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EXECUTIVE COUNCIL

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**REPORT OF THE
1st MEETING OF THE COMMITTEE OF MINISTERS TO FOLLOW UP
ON THE IMPLEMENTATION OF THE BAHIR DAR MINISTERIAL
RETREAT AND ISSUES ARISING FROM THE
EMAIL FROM THE FUTURE**

***05 June 2014
Addis Ababa, Ethiopia***

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I. INTRODUCTION

1 Members of the Ministerial Follow-up Committee on Agenda 2063 (hereafter referred to as the Bahir Dar Ministerial Committee), proposed by the Bahir Dar Executive Council Ministerial Retreat in January 2014 and endorsed by the 24th Ordinary Session of the Executive Council in January 2014, met in Addis Ababa on 5 June 2014 to reflect on their mandate of following and accompanying the development of Agenda 2063 and matters arising from other important documents and engagements.

II. ATTENDANCE

2 The following Ministers and members of the Follow up Ministerial Committee present were from Ghana (Chairperson), Rwanda, Ethiopia, and Democratic Republic of Congo. Other members of the Committee were represented by their Permanent Representatives and Representatives to the AU (Algeria, Angola, Cameroon, Chad, Congo, Kenya and Malawi). The Chairperson of the AU Commission, Executive Secretary of the United Nations Economic Commission for Africa and the President of the African Development Bank also attended in their capacity as members of the Committee

3 Representatives of the following Regional Economic Communities were invited to also participate in the meeting: ECOWAS, EAC, COMESA, ECCAS, CEN-SAD and IGAD.

III. PROCEEDINGS

Agenda Item 1: OPENING CEREMONY

- **Welcome Address by H.E. Dr. Nkosazana Dlamini-Zuma**

4 In her address, the Chairperson of the AUC welcomed the Ministers and all the Delegations to Addis Ababa and expressed the hope that the meeting contribute to the collective reflections about the future we want for the continent during the next decade and beyond.

Adoption of the Agenda

5 The agenda of the Meeting was adopted with two amendments:

- a) Regarding the importance of the Meeting, more time should be allocated on how Africa do business to achieve Agenda 2063;

- b) A projection of 7 minutes will be made on Inga Dam Project before the presentation and discussions on that item.

Agenda item 2: Progress report of the development of Agenda 2063

6 The African Union Commission circulated a background document on Agenda 2063 that formed the basis of the discussions on the Agenda. The Chairperson of the AUC informed the Meeting that Agenda 2063 document has been developed and submitted to AU Member states for their consideration and comments. She also explained that the short version of Agenda 2063 will be submitted to Heads of States through the Executive Council during the Malabo Summit focusing on key strategic issues of great importance for the continental transformative and development agenda. The document is a strong inspirational statement outliving the voices of the African people gathered during the consultations, the endorsement by the Heads of States and Government and a call to action on critical issues to be addressed in the short term. She underlined that the success of Agenda 2063 rely on a radical change on the way Africa do business. The continent must strategically focus on key development issues. In an operational manner, she suggested to bring the attention of Heads of States of the Union on key decisions of high importance for a more result oriented approach. In addition, she pointed out the lack of commitment of African Leaders to Africa's pressing development challenges.

7 The Meeting exchange illustrated the following points:

- a) The challenge the African Union is facing in implementing the continental development Agenda is mainly due to the lack of political commitment. In this regard, strong leadership will be crucial in helping Africa to achieve Agenda 2063. Experiences from across the world indicate that while economic development and evolution out of poverty can derive from various economic models. It was observed that success comes from a political leadership that has vision and capacity to implement it;
- b) In the context of Agenda 2063, it will be for the African leaders and peoples to adopt a new mindset and approach to fully assume their responsibilities in the process of structural transformation at the national, regional and continental levels;
- c) Political stability is critical for national planning, sustaining macroeconomic policies and for creating a good investment climate. It is also important to encourage the private sector' participation in the economy and the inclusion of rural sector into the modern economy;
- d) The successful implementation of Agenda 2063 requires engaging strategically with RECs, the AfDB and UNECA;
- e) The effectiveness of Agenda 2063 would largely depend on the ability for Africa to monitor, assess and evaluate its work and, where necessary, make adjustments.

IV. RECOMMENDATIONS

8 The Bahir Dar Committee, realizing that the way the African Union does its business was critical in driving the African Agenda in general, and the success of the Agenda 2063 in particular.

9 The Committee reflected on how the African Union do business, including its working methods, its mechanisms, its follow-up mechanisms on decisions of AU organs and its relations with RECs and other partners.

10 The Committee proposed that the following matters would require further reflection and discussion by the Executive Council:

- i) The need to review the organization of African Union meetings to ensure that they are focused at all levels and to improve their effectiveness and efficiency. In this respect, the Committee recommended the following:
 - a) The Executive Council should not only meet during Summits, but should add 2 (two) more Ordinary sessions in between the Summits, and in extra-ordinary session whenever necessary. This would allow for the Executive Council to shoulder its responsibility of taking forward the work of the Union. It was noted that Executive Councils of other similar multilateral organizations meet more frequently, such as the EU Council of Ministers meet monthly and as when necessary.
 - b) On-going review and continuous improvements of the mechanisms, processes and approach to work of the African Union.
 - c) The Agendas for the Summits should be streamlined to focus on a few key strategic issues and receive and consider progress reports on implementation of decisions. This work should be enhanced by the political commitment of the Executive Committee to take charge of work of the Union.
 - d) The Bahir Dar Committee requested the Commission to consider and advise whether these reforms would necessitate the review of the Constitutive Act or/and the relevant Statutes and Rules of Procedure.
- ii) In relation to the above, the Chairperson of the AU Commission was requested to institute a Study Mission to various similar multilateral Organisations such as the EU, ASEAN, MERCOSUR, to study their working mechanisms.
- iii) The Regional Economic Communities are part of the African Union and are the building blocks of the AU. However, it is necessary to review the working relationship to make it more efficient, effective and reinforcing. It was noted that there is a need to fast-track the rationalization of the RECs and avoid overlapping of membership that is always confusing.

The idea of restructuring the RECs into only five for each geographic region should urgently be revisited and reviewed.

- iv) There is an urgent need to complete the Review the Partnerships with various Institutions and other countries, including how the African Union prepares for these partnership meetings in order to speak with one voice for the benefit of Africa.
- v) The Committee further expressed concern about the lack of appropriate recognition of the African Union by various international Organisations and the tendency to treat Africa with contempt. An example was made of the lack of reciprocal accreditation of the African Union at the United Nations, and the Commission working with the Permanent Representatives of Member states in New York, were requested to take steps to correct this situation.
- vi) It was noted that there is growing need to allow a voice for the African Citizenry in moving the Africa's Agenda forward. This was self-evident in the development of and articulating the aspirations for the vision of Agenda 2063. On the other hand, the AUC is working hard to reorganize and strengthen ECOSOC, so that it can also play its role as an organ of the Union.
- vii) The Committee noted that the African Union has many continental policy frameworks on a variety of issues. At the same time, there is the proposal to develop Pan African Development Goals. It was suggested that these goals could provide a common platform under the overarching framework of Agenda 2063. The Commission was requested to reflect on this proposal and submit it for further discussion.
- viii) The Committee agreed with the recommendation that in addition to the longer Agenda 2063 Technical Framework document, that a shorter, inspirational document be developed for tabling at the Malabo Summit. The draft Agenda 2063 (Manifesto) will be distributed to all members of the Committee and Member States for comment, before tabling at the Summit.
- ix) The Committee discussed the vision for the establishment of a Continental Free Trade Area by 2017, and how to fast track is attainment. It was agreed that this matter should be further deliberated by the Executive Council. It was agreed to involve the RECs, Business and private sector, and other relevant stakeholders. In this process, it was agreed that this matter would be discussed by the first meeting of the Dialogue platform among these major stakeholders. In view of the importance of the CFTA in the implementation of Agenda 2063, the meeting discussed the possibility of the establishment of the CFTA to proceed on the basis of the principle of the "Coalition of the Willing". A critical mass of countries that are ready should start the process and others can join when they are ready. Decision on Africa Growth forum, will be tabled at the January 2015 Summit, and the first forum held in the

same year. The issue of the Continental Free Trade Area should serve on the agenda of this first fourm.

- x) The Committee further agreed on the importance of the participation of Executive Secretaries of the RECs, in addition to the Chairpersons of the RECs in the Bahir Dar Ministerial Committee as full members. The Committee agreed to forward this proposal to the Executive Council for their consideration and endorsement. And request the Chairperson of the Commission to send an invitation to Member states to this effect.
- xi) The Committee agreed to recommend to the Executive Council the importance of holding preparatory consultations in Malabo on the Africa-US Summit to be held in Washington in August 2014, so that Africa could maximize its benefit at this meeting and speak with one voice

Other Items considered by the 1st Meeting of the Bahir Dar Ministerial Follow Up Committee.

Item 3: The hard integration issues, including infrastructure development and cross-border transit:

a) Integrated High-Speed Train Network

11 This item was presented by the Commissioner in charge of Infrastructure and Energy. In her presentation, she informed the meeting about the objective and scope of the project highlighting the fact that this initiative could be a key flagship project of Agenda 2063 with the aim of facilitating the achievements of the AU vision of prosperous and integrated Africa. The meeting was informed that this initiative is based on the principle of pooled sovereignty and is considered as a key driver for social and economic integration through, among others, strengthening intra-African trade, building peace and security on the Continent; promote free movement of persons, goods and services. The initiative would supplement and support the implementation of existing continental frameworks, such as, PIDA, CFTA, CAADP, AIDA, AMV, MIP, Pharmaceutical manufacture Action Plan, etc.

12 The meeting was informed that the vision is to work towards manufacturing all the components of this project on the Continent, learning from and building on the example of the Airbus Company. This would contribute to, among others, the creation of high level jobs, establishment of centers of excellence, boosting the economic activity in Africa.

13 The meeting was briefed on the current discussion held with China with a view to contribute to financing this project. The latter has shown interest and readiness to support the process which will contribute to modernizing transport in Africa. Other partners would be approached to support the project. The High-Speed Train Network infrastructure could be used by other types of infrastructure (broad band, water, electricity, etc...). Finally, it was noted that a Task team was put in place to elaborate the strategy and the Action Plan for the implementation of the High-Speed Train Network.

14 The meeting commended the AUC for taking this initiative and stressed the need to put in place the right policy and regulatory frameworks for the railway sector. In this respect, the meeting observed that, due to the multidimensional aspect of this initiative, there is need to ensure that there is synergy with the currently existing infrastructure projects and create a clear value addition compared with rest of transport means. It was also recommended that this project be included in the Agenda 2063.

Follow-up Actions: Present the Integrated High-Speed Train Network initiative to the Executive Council during the Malabo Summit for consideration and adoption.

b) Aviation

15 The meeting observed that the share of African aviation industry was 20% of the total African aviation market and that African countries were giving better access to external carriers. This led to creating difficulties of African aviation companies to survive and compete at the global level. In this regard, the meeting was informed that Ethiopia has prepared a draft concept note on unification of Africa Airspace and establishment an African Supranational Authority. The meeting welcomed the initiative and noted the need to put in place the adequate policy and regulatory frameworks for the development of the African Aviation market. The meeting was also informed that a Task Team was put in place to look at the challenges facing African countries in implementing the Yamoussoukro decision and make the necessary recommendations.

Follow up Actions: AUC to work in collaboration with the RECs, AFCAC, UNECA and AfDB to analyze the challenges and opportunities in the aviation sector, especially in implementing the Yamoussoukro decision on air transport, taking into consideration the draft concept note proposed by Ethiopia on unification of Africa Airspace, and propose the next steps and way forward, for consideration by the January 2015 AU Summit.

c) Implementation of the Grand Inga Dam Project

16 The meeting was informed on the status of implementation of the Inga Dam project, especially the outstanding financial needs. Out of the required 260 million USD, 200 million USD had been secured and remains a deficit of 60 million USD to finalize the project feasibility studies. The Grand Inga Dam project will be implemented in phases based on the public-private-partnership (PPP) which would serve in mobilizing the required funds. It was noted that an Agreement has been signed between the DRC and South Africa to buy 2500 Mega Watts which would contribute to enhancing the return on assets of the project and encourage the private investors to participate in financing the project.

17 The meeting noted that the Grand Inga Dam would contribute to linking the regional power pools in the Continent and highlighted the importance of the Grand Inga Dam project and urged for its support.

Follow up Actions: AUC to develop a Continental harmonized regulation framework for the energy sector and present it to the Policy Organs.

d) Pan African E-network

18 The Meeting was informed that the main objective of the Pan-African e-Network project is to assist African countries in building capacities by providing Tele-education and Tele-Medicine services by way of on line medical consultation to the medical practioners at the Patient End Location in Africa by Indian Medical specialists in India – the project supporter..

19 The discussion of the Meeting highlighted the need for Africa to own the project by providing content for E-learning and support the financing of the operationalization and management of this project.

Follow up Actions: AUC to develop an implementation plan for the Pan-African E-Network Initiative to be submitted to the January Summit.

Item 4: Establishment of the Virtual University by consolidating African Initiatives and strategies on accelerated human capital development, science, technology and innovation by capitalizing on the digital revolution and global knowledge.

20 The meeting noted the presentation of AUC which highlighted the importance of increased supply of skilled workers for the “Africa we want” under the framework of Agenda 2063. In this regard, the Pan African Virtual University will improve technical and vocational training linked to specific needs in the African labor market. The aim is to equip young people with the right skills for both the formal and informal sectors, including the skills to create small businesses. He emphasized that the Virtual University does not require heavy infrastructure but rather should be built based on the existing linkages and Networks in the Continent. The presenter stressed the need for strong determination from African countries to achieve this project which will contribute to linking African Universities.

21 The meeting underlined the urgent need to fast track the establishment of the Pan African Virtual University. It was further noted the importance of capacity and inventory evaluation to define the infrastructure needs and the necessary investments to implement the Pan African Virtual University.

Follow up Actions: AUC to undertake an assessment of the existent Universities Networks on the Continent (status, capacity to create centers, required financing, etc...) and formulate proposals on the way forward. This should be submitted to the January 2015 AU Summit for consideration.

Item 5: The development of a Commodity Strategy that will result in Africa regaining of the pricing of key commodities.

22 Under this Item, the Meeting noted the presentation of the development of a commodity strategy as decided during the Bahir Dar Retreat. The presenter highlighted that a concept note has been prepared and a working group comprising AUC relevant Departments, UNECA and AfDB was set up.

23 The Meeting discussions highlighted the following points:

- a) The need for commodity based industrialization through a coherent industrial policy that focuses on value addition in Africa;
- b) The need for Africa to tackle commodity price volatility.

Follow up actions: Establish working group including both AUC departments and external partners up to develop an action plan arising from the gaps identified in the stock taking for presentation at December Meeting.

Item 6: The creation of an Annual Africa Platform (political, business and private sector, intellectuals, civil society, etc.)

24 The African Union gave a presentation on the background, rationale and objectives of the Annual Africa Platform. In this light, the presenter underlined the aim of this initiative which is to create a space for policy dialogue among African countries on how to best harness the current macroeconomic performance of the continent for a more inclusive and broad-based development. He recalled that the Platform is a standalone event that will play a key role in bringing together entrepreneurs and public and private investors from both Africa and the diaspora in order to discuss ways of improving profile of doing business in Africa. He further stressed that the forum will provide a timely opportunity for a constructive dialogue on how to engage the private sector for meeting Africa's contemporary challenges. The meeting was informed that the Forum will be a high level platform to engage with political leaders in a concrete and constructive dialogue where parties involved hold each other accountable.

25 The discussions of the Meeting underlined the following points:

- a) The critical role of the private sector in building and implementing this continental dialogue platform;
- b) The business approach of the forum should strategically focus on public-private partnerships to raise funds;
- c) The need to take urgent measures for visa facilitation to ease the movements of African investors;
- d) The need for a bottom up approach to give space to business leaders in highlighting the issues of great importance to accelerate industrialization and intra-African Trade;
- e) The importance of the platform in fast-tracking the regional integration agenda of the continent in order to achieve the vision of an integrated and prosperous continent under the framework of Agenda 2063.

Follow up actions: The African Union Commission should involve African countries as well as relevant stakeholders to draft a detailed proposal to be submitted to Ministers of Economy and Finance for their consideration. The revised version of the document should be submitted to the Executive Council in January 2015. The AUC was also requested to suggest possible alternative names for the platform to avoid replication of the World Economic Forum name.

Item 7: Continental Free Trade Area

26 The AUC gave a presentation on the status of implementation of the CFTA. The presenter underlined the key milestone of the CFTA namely: (i) the Tripartite and (ii) the Second Bloc. She stressed that fast-tracking the CFTA requires building on the experience and structures of the existing RECs FTAs to foster continental integration in Africa. She further stressed that this should form the basis for establishing the principles, objectives and provision of the protocol, sequencing and institutions. She also pointed out the need to address the key constraints towards the CFTA (Non-Tariff Barriers and lack of free movement of people).

27 The discussions of the Meeting focused on the following:

- a) The need to engage Minister of Trade in the process of implementing the CFTA;
- b) The imperative of setting up a communication strategy to advocate and promote the benefits of the Free Trade Area to highlight the expected gains from an enlarged market;
- c) The current approach of seeking consensus on development issues among all African countries is slowing down the development and integration process of the continent. In this regard, the meeting emphasized that the integration Agenda could be driven by a coalition of willing approach;
- d) Africa must address credibility problems to deliver result on time. In this regard, if Africa do not avoid time inconsistency and enhance credibility, it will foster disenchantment and make African youth doubt the commitment of its leaders to foster economic integration and pave the way for a more inclusive and sustainable growth;
- e) Failure to respect the decision of the January 2012 Summit on the CFTA will adversely affect the reputation of the Union and all efforts should be taken to ensure implementation.

28 In the light of the discussions, the Meeting recommended:

- a) To have a common vision on what should be done to move forward toward the establishment of the CFTA with free movements of goods, services and persons which is the best way of promoting social and economic development in Africa;
- b) The establishment of the CFTA should proceed based on the principle of the “coalition of the willing”. A critical mass of countries that are ready to start the process should proceed while those that are not ready will join when they are ready to do so;
- c) Member States should be ready to fund the CFTA process and avoid dependence on resources provided by third parties for this important initiative;

- d) To enhance the credibility of political leaders in implementing the continental development agenda;
- e) AUC to reflect on an African offer of products to boost intra-African trade.

Follow up actions: The AUC should conduct a study to assess intra-African trade in order to have updated statistics.

Item 8: Any Other Business

29 Under this item, the following points were raised:

- a) The Commission should put in place a coherent communication strategy to inform Member States about the outcome of the first Meeting of the Committee of Ministers to follow up on the implementation of the Bahir Dar Ministerial Retreat and issues arising from the email from the future;
- b) During the Malabo Summit, the AUC should convene a preparatory discussion with African Leaders about the forthcoming Africa-USA Summit which is scheduled to take place in August 2014. The importance of this preparatory discussion is to design an African Common position to be presented during the Summit;
- c) The Meeting of Ministers should be expanded in order to include RECs.

Follow up actions:

- The important Decisions and Recommendations contained in this Ministerial Report should be forwarded to the Executive council;
- During the Malabo Summit, the AUC should convene a preparatory discussion with African Leaders about the forthcoming Africa-USA Summit which is schedule to take place in August 2014 to design an African Common position to be presented during the Summit.

Item 9: Closing session

30 The AUC Chairperson thanked the Ministers and all the participants for their constructive contributions to this first Meeting of the Committee of Ministers to follow up on the implementation of the Bahir Dar Ministerial Retreat and issues arising from the email from the future. She urged for the speedy implementation of the important decisions that had been taken and constant monitoring and evaluation of progress.

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