

**AFRICAN UNION**

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**REPORT OF THE AU COMMISSION FOR THE PERIOD  
FROM JULY 2004 TO JANUARY 2005**

## **Foreword**

The convening of the Policy Organs of the African Union in Abuja, Nigeria, in preparation for the Fourth Ordinary Session of the Assembly of Heads of State and Government is an important milestone in the history of our continent. It marks the inception of the two Summits-tradition that will allow the African leadership to convene more frequently to review the work of the Organization, in particular, the implementation of the decisions of Summits. The Assembly of Heads of State and Government of the African Union decided in July 2004 to convene twice a year while other AU organs, such as the Executive Council, would meet even more often. This decision was taken in recognition of the enormous challenges confronting the continent and the need for the supreme organ to follow-up on the work of the Commission, in particular, the Vision, Mission and Strategic Plan of the African Union. It is my hope that the agreed format, whereby the Assembly of Heads of State and Government will now meet every six months, would have meaningful impact on the integration of the continent and lives of the African peoples.

## **Priorities and Programmes**

From the perspective of the Commission of the AU, our foremost priorities are the finalization of: 1) the Strategic Plan of Action 2005-2007, 2) the Solidarity Budget of the Commission and 3) proposals for a new structure of the Commission. The finalization of these would enable the Commission to carry out its onerous responsibility as outlined in the resolutions and decisions of the Assembly of Heads of State and Government.

Since my election in Maputo in July 2003, I have embarked on a plan to make the Commission a proactive and effective institution. At the last session of the Executive Council and the Assembly of Heads of State and Government, I submitted proposals on the “Mission, Vision and Strategic Framework of the Commission, and the Plan of Action for the period 2004 to 2007.” The Summit embraced the principle of the “Vision, Mission and Strategic Plan of the Union” as a means of transforming Africa’s continental organization into a dynamic mechanism for development and integration. The Summit also requested, based on the reflections of the Member States, that the Commission prioritize its programmes accordingly, and submit it to an Extra-Ordinary Session of the Executive Council. This request was carried out and the Executive Council met from 6-7 December 2004, considered the Programme Budget for 2005 that it subsequently adopted in conformity with the mandate that was given to it by the Assembly to approve the “Solidarity Budget.”

The exercise was most valuable in providing a forum for the candid exchange of views for sorting out the priority programmes and for reaching consensus on the budget. In the meantime the Commission is looking

seriously at alternative sources for financing the activities of the Union in the future. We have received proposals from Maître Abdoulaye Wade, President of the Republic of Senegal as well as civil society organizations. We shall present concrete proposals that can be implemented for the consideration of the next Summit in July 2005.

The Commission is cognizant of the fact that it must, in the subsequent years, work towards achieving a meaningful balance between its operating costs, which focuses on salaries and capital expenditures, and funding of programmes to advance the Vision and Mission of the AU. The African people at the grassroots level would measure the achievements of the African Union in terms of the impacts that our programmes will have on their lives. Our conception of ensuring that operations costs match our programme needs will guide us as we proceed to work in partnership with the Member States and our Regional Economic Communities. It is in this regard, that I appeal to all Member States to make their contributions to the proposed programme budget for the year 2005, and to pay the arrears in respect of previous budgets.

### **Capacity Building**

During the period under review, the Commission focused its efforts on building of the necessary capacity to support its operations. The Commission started the process of implementing the Maputo Decision on the "Recruitment of new staff" for the Commission of the African Union as contained in Decision (EX/CL/34 (III)). Consequently, it recruited a Panel of Experts that was given specific Terms of Reference submitted to the Permanent Representative Committee (PRC). A Report of the recruitment exercise is included in my presentation to this Summit. The work of the Panel of Experts has been completed. Thirteen (13) Directors were appointed in July 2004, and eleven (11) of these have assumed duty as of 30 November 2004. Another three (3) Directors were appointed on 11 December 2004, along with 62 candidates, for posts in the Commission including, Heads of AU External/Representational Offices, Heads of Divisions, Senior Officers, as well as officers for the Directorate of Planning, Budgeting, Finance and Accounting and also the Technical staff of the Division of Conference Services. Letters of appointments were issued and we expect the new candidates to have assumed duty by 15 January 2005. The Commission will continue its evaluation/recruitment exercise to ensure that it has the required personnel. The third phase of recruitment has already commenced with the announcement of new vacancies. It is expected that this exercise would be completed by May 2005.\*

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\* The recruitment of staff has increased the staff on quota from 110 staff from 39 countries to 163 representing 47 countries. The number of female staff have also risen from 29 i.e. 26.36% of staff on quota in 2003 to 52 representing 31.90% of staff on quota in 2004, an increase of 5.54%. The staff in 2004 are from 47 countries with the numbers of staff increased for 21 countries, including 6 countries that had not previous representation.

I have taken due note of the complaints lodged by some Member States and members of staff of the Commission about the process that was utilized to recruit personnel. The Commission has put in place protection measures, such as the “Special Recourse Mechanism” as directed by the Maputo Decision. The Commission will ensure that any aggrieved staff have recourse to the mechanism. This is not only necessary for transparency but also a matter of human right. Every effort will be made to carry out this responsibility with fair play, justice, and objectivity. The transition from the General Secretariat to the Commission of the African Union was not expected to be an easy undertaking. Consequently, the recruitment, re-deployment and retrenchment of staff could be painful to some. However, at the end of the day, it is the effectiveness of the Commission that must be our paramount consideration, with particular attention paid to gender equality, geographical representation and regional balance.

### **Programme Development and Implementation of Decisions**

Aside from this, we have continued to carry out responsibilities relating to Programme Development and Implementation, despite our meager human and material resources. This report is intended to give the member states an insight into the work of the Commission in the period under review. The issues of peace and security are, as to be expected, pressing concerns for the Commission. We are working hard to fine-tune elements of the continental peace and security architecture, and to fully operationalize the provisions of the Protocol of the Peace and Security Council, and to finalize the Non-Aggression and Common Defense pact. We are also pressing ahead with efforts at the effective management and resolution of conflict in the Comoros, DRC, Western Sahara, Central African Region, Burundi, the Great Lakes Region, Eritrea-Ethiopia and Southern Sudan. The Commission is also making strenuous efforts, in collaboration ECOWAS and other international partners, to restore peace and security to Côte d’Ivoire, Somalia, Liberia, Sudan and Darfur.

The conflict in Darfur is presently the most engaging for the Commission. The responsibility we have assumed to address the three challenges of: 1) the Abuja Inter-Sudanese talks, 2) the monitoring of the cease-fire agreement and 3) support for the humanitarian dimension of the conflict, is a test case of the efficacy and the credibility of the African Union to play a more proactive role on issues affecting the continent. The Commission is confronting these challenges with vigor and determination. We have deployed on the ground, in a very short time, an observation force in contrast to the delay that is usually associated with international deployments. We are also conducting delicate mediation talks even as we position our forces to arrest the deteriorating security and humanitarian situation on the ground. We have recorded some success in both areas but the challenges remain even as we wait for the full deployment of Military Observers and the Force Protection Units. We need to work hard to guarantee the success of the African mission in the Sudan (AMIS)

and to ensure the successful completion of the Abuja talks that are scheduled to continue in the New Year. We are hopeful that the parties would finalize the Darfur Declaration of Principles (DoP), and launch us on the path to finally resolve the Conflict.

The Commission believes very strongly, that a conducive atmosphere of peace and security would enable it sustain the drive for accelerated economic integration that would set the pace for the improvement of the quality of life of our people. This atmosphere should be characterized by the promotion of good governance through free elections, the promotion and protection of human rights and democracy.

The Commission is also deeply concerned with the plight of refugees, and other internationally displaced victims of humanitarian disasters. A report on the continent-wide situation is included in our submission to this Council and Summit, along with recommendations to improve the situation. We are also looking closely at efforts to increase the capacity of African actors to respond more effectively to humanitarian disasters, including the prospects for the establishment of an African Centre for Humanitarian Action.

We have also continued to work vigorously in the areas of economic affairs, trade and industry, infrastructure and energy, rural economy and agriculture, science and technology, social, health and cultural affairs, Afro-Arab relations, internal audit, provisions of legal services and information and communication, to help our member states move forward with their development programmes.

We have also sought to actively bring on board all segments of society through a framework of popular mobilization in order to achieve our goals. Consequently, preparations are fully underway to launch the Economic, Social, Cultural Council (ECOSOCC), with the active involvement and participation of the African Civil Society and the African Diaspora. As part of this process, we are submitting a definition of the "African Diaspora" for the consideration of the Summit.

"Gender mainstreaming" remains a continuing concern, and every effort is being made to follow-up with the implementation of the Formal Declaration on Gender Equality in Africa and Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa.

We are also continuing to focus on issues related to global trade, negotiations in the WTO, external debt, human resource mobilization and development, the African Peer Review Mechanism, the implementation of NEPAD, and plans for the integration of NEPAD into the AU structures and processes.

The Commission is also looking closely at issues pertaining to: (I) preferential rates applicable to the salaries of the staff of the Brussels and Geneva offices, (II) the Council of the Future of the African Union and (III) the proposal for the establishment of regional offices in the five geographical regions, as instructed by the last Summit. The Commission recruited a consultant to look at preferential rates applicable to the Geneva and Brussels offices and he has submitted a report. The Commission is considering and evaluating this report, with a view to coming up with proposals for consideration of Council and Summit meetings in July 2005.

Similarly, the Commission is finalizing proposals on the Council of Future and the establishment of regional offices in five geographical regions in order to make appropriate submissions for consideration and adoption at the next Summit.

### **Conclusion**

I am fully confident that with the support of the Member States, and in partnership with our Regional Economic Communities, the Commission can achieve these objectives. The spirit of the African renaissance compels all of us to commit to hard work, cooperation and dedication to the Vision, Mission, and the Implementation of the Strategic Plan of the African Union. We shall, with collective determination, overcome the challenges that face us and make the twenty-first century a century for Africa.

**PROGRAMME, BUDGET, FINANCE AND ACCOUNTING****1. Financial Situation of the Commission**

1. I would like to draw the attention of Council to the precarious financial situation of the Commission due mainly to the fact that most Member States are unable to pay their contributions as a result of the economic and financial difficulties they are facing.

2. Thus, as at 31 December 2004, US\$50,704,219.21 was recorded as arrears of contributions.

3. Consequently, as at 31 December 2004, with the increase in arrears and the drastic fall in income, the Commission was obliged to operate by drawing from its reserves which as at 31 December 2004 stood at just US\$9,000,000.00. Without effort by Member States to pay their contributions, the Commission will face serious difficulties in meeting its commitments after March 2005.

4. May I take this opportunity to pay tribute to the Member States that are up-to-date in their contributions and commend them for the exemplary efforts that they have made to meet their financial obligations despite the many difficulties they are facing. I also seize this opportunity to urge the Member States that are in arrears to exert utmost effort to clear their contributions in accordance with the rescheduling programme concluded with the Commission.

**2. The Solidarity Budget**

5. I wish to express my gratitude to the Permanent Representatives' Committee and the Executive Council mandated by the July Summit to examine and approve the prioritized solidarity budget of the Commission, for a job well done. A total budget of US\$158,384,000.00 has been approved as follows:

- US\$63,000,000.00 being the operational budget to be financed from Member States' assessed contributions based on the existing scale of assessment; and
- US\$95,384,000.00 for funding the priority programmes, to be financed from voluntary contributions from Member States.

6. I want to assure Council that the Commission will do all in its power to mobilize the assessed contributions and also the voluntary and/or extra-budgetary contributions.

**3. Alternative Sources of Financing the Commission**

7. Direct contributions from Member States are currently the major source of financing the Commission's programmes and activities. However, to enable the Commission in particular and other organs of the African Union in general to successfully discharge the responsibilities to be entrusted to them by Member States, it would be needful sooner or later to find alternative sources of financing. For this reason, the Commission is doing its utmost to implement Decision AHG/Dec.160 (XXXVII)11(ii)3 taken in this connection by the 37<sup>th</sup> Ordinary Session of the Assembly of Heads of State and Government which met in Lusaka, Zambia, in July 2001; and more recently the Decision of the 3<sup>rd</sup> Ordinary Session of the Executive Council held in Maputo, Mozambique, in July 2003.

8. To this end, the Commission has launched the necessary studies, among other things, on the basis of the proposals presented by President Abdoulaye WADE of Senegal and the African Civil Society. These proposals, implementation of which is expected to be easy, should make it possible to mobilize adequate and sustainable financial resources. The Commission intends to submit the proposals as soon as possible to the policy organs of the Union for consideration with a view to their effective implementation by 2007.

9. I therefore appeal to Member States to take the necessary political decision to endow the Commission with adequate resources for its operation.

**4. Improving Financial and Accounting Management in the Commission**

10. In pursuance of Decision EX.CL/Dec.2 (II) on the Report of the Board of External Auditors on the Accounts of the Commission for 2001 – 2002 financial year relating to the review of the Commission's financial and accounting system, taken by the 2<sup>nd</sup> Ordinary Session of the Executive Council in N'Djamena in March 2003, the Commission has taken all the necessary measures to ensure that this task is accomplished.

11. Thus, after approval of the Report of Ernst & Young Consultancy Firm on the review of the Commission's financial and accounting system and in particular, the allocation of the requisite funds to implement the recommendations contained in the report, the Commission will take all appropriate measures not only to modernize its financial and accounting system but also to place itself in a position to carry out the tasks to be entrusted to it by Member States.



**RECRUITMENT PROCESS**

**12.** Council will recall that during its Third Ordinary session held in Maputo, Mozambique, from 4<sup>th</sup> to 8<sup>th</sup> July 2003, it mandated the Commission, through Decision EX/CL/Dec.34 (III) to:

- i) Conduct an assessment of the existing Staff and to place them in the new Structure, starting from the professional category. The Assessment should be carried out by an independent and competent Firm of international standing and which understands African issues;
- ii) Set up a Special Recourse Mechanism, which should deal with complaints/appeals within a specified time frame before submission to the Administrative Tribunal;
- iii) Determine in consultation with the PRC clear and precise Terms of Reference for the Independent Firm to guide it in its assessment of staff;
- iv) Recruit new staff for the Commission

**13.** Council further decided that the process should be completed within six months, effective July 2003.

**14.** In implementation of the above Decision, the Commission encountered technical and political difficulties and delayed the time frame provided for to better prepare and plan for these activities.

**15.** Thereafter, the Commission proceeded as follows:

- (i) Submission to the PRC of the Terms of Reference for the Independent International Panel on Recruitment of staff at the managerial level;
- (ii) Appointment of an Independent International Panel composed of experts from member states. The principles of geographical representation as well as gender representation were taken into consideration. In the process, the Commission adopted the double chamber approach, whereby, interviews for new positions were carried out in parallel with the evaluation of the existing staff;
- (iii) The Commission was of the view that posts at the managerial level should be first advertised. Consequently, the 15 posts of Directors, as provided for in the Maputo Structure were advertised by 31 December 2003. Following the interviews conducted by the Panel and the subsequent deliberations, 13 Directors were appointed in July 2004. 11 Directors assumed duties by 30 November 2004. Another 3 of

Director have just been appointed on 11 December 2004 and are expected to take up their assignments by 15 January 2005. As of to date, at the directorate level, only the post of Director for Conference Services is to be filled;

- (iv) In a second step of the exercise, the Commission announced 72 vacancies, including the posts of Heads of the external Offices, Heads of Division, Senior Officers in various Departments as well as Officers in the Directorate for Programming, Budgeting, Finance and Accounting and Technical Staff of the Conference Directorate (Revisors, Interpreters Translators and Proof Readers). A total number of 62 candidates, of which 13 internal candidates have been declared successful. Letters of appointment have been issued and the new candidates are expected to assume duties by 15 January 2005 as well.
- (v) The third phase of the recruitment exercise consists in the announcement of 13 vacancies. Applications from internal and external candidates are expected up to 31 January and the recruitments will be conducted according to the established procedures.

**16.** The Commission intends to pursue the recruitment/evaluation process for the rest of the staff once the required staff at the management level is in place. I am delighted to indicate that the exercise is conducted in a transparent manner, and that the criteria agreed upon, of qualification, geographical representation and gender balance have been strictly applied.

**17.** With these recruitments, the staffing level of the Commission has considerably improved. A comparison of the situation between September 2003 and to date revealed that the number of staff on the quota in September 2003 has increased from 110 staff (from 39 countries) to 163 representing 47 countries. In addition, the number of female staff has moved from 29, i.e. 26.36% of staff on quota in 2003 to 52 representing 31.90% of staff on quota in 2004, i.e. an increase of 5.54%. At that time, 14 countries were not represented.

**18.** The staff in 2004 are from 47 countries. The number of staff has increased for 21 countries and 6 countries with no representation in the staff in 2003, have now emerged. Most of the 6 Countries not represented are those under sanctions. Although the exercise is yet to be completed, it is encouraging to acknowledge that the Commission has made significant progress in the recruitment process. This confirms the determination of the leadership of the Commission to strengthen the capacity of the Commission in terms of Human Resources.

**19.** I would like to express my gratitude to member states for their continuous support in these achievements. I am aware that some member states and members of the staff expressed complaints and concerns about the process. I wish to indicate that the Commission is in the process of implementing the protection measures, in particular the Special Recourse Mechanism as provided for by the Maputo Decision. All steps are being taken at the level of the Commission to submit for consideration, the operational framework as well as the composition and the scope of responsibilities of this Mechanism.

## **PEACE AND SECURITY**

### **I. INTRODUCTION**

**20.** During the period under review, the Commission has proceeded with implementing the decisions of the Summit of July 2004 in Addis Ababa and those of other competent AU organs. The Commission has undertaken a series of activities designed to fine-tune and enhance the effectiveness of the Continental Architecture for Peace and Security, with emphasis on the operationalization of the Protocol of the Peace and Security Council and finalization of the details of the Non-Aggression and Common Defence Pact.

### **II. ESTABLISHMENT OF THE CONTINENTAL ARCHITECTURE FOR PEACE AND SECURITY**

**21.** The establishment of the Peace and Security Council is a milestone in the efforts of AU Member States to ensure that peace and security constitute the foundation stone for cooperation and development on the continent. However, its success depends on what each and every Member State does to promote peace and security within national borders and within sub-regional blocs. The Peace and Security Council therefore, should be perceived as the apex of the continental security architecture that is linked to relations and similar structures operating below it at the level of Member States and sub-regional communities.

#### **a) Operationalization of the PSC Protocol**

**22.** Within this context, the Commission has invested considerable efforts in getting Member States to accede to and ratify the Protocol on the PSC. As of the time of this reporting, 48 Member States have signed the Protocol and 37 have ratified it. I would like, once again, to renew my appeal to Member States that have not yet done so to take the necessary measures and become parties to this important Protocol. A framework of total commitment would enhance the effectiveness of this Protocol.

**23.** On its own part, the Commission In the coming months will redouble efforts to provide more effective support to the PSC. This would include, as a matter of priority, the establishment of the Secretariat of the PSC. The Commission will also seek to establish the other support structures that are provided for in the Protocol, namely: a) the Panel of the Wise, b) a Continental Early Warning System and c) an African Standby Force (ASF). Indeed the Commission is on the verge of setting up a Planning Unit for the African Standby Force, The Commission further envisages assisting the regions to create similar planning units for the establishment of regional contingents. This has the potential of strengthening coordination between the Regions and the Secretariat of the Peace and Security Council.

**24.** The key constraint that impedes the effort of the Commission in this sphere is human resource. This difficulty is being addressed by the ongoing recruitment exercise that would take some time to be completed. Meanwhile, the Commission will forge ahead with the limited resources at its disposal and make every effort to strengthen the structures it has. Current peace support operations in Burundi and Darfur present clear evidence of this determination and we wish to acknowledge the support and very generous assistance of our partners in this regard particularly, the United Nations, the European Union and the United States.

**b) Non-Aggression and Common Defence Pact**

**25.** The issue of Non-Aggression and Common defence Pact was debated during the Third Ordinary Session of the Assembly, in July 2004. In order to make progress on the issue, the Assembly decided to establish a Committee of Heads of State and Government to “work out in detail how the African Union as an Organization will reach the ultimate goal of Common Defence and Common Security, taking into account all factors.” That Committee held a brief consultative meeting on 7 July 2004, on the margins of the Summit, and requested the Commission to compile all the documents produced thus far within the Union relating to the issues of Non-Aggression, Common Defence and Common Security. Subsequently, the Commission compiled and forwarded the documents requested to all the members of the Committee. After further consultations with the Chairperson of the Committee, President John Kufuor of Ghana, the first meeting of the Committee is scheduled to be held in the course of January 2005.

**III. DEVELOPMENTS IN CONFLICT SITUATIONS**

**26.** Since July 2004, significant progress has been made with respect to the management of various conflict situations on the continent. Progress has been very evident in certain conflict situations but some have proved more difficult to resolve.

**27.** In **The Comoros**, the reconciliation process is currently facing serious difficulties in the aftermath of the disagreement between the Union and the Autonomous Islands on power sharing and the thorny relations between the executive and legislative authorities. This lack of consensus could jeopardize the prospect of mobilizing donors to contribute to the process. There is an urgent need to boost the efforts of the countries of the region and the AU Troika to preserve the achievements of the reconciliation process. It is also imperative that the Comorian parties develop a spirit of consultation and compromise, by complying with the spirit and the letter of the Constitution.

**28.** The **Somalia peace process** has registered significant gains, including the successful conclusion of the Somali National Reconciliation Conference of October 2004. I wish, therefore to draw attention to the myriad of challenges facing the Transitional Federal Parliament and Abdullahi Yusuf Ahmed, as President of the Transitional Federal Government, as Somalia steers ahead in this transition period. These include, the relocation of the Government from Kenya to Somalia, the stabilization of the security situation in the country, and instituting a process of reconciliation among the political leaders and at the grassroots level. The AU, which has supported the peace process, should now play a leading role, particularly with regard to the stabilization and the training of the new security forces of Somalia. In this respect, and in order to implement the relevant decisions of the PSC, the Commission has initiated preparatory steps for the deployment of an AU peace support mission, including the convening of a meeting of security and military experts in mid-December 2004, in Nairobi, with a view to helping it draw proposals for consideration by the PSC.

**29.** The situation in the border area between **Ethiopia and Eritrea** has remained calm, albeit a persistent tension between the two parties. Signs of movement appeared in the peace process when the Prime Minister of Ethiopia, Meles Zenawi, presented a five-point peace proposal, on 25 November 2004, to the House of Peoples' Representatives, including the following points: acceptance, in principle, of the Ethiopia-Eritrea Boundary Commission (EEBC) Decision of April 2002; appointment of field liaison officers to work with the EEBC on the demarcation process; and commitment to immediately start dialogue with the view of implementing the EEBC Decision. I welcomed the peace proposal as an encouraging development in the efforts to promote lasting peace between Ethiopia and Eritrea. However, Eritrea rejected the proposal, saying that Ethiopia must accept in full the EEBC Decision.

**30.** The challenge remains how to get the two parties to engage positively in order to move forward the peace process. In this regard, the AU should continue to assist the two parties to embark on a constructive dialogue, with the view of implementing the EEBC Decision and normalizing their relations.

**31.** The security and humanitarian crisis in **Darfur region of Sudan** has continued to be the Commission's foremost pre-occupation. It is an important political, military and humanitarian challenge for our Organization, and we have accepted the responsibility, with the generous assistance of our partners, the European Union, the United States and others, of bringing peace to the people of Darfur in particular and Sudan in general. During the reporting period, particularly since November last year, the security situation has significantly deteriorated, especially in South and North Darfur. Attacks by elements of the Sudan Liberation Movement/Army (SLM/A), including attacks against police stations, looting of livestock, abductions and ambushing of NGOs teams, have increased. Actions taken by the Government of the Sudan (GoS)

have also resulted in increased violations of the ceasefire. In early December, the GoS, under the guise of a campaign to clear roads of “outlaw elements”, carried a massive military operation, which resulted in the burning of several villages and the displacement of thousands of innocent civilians. Furthermore, attacks against civilians by armed militias have continued. The improvement of the security situation, anticipated in wake of the signing, in Abuja, of two Protocols on Humanitarian and Security Issues, has, therefore, not materialized.

**32.** Following the PSC decision of 20 October 2004, sustained efforts have been made to complete the deployment of the enhanced African Mission in the Sudan (AMIS), whose authorized strength is 3,320. Currently, the Mission has a total strength of about 1,100 deployed in six sectors. AMIS has begun to escort humanitarian convoys, in addition to its normal duty of monitoring and verifying ceasefire violations; in some areas, the Mission has also provided protection to civilians who were under threat of attacks.

**33.** Furthermore, efforts have continued to be deployed to reach a political solution, within the framework of the Inter-Sudanese Peace Talks on the crisis in Darfur. As indicated above, on 9 November 2004, at the 3<sup>rd</sup> Round of the Talks, the parties signed two Protocols on Humanitarian and Security Issues. The parties also initiated discussions on a draft Declaration of Principles (DoP) that would articulate the broad principles on the basis of which the conflict will be resolved. The DoP was to be finalized at the 4<sup>th</sup> Round of the Talks in Abuja. However, in the face of continued military activity on the ground, no progress had been made. The Talks are due to resume in January 2005.

**34.** In conclusion, I would like to stress the need for the parties to strictly comply with their commitments. The repeated violations of the ceasefire and the continued attacks against innocent civilians are unacceptable. The AU should clearly denounce all those undermining the ongoing efforts. The UN Security Council should also fully assume its responsibilities by holding the Parties accountable of their acts.

**35.** The IGAD-led negotiations in Kenya hold great promise of a negotiated settlement to the **21-year-old Southern Sudan war, between the GoS and the Sudan People’s Liberation Movement/Army (SPLM/A)**. The parties are expected to sign a Comprehensive Peace Agreement (CPA) in the first weeks of the New Year.

**36.** In anticipation of the signing of the CPA, the AU, which is involved in the negotiation process, has initiated steps to contribute to post-conflict reconstruction. These efforts and those of the larger international community need to be intensified to sustain the achievements that have been made. There is no doubt that the period following the signing of the CPA will be a very challenging one, for both the new Sudanese Government and the people of the

Sudan, as they embark on the process of rebuilding their country after so many years of a destructive conflict.

**37.** In **Burundi**, the sustained efforts deployed by the Regional Peace Initiative for Burundi, with the support of the international community, has paved the way for significant progress to be made. The National Demobilization, Resettlement and Reintegration Programme (NDRRP) were launched. Furthermore, preparations are underway for the holding of a series of elections: the organization of the referendum for the adoption of the New Constitution in January 2005 and the holding of Presidential Elections in April 2005.

**38.** In this context, all efforts should be expended to consolidate the progress achieved so far in order to successfully complete the reconciliation process. To this end, the cohesion that exist should be maintained around the objectives of the transition and its underlying principles, and the international community should be further mobilized to continue to support the efforts of the Burundian parties, including the socio-economic reconstruction of the country. At the same time, all efforts should be made to ensure that the threat posed by Agathon Rwasa's PALIPEHUTU-FNL does not disrupt the ongoing process, particularly in the light of the forthcoming elections.

**39. Democratic Republic of Congo** is six months away from the scheduled elections that is designed to culminate in political transition. Significant progress has been achieved towards the restoration of peace and stability. These include the adoption of several electoral laws; continuation of the integration of the National Army and the Disarmament, Demobilization and Reintegration (DDR) process as well as the smooth functioning of transition structures and an increasingly shared visions of set objectives assigned to them.

**40.** There are many hurdles to be overcome before the June 2005 deadline. These include, among other things, the re-establishment of the authority of the State throughout the country, the DDR process and the integration of the army, the effective implementation of the DDRRR process stipulated under the Lusaka Agreement, the neutralization of negative forces and armed groups operating mainly in the Ituri District, and the mobilization of the necessary resources for the organization of transparent and credible elections. At the same time, it would be advisable to work towards the reduction of tension in the East of the DRC, and improvements in relations between the DRC and Rwanda, through, *inter alia*, the speedy establishment of the joint evaluation mechanism agreed on by the two countries last September, and the rebuilding of trust with neighbouring countries. Due to lack of decisive action on the part of the international community, including the AU, to assist in overcoming these challenges, there is a real risk of compromising the achievements made to date.



**41.** The efforts thus deployed for the successful completion of the different peace processes underway in the **Great Lakes Region**, should be supplemented by a global approach, taking into account the regional dimension of conflicts in the region. In this regard, I would like to point out that the first phase of the preparatory process of the International Conference on the Great Lakes Region ended on 20 November 2004 with the signing, in Dar-es-Salaam of the «Declaration of Peace, Security, Democracy and Development». This Declaration ushers in the 2<sup>nd</sup> phase of the Conference process to be crowned with the convening, in Nairobi, in November 2005, of the 2<sup>nd</sup> Summit, expected to adopt the protocols and programmes of action that will, together with the Dar-es-Salaam Declaration, constitute the Pact for Security, Peace, Stability and Development in the Great Lakes Region.

**42.** The African Union, which contributed to the first phase of the process, should be further involved in the ongoing efforts. To this end, I intend mainly to strengthen the AU Liaison Office in Nairobi.

**43.** The Commission continues to follow the developments in the situation in the **Central African Republic (CAR)**, in the light of the Lomé Declaration on Unconstitutional Changes. The basic election texts were adopted; the new constitution was endorsed at the end of the Constitutional Referendum of 5 December 2004; and candidatures were submitted for the presidential and legislative elections, slated for February 2005. For its part, the Commission gave its political backing for the granting of financial assistance to the Multinational Force of the Central African Economic and Monetary Community (FOMUC), within the framework of the Peace Support Facility put in place by the European Union (EU), in response to the letter addressed to me by President el Hadj Omar Bongo Ondimba in June 2004. It should be recalled that the mandate of FOMUC is to back the transition process in the CAR.

**44.** In view of the delicate current phase of the transition process, special attention should be given to the conditions in which the upcoming elections are being prepared in order to guarantee results that would be acceptable to all parties, and improvements in the economic situation, which is vital to the long-term stability of Central African Republic.

**45.** The Commission continued to monitor developments in **Equatorial Guinea**, particularly the trial of the alleged mercenaries arrested in connection with the abortive coup d'Etat of March 2004. The proceedings started on 23 August 2004 and ended on 26 November 2004. All the accused persons were sentenced to several years' imprisonment, with the exception of three nationals of Equatorial Guinea and three South Africans. There is an international warrant out for the arrest of seventeen other persons.

**46.** The situation in **Côte d'Ivoire** deteriorated seriously in course of the past months. Following the resumption of hostilities, in November 2004, President

Olusegun Obasanjo, the Current Chairperson of the African union, mandated President Thabo Mbeki of South Africa to mediate in order to find a political solution to the crisis. President Mbeki held consultations with the Ivorian Parties in **Côte d'Ivoire** and South Africa. During the consultations, he reaffirmed the need to implement the Linas-Marcoussis and Accra III Agreement, particularly through the adoption of legislative reforms, the completion of the DDR process, the effective functioning of the Government with the guarantee of security for its members and the restoration of a climate of confidence, peace and stability in the country, as well as the restoration of social services and redeployment of the administrative machinery over the entire national territory. At the time of finalising this report, preparations were underway for the holding of a meeting of the Peace and Security Council on 10 January 2005 at the Heads of State and Government level, for the purpose of examining the situation in **Côte d'Ivoire**, in the light of the results that President Mbeki has already achieved on the ground in order to facilitate the restoration of lasting peace in this country.

**47.** The situation in **Côte d'Ivoire** and its repercussions on regional stability are such that the African Union should exert all the necessary pressure on the Ivorian parties so that they fulfill their commitments and unreservedly cooperate with President Mbeki in the mediation effort. The AU should also take concrete measures to ensure that Member States comply scrupulously with the arms embargo imposed by the United Nations Security Council, Resolution 1572 (2004).

**48.** In **Liberia**, the implementation of the comprehensive Peace Agreement of August 2003 has paved way for significant progress, despite some distressing developments. In this regard, the completion of the demobilization and the disarming of more than 10,000 combatants and auxiliaries in early November 2004, as well as the dismantling of military command units and structures of the former Government of Charles Taylor, LURD and MODEL, are clear signs of progress achieved in the peacemaking process in Liberia. Nevertheless, and as underscored during his visit to Monrovia in early December by R. Lamamra, my Special Envoy to Liberia, the on-going process is fraught with many difficulties, as evidenced by the structural problems of governance that particularly limit the Liberian State's capacity to introduce the necessary reforms, as well as the violent riots that took place in Monrovia in late October 2004.

**49.** Consequently, the process underway should be strengthened as a matter of urgency, especially since the year 2005 will be crucial for the future of Liberia, with the elections being slated for next October. Among other measures, efforts should be made to provide the necessary support for the reform of the security sector, the reduction of Liberia's debt and to improve governance through well-focused actions.

**50.** In **Guinea Bissau**, the situation remains precarious, as exemplified by the mutiny of 6 October 2004. I intend to send my Special Envoy shortly to Bissau on an evaluation mission. Similarly, the Commission intends to contribute to the efforts to ensure the smooth organization of the March 2005 presidential elections that will restore constitutional order.

**51.** The July Summit was apprised of developments in the peace process for **Western Sahara**, following the submission, to the parties, of the latest peace initiative by Mr. James Baker, the then Personal Envoy of the UN Secretary-General for Western Sahara. The Baker peace initiative was accepted by the Frente POLISARIO, and Algeria, as one of the neighbouring countries interested in the issue and which supported the Plan. The Kingdom of Morocco, on the other hand, has continued to reject the Plan.

**52.** It is against this backdrop that the UN Security Council adopted, last October, Resolution 1570, in which, among other things, it extended the mandate of MINURSO and reiterated its commitment to assist the Parties to achieve a mutually acceptable political solution that will provide for the self-determination of the people of Western Sahara. The Security Council called on the Parties and the States of the region to co-operate with the UN in order to achieve progress in the peace process. In this respect, the AU will continue to extend its full support to the efforts aimed at seeking a lasting solution to the dispute, based on relevant UN Security Council and General Assembly resolutions providing for the right of self-determination for the people of Western Sahara.

#### **IV. OTHER PEACE AND SECURITY ISSUES**

**53.** In addition to the efforts made towards stemming the scourge of conflicts, the Commission also took active part in dealing with other related issues such as terrorism and anti-personnel mines.

**54.** Regarding the issue of **terrorism**, the Commission undertook two main activities during the period under review, namely, the convening in Algiers, from 13 to 14 October 2004, of the Second High-Level Inter-Governmental Meeting that adopted a Declaration on the Way Forward, and the launching of the African Centre for the Study and Research on Terrorism (ACSRT), also in Algiers, on 13 October 2004.

**55.** Clearly, the Algiers meeting marked a new step in the continent's efforts to address the scourge of terrorism. The main challenge now facing the AU is to ensure an effective follow-up on the above-mentioned Declaration and to fully operationalize the ACSRT, in particular, by providing it with the necessary human and financial resources.

**56.** The proliferation of anti-personnel mines in Africa and their impact is an issue of prime concern to the African Union. In this context, and in preparation for the 1<sup>st</sup> Conference on the Review of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer and on the Destruction of Anti-Personnel Mines (Ottawa Convention), the Commission convened the 2<sup>nd</sup> Conference of African Experts on Anti-Personnel Mines in Addis Ababa, from 15 to 17 September 2004. The Conference adopted a Common Position based on the necessity to generalize the enforcement of the Ottawa Convention throughout Africa (only three Member States are not parties to this instrument), to strengthen inter-African co-operation and the continent's capacity to clear mines, assist victims and mobilize more resources in aid of the affected African countries.

**57.** The common position was presented at the Review Conference that took place in Nairobi from 25 November to 3 December 2004. The Conference adopted a declaration and Plan of Action for the next five years. The Commission's efforts in the coming years will be devoted to the implementation of this Plan of Action and the Common Position.

**POLITICAL AFFAIRS**

**58.** The activities of the Commission in the area of Political Affairs in the period under review were focused on the promotion and realization of the values of good governance, democracy, human rights and the rule of law, addressing the plight of victims of humanitarian emergencies and the building and consolidation of the Pan-African Parliament.

**Elections, Governance and Democracy**

**59.** In accordance with the 2000 Declaration on the framework for Response to Unconstitutional Changes (Lomé Declaration), the provision of the Constitutive Act of the African Union that places emphasis on popular participation as a condition for development and the July 2002 Durban Declaration on the principles for Democratic Elections in Africa (EX/CL/Dec.124 (V)), the Commission has sought to ensure that governments must emanate from the will of the people as expressed in transparent, free and fair elections, so that Africa will be governed on the basis of democracy.

**60.** To this end, the AU sent observer missions to monitor the conduct of elections in Tunisia and Botswana in October 2004, Namibia in November 2004 and Mozambique in December 2004. The missions reflected generally positive outcomes. The elections were conducted in safe and peaceful atmospheres and were generally free and fair. The results were credible and acceptable to the political opposition. Their smooth conduct paved way for ease of political succession and peaceful transitions. The elections were not fool proof however, and the AU observer teams provided recommendations that would assist the electoral authorities to improve upon performance and to consolidate the system of democratic political transition in the various countries. The requirements varied for the various countries in question but these included proposals for amendment to Electoral Laws, intensive training for election officers, creation of enabling environments to assure a level playing field among contestants, improvement in voter registration procedures, etc.

**61.** As part of this process, the AU Commission has also sought to finalize the feasibility study on the Electoral Assistance Fund and to convene a meeting of legal experts from Member States to draft a Charter on Elections, Democracy and Governance as requested by the Executive Council Decision (EX/CL/Dec.124 (V)). Progress in this area has been hampered by human resource constraints but work is continuing and the Commission fully intends to draft the aforementioned Charter, finalize the feasibility study on the Electoral Assistance Fund and set up the Electoral Assistance Unit that will coordinate AU Commission involvement in Elections and manage the Electoral Assistance Fund, in time for submission to the next Summit. However, the implementation process will be guided by the on-going recruitment exercise and the pace at which newly recruited staff are able to come on board.

**62.** The Commission has also continued to enlist the support of Member States for the implementation of the Convention on Prevention and Combating Corruption that was adopted by the AU Assembly of Heads of State and Government in Maputo, Mozambique in May 2003. The Department of Political Affairs of the Commission has been actively engaged with partners and Member States to secure advocacy for the ratification of the anti-corruption Convention so that it can enter into force as soon as possible. Several of the Member States have already established anti-corruption Commissions to combat impunity in this regard and more are being encouraged to do the same. The Commission is also working actively to ensure that the various existing anti-corruption agencies have the capacity and tools to implement their agenda. To this end, it is nurturing cooperation between anti-corruption institutions and NEPAD/APRM on the political and economic governance issue in order to integrate the July 2002 Durban Declaration on Democracy, Political and Economic governance into their legal instruments. The Commission is also compiling and will soon disseminate information on best practices within the continent to facilitate further progress and development in this area.

### **Human Rights, Gender Equality and the Rule of Law**

**63.** The development oriented African Community implied in the Constitutive Act includes clear provision for gender equality, the observance of human rights and the rule of law and this has become an integral part of the Commission's effort to deepen and extend democracy and good governance. A series of instruments have been adopted to advance this principle, including the Grand Bay and Kigali Declarations.

**64.** The Commission has been actively engaged in fostering the internationalization of these instruments and in creating enabling environments for their successful implementation. During the period under review, the Commission secured 31 signatures and 5 ratifications of the Protocol to the African Charter on Human and People's Rights related to the Rights of Women, organized the first AU's Conference of National Human Rights Institutions and launched a Resource Center for Governance, Democracy, and Human Rights with contributions from partners.

**65.** The Commission is also working constructively with civil society in the prosecution of this agenda and it organized a consultation session on the role of African Civil Society Organizations in the implementation of both the Kigali and Grand Bay Declarations in November 2005.

**66.** In developing this human rights and rule of law agenda, the Commission has been fortunate to receive the support and cooperation of the UN High Commissioner for Human Rights, the Coordinating Committee of African Human Rights Institutions and the European Union.

**67.** Moreover, after careful review, the Commission intends to consolidate its activities in this sphere by initiating a series of thematic reports on human rights challenges facing the continent and compiling and translating all African human rights instruments into AU working languages for wider dissemination as part of preparations for a 2<sup>nd</sup> Ministerial Conference on human rights that will review progress made so far as well as opportunities and means for addressing them in 2006.

**68.** Besides, close collaboration between the Commission and the African Commission on Human and People's Rights (ACHPR) has been intensified as a mean of addressing human rights challenges in Sudan, Burundi and the Democratic Republic of Congo. A cooperation mission visited the camp in Catumba in the DRC and Burundi from 29-31 August to look into these problems. Similarly, the AU Commission was represented at the 36<sup>th</sup> Ordinary Session of the ACHPR held in Dakar, Senegal from 23 November to 7 December 2004 to examine the continent wide situation. The Commission has also worked closely with the ACPHR to promote the protocol relating to the rights of women and the African Court on Human and People's Rights (ACHPR). Indeed, the Commission has deployed efforts to ensure that more states ratify the Protocol on women and that all interested actors consider and implement ACHPR's recommendations on the Sudan.

### **Humanitarian Affairs, Refugees and Displaced Persons**

**69.** A separate situation report on this item is submitted under agenda item – EX.CL/148 (VI)

### **Pan-African Parliament**

**70.** Since the launching of the Pan-African Parliament in Addis Ababa, Ethiopia from 18-20 March 2004 and the Decision of the Executive Council and Assembly to select South Africa as the seat of the Parliament (Assembly/AU/Dec.39 (III)), the Commission has been actively engaged in supporting the process of consolidation and institution building.

**71.** Strenuous efforts have been made to secure adequate budgetary provision and secretarial and financial support for the activities of the Pan-African Parliament (PAP). In addition to support provided by South Africa as host country, the Commission has seconded officers to assist the take-off process. Consequently, the Parliament has started to function effectively. PAP held its second Ordinary Session in Midrand, South Africa from 16 September to 1<sup>st</sup> October 2004 with technical support from the Commission. Ten Committees were set up and five resolutions and five decisions were produced. The Pan-African Parliament deliberated on the vision, mission and strategic plan of the Commission as well as NEPAD and the APRM. It also sent a fact-finding mission to assess the humanitarian and political situation in the Darfur

region. The Parliament also prepared its own budget proposals for the period from January-December 2005, as specified in the Protocol establishing PAP.

### **The Way Forward**

**72.** Much has been accomplished in the effort to locate good governance, democracy, human rights and the rule of law in the mainstream of the African Union's transformation agenda. Advances have been made and will continue to be made in different areas but more has to be done. Significantly, Member States must embrace the themes of democracy, human rights and good governance as fundamental conditions for development. They must be ready to admit peer group review and to make necessary adjustment, as required. The promotion of the values of good governance also implies active partnership with civil society.

**73.** Internally, there is a need for the Commission to quickly address human resource deficiencies that are currently impeding the Commission's effort in promoting and consolidating efforts in this sphere. The directives of the Executive Council for the follow-up on the demands of the Durban Declaration of 2002 on Democratic elections cannot be implemented without this primary requirement.

**74.** The Political Affairs Department which is entrusted with the key responsibility in this regard is woefully understaffed. Hopefully, the ongoing recruitment exercise will provide a quick anti-dote to this problem in order to enable the Commission to effectively undertake its responsibility for programme development and implementation in this important area.



## ECONOMIC AFFAIRS

### I. INTRODUCTION

**75.** The focus of the Commission in the area of economic affairs was on the relationship between Europe and Africa in general and particularly, the Europe-Africa Dialogue. It will be recalled that African and European leaders held their first Summit on 2 April 2000 in Cairo, Egypt, to establish a new relationship between Europe and Africa. The “Africa-Europe” Summit culminated in the Cairo Declaration and Plan of Action.

**76.** However, the results of the Africa-Europe Dialogue have fallen short of expectations. A series of Bi-Regional and Ministerial Troïka meetings have been held and four years after the launching of the Dialogue, the various recommendations and agreements are yet to be translated into concrete action.

**77.** In order to follow-up on the implementation of the recommendations and agreements of the Dialogue, the Meeting of the Executive Council of July 2004 recommended that Member States of the African Troïka, in co-ordination with the AU Follow-up Committee, as well as the Commission, should continue the Africa-Europe Dialogue at all levels provided for by the follow-up mechanisms on the basis of the Cairo Declaration and the Cairo Plan of Action and find, together with the European side, appropriate ways and means of organizing the second Africa-Europe Summit in 2005. The meeting also recommended that the Commission should start negotiations with its EU counterpart on the practical modalities for the effective implementation of the consensual decisions taken by the two sides (**Doc.EX.CL/127 (V)**).

### **2. Organization and Structure.**

**78.** In its present format, the Africa-Europe Dialogue is structured around four major themes: 1) **Peace And Security**, 2) **Governance**, 3) **Regional Integration and Trade** and 4) **key development issues**. The Cairo Plan of Action of 2000 established a follow-up plan that was based on a mechanism structured around the following levels: **Summit of Heads of State and Government, with emphasis on the principle of continuity; Ministerial Meeting of Ministers** (in between Summits meetings) and **a Bi-Regional Group that meets at the level of Senior Officials**. It should be noted, that the Ministerial Meeting in Ouagadougou, had provisionally, added the “Troïkas” at the Senior Officials and Ministerial levels. Since the July 2004 Summit, the European Commission has engaged in consultations that led to the 3rd Ministerial Meeting of the African and European Troïkas on December 4, 2004 at the Headquarters of the African Union Commission in Addis Ababa, Ethiopia. This meeting was preceded by a meeting of senior officials that took place from 2 - 3 December 2004.

## **Agreements Reached**

**79.** The meeting reached key agreement on the following:

### **a) Peace and Security**

**80.** The Ministers exchanged views and took note of the peace and security challenges facing Africa. For its part, the European Union pledged to strengthen its capacity building programme in Africa and to provide assistance to the AU anti-terrorist programmes. The Inter-Ministerial meeting agreed to hold consultations on the Reform of the United Nations system, in particular the Security Council and to establish a cooperation relationship between the Peace and Security Council of the AU and the EU, and to promote effective multilateralism on the question of peace and security.

### **2.1 Governance**

**81.** The Inter-Ministerial meeting discussed the governance agenda and other related issues. They took note of the progress that had been made in the implementation of the “African Peer Review Mechanism (APRM)” and the importance of capacity building for countries to implement the recommendations of the APRM. The EU also took note of the forthcoming merger of the African Court of Human and People’s Rights with the African Court of Justice. It offered to consider modalities for providing support to the Court, once it has been established. The two sides agreed to work together in the implementation of the UN Convention against Corruption, and also on measures to facilitate the return of illegally acquired funds. The AU and the EU committed themselves to create a mutual enrichment and exchange of experiences and to support the promotion of human rights and humanitarian issues.

### **2.2 Regional Integration and Trade**

**82.** In the area of regional integration and trade, the Inter-Ministerial meeting welcomed the establishment of the Joint AU/EC Monitoring Mechanism on Economic Partnership Agreements (EPAs) negotiations, and recognized the potential contribution EPAs could make to the strengthening of regional economic integration as well as trade and economic cooperation between Africa and Europe. The Ministers also agreed on the need to address infrastructure and capacity constraints, within the framework of the EPA process and to speed-up the integration process in Africa. The EU expressed its readiness to support Africa’s integration process through continental programmes and projects, including capacity building of the African Union Commission.

### **2.3 Key Development Issues**

**83.** As far as key development issues were concerned, both sides underscored their commitment to increase their efforts at stopping the spread of the HIV/AIDS pandemic. They also agreed to ensure the allocation of adequate financial resources for the war against HIV/AIDS, Malaria, Tuberculosis and other related Infectious Diseases. They agreed on the need to address the linkage between HIV/AIDS and peace and security. The African Ministers emphasized the need for the cancellation of Africa's external debt. There was agreement on the need to identify the practical modalities for carrying the dialogue on Africa's external debt problem forward, preferably in the first quarter of the year 2005. This would take place prior to the submission of a joint report to the next Summit for consideration. The Inter-Ministerial meeting reached agreement on modalities for the return of cultural goods and on encouraging African and European countries to sign and ratify the UN Convention on the Rights of Migrants. They also agreed to submit the Plan of Action on Trafficking in Human Beings, especially of Women and Children, for serious consideration and with a view to having it adopted by AU and EU Heads of State and Government.

**84.** Regarding Information and Communication Technologies (ICT), the meeting acknowledged the widening digital gap between Africa and the rest of the world. It expressed commitment to the Declaration of Principles and Plan of Action adopted at the first World Summit on Information Society (WSIS) held in Geneva and pledged to support the process and outcome of the second phase of the WSIS, scheduled for Tunis, Tunisia, from 16-18 November 2005.

**85.** The Meeting consequently discussed the need for the next Summit to be held at the earliest opportunity. Luxembourg, which is the incoming President of the EU, has extended an invitation to EU-Africa Ministerial Troika to hold its next meeting in Luxemburg on 11 April 2005.

### **3. Results and the Challenges of Implementation; Gaps in theory and practice.**

**86.** An assessment of the documents covering the Africa-Europe Dialogue has so far shown no appreciable progress with respect to the commitments made at the Cairo Summit in April 2000. Apart from the considerable financial assistance that had been extended to support peace-keeping, all the other priority areas on which the Europeans states made commitments, have not received the requisite support from the European Union. For example, the technical assistance pledge for countries fighting corruption and taking stringent measures to curb the illegal transfer of public funds, and the return of fraudulently transferred funds in Western banks to Africa, have received no responses at all. This applies equally to the support that the European Union pledged as regards to enhancing Africa's capacity in trade negotiations,

particularly, those currently underway at the World Trade Organization (WTO). To date, European partners have remained indifferent to the appeals made by Africa, such as the cancellation of its external debt. They had instead requested Africa to comply with the exigencies of the enhanced HIPC initiative.

**87.** Furthermore, it should be noted that Europe has established three instruments of intervention for Africa, namely: **MEDA** (Euro-Mediterranean Partnership Agreement involving 12 Mediterranean countries and intended for Mediterranean countries of Africa and the Middle East); TDCA (The EU-South Africa Trade, Development and Cooperation Agreement) intended exclusively for South Africa; and **the Cotonou Agreement with the ACP**. The fact that each of these instruments is governed by its own logic or philosophy and has its own financial mechanisms has made it extremely difficult for the European partners to find a channel that would enable them to provide effective support to the integration projects initiated for the African Union Commission.

**88.** It is fair to note therefore, that results achieved so far have not matched the enthusiasm that marked the 2000 Cairo Summit. Several meetings have been held and a plethora of communiqués issued that contain consensual commitments that are yet to be fulfilled.

## **TRADE AND INDUSTRY**

### **INTRODUCTION**

**89.** During the period under review, and within the framework of international negotiations, the Commission has made every effort to implement two key Declarations, namely Assembly/AU/Decl.4 (II) on the 5<sup>th</sup> WTO Ministerial Conference and Assembly/AU/Decl.5 (II) on EPA negotiations, as adopted by Heads of State and Government in Maputo, Mozambique during their 2<sup>nd</sup> Ordinary Session in July 2003. In the area of intra-African trade, it has been working under the legislative authority of Executive Council Decisions EX.CL/Dec.111 (V) on the Establishment of the African Customs Network and EX.CL/Dec.113 (V) on a Business Plan for the Proposed African Commodity Exchange. In the Industry sector, it has also been implementing Council Decision EX.CL/Dec.116 (V) on the 16th Ordinary Session of the Conference of African Ministers of Industry (CAMI XVI) and the Assembly Decision Assembly/AU/Dec.38 (III) on NEPAD.

#### **I. International Negotiations**

**90.** In Declaration 4 on WTO negotiations, the Commission was mandated to set up a negotiating team having due regard to regional representation. Declaration 5 mandates the Commission of the African Union to coordinate, monitor and harmonize the efforts of the concerned RECs and Member States in the negotiations of Economic Partnership Agreements (EPAs) with the EU; and establish an appropriate mechanism for cooperation and coordination between the Permanent Representatives' Committee (PRC) in Addis Ababa, the African Group of Ambassadors and Negotiators in Brussels and Geneva, as well as with the capitals of concerned Member States. In this regard, a Sub-Committee of the Permanent Representatives Committee on NEPAD, and on Economic and Trade matters, was set up at the Commission.

##### **1.1. WTO Negotiations**

**91.** Meanwhile, the Commission is giving technical support to the African Group in Geneva to assist them with the WTO negotiations. It will be recalled that, following the collapse of talks in Cancun, a major meeting took place in Geneva in July 2004 and resulted in what is called the July package, a compromise document demonstrating WTO members' efforts to bring back on track the Doha Work Programme. It should be pointed out that AU Member States had, under the aegis of the AU Ministers of Trade Conference held in May 2004 in Kigali, agreed on their positions before participating in the July meeting. Indeed, as directed by Council Decision EX.CL/Dec.108 (V), it is the two documents elaborated in Kigali and reflecting Africa's position, namely the Kigali Declaration on the Doha Work Programme and the Kigali Consensus on the Post-Cancun Doha Work Programme that served as technical guidance and

policy space for the engagement of African Trade officials and negotiators with their counterparts.

**92.** Furthermore, in October 2004, the AU Geneva office in collaboration with other partners organized a retreat for African missions to the WTO to deliberate extensively on four main issues, namely, Agriculture including cotton, Non-agricultural Market Access (NAMA), Services and Development Issues. The retreat gave an opportunity to Member States to evaluate the implications of those issues for African countries and also facilitated the refinement of their strategies for the modalities phase of the negotiations, and beyond. During the retreat, African missions further identified the technical issues/research needs on which more work is required and charted a road map for Africa's participation in the period leading up to the 6<sup>th</sup> session of the WTO Ministerial Conference that will take place in Hong Kong, China on 13-18 December, 2005.

## **1.2. EPA Negotiations**

### **1.2.1. Joint AU/EU Monitoring Mechanism**

**93.** Following intensive consultations and collaboration between the Commission of the African Union and the European Commission, agreement was reached on the Terms of Reference of the Joint Monitoring Mechanism for the Negotiations of EPAs. The Monitoring Mechanism agreed by the two Commissions is an informal and flexible one. It provides for interactions at two levels. At the higher level is a Consultative Committee, composed on the AU side of the Commissioner for Trade and Industry and, as appropriate, Heads of Regional Organizations engaged in EPA negotiations; and on the EU side, the Commissioner for Trade and, as appropriate, the Commissioner for Development. This Committee is to report on its consultations within the framework of the EU-Africa dialogue.

**94.** The primary objective of the Joint Monitoring Mechanism is to ensure, through exchange of information and discussion of key issues, the consistency and coherence of the EPA process with Africa's plans and aspirations for regional and continental integration and the establishment of a Pan-African Market and the promotion of synergies between the EPA process and ACP-EU cooperation, notably in the context of regional indicative programmes.

## **1.2. Coordination of EPA negotiations with the RECs**

**95.** In order to fulfill its coordinating role, the Commission convened a meeting in September 2004 with the RECs, representatives of Member States in Addis Ababa as well as the Chair of the African Group in Brussels, during which Egypt and South Africa, as had been requested by the Conference of African Ministers of Trade, shared their experience of negotiating with the

European Union. Both the AU and the RECs came to a common understanding of the issues at stake and on the way forward.

**96.** At the end of the meeting, a Resolution was adopted whereby the RECs, among others, resolved to adopt common negotiating positions on the major issues which are pertinent to all African regions and to urge the Commission of the African Union to develop institutional capacity building programmes for the AUC and the RECs so as to make work synergies viable and reliable and accelerate the integration process in Africa. Already the Terms of Reference of a study by the European Union on the Strategic Options for the Future Role and for Strengthening the Capacity of the AUC in the area of regional economic integration and trade have been discussed and adopted by the EU and the Commission.

### **1.2.3. Africa's main concerns in EPA Negotiations**

**97.** At the heart of Africa's concern for development-oriented EPAs is the issue of resources. Development-oriented EPAs require resources beyond the level of the EDF agreed in the Cotonou Partnership Agreement (CPA). Resources are needed to meet the direct economic adjustment costs associated with trade liberalization and the other associated indirect costs of negotiating and adopting EPAs: to deepen the process of African regional integration; to remove production, supply and trade constraints; and to diversify African economies and enhance their capacity and competitiveness for greater access to the EU market. There is therefore a need to address the issue of additionality of resources in the context of regional EPA negotiations. Also, although both the EU and the ACP/AU agree that EPAs should be a means to develop regional markets, it is not clear how this will come about, if not preceded by development of regional infrastructural networks. Another concern is how EPAs will contribute to development in view of the EC position with regard to additional resources and failure to address the adjustment costs in the roadmaps for regional negotiations.

## **II. Intra-African Trade**

### **2.1 Customs Issues**

**98.** In the area of intra-African trade, the Commission has started work in the fields of Customs and Commodities. Following Executive Council Decision EX.CL/117 (V) on the establishment of the African Customs Network, the Commission is undertaking activities pertaining to the operationalization of the Conference of Directors General of Customs as an organ of the Special Technical Committee of the African Union for Trade, Customs and Immigration. This will lead to the putting in place of the Customs Network linking the

Commission of the AU, the Customs Departments of the RECs and the national Customs administrations of Member States. In this regard, the following actions for the implementation of the Conference and the Network have been initiated and are under way: the setting up of a Directory of Customs administrations and Liaison Officers; and the drafting of the legal instruments which will provide the proper framework for the Conference and the Network.

## **2.2 Conference of African Chambers of Commerce**

**99.** It is to be informed that a continental Conference of African chambers of Commerce was held in Alexandria in December 2004. This important event was in the work programme of the Commission because it is believed that the private sector and Chambers of Commerce need to be organized into a network in order to have a significant impact on trade. In this regard, the Government of Egypt is to be saluted for organizing the Conference. Due to the Extraordinary Executive Council, the Chairperson could not attend personally but I sent a strong statement which was read at the opening of the Conference on his behalf by the AU Cairo Office Representative.

## **III. Commodities**

**100.** Council Decision EX/CL/113(v) on a Business Plan for a Proposed African Commodity Exchange urges the Commission, among others, to speed up the finalization of the legal instruments as well as the operating systems manual for the Exchange.

**101.** In this regard, the Commission has developed a Concept Paper and a program of work on the operationalization of the vision of the Commission in the Commodities sector. It is also a leading member of the Task Force set up in collaboration with the Common Fund for Commodities (CFC) for the elaboration of a joint work program and time-table for the creation of the Commodities Exchange. The Business Plan and legal instruments will be examined by the national and regional experts and stakeholders at the levels of the RECs during a validation seminar before its submission to the Trade Ministers Conference of 2005.

## **IV. Industry**

**102.** Council Decision EX.CL/Dec.116 (V) on the 16th Ordinary Session of the Conference of African Ministers of Industry (CAMI XVI) requested the AU Commission to incorporate the African Productive Capacity Initiative (APCI) and African Productive Capacity Facility (APCF) in its work programme as Africa's



Industrial Development Programme for implementation in collaboration with UNIDO, the RECs and the private sector and to report periodically to Council on progress made. In this regard, the Commission has indeed included this activity in its budget programme for 2005 which has been approved by the 6<sup>th</sup> Extraordinary Council in December 2004. It has also embarked on strengthening its own capacity in terms of human resources and has initiated contacts with the RECs for the development of action Plans at RECs level for priority actions identified in the APCI.

## **INFRASTRUCTURE AND ENERGY**

### **INTRODUCTION**

**103.** The focus of the work of the Commission in the area of infrastructure and energy for the period under review was to streamline its activities and define core priorities as part of the process for the finalization of the strategic plan of action for 2004-2007. In addition the Commission also continued to carry out its statutory functions in regard to programme development and implementation. This report addresses the following: Millennium Development Goals, Railway Transport, Air and Maritime Transport, Information and Communication Technologies, Postal Service and Energy.

### **Transport and the Millennium Development Goals (MDGs)**

**104.** The Board of the Sub-Saharan Transport Policy Programme (SSATP) held its annual meeting in Addis Ababa in September 2004 under the auspices of the World Bank. The meeting was attended by representatives of the Commission of the African Union, UNECA, ADB and the RECs. A workshop aimed at defining the role and specific contribution of transport to poverty alleviation in the context of the Millennium Development Goals (MDGs), preceded the meeting. The Workshop focused on the need to facilitate the inclusion of transport indicators in the evaluation of the MDGs during the United Nations MDGs Conference that will be held in September 2005.

**105.** Subsequently, a Ministerial Advisory Group (MAG) comprised of the Ministers for Transport in Ethiopia, Nigeria, Senegal and Sudan was established to oversee the process of developing transport related targets and indicators, that could be used by African countries in evaluating the achievement of the MDGs in the continent. To that end, it was agreed that the African Union would organise a conference of African Ministers responsible for Transport in early April 2005, to consider and adopt transport indicators defined by African stakeholders. The indicators would then be submitted to the Conference of African Ministers of Economic Affairs scheduled for May 2005 in Abuja, Nigeria, and ultimately to the Global MDG Meeting in New York in September 2005. The Commission has commenced preparations for the transport Minister's conference.

### **Railway Transport**

**106.** During the year, the Commission of the African Union together with the NEPAD Secretariat collaborated to elaborate a programme on the railway sector that would include a number of projects such as the preparation of a continental railway development master plan, harmonization of railway policies and standards and support for specific railway investment projects.

**107.** Furthermore, the Commission presented aspects of its strategic framework and plan of action on railway matters to the 32<sup>nd</sup> General Assembly of the Union of African Railways (UAR in Luanda, Angola in November 2004 and Participants in the meeting expressed deep appreciation for the leadership role assumed by the AU in this regard. The Commission would work hard to deepen collaboration with the UAR and other stakeholders including the RECs, ADB and UNECA in the implementation of the railway integration projects planned within the AU/NEPAD framework.

### **Air Transport**

**108.** In late October 2004, a conference on the Funding of Search and Rescue (SAR) in air transport was held in Senegal under the auspices of the International Civil Aviation Organization (ICAO) and the African Civil Aviation Commission (AFCAC) to reflect on concerns about safety and security of air travel on the continent that was expressed by the meeting of the Working Group on Mastering the African Sky convened by the Commission of the AU early in the year. The Conference in Senegal directed attention to the need to minimize fatalities in air crashes and recommended the strengthening of regional cooperation in this field. The Conference further underlined the role of the AU in this regard. Accordingly, the Commission plans to hold a Ministerial conference on air transport in the latter part of 2005 to formulate a comprehensive strategy for this sector.

**109.** The Commission also hosted the 79<sup>th</sup> AFCAC Bureau Meeting at its Headquarters in Addis Ababa from 18-19 November 2004 to consider, among other issues, the future of AFCAC and its precarious financial position in the wake of the impending termination of ICAO's assistance that has sustained some of AFCAC's programmes in recent years. This was a follow-up on Decision EX.CL/Dec.123 (V) of the 5<sup>th</sup> Ordinary Session of the AU Executive Council. The meeting recommended that further work should be done to elaborate a legal and institutional framework that would transform and strengthen AFCAC as an autonomous agency of the AU in air transport matters.

### **Maritime Transport**

**110.** The Commission is also addressing issues incumbent upon Decision EX.CL/Dec.163 (V) of the 5<sup>th</sup> Ordinary Session of the Executive Council on maritime security which is concerned with the failure of most African ports and vessels to comply with the International Ship and Port Facility Security (ISPS) code adopted by the International Maritime Organization (IMO) and the subsequent denial of entry, by Africa's major trading partners in Europe and America to such non-compliant vessels. The Commission has also started to review the status of implementation of the various international maritime conventions in the continent and to formulate a plan of action for speeding up

their implementation. The work would entail the promotion of the ratification of the African Maritime Transport Charter and the Model Maritime Legislation as well as the strengthening of legal and technical dispositions constituting important instruments in the Commission's endeavour to assist Member States to implement international maritime conventions including the ISPS Code.

**111.** The Commission is also seeking to strengthen ties with the Pan-African Association for Port Cooperation (PAPC) established in recent years by the three African ports associations namely, PMAESA (Eastern and Southern Africa), PMAWCA (West and Central Africa) and UAPNA (North Africa). Thus the Commission participated actively in the 4<sup>th</sup> Pan-African Ports Conference held by PAPC in Alexandria, Egypt from 13 to 15 December 2004.

### **Information and Communication Technologies (ICT)**

**112.** One of the major projects that the Commission is pursuing in the area of ICT is the creation of a Unified Telecommunications Numbering Space for Africa that is aimed at enhancing intra-Africa telecommunications and minimizing its costs. The Commission presented a framework document for this project at the Forum for the Regulation of Telecommunications in Africa organized by the International Telecommunication Union (ITU) in Kampala, Uganda, in early December 2004 during which the African telecommunications regulators and other stakeholders commended the African Union for this initiative and pledged their commitment to making the venture a success. In accordance with Decision EX.CL/Dec.101 (V) of the 5<sup>th</sup> Ordinary Session of the Executive Council, the Commission has already forwarded the report of the preliminary study of the project to the Member States, the RECs and relevant organizations in preparation for a meeting of experts scheduled for late February 2005 that would pave the way for a Ministerial meeting to launch the full feasibility study of the project. The Commission intends to work with SADC in the implementation of a similar project for the Southern Africa region.

**113.** The Commission has also been engaged in preparations for the Tunis phase of the World Summit on the Information Society (WSIS) scheduled for November 2005 in accordance with the decision of the Executive Council (Decision EX.CL/Dec.118 (V)). The first meeting of the Preparatory Committee was held in Hammanet, Tunisia, from 24 to 26 June 2004 and the Government of Ghana will be hosting the next Regional Preparatory Committee meeting in February 2005. The Commission is working hard to ensure the active participation of Member States and all stakeholders in the process.

**Postal Services**

**114.** The issue of postal sector reforms has been under consideration for sometime now following the ICT revolution that has radicalized the communications sector and greatly impacted on postal services. In this connection, the Commission is elaborating a continental policy framework for the postal sector to enable it to face the challenges of the 21<sup>st</sup> century. As part of this process, the Commission participated actively in the First Regional Postal Sector Stakeholders Workshop in Lusaka, Zambia, organized by COMESA in collaboration with the Universal Postal Union in Lusaka, Zambia, from 22 to 23 November 2004.

**Energy**

**115.** The Commission is seized with the issue of promoting dialogue on ways and means of enhancing access to energy resources by the large majority of populations especially in rural areas. As part of this process, it took part in the facilitation workshop and policy dialogue for energy access for the rural poor organized by the Government of Burkina Faso in collaboration with the European Union and the Government of Denmark from 26 to 29 October 2004 in Ouagadougou. The outcome of the discussions was a plan of action to be implemented as part of the European Union Energy Initiative (EUEI)-Africa partnership.

## **RURAL ECONOMY AND AGRICULTURE**

### **INTRODUCTION**

**116.** The political willingness to reverse the trend in this sector towards meeting the Millennium Development Goals was given by the Maputo Summit of 2003, where the African leaders committed themselves to revamping the sector by adopting the NEPAD Plan of Action of the Comprehensive Africa Agriculture Development Programme (CAADP) and by calling its Member States as well as the Regional Economic Communities (RECs), the Private Sector and Civil Society to take all necessary policy and strategic measures to implement, as a matter of urgency, this Plan of Action. Furthermore, the Extraordinary Summit on Agriculture and Water, held in Sirte, Libya, in February 2004, reaffirmed these commitments and adopted concrete measures, in the form of a Declaration of commitments, to address the agriculture and water sector.

**117.** Consequently, both the Maputo declaration on “Agriculture and Food Security in Africa” and the Sirte declaration on the “Challenges of integrated and sustainable development of agriculture and water in Africa” have provided the guidelines for the elaboration of the Plan of Action of the Commission in the next four years. These two declarations underline the main areas in which the Commission and its partners must work closely together to ensure success, namely; agriculture and food security and environmental and natural resource management.

### **Agriculture and Food Security**

**118.** In the area of Agriculture and Food Security, initiatives have been taken in line with the creation of the African Agricultural Common Market, to redeem the commitment of Member States to allocate 10% of their national budget to agricultural development and to launch regional studies towards the development of a continental early warning system for food security.

#### **a) African Agricultural Common Market:**

**119.** The departments of Rural Economy & Agriculture and Trade & Industry in the Commission is working closely with the Food and Agriculture Organization of the United Nations (FAO) to undertake studies on the establishment of a Common Agricultural Market. A technical cooperation programme has been developed and accepted by both sides and the process of recruiting consultants to undertake the studies has commenced.

**120.** However, the launching of the study has been constrained by delays in reaching agreements on how to reformulate and update the project. In this regard, a Steering Committee comprising representatives of the departments of Rural Economy & Agriculture and Trade & Industry in the Commission and the

FAO has been set up to facilitate the process. Hopefully, this will enable the team leader to assume duty and update the work plan.

**b) Allocation of 10% of National Budgets to boost agricultural production.**

**121.** The Commission has began consultations with the FAO with regard to encouraging Member States to honour their commitment to allocate 10% of their respective national budget to agricultural development. To this end the Commission has developed and submitted to the FAO Office in Addis Abba a proposal for a technical cooperation framework on this matter.

**122.** Two major challenges confront the Commission in this regard. The first is the need to develop a common technical framework to monitor the allocations. The second is how to secure, encourage or foster compliance in case of default. The Commission is making progress in this regard and will submit a progress report to the July 2005 Summit.

**c) Establishment of Early Warning System on Food Security**

**123.** Consultations have also advanced in the context of the AU-EU Dialogue on food security. At the last ministerial AU/EU TROIKA meeting held in Addis Ababa from 2 to 4 December 2004, the two sides acknowledged the launching of the study on the existing early warning systems in west, south and north Africa and recommended extension of the study to other regions.

**124.** The key difficulty confronting this process is the lack of information flow between AU and European Union in this area. A meeting to work out modalities for conducting the study in the three regions is required and was recommended at the last meeting of the Troika.

**Environmental and Natural Resources Management.**

**125.** In the area of Environmental and Natural Resources Management, initiatives have been taken in line with the revised Convention on the conservation of Nature and Natural Resources, on the transformation of the African Ministerial Conference On Water (AMCOW), into an AU Specialised Technical Committee and the African Locust Crisis as an environmental emergency.

**126.** Consequently, the AU Commission has continued to remind and sensitize the Member States to sign and/or ratify the Algiers revised convention by organizing a “signing week” under the theme: **“The contribution of the OAU/AU Treaties to the Development of the rule of law”**. The number of signatories to the Convention has increased from 18 to 28.

**127.** The enduring difficulty is the slow pace of ratification and to date only three Member States, namely: Comoros; Lesotho; and Rwanda, have ratified the Convention.

**128.** The entry into force of this important Convention will be instrumental to the enhancement of the implementation of the Commission's programme for 2004 to 2007 and thus the Commission must persist in its efforts to promote ratification. The implementation of this Convention will ensure proper management and protection of the continent's water and biodiversity for sustainable social and economic development.

**129.** The Commission has also undertaken consultations both at internal level and with the AMCOW Secretariat on the modalities required for the transformation of the African Ministerial Conference On Water (AMCOW), into an AU Specialized Technical Committee. This is expected to culminate in the organization of a workshop comprising AU Commission, RECs, AMCOW, and NEPAD Secretariats sometime during the first quarter of 2005.

**130.** The African Locust crisis as environmental emergency:

**131.** Following the devastating invasion of Locust in Sub-Saharan and northern Africa as well as in parts of eastern Africa and the joint visit of the AU Chairperson and the FAO Director General in the field to sensitize the international community on the disastrous impacts on the livelihoods of the affected poor populations and the economies of the countries concerned, the Commission undertook consultations with regional and international organizations with a view to organizing a meeting to discuss ways and means to combat the crisis.

**132.** Furthermore, the AU Commission intends to put forward appropriate proposals on modalities for strengthening cooperation to counter locust invasions in the very near future. In the mean time, Member States are urged to give all possible support to the Commission and the NEPAD Secretariat in their attempts to prepare and implement a programme for the implementation of the Regional Strategy for Disaster Reduction that was endorsed by the 10<sup>th</sup> Session of the African Ministerial Conference on the Environment (AMCEN) in June 2004.



## **HUMAN RESOURCES, SCIENCE AND TECHNOLOGY**

### **INTRODUCTION**

**133.** The activities of the Commission in the area of Human Resources, Science and Technology during the period under review focused on “capacity-building” for appropriate national policy responses to access to drugs and patents:

**134.** Thus, the Commission has, in collaboration with the Third World Network (TWN), the United Nations Development Programme (UNDP) and the World Health Organisation (WHO), begun preparations for organising a Workshop at continental level on the WTO-TRIPS Agreement on access to medicines and patents. In recent years, AU Member States have been seized with the implication of patents and patent regimes on access to medicines. African countries have also played an active role in the discussions on issue at the WTO. This has led to the Doha Declaration on TRIPS and Public Health in 2001, and the WTO General Council’s Decision on August 2003, regarding paragraph 6 of the Doha Declaration, on ensuring access to medicines for countries that do not have adequate capacity in pharmaceutical drugs manufacture.

**135.** Given the high prevalence of serious diseases, such as HIV-AIDS, Malaria and Tuberculosis, it is vital for policy makers, regional institutions and NGOs to fully appreciate the implications of patents on access to medicines, and to adopt national health policies and patent legislations that would make it possible for people to have access to medicines, particularly to generic drugs at affordable prices.

### **Objectives of the Workshop**

**136.** The objectives of the Workshop are to:

- Provide information on and review recent developments relating to the WTO-TRIPS Agreement as they pertain to Patents and access to Medicines and Public Health;
- Discuss the flexible approach available to developing countries in the TRIPS Agreement, in the Doha Declaration on TRIPS and Public Health and the August 2003 Decision on Paragraph 6 of the Doha Declaration;
- Discuss appropriate national responses including the policy options and the measures that are available to promote access to affordable medicines and good practices in national patent legislations that are oriented to public health concerns;

- Discuss the status of national health policies and patent legislations in countries of the region and share national experiences and practices in this regard;
- Discuss other relevant issues as well as possible follow-up activities relating to access to affordable medicines in the region.

### **Target Groups**

**137.** The Workshop is expected to bring together government policy-makers and NGOs in the Continent, to discuss appropriate national-level policy responses that can best promote public health and can facilitate access of the public to affordable medicines, taking into account the flexibilities that are available in the TRIPS Agreement and the recent developments related to it.

### **Preparatory Activity and Expected Outcomes**

**138.** As a preparatory activity initiated by the Commission, a planning meeting took place in Addis Ababa from 28 to 29 October 2004. The preparatory meeting discussed plans for holding the Workshop, its Agenda, work-programme, themes, budget as well as the number and quality of participants required. Initially, the plan was that this workshop would be hosted by the Government of Ghana. However, it will now be held in Addis Ababa at the Headquarters of the AU Commission from 01 to 04 March 2005.

**139.** The expected outcome of the Workshop are as follows:

- Sensitization of Member States and policy decision-makers in the relevant areas about recent developments regarding the WTO-TRIPS Agreement as they pertain to patents and access to medicines;
- Growing awareness among the Member States of flexibilities and options available to developing countries in the TRIPS Agreement and in the Doha Declaration on TRIPS and Public Health;
- Greater preparedness among Member States and the development of appropriate national responses that would take account of the flexibilities inherent in the TRIPS Agreement in relation to patents and access to medicines and public health.

## **FIRST CONFERENCE OF INTELLECTUALS OF AFRICA AND THE DIASPORA**

### **INTRODUCTION**

**140.** The First Conference of Intellectuals of Africa and the Diaspora was held in Dakar, Senegal, from 6 to 9 October 2004. The meeting brought together around 700 intellectuals, men and women of culture, from across the continent, as well as a large number of intellectuals from the African Diasporas throughout the world especially from North, Central and South America, the Caribbean, Europe and the Arab world. The meeting organized under the auspices of the African Union, was intended to mark a reawakening on the part of the intellectuals of the continent and the Diaspora, a reawakening deemed absolutely necessary for Africa to carve out for itself a respectable place in what is commonly described as the international community. Maître Abdoulaye WADE, President of the Republic of Senegal was Chair of the Conference which was graced by the presence of the following Heads of State and Government and a Vice-President: Thabo MBEKI of South Africa, Pedro PIRES of Cape Verde, Amadou Toumani TOURE of Mali, Olusegun OBASANJO of Nigeria, Yoweri MUSEVENI of Uganda and Mme Isatou NJIE-SAIDY, Vice President of the Republic of The Gambia. Also in attendance were other representatives of Member States' Governments, International Organizations and Agencies of the United Nations system. The Guide of the Libyan Revolution Muammar Al Gaddafi addressed the meeting by conference video.

### **Theme of the Conference**

**141.** The general theme of the conference was "*Africa in the 21<sup>st</sup> Century: Integration and Renaissance.*" Africa's renaissance which is currently top on the continent's agenda, is no longer just a matter of culture as it has for long been perceived probably in reference to the European Renaissance of the 14<sup>th</sup>/15<sup>th</sup> century which occurred after the dark period of the Middle Ages. Africa's renaissance is political as much as it is economic and social. The *Integration* that we are seeking is not that of States only; it is the integration of States and peoples; it is no longer the integration of the States and peoples of the continent; it is also the integration of the Diasporas irrespective of their legal personality in the territories in which they exist.

### **Expected Results and Recommendations**

**142.** The results sought by the African Union Commission from the Conference is nothing but a contract between the continent and its intelligentsia, be it within the continent or in the Diaspora, with a view to transforming ideas into knowledge, and knowledge into action for integration. Such a contract should pave the way for more substantial and structured participation of the intellectuals in the conduct of the affairs of the continent

and in the management of its relations with the world. The contract will make it possible to generate fresh interest in an intellectuals oriented policy and establish solid bases for a new partnership between these two sets of players.

**143.** The following core issues may be retained from among the numerous recommendations put forward by the conference:

- i) promote publication of works on African history and culture and their wide dissemination in the media to enhance knowledge about Africa and the Diaspora, and for use in African educational institutions;
- ii) promote the concept of a United States of Africa and initiate debate to achieve a consensus on an acceptable model;
- iii) promote an African citizenship initiative;
- iv) institute the Diaspora as the 6<sup>th</sup> region of the African Union;
- v) establish within the African Union Commission a light structure with the task to centralize and disseminate knowledge, ideas and information on regional economic and political integration thereby preparing the ground for rapid realization of the five regional economic communities which should form the foundations of integration of the entire continent;
- vi) the AU to convene an African world congress bringing together intellectuals, teachers, parents and students' bodies of the continent and the Diaspora to define a strategy and formulate an Action Plan which would pave away for all Africans to speak with only one voice and for them to speak for themselves;
- vii) create financing mechanisms for development of science and technology and for mobilization of public and private sector resources, particularly from industry and business, for the promotion of Science and Technology;
- viii) build the capacities of African regional structures and institutions in the field of Science and Technology and transform some universities into African regional universities to foster exchange of students, research persons and teachers.

## **SOCIAL AFFAIRS**

### **INTRODUCTION**

**144.** The focus of the activities of the Commission in the area of Social Affairs in the period under consideration was to streamline its mandate and mission as a basis for identifying core principles and priorities and developing feasible programmes that would support a phased approach towards implementation

### **Activities Undertaken**

**145.** As part of the process, the Social Affairs Department organized its own brainstorming session in March 2004 on how to implement AU's commitment in a manner that assures crucial impact on people's lives at the grassroots level. The meeting agreed that the mandate of the Social Affairs Department should be interpreted and conceptualized from the right-based approach to development rather than mere provision of social welfare and proposed that the Department should be renamed as the "Department of Social Development (DSD)" in order to clearly reflect this holistic nature. The meeting also reflected on ways and means of ensuring linkages between structures and programmes in order to promote synergy between structures and programme components of the Department as well as the various portfolios of the AU Commission.

### **Vision and Mission Framework**

**146.** Within this framework, social development would be regarded as a core/pre-requisite to economic and political transformation that can only be realized through appropriate strategies aimed at eradicating poverty and narrowing social inequality thereby minimizing vulnerabilities. Therefore, programmes and activities of the DSD should aim at addressing critical challenges to human development.

**147.** Taking its cue from the Commission's brainstorming session on mission and vision held earlier in ILRI, Addis Ababa, the Department of Social Affairs derived, at its own level, a vision focused on building an African society that is free from abject poverty, where all members have equal opportunities and capacity to attain and exercise their social, economic, cultural and political rights. This vision would be guided by a mission based on a human-rights approach that emphasizes promotion of sustainable development by coordinating, facilitating and ensuring social, economic and cultural values aimed at raising the standards and well-being of African people. The mandate of the Department of Social Affairs or (DSD) will be to serve as the focal point within the African Union, for initiating, planning, developing, coordinating, facilitating, advocating, harmonizing and monitoring accelerated and sustained continental, regional and national policies, programmes and projects for social development.

**Strategic Objectives**

**148.** Based on a phased-approach, the Department of Social Affairs identified short term, middle term and long term Strategic Objectives as stated below in that order:

- Systematic integration of social and cultural issues in the programmes of African Union Commission, AU, Regional Economic Communities and Member States
- (2004-2007).
- Establishment of Networks aimed at achieving integration of social policy framework in overall national socio-economic development (2008-2015).
- To enable African people to enjoy and secure, descent and stable standards of living, and respect for their human dignity. In other words the achievement of socio-economic development that is human-centered. (2015 -).

**149.** Within these strategic objectives the DSA has consequently identified priority programmes for implementation, which include:

- Health programmes focusing on HIV/AIDS, Tuberculosis, Malaria and other Related Infectious Diseases.
- Integration of Health Systems and Reform with a focus on the assessment of the impact of Alma Ata Declaration on Access to Health for ALL through Primary Health Care.
- Nutrition – based on Regional Nutrition Strategy (ARNS) will focus on promotion of food and nutrition security at household, community and national levels–but especially the role of Nutrition in the management of disease-burden.
- Population and Development with a focus on African Family, Reproductive Health and Migration.
- Labour and Employment with a focus on Social Policy Framework, rights and labour standards as well as Social Security Systems.
- Social Welfare System focusing on social protection policies and mechanisms, African Common Position on the Future of the Child, Ageing Plan of Action on persons with Disabilities.

- Culture and Sports with an emphasis on cultural Development, promotion of positive cultural attributes, cultural industries, strategic framework on sports and promotion of a linkage between culture, sports and development.
- Drug Control and Crime Prevention, which will focus on the implementation of the Plan of Action on Drug Control in Africa (2000-2006), and the policy on Anti-Doping in Sports.
- Monitoring and Evaluation will be a cross-cutting programme attached to all activities.

**150.** Each of the priority programmes will have main strategies, each strategy will be articulated into activities. Identified for each activity will be responsibilities (who does what) and time frame indicated by the short-term, middle-term and long-term strategies.

### **Challenges and Difficulties**

**151.** The major challenge to the Department of Social Affairs is how to ensure institutional visibility/publicity of the AU and narrow the gap between high visibility of some departments/programmes and low profile for others. Additionally, low-level interdepartmental communication may impact negatively on promotion of cross-cutting social issues in the African Union Commission.

**152.** Furthermore, both human and financial resources available for implementation of the programmes may not match the high expectations and accelerated achievements that Africa has about Social Development.

### **The Way Forward**

**153.** In view of the above, the best way forward is to review the strategies and activities of each priority programme and refocus on key areas which can be implemented in phases for quick results which may convince stakeholders to mobilize and allocate more resources to Social Affairs.

## **AFRO-ARAB COOPERATION**

### **INTRODUCTION**

**154.** The framework for Afro-Arab Cooperation was formalized through a Declaration signed in Cairo, Egypt, in 1977. However, the pace of progress has been very slow and without much significance. The Commission of the African Union convened a Working Group of Experts in Addis Ababa from 11 to 12 May 2004 to review the situation and provide necessary inputs for the Strategic Plan of Action of the African Union, 2004-2007.

**155.** The Working Group observed that aspects of the decisions and declarations adopted by the Cairo Summit of 1977 have become obsolete or are in need of substantial revisions. Furthermore, structures and institutions created to guide the process are cumbersome and too bureaucratic and the character of cooperation has tended to be unfocused, without a mechanism to follow-up on monitoring developments. Significantly also, cooperation has been handled at the level of governments without reference to other important stakeholders such as civil society and the private sector.

### **The Strategic Plan of Action**

**156.** The Strategic Plan of Action of the African Union, 2004-2007, took its cue from the various shortcomings. It expresses a desire to ensure strengthened solidarity between the two sides and to foster cohesion and greater combined impact on global affairs that would be commensurate with the fact that Afro-Arab states have about 35% of the total votes of the members of the United Nations. The new framework of cooperation would focus less on routine activities and concentrate on large scale undertakings that would have a significant impact on the lives of the people at the grassroots level in two regions. The Plan of Action also provides for the two sides to develop appropriate implementation strategies that will define the direction of cooperation and foster the development of common positions in the international arena.

**157.** The orientation of this Strategic Plan of Action re-affirmed the decision of the 3<sup>rd</sup> Ordinary Session of the Executive Council of the African Union in Maputo in July 2003 that urged a revitalization of the principle of Afro-Arab Cooperation and endorsed the implementation of regular Afro-Arab projects (EX/CL/54 (III)). In accordance with these objectives, the Commission has identified a series of activities to be implemented as part of the Strategic Plan of Action of 2004-2007. These include the redefinition of the role of the Afro-Arab Cultural Institute in Bamako, Mali, and its transformation into an Institute of Strategic Studies, the preparation for the 7<sup>th</sup> Afro-Arab Trade Fair in Khartoum, Sudan and the preparation for the Arab Forum on the promotion of Investment in the Agriculture Sector.



**Difficulties, Challenges and the Way Forward**

**158.** The Strategic Plan of Action for 2004-2007 seeks to revitalize and energize the framework of Afro-Arab Cooperation to ensure measurable impacts. However, cooperation implies a renewed and sincere commitment on both sides. The commitment to cooperation must be even-handed and based on the principle of comparative advantage and reciprocity.

**159.** A true sense of solidarity must be reflected in attitudes on both sides towards the continental organization (AU). The spirit of brotherhood should also lend support to the development of common strategies and joint positions in the global arena. The Arab League should take on board issues of critical concern to its African brothers just as much as the African Union focuses on the related problems of Palestine and the Middle East. This orientation would cement the framework of common concern and provide a platform for concerted action.

**CONFERENCE ON SECURITY, STABILITY, DEVELOPMENT AND  
COOPERATION IN AFRICA (CSSDCA)**

**INTRODUCTION**

**160.** The activities of the Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA) for the period under consideration focused upon; a) preparations for launching the Economic Social and Cultural Council (ECOSOCC) in the aftermath of Assembly Decision (Assembly/AU/Dec 4.2(III) of July 2004 approving the Statute of ECOSOCC; b) the growth and consolidation of the framework of engagement with the African Diaspora in accordance with Executive Council Decision Ext/EX/CL/Dec.6 (III) and c) streamlining the functions of the CSSDCA as part of the impending programme of the transformation of CSSDCA into CIDO – the Civil Society and Diaspora Directorate.

**161.** The Executive Council of the Union had at its Extra-Ordinary Session in Addis Ababa, from 6-7 December 2004, approved the budget line for launching ECOSOCC as organ on the recommendations of the Commission and the Permanent Representative Committee (PRC).

**162.** Furthermore, the Commission is presenting a definition of the “Diaspora” for consideration by the Executive Council during this Seventh Ordinary Session in Abuja in January 2005 to facilitate Diaspora representation in ECOSOCC. The definition was put forward by the African Union’s Technical Workshop on relationship with the Diaspora, held in Port of Spain, Trinidad and Tobago, from 2-4 June 2004, and has since received favorable endorsements from regional Diaspora networks in the Caribbean, Europe, US, etc, as a prelude for consideration by appropriate organs of the Union.

**163.** So far, considerable progress has been made in the bid to establish ECOSOCC as a principal formal channel for interface between the African Union and Civil Society Organizations on the continent. However, much more needs to be done. Firstly, there is a need for renewed commitment to the principles of the Constitutive Act that stress partnership with all segments of civil society. Secondly, appropriate policy organs of the Union that have to take action to support this principle must appreciate and underscore its impact and make the necessary provisions for it. There is clearly a need to realize that this responsibility has its costs and the principle of involving civil society in the affairs of the Union must be based on norms of equity. ECOSOCC should be treated as fairly as all other organs because partnership with civil society must be built on trust and mutual respect. Significantly also, the principal formal organ of ECOSOCC should be supported by flexible processes outside ECOSOCC to ensure wider coverage, a greater sense of participation and to cater to special and specific demands.

### **Preparation for Launching ECOSOCC**

**164.** The foremost priority has been to conclude plans for launching the Economic, Social and Cultural Council (ECOSOCC) as a key organ of the Union: As part of this process, the AU Commission has set up an Inter-Departmental Task Force comprising representatives of all Departments to establish an appropriate schedule and work programme including specific dates and venue, criteria and list for selection of NGOs in line with the provisions of the Transitional Arrangements of the ECOSOCC Statute, the budget line, modalities for involvement of Member States and other related tasks. The activities of the Task Force are being coordinated by the Secretariat of the CSSDCA.

**165.** The Task Force held a number of meetings and recommended that ECOSOCC should be launched in the first quarter of 2005, preferably in late February or March. It has also agreed on a list of criteria for selection of NGOs for the process. It has also recommended an AU-CSO pre-Summit meeting in Abuja, Nigeria, in January 2005, to further sensitize the African Civil Society community as partners to preparations for launching ECOSOCC and the requirements of participation. Arrangements are underway to hold this meeting between January 21-24, 2005.

**166.** I should also draw attention to the fact that budget allocations for ECOSOCC for 2005 did not include provisions for either the key sectoral clusters which are the operational engines of the process as provided in the Statutes or the consultative process for the post-interim ECOSOCC Assembly as specified in the same. These areas demand review because if ECOSOCC is launched without giving it the instruments it needs to make a positive contribution to the activities of the Union, its effectiveness would be undermined.

### **Engagement with the African Diaspora**

**167.** During the last Ordinary Session of Council and Assembly in July 2004, I reported on the Technical Workshop on AU's relationship with the African Diaspora, that was held in Port of Spain, Trinidad and Tobago, in fulfillment of the Executive Council Decision of Sun City in May 2003. The Workshop came out with specific recommendations on the Definition of the Diaspora, proposed a methodology for developing a global African skill database and measures for addressing the "brain drain" and other human capacity needs for capitalizing on the "brain gain", put forward suggestions and models for fund raising in the Diaspora to support programs and projects in Africa, including policy frameworks and investment vehicles, modalities for enhancing effective partnership between the African Union and the Diaspora and for the observance of commemorative days such as the Africa Day, etc as global events.

**168.** The recommendations of the Workshop have been reviewed by the Commission and translated into various working languages for review by Member States. The result of the reviews would consequently help to establish a cognitive map for advancing the Diaspora Initiative, involving the participation of all stakeholders.

**169.** Significantly also, Diaspora communities in various regions of the world have begun the process of collaboration through the setting up of alliances and regional Diaspora networks, as partners for engagement with the African Union. On 11-12 September 2004, twenty-one (21) Pan Africanist Organizations from 15 Caribbean met in Bridgetown, Barbados, to establish a Pan-Caribbean African network. Similar processes are underway in South and Central America and should become functional by March 2005 and one is being launched in Europe. A preparatory meeting has already been held in London in October 2004, as part of European Social Forum and a convention of all Diaspora Groups in the United Kingdom that would feed into this process is scheduled for early next year.

### **Transformation of CSSDCA into CIDO**

**170.** The Commission is also proceeding with plans for transformation of CSSDCA into CIDO as outlined in my last report. This reconfiguration is part and parcel of the process for implementation of the vision and mission document approved in principle by the Council and Assembly in July 2004. The change will ensure that the idea of a people-oriented African Union advanced by the Constitutive Act will be pursued more vigorously with greater institutional capacity. The implementation process requires enabling decisions at appropriate policy levels, supported by the necessary organizational adjustments.

### **The Way Forward**

**171.** In the period under review, the CSSDCA has worked actively and with dedication and commitment to promote the ideal of a people-oriented Africa Union, as specified in the Constitutive Act. Its main agenda has been to establish ECOSOCC as key organ of the Union, to foster and consolidate links with African civil society organizations and the African Diaspora.

**172.** Six broad measures are required to support the fulfillment of these goals. They are as follows:

- a) Dedication and renewed commitment on the part of the Member States to the objective of the Constitutive Act, that *inter alia* stresses partnership with civil society and incorporation of the Diaspora;

- b) A clear appreciation by the Member States of the implications of their commitment, to civil society and the need to provide adequate material and other support.
- c) Member States support for the operationalization of ECOSOCC, including, the activation or establishment of key cluster committees, and the processes for representative elections in the post interim ECOSOCC Assembly;
- d) Approval and acceptance by the Member States of the definition of the Diaspora to enable Diaspora participation in ECOSOCC;
- e) Support by the Member States for deepening the process of the integration of the Diaspora in the framework of the AU, including the development, encouragement and consolidation of structures for effective partnership and for legitimate and credible Diaspora representation in ECOSOCC and in wider AU's structure and processes;
- f) Member State support for the transformation of CSSDCA into CIDO.

## **WOMEN, GENDER AND DEVELOPMENT**

### **INTRODUCTION**

**173.** The focus of the effort of the Commission in the area of gender, women and development for the period under review has been to address the critical issue of persistent gender inequalities on the continent and the costs they impose on women's lives, on economic development and on society generally. It would be recalled that at their last Summit in July 2004 in Addis Ababa, the Heads of State and Government of the African Union held a very important debate in this regard. Consequently, they signed a Solemn Declaration on Gender Equality in Africa. This is in addition to other recent decisions to promote gender equality within the AU Commission and throughout the continent.

**174.** In view of these decisions, the Commission through its Women, Gender and Development Directorate (DWGD) has elaborated a strategy and program with three main components. The first component focuses on putting the institutional fabric in place, in order to lay a firm foundation for gender mainstreaming within the Commission of the AU. The second component concerns building gender mainstreaming capacity within the Commission so that the Commission can fulfill its gender mandate entrusted to it by the Assembly of Heads of State and Government.

**175.** The third component of the Directorate's work concerns translating the AU Heads of State decisions on gender equality and women's empowerment into concrete actions at the regional, sub-regional and national levels. In particular, the Directorate will work with member states and key civil society stakeholders to elaborate a plan of action with clear timelines and benchmarks for the implementation of the Heads of State Solemn Declaration on Gender. The Directorate continues to collaborate with women's networks and to forge partnerships with national gender machineries to promote the early ratification of the Protocol to the African Charter on Human and Peoples' Rights Relating to the Rights of Women in Africa.

**176.** The Commission has also been working closely with the UNECA to establish and advocate an African Common Position during the Beijing Plus Ten Review Meeting that will take place at the UN in New York in March 2005. A draft African Common Position that was adopted by African Ministers responsible for Gender and Women's Affairs at the Seventh African Women's Conference held in Addis Ababa last October is before the Heads of State for consideration. The Commission is further prepared to coordinate the participation of the African Group in the next few months to ensure that Africa's interests are fully taken into account during the global negotiations.

### **The Legislative Framework**

**177.** The legislative framework for this programmatic focus is the Executive Council Decision EX/CL/De.66 (III) on Matters Related to the Operationalization of Activities of the Women, Gender and Development Directorate, adopted by the Second Ordinary Session of the Assembly of Heads of State and Government in Maputo in July 2003 and the AU Heads of State Solemn Declaration on Gender Equality in Africa adopted by the Third Ordinary Session of the Assembly of Heads of State and Government in Addis Ababa in July 2004.

### **Planned Priorities and Opportunities**

**178.** Within the framework of the Heads of State Solemn Declaration on Gender Equality in Africa, the Commission has identified three key priorities for the medium term. These are:

- strengthening African women's voices in peace processes,
- addressing the gender dimensions of the HIV/AIDS pandemic especially the high infection rates among young girls; and
- mainstreaming gender issues in economic and trade policies and negotiations in order to eradicate poverty and increase African women's economic opportunities.

**179.** Many Member States are implementing innovative policies and programs to promote gender equality and women's empowerment demonstrating strong political will towards this goal. There is also a need to share good practices and lessons learned between governments and non-governmental bodies. Recent decisions by the AU Heads of State, especially the signing of the Optional Protocol on the Rights of African Women and the Solemn Declaration on Gender equality in Africa, as well as actions by the Chairperson of the AU Commission aimed at promoting gender equality have generated a strong momentum on the continent and strong expressions of interest and support from the international community. Several opportunities for mutually beneficial partnerships with African and international partners are being explored by the Directorate while others are ongoing. The Commission places high priority on harnessing the different initiatives on the continent in these areas of focus in order to achieve synergy.

### **Challenges encountered in the process of implementation and actions taken to overcome them**

**180.** The work of the Commission in the area of women, gender and development has been constrained by budgetary limitations and understaffing. Some NGO partners have mobilized resources and contributed to the Commission's work especially in preparation for the Summit Debate on Gender.

**181.** However, such extra-budgetary resources are not predictable and are tied to particular activities. There is need to increase the budgetary provisions for the Directorate on Women, Gender and Development to reflect the strong commitments made by the Heads of State to promote gender equality. The Commission has contracted some consultants to undertake particular assignments in this regard. However, this strategy is also limited by lack of sufficient human resources.

### **The Way Forward**

**182.** The AU needs to establish itself as the undisputed leader in promoting gender equality and women's empowerment. To do this effectively, it must lead by example. That implies that gender considerations must permeate the structures and programs of the AU and all its Organs. Following the Durban adoption of the Statutes of the Commission with their emphasis on gender equality, and the appointment of five female and five male Commissioners in Maputo in 2003, the Commission appointed seven (7) female and eight (8) male Directors through a transparent and merit-based process. As the recruitment process continues, the Commission is committed to implementing the principle of gender parity that the Head of State enshrined in the Statutes of the Commission.

**183.** To provide guidance and to enable the implementation, coordination and monitoring framework, the AU gender policy needs to be put in place as soon as possible. Funds have been allocated in the 2005 budget to begin this process. It is also imperative that Member States, Regional Economic Communities, NEPAD, women's organizations and other civil society groups as well as the private sector are brought on board as important partners in advancing the continental gender agenda forward. Recognizing, rewarding and facilitating African women's economic contributions will be a primary focus of the Directorate's work. Coordinated participation of Member States of the AU at the forthcoming Beijing Plus Ten Meeting in New York in 2005 will bring visibility and increased confidence in the AU by Member States and the international community.



### **INTERNAL AUDIT**

**184.** The activities of the Commission in the area of Internal Audit in the period under review was focused on its mandate, which is to serve as an independent appraisal function for ensuring compliance and effectiveness of the Commission's Rules and Procedures. Consequently, the various activities performed by the Office were designed to evaluate the efficiency of operations of the various arms of the Commission in order to improve the effectiveness of risk management control and governance processes.

#### **Activities Undertaken**

**185.** Activities undertaken in this regard included the following: a) Preparation of a follow-up report on the Board of External Auditor's Report for the year that ended on 31 December 2002, for consideration of the Advisory Committee on Administrative, Budgetary and Financial Matters. The External Auditor's report addressed findings and recommendations on the Internal Control Systems, record keeping and property administration of the Commission; b) Preparation of a long-range Audit Plan for 2004 – 2007 to support the overall strategic plan of the Commission within the same period; c) The initiation of regular audit-projects as envisaged in the annual audit plan for 2004. Priority was given to more sensitive and risky areas including Procurement and Official Mission, Cash and Cash Management, Transportation and Vehicle Maintenance Services, AU Permanent Missions in New York and Brussels, the Inter-African Bureau for Animal Resources (IBAR) - Nairobi and the Payroll; d) Special audit assignments including Audit of AU Cease-Fire Observer Mission in Burundi, Joint Inspection Mission on African Union Scientific, Technical and Research Commission (AU/STRC) - Lagos, Audit of the Trust Fund for the Conference on Security, Stability, Development and Cooperation (CSSDCA), Audit of the Accounts of the African Energy Commission (AFREC), External auditing service to the African Rehabilitation Institute (ARI).

#### **Impact and Challenges**

**186.** The audit activities have added value to the operations of the Commission. They have helped to identify weaknesses and suggest appropriate recommendations for improvement. They have initiated a tradition that will bring a more systematic and disciplined approach to the operations of the various units and Directorates and the Commission as a whole.

**187.** However, audit endeavours have also encountered certain constraints that require urgent rectification. One is the serious shortage of manpower affecting virtually all Directorates including, the Office of Internal Audit itself. This has an adverse effect in the overall internal control system of the Commission. I am confident however, that the recruitment process, as well as, planned future activities would provide a solution to this problem. The issue of

manpower shortage in the Office of Internal Audit itself would require the adjustment of the Maputo structure which did not cater for effective support in the Office of the Director. The structure should be adjusted accordingly, to provide for a Deputy Director and an IT Auditor. I am proposing this adjustment as a part of the changes envisaged in the Bureau of the Chairperson.

**188.** Finally, there is a need to sensitize the various directorates and units in the Commission, to the role of Internal Audit and its importance for stimulating efficiency and effectiveness of operations. The Office and the different Units and Directorates would be expected to develop appropriate models of a working relationship with the Office.

### **Way Forward**

**189.** The Strategic Vision and Mission of the African Union and the Strategic Plan of the Commission for 2004-2007 has placed serious demands on the Office of Internal Audit. The Office is expected to operate effectively, to enhance the audit of budgetary and financial transactions, as well as, the operational and management functions. The Activity Plan of the Office for the four year as contained in the audit program, is designed to respond to these requirements. The expeditious implementation of the Plan would be a sufficient condition for the overall success of the Strategic Plan. The attainment of the audit objectives would require a seminar to develop awareness among senior management staff on the role of the Office of Internal Audit to avoid resistance and foster a proactive approach to operations management and risk assessment. This orientation would also, encourage managers to work diligently and positively with the Office of Internal Audit, and rely on its counsel, as appropriate.

## LEGAL COUNSEL

### INTRODUCTION

**190.** The focus of the Commission's efforts on legal matters, during the period under review, included a) the signing, deposit and ratification of treaties b) review of AU Treaties c) provision of legal advisory services to the appropriate policy organs of the Union d) the merger of the Court of Justice and the African Court on Human and People's Rights and e) registration of names, abbreviations and emblems of the AU and NEPAD with the World Intellectual Property Organization (WIPO).

### Depositary Functions

**191.** Council will recall that a signing week had been initiated in 2003 as a means of promoting the signing, ratification/accession of OAU/AU Treaties. The event was repeated from 6 to 13 December 2004 under the theme "**African Union's Treaties and Conventions**" and it coincided with the 6<sup>th</sup> Extraordinary Session of the Executive Council that was held in Addis Ababa, Ethiopia, from 6 to 7 December 2004. It is to be reported that during this period alone, **forty-six (46) signatures were appended to OAU/AU treaties and four (4) instruments of ratification/accession were received by the Commission.** It is worth noting that **four (4) countries signed all the OAU/AU treaties**, namely, Burkina Faso, Chad, Comoros and Swaziland. These countries need to be commended and those Member States which have not yet done so must be encourage to follow their example.

**192.** It is to be observed that Council, in its decision EX/CL/Dec.128 (V) of July 2004 requested the Commission to undertake a study on the procedures for ratification of treaties in Member States and to harmonise them with a view to speeding up the ratification process. Prior to this decision, in 2001, the OAU General Secretariat had sent a Note Verbale reference CAB/LEG/24.83/Vol.III dated 29 January to all Member States requesting them to forward to it the constitutional requirements relating to their respective procedures for signature and ratification/accession of international treaties. The Commission has received responses from only **seven (7) Member States: Chad, Congo, Cote D'Ivoire, Egypt, Ethiopia, Senegal and Tunisia.** In view of this situation therefore, the request of the Commission must be reiterated with an appeal to Member States who have not yet done so to send to the Commission information regarding the process of becoming State parties to international agreements in their various countries so as to enable the Commission undertake and finalise the study on the harmonization of ratification/accession procedures and to submit appropriate recommendations to Council. The Commission intends to undertake and finalise the study this year depending on the response received from Member States.

**193.** It will also be recalled that by virtue of the same decision EX/CL/Dec.128 (V), Council requested the Commission to find ways and means of addressing the recurring problem of inconsistency between the various linguistic texts and submit appropriate recommendations thereon. The Commission is considering different approaches the problem and will submit recommendations to the Council as soon as possible.

### **Review of AU Treaties**

**194.** In its decision EX.CL/Dec. 129 (V), Council took note of the report of the meeting held in Addis Ababa from 18 – 20 May 2004 and endorsed the recommendations contained therein with amendments. Council also authorized the Commission to convene meetings of experts to examine the recommendations and to elaborate the necessary legal instruments. It is to be reported that the Commission has taken the initial step to implement the above-mentioned decision. In the course of this year, preparations will be made to convene meetings of experts to examine the recommendations and elaborate the necessary legal instruments for the review of AU Treaties.

### **Permanent Consultative and Advisory Services**

**195.** Under the directives of the Chairperson, the Office of the Legal Counsel provided legal advisory services to the Policy organs and the Commission regarding the interpretation of the various treaties, Rules of Procedure, Staff Rules and Regulations, Financial Rules and Regulations and other administrative or institutional issues. It will be recalled that the Assembly in its decision Assembly/AU/Dec.39 (III), decided that the seat of the Pan-African Parliament shall be in South Africa. Pursuant to this decision, the Commission concluded a Host agreement with the Government of the Republic of South Africa on **16 September 2004**.

### **Merger of the Court of Justice and the African Court on Human and Peoples' Rights**

**196.** Council will recall that by decision Assembly/ AU /Dec.45 (III), the Assembly during its Third Ordinary Session held in Addis Ababa from 6-8 July, 2004 decided *inter alia*; that the African Court on Human and Peoples' Rights (African Court) and the Court of Justice of the African Union (AU Court) should be integrated into one Court. The Assembly further suspended the operationalization of the African Court on Human and Peoples' Rights and requested the Commission to work out the modalities of implementing the decision. Whilst concerns have been expressed by human rights organizations that the merger may have the effect of delaying somewhat the implementation mechanism for judicial protection of human rights in Africa, The Commission fully subscribes to the rationale behind the decision of ensuring that AU institutions that are judicial or have quasi-judicial functions and deal with

human rights or related issues are coherent and cost effective. In addition, the Commission believes that the political will exists in Member States and in the policy organs to ensure early implementation and entry into force of the instruments relating to the merger of the two courts.

**197.** The AU Commission has undertaken and finalized a study setting out recommendations on the modalities of implementing the decision, as well as, a draft legal instrument on the merger of the two courts. The recommendations and the Draft legal Instrument were also considered by a consultative meeting of distinguished African jurists and scholars, and subsequently, by a meeting of the Permanent Representatives Committee and legal experts in January 2004. This draft Legal Instrument, as well as, the Recommendations have been submitted separately to the present Session of the Executive Council and the Fourth Ordinary Session of the Assembly of the Union for consideration and further directives.

**Registration of Names, Abbreviations, and Emblems of the AU and NEPAD with the World Intellectual Property Organization (WIPO)**

**198.** During its 3rd Ordinary Session 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.

**199.** In the light of the foregoing and given the fact that the full complement of the AU paraphernalia (flag, anthem and emblem) has been chosen, the Commission has taken 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). It is expected, that this process of registration with WIPO will be completed by the end of this year.

**200.** 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.

**201.** 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 6<sup>ter</sup> into their domestic laws. Others have only incorporated the basic provisions of Article 6<sup>ter</sup> 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 6<sup>ter</sup> 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 only 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 IIO's trademarks in their domestic legislations.

**202.** Moreover, the Commission is to report to Council that it is already in the process of taking appropriate steps aimed at reclaiming the web name – [www.africanunion.org](http://www.africanunion.org) that is currently in use by an individual. As was done in the case of President Mandela, the Commission intends to register exclusive rights to this domain name for the sole use of the AU. Currently, the temporary AU web name of the African Union is [www.africa-union.org](http://www.africa-union.org).

## **COMMUNICATION AND INFORMATION**

### **INTRODUCTION**

**203.** Effective information and communication management is a key element in our efforts towards Continental integration and development. The Commission therefore, affirms the need to forge a positive image for the African Union that is based on record and achievements. There is need to popularize the African Union through regular, concise and accurate briefings on the activities of the Organization and to create greater public awareness and a media-friendly disposition.

**204.** During the period under review, the Commission issued a series of press releases on the overall activities of the Union on regular basis, including the activities of various directorates and policy organs of the Union such as the Peace and Security Council, and sought constantly to popularize the activities of the Union, using the mediums of radio, television and print interviews.

### **Strategy for Development**

**205.** The demand for an effective media and communication strategy however, calls for the Commission to become an important nexus with the Regional Economic Communities and mobilise support for African integration and development. In this regard, all efforts will be made to initiate an African Communication and Information Strategy that would bring the African people closer to what is happening in the continent and the activities of the continental organization. The Commission plans to convene meetings of experts and relevant policy makers to review the existing information and communications infrastructures on the continent with a view to making recommendations that would be given due consideration by a Conference of African Ministers of Information and Communication whose objective would be to finalize and adopt the African Communication Strategy. The decisions that the Ministers of Information and Communication took would enable the Commission to develop programmes that would inform the African Publics about the Vision, Mission and Strategic Plan of the African Union, and the status of the Implementation of decisions.

**206.** In this process, we shall take advantage of the planned installation of an African Union Satellite Station to reduce costs in telecommunications and high telephone bills, have direct Satellite to receiver transmission, make bandwidth available, provide better connectivity for destination point reception of television broadcasts, with combined live audio and slide show, thus ensuring virtual classrooms in remote locations across the Continent. In this regard, we shall hold a meeting of proprietors of potential and existing ventures on sharing information and utility services for the functioning of the Pan-African radio and

television projects. This will allow Africa to speak with a common Pan-African Voice.

**207.** Moreover, one of the most direct and effective ways of reaching the African people in all parts of the continent is through radio waves. The technology that exists today gives us an opportunity to consider how best to enhance African Union radio broadcasts, worldwide. It is with this in view that we organized the 1<sup>st</sup> Test Live Radio Transmission during the 3<sup>rd</sup> Ordinary Session of the Assembly of the Union from July 4 to 11, 2004, in Addis Ababa, Ethiopia. The tests that have been conducted have elicited great interest from many listeners. The introduction of AU Internet Broadcasting through the AU Website: [www.africa-union.org](http://www.africa-union.org) received additional positive comments. Popular interest in the AU radio broadcasts and the potential for reaching all our Member States have further compelled us to further enhance the AU radio transmission worldwide.

### **The Way forward**

**208.** There is need to upgrade the status and capacity of the Information and Communication Unit, to enable it cope with the responsibilities of information dissemination and the popularization of the African Union. The Commission takes note that its communication and information arm requires more trained personnel to enable it to become a more effective mechanism for the dissemination of information about the programmes of the African Union across the continent. The Commission is therefore determined, to build up capacity in this area. The Commission is also proposing the transformation of the Information and Communications Unit into a full-fledged Directorate.

**209.** The Commission is also committed to the process of information sharing, coordination and harmonization within the AU Commission, especially, between the Commission and its field offices, the Member States and Regional Economic Communities.

**210.** Finally, The Commission will also seek to ensure that the provision of Information and Communication Technology (ICT) infrastructure in the AU Commission is matched with the provision of compatible software, by forging an appropriate **Policy**, and developing sustainable **Content** and **Tools** (PCT). ICT and PCT are two sides of the same coin and no one component successfully functions without the other.



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