Consultation Workshop in Addis Ababa, Ethiopia, from 13 to 14 November, 2006 that was attended by different stakeholders representing Regional Economic Communities (RECs,) international organizations, research organizations, seed networks, farmers organizations, civil society including non-governmental organizations and community based organizations, sub-regional research organizations, and public and private seed organizations.

461. The report of the workshop was presented during the Libreville, Gabon Ministerial Meeting in November, 2006. the report was welcomed and the experts identified a number of actions to be taken as a way forward. Among others, the experts recommended that the Commission endorse the African Seed and Biotechnology Programme, as a strategic framework for the further development of the seed sector in Africa. They also recommended that the Commission establish the necessary institutional arrangements to coordinate the effective implementation of the African Seed and Biotechnology Programme at the continental, regional and national levels as well as the need for member states to allocate funds and other resources to support implementation of the African Seed and Biotechnology Programme.

- d) **PILLAR IV: Agricultural Research, Technology Dissemination and Adoption**
- e) **Implementation of the CAADP Companion Document**
 - (i) Review of African Fisheries agreements

462. Council will recall that the Assembly, during its Extraordinary Session held in Sirte, Libya in February 2004, has mandated the Commission to promote the fisheries resources, develop fishing methods and equipment, improve facilities for the preservation, storage, distribution and processing of fisheries resources in Africa. In this context, the Commission was urged to work with African regional fisheries organizations, regional economic groups and member states to harmonize policies especially as pertains to negotiating fishing access agreements.

463. It is a fact that Africa currently produces 7.31 million tonnes of fish each year. Of this, 4.81 million are from marine fisheries and 2.5 million from inland fisheries. While capture fisheries rose steadily throughout 1980s and 1990s, they stagnated since then, reaching about 6.84 million in 2002. These trends coupled by the population growth, translate into a low and stagnating per capita consumption of fish or even decline. This is more notorious in the sub-saharan African where per capita consumption has fallen during the past twenty years.

464. Despite the decline in fisheries capture, trade in fish products has increased significantly in the past two decades thanks to among other factors more access to tightly regulated markets such as Europe and Asia as result of improvement in processing and preservation methods that meet the international sanitary standards. This enables the fisheries sector to play an important role as source of foreign exchange. In fact, taking into account the total value-added generated (including the secondary sector and various incomes and revenues such as those obtained from access agreements with foreign fishing fleets, licence fees, taxes and levies), the fisheries sector's contribution to the regional economy is highly significant.

465. Despite this rise in trade of fisheries that enable African countries to generate more foreign exchange, there is a challenge facing African countries, more especially in relation to fishing agreements which are often considered unfair to the respective African coastal states with most of the benefits accruing to the foreign companies involved. Also, it is argued that such agreements are contributing to over exploitation of fisheries as well as the use of unsustainable practices. To this end, the Commission, in partnership with the FAO and other development partners, is carrying out a review of African fisheries agreement that will assist member states to negotiate agreements that reflect the rights and interests of African coastal states, through the development of negotiating material/guidelines as well as building capacity in member states with a view to improving their negotiation skills.

466. To date, the consultant engaged in this work has completed the field work and is now drafting the report that will produce the strategy and action plan for the development of African framework on establishment of fisheries agreement to be presented to relevant stakeholders in February 2007.

f) Cross-cutting Issues

(i) A Framework and Guidelines for Land Policy in Africa

467. During the period under review, the efforts by the African-led consortium comprising three of Africa's regional institutions namely, the United Nations Economic Commission for Africa (ECA) and the African Development Bank (ADB), and under the leadership of the Commission, continued to pursue and strengthen its partnership to lead the process of developing an Africa-wide Land Policy Framework and Guidelines as well as modalities for its implementation at country, regional and continental levels that is aimed to secure land rights, increase productivity, improve livelihoods, enhance natural resource management and contribute to broad-based economic growth on the continent. Following the Consultative workshop in March 2006, the consortium has concentrated its efforts to build and consolidate partnership and collaborative efforts with institutions that are leading regional land policy and land reform initiatives and mobilization of resources for the initiative.

468. In addition, major work has been devoted to undertaking regional assessments in collaboration with Regional Economic Communities (RECs), which will document the regional specificities and realities on the ground. The findings from these assessments will form the basis for discussions during the forth-coming regional consultations in all the five regions of the continent. The main outcome of regional consultations will be an enriched draft continental framework and guidelines of the land policy and land reform framework, which will be subjected through the Ministerial meeting prior to subjecting it to AU Policy organs.

L.IV. SPECIALIZED PROGRAMMES

a) PATTEC

469. Since the last report to the Summit in July 2006, the Commission undertook a number of activities within the framework of its assigned mandate to initiate, coordinate, guide and promote activities related to the implementation of the objectives of the PATTEC Initiative.

470. In consultation with the African Development Bank, the special Donors' Conference on PATTEC, which was originally scheduled to be held in Tunis in October 2006, will now be held in Addis Ababa on 2nd February 2007. Invitations have been sent to all the affected Member States and identified development partners. A full report on the results of the conference will be submitted in the report to the Summit in July 2007.

471. I am pleased to report that following aerial spraying operations, which were initiated in May 2006 and completed in September 2006, covering an area of over 10,000 km² in the Kwando / Zambezi region in 4 countries (Angola, Botswana, Namibia and Zambia), as part of a Regional Tsetse Eradication Project coordinated under the auspices of the African Union, Botswana and Namibia are now tsetse and trypanosomiasis-free. The operational front has now shifted northwards in 2 prongs to Angola and Zambia, where the next aerial spraying activities are planned to begin in March 2007.

472. Under the organization and coordination of the Commission, several groups of countries which share a common tsetse belt (Burundi, Rwanda and Tanzania; Nigeria, Niger, Burkina Faso, Benin and Togo; Cameroon, Chad, Central African Republic and Nigeria; Ethiopia and Sudan; South Africa and Mozambique; Angola, Zambia, DRC and Congo) have completed the preparation of joint tsetse and trypanosomiasis eradication project proposals, which will be submitted for consideration during the Donors' Conference in February 2007.

473. The Commission is in the process to introduce a medal to be known as the "medal of the last fly" and presented during the Assembly to the Head of State / Government of a country that will have successfully completed the task of removing the threat and burden of trypanosomiasis from its territory. The medals, each of which comprises a glass object depicting the name and national flag colours of the country in question and encapsulating a tsetse fly, have been fabricated. It is now proposed that the Presidents of Botswana and Namibia be each presented with such a medal during the Summit in January 2007, in recognition of their recent success in eliminating the scourge of tsetse and trypanosomiasis from their territories.

474. Further to the adoption of Decision EX.CL/Dec.251 (VIII) by the Summit in Khartoum in which the Commission was urged to "make the necessary changes in the structure of the PATTEC Coordination Office in response to its expanding activities and scope of coverage", the Commission submits a document entitled: "*Organisation and Management of the PATTEC Coordination Office within the Commission of the African Union*" and seeks approval to implement the proposed structure.

475. Following receipt of financial support from the African Development Bank, activities aimed at eradicating trypanosomiasis in identified areas in 6 countries (Burkina Faso, Ethiopia, Ghana, Kenya, Mali and Uganda) were initiated under the first phase of the ADB-assisted PATTEC Programme coordinated by the Commission. The Commission continues to drum up action and ensure that the activities necessary for the elimination of tsetse and trypanosomiasis are engaged and sustained. Efforts are underway to activate contact with affected member states and all partners relevant to the implementation of the PATTEC initiative. The Commission has initiated various activities intended to increase awareness about the cause and purposes of the PATTEC initiative. In this connection the World Health Organisation (WHO) has contributed a total of USD90, 000- to support the Commission's work in the development and dissemination of publicity and public information materials. The Commission has also been engaged in efforts aimed at training to build the necessary technical capacity and competence required to execute the objectives of the PATTEC initiative.

b) Avian Influenza and Interventions in Africa (IBAR)

476. The Interafrican Bureau for Animal Resources (IBAR) is the technical arm of the Commission, in charge of the coordination of the efforts aimed at improving Animal resources in the member States so as to help contributing to the economic and social development of the Continent, in particular the rural areas.

477. To fulfill its mission, the Bureau developed programmes to control major animal and zoonotic transboundary diseases in the Continent. These include rinderpest, CBPP, Peste des Petits Ruminants (PPR) and more recently the Highly Pathogenic Avian Influenza

(HPAI) etc. Many initiatives are also being taken to harmonize the health legislation in the Member countries and to better organize Exporting countries of the Continent in order to satisfy the increasing demand for animal products within the member countries, thereby reducing their dependency on external markets.

478. IBAR is also in the forefront for the economic integration of the Continent through its activities targeting the increase in livestock and livestock products trade between African countries and between Africa and the rest of the World. The quarantine infrastructure for livestock Exports in the Horn of Africa initiated by IBAR with the financial support from the United States was finally completed by the Government of Djibouti in partnership with Saudi importers. Besides the routine activities carried out regularly (collection and dissemination of information, follow-up/assessment of regional programmes, coordination activities, etc.), new developments were recorded in many areas during the second half of the year.

(i) Organization of the International Conference on Highly Pathogenic Avian Influenza (HPAI)

479. Council will recall that, following the announcement made during the Summit of Banjul, the 4th International Conference on Avian Influenza was held from 6 – 8 December in Bamako, under the co-chairs of the AU, the EU and the Government of the Republic of Mali. Several important events heralded the aforesaid Conference.

480. A detailed report on the situation of the Avian Flu in the Continent, on countries preparedness and on external financial requirements of national programmes was prepared by a joint multidisciplinary and multi-institutional team made up of Experts from the Commission, the World Bank, the FAO, the OIE, the WHO and UNICEF. This report was discussed with the representatives of the 53 Member countries and the Regional Economic Communities in two workshops organized in Nairobi and Ouagadougou in November, 2006. The finalized document was presented to the donors' Round Table at the Bamako Conference.

481. New training courses and a simulation exercise were organized in Dakar, Douala and Nairobi for the benefit of the veterinary and public health staff of the member States aimed at strengthening the department responsible for the control of the Avian Flu scourge in prelude to the start of the Conference. A new web site was inaugurated to provide wider information to the decision-makers as well as to the African people.

482. The Bamako Conference brought together representatives of 72 countries and about 20 International and Regional organizations. It also mobilized political decision-makers (Ministerial level) at the national level and Regional and International financial institutions. To this effect, additional financial pledges amounting to US Dollars 475 million were made in favour of developing countries, in particular African countries. According to most participants, the Bamako Conference was an important stage in the international mobilization against the Avian flu, the emerging and re-emerging diseases in the World.

(ii) The ALIVE Partnership

483. International institutions such as the FAO, the OIE, ILRI and others are associated to IBAR since 2005 by a Partnership agreement within the ALIVE Platform. An important meeting of the Executive Committee of the ALIVE Platform was held at the end of October

2006 in Nairobi to assess the achievements of the Partnership and to develop an operationalization plan of Regional Animal Health Centres whose creation was agreed upon between AU/IBAR, the FAO and the OIE. The transfer of the Organs of governance of the Partnership is well on course. The assumption of duties by the new Chairperson of the Executive Committee (the Director of AU/IBAR) is scheduled for June 2007 and a partial relocation of the activities of the Permanent Secretariat (from the premises of the World Bank in Washington to AU/IBAR Offices in Nairobi) will take place before the transfer of the Chairmanship of the Executive Committee. In this regard, it is necessary to recall that the transfer of the Chairmanship of the General Assembly of the Partnership to the Commissioner for DREA becomes effective since the Paris Meeting in May, 2005.

484. Two Regional Animal Health Centres (Bamako for ECOWAS and CEEAC areas and Gaborone for SADC area) will be operationalized in 2007 with the financial support of the European Union (for a total amount of 8 million euros). AU/IBAR will be in charge of coordinating the activities of these two Centres. The organization of the just concluded International Conference on HPAI on the Continent and the success of the donors' Round Bank organized to mobilize additional financial resources in favour of developing countries is a good example of what this new type of Partnership can bring to the Continent.

c) Livestock Programme (IBAR)

(i) Regional development projects and programmes of the Livestock Sector

485. The operational activities of the Pan-African Control of Epizooties (PACE) programme came to an end in October in the 33 participating countries. Significant results were achieved towards the implementation of PACE. The PACE programme mobilized about 77 million euros during the last 7 years for the benefit of the 33 Member countries involved.

486. AU/IBAR managed to negotiate a substantial financial aid in favour of African countries with a view to supporting their efforts. An aid package totaling about 28.7 million euros from the EU will be given to the AU member States belonging to the ACP group from the beginning of the new year in order to help in finalizing the eradication of rinderpest in the Somali Ecosystem (SERECU II : 3.5 million euros), to fight against the Avian flu (SPINAP: 21.5 million euros) and to improve the participation of the Continent in the formulation of the international health standards of WTO trade (PANSPSO for 3.7 million euros). New resources could be pledged very soon as a result of the Bamako International Conference on HPAI. These resources will strengthen the epidemio-surveillance networks against animal and zoonotic transboundary diseases in the Member countries.

487. The development of Animal resources is a long-term task; it requires important financial resources, a great part of which is given by various financial Partners of the Continent, namely the European Union, the USAID, the French Cooperation, GTZ and the Chinese Cooperation. Considerable efforts were made during the last few months by the Commission and the Government of the Host country (Kenya) to equip IBAR with adequate infrastructure and necessary qualified personnel. These efforts must be kept up in 2007 with the strengthening of IBAR at the institutional level so as to allow it to fully play its role as Centre of Excellence of the Continent in the field of livestock development.

d) PANVAC

488. Since last Summit in Banjul in July 2006, PANVAC has realized a number of activities and achievement. These include: the continued tests for quality of Veterinary Vaccines manufactured in African Laboratories; a new Constitution was drafted and submitted through AU-DREA to the legal council of AU and await its finalization from the latter.

489. During the period under review, I am is pleased to note that the National Veterinary Institute (NVI) who is hosting AU-PANVAC has availed a new building to be used as administrative block for PANVAC. Renovation and Partition work of this building is tendered. PANVAC is also strengthening its working relationship with NVI-Ethiopia. Discussions on signing a new Memorandum of Understanding (MOU) between the two Institutions are underway.

e) Fouta Djallon Highlands

490. Council is hereby informed that, during the period under review, the Fouta Djallon Highlands Office in Conakry undertook a number of activities with regards to promotion of regional cooperation in the Fouta Djallon Highlands. A consensual legal framework documents that aims at facilitating and strengthening cooperation between the Member States in the management of the shared and transboundary natural resources of the Fouta Djallon Highlands has been developed. The framework document has been sent to Member States for comments.

491. As regards to the Regional Project for the Integrated Management of the Fouta Djallon Highlands Natural Resources, commitment letters were obtained from Mali and Guinea relating to the payment of their contributions so as to constitute effectively the main counterpart for kick starting the project. Following the slowness observed in obtaining commitment letters from other Member States, it was agreed that a high level action of sensitization and information in Member Countries was necessary. To that effect, His Excellency Amadou Toumany Toure, President of the Republic of Mali, accepted to mandate a mission led by Hon. Nancoman Keita, Minister of the Environment and Sanitation of Mali and Current Chairman of the Ministerial Conference of the Regional Programme; the mission visited member countries from 3rd to 10th October 2006 to advocate, at the highest level, the cause of the Regional Programme and more specifically for mobilization of co-financings for the implementation of the GEF funded project. The Coordinator of the African Union Office of the Programme assisted the Minister during this mission.

492. In Senegal, the mission was received by H.E. Abdoulaye Wade, President of the Republic of Senegal; In Sierra Leone, the mission was seen by H.E. Dr. Ahmad Tejan Kabbah, President of the Republic of Sierra Leone; in Guinea Bissau, the mission was received by H.E. Aristides Gomes, Prime Minister, the President being out of the country. In all three cases, Hon. Nancoman Keita handed a message from His Excellency Amadou Toumany Toure relating to the Fouta Djallon Highlands Programme. In the three countries, the visited authorities assured the mission of their support and gave instructions for the preparation of commitment letters in the shortest notice possible.

f) The SAFGRAD Programme

493. Recognizing the inadequacy and the fragmented nature of responses to effectively address the development needs and challenges of rural livelihood in semi-arid areas of Africa, the Commission, through its technical programme on promotion of agricultural research and development in semi-arid zones of Africa (SAFGRAD), has been making concerted efforts aimed at harmonization of policies and strategies, advocacy and coordination for dissemination of proven agricultural technologies for wider and quality utilization, as well as capacity strengthening of key institutions in member states.

494. Few examples in this regard include:

- (a) Effort to build consortium of actors on control and management of parasitic weeds (that seriously undermine Africa's cereals production) under the African striga research and control initiative;
- (b) Effort to promote sustainable farming systems network as part of the bigger struggle to combat desertification – in particular the necessity to move forward the regional level efforts in a synchronized and coordinated manner;
- (c) Effort to enhance rainwater management for improved food security; and
- (d) Capacity enhancement initiative aimed at promotion of relevant African Centres of Excellence for development of semi-arid areas.

495. SAFGRAD is currently undertaking preparatory work to organize an African *'Conference on Development of Semi-Arid Rural Livelihoods'* in few months time. The purpose of this conference is to bring together policy makers, development practitioners, academia and researchers, and other development partners with a view to developing and adopting a comprehensive strategy and action plan whose implementation would be coordinated to deliver noticeable results.

g) Inter African Phytosanitary Council (IAPSC)

496. During the July-December 2006 period under review, the IAPSC office planned and undertook a number of activities such as:

- Contact with National Plant Protection Organizations (NPPO) focal points;
- Visit to the quarantine station of the IAPSC host country;
- Preparation of projects on:
 - Training of plant quarantine officers of Southern African countries (zone 4) and Eastern African countries (zone 3);
 - Harmonization of the phytosanitary legislation of the Northern African countries (zone 5);
 - Gender dimensions in crops integrated disease management and food security in Africa;
 - Production and conservation of improved seed in Africa;
 - Promotion of plants with pesticides in Africa;

- Edible insects and domestication of host plants in Central Africa with ICRAF;
- Training of the phytosanitary verge in Africa;
- Inventory of plant with pesticides effects in Africa and integrated pests management in Africa;
- Situation of Acridians and birds granivores in Africa;
- Publication of phytosanitary News Bulletin and other documents;
- Management of TCP/FAO project on the information exchange in the framework of PPI/CIP & FAO;
- Management of PIP/EU-IAPSC/CPAC project on the Management of Common Pesticides homologation files in Central Africa.

Achievements

(i) Plant Quarantine and Legislation

- A training workshop of Plant Quarantine Officers and Phytosanitary was held in Dar es Salaam – Tanzania from 17 - 20 December 2006 within the context of strengthening Human Resources capacity. Twelve (12) countries of East Africa participated.
- The visit to the Quarantine Station of the IAPSC's host country with its twenty-eight (28) post entry quarantine posts control and containment in the country and thirty-six (36) workers in number has enabled the office to appreciate the functioning and assessment of the laboratory, equipment while recording its constraints which will serve as a sample country to better have an appraisal of other countries of the Central Africa sub-region.

(ii) Pest and Pesticides

497. The committee on pesticides in Central Africa with the mission to harmonize all pesticides that now enter into the CEMAC sub-region was put in place during the CPAC Meeting in Congo (Brazzaville) from 17-28 July, 2006. The Director of IAPSC met with CENSAD authority in Tripoli - Libya from 12 - 14 September 2006 for a working session to identify different ways of funding some programme of activities of the office. A staff of the office participated in the Regional integration training at Dakar – Senegal from October 2nd to November 3rd, 2006 to help in the training of trainer of National Plant Protection Officers.

(iii) Grain eating birds and desert locust

498. The months of July – December coincided with the reproductive cycle of desert locust (the most damaging species in Africa). Notably, in the sahelian region the acridians situation of 2004-2005 has been particularly disturbing for Africa and the international community. The locust plague was controlled by the end of 2005. This indicates the effectiveness of curative control over preventive measures. The IAPSC launched a call to the front line countries with infested areas and those at risk to reinforce the preventive control approach against acridien. This approach is so far recognized as the only global and reasonable strategy to control the risk of acridien invasion. During this period, there was an evaluation intervention in countries that are vulnerable was adopted by the IAPSC as the

first step research process. Updating the list of member countries vulnerable to invasions of grain eating birds is on going.

(iv) Information and Documentation

499. The follow up of the organization of the National Seminars; sensitisation on the importance of International Phytosanitary Portal (IPP) by the editors trained in Douala, Cameroon and Accra – Ghana is on going. Presently more than 30 countries have already drafted their project of training and received money from the IAPSC/TCP/FAO funding project. Regarding publication of phytosanitary news bulletin and other documents, the phytosanitary news bulletin n°49 has been prepared, updated and will soon be published.

(b)

M. ECONOMIC AFFAIRS

500. I would like to inform Council that, during the period under review, the Commission has undertaken several activities in the framework of the implementation of its mandates in the Economic Affairs area. These activities are related to:

- Establishment of financial institutions under Article 19 of the Constitutive Act of the African Union;
- Second conference of African Ministers of the Economy and Finance (CAMEF II);
- Africa-Europe Ministerial Troika;
- Seminar on harmonization of statistics in Africa;
- African Private Sector Forum.

M.I. ESTABLISHMENT OF FINANCIAL INSTITUTIONS UNDER ARTICLE 19 OF THE CONSTITUTIVE ACT OF THE AFRICAN UNION

501. It is my pleasure to inform Council that some progress has been achieved in this process. The designation of Nigeria as the host country for the future continental central bank, Libya as the host country for the future African Investment Bank (AIB) and the endorsement of Cameroon by the Economic Community of Central African States (ECCAS) as host for the African Monetary Fund (AMF). In addition, the Commission prepared a draft strategy to accelerate the establishment of the three African financial institutions. In order to ensure broad ownership of the strategy, the Commission undertook consultations with the different stakeholders, including the Association of African Central Banks (AACB), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of West African States (ECOWAS), the West African Monetary Institute (WAMI), the COMESA Committee of Central Bank Governors, the Republic of Cameroon and the Central Bank of Nigeria. Further the Commission finalized the lists of members to sit on the proposed Technical Steering Committees in the African Central Bank, the African Investment Bank and the African Monetary Fund.

502. In 2007, further consultations will be held with the remaining stakeholders, including the Central Bank of Libya and the other Regional Economic Communities. It is planned to have the Technical Steering Committees embark on their work in February 2007. The Technical Steering Committees will be supported by a small Secretariat at the Commission.

503. In undertaking work on the Financial Institutions, financial resources will be required for the implementation studies. The AU budget for 2007 has not made an adequate provision for this. The assumption is that the host countries will provide for the Technical Steering Committee members as well as fund the implementation studies. Many contacts were carried out with the Association of the African Central Banks (ABCA) as well in Windhoek (Namibia) and Addis Ababa to discuss the practical methods, which can make it possible to fully associate it, the installation financial institutions envisaged article 19 of the Deed of partnership of the African Union. In the same way, similar contacts were organized with the Central Bank of Nigeria to examine together the conditions of fast launching of the process of creation of the African Central Bank whose seat is envisaged in Abuja. These contacts were prolonged with the COMESA during the eleventh meeting of its Committee of Governors of the Central Banks in Antananarivo (Madagascar) in October 2006.

M.II. SECOND SESSION OF THE AU CONFERENCE OF MINISTERS OF ECONOMY AND FINANCE (CAMEF II)

504. The Commission organized the Second Session of the African Union (AU) Conference of Ministers of Economy and Finance in Yaoundé, Cameroon, from 23rd of November 2006. The Conference was preceded by a preparatory experts meeting held from 20-21 November 2006 at the same venue.

505. The topics discussed during the Conference are:

- the African union Strategy on the establishment of financial institutions;
- rationalization of RECs;
- alternative financing of the African Union;
- microfinance in Africa;
- Charter on Statistics and Fund for the development of Statistics;
- financing for development;
- debt cancellation;
- the rise in oil prices;
- intra-African Trade;
- access to Markets of the North; and
- exchange of Views with the World Bank, IMF, and ADB.

506. The Ministers were informed and brief on the following subjects; the African union Strategy on the establishment of financial institutions, rationalization of RECs and alternative financing of the African Union, the AU Sub-Committee of Directors General of Customs and the declaration on the Aid for Trade.

507. To promote Microfinance in Africa, it was recommended to elaborate and implement sectoral micro-finance policies that spell out major directives for the sector as well as principles to guide coherent development, assist micro-finance structures to develop innovative and diversified products, build the managerial capacities of micro-finance structures with a view to assisting them to develop internal expertise and Set up a suitable institutional framework to promote and supervise micro-finance operations, and which clarifies the role of stakeholders, notably, of central banks and States.

508. For financing for development, it was recommended that the international community should assist low-income countries and Partners should help African countries in financing the implementation of trade reforms and other economic reforms in general. Regarding the importance of the debt cancellation issue, it was also recommended that the international institutions should consider countries emerging from conflicts in the various debt cancellation initiatives and to separate external debt from domestic debt. The Ministers underscored the need to encourage development of renewable sources of energy and promotion of biofuel and the need for more solidarity between the African countries to establish the African oil Fund. They urged the creation of an enabling environment for the private sector to effectively play its role as an engine of growth and development and the need for diversifying and promoting complementarily of the African products and exports. For the Access to Markets of the North, the Ministers noted the need of more involvement of private sector, the need for consistency among the RECs in regard to the issue of development and the emergency of putting back on track the Doha Round.

509. This Conference was also an opportunity to exchange views with the IMF, World Bank, and AfDB. The Ministers recommended that there is need for more implication of the African countries in the implementation of the EPAs, revise the way of assisting the African countries and the implementation of the programs, Deepen the initiative for the fragile countries to include countries emerging from conflicts and reduce the conditionalities relating to the different programs.

510. In the end, the Conference came up with a declaration in which it was mentioned that the African countries should implement the recommendations related to the issues raised in this meeting. The Declaration is attached to the full report of the Ministerial Conference which constitutes a separate item on the Agenda of Council.

M.III. AFRICA-EUROPE MINISTERIAL TROIKA MEETING

511. Within the framework of the follow-up of the Africa-EU Dialogue, the Seventh Ministerial Meeting of the Africa-EU Troikas was held in Brazzaville, Congo on 10 October 2006. This meeting was preceded by Senior Officials meeting from the 8-9th October 2006. The meeting reviewed issues pertaining to the strengthening of the Africa-EU dialogue, peace and security good governance, regional integration, trade and key development issues and adopted a communiqué.

512. The issues that were discussed and considered by the Troika Ministers were the following:

- Enhancing the dialogue between Africa and EU;
- Peace and Security;
- Governance;
- Regional Integration and Trade;
- Key Development issues.

513. The Ministers noted the updated Joint Implementation Matrix and progress made on the preparation of the outline of the Joint Africa-EU Strategy. They mandated the Experts from both Commissions to work on the outline, conduct consultations with all stakeholders and present a report to the May 2007 Ministerial Troika meeting. The outcome of this

meeting is a joint Communiqué that summarises the decisions reached on all issues considered and that constitutes a separate item on Council Agenda.

514. In a related development and as part of Africa-EU Dialogue, the African Union Commission participated in the first **EU-Africa Business Forum** held in Brussels from the 16-17 November 2006. The Forum was conceived as part of the European Union's new Strategy for Africa, which was adopted by the European Union's Heads of State in December 2005. One aspect of this Strategy is emphasis on the need for the development of the private sector and the stimulation of growth and investment in Africa. The objectives of the Forum are three-fold, namely: to bring about improvements in the business and investment climate; to give the opportunity to the private sector to let their voice be heard; and to attract the European private sector to Africa as a result of positive image.

515. Three key topics discussed at the Forum are Opportunities and challenges for regional integration with particular emphasis on the Economic Partnership Agreements (EPAs); Good governance and corporate ethics; and Interconnectivity, covering specifically EU-Africa partnership for infrastructure as well as Communications.

516. In the end, the business community came up with a declaration in which it recommended that EU-Africa economic relations should be strengthened to foster more political momentum and commitment to create a better investment and business climate in Africa. Further, it was recommended that The EU and Africa should cooperate multilaterally on peace and development; The EU and African Union should hold regular high level political dialogue to address trade and development challenges; and The Business Forum should become an annual event to foster mutually beneficial trade and investment between the two regions. The next Forum is scheduled to take place on the African continent.

M.IV. SEMINAR ON HARMONIZATION OF STATISTICS IN AFRICA

517. A seminar on the harmonization of Statistics in Africa was held on 29-30 September 2006 in Bamako, Republic of Mali. It brought together representatives of national statistics offices of Member States, Regional Economic Communities (RECs), international institutions and development partners to discuss issues related to the development and harmonization of statistics and the establishment of a mechanism for statistical data collection in order to ensure comparability among Member States.

518. Discussions and opinions dwelt mainly on experiences from institutions with regard to harmonization of statistics data on the Continent, common framework for statistics data collection proposed by the African Union Commission and financing of development programme and building of statistics capacities.

519. The key important recommendations made at this meeting were the elaboration of an African Statistics Charter, which should be applied to all Member States and institutions working on the Continent. This Charter will help to clarify the roles and scope of interventions of each stakeholder as well as the role and level of influence of institutions outside the Continent. It will also spell out the crucial roles of the African Union, the Economic Commission for Africa and the African Development Bank. It will be permanent framework for promoting the use of statistics and development of a statistics culture in Africa.

520. In addition to the above recommendation, it was also recommended that the African Union Commission should set up a Fund for statistics development and capacities building of statistics production structures on the Continent.

521. In implementing these recommendations, the Commission submitted a Concept Note on the African Statistics Charter and Statistics Development Fund to the experts Meeting which was preceded by the Conference of African Ministers of Economic and Finance in Yaounde, Cameroon, in November 2006 for consideration. The Ministers in their declaration welcome the recommendation made by the experts on the elaboration of an African Statistics Charter that will provide a lasting solution to issues related to the production of statistics on our Continent and urged the African Union Commission to take all steps necessary to implement this important recommendation.

M.V. AFRICAN PRIVATE SECTOR FORUM

522. The Commission organized the Second AU Private Sector Forum in Cairo, Egypt, from 28-30 November 2006. The theme of the Forum was "Empowering the Private Sector and Promoting MADE IN AFRICA"; it was hosted by the Egyptian Business Women Association and it was attended by business-persons from across Africa as well as the Diaspora.

523. The key objective of the Forum was to ensure the development of the African private sector by empowering the continent's private sector actors and giving them a voice as well as creating opportunities for networking and sharing experiences. The theme of the Forum was chosen as a means of raising awareness of the need to promote products made in Africa, thereby increasing the potential for intra-Africa trade, which is a vital element for integration.

524. Topics discussed during the Forum are: Increasing intra-Africa trade in African products; Role of media in promoting MADE IN AFRICA; Role of African women entrepreneurs and the informal sector; Using science and technology as a tool for diversifying and enhancing competitiveness of African products; Investment opportunities in Africa; Financing African private sector; Promoting public-private partnerships (PPPs); Supporting SMEs development and the role of microfinance in Africa; and Economic empowerment of the African private sector, including women.

525. The key outcome of the Forum was the development of a Private Sector Development Matrix which clearly outlines the various subjects, key elements of each subject area, required action, key actors for each action and a timeframe. Some key recommendations requiring action by member states are that African governments should take steps to eliminate all forms of barriers to trade; address the problem of infrastructure deficit; increase budgetary allocations to research and development and science and technology; invest in entrepreneurship training; improve public governance; and undertake institutional, policy, financial, tax and fiscal and monetary policy reform.

526. In addition to the above, it was recommended that the African Union Commission should develop implementation and follow-up mechanisms for the Action Plan, as well as engage other key stakeholders and ensure complementarity of the Forum to those of other fora taking place on the continent.

N. TRADE AND INDUSTRY

527. During the period under review, the Commission has undertaken to implement the Declarations and Decisions of the 6th and 7th Assemblies of Heads of States and Government and the 8th and 9th Ordinary Session of the Executive Council held in Khartoum, Sudan and Banjul, The Gambia in January 2006 and July 2006 respectively. These relate mainly to intra-African trade, multilateral negotiations and strategic partnerships with the emerging powers of the South.

N.I. INTRA-AFRICAN TRADE

a) Salon International de l'Artisanat (SIAO 2006)

528. For the second time, the Commission actively participated in this fair. It provided training for the Coordination Committee for the Development and Promotion of African Arts and Crafts (CODEPA) which organized the Xth edition of the African International Arts and Crafts Fair in October 2006. During the fair, the African Union offered two prizes to two artisans, a man and a woman, to encourage African arts and crafts and show the African Union's support for this initiative which not only capitalizes on endogenous know-how but also constitutes a source of job creation, income and wealth in the Continent and accounts for up to 25% of the GDP of some countries. The First Meeting of Ministers responsible for Arts and Crafts from CODEPA Member States was also held on this occasion. At the Meeting, the Ministers reviewed CODEPA's achievements, including: the establishment of a statistical data bank on arts and crafts in member countries, which will enable artisans to use information and communication technologies to process and disseminate commercial information relating to arts and crafts; setting up of a Support Programme for African Small Enterprises (PAPEA) whose main objective is to enable such enterprises to gain easy access to the support services market; and the setting up of a project to create a virtual gallery of the most promising and innovative handicraft objects to develop electronic trading, make products more visible and establish a confidence-building relationship between artisans and buyers.

b) Harmonisation of Business Law in Africa

529. In accordance with the programmes planned under the Strategic Framework, the Commission has embarked on activities meant to lead to the harmonisation of Business Law in Africa. To this end, a workshop on Harmonisation of Business Law organized by the Commission and hosted by the Government of South Africa was held in December 2006 in which participated Member states representing the different legal traditions in Africa as well as the secretariats of the RECs and NEPAD. Various important institutions also participated and collaborated; for instance, the African Law Institute, OHADA, UNIDROIT, and UNCITRAL. The workshop covered the subject of harmonisation of business law in broad terms, including trade facilitation, company law and corporate governance, African cultural products, intellectual property rights, standards, investment facilitation, competition law, dispute resolution and economic partnership agreements. It recommended the establishment of an African Union Standing Committee on Harmonisation of Business Law in Africa, to be supported by technical sub-committees. The main purpose of the Committee, made up of Member States, RECs, the private sector, civil society and international organizations, would be to elaborate instruments for the harmonization of

business law in Africa. The workshop further recommended an initial 5-year work programme, to be undertaken simultaneously, covering the priority areas identified. The work programme should be regularly reviewed to assess progress and address any difficulties and other issues arising, and to ensure that the programme is effectively implemented.

N.II. PROTECTION OF AFRICAN CULTURAL PRODUCTS

530. A paper was commissioned on Protection of African Cultural Products in Africa to assist in international advocacy for promoting this important African industry. Its recommendations will additionally feed into the exercise of harmonisation of business law, particularly the aspects relating to intellectual property policies and law.

a) Customs Cooperation

531. The Customs Cooperation Division is now fully functional with the recruitment of regular staff. Implementation of the Framework of Action elaborated by the 2nd Ordinary Meeting of the Sub-Committee of Directors General of Customs held in Harare, Zimbabwe from the 3rd to the 7th of April 2006 is under way. Thus contacts have been established with the Government of the Republic of South Africa for secondment of Customs Officers to reinforce the staff complement of the new division and it is expected that the seconded officers will report shortly. Preparations for the development of a Capacity Building Strategy and harmonization of the existing Capacity Building Modules are being carried out. Equally, preparations for the harmonization of Rules of Origin and transit procedures have been initiated.

b) Commodities

532. The Arusha Declaration (Tanzania) of November 2005, approved at the Khartoum Summit in January 2006, is being implemented under the mandate given to the African Union Commission. An operationalization plan of the Arusha action plan is in its final phase of adoption and a road map is being implemented in order to concretize the major objectives namely the setting up of a special team mainly made up of representatives of Member States, a raw materials market and a diversification fund, to combat price fluctuations, improve terms of trade and increase added value in the value-chain.

c) Afro-Arab Trade Fair

533. A meeting was held between a delegation of the African Union Commission and representatives of the League of Arab States in Cairo in December 2006. The aim of the meeting was to review the status of Afro-Arab Cooperation and explore ways to revitalize it.

534. A general draft cooperation agreement between the African Union and the League of Arab States is finalized. Likewise, a memorandum of understanding is in its final preparation stage to be signed between the Arab Centre for technical assistance to African countries and the Commission. On the basis of terms of reference finalized on this occasion, an evaluation study of the Afro-Arab Trade Fair will shortly be launched and it has been agreed to launch the preparations of the 2nd Afro-Arab Summit scheduled to take place in May 2007. Meanwhile, a series of meetings and workshops will be organized between the two institutions.

d) Enhancing Productive Capacity

535. The Commission has signed a Memorandum of Understanding with UNIDO to strengthen cooperation between the two organizations in the field of industry. Hence, the Commission has worked very closely with UNIDO in organizing conferences at the level of each REC on the African Productive Capacity Initiative (APCI) in order to formulate a workable strategy to improve industrial performance on the continent. APCI is based on the value-chain approach and is backed by a financial facility called African Productive Capacity Facility (APCF). Each conference has come up with concrete action plans and road maps for the operationalisation of APCI, both at regional and continental level. The aim of the initiative is to enable our industries to produce goods that meet the quality requirements of present markets and upgrade those industries with the assistance of UNIDO in order to meet the requirements of future markets. This complex task needs the monitoring of the Commission to ensure that both the public and private sector are involved and work together in partnership.

536. The Commission also contributed to an Expert Meeting held at UNCTAD in September 2006 on Building Productive Capacities which focused on the development and effective utilization of productive capacities. The point was made that this should be placed at the heart of national and international policies to promote sustained economic growth, wealth creation and poverty reduction in developing countries. The role of UNCTAD's technical assistance programmes on insurance was noted as well as the identification of key support policy measures in the area of investment and enterprise development to address constraints faced by developing countries and particularly the least developed countries. The Commission appreciated the good work done by UNCTAD and recalled once again Declaration 1 of the Banjul Summit calling for the strengthening of UNCTAD with a view to enhancing its capacity building support to developing countries for the promotion of trade and industrialization. The Commission has also embarked with UNIDO on a series of expert group meetings that will feed into preparations for the July Summit on Industrialisation.

N.III. MULTILATERAL NEGOTIATIONS

a) Economic Partnership Agreements (EPAs)

537. The Commission has undertaken its coordination and leadership role in the area of negotiations of EPAs between the European Union and the four groups of African countries. However, the Commission continues to contend with some difficulties relating to capacity constraints at the Commission as well as the inherent structural problems arising from the arrangements for the negotiations.

538. The Commission is not a negotiating party, and therefore attends upon invitation by the negotiating groups. Only one of the negotiating groups, COMESA, has endeavoured to include the Commission in the actual negotiating meetings. To this end, it has participated in the meetings of the Regional Negotiating Forum of the group, and was invited to the first text based negotiations with the European Union held in the last week of September in Mombasa Kenya where the Commissioner for Trade had an interactive session with the COMESA/ ESA negotiators and delivered statements at the opening ceremonies. Taking advantage of her presence in Abuja for the Africa-South America Summit, the

Commissioner participated in the Ministerial Monitoring Committee of ECOWAS on EPAs comprising regional ministers for trade, finance and ECOWAS affairs.

539. The Commissioner for Trade and Industry made some observations regarding the standing request by the African Union Commission to participate in meetings of the Regional Economic Communities (RECs) so as to closely follow the trend of events and be in a position to bring up the concerns of the moment at the appropriate political level. She recalled the Cairo Declaration which stipulates that no REC should sign any Economic Partnership Agreement (EPA) without first discussing with other RECs. She then informed the meeting that substantive issues would be brought to the attention of African Ministers of Trade so as to map out a negotiation strategy for the EPAs. The key concerns relate to financing which should go beyond the 10th FED and to upgrading the level of African economies with a view to creating competitiveness prior to implementation of a Common External Tariff (CET).

540. The presence of the Commission which attended the meeting for the first time was praised by Ministers. ECOWAS requested a three-year extension of the 2007 deadline for the conclusion of the negotiations on EPAs based on the volume of outstanding tasks such as the upgrading of the economies of Member States to improve their competitiveness, the completion of which determines the viability of the EPA. This exercise however requires the injection of funds. At the meeting, Mauritania which is not a member of ECOWAS decided to forward a mandate for ECOWAS to negotiate the EPAs on its behalf.

541. The negotiating groups do not regularly submit periodic reports on progress and the state of play in the negotiations and this impedes the coordinating role of the Commission. Nevertheless, various activities have been undertaken. The Commission attended the ACP and joint ACP-EU Ministerial Trade Committee (JMTC) of 27 June 2006 held in Brussels. The JMTC adopted modalities for undertaking the review of EPAs, which the Cotonou Agreement requires to take place in the year 2006. It was agreed also that the Commission in collaboration with the ECA should assist to coordinate the review exercise for the four African negotiating groups. To this end, questionnaires have been prepared and executed, and the ECA has compiled the findings.

542. In close collaboration with the ECA, the Commission has also prepared a comprehensive brief on EPA negotiations, which continues to guide the Commission as well as other stakeholders.

543. The Commission organised a coordination workshop on legal drafting of EPAs on 2-4 August 2006 in Nairobi Kenya, in collaboration with International Lawyers and Economists against Poverty (ILEAP), an institution that supports the building of capacity of developing countries for trade negotiations. Two volumes of documents on EPAs and economic integration in Africa were prepared and disseminated to the participants. All the six negotiating groups of the ACP region participated and shared experience. The workshop welcomed the coordination and recommended further closer coordination among the negotiating groups, and the strengthening of the capacity of the Commission of the African Union to undertake its coordination and leadership role in accordance with the mandate from the Heads of State and Government in the 2003 Maputo Summit Declaration.

544. The Commission has participated in several workshops and events on EPA negotiations. Two significant examples can be highlighted. On 18-19 September 2006, in

Cairo, a successful informal workshop was jointly organised by the Commission, the ECA and UNDP. The workshop addressed key questions of adjustment to trade liberalisation including the possible EPAs, and the mandatory review of the EPA negotiations to assess the progress and state of play. On 20-22 November 2006, another important workshop was held in Senegal, organised by UNDP and UNCTAD under the Trade Capacity Building Programme for African countries where the Commission presented a paper on strengthening economic integration in Africa.

b) World Trade Organisation (WTO) Issues

(i) WTO Negotiations

545. Pursuant to Banjul Council Decision 119 calling for the seeking of support and cooperation of Heads of State on main member countries of the WTO for Africa's position so as to consolidate Africa's interest in the Doha Round, the Commission called on and obtained from the Chair of the AU in August 2006 to appeal in writing to the leaders of developed countries for the Round to deliver on its development promises. Following the continuous stalling of the WTO talks, the AU Chair then took upon himself to issue a Declaration to express the regret of the AU for the suspension of the Doha talks and to call upon developed countries to show flexibility and reduce the divergences in their positions. In view of the resumption of the talks, the Commission has organized an extraordinary session of Ministers of Trade this month to review and coordinate their positions on the main topics under discussion at the WTO.

(ii) Aid for Trade

546. The AU Conference of Ministers of Trade that met in April 2006 took note of the Commission's proposal on Aid for Trade and recommended its submission to the Ministers of Economy and Finance. It is to be recalled that a key demand of AU Member States in the Doha Round of the WTO negotiations has been the establishment of an effective and adequately funded programme for the building of the supply-side capacity and trade-related infrastructure of developing countries. This demand was dictated by the experience of African countries that, while trade reforms and market access may be necessary, they are not sufficient to achieve improvement in trade performance. Hence, due largely to the efforts of AU Member States and other developing countries, the 6th WTO Ministerial Conference, which was held in Hong Kong, China from 13 to 18 December 2005, agreed in Para. 57 of its Declaration, that an initiative called "Aid for Trade" should aim to help developing countries to build the supply-side capacity and trade-related infrastructure they need to implement and benefit from WTO Agreements and more broadly to expand their trade.

547. Under the aegis of the Commission, experts from Member States prepared an African common position on the initiative. Basically, it recommends that the funding under the Aid for Trade initiative should be adequate, sustainable in the long term, predictable, provided in grant form so as not increase the debt burden of beneficiary countries, and be additional to and not be at the expense of traditional development assistance (ODA) and other regional and bilateral programmes and initiatives such as the EDF of the EU, the US Millennium Account, etc. Another major recommendation is the need for wide stakeholder involvement in the design and implementation of programmes under Aid for Trade, and for the strengthening of coordination between key Ministries at the national level to ensure

coherence, in particular between the Ministries of Trade, Industries, Agriculture, Finance as well as other relevant Ministries and national institutions.

548. In recognition of the crucial role that African Ministers of Finance can play in the mobilization of adequate resources for Aid for Trade, the key recommendations of the African Common Position on Aid for Trade were presented to the African Governors of the World Bank and IMF at their meeting held in Maputo, Mozambique, preparatory to the annual meetings of the institutions in Singapore. The Commission further enriched its proposal on Aid for Trade with developments that occurred since April and submitted it to the AU Ministers of Economy and Finance who endorsed the recommendations contained in the proposal. They further underlined the importance of diversifying and improving the quality of production for an effective harnessing of Africa's potentials to achieve scale economies. They also stressed the absolute need to put in place national committees that would ensure the implementation of Aid for Trade as well as manage the resources allocated to it.

(iii) WTO Reference Centre

549. Upon the Commission's request, the latter has been equipped by the WTO with a Reference Centre comprising three computers, a printer, modems and other accessories, as well as extensive literature on WTO issues. Two Secretariat officials visited the Commission to install the Centre and provided training to 25 participants, including representatives of Member States and staff of the Commission, over a period of two days. The Reference Centre is an important resource with literature, information and statistics on the 149 countries that are member states of the World Trade Organisation, 40 of which are African countries. It also provides information on the state of the international economic order and the multilateral trade system. It is available to staff of the Commission as well as delegates at the Missions of the member states and visiting government officials. While the Reference Centre is hosted in the Department of Trade and Industry, arrangements have been made for access to the resources through various terminals within the Commission, including the two libraries.

(iv) Training and courses on International Trade

550. Following consultations with the Director General of the World Trade Organisation, agreement was reached that the Secretariat of the Organisation could provide training to staff of the Commission and Member States in key areas relating to international trade through seminars, workshops and similar activities. The Commission has formally submitted proposals to the WTO Secretariat on modalities for the training. The proposals were made with a request that the Secretariat of the World Trade Organisation would look into possibilities of funding the training and meeting the attendant expenses.

N.IV. STRATEGIC PARTNERSHIP WITH EMERGING POWERS OF THE SOUTH

551. The increase of poverty has brought about the resolve of African leaders to reverse the trend of marginalisation of Africa, hence the establishment of the new institutional framework of the AU, the adoption of the NEPAD programme as well as the four year Strategic Plan of the African Union Commission, which emphasise the need for the continent to speak with one voice. It is against this background that a Task Force composed of eminent African experts from both the private and public sectors, research institutes and development partner institutions met from 11 to 13 September 2006 to reflect on the development of an overall partnership framework for Africa that would also provide guidelines to various bilateral partnerships between African countries and the emerging powers of the South, namely China, India and Brazil. Since Africa had suffered from the effects of the asymmetric cooperation with its traditional partners for years, it was necessary to diversify partnership, recast its modalities and initiate jointly a cooperation framework with partners from the South who share the same concerns. The meeting sponsored by South Africa came up with a set of recommendations that need to be further discussed and endorsed at higher levels before implementation.

a) India-Africa industrial conclave

552. The Commission participated in a conclave on India-Africa industrial conclave in New Delhi, India from 9 to 11 October 2006. This was the third in a series of meetings aimed at developing a framework for Africa-India partnership and cooperation. The underlining objectives of the meeting was to build upon the momentum gathered due to the conclaves in 2005, promote partnership at the levels of governments, institutions and enterprises as well as increase interaction between the Indian industry and the African countries. The conclave focused on cooperation between African countries and India in three critical areas, namely, small to medium-scale enterprise development, infrastructure development and social developments such as health, education, water and sanitation, and renewable energy (solar, biomass).

b) Preparations for the 2010 Universal Exhibition

553. In November 2006, the African Union Commission participated in the first preparatory meeting of the 2010 Universal Exhibition scheduled to take place in Shanghai (China) under the theme "Better city, Better life". A presentation of the exhibition has been made by the Chinese authorities and working sessions have been organized during which the Commission obtained the necessary clarifications on African participation in this exhibition particularly the modalities for participation and the location of pavillions of African countries and the Commission at the Exhibition Centre.

554. The Commission further underscored the need to exchange the experiences in city management. In fact, African big cities are currently confronted with overcrowding leading to the lack of decent living conditions (housing, hospitals, schools, work, recreational centres...) and the management of these cities poses a daily and permanent challenge to local authorities. The Chinese party has pledged to inform its authorities about these aspects of the issue for a response.

O. RELATIONS WITH OTHER ORGANS OF THE UNION AND OTHER INSTITUTIONS

O.I. MEETING BETWEEN THE COMMISSION AND THE BUREAU OF THE PAN-AFRICAN PARLIAMENT (PAP)

555. I have the pleasure to inform Council and the Assembly that, on 28 December 2006 here at the Headquarters of the Commission, I personally co-chaired with Honorable Gertrude Mongella, President of the Pan-African Parliament (PAP), a consultation and working session between the Bureau of the PAP and the Commission. Also in attendance were:

- the Second and Fourth Vice-Presidents of the Bureau, and officials of the PAP Secretariat, for the Bureau of the PAP; and
- the Deputy Chairperson, the Commissioners in charge of Political Affairs, Infrastructure and Energy, and Economic Affairs respectively, as well as officials of the Commission, for the AU Commission.

556. The meeting was held in the context of the regular consultations which the two organs are desirous of instituting with a view to improving and deepening their working relations, thereby achieving more effective interaction. The meeting was also intended to clear the misunderstandings and ambiguities subsisting between the two organs, arising from oversight or faulty interpretation of extant Rules and Regulations.

557. Each party explained to the other the rules and regulations governing its activities as well as the work method necessitated by such rules and regulations. Each side also presented to the other an overview of its achievements since inception as a way of building better understanding and working with one mind to achieve the ideals of the Union of which the two sides are key organs; one, the legislative, and other, the executive.

558. The two sides further exchanged views on the major challenges currently facing the Union and which, they agreed, could constitute serious obstacles to the process of integration, namely:

- major conflicts especially in Darfur and Somalia;
- need to consolidate the organs of the Union to enable them to fully play their roles; and
- the Union Government Project.

559. At the end of the meeting, the Commission and the PAP decided to create a joint technical cooperation committee comprising officials of both sides, with the responsibility to harmonize the work methods of the two organs, particularly with respect to preparation of their respective budgets. The joint technical committee will also have the task of determining the periodicity of consultation meetings to be held at the highest level between the two organs.

O.II. AUC – UNECA COLLABORATION

560. The United Nations has recently taken steps to upscale support and to deepen partnership with the African Union Commission (AU) across the board. In this regard, the United Nations Secretary General and the Chairperson of the African Union Commission signed a Declaration entitled “Enhancing UN-AU Cooperation: Framework for the Ten – Year Capacity-Building Programme for the African Union”, on 16 November 2006, in Addis Ababa.

561. The Declaration builds on previous agreements between the United Nations and the African Union and the Organisation of African Unity before it. It reflects the common commitment of the United Nations and the African Union to maintaining peace and human security, promoting human rights and post-conflict reconstruction and advancing Africa’s development and regional integration. It also provides a holistic framework for United Nations system-wide support to the capacity-building efforts of the AU Commission and African Regional Economic Communities (RECs). At the continental level, the three main development institutions have also enhanced their collaboration, mainly through the revitalized Joint AU/ECA/ADB cooperation framework.

562. The AU Assembly in Banjul recognized and appreciated the concerted efforts of the AU Chairperson, ECA Executive Secretary and the President of the African Development Bank (AfDB), to strengthen the cooperation among their organisations to coordinate African development strategies and programmes, notably through the AU-ECA-ADB joint framework. The Assembly, in its Decision Assembly/AU/Dec.122 (VII) also stressed the importance of effectively managing and coordinating United Nations activities in Africa and, in that regard, requested the UN Secretary General to enhance ECA’s coordination role. It further requested ECA’s Executive Secretary to strengthen United Nations system-wide coherence for an effective support to the African Union and its NEPAD programme

563. The UN has now taken steps to revamp its regional consultation mechanism (RCM) whose focus is on supporting Africa in the implementation of NEPAD, the Ten-Year Capacity-Building Programme for AU, and other areas of AU-UN collaboration. The RCM is coordinated by ECA, under the leadership of its Executive Secretary. The AU will take part in the work of the expanded RCM, which also benefits from the inclusion of UN Headquarters Departments such as the Department of Political Affairs (DPA) and the Department of Peace Keeping Operations (DPKO). It is expected that the revamped RCM added to the co-location of ECA and AU would further deepen UN-AU relations.

564. The ECA has also articulated a 3-years Business Plan (2007-2009), which is a comprehensive programme of action to support the development priorities of AU and its NEPAD programme. The ECA Business Plan provides a viable framework through which the institution can significantly upscale and provide valuable assistance to the implementation of AU’s strategic programme of action and Africa’s overall development objective, and deserves the support of AU and its development partners.

565. In this regard, the energy and vision of the current ECA Executive Secretary in reinforcing UN coordination and contribution to Africa’s development is worthy of commendation.

P. PASSAGE OF CONGRESSIONAL LEGISLATURE EXTENDING DIPLOMATIC PRIVILEGES AND IMMUNITIES TO THE AFRICAN UNION MISSION TO THE UNITED STATES OF AMERICA

566. Council will recall that since the decision to open a representational office in Washington, United States of America, the Commission and I have been in constant engagement with the Government of that country in order to ensure that the office functions under the best possible conditions. Towards the end of last year, I appointed Ambassador Amina Salum Ali, who assumed her functions in December 2006, as the Representative at the African Union Representational Mission to the United States of America resident in Washington D.C.

567. On the issue of privileges and immunities, I am pleased to inform Council that, the 119th Congress of the United States of America at its Second Session begun and held at the City of Washington on 3 January, 2007, adopted Section 7 of a Congressional Legislature entitled, "Department of State Authorities Act 2006" under the Heading "Extension of Privileges and Immunities". The effect of this legislation is to amend the African Union-Section 12 of the International Organisations Immunities Act (22 U.S.C 288f-2), so as to extend to the African Union Mission to the United States of America, the privileges and immunities enjoyed by diplomatic missions accredited to the United States, and by members of such missions.

568. By adopting this piece of Legislation the African Union Mission in the United States and its Members are now able to enjoy the privileges and immunities extended to diplomatic missions accredited to the United States with all the attendant conditions and obligations.

2007

Report of the chairperson of the commission for the period july to december 2006

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