

African Union, African Regional Bodies

Statute of the African Institute for Remittances (AIR)

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African Union

Statute of the African Institute for Remittances (AIR)

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We, the Member States of the African Union;

MINDFUL of the Executive Council Decision EX.CL/Dec. 683(XX) in January 2012, which acknowledges the establishment of an African Institute for Remittances (AIR) will facilitate remittances leverage for economic and social development in Africa;

BEARING IN MIND the resolution (Resolution 892(XLV)) of the 5th AU-ECA Joint Annual Meeting of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development, in March 2012, which recognized remittances, if well harnessed and formulated, could contribute to growth and development in Africa;

ACKNOWLEDGING the Declaration of the Global African Diaspora Summit, Sandton, Johannesburg, South Africa, 25 May 2012, (Diaspora/Assembly/AU/Decl (I)) that adopted the African Institute for Remittances as one of the five Legacy Projects of the African Union;

RECALLING our Decision (Assembly/AU/Dec.440(XIX)) adopted during the 19th Ordinary Session in July 2012, which endorsed the establishment of the African Institute for Remittances;

CONSIDERING the Executive Council Decision EX.CL/Dec. 808(XXIV) in January 2014, that accepted the offer of the Republic of Kenya to host the African Institute for Remittances (AIR);

HEREBY AGREE AS FOLLOWS:

Article 1 – Definitions

1. In this Statute:

"**AIR**" means the African Institute for Remittances;

"**Assembly**" means the Assembly of Heads of State and Government of the African Union;

"**AU**" or "**Union**" means the African Union established by the Constitutive Act of the African Union adopted by the Heads of States and Government of the Organization of African Unity (OAU) in Lomé, Togo, in July, 2000;

"**Board**" means the Governing Board of the AIR;

"**Constitutive Act**" means Constitutive Act of the African Union adopted by the Heads of States and Government of the Organization of African Unity (OAU) in Lomé, Togo, in July, 2000;

"**Commission**" means the Commission of the African Union;

"**Development Partners**" means the multilateral institutions, development agencies, donors, foundations and others that have contributed financially or otherwise to the establishment and continue supporting the Institute;

"**Executive Council**" means the Council of Ministers of the African Union;

"**Forum**" means the Consultative Forum of the AIR;

"**Host country**" means the Government of the Republic of Kenya;

"**Institute**" means the African Institute for Remittances (AIR);

"**Member State**" means a Member State of the African Union;

"**Policy Organs**" means the Assembly, the Executive Council and the Permanent Representatives Committee (PRC) of the African Union;

"**Private Sector**" means the Remittances Service Providers (RSPs), i.e., Banks, Telecoms, Money Transfer Operators (MTOs), Non-bank Financial Institutions such as Microfinance Institutions, Saving and Credit Cooperatives (SACCOs) and Post Offices;

"**Remittances**" means transactions between residents and non-residents involving financial and non-financial items that represent foreign income to households of an economy from households or entities of another economy;

"**Secretariat**" means the AIR Secretariat;

"**Stakeholders**" means organizations, individuals and or anyone who has interest on African Remittances and or on the African Institute for Remittances (AIR);

"**Statute**" means the present Statute of the African Institute for Remittances:

"**STC**" means the AU Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration;

2. In this Statute, words expressed in the singular term shall be construed to include the plural and vice versa.

Article 2 – Establishment of the African Institute for Remittances

1. The AIR is hereby established as a Specialized Technical Office of the Commission.
2. The objectives, structure, mandate and functions of the AIR shall be defined as herein in the Statute.

Article 3 – Legal status of AIR

The AIR shall possess full juridical personality and, in particular, full capacity:

- a) To enter into agreements with members, non-members and other international organizations.
- b) To contract;
- c) To acquire and dispose of immovable and movable property; and
- d) To institute and to respond to legal proceedings.

Article 4 – Objectives

The objectives of the AIR shall be to:

- a) Improve the statistical measurement, compiling and reporting capabilities of Member States on remittances data;
- b) Promote appropriate changes to the legal and regulatory frameworks for remittances, payment and settlement systems as well as use of innovative technology so as to promote greater competition and efficiency, resulting in reductions of transfer costs;
- c) Leverage the potential impact of remittances on social and economic development of Member States, as well as promoting financial inclusion.

Article 5 – Functions and activities of the AIR

1. In order to attain the above objectives, the AIR shall function in accordance with the provisions of this Statute;
2. The functions and activities of the AIR shall be to:
 - a) Assist Member States, remittance senders and recipients and other stakeholders to develop and implement concrete strategies and operational instruments to leverage remittances as development tools for poverty eradication;
 - b) Provide technical assistance to government institutions (Central Banks, Ministries, financial and non-financial institutions) on establishing and operating the necessary regulatory frameworks on remittances;
 - c) Promote adoption and implementation of the General Principles for International Remittance Services (GPs) by Member States, including transparency and consumer protection, an accessible payment systems infrastructure, an enabling legal and regulatory environment, a balanced market structure and competition as well as sound governance and risk management;
 - d) Conduct empirical research on remittance markets, to address the main market inefficiencies and explore best practices in the area of remittances and disseminate findings;
 - e) Collect and disseminate data on remittances and manage the remittances price database including Send Money Africa (SMA);
 - f) Engage with private sectors players to address market failure, particularly to act as a catalyst in fostering investment in remittances, innovating in service delivery and promoting technology usage by Remittance Service Providers (RSPs) including non-bank financial institutions;
 - g) Improve capacities of non-bank financial institutions to strengthen their ability to offer remittance services in rural areas;
 - h) Foster effective ways of networking, coordination and cooperation among Member States and stakeholders to address remittances issues in a more strategic and programmatic manner;
 - i) Enable development of content and technology platforms for country-based payment and settlement systems for remittances;
 - j) Promote policies that improve the development impact of remittances;
 - k) Establish an Information center on remittances in Africa;
 - l) Establish partnerships with Remittances Sending Countries to facilitate the transfer and management of remittances, to address existing challenges and to harmonise bilateral or multilateral policies and agreements.

Article 6 – Governance of the AIR

The AIR shall be governed by the following bodies:

- a) The Governing Board;
- b) The Consultative Forum;
- c) The Secretariat.

Article 7 – The Governing Board (The Board)

1. The Board shall oversee the management of the AIR.

2. The Board shall meet in ordinary session once every year.
3. The Board may also be convened in an extraordinary session, in conformity with its rules of procedure, subject to availability of funds, at the request of:
 - a) One half of its members;
 - b) The policy organs of the Union; or
 - c) The Secretariat, in the event of a situation that necessitates holding of the Board meeting.

Article 8 – Board composition tenure of office

1. The Board shall be composed of eleven (11) members, as follows:
 - a) Five (5) Ministers of Finance and Economic Planning representing the five Regions of the African Union nominated by their Regions, failing which they shall be nominated by the STC;
 - b) A representative of the Commission;
 - c) A representative of the Host country;
 - d) Two (2) Governors of Central Banks representing the Association of African Central Banks (AACB);
 - e) A representative of the African Private Sector;
 - f) Chairperson of the Consultative Forum.
2. The Legal Counsel of the Commission or his/her representative shall be a non-voting member of the Board to provide legal advice as may be required;
3. The Board may invite such expertise, from relevant professionals, as may be necessary.
4. The Executive Director of the AIR shall act as the Secretary of the Board.
5. Where applicable, the term of office of members of the Board shall be a nonrenewable period of three (3) years;
6. The Board shall elect from among its members, one of the Five (5) Ministers as its Chairperson, on a regional rotational basis for three (3) years.
7. In the event of the Chairperson vacating his/her position before the expiration of his/her tenure of office for whatever reason, he/she shall be replaced by a Minister to be designated by his/her Region.

Article 9 – Functions of the Board

The functions of the Board shall be to:

- a) Examine and consider the plan of action and activities of the AIR;
- b) Provide strategic guidance to the Secretariat;
- c) Oversee the management of the AIR;
- d) Adopt its own rules of procedure and the rules of procedure of the Forum;
- e) Recommend amendments to this Statute;
- f) Ensure that Remittances agenda is integrated with continental, regional and national development strategy;
- g) Assist the Secretariat in mobilizing funds;
- h) Submit annual reports to the Policy Organs on implemented activities and achievements of the AIR.

Article 10 – Quorum and decision making procedures of the Board

1. The quorum for Board meetings shall be two thirds of the total membership of the Board.
2. The Board shall adopt its own Rules of Procedure.

Article 11 – The Consultative Forum (The Forum)

The Forum shall serve as an Advisory and Technical Body of the AIR.

Article 12 – Composition and tenure of the Forum

1. The Forum shall be composed of Twenty three (23) members as follows:
 - a) Two (2) Representative of the Commission;
 - b) Five (5) representatives from the Diaspora/Migrant organizations representing each of the five Regions of the African Union;
 - c) Five (5) representatives from development partners;
 - d) Three (5) representatives from the Private Sector (Banks, Money Transfer Operators, etc.) organizations;
 - e) Five (5) representatives from the Association of African Central Banks (AACB);
 - f) A representative from the Host Country;
2. The Executive Director of the AIR shall serve as the Secretary of the Forum;
3. The Forum may invite such expertise from relevant stakeholders as necessary.
4. Members of the Forum shall serve for a non-renewable term of three (3) years
5. The Forum shall elect its own Chairperson and Vice Chairperson by a simple majority and they shall serve for a nonrenewable term of three (3) years and two (2) years respectively.

Article 13 – Functions of the Forum

The functions of the Forum shall be to:

- a) Recommend strategic/activity plans to the Board and the Secretariat;
- b) Advise the Board and Secretariat on emerging issues and other related matters on remittances;
- c) Advise the Board and the Secretariat on the implementation of decisions by the Policy Organs.

Article 14 – Meetings, quorum, decision making procedures of the Forum

1. The quorum for the Forum meetings shall be two thirds of the total membership of the Forum.
2. The Forum shall adopt its own Rules of Procedure.

Article 15 – The Secretariat

1. The AIR shall be managed and administered by an Executive Director.

2. The Executive Director shall be appointed by the Commission on the approval of the Board and shall serve for a period of four (4) years;
3. The Executive Director shall not serve for a period of more than 2 terms;
4. Under the supervision of the Director for Social Affairs of the Commission, the Executive Director shall be responsible for:
 - a) the implementation of the decisions of the policy organs of the Union and the Board of the AIR;
 - b) the implementation of the Statute of the AIR, as well as, other conventions and decisions of the Governing Board of the AIR;
 - c) the preparation of the Annual budget of the AIR;
 - d) oversee the recruitment process of staff members, pursuant to the Staff Regulations and Rules of the Commission except for the appointment of the Executive Director as stipulated in this Statute.

Article 16 – Function of the Executive Director

The functions of the Executive Director shall be to, *inter-alia*:

- a) Direct and Supervise the overall management of the AIR;
- b) Act as authorizing officer of the AIR;
- c) Act as the AIR's official representative;
- d) Implement directives from the Board and the Commission as may be applicable;
- e) Prepare and submit to the Board and the Commission the annual activity programs, budget, financial statements and operational report of the AIR;
- f) Propose to the Board strategic alliances and partnerships for the joint execution of programs and activities with development partners as well as mobilization of funding;
- g) Organize the collection and dissemination of remittance related researches;
- h) Ensure the production and publication of periodical bulletin of the AIR;
- i) Oversee the execution of the Host Country Agreement;
- j) Act as Secretary of the Board;
- k) Perform any other functions as may be assigned in line with the objectives of the AIR.

Article 17 – Budget

1. The budget of the AIR shall be within the budget of the Union.
2. In addition to the regular budget of the Union, other sources of funding the AIR may include:
 - a) Voluntary contributions from AU Member States and partners;
 - b) Contributions from Development Partners of the Union and the Commission;
 - c) Contributions from the Private Sector;
 - d) National and regional financial institutions and other financing mechanisms;
 - e) AU Science, Technology and Innovation Fund when established; and
 - f) Any other source of funding in accordance with AU Rules.

3. The budget calendar of the AIR shall be that of the Union.

Article 18 – Headquarters of AIR

1. The headquarters of the AIR shall be in Nairobi, in the Republic of Kenya.
2. The Host Country Agreement shall govern the relations between AIR and the Host Country.
3. The Secretariat may authorize the convening of meetings and conferences in the territory of any Member State at the invitation of that Member State.

Article 19 – Code of conduct

1. In the performance of their duties, the Executive Director and any other staff of the AIR shall not accept nor receive instructions from any government or any authority other than the AIR.
2. Each member state shall undertake to respect the exclusive nature of the responsibilities of the Executive Director and any other staff member of the AIR and shall not influence or seek to influence them in the performance of their duties.
3. The Executive Director and the other staff of the AIR shall not, in the discharge of their duties, engage in any activity or conduct incompatible with the proper discharge of their duties. They are required to avoid conflict between professional and personal interests or obligations sufficient to influence the impartial exercise of their official duties or responsibilities.
4. Where the Executive Director of the AIR fails to comply with his/her obligations, an ad hoc Committee approved by the Governing Board shall provide an appropriate report and recommendations for its consideration and decision.
5. Where a staff member fails to comply with his/her obligations, the internal procedures referred to in the Statute and Staff Rules and the AU Regulations shall be applied. The staff member concerned shall have the right to appeal in accordance with the Staff Rules and Regulations.
6. The Executive Director and other staff of the AIR may accept, on behalf of the Commission, gifts, bequests and other donations made to the AIR, provided that such donations are consistent with the objectives and principles of the AIR and shall remain the property of the AIR.

Article 20 – Relation with Member States, development partners and other stakeholders

1. In carrying out its functions, the AIR shall dedicate necessary resources to building partnerships aimed at improving the effectiveness of its operations.
2. Within the African continent, the AIR shall maintain working ties with development partners and stakeholders, particularly with international financial institutions, Diaspora and civil society organizations, Regional Economic Communities (RECs), private sector players and other organs of the Union in pursuit of its purposes.
3. The AIR shall develop partnerships with Member States' central banks and shall also coordinate its operations with regional and continental institutions that finance development projects across Africa.
4. In pursuance of its objectives, the AIR shall closely cooperate with international financial institutions and such cooperation shall strive to ensure synergy and partnership.
5. The AIR may be requested by the Member States, the RECs, the Commission, other Organs of the Union, and international organizations to provide scientific or technical assistance in any field within its competence.

Article 21 – Privileges and immunities

The AIR shall enjoy in the territory of the Host Country, the privileges and immunities specified in the General Convention on Privileges and Immunities of the Organization of African Unity adopted in Accra, Ghana on 25 October 1965.

Article 22 – Amendments

1. The present Statute may be amended by the Assembly upon the recommendation of the STC.
2. The amendments shall enter into force upon their adoption by the Assembly.

Article 23 – Working languages

The working languages of the AIR shall be those of the AU.

Article 24 – Entry into force

The present Statute shall enter into force upon its adoption by the Assembly.

Adopted by the thirtieth Ordinary Session of the assembly, held in Addis Ababa, Ethiopia

29 January 2018