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STATEMENT

BY

H.E. ERASTUS J. MWENCHA

DEPUTY CHAIRPERSON

AFRICAN UNION COMMISSION

**AT THE FIFTH CONFERENCE OF AFRICAN MINISTERS IN CHARGE
OF INTEGRATION (COMAI V)**

INTERCONTINENTAL HOTEL, NAIROBI, KENYA

8 SEPTEMBER 2011

Honourable E. Kalonzo Musyoka, EGH, M.P., Vice-President of the Republic of Kenya and Minister of Home Affairs

Honourable Wycliffe Ambetsa Oparanya, Minister of State for Planning, National Development and Vision 2030

Honourable Ministers in Charge of Integration

Excellency Abdoulie Janneh, Executive Secretary of the Economic Commission for Africa and United Nations Under-Secretary General

Dr. Maxwell M. Mkwezalamba, Commissioner for Economic Affairs of the African Union

Your Excellencies Ambassadors

Distinguished Guests, Ladies and Gentlemen

On behalf of the Chairperson of the AU Commission, H.E. Dr. Jean Ping, I wish to welcome you all to the 5th Conference of the African Ministers in Charge of Integration, taking place in this beautiful city of Nairobi. It is gratifying to see you in large numbers today, a testimony of the importance you attach to the implementation of Africa's integration agenda. I wish to acknowledge the presence of Honourable E. Kalonzo Musyoka, EGH, M.P., Vice President of the Republic of Kenya and Minister of Home Affairs, for finding time, despite his very busy schedule, to officially open this Conference. Further, allow me to extend a special welcome to Mr. Abdoulie Janneh, Economic Commission for Africa Executive Secretary and United Nations Under-Secretary General. Mr. Janneh has always accompanied the African Union in its quest to reduce poverty, promote sustainable socio-

economic development, and make progress towards the attainment of the Millennium Development Goals (MDGs).

At the outset, I would also wish to sincerely thank His Excellency Mwai Kibaki, M.P., President of the Republic of Kenya; the Government and the People of Kenya for hosting this important Conference at very short notice and for the warm hospitality to all the delegations and excellent arrangements made for the success of this Conference. By hosting this Conference, the Government of Kenya has clearly demonstrated her commitment to the realization of the African Union vision of an “integrated, prosperous and peaceful Africa”.

Excellencies

Distinguished Ladies and Gentlemen

Today, we are meeting to review progress made in implementing Africa’s integration agenda since your last Conference held in Yaounde, Cameroun, in May 2009. You might recall that in Yaoundé, under the theme ‘Partnerships and Integration in Africa’, the Conference considered the Minimum Integration Programme (MIP), which is a dynamic and strategic framework for Africa’s integration process, prepared by the African Union Commission (AUC) in consultation with the Regional Economic Communities (RECs) and the Member States, and made several key recommendations for implementation. Most importantly, the Conference endorsed the MIP, which was adopted during the 14th African Union (AU) Summit of July 2009. Other than adopting the MIP, the Summit also mandated the AUC, in collaboration with RECs and other stakeholders, to

come up with implementable and bankable priorities in each of the MIP sectors in line with the Strategic Plan of the African Union.

I am pleased to report that following the AU Summit Decision on the MIP, the AU Commission indeed did organize two consultation meetings in 2010 in Nairobi, Kenya, and Lilongwe, Malawi. The key outcome of these meetings was the preparation of the First Phase of the MIP Action Plan, which has since been costed and is now before you for comments and guidance.

The Yaounde Conference further mandated the AU Commission, in collaboration with the African Development Bank (AfDB), to explore the possibility of establishing a Continental Integration Fund for supporting the implementation of the MIP, a facility that would complement existing alternative financing mechanisms being identified by the African Union. You may be pleased to learn that the AU commission has prepared Terms of Reference, which have since been shared with the AfDB, to undertake a feasibility study on the creation of the Fund.

Excellencies

Distinguished Ladies and Gentlemen

As has been the standard practice, your Conference will consider a *Report on the Status of Integration in Africa* as well as a *Report on the Implementation of Recommendations from the Fourth Conference of African Ministers in Charge of Integration*. But you may also recall that the AU Commission was requested to engage an independent firm of consultants to conduct a study on '*Quantification of Scenarios of Rationalization of RECs*'. I have been informed that your experts have

discussed the study report and recommended, among others, that the Central, Western and Northern regions of Africa encompassing ECCAS, ECOWAS and CEN-SAD emulate the progress registered by the COMESA-EAC-SADC Tripartite.

Without sounding overly generous in my assessment of what has been achieved since the Yaoundé Conference, I wish to commend all the RECs and of course the Member States for the support they continue to render to the African Union Commission and its two key partners, the United Nations Economic Commission for Africa and the African Development Bank (AfDB). It is gratifying that we are now witnessing better and enhanced collaboration and coordination and regular consultations on matters that are key in accelerating the realization of the AU vision.

However, we need not be complacent: We need to step up the pace with which we are currently implementing agreed actions and commitments, especially the key protocols. We also need to make improvements in the manner in which we provide responses in support of advancing our mutually agreed activities, including harmonizing our activities and programmes. Of course, we appreciate the enormous challenges all of us face, owing to human and financial capacity constraints - but I believe, some of these hurdles and challenges are not insurmountable. We also need to keep learning and also sharing best practices and experiences. I dare say that the journey for the realization of an African Economic Community (AEC) is still long and full of many challenges, but this is an imperative that requires all of us to make necessary sacrifices.

Excellencies

Distinguished Ladies and Gentlemen

As you will appreciate, the theme of this year's Conference, '*Sovereignty and Integration in Africa*', is both right and fitting, following the turbulence that our economies have witnessed during the last four years, owing to the impact of the global economic and financial crises. The mechanisms through which the crisis affected Africa included a contraction in global trade and a related collapse in primary commodity exports, on which many countries are dependent. Additionally, foreign investment, overseas development assistance (ODA) and migrant worker remittances decreased significantly.

However, it is important to note that, in a way, these crises provide us timely lessons to identify innovative and sustainable sources of financing in support of regional and continental integration efforts. I am indeed happy that this item happens to be part of your agenda today. In this regard, I wish to commend those RECs that have in recent times made commendable progress in identifying innovative sources of financing their integration activities and programmes. I wish to single out ECOWAS, among other RECs, for having devised effective and sustainable financing mechanisms. These efforts are crucial because most of our member states, and indeed RECs, continue to face trade-related challenges as well as obstacles and constraints mostly on the supply side, including lack of needed investments, poor and weak infrastructure and weak institutional and human capacities, which require sufficient, sustainable and predictable financing.

Globally, although the economic and financial crises are behind us, the recovery is slow and most of our economies have been adversely affected by the global recession, despite the initial optimism that the global financial system would have few spillover effects on the continent. Unfortunately and also surprisingly, while most analysts and indeed policy makers were beginning to register some degree of optimism regarding the recovery of the global economy, not before long, the Euro-zone sovereign debt crisis is beginning to send shock waves to several parts of the world – and many agree that our continent will be affected in one way or another.

Most of us never imagined that a sovereign debt crisis in a relatively small country could affect the Euro-zone, and now also most financial markets in other parts of the world. Although it may be early to tell, these global crises remind us of the interconnectedness of the world we live in, and compel us to engage with each other even more closely, although this closer collaboration may uncomfortably affect our sovereignty as individual nations. This is why I think it is right and fitting that during this Conference, you will be discuss matters of sovereignty, in all dimensions, namely, political, economic, social and even cultural. I hope that we can also learn from other experiences in other parts of the world, including the European Union.

I believe that issues of sovereignty and financing and many others, as applied to our continent, require urgent solutions, if we are to accelerate our integration momentum. I strongly, for instance, believe that addressing the issue of financial self-sufficiency is also key to sustaining the integration tempo, and to a large extent, is closely related to the issue of sovereignty. This does not mean there is no progress in this area. We have met at many

fora, deliberated and shared experiences on a range of options and proposals to ensure adequate, secure and predictable financing to support our continental integration agenda. You will, as I said earlier, also agree with me that there are several successful examples and experiences, in some of our regions - and these need to be urgently emulated and implemented for the benefit of other regions.

But we also need to implement and adhere to agreed actions. In my view, there is no better time than now, when we need, more than ever, to garner sufficient political will to make bold decisions on pertinent issues of self-sufficiency in financing. In this connection, I wish to inform you that the Executive Council at its Ordinary Session held in January 2011, endorsed a proposal by the Commission to support the consultations with Member States and other stakeholders on alternative sources of financing the African Union through a High Level Panel of eminent personalities with a view to come up with definite proposals for this long standing issue. The High Level Panel has since been constituted and inaugurated and it is expected to submit its Interim Report to the next Ordinary Session of the Assembly scheduled for January 2012 in Addis Ababa, Ethiopia.

In conclusion, I am confident that by the end of this Conference, with your active participation and fruitful participation, we would have made a major contribution as well as shared and learned key lessons to address pertinent issues surrounding sovereignty and financial self-sufficiency as they relate to our integration goals.

I thank you for your kind attention and wish the meeting great success.