

**STATEMENT OF THE DEPUTY CHAIRPERSON MR.
ERASTUS MWENCHA TO THE PRC AT THE JUNE 2015
SUMMIT, IN SOUTH AFRICA**

**Y. E. Chairperson of PRC Amb Albert Chimbindi
Amb Jerny Mafjila DG DIRCO
Commissioners
Excellencies Members of PRC
LADIES and Gentlemen Organs + RECs**

I warmly welcome you to the 27th Ordinary Session of PRC and at the same time bring you greetings on behalf of HE Dr. Nkosazana Dlamini-Zuma, Chairperson of the African Union Commission, who is unable to be with us today. She has had to travel to Germany to attend the G7 meeting.

May I also thank and convey our gratitude to our host, H.E. President Jacob Zuma, the government and people of South Africa for their warmth and hospitality accorded to us and excellent facilities for our meeting in this lovely city of Pretoria. We just come from participating in the World Economic Forum on Africa where South Africa once successfully hosted one of the largest events of the calendar of the African continent. Indeed ever since, the launch of AU in Durban in 2002 and 13 years later, we are back to where it all began. This is an ideal opportunity to draw inspiration from our founding principles and ideals as we deepen our

integration agenda and discuss the all important theme on “Women Empowerment”. This session of the Policy organs should afford us an opportunity to also discuss modalities of implementing the ever abiding challenge of “alternative sources of finance” and “how we conduct our business”. And so like Durban, where it all began, Pretoria and Johannesburg provide an excellent launch pad for these major initiatives.

But before delving into detail on these issues let us briefly look into the context under which PRC meeting is taking place:

- Although overall growth rate remains short of the target of 7%, Africa has consistently over the last decade, been growing at unprecedented average rate of 4-5 %. This growth has mainly been driven by prudent macroeconomic policies, high commodity prices, investment in infrastructure, diversification of trading partners and increasing domestic demand. In addition, improved governance, institutional reforms and substantial debt cancellation under HIPC also provided some impetus. If this pace and pattern of growth were to

continue, Africa can only reduce widespread poverty in the next two decades. The rhetorical question I want to pose this morning, “is this what we want as a continent “? Of course the obvious answer is no. that is precisely the reason why ..

- 2015 is a pivotal year for sustainable development and poverty reduction. In fact, through the adoption of the post-2015 development agenda, the international community is rallying together to respond in a transformative manner to fundamental challenges facing the world today: eradicating poverty, reducing conflicts and insecurity, achieving inclusive and sustainable development for present and future generations and ensuring the promotion and protection of all human rights and fundamental values as the basis for peaceful and prosperous societies.
- And to this end, AU’s Agenda 2063, adopted by the 24th Assembly of AU this past January, has been designed. The Agenda has been well received by its citizens and has engendered a positive response from the international community including development partners and is more and more being referred to as the blueprint for development for the next few decades.

- More work is needed to ensure that this framework is domesticated into national and regional policies and encourage our leaders to make it a reference point and to include it in the curricular in the institutions of higher education.

- We have carved out the 1st day years and crafted 13 agenda, namely;
 - ✓ Eradicate poverty in a generation by 2025;
 - ✓ Embark on Skills revolution and science, technology and innovation;
 - ✓ Transform, grow and industrialize our economies through beneficiation of natural resources
 - ✓ Consolidate the modernization of African Agriculture and Agro- business through scaled up value addition and productivity by 2025;
 - ✓ Connect Africa through world-class Infrastructure, with a concerted push to finance and implement the major infrastructure projects in: Transport: Energy and ICT;

- ✓ Fast track the establishment of a Continental Free Trade Area by 2017, a programme to double intra-Africa trade by 2022;
- ✓ Support Young people as drivers of Africa's renaissance;
- ✓ Silence the guns by 2020, to make peace a reality for all our people and by ending all wars, civil conflicts, human rights violations, and develop captives for humanitarian disasters and violent conflicts, and to prevent genocide;
- ✓ Achieve Gender Parity by 2020 in public and private institutions, and the removal of all forms of gender discrimination in the social, cultural, economic and political spheres;
- ✓ Introduce An African Passport, issued by Member states, capitalizing on the global migration towards e-passports, and starting with abolishing visa requirements for all African citizens in all African countries by 2018;
- ✓ Consolidate a democratic and people-centered Africa, through the universal application of normative framework of the African-

“Governance Architecture” which includes conducting free, fair and credible elections;

- ✓ Enhance Africa’s united voice in global negotiations, through pooled sovereignty, integration and the development of common African positions;
- ✓ Strengthen domestic resource mobilization, through building continental capital markets and financial institutions, and reversing the illicit flows of capital from the continent.

• For the 1st time since the end of the Cold War, Africa is increasingly attracting the attention of the traditional western interests and economies emerging economies as China, India, Brazil, Turkey, South Korea, and Malaysia, just to name a few. While bringing opportunities to design more inclusive growth processes, the changing global and continental geopolitical landscape poses a series of challenges and risks for the cohesiveness of African societies. If these interests are not well harnessed.

- This year, the international community will be discussing matters of direct interest to Africa and for which we should endeavor to have strong inputs:
 - The Post 2015 Millennium Development Goals: Sustainable Development Goals: September in New York
 - 21st Conference of Parties of the United Nations Framework on Climate Change (COP):21
 - 10th WTO Ministerial Conference/Doha Development Agenda: Nairobi, Kenya and
 - Financing for Development: July in Addis Ababa

Back to our Agenda.

- **CFTA-** Boosting intra-African trade will also be key on our Summit agenda as a necessity for the creation of the Continental Free-Trade Area (CFTA) in 2017 and deepening integration. The achievements of the CFTA will

be an important milestone in the realization of the Abuja Treaty establishing the African Economic Community.

- In May 2015, a meeting of Ministers of Trade was held in order to consider and finalize preparations for the launch of the Continental Free Trade Area (CFTA) negotiations. The Meeting recommended that the Draft Declaration and draft decision on the Launch of the Negotiations be submitted to be launched at this session for consideration, and that they should form part of the Documents for the launch of the negotiations. The documents for negotiation include the Roadmap for the CFTA Negotiations, Objectives and Guiding Principles for the CFTA negotiation, Draft Decision and Draft Declaration for the CFTA Launch.
- In two days, COMESA, EAC and SADC will be launching of Tripartite free trade area agreement is taking place at the same time, which will give impetus to at the COMESA, EAC, SADC Heads of State and Governments Summit set for 7 - 10 June 2015 in Egypt. This will be the largest economic bloc on the continent and the launching pad for the establishment of the Continental Free Trade Area

(CFTA) in 2017, with a combined Gross Domestic Product (GDP) of USD 1.2 trillion, and 58% of the continent's GDP. This agreement will offer significant opportunities for greater business and investment within the Tripartite and will act as a magnet for attracting foreign direct investment into the region. The business community, in particular, will benefit from an improved and harmonized trade regime, which reduces the cost of doing business.

a) **Infrastructure**

- Under the Programme for Infrastructure Development in Africa (PIDA), a Multi sector programme covering Transport, Energy, Trans-boundary water and Telecommunication/ICT, the AU continues to make headway in facilitating continental integration in Africa through improved regional infrastructure (part of the flagship projects)
- Notable milestones in the implementation of AUC infrastructure and energy programmes:
 - **Geothermal Risk Mitigation Facility (GRMF)** programme: more development partners have made

commitments, which bring the total funding of about US\$140 million in grants.

- **The High-Speed Train initiative:** Under the leadership of the AUC Chairperson, a small multidisciplinary Project Core Team of African experts has been set up to work on technical matters for implementation of the project and the Chinese Government has indicated strong interest to support Africa in building a reliable railway transport network as well as highways and aviation infrastructure.
- Both the AUC and NDRC have agreed on a number of key actions to be undertaken and this includes forming a joint core team of experts that will finalise preparations for implementation of the project; formulation of a data base of current railway projects in Africa to be included in the continental railway network linked with this project; and determine appropriate capacity needs and financing mechanisms for the project. All these are to be completed by October with the hopes of presenting a progress report to the Forum of China Africa Cooperation (FOCAC) 2015.

- **The Pan African e-Network (PAeN) project** provides Tele Education and Tele Medicine services and Diplomatic communications to African Union Member States. As of 30 April 2015, 48 Member States are currently using the PAeN, where:

- A total of 16 700 students were enrolled in various undergraduate and graduate disciplines in different Indian universities through the network;
 - A total 600 Tele medicine consultations were made and 4600 Continuous Medical Education (CME) sessions were conducted.
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- Following the decision of the AU January 2015 Summit (Decision Assembly/AU/Dec.565 (XXIV)), to mobilize resources to implement the Action Plan, the budget for this important project is being submitted for consideration as part of the draft 2016 budget.

- THIS IS ONE THAT WILL ALSO BE IN LINE WITH GREEN GROWTH AS IT WILL ENABLE AFRICA LEAP FROG INTO THE GREEN ECONOMY AND MITIGATE AGAINST THE NEGATIVE

EFFECTS OF HEAVY CARBON PRINT DEVELOPMENT

b) Agriculture

- The 4TH Grow Africa investment Forum was just concluded in Cape Town and there, we were glad to learn of the progress that has been made in the area of agriculture and agribusiness. Under the Comprehensive Africa Agriculture Development Programme (CAADP), we see greater cohesion in the efforts of the New Alliance, International Partners and Grow Africa in increasing investments in this sector, greater access to financing and credit for SMEs, especially those led by Women and Youth, and finally, risk mitigation, just to name a few.
- There has been greater focus placed here with increased investment and participation from private sector, expanding production and there's greater alignment with CAADP.
- Unfortunately, with all this being said, Africa's total imports food remains at an alarmingly

high rate, with the region's total agricultural imports from all suppliers reaching an estimated \$37.7 billion, imports in 2012, exceeding those of major markets such as Canada, Mexico, South Korea, and Indonesia.

c) Social & Economic Development

- As you are well aware, there was a decision by the Peace and Security Council (PSC) to deploy an AU-led humanitarian Mission, and also engage the AU Support to Ebola Outbreak in West Africa (ASEOWA) for the effective control of Ebola and the normalization of health services in affected African countries leading to some positive results. This took place in 2014 with the AU deeply engaging the Member States and African Private Sector to provide human and financial capacity to the ASEOWA mission.
- We are proud that In May 2015, the WHO declared Liberia free of Ebola while Guinea and Sierra Leone are reporting a decreasing number of EVE cases. These interventions resulted in a complete restoration of regular Health services in Liberia. So far, there were a total of 16,389

reported cases of Ebola infected individuals, with a total of 6,336 deaths as of May 2015. In April 2015, the AUC signed a Memorandum of Understanding (MOU) with the United States (US) Government to establish an Africa Center for Disease Control, which would respond to events of public health concern.

d) **Peace & Security**

- The continent has made great strides in tackling the issue of insecurity and terrorism through coordinated activities in the West and East of the continent. Through the Early Response Mechanism (ERM) of the African Peace Facility (APF), the commission continues to work with COMESA and the EAC to end the pre-election violence currently taking place in Burundi.

- One of the AU Flagship projects is “Silencing the Guns by 2020” and greater progress is being made Strengthening governance across the continent to better prevent, manage and resolve conflicts.

- Progress is being made in Mali and progress is slow in Somali

- The Continent still grapples with the urgency to find lasting solutions to the situations in South Sudan, Libya and Burundi.
- At the same time, we witness the promotion of democratic governance, and credible and transparent elections, which were participatory and inclusive. We welcome the outcomes of presidential elections held so far: Nigeria and Ethiopia
- **MIGRATION: WHY ARE OUR YOUTH DYING IN SEARCH OF GREATER ECONOMIC OPPORTUNITIES OVERSEAS?**

- The AU needs to remain committed to fully shouldering its share of responsibility in the fight against terrorism, and we should be mindful of the fact that conditions that provide a fertile ground for terrorism and violent extremism have to be addressed globally.

e) Institutional and Capacity Building:

- So far, the Commission has taken steps to finalize the development of several reforms in order to improve the efficiency and effectiveness of the financial management systems of the AU. The Fraud and Corruption Policy was adopted in January 2015 and the Commission is preparing a

sensitization plan, which will improve the awareness of the policies and enhance the implementation. With the adoption of IPSAS, there has been greater transparency and accountability of all AU organs.

- It is encouraging to point out the Commission is also working to improve its governance system. The Structure Review process has undergone thorough review by the AU and is scheduled for adoption at the 2015 June Summit.
- The need for Alternative Sources of Financing: Member States cover a greater share of the budget for the AU weaning itself from partner funding in the long run.
- 100% of the operations budget, 75% of the programmes budget and 25% of the peace and security budget. This is the challenging aspect of the 2016 budget period, as the AU needs to seek funds for itself in order to sustain its operations and manage its programmes.

Summary

- The theme of this Summit is “Women Empowerment and Development towards Africa’s Agenda 2063”. The focus, among others, is on the financial inclusion of Women within the framework of empowerments, with particular emphasis on Agri-business and the introduction of technological innovation in Agriculture
- This year we will be celebrating the fact that now, more than ever, there are more and more women entering the labor forces and getting involved in decision making processes; more attentions and investments are being made in ensuring

more girls have access to education (at all levels) and are not married of at a very early age.

- Women comprise an average of 50 per cent of the agricultural labor force in developing countries. Despite the regional and sub-regional variation, women make an essential contribution to agriculture across the continent but yet, globally; women are paid less than men. Women in most countries earn on average only 60 to 75 per cent of men's wages. We must continue to fight for opportunities for skills development and access to high quality finance services and reducing gender-based barriers for women in the business.
- The Executive Council will be having their retreat from the 9-10, with the aim of reviewing the First Ten-Year Implementation Plan of the Agenda 2063, and the Modalities for Implementation of Decision Assembly/AU/Dec.561 (XXIV) on the Alternative Sources of Funding
- Afterwards, we will review the report of the Ad-Hoc Ministerial Committee on the Scale of Assessment on Alternative Sources of Financing the African Union to determine the next steps in ensuring greater ownership of AU's development agenda
- We would also take stock of the progress made this far in the areas of social and economic development by reviewing the reports of the Ministers and Specialized Technical Committees in the areas of health, trade, defense and security, labor and gender.