



**EXECUTIVE COUNCIL
Fifth Ordinary Session
25 June – 3 July 2004
Addis Ababa, ETHIOPIA**

EX.CL/127 (V)

**REPORT OF THE CHAIRPERSON OF THE
COMMISSION ON:**

- 1) **THE IMPLEMENTATION OF THE TREATY
ESTABLISHING THE AFRICAN ECONOMIC COMMUNITY
(AEC)**
 - a) *The New AU-RECs Protocol*
 - b) *Capacity Building*

- 2) **INTERNATIONAL COOPERATION**
 - a) *Africa-Europe Summit*
 - b) *TICAD Initiative*

REPORT OF THE CHAIRPERSON OF THE COMMISSION ON:**1) THE IMPLEMENTATION OF THE TREATY ESTABLISHING THE AFRICAN ECONOMIC COMMUNITY (AEC)*****c) The New AU-RECs Protocol******d) Capacity Building*****2) INTERNATIONAL COOPERATION*****e) Africa-Europe Summit******f) TICAD Initiative***

1. At its Third Ordinary Session held in Maputo, Mozambique from 6 to 8 July 2004, Council will recall that it authorized the Commission to carry out a number of activities as part of the implementation of the Abuja Treaty establishing the African Economic Community (AEC) and International Cooperation. These activities comprise essentially:

- 1) The revision of the Protocol governing relations between the AU and the RECs;
- 2) The economic integration building the capacities of the RECs and the Commission;
- 3) Follow-up on the Africa-Europe Summit;
- 4) And Follow-up on the Tokyo International Conference on African Development (TICAD).

IMPLEMENTATION OF THE ABUJA TREATY**A. Protocol on Relations between the African Union (AU) and the Regional Economic Communities (RECs)**

2. Article 88 of the Treaty establishing the African Economic Community provides for the establishment of relations between the latter and the RECs. Furthermore, pursuant to Article 95 of the same Treaty, these relations shall be governed by a protocol to be concluded between Member States. In implementation of this

article, a protocol was signed on 25 February 1998, on the authorization of Member States, by the Chief Executives of four RECs and the Secretary General, to which two other RECs subsequently acceded. The new order engendered by the advent of the African Union rendered the protocol null and void. It was therefore revised by the Commission and submitted for consideration by the RECs. An experts meeting held at the headquarters of the Commission from 11 to 12 May 2004, considered and amended the draft protocol at first reading, although it is still open for negotiation, and will be considered by the next session of the Committee scheduled for October 2004. Once adopted, the draft protocol will be submitted for approval by the Chief Executives of the AU and the RECs, as well as by Member States who will be invited to authorize the Chief Executives to sign it on their behalf.

B. Building the Capacities of the RECs and the Commission: Implementation of the Training Programme on Economic Integration in Africa

3. Council will recall that at its last session in Maputo, the sum of US\$100,000 was placed at the disposal of the Commission for launching this crucial programme. Council will also recall that this programme which was intended mainly for officials of the Commission, the secretariats of Regional Economic Communities (RECs), and of African Ministries in charge of integration issues received financial support from the Arab Bank for Development in Africa (BADEA) and was carried out in two phases, corresponding to two sessions: one for Anglophones (19 January- 20 February 2004) and another for Francophones (19 March – 20 April 2004).

4. This training programme has generated unexpected and indeed overwhelming enthusiasm among Member States and Regional Economic Communities. However, the Commission could only cater for twenty officials from Member States, although it received over a hundred candidatures. This mobilization or keen interest in the programme was tangible proof of the imperative need for training in economic integration. Since economic development of our Continent is one of the major objectives of the AU Commission, it is vital to organize more of such programmes to enable all the stakeholders in Africa's integration process to take

full advantage therefrom. Negotiations are currently underway with BADEA for the extension of its funding.

Recommendations

- a) Council recommends the continuation of the training programme on economic integration on Africa;
- b) Council recommends that the Commission substantially increase the budget allocated for the implementation of the programme, to enable it to meet the needs expressed by Member States and extend the programme to the other working languages of the Union.

INTERNATIONAL COOPERATION

A. Follow-up on the Africa-Europe Summit

a) Meeting of Experts of the Expanded Troïka

5. Within the framework of the Africa-Europe Dialogue, the Commission participated in an experts meeting of the expanded Troïka held in Dublin (Ireland), from 17 to 18 February 2004, preceded by the meeting of experts on Africa's external debt.

Four of the priority areas covered within the framework of the Dialogue were discussed at length, thus making it possible to bring the positions of both parties closer.

1) Peace and Security

6. The two sides took note of the progress made in conflict resolution in Africa, particularly in The Comoros, Somalia, The Sudan, between Ethiopia and Eritrea, in the Democratic Republic of Congo, in Central African Republic, in Burundi, in Côte d'Ivoire and in Liberia. They acknowledged the need for the African Union to benefit from the Peace Support Operation Facility of 250 million Euros provided by the European Union within the framework of the European Development Fund (EDF). AU Member States which are not covered by the EDF should find the means of supporting this

facility to show their solidarity for all peace and security operations in Africa.

2) Governance

7. The discussions focused on trafficking in human beings, particularly women and children; programmes to strengthen the AU's capacities in promoting democracy, governance and human rights in Africa and the mutual understanding that should characterize the dialogue of the two sides on the issue of good governance which is at the heart of Africa's concerns. The texts adopted by the AU, namely the Durban Declaration on the Principles Governing Democratic Elections in Africa; the NEPAD Declaration on Democracy, Political and Economic Governance and Enterprise Management; the Maputo Convention on Preventing and Combating Corruption; the proposed public sector reform and the recent meeting in Kigali marking the launch of the African Peer Review Mechanism, are all eloquent testimonies.

3) Regional Integration and Trade

8. In the area of regional integration, the two sides recommended as follows:

- strengthening of relations between the two commissions and regular meeting between their chairperson/president;
- the AU should be mandated by its Member States, as an African economic integration organization, to enjoy the right to the resources allocated under EDF;
- the implementation of the decisions of the Second Ministerial Conference held in Ouagadougou on 28 November 2002 and the programme of work adopted by the two Commissions in accordance with a *modus operandi* to be determined by the AU and the EU;
- review and simplification of the procedure for access to development funds during the next revision of agreements signed with the EU.

9. With regard to trade, recent developments in the WTO and the negotiation of Economic Partnership Agreements (EPAs) were at the centre of the exchange of views:

- WTO

The failure of the Fifth Ministerial Conference was considered as a missed opportunity. In order to promote a more open, equitable, rule-based and non-discriminatory multilateral trade system that benefits all countries, the two sides agreed to collaborate and coordinate their efforts to ensure the success of multilateral negotiations within the framework of the Doha Development Agenda (DDA).

They also undertook to comply with the Doha Ministerial Declaration which placed the needs and interests of developing countries at the core of the Doha Work Programme. In addition, the European side presented its programme in favour of African cotton producers.

- EPAs

Emphasis was placed on Africa's cohesion during these negotiations as well as the need to establish a forum for consultation and exchange of information to ensure coherence between the objectives of the AU and those of the EPAs. The two sides undertook to spare no efforts to conclude the Protocol Agreement submitted in this respect by the African Union Commission to its European counterpart. The two sides also recognized the need for the EPAs to contribute to strengthening the RECs.

4) Development Issues

10. These are issues pertaining to debt, migration and food security.

- i) Debt

Concerning the debt, a meeting of experts preceding that of the expanded Troïka was held from 16 to 17 February, and its deliberations focused on the following points:

- the structure and volume of the African debt;
- the negative impact of high debt on Africa and the creditor countries;
- recent debt relief initiatives in favour of African countries, namely the revision of traditional approaches, the HIPC initiatives and the Evian Approach;
- blueprint framework for the long term stabilization of the debt of low income countries;
- establishment of a link between development financing in Africa and the need for a broader development policy.

ii) Migration

Having agreed on a global and integrated approach to address the root cause of the migration phenomenon, both sides requested the two Commissions to consider the issue in greater depth and make appropriate proposals to their respective policy organs.

iii) Food Security

The terms of reference of a study on an early warning system were formulated and the establishment of a working group is being considered. The two Commissions were requested to expedite their work in this regard.

b) Meeting of the Ministerial Troïka

11. The Commission also participated in the meeting of the Africa-Europe Ministerial Troïka held on 1 April 2004 in Dublin (Ireland). Discussions focused essentially on the following topics: Peace and Security; Governance; Regional Integration and Trade; Development Issues (debt, food security, HIV/AIDS); effective multilateralism, and the way forward to consolidate the Africa-Europe Dialogue.

Peace and Security

12. On this important subject, the African delegation, among other things, recalled that the Regional Economic Communities (RECs) do not constitute separate entities from the AU, but are rather the building blocks of the latter. The delegation also underscored the fact that the Peace and Security Council is the expression of Africa's political will and vision to put an end to conflicts and promote peace. In this context, the delegation informed its European counterpart that the African Troops currently deployed in Burundi were from South Africa, Mozambique and Ethiopia; in other words from South and East African countries. Consequently, Europe should avoid creating confusion by dealing with the regions separately. Development issues should therefore be dealt with collectively and not individually. Moreover, the African delegation briefly presented the continental architecture for the establishment of peace and security, the last link of which is represented by the Continent's Common Defence and Security Policy. Lastly, the African delegation highlighted all the consequences of the «mercenaryism» phenomenon.

13. The European delegation considered the problems of peace and security, placing particular emphasis on «capacity building» or the improvement or strengthening of capacities for optimal and rational use of «facilities». It underscored the need to enhance Africa-Europe cooperation by placing special emphasis on exchange of information, and capacity building.

Governance

14. Zimbabwe was the focus of attention of participants under governance. In this regard, Europe recalled that from February 2002 (the date on which sanctions were imposed on Zimbabwe) to date, the situation in Zimbabwe has hardly changed. In other words, the country was still characterized by violence, political intimidation, and all manner of deprivation of liberty.

15. In response to this observation made by the European side, the African delegation intimated as follows:

- a) All that Zimbabwe needs is peace. Therefore, the real problem of the country could be summarized in the following question: How to help Zimbabwe overcome past difficulties. It was suggested that Zimbabweans be encouraged to sit around a table to find the internal dynamics of resolving their problems.
- b) Furthermore, the African delegation pointed out that Zimbabwe's problem was first of all linked to past injustice. This injustice was mainly characterized by the appropriation of most of the arable lands by a minority of Zimbabweans. This problem of injustice is therefore the source of destitution and poverty for which a lasting solution should first be found, before raising human rights issues.

16. Europe, for its part, indicated that Zimbabwe constitutes a vicious circle; human rights, injustice, each one favouring the link that best suits his/her ideological convictions. Therefore, it stressed that since internal dialogue among Zimbabweans was virtually impossible, the positions expressed by the AU should be clarified. Since freedom of expression had been banned, how could the internal dialogue lever be activated or operated? To this crucial question, the African side replied by underscoring the promotion of dialogue, and requesting the two sides (Africa and Europe) to urge Zimbabweans to embark on this road.

Regional Integration and Trade

17. Under this heading, Africa suggested, *inter alia*, that Europe should assist it to obtain observer status in WTO. It also expressed its support for the regional approach at the level of Economic Partnership Agreements, for such a step could mobilize Direct Foreign Investments (DFI), particularly since it contributes to servicing the regional economic space. Furthermore, the African side proposed that the regional DFI budget should be reviewed upwards in order to support the implementation of integrating programmes. The AU expressed the need to be associated in the revision of the DFI. This would enable it to grasp the reasons for the low absorption capacity of the RECs.

18. The European side responded to all these concerns by expressing loud and clear, its support for Africa in obtaining

observer status at WTO. However, it stressed that this would be an essentially political problem. With regard to EPAs, the EU also approved the regional approach. Nonetheless, it suggested that a joint coordination mechanism be established to this end, but in an informal framework.

Multilaterism

19. The EU expressed its endorsement of active multilaterism, full of good will and advocating the joint management of world affairs. In this context, the AU appealed for the reform of the United Nations system, since it felt that the structure of this system should reflect the realities of the moment. It also evoked the issue of Africa's representation on the Security Council. In addition, Africa underscored the fact that multilaterism is a question of survival; all the more so because the survival of small countries is highly dependent on it. By and large, the two sides adopted a joint declaration on effective multilaterism.

Development Issues

a) Debt

20. The EU welcomed the quality and substance of the joint Africa-Europe report on Africa's external debt. However, it intimated that the solution to the debt problem is economic rather than political. In addition, it recalled the urgent need for developing countries to honour their Monterrey obligations. Europe, for its part, would proceed with the recycling of the EDF for the benefit of the HIPC initiative.

21. The AU underscored the need to activate the political lever to tackle the Continent's external debt. Africa also requested that additional efforts should be made to provide further assistance to the poorest countries, the countries most affected by the HIV/AIDS pandemic and countries in post-conflict situations. Similarly, it stressed the need to initiate effective coordination between donors and creditors.

b) Food Security

22. The EU highlighted the quantitative and qualitative conditions of food security. In addition, it suggested the implementation of policies aimed at improving local production. Issues pertaining to the assessment of emergency food requirements were also considered. In this regard, the concern expressed by the AU resided mainly in the following question: how to help Africa feed itself.

c) HIV/AIDS

23. The two sides welcomed the considerable progress made in combating HIV/AIDS and other pandemics since the last EU-Africa Summit in 2000 and expressed appreciation for the priority accorded by the Irish Presidency of the EU to this issue. They were briefed on the three major events relating to the issue of HIV/AIDS organized by the Irish Presidency.

d) The Way Forward

24. The two sides agreed to pursue their dialogue and intensify their cooperation. The next meeting would be held during the second half of 2004 at a venue to be decided on at a later date.

Observations

25. It should be noted that on the agenda of the Troikas, migration was introduced by the EU at the Ministerial Troika in Rome. However, for reason not yet made clear, the EU withdrew this item from the Dublin Troika. From all indications, Europe decides on the agenda according to changes in its interest. Thus, one has the impression that each European country that chairs the EU Commission has its particular concerns to which it is set on finding a solution through the Africa-Europe framework. Hence the constant changes with regard to the agenda of the Troikas, which are indicative of a gradual departure from the priorities contained in the Cairo Declaration which is the basis of this Africa-Europe Dialogue. Furthermore, it should be noted that the EDF resources

are not easily accessible, which may explain the low absorption capacity observed at the level of the RECs.

Recommendations

- a) Council recommends the continuation of the Africa-Europe Dialogue at all the levels provided for in this regard. Consequently, it recommends that the Commission activate contacts with the EU for the organization of the Africa-Europe Summit in 2005.
- b) Council recommends that the Commission should submit for its consideration and proposals, the agenda of the next Troïkas before they are held.
- c) Council recommends that the Commission should agree, within a reasonable timeframe, with its EU counterpart on the practical modalities for the effective implementation of consensual decisions between the two sides.

B. Follow-Up on the TICAD Initiative

26. Council will note that TICAD III which was recently held in Tokyo, focused essentially on the following problems: consolidation of peace; governance; agricultural development; private sector development, including tourism; infrastructure; water supply; information and communication technologies; human resource development; HIV/AIDS and other infectious diseases; and Africa-Asia cooperation. These issues were discussed earlier in regional preparatory meetings for TICAD III, which provided an opportunity for each of the five regions of the Continent to express its needs in relation to these priorities.

27. In Tokyo, Japan and its partners in the G8, as well as the international financial institutions, particularly the World Bank, highlighted the factors justifying the poor performance of African countries and made recommendations to contribute to the development of Africa, the essence of which revolves around peace, human security, good governance, the promotion of democracy, private sector development through the adoption of the virtues of

market economy, and of economic policies to generate strong and sustainable economic growth (considered as a major asset to eradicate poverty and consequently, to attain the millennium objectives). TICAD III therefore provided an opportunity for rich countries to confirm their endorsement of the concept of «ownership» and «partnership», which was already included in the Tokyo Plan of Action adopted by TICAD II in 1998.

28. In recognizing NEPAD as the vision with which Africa has endowed itself to rid the Continent of structural and chronic underdevelopment, and by accepting it to be at the core of their cooperation with Africa, the rich countries have wanted to send a clear message to Africans: development is firstly endogenous before becoming exogenous. Hence their total subscription to Africa's ownership of its development policies or strategies. To this end they all promised to re-focus or readjust their policies for cooperation with Africa in order to assist the latter in implementing NEPAD.

29. Concerning the African countries present in Tokyo, it should be noted that the latter acknowledged the disappointing results recorded by the economies of the Continent, and expressed their solidarity with the NEPAD programme. In addition, these countries recognized the obstacles keeping them from the millennium objectives, and expressed the need to deploy all efforts to overcome these obstacles so as to position their economies on the road to sustainable growth and development. Consequently, African leaders suggested three new avenues to their interlocutors: establishment of a mechanism to monitor and evaluate the TICAD Initiative (proposal by the Chairperson of the African Union); convening an Extraordinary Summit to assess all the initiatives intended for Africa (proposal by President WADE); and the establishment of an African Peace Fund (proposal by the Chairperson of the African Union Commission).

30. However, a series of questions need to be asked concerning Africa's capacity to benefit from the TICAD Initiative. Has Africa heard the message conveyed by the idea of «ownership»? Can Africa mobilize the international private sector to finance NEPAD when we know that it has all the ingredients for instability and insecurity? Can Africa consolidate peace within its borders when we know that hardly has a conflagration of war been extinguished in one part of

the continent than another is ignited in another part? These questions, which are not exhaustive, lead to the following proposals:

31. In order to activate the lever linked to the ownership concept lever, Africa should agree to take control of its own destiny. In other words, Africa must resolve, by itself, the many conflicts of all types plaguing it; use public funds to finance the major projects of NEPAD (each country can contribute 0,7% of its GNP to this fund) since the latter come under natural monopoly and are of little interest to the private sector; and rid itself of the spirit of an agriculture-based Continent to adopt a real industrialization policy. If ownership, one of the major pillars of TICAD is thus perceived, Africa will cease to be the continent notorious for negative economic and social indicators, thus paving the way for the much greater partnership promised by rich countries under TICAD.

Recommendations

- a) Council recommends that the Commission play an interface role between African countries and Japan. This would facilitate better coordination and give greater visibility in the implementation of TICAD.
- b) Council recommends that the Commission collect all regional and continental projects submitted to TICAD, for possible financing, in order to harmonize them and monitor their implementation.
- c) Council invites the Commission to conduct negotiations with the Japanese authorities for the convening of TICAD on a rotational basis between Africa and Japan.

2004-07-03

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