

**DECISION ON THE SCALE OF ASSESSMENT AND IMPLEMENTATION OF
ALTERNATIVE SOURCES OF FINANCING THE AFRICAN UNION
Doc. EX.CL/900(XXVII)**

The Executive Council,

- 1. TAKES NOTE** of the Report of the Ad-Hoc Ministerial Committee on the review of the scale of assessment;
- 2. RECOMMENDS** to the Assembly to endorse the recommendations of the Ad- Hoc Ministerial Committee as follows;
 - i) The new scale of assessment will be based on the principles of solidarity, equitable payment and capacity to pay and in a way that ensures no single country bears a disproportionate share of the budget;
 - ii) The new scale of assessment shall be based on achieving the following targets
 - a) 100% of the Union's Operational budget;
 - b) 75% of Union's Program budget;
 - c) 25% of Union's Peace support operations budget;
 - iii) That the new scale of assessment shall be based on a tier system as follows;
 - a) All countries with GDP above 4% - tier 1
 - b) All countries above 1 % but below 4% - tier 2
 - c) All countries from 1 % and below - tier 3
 - iv) The achievement of the Targets above in (ii) should be phased over 5 years starting immediately after implementation of paragraph 9 of this decision;
- 3. FURTHER RECOMMENDS** to the Assembly as follows:
 - i) The new scale will be based on the principle that the five Member States in the Tier 1 shall take 60 percent of the budget shared equally; whereas Member States in Tier 2 and Tier 3 pay based on capacity to pay as contained in Option 3 of the proposal;
 - ii) The new scale will be based on a ceiling of 12 percent without the imposition of floor rate;
 - iii) The new scale will be implemented for the financial years 2016 2017 and 2018;
- 4. RECOMMENDS** to the Assembly to adopt the new AU scale of assessment which constitutes a hybrid of pure capacity to pay for some Member States and equal payment scales for others in accordance with the percentage of the budget under each tier;
- 5. URGES** Member States to choose from a non-exhaustive, non-binding basket of options of

alternative sources of funding in line with national imperatives, laws, regulations and constitutional provisions;

6. **URGES** the Commission in consultation with the Ad-Hoc Ministerial Committee to institute a robust annual review mechanism during the first five years of implementation that will assess possible impacts and recommend adjustments when and where necessary;
7. **ENCOURAGES** the Commission and the Ad-Hoc Ministerial Committee to continue working on and incorporating modalities that will build synergy between review of scale of assessment and budgeting, financial governance and management processes;
8. **URGES** Member States working in the spirit of solidarity and self-reliance to strive to achieve the stated contribution targets contained in relevant Assembly Decisions;
9. **REQUESTS** the Ad-Hoc Ministerial Committee meeting in an open-ended manner to pursue and conclude its work in instituting a sound and credible accountability and oversight mechanism that will ensure effective scrutiny of the budgetary processes including its presentation and implementation. In this regard, **FURTHER REQUESTS** the Ad-Hoc Ministerial Committee to meet in October 2015 to consider all outstanding issues, including the consultation with the Republic of Angola on its scale of assessment and submit its report on the matter at the next Summit in January 2016;
10. **URGES** the Commission to provide all the necessary support to ensure timely conclusion of the exercise by providing a comprehensive list of existing and proposed accountability mechanisms;
11. **ENCOURAGES** Member States to promptly pay their assessed contributions once the new scale comes into force.

Scale of Assessment for 2016, 2017 and 2018

"Alternative Funding Sources for the African Union - Implementation of Options"

APPLYING A VARIABLE GROUP ASSESSMENT METHOD (Tiers determined by country share to total GDP/GNI)

Member State	Based on GDP for 2013	Sorted from highest to lowest % to Total	Country grouped into 3 tiers NO CEILING	Country grouped into 3 tiers 12% CEILING
<i>(Data source: UNSD, WB, IMF & country sources)</i>				
Nigeria	521 812 000 000	23,225	21,145	12,000
South Africa	350 800 000 000	15,613	14,215	12,000
Egypt	271 427 000 000	12,081	10,999	12,000
Algeria	212 453 000 000	9,456	8,609	12,000
Angola	124 178 000 000	5,527	5,032	12,000
Total 1st Tier	1 480 670 000 000	65,901	60,000	60,000
Sudan	66 748 000 000	2,971	3,322	3,322
Libya	65 516 000 000	2,916	3,260	3,260
Kenya	54 993 000 000	2,448	2,737	2,737
Ghana	47 830 000 000	2,129	2,380	2,380
Tunisia	46 995 000 000	2,092	2,339	2,339
Ethiopia	45 999 000 000	2,047	2,289	2,289
U.R. of Tanzania	33 285 000 000	1,481	1,656	1,656
Cote d'Ivoire	32 061 000 000	1,427	1,596	1,596
Dem. Rep. of the Congo	29 896 000 000	1,331	1,488	1,488
Cameroon	29 267 000 000	1,303	1,457	1,457
Zambia	26 831 000 000	1,194	1,335	1,335
Uganda	22 926 000 000	1,020	1,141	1,141
Total 2nd Tier	502 347 000 000	22,358	25,000	25,000
Gabon	19 266 000 000	0,857	1,095	1,095
Equatorial Guinea	15 598 000 000	0,694	0,887	0,887
Mozambique	15 311 000 000	0,681	0,871	0,871
Botswana	14 804 000 000	0,659	0,842	0,842
Senegal	14 796 000 000	0,659	0,841	0,841
South Sudan	14 031 000 000	0,624	0,798	0,798
Congo	13 478 000 000	0,600	0,766	0,766
Chad	13 412 000 000	0,597	0,763	0,763
Zimbabwe	13 206 000 000	0,588	0,751	0,751
Namibia	12 251 000 000	0,545	0,697	0,697

