

DECISION ON THE SCALE OF ASSESSMENT FOR THE REGULAR BUDGET AND THE PEACE FUND¹

The Assembly,

A. On the Scale of Assessment and Contributions:

1. **RECALLS** Decision Assembly/AU/Dec.578(XXV), adopted at the 25th Ordinary Session held in Johannesburg, South Africa, in June 2015, which decided that:
 - a) a new scale of assessment be adopted based on the principles of solidarity, equitable payments and capacity to pay in a way that ensures no single country bears a disproportionate share of the budget;
 - b) the scale of assessment will be based on achieving the following targets to be phased over 5 years starting from January 2016:
 - i) 100% of the Union's Operational budget;
 - ii) 75% of Union's Program budget;
 - iii) 25% of Union's Peace support operations budget.
 - c) The scale of assessment will be based on a tier system as follows:
 - i) All countries with a GDP above 4% - tier 1;
 - ii) All countries with a GDP above 1 % but below 4% - tier 2;
 - iii) All countries with a GDP of 1% and below - tier 3.
2. **ALSO RECALLS** Decision Assembly/AU/Dec.605(XXVII), adopted at the 27th Ordinary Session held in Kigali, Rwanda, in July 2016, which stated that the Peace Fund shall be endowed with an amount of United States Dollars Three Hundred Twenty Five (USD 325) million in 2017, rising to Four Hundred (400) million in 2020. This total amount shall be raised from equal contributions from each of the five (5) AU Regions, as defined in the relevant instruments;
3. **REITERATES** Decision Assembly/AU/Dec.605(XXVII), which reaffirmed its determination to ensure that the African Union (AU) is financed in a predictable, sustainable, equitable and accountable manner with the full ownership by its Member States;
4. **RECALLS** Decision Assembly/AU/Dec.635(XXVIII), adopted at the 28th Ordinary Session held in Addis Ababa, Ethiopia, in January 2017, which stipulated that the current scale of contributions should be revised based on the principles of ability

¹ Reservation by the Republic of Seychelles: "Seychelles would like to express its reservations regarding the conditions and proposals set on this matter, which we feel is indeed inequitable and requires deeper consultations at capital level." - Reservation entered during the adoption of decisions and confirmed through Note Verbale Ref. SEY/AU/3/1 Note No. 16/2019, dated 26 March 2019.

to pay, solidarity, and equitable burden-sharing to avoid risk concentration;

5. **TAKES NOTE** of the recommendations of the AU Ministers of Finance during their meeting, held on the 9 August 2017 in Addis Ababa, in which they recommended that, in order to ensure equity and effective risk management, 'caps' and 'minima' should be introduced in the Scale of Assessment so that every country pays a minimum flat contribution and that no country or group of countries pays more than a specified share of the AU budget;
6. **ALSO TAKES NOTE** of the Report of the Joint Sitting of the Ministerial Committee on Scale of Assessment and Contributions and the Committee of Fifteen Finance Ministers on the AU Scale of Assessment and Contributions for Period 2020-2022;
7. **DECIDES** that, while still maintaining the Tier System as per the Johannesburg Decision of 2015 (Assembly/AU/Dec.578(XXV)) and while taking into account the recommendation of the African Union Ministers of Finance to introduce 'caps' and 'minima', the new scale shall be as follows:
 - i) Tier1 assessed at 45.151% percent of the Union's assessed budget;
 - ii) Tier2 assessed at 32.749% of the Union's assessed budget; and
 - iii) Tier3 assessed at 22.100% of the Union's assessed budget.

The new scale of assessment and contributions is herewith attached to this decision;

8. **ALSO DECIDES** that no country shall pay less than \$350,000 or more than \$35,000,000 as a contribution for the regular budget and peace fund combined;
9. **FURTHER DECIDES** that with a view to addressing the growing burden to Member States, the 2020 regular budget shall be reduced by \$32 million as compared to the 2019 regular budget. The Commission is directed to find savings within the Union budget;
10. **MANDATES** the Commission to continue the ongoing efforts to consolidate the accountability and oversight mechanism on the AU budget processes and maintain an affordable and rationalized budget of the Union with the view to end its expansion taking into account the need for austerity measures.

B. On the Peace Fund:

11. **TAKES NOTE** that since 2017, fifty (50) Member States have made their contributions to the Peace Fund on the basis of the existing scale of assessment for the regular budget;

12. **COMMENDS** Member States for contributing [\$89m] to the AU Peace Fund since 2017 which demonstrates a high level of commitment by the Union to fully operationalize the Peace Fund;
13. **REQUESTS** the AU High Representative for Financing the Union and the Peace Fund, supported by the Commission, to undertake regional consultations on the matter of assessing the Peace Fund and report back to the Executive Council in Niamey, Niger, in June 2019;
14. **DECIDES** that, in the interim, the existing scale of assessment as applied to the regular budget of the Union shall be applied to the 2017-2019 assessment of the Peace Fund and, in the event that no concrete recommendations emerge from the consultations, the new scale of assessment as applied for the regular budget shall also be applied to the Peace Fund from 2020-2022².

² Reservation by the Arab Republic of Egypt: "The ruling of Paragraph no. 14 overrides the outcomes of the regional consultations to be undertaken by the AU High Representative according to the aforementioned decision. Besides, the Paragraph implies the implementation of the Scale of Assessment retroactively (for the years 2017-2019); such retroactive implementation contravenes the universal budgetary principles applied on national budgets and the African Union Budget." - Reservation entered during the adoption of decisions and confirmed through Note Verbale No. /2019 - AU, dated 27 March 2019.

		Proposed new AU Scale of Assessment for 2020-2022	\$32Mil. Savings distribution (All TIERS)
	Member State		
		(%) _____	
1		7.525	2,408,042.6
2		7.525	2,408,042.6
3	Nigeria Egypt South Africa	7.525	2,408,042.6
4		7.525	2,408,042.6
5		7.525	2,408,042.6
6	Algeria Angola Morocco	7.525	2,408,042.6
	<i><u>TIER 1</u></i>	<u>45.151</u>	14,448,255.
7	Ethiopia	3.999	1,279,680.0
8	Kenya	3.745	1,198,447.1
9	Sudan	3.811	1,219,634.2
10	United Rep. of Tanzania	2.236	715,557.
1		2.763	884,316.
1	Tunisia	3.778	1,208,813.3
1	Libya Ghana	2.811	899,536.
2	D. R. of Congo	1.883	602,616.
1	Cote d'Ivoire	3.000	960,000.
1	Cameroon	1.740	556,906.
1	Uganda	1.383	442,534.
1	Zambia	1.599	511,618.
	<i><u>TIER 2</u></i>	<u>32.749</u>	10,479,661.
1	Zimbabwe	1.108	354,544.
2	Botswana	1.152	368,611.
2	Senegal	1.125	360,112.
2	Gabon	1.274	407,674.
2	Mozambique	1.132	362,181.
2	South Sudan	1.062	339,680.
2	Mali	0.942	301,281.
2	Chad	0.944	302,232.
2	Mauritius	0.938	300,310.
2	Namibia	0.933	298,581.
2	Burkina Faso	0.906	289,835.
3	Madagascar	0.855	273,462.
3	Equatorial Guinea	0.984	315,036.
3	Congo	0.877	280,700.

		Proposed new AU Scale of Assessment for 2020-2022	\$32Mil. Savings distribution (All TIERS)
	Member State	(%) _____	
			220,518.
			76
3	Benin	0.689	186,736.
3	Guinea	0.584	10
3	Rwanda	0.629	201,278.
3	Niger	0.602	192,766.
3	Malawi	0.407	29
3	Mauritania	0.382	122,091.
3	Eritrea	0.354	113,351.
4	Sierra Leone	0.384	122,811.
4	Togo	0.515	164,763.
4	Swaziland	0.472	151,163.
4	Burundi	0.411	131,501.
4	Lesotho	0.286	91,583.
4	Liberia	0.257	82,100.
4	Djibouti	0.228	73,080.
4	Central African Rep.	0.226	72,430.
4	Cabo Verde	0.234	74,730.
4	Seychelles	0.204	65,269.
5	Somalia	0.202	64,678.
5	Comoros	0.174	55,731.
5	Guinea-Bissau	0.180	57,515.
5	Gambia	0.169	54,222.
5	Saharawi Arab D.R.	0.164	52,466.
5	Sao Tome and Principe	0.115	36,949.
	<u>TIER 3</u>	<u>22.100</u>	<u>7,072,082.92</u>
	Total	100.000	32,000,000.00