

DECISION ON THE OVERSIGHT AND ACCOUNTABILITY MECHANISM(S)
Doc. EX.CL/984(XXIX)

The Executive Council,

1. **TAKES NOTE** of the Report of the Ministerial Committee on the Review of Scale of Assessment and Contributions;
2. **RECALLS** Assembly Decisions Assembly/AU/Dec. 561 (XXIV), Assembly/AU/Dec. 578 (XXV); and Assembly/AU/Dec. 602 (XXVI);
3. **RECALLS** Executive Council Decisions EX.CL/Dec. 867(XXVI), EX.CL/Dec. 893(XXVII) and EX.CL/Dec. 916(XXVIII);
4. **REAFFIRMS** the necessity for the Union to become financially independent, enhance its efficiency and take concrete steps to improve the overall financial and administrative management;
5. **EXPRESSES** its concern over the non-compliance of some Member States with regard to their Statutory obligations to pay their assessed contributions as and when due and the persistent pattern of arrears which is impacting adversely on the financial situation of the Union;
6. **URGES** Member States to honour their statutory obligations with regard to their assessed contributions in a timely manner and to endeavour to clear all outstanding contributions urgently;
7. **REAFFIRMS** the principle of Alternative Sources of Financing the Union by its Member States and the flexibility that has been afforded to them for its implementation in accordance with their national imperatives through a non-binding and non-exhaustive basket of options;
8. **TAKES COGNIZANCE** of the major aspirations of the Union including the implementation of the Agenda 2063 and **RECOGNIZES** in this regard, the necessity to improve the financial, administrative and budgetary processes of the Union;
9. Pursuant to Executive Council Decision EX.CL/916(XXVIII) instituting a sound and credible accountability and oversight mechanism through the establishment of the PRC Sub-Committee on General Supervision and Coordination on Budgetary, Financial and Administrative Matters and the PRC Sub-Committee on Budgetary Matters, as well as the restructuring of the Ad Hoc Ministerial Committee on Scale of Assessment and the revision and alignment of mandates of other relevant sub-Committees and mechanisms;

- 10. ADOPTS** the Draft Terms of Reference of:
- i) The PRC Sub-Committee on General Supervision and Coordination on Budgetary, Financial and Administrative Matters and the PRC Sub-Committee on Budgetary Matters;
 - ii) The PRC Sub-Committee on Budgetary Matters;
 - iii) The PRC Sub-Committee on General Supervision and Coordination on Budgetary, Financial and Administrative Matters and the PRC Sub-Committee on Budgetary Matters, which are annexed to this decision as Annex 1 and 2 respectively.
- 11. REQUESTS** the Ministerial Committee on Scale of Assessment and Contributions to:
- i) Continue its work with a view to finalizing the review and alignment of the mandates of other relevant Sub-Committees and Mechanisms and clarifying their interactions with the PRC Sub-Committee on General Supervision and Coordination on Budgetary, Financial and Administrative Matters and the PRC Sub-Committee on Budgetary Matters;
 - ii) Develop its Terms of Reference including by reinforcing the sanction regime governing the statutory contributions of Member States.
- 12. ALSO REQUESTS** the Commission, particularly the Office of the Legal Counsel, to provide all the necessary support with a view to finalizing the tasks entrusted to the Ministerial Sub-committee on the Scale of Assessment and Contributions;
- 13. REQUESTS** the Ministerial Committee on the Scale of Assessment and Contributions to finalize its work on the implementation of EX.CL/ 916(XXVIII) and Assembly decision Assembly/AU/Dec. 602 (XXVI) and report on the matter in January 2017.