

DECISION ON THE REPORTS OF THE SUB-COMMITTEES OF THE PERMANENT REPRESENTATIVES' COMMITTEE (PRC)

The Executive Council,

1. **TAKES NOTE** of the PRC recommendations on the Reports of its Sub-Committees, taking into account observations made by Member States;
2. **REITERATES** the need to respect the principle of good, efficient and effective administrative and financial management.

I. ON THE JOINT SITTING OF THE SUB-COMMITTEE ON GENERAL SUPERVISION AND COORDINATION OF BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS AND THE TECHNICAL EXPERTS OF THE COMMITTEE OF FIFTEEN FINANCE MINISTERS (F15)

The Executive Council,

A. Mid-Year Performance Report of the 2023 AU Budget

3. **TAKES NOTE** of the report on mid-year performance and **EXPRESSES** concern on the low execution rates across the AU Commission and AU Organs.
4. **DIRECTS** the AU Commission and Organs to enhance planning and budgeting in a realistic manner according to the available capacities, resources and well-known challenges.

B. Supplementary Budget Request for 2023

5. **APPROVES** the supplementary budget of **US\$13,131,674** for the year 2023 broken down as follows:
 - a) **US\$1,519,342** for the Operational Budget,
 - b) **US\$11,549,926** for the Program Budget, and
 - c) **US\$62,406** for Peace Support Operations.

As per the following sources of funding:

- i) US\$4,771,836 from the Reserves Funds
- ii) US\$5,801,536 from International Partners
- iii) US\$130,000 from Administrative Fund
- iv) US\$843,472 from Member States' voluntary contributions, and
- v) US\$1,584,830 from Peace Fund Interest

6. **ALSO APPROVES** a downward revision of the 2023 Program Budget for the African Court on Human and Peoples' Rights (AfCHPR) of US\$440,000 under the Pan African Support program funded by the European Commission, as requested by the AfCHPR.

Table 1: Summary 2023 Supplementary by Source of Fund

Description	Operational	Programs	PSOs	Total
Reserve Fund	1,389,342	3,382,494		4,771,836
MS Voluntary Contribution		843,472		843,472
Administrative Cost	130,000			130,000
Peace Fund Interest		1,584,830		1,584,830
International Partners		5,739,130	62,406	5,801,536
Grand Total	1,519,342	11,549,926	62,406	13,131,674
Reduction (Partners)		(440,000)		(440,000)
Total	1,519,342	11,109,926	62,406	12,691,674

Table 1

Table 2: 2023 Supplementary Budget by Organ / Office

Organ / Office	Operational	Programs	PSOs	Total
AUC	1,389,342	4,216,561		5,605,903
ACHPR-Commission		542,649		542,649
AfCFTA		1,250,070		1,250,070
AfCHPR Court		1,687,776		1,687,776
AFREC		118,440		118,440
AFRIPOL		1,151,772		1,151,772
APRM		790,052		790,052
AUCIL		26,148		26,148
AUDA-NEPAD	130,000	1,322,214		1,452,214
CIEFFA		74,943		74,943
IPED		142,500		142,500
STATAFRIC		226,800		226,800
PSO			62,406	62,406
Grand Total	1,519,342	11,549,926	62,406	13,131,674
Budget Reduction (Partners) African Court		(440,000)		(440,000)
Total	1,519,342	11,109,926	62,406	12,691,674

Table 2

7. **FURTHER APPROVES** a reallocation of US\$22,050,585 from the Union's 2023 budget within and between AU Organs and Offices as per the breakdown below.

Table 3: 2023 Budget net reallocations by Category

Organ	Operational Budget			Program Budget			PSOs	Total		
	From	To	Operational (Net reallocations)	From	To	Programs (Net reallocations)	PSOs (Net reallocations)	From	To	Net
AUC	(575,509)	2,122,818	1,547,309	(3,369,798)		(3,369,798)		(3,945,307)	2,122,818	(1,822,489)
AfCDC		302,500	302,500	(15,200,000)	3,490,979	(11,709,021)		(15,200,000)	3,793,479	(11,406,521)
AfCFTA		874,999	874,999			-			874,999	874,999
APRM		751,015	751,015		116,098	116,098			867,113	867,113
AUDA-NEPAD			-		14,044,479	14,044,479			14,044,479	14,044,479
AOSTI	(133,006)		(133,006)			-		(133,006)		(133,006)
IPED	(127,747)	300,586	172,839			-		(127,747)	300,586	172,839
Observatory - Khartoum	(646,251)		(646,251)			-		(646,251)		(646,251)
Observatory - Mali	(677,307)		(677,307)			-		(677,307)		(677,307)
Observatory - Morocco	(92,703)		(92,703)			-		(92,703)		(92,703)
PANASTAT	(340,276)		(340,276)			-		(340,276)		(340,276)
PAU	(180,146)		(180,146)	(310,071)		(310,071)		(490,217)		(490,217)
PCRD	(397,773)		(397,773)			-		(397,773)		(397,773)
PSOs			-			-	47,111		47,111	47,111
Grand Total	(3,170,716)	4,351,918	1,181,202	(18,879,869)	17,651,556	(1,228,313)	47,111	(22,050,585)	22,050,585	(0)

Table 4: 2023 Budget net reallocations by Fund

Description	MSs		Admin Fund	Partners	Total
	Operational Budget	Program Budget	Program Budget	Program Budget	
AUC	1,547,309	(1,034,340)	(1,000,000)	(1,335,458)	(1,822,489)
AUDA-NEPAD				14,044,479	14,044,479
APRM	751,015	116,098			867,113
IPED	172,839				172,839
PAU	(180,146)	(310,071)			(490,217)
AfCDC	302,500			(11,709,021)	(11,406,521)
AOSTI	(133,006)				(133,006)
AfCFTA	874,999				874,999
PANASTAT	(340,276)				(340,276)
Observatory - Mali	(677,307)				(677,307)
Observatory - Morocco	(92,703)				(92,703)

Observatory - Khartoum	(646,251)				(646,251)
PCRD	(397,773)				(397,773)
PSOs		47,111			47,111
Total	1,181,202	(1,181,202)	(1,000,000)	1,000,000	(0)

8. **EXPRESSES** concerns about the practice of procurement of consultants outside of approved budgets before getting approval for reallocation of funds in line with the provisions of the AU Financial Rules, and **DIRECTS** the Office of the Internal Oversight to carry out an audit on the manner in which the procurement of consultants in the Commission and organs is conducted, and present its report to the relevant PRC Sub-Committees by April 2024.

C. PAPS Peace Fund Pilot Projects

9. **APPROVES** an amount of **US\$5 million**¹ for 2024 to be drawn from the proceeds of the Peace Fund interest for use to finance the PAPS Peace Fund pilot projects, on mediation and preventive diplomacy, institutional capacity, and peace support operations.

Description	2022 Supplementary	2023 Initial	2023 Supplementary	2024	Total
Allocation to CRF		5,000,000	2,000,000	10,000,000	17,000,000
Allocation to the Fund Manage Fees	917,475		1,584,830	1,758,766	4,261,071
PAPS Peace Fund Pilot Projects				5,000,000	5,000,000
Total	917,475	5,000,000	3,584,830	16,758,766	26,261,071

Peace Fund Interest Allocation from 2022-2024

D. Funding Shortfall of 2024 ATMIS Budget

10. **RECALLS** Executive Council Decision EX.CL/Dec.1218 (XLIII) regarding funding the shortfall of ATMIS and **COMMENDS** the PRC and the Commission for the work done to identify the funds from the AU Special Funds in order to finance the shortfall of ATMIS.
11. **APPROVES** an additional budget of **US\$19,068,914**, for ATMIS² for 2024 identified from AU Special Funds to bridge the ATMIS budget shortfall of US\$25,895,129, as follows:

22. ¹ This will revise the 2024 budget of the Union by additional US\$ 5 million

23. ² This will revise the 2024 budget of the Union by additional US\$ 19,068,914

24. The additional amounts will revise the overall 2024 budget of the Union to US\$629,825,524 from the initial approved budget of US\$605,756,610 - EX.CL/Dec.1217(XLIII)

- i) **\$15 million** from the Acquisition of AU properties Fund.
 - ii) **\$1,196,479** from the Special Refugee Contribution Fund
 - iii) **\$2,136,686** from the Special Emergency Fund for Drought
 - iv) **\$735,749** from the African Women Fund
12. **DIRECTS** the Commission to ensure that the disbursement of the identified funds to ATMIS should be in tranches and on a quarterly basis, in accordance with the rate of execution.
 13. **REAFFIRMS** that drawing money from Special Funds to partially fund PSO activities is an exceptionally measure and which does not constitute a precedent.
 14. **DIRECTS** the Department of PAPS to expedite the process of securing the remaining US\$3.9 million in the funding gap identified for ATMIS for 2024 of US\$25.895 million through the pronged strategy of seeking funding from partners, and from rationalization of its annual budget.
 15. **FURTHER DIRECTS** the Department of PAPS to develop modalities to ensure sustainable and predictable funding of Peace Support Operations (PSOs);
 16. **STRONGLY SUPPORTS** the endeavors to access the UN assessed contribution to peace and security in support of the African Union led Peace Support Operations (PSOs), **TAKES NOTE** of the adoption of the UN Security Council resolution 2719 (2023) on the matter, and **DIRECTS** the Commission to report on the progress of the implementation of the resolution to the PRC, through the PSC before the Mid-Year Coordination meeting in July 2024.
- E. Investment and Treasury Policy, Transfer of AU-Wide Bank Accounts to Africa and the Criteria for selecting banks**
17. **RECALLS** Executive Council Decision EX.CL/Dec.1057(XXXV) and 1218 of July 2023 in which the Commission was directed to gradually move to the Continent all the AU bank accounts opened outside the Continent, and to fully implement the Decision and report to the Executive Council and **DIRECTS** the Commission to fully implement the aforementioned Decisions by the end of December 2024.
 18. **TAKES NOTE** of the progress made in developing the criteria for the selection of African banks to host African Union accounts and **FURTHER DIRECTS** the Commission to continue consultations with the PRC through its relevant Sub-Committee to finalize this matter and report back to the next Ordinary Executive Council in July 2024.
 19. **RECALLS** paragraph 19 of decision EX.CL/Dec.1168(XLI), paragraph 25 of decision 1185 and paragraph 89 1.1 (vi) of decision 1189 and paragraph 16 of decision 1218 **DIRECTS** that the F15 Technical Experts and Commission to finalize their work on the Treasury and Investment policy and present it for

consideration by the PRC, through its relevant Sub-Committees by April 2024 and before its adoption by the AU Commission Chairperson.

F. Reports Presented by the Peace Fund Secretariat

20. **TAKES NOTE** of the report from the AU Peace Fund Secretariat on the modalities of utilization and replenishment of the Fund and its interest as well as the Performance Report from the Fund Managers.
21. **EMPHASIZES** Member States objections to the proposal to impose additional assessed contributions from Member States as a modality to replenish the Peace Fund.
22. **TAKES NOTE** of the report on the performance of AU Peace Fund Managers, and
23. **FURTHER NOTES** with deep concern, the low rate of return on investment on the performance of one of the Peace Fund Managers, which amounts to inefficient use of resources of the Union, **DIRECTS** the Commission to monitor closely the performance of the Fund Managers to ensure that it is in the best benefit of the Union.
24. **REQUESTS** the Commission to conduct the selection of the Independent Evaluation Group process through the eminent personalities' panel to ensure fair and transparent selection process and officially notify the Member States with the call for nominations, whilst recognizing the Member States' ability to propose nominations.
25. **INSTRUCTS** the Commission to revise the term of the Independent Evaluation Group members to 4 years instead of 5 years in order to align it with the eminent personalities' panel composition cycle.
26. **REQUESTS** the Commission to finalize the development of a Resource Mobilization Strategy for the Peace Fund, in consultation with the Joint Sitting for consideration, as early as possible, to be able to start the mobilization of resources for the Peace Fund before the attainment of the USD 400 million endowment, to ensure the sustainability of the Fund;
27. **REITERATES** the importance and urgency of finalizing the modalities of utilization and replenishment of the AU Peace Fund as per the policy organs' directives and decisions, to ensure sustainability of AU Peace Fund and **DIRECTS** the AU Peace Fund Secretariat to continue consultations on the modalities and the AU Peace Fund reserve level with the F15 Technical Experts, and report back to the PRC through its relevant Sub-Committee by April 2024 in preparation for reporting to the Ordinary Session of the Executive Council in July 2024.

G. Development of AU Administrative Cost Policy

28. **RECALLS** Executive Council Decision 1218 regarding the development of the AU Administrative Cost Policy, and **TAKES NOTE** of the efforts made in this regard and **DIRECTS** the AU Commission in collaboration with the relevant PRC Sub-Committee and F15 Technical Experts by June 2024 to finalize the policy prior to its adoption taking into consideration the Financial Rules.

II. ON AUDIT MATTERS

The Executive Council,

29. **TAKES NOTE** of the Report of the PRC Sub-Committee on Audit Matters and **ENDORSES** the recommendations contained therein.

ON THE OIO ACTIVITY REPORT FOR THE YEAR 2022

30. **TAKES NOTE** of the Report and **COMMENDS** the OIO on presenting its 2022 activity report to the PRC Sub-Committee on Audit Matters.
31. **DIRECTS** the OIO to ensure that a new format with comparative figures be used in producing the OIO activity reports starting with the year 2023. The report should also show the impact made on internal controls following audit recommendations.
32. **RECALLS** Executive Council decisions EX.CL/Dec.1168(XLI) paragraph 55, EX.CL/Dec.1073(XXXVI) paragraph 4 and EX.CL/Dec.1126(XXXIX) paragraph 56 (v) and **INSTRUCTS** the AUC Management to fast track and prioritize the placement and recruitment of the regular staff for OIO in line with the directorate's approved structure so as to strengthen the function of Internal Oversight and stop relying on a number of short-term staff.

ON THE HRM REPORT ON RECOVERY OF DOUBLE PAYMENTS OF HOUSING ALLOWANCES

33. **TAKES NOTE** of the report and **RECALLS** the decisions of the Executive Council, in particular *EX.CL/Dec.1097(XXXVII) paragraph 63 (c EX.CL/Dec.1057 (XXXV) paragraph 41.a (iv) and EX.CL/Dec.1073 (XXXVI) paragraph 63* and condemns the payment of double allowances which resulted from a lack of responsibility and coordination on the part of the Heads of Financial Services and Human Resources in operation during the years 2018-2019 and requests the Commission to put in place rigorous internal controls to bridge the gaps and prevent the recurrence of such problems relating to the payment of double allowances.
34. **INSTRUCTS** the Commission to review and strengthen internal control systems including coordination mechanisms between Finance and HRM Directorates, to ensure that payments including payment of benefits to staff members are valid

and correctly authorized with proper verifications and due diligences being observed in the processing of all entitlements

35. **DIRECTS** the Commission to develop and propose methods to make accountable and sanction respective offenders in the payment processes who allowed payments of double allowance both from Finance and HRM including staff responsible for the Finance and Human Resources departments who were active during the period 2018-2019 and eventually left the Commission.
36. **ALSO DIRECTS** the Commission to take all the necessary precautions and measures and put in place an effective system to ensure that separation processes and clearance timelines are carefully designed and reorganized to enable the organization recovers all dues owed by staff members before making final benefit payments when separating from the Union.
37. **FURTHER DIRECTS** the Commission to develop a proposal to be presented to the PRC-Sub-Committee on Audit Matters by end of first quarter of 2024 a mechanism and plan for the recovery of the double payment of allowances with clear deadlines and taking into account all Commission staff concerned, as well as those who have left the organisation for a full recovery of the sums due.

ON THE BRIEFING ON PARTNERS' REPORTING FORMATS AND JOINT FINANCING ARRANGEMENTS

38. **TAKES NOTE** of the briefing and **COMMENDS** the AU Commission for the efforts made in enhancing the reporting processes on the Partner Funds and the measures taken to bring the Partners in the Joint Financing arrangements.
39. **URGES** the Commission to provide more detailed reports which should include all Partners, the projects and programs each Partner funds and the utilization of the funds, alongside with the percentages of funding in relation to the utilization thereof.
40. **ALSO DIRECTS** the Commission to include in future reports on Partner Funds management and the element of coordination among all departments like Partnership Management and Resource Mobilization; Strategic Planning and Delivery; Finance, management, and allocation of funds taking into consideration that Partner Funds involve various stakeholders.

ON THE OIO REPORTS ON AUC AND OTHER ORGANS BUDGET PERFORMANCE FOR THE PERIOD JANUARY TO JUNE 2023

41. **TAKES NOTE** of the Report and **RAISES CONCERNS** on the low implementation rates of the 2023 budget at the end of the first half of the year.

42. **RECALLS** Executive Council decisions EX.CL/Dec.1168(XLI) paragraph 32; EX.CL/Dec.1073 (XXXVI) paragraph 66(iii) and EX.CL/Dec.1057(XXXV) paragraph 39(b) and **REITERATES** that the use of consequence management as part of corrective measures towards the low performance which hinders the attainment of the planned goals should be reinforced and measures should also be put in place to encourage high performance by recognizing achievers whilst punishing the failures.
43. **ALSO RECALLS** Executive Council decisions EX.CL/864(XXVI) (iv) paragraph 2(i) and **DIRECTS** that year end reports should be enhanced to show clearly the degree of attainment of goals and impact to the Organisation with detailed explanations on each element with assigned responsibilities.

ON THE OIO REPORT ON IMPLEMENTATION MATRIX OF PREVIOUS AUDIT RECOMMENDATIONS

44. **TAKES NOTE** of the Report and **COMMENDS** the AU Commission for the measures put in place by Management to enhance the follow up and implementation of audit recommendations like establishment of the Internal Accountability Committee (IAC).
45. **URGES** Management to enhance implementation of outstanding audit recommendations in particular those rated high in priority, and managers who are contravening relevant financial and administrative rules and not adhering should be held accountable In this regard, the Chairperson of the Sub-Committee on Audit Matters should facilitate a meeting of the PRC with the Chairperson of the AUC per Executive Council Decision EX.CL/ Dec.1218 (XLIII) paragraph 41 of July 2023 to convey the challenges encountered on the implementation of audit recommendations and to report on the outcome to the Executive Council during its session in July 2024.
46. **RECALLS** Executive Council decision EX.CL/ Dec.1218 (XLIII) paragraph 40 and **DIRECTS** the Commission to establish and fast track the operationalisation of the Joint Task Force so as to help address the issue of recurrent findings and systemic non-implementation of recommendation made by audit Reports as well as decisions of the Executive Council on audit Matters in order to improve accountability and internal controls. The Joint Task Force should assist in addressing the issue of recurrent findings on systemic issues and non-implementation of recommendation made in audit reports as well as decisions of the Executive Council on audit, human resources, financial, compliance and internal control issues in order to improve accountability and overall internal controls.
47. **ALSO DIRECTS** the Commission to enhance the format of the matrix and put the long outstanding high priority recommendations and to categorize them by years per Organ and Department so as to task respective management to accelerate

implementation. The report should also include more details and explanations especially on the categorisation of the rating, and the recommendations in progress should be put with clarity showing the concrete deadlines for completion, as well as, the responsible directorates and persons and the age analysis of the recommendations should be included on all categories. The matrix should also clearly show the breakdown of each category of recommendations implemented, in progress, not implemented and no longer relevant so as to enable Member States review what has been done on each of them. The matrices both on the implementation of audit recommendations and on the implementation of Executive Council decisions should be in the form of an overall matrix of implementation of recommendations, accompanied by sub-matrices of implementation of priority recommendations categorized according to their typology (financial, technical and management), their age and their impact on the functioning of the organ.

48. **FURTHER DIRECTS** the AUC in consultation with the Co-Chairs of the Sub-Committees on AM and GSCBFAM to establish and fast track the operationalization of the Joint Task Force by July 2024 so as to help address the issue of recurrent findings on systemic issues and non-implementation of recommendation made in audit reports as well as decisions of the Executive Council on audit, human resources, financial, compliance and internal control issues in order to improve accountability and overall internal controls. **ALSO DIRECTS** that the implementation matrix should be one of the working documents of the joint taskforce.

ON THE OIO REPORT ON IMPLEMENTATION MATRIX OF EXECUTIVE COUNCIL DECISIONS ON AUDIT MATTERS

49. **TAKES NOTE** of the Report and **COMMENDS** the PRC Sub-Committee on Audit Matters for the continued work on the follow up of the decisions on Audit Matters in implementation of its mandate.
50. **RAISES CONCERNS** on the low rates in implementing the decisions on audit matters and **URGES** AUC and other AU Organs to enhance the implementation rates and also ensure that updates on implementation are sent on time whenever requested.
51. **REQUESTS** AUC Management to convene as a matter of urgency, a special meeting between the PRC and the Chairperson of the AUC to discuss the challenges of implementation of Audit Recommendations and its effects on the Commission's performance, and express concerns on the issues raised in the report and the ineffectiveness of internal and external controls, in accordance with Executive Council Decision EX.CL/ Dec.1218 (XLIII) paragraph 41 of July 2023.
52. **URGES** the Commission to clearly indicate in the matrix the programme sectors that are mostly affected by non-compliance in implementation of the decisions and what actions the Commission can take, indicating the time frame and the

responsible person or department to ensure accountability and full implementation of decisions.

**ON THE IMPLEMENTATION MATRIX ON THE OUTCOMES AND
RECOMMENDATIONS OF THE 2022 DEBREZEIT/KURIFTU RETREAT OF PRC
SUBCOMMITTEE ON AUDIT MATTERS**

- 53. TAKES NOTE** of the Report and **COMMENDS** the PRC Sub-Committee on Audit Matters for following up the implementation of the outcome of the retreat to enhance its work and the internal control systems of the AU.
- 54. RECALLS** Executive Council decision EX.CL/Dec.1189(XLII) paragraph 35 and **DIRECTS** the Commission to: -
- i. Organise the workshop for orientation and training of Members of the Sub-Committee on Audit Matters in 2024 to have a better understanding and to be more empowered on its work.
 - ii. Conduct an Orientation Retreat / Training for all Member States on the issues of budgets and planning, auditing, financial and human resources management to enhance their oversight roles.
 - iii. Develop proposals on modalities in rotating Sub-Committee membership to ensure smooth and effective handover for continuity and transfer of knowledge.
 - iv. Take all necessary measures to secure services of an Expert to support the Audit Committee in accomplishing the important responsibilities, and requests the Office of Internal Oversight to follow up on this matter and present a full report to the next meeting of the Sub Committee.

**ON THE EXCHANGE PROGRAM OF THE PRC SUB-COMMITTEE ON AUDIT
MATTERS WITH PAN-AFRICAN PARLIAMENT'S COMMITTEE ON AUDIT AND
PUBLIC ACCOUNTS (CAPA)**

- 55. TAKES NOTE** of the Report and **COMMENDS** the two Committees for organizing such an exchange program between the oversight functions.
- 56. FURTHER TAKES NOTE AND SUPPORTS** the key outcomes of the exchange programme as a way of strengthening its oversight function within the AU.
- 57. FURTHER URGES** the PAP's Committee on Audit and Public Accounts as an Oversight Committee to ensure that there is proper management of financial resources as well as good governance and rule of law within PAP.

III. ON JOINT SITTING OF THE PRC SUB-COMMITTEES ON AUDIT MATTERS, GENERAL SUPERVISION AND COORDINATION ON BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS; AND EXPERTS OF THE COMMITTEE OF FIFTEEN MINISTERS OF FINANCE (F15) Doc. EX.CL/1458(XLIV)

The Executive Council,

- 58. TAKES NOTE** of the Report of the Joint Sitting of PRC Sub-Committee on Audit Matters and Sub-Committee on General Supervision and Coordination on Budgetary, Financial and Administrative Matters, and Technical Experts of the Committee of Fifteen Ministers of Finance (F15).
- 59. REITERATES** the need to respect the principle of good, efficient and effective administrative and financial management.

A. ON THE AU BOARD OF EXTERNAL AUDITORS' MANAGEMENT LETTERS ON 2022 FINANCIAL AUDIT OF AU ORGANS

- 60. RECALLS** the Executive Council decision EX.CL/ Dec.1218 (XLIII) on the AU Board of External Auditors (BoEA) audit of AU Financial Statements for the Year ended 2022;
- 61. RAISES** grave concerns on the audit issues raised in the AU Board of External Auditors' management letters of AU Organs and **DIRECTS** the AU Commission assisted by the Internal Accountability Committee (IAC) and other AU Organs to ensure implementation of all recommendations contained in the reports and to report back to the Executive Council on the progress made therein during its July 2024 session, and if necessary to the February 2025 session.
- 62. EXPRESSES** serious concerns on the very low implementation rates of External Audit recommendations and **DIRECTS** the AUC and other AU Organs to enhance the efforts put in the implementation of Audit Recommendations.
- 63. DIRECTS** the OIO to assist in developing a template for the respective Organs to provide detailed responses within a month following the issuance of the BoEA **reports** with findings, and signed by the respective Heads of Organs for presentation to the Joint Sitting of the relevant PRC Sub-Committees.
- 64. REQUESTS** the BoEA to present a list where there were financial losses to the Organization with recommendations on the way forward on the recovery of the funds in accordance with Regulations 13 of the AU Staff Rules and Regulations on Indemnity in collaboration with the Office of the Legal Counsel (OLC);

65. **ALSO REQUESTS** the OIO to prepare a consolidated Matrix of all audit recommendations (Internal/ External/ Forensic) to be communicated officially to the Chairperson of the Commission, signed jointly by the Co-Chairs of the Sub-Committees on GSBCFAM and Audit Matters, highlighting the key mismanagement issues, urging the Chairperson to take corrective measures, including a timeline for full implementation of recommendations, and for the OIO to report regularly thereon, with a goal of concluding on the persistent audit findings within a timeframe of two years;
66. **DIRECTS** the AU Commission and AU Organs to develop an effective mechanism to implement the reported recommendations, and to take disciplinary actions towards staff responsible for non-implementation and report thereon.
67. **RECALLS** the Executive Council decision. EX.CL/Dec.1218 (XLIII) par 40 which requested the PRC to set up a Joint Task Force and **TAKES NOTE** of the progress made by the Chairs of the relevant Sub-Committees in developing the Terms of Reference of the Joint Task Force. **URGES** the PRC through its relevant Sub-committees to ensure that the work of the Joint Task Force commences immediately after the February 2024 Summit.

B. ON THE PROGRESS REPORT ON IMPLEMENTATION OF PWC - FORENSIC RECOMMENDATIONS ON AUC

68. **RECALLS** the Executive Council decisions EX.CL/Dec.1126(XXXIX) paragraph 56(iv) and EX.CL/Dec.1168(XLI) paragraph 59, and **COMMENDS** the AU Commission for providing the updated and final progress report.
69. **REQUESTS** the Commission to include the status of implementation of the remaining PWC recommendations as part of the consolidated matrix of all audit recommendations (Internal/ External/ Forensic) to be communicated officially to the Chairperson of the Commission as per the conclusions of the item on the 2022 external audit report.
70. **FURTHER REQUESTS** the AU Commission to provide an update on the implementation of Executive Council Decision EX.CL/Dec.1126(XXXIX), especially on the issue related to recovery of misappropriated funds in line with Rule 13 of AU staff rules and regulations and in collaboration with the Office of Legal Counsel by April 2024.

C. ON THE PROGRESS ON IMPLEMENTATION OF THE RECOMMENDATION OF THE LOCHAN-FORENSIC AND PERFORMANCE AUDIT REPORTS ON SIX (6) AU ORGANS (ACHPR, AFCHPR (AU COURT), AUDA-NEPAD, APRM, AUABC, AND PAP)

71. **RECALLS** the Executive Council decision **EX.CL/Dec.1189(XLII)** paragraph 62 and **COMMENDS** the Commission and the AU Organs for providing the report on

the Implementation Status on Recommendations of the Lochan's Forensic and Performance Audit of the Six Organs (ACHPR, AfCHPR, AUDA-NEPAD, APRM, AUABC, AND PAP).

72. **COMMENDS** AUDA-NEPAD for the highest rate of implementation and **DIRECTS** the other respective Organs to achieve the highest rate possible in the implementation of the recommendations.
73. **REQUESTS** the AUC to update the report based on the comments and recommendations from the Members States, mainly to include in the report a detailed qualitative analysis on the implementation of the recommendations on the report to be presented to Member States for the July 2024 Ordinary Session of the Executive Council.

IV. ON THE JOINT SITTING OF THE PERMANENT REPRESENTATIVES COMMITTEE (PRC) SUB-COMMITTEES ON GENERAL SUPERVISION AND COORDINATION ON BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS (GSCBFAM), STRUCTURAL REFORMS AND THE TECHNICAL EXPERTS OF THE COMMITTEE OF FIFTEEN MINISTERS OF FINANCE (F15)

The Executive Council,

A. Africa CDC Financial Sustainability Report and Epidemic Fund

74. **TAKES NOTE** of the two reports of the Africa Centres of Disease Control and Prevention on the financial sustainability of the Centres and the specific proposal by the Africa CDC on the establishment of the Epidemic Fund and **COMMENDS** the Committee of Experts of the F15 for their analysis and recommendations on the two reports.
75. **EXPRESSES DEEP CONCERNS** on the issues and observations highlighted by the F15 Experts as well as the Member States regarding the proposals by the Africa CDC on the financing of the Epidemic Fund and its proposed financial sustainability, and **NOTES** that Africa CDC's proposal is not adequate for consideration by the Policy Organs.
76. **DIRECTS** the Commission to revise the proposal through an internal technical Task Force as per the F15 Experts recommendations to ensure that appropriate consultations are conducted and that the revised proposal be re-presented to the F15 Experts and subsequently to the PRC through its relevant Sub-Committees, and **FURTHER DIRECTS** the Commission to align the revised proposal with the AU Financial Rules and the Africa CDC Statute respectively.

77. **FURTHER EXPRESSES RESERVATIONS** on the proposal by the Africa CDC to amend the current AU Financial Rules (FR), in order to accommodate the specific need of the Africa CDC, especially noting that the AU FR was recently adopted by the respective Policy Organs and further that all AU Organs and entities, without exception, are subjected to the provisions of the AU FR.
78. **DIRECTS** that the revised proposal be presented to the Joint Sitting by April 2024, to be considered by the Executive Council in July 2024.
79. **FURTHER DIRECTS** that in case of any urgent request for funding, the Africa CDC through the Commission could duly put a request to the PRC, in accordance with due process, on a case-by-case basis until the finalization of the proposal by the Africa CDC by July 2024.

B. UPDATE ON THE PROGRESS OF SACA

80. **ACKNOWLEDGES** the complexity and far-reaching implications of the Skills Audit and Competency Assessment process on the Commission and staff as well as its significant long-term financial, structural, and legal implications.
81. **TAKES NOTE** of the progress made in the consideration of SACA reports and **COMMENDS** the Commission for the work done so far, **STRESSES** the importance of respecting the respective quotas of Member States in the implementation of the SACA process.
82. **RECALLS** Executive Council Decision 1217, paragraph 27 which **DECIDED** to delegate to the PRC the mandate to authorize the utilization of the ring-fenced budget allocation subsequent to obtaining full disclosure from the Secretariat regarding the SACA process and **DIRECTED** the F15 Committee of Experts in collaboration with the Commission to come up with holistic financial implications and sustainability of the AU structures.
83. **REITERATES** the importance of respecting quota, the principle of merit in the conduct of the process, as well as addressing the issue of the current under-representation of Member States, and ensuring the implementation of the personnel's code of conduct in the SACA process.
84. **DIRECTS** the Commission to provide a clear and accurate report on the financial, structural and legal implication of the process.
85. **FURTHER DIRECTS** the Commission to present a proposal for a follow-up mechanism to ensure a transparent phased approach in the implementation of SACA, ensuring information sharing with Member States.
86. **INSTRUCTS** the PRC, through its relevant Sub-Committees, in close collaboration with the Commission to continue the consideration of the SACA process reports,

including the Board of External Auditors (BoEA) audit report on SACA, and to expedite the progress on the matter and report back to the next Ordinary Session of the Executive Council in July 2024.

V. ON THE SUB-COMMITTEE ON MULTILATERAL COOPERATION

The Executive Council,

87. **RECALLS** Assembly Decision Assembly/AU/Dec.762(XXXIII), of February 2020 reaffirming the right of all AU Member States to participate in Statutory Meetings, related to partnerships between the African Union/African Continent and another Continent or Regional Organization; and “DECIDES that African Union/African Continent shall be represented at the Statutory Meetings of partnership between the African Union/African Continent and a partner country by the Members of the Bureau of the Assembly of the Union, the Chairpersons of Regional Economic Communities (RECs), the Chairperson of the Heads of State and Government Orientation Committee (HSGOC) of AUDA-NEPAD and the Chairperson of the AU Commission” .;

On AU – EU Partnership

88. **REQUESTS** the PRC, in close collaboration with the Commission to assess the reasons for postponement of the meetings and avoid similar circumstances in the future without proper prior consultations;
89. **ALSO REQUESTS** the PRC, in close collaboration with the Commission and the EU to agree on new dates for the 3rd AU-EU Ministerial Meeting to be held in Brussels, Belgium, in 2024, back-to-back with the 1st AU-EU Ministerial Follow-up Committee Meeting;
90. **FURTHER REQUESTS** the PRC in close collaboration with the Commission to continue to engage with the EU with the view to finalising the Working documents for the 3rd AU-EU Ministerial Meeting and the 1st AU – EU Ministerial Follow-up Committee.

On Africa – Arab Partnership

91. **REQUESTS** the PRC, in close collaboration with the Commission to assess the reasons for postponement of the meetings and avoid similar circumstances in the future without proper prior consultations;
92. **FURTHER REQUESTS** the PRC, in close collaboration with the Commission to engage with the Secretariat of the League of Arab States to agree on new dates for the holding of the 5th Africa-Arab Summit to be held in the Kingdom of Saudi Arabia;

93. **URGES** the PRC, in close collaboration with the Commission and the League of Arab States to continue all necessary consultations for the finalisation of the Working Documents for the 5th Africa-Arab Summit.

On Tokyo International Conference on African Development (TICAD)

94. **TAKES NOTE** of the increased collaboration between the Commission and the Government of Japan, and the ongoing Review within the context of the 30th Anniversary of the TICAD process being implemented by AUDA-NEPAD, the Commission and Japan International Cooperation Agency (JICA);
95. **APPROVES** the holding of the 2024 TICAD Ministerial Meeting in Tokyo, Japan, on 24 – 25 August 2024, as proposed by the Government of Japan, and **REQUESTS** the PRC in collaboration with the Commission and Japan, to commence the preparatory processes for the successful holding of the Ministerial Meeting immediately;
96. **FURTHER APPROVES** the holding of the TICAD 9 Summit in Yokohama, Japan, from 20 – 22 August 2025.

On Africa – India Partnership

97. **REQUESTS** the PRC, in close collaboration with the Commission, the African Group of Ambassadors in New Delhi, India, to agree on the exact dates for the 4th Africa-India Summit and to ensure an effective preparation of the said Meeting, which shall be hosted at the Headquarters of the African Union, in Addis Ababa, Ethiopia.

On Africa – Korea Partnership

98. **REQUESTS** the PRC, in close collaboration with the Commission, to continue monitoring the implementation of the commitments made during the 5th Korea – Africa Ministerial Forum and to continue annual consultations with the view to best preparing the next Ministerial Forum to be held in Africa in 2026.

On Africa – Türkiye Partnership

99. **REQUESTS** the PRC, in close collaboration with the Commission, the African Group of Ambassadors in Ankara, Istanbul, to agree on the exact dates for the Third Ministerial Review Conference and to ensure effective and adequate preparation of the said Meeting;
100. **FURTHER REQUESTS** the PRC to conduct a selection process for Member States willing to host the Third Ministerial Review Conference.

VI. ON THE SUB-COMMITTEE ON HEADQUARTERS AND HOST AGREEMENTS

The Executive Council,

101. **TAKES NOTE** of the report of the Sub-Committee on Headquarters and Host Agreements, and **REQUESTS** the Commission to continue consultation with Host Countries to address all the pending issues in the matrix and update the matrix in accordance with inputs made by Member States.
102. **REQUESTS** the Commission to develop Terms of Reference (ToRs) of the Sub-Committee on Headquarters and Host Country Agreement before April 2024 and submit them to the Sub-Committee for consideration and onward transmission to the PRC for adoption in accordance with the Existing Rules of Procedure of the Union.
103. **REQUESTS** the Secretariat and the Member States hosting AU Organs, Institutions and Offices to provide regular updates to the Members of the Sub-Committee on new issues that require their attention.
104. **COMMENDS** the efforts made by the Government of the Arab Republic of Egypt and its commitment to finalize the Host Country Agreement of the Permanent Delegation of the African Union to the League of Arab States hosted in Cairo, Egypt.
105. **SALUTES** the efforts made by the Government of the Federal Democratic Republic of Ethiopia in addressing the outstanding matters in the matrix and **COMMENDS** a continuous improvement of the smooth functioning of the African Union Commission and the diplomatic missions hosted by the Federal Democratic Republic of Ethiopia.
106. **COMMENDS** the Government of the United Republic of Tanzania and Secretariat of Pan-African Postal Union (PAPU) for completing the construction and inaugurating the permanent seat of the Pan-African Postal Union (PAPU) in Arusha, Tanzania.
107. **COMMENDS** the Government of the Republic of South Africa for its commitment to finalise the ongoing consultations on the Host Country Agreements with the AU institutions hosted by South Africa and **REQUESTS** the Office of the Legal Counsel to engage with the Government of the Republic of South Africa to finalise this matter.
108. **EXPRESSES** appreciation to the Government of Ethiopia for approving the refund of foreign currency seized from African nationals in transit at the Bole International Airport over failure to comply with relevant local laws;

VII. ON THE SUB-COMMITTEE ON HUMAN RIGHTS, DEMOCRACY AND GOVERNANCE (HRDG)

The Executive Council,

109. **TAKES NOTE** of the Report of the Activities of the PRC Sub-Committee on Human Rights, Democracy and Governance (HRDG) for the period of January to December 2023;
110. **COMMENDS** the Sub-Committee for validating the African Governance Report 2023, which was developed by the APRM on behalf of the African Governance Platform (AGP) of the African Governance Architecture (AGA);
111. **WELCOMES** the continuation of the annual joint session between the Peace and Security Council (PSC), the PRC Sub Committee on HRDG and the AGP and **UNDERLINES** the implementation of the PSC Communique of the 1167th Meeting on the Joint Session held on 11th of August 2023;
112. **APPLAUDS** the work of members of the African Governance Platform especially the ACHPR in promoting and protecting human and peoples' rights on the Continent and calling for the universal ratifications of related Protocols. **FURTHER APPLAUDS** the work of ECOSOCC on meaningfully engaging African Citizens and Civil Society Organizations in the affairs of the African Union and **EXPRESSES** support for the preparation of the African State of Civil Society Report in 2024;
113. **TAKES NOTE** of the Joint Retreat held between the PRC Sub-Committee on HRDG and ACHPR and encourages the continuation of these joint consultations and **CALLS** for more political, financial and capacity support to the AU Organs with a human right mandate;
114. **TAKES NOTE** of the work of the Department of Political Affairs Peace and Security (PAPS) on the status of the AU Strategy for the Mainstreaming of the ACDEG in School's curriculum and **CALLS ON** all Member States to support this project;
115. **RECOGNISES** the unique positioning of the African Governance Platform (AGP) as the only existing platform that brings AU Organs, Regional Economic Communities (RECs), Regional Mechanisms (RMs) together on issues of human rights, democracy and governance.
116. **UNDERSCORES** the significance of synergies between the African Governance Architecture (AGA) and the African Peace and Security Architecture (APSA) and **RECALLS** the request made by the PSC on the 1167th meeting held on 11 August 2023 to the AU Commission to enhance the institutional capacity of AGA-APSA

Secretariat to effectively support the PRC Sub-Committee on HRDG and the African Governance Platform in discharging their respective mandates and **CALLS ON** enhanced synergies and complimentary of efforts between the AGA and the APSA;

117. **REITERATES** the call for universal ratification, domestication, implementation and reporting of all AU Shared Values Instruments, particularly, the African Charter on Democracy, Elections and Governance (ACDEG);
118. **CALLS** for the AU Commission to expedite the operationalization of the African Governance Facility;
119. **REQUESTS** the PRC Sub Committee on HRDG and the AGP to conduct promotional visits on AU Shared Values Instruments; and to participate in a more active role in preventive diplomacy efforts of the African Union;
120. **FURTHER REQUESTS** the PRC Sub Committee on HRDG to continue its engagement with the AU Organs and Institutions with Human Rights and Governance mandate with a view to enhancing coordination and collaboration, especially in enhancing the synergy between the African Governance Architecture (AGA) and the African Peace and Security Architecture (APSA);
121. **ENDORSES** the recommendation made to declare 2025 as “the Year of Human Rights, Democracy and Governance in Africa”.

VIII. ON THE SUB-COMMITTEE ON ECONOMIC AND TRADE MATTERS

The Executive Council,

122. **TAKES NOTE** and **ADOPTS** the Report of the Activities of the Sub-Committee of the Whole on Economic and Trade Matters for the period of January to December 2023 and recommendations contained therein;
123. **TAKES NOTE** of the adoption of the landmark resolution towards a UN Framework Convention on international Tax cooperation, tabled/spearheaded by Nigeria on behalf of the African Group in New York and **REQUESTS** the Commission to continue to support the African Group in New York **REITERATES THE NEED** to organise the Extraordinary Session of the Assembly dedicated to the operationalization of the AUFIs before end of 2024;
124. **APPRECIATES** the support that the PRC, through the Sub-Committee, continues to provide to the Commission in fulfilling its mandate towards achieving inclusive growth and sustainable development, thereby contributing to the realization of the Aspirations and Objectives of Agenda 2063;

125. **CALLS UPON** all Member States to reaffirm their political commitment for the expeditious establishment and operationalisation of the AUFIs, recognizing their pivotal role in advancing Africa's inclusive growth and sustainable development.

IX. ON THE SUB-COMMITTEE ON NEPAD

The Executive Council,

126. **TAKES NOTE** of the recommendations of the PRC on the report of the PRC Sub-Committee on NEPAD;
127. **COMMENDS** AUDA-NEPAD for the central role it plays in the implementation of Agenda 2063, and **ENCOURAGES** it to intensify its efforts in the implementation of the Second Ten-Year Plan of Agenda 2063. In this regard, **REQUESTS** AUDA-NEPAD to accelerate the finalization of the feasibility study on the Development Fund, in accordance with Executive Council decision 1143, for submission at the next session of the Executive Council scheduled for July 2024;
128. **EMPHASIZES** the need to strengthen synergies between NEPAD programs and AGENDA 2063; and in this regard, **REQUESTS** the Commission to examine the feasibility, of merging the PRC Sub-Committee on NEPAD and the Ambassadorial Committee on Agenda 2063 both on the legal and financial aspects, and **REPORT** to the Executive Council at its session in February 2025;
129. **APPROVES** the transformation of the PRC Sub-Committee on NEPAD into a plenary Sub-Committee and **REQUESTS** the Commission to take the necessary steps to give effect to this decision and to **REPORT** to the Executive Council at its session in February 2025;
130. **ALSO APPROVES** the holding of an annual retreat between the PRC Sub-Committee on NEPAD and AUDA-NEPAD;
131. **FURTHER REQUESTS** the PRC through its relevant joint sitting to consider an increase in the AUDA-NEPAD budget ceiling, on a case by case, as well as the budget ceiling of the AUDA-NEPAD Coordination Unit in order to facilitate a better execution of their respective mandates; and in this respect **REQUESTS** AUDA-NEPAD and the Commission to submit proposals to the PRC for approval in accordance with the established due procedures;
132. **FURTHER REQUESTS** the Commission to finalize the recruitment and deployment of the staff provided for in the AUDA-NEPAD Coordination Unit structure as soon as possible;
133. **DECIDES** to remain seized of the matter.

X. ON THE SUB-COMMITTEE ON STRUCTURAL REFORMS**The Executive Council,**

- 134. RECALLS** Article 9(2) of the Constitutive Act of the African Union, which mandates the Assembly to delegate any of its powers and functions to any Organ of the Union;
- 135. RECOMMENDS** to the Assembly to delegate its authority to the Executive Council to consider and adopt, during its 45th Session in June/July 2024, the following structures:
- The African Humanitarian Agency
 - The Africa Inclusive Markets Excellency Centre.