

DECISION OF THE PRC SUB-COMMITTEES

The Executive Council:

1. **TAKES NOTE** of the reports of the PRC Sub-Committees and the recommendations contained therein;

I. **ON GENERAL SUPERVISION AND COORDINATION ON BUDGETARY, FINANCIAL AND ADMINISTRATIVE MATTERS - Doc. EX.CL/1016(XXXI)**

2. **APPROVES:**

- i) the implementation of the revised AU Compensation, Benefits and Allowances effective 1st January 2018;
- ii) the recommendations specified in the Report which are summarized as follows:
 - (a) **AU Basic Salary Scale:** Revision of the AU Basic Salary Scale by an increase of 6.1%;
 - (b) **D2 Salary Scale:** Creation of a new D2 Salary Scale with the standard 3% progression on the subsequent steps as per incremental methodology of the AU scale;
 - (c) **Basic salaries of Elected Officials:** Revision of the monthly basic salaries of Elected Officials:
 - (i) **Chairperson of the AUC Commission** be calculated at D2 Step 10 monthly basic salary (US\$10,384.50) increased by 50%, i.e. (US\$10,384.50 x 1.50) = US\$15,576.75;
 - (ii) **Deputy Chairperson of the AUC Commission** be calculated at D2 Step 10 monthly basic salary (US\$10,384.50) increased by 32.5%, i.e. (US\$10,384.50 x 1.325) = US\$ 13,759.46; and
 - (iii) **Commissioners of the AUC Commission, President of the African Court on Human and People's Rights, Chief Executive Officer of NEPAD** be calculated at D2 Step 10 monthly basic salary (US\$10,384.50) increased by 15.0%, i.e. (US\$10,384.50 x 1.15) = US\$11,942.18;
 - (d) **Post Adjustment Rate:** Retention of the existing AU Post Adjustment Rate for the various AU duty stations;
 - (e) **Spouse Allowance:** Retention of the Spouse Allowance of 5% of Basic Salary, on the condition that eligible spouse is not receiving remuneration exceeding USD500.00 per month;
 - (f) **Employer and Employee Pension Contribution:** Retention of the existing

Employer/Employee Pension Contribution for all regular staff as follows:

- (i) Employer Pension Contribution: 19% of the Basic Salary plus 17%; and
- (ii) Employee Pension Contribution: 12% of the Basic Salary plus 17%

(g) **Housing Allowance:** Revision of the Housing Allowance Rates for the various AU duty stations as annexed;

(h) **Education Allowance:** Revision of the Education Allowance rates and implementation of 100% payment of the school fees for a dependent child, incurred by an eligible staff member, whose duty station is in Africa or any other part of the world other than Europe and North America as follows:

Up to USD10,000.00 per eligible child per year for internationally recruited regular Staff posted in these regions; and

- Up to USD3,300.00 per eligible child per year for national regular professional staff and locally recruited regular staff posted in these regions.

For eligible staff members whose duty station is in Europe or North America the education allowance shall be:

- Up to USD15,000.00 per eligible child per year for internationally recruited regular Staff; and
- Up to USD5,000.00 per eligible child per year for national regular professional staff and locally recruited regular staff.

(i) **Dependency Allowance:** Retention of the existing Dependency Allowance for regular staff members of USD250.00 per eligible child per year;

(j) **Non-Residence Allowance:** Retention of the existing Non- Resident Allowance for internationally-recruited General Service Staff (GSA4 and above only) at the rate of:

- (i) With Dependents: US\$3,000.00 per annum; and
- (ii) Without Dependents: US\$2,400.00 per annum

(k) **Installation Allowance:** Revision of the Installation Allowance for Internationally Recruited Regular Staff Members calculated as follows:

(i) **Staff Member Installation Allowance:** 100% x 30 days DSA at the applicable rate of the duty-station;

(ii) **Eligible Spouse:** 50% of the Staff Member's Installation Allowance;

(iii) **Eligible children 12years+:** 100% of the Staff Member's Installation Allowance;

(iv) **Eligible Children under 12 years and up to 2 years of age:** 50% of the Staff Member's Installation Allowance; and

(v) **Infant (less than 2 years):** No Installation Allowance.

(l) **Conflict Zone Allowance:** Discontinuation of the current application of specific

job grade plus one (e.g. P3 +1) and introduction of a Conflict Zone Allowance of a maximum of 35% basic salary for those staff members posted in conflict zone as determined by the AU Peace and Security Council. Those current staff members who had been placed under this practice shall be reverted to their original job grading and be paid a Conflict Zone Allowance;

(rn) Rent for Official Residence of AUC Commissioners: Discontinuation of the monthly payment of Housing Allowance to AUC Commissioners and introduction of a new Rental Budget line within the AHRMD Operational Budget at the rate of USD6000.00 per month per AUC Commissioner which shall include the cost for renting an unfurnished decent residence, payment of utility bills and maintenance of generators and premises. The budget shall be managed by Administration and Facilities Management Division.

(n) Timeframe for the phasing out of the Preferential Rates for Staff in the Geneva and Brussels Offices: pending the dissemination of the studies on AU salaries and allowances to Member States and their consideration by the Executive Council at the next Ordinary Session in January 2018.

3. RECOMMENDS to the Assembly the amendments of Rule 22.3 (a) (iv) and (v) on Education Allowance; Rule 23.5 (a) and 23.6 (a) on Installation Allowance; and Rule 43.2 on Compensation for death to read as follows:

A. Rule 22.3 (a) (iv) and (v) on Education Allowance

Para, (iv) The Union shall pay hundred percent (100%) of the learning expenses and cost which by definition shall only be limited to school fees actually incurred by a staff member from the amount recommended by the Chairperson or the competent authority of any other organ and approved by the Executive Council.

Para, (v) A staff member with more than one eligible child may discretionally spend beyond the 100% approval expenditure for any one child provided the aggregate educational expenditure for all his or her children is not more than the authorized 100% expenditure of the approved educational allowance of all his or her children.

B. Rule 23.5 (a) and 23.6 (a) on Installation Allowance

Rule 23.5(a):

On arrival at his or her duty station, the newly recruited staff member shall receive an allowance to meet extra-ordinary living expenses consisting of the full rate of the daily subsistence allowance authorized under the preceding paragraph for himself or herself; fifty percent (50%) of that amount for eligible spouse; one hundred percent (100%) of that amount for eligible children 12 years and above; and fifty percent (50%) of that amount for eligible children under 12 years and up to 2 years of age for a maximum period of thirty (30) calendar days, on the understanding that no housing allowance is paid for the same period.

Rule 23.6(a):

A staff member shall, upon transfer to another duty station, be entitled to an allowance equivalent in sum to the installation allowance for himself or herself fifty percent (50%>) of that amount for eligible spouse; fifty percent (50%>) of that amount for eligible children 12 years and above; and twenty-five percent (25%>) of that amount for eligible children under 12 years and up to 2 years of age for a maximum period of thirty (30) calendar days, on the clear understanding that no housing allowance shall be paid for the same period.

C. Rule 43.2 - Compensation for Death, Injury, Illness or Disability attributable to Service

Amendment of Rule 43.2 (b) to read as follows:

(b) In the event of death or permanent disability of a regular or continuing regular staff member, an immediate humanitarian grant of 12- month basic salary plus post adjustment of the staff member shall be made available to the beneficiaries. This benefit will also be made available to beneficiaries of fixed-term and short-term staff members.

4. **REQUESTS** the Commission to provide detailed information on the process of transferring the Pension Fund from ALICO to another company;
5. **ALSO REQUESTS** the Commission to implement an effective performance management system, Career Development and Progression Plan with the view to enhance staff retention as well as provision of quality service delivery;
6. **FURTHER REQUESTS** the Commission to implement a performance management policy for staff assessment in accordance with international standards and best practices as applied in other international or multilateral organizations

EXPECTS the staff of the Union to improve significantly their commitments towards the Union and the Continent, specially their service deliveries and **REQUESTS** the Commission to put in place an effective management of staff members with the view to ensure that good staff are rewarded and those who do not deliver to the agreed standard are separated appropriately.

ADDIS ABABA Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 2,184.00 40%	P3-P1 1,911.00 30%	
ALGIERS & LAAYOUNE Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,962.00 40%	P3-P1 1,545.60 40%	
BANJUL Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,459.50 40%	P3-P1 1,324.80 30%	
BRUSSELS Housing Allowance for International Professional Housing Allowance for Local Professional	D1-P5 2,484.00 40%	P4 2,173.50 40%	P3-P1 1,932.00 30%
CAIRO & TRIPOLI Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,819.39 40%	P3 1,591.97 30%	
CONAKRY, MONROVIA & DAKAR Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,806.00 40%	P3-P1 1,580.25 30%	
GENEVA Housing Allowance for International Professional Housing Allowance for Local Professional	D1-P5 3,701.25 40%	P4 2,870.40 40%	P3-P1 2,583.60 30%
LILONGWE Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,685.25 40%	P3-P1 1,401.65 30%	
ABUJA & JOHANNESBURG (PAP, NPCA) Housing Allowance for International Professional Housing Allowance for National Professional	D1-P5 2,274.24 40%	P4 2,046.82 40%	P3-P1 1,819.39 30%
NAIROBI Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,770.00 40%	P3-P1 1,548.75 30%	
BUJUMBURA, MORONI & ARUSHA Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,860.00 40%	P3-P1 1,627.50 30%	
NEW YORK Housing Allowance for International Professional Housing Allowance for Local Professional	D1-P5 3,966.00 40%	P4 3,470.25 40%	P3-P1 2,980.85 30%
WASHINGTON Housing Allowance for International Professional Housing Allowance for Local Professional	D1-P5 3,470.25 40%	P4 3,312.00 40%	P3-P1 2,980.85 30%
BAMAKO Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,914.00 40%	P3-P1 1,674.75 30%	
Professional Staff Members			
NIAMEY Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 2,118.00 40%	P3-P1 1,766.40 30%	
OUAGADOUGOU Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,860.00 40%	P3-P1 1,627.50 30%	

ABIDJAN Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 2,016.00 40%	P3-P1 1,766.40 30%
YAOUNDE Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,819.39 40%	P3-P1 1,533.00 30%
KINSHASA, BANGUI Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 2,378.25 40%	P3-P1 1,766.40 30%
MALABO Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,944.00 40%	P3-P1 1,701.00 30%
KHARTOUM, JUBA AND NDJAMENA Housing Allowance for International Professional Housing Allowance for National Professional	D1-P4 1,758.75 40%	P3-P1 1,401.60 30%
MOGADISHU Housing Allowance for International Professional Housing Allowance for Local Professional	D1-P4 2,073.75 40%	P3-P1 1,401.60 30%

II. ON MULTILATERAL COOPERATION - Doc. EX.CL/1016(XXX)ii

A. *Evaluation of Strategic Partnerships*

8. **RECALLS** EX.CL/Dec.942 (XXX) of the 30th Ordinary Session of the Executive Council, 25 - 27 January 2017, Addis Ababa, which DIRECTED the PRC, in collaboration with the Commission and the RECs, to hold special sessions within six months to allow for an in-depth discussion and analysis of all aspects of Strategic Partnership in order to formulate appropriate proposals and recommendations;
9. **MANDATES** the Commission, in collaboration with the PRC, to undertake an in- depth evaluation of all partnerships and submit concrete recommendations in July 2018;

B. *Tokyo International Conference on African Development (TICAD)*

10. **ENDORSES** the date of 23-25 August 2017 for the holding of the TICAD VI Ministerial Follow up Meeting, in Maputo, Mozambique;
11. **ALSO ENDORSES** the offer made by Burkina Faso to host the Public-Private Sector Forum within the framework of TICAD;

C. *AU - EU Partnership*

12. **APPROVES:**

- i) the Theme of the 5th AU - EU Summit namely: "Investment in Youth for Accelerated Inclusive growth and sustainable development";
- ii) the nomenclature for the partnership with the European Union to be: "African Union (AU) - European Union (EU) Partnership" instead of "Africa - EU

- partnership”;
- iii) the holding of a Senior Officials and a Ministerial meeting that will precede the 5th AU-EU Summit to be held on 29 - 30 November 2017 in Abidjan, Cote d'Ivoire and request the PRC in close collaboration with the Commission to agree with the European side on the final dates for the Senior Officials and Ministerial meetings to be communicated in due course;

13. **REQUESTS** the PRC in close collaboration with the Commission to prepare and negotiate with the European side, the outcome documents of the 5th AU-EU Summit;
14. **RECALLS** its Decision EX.CL/Dec 942(XXX) taken during the Thirtieth Ordinary Session held on 25 - 27 January 2017 on the future of the African, Caribbean and Pacific Group of States (ACP) and the prospect of ACP - European Union Relations for the period Post - 2020 (Cotonou Agreement) and **REQUESTS** the PRC in collaboration with the Commission, the African Group of Ambassadors in Brussels, the RECs and African experts to develop an African Common Position on Post - 2020 Cotonou Agreement for consideration by the Executive Council prior to the Ministerial meeting that will precede the AU - EU Summit in Abidjan, Cote d'Ivoire, bearing in mind the obligations that some Member States have with the EU;
15. In this regard, **MANDATES** the PRC to convene a retreat to jointly conclude the elaboration of a draft Declaration and other documents for the 2017 AU-EU Summit in cooperation with the Commission and the Africa Group in Brussels and submit to an Extraordinary Session of Council in August/September 2017 to consider the same documents and adopt the African Common Position;
16. **RECALLS** the necessity to respect the principle of non-interference in the internal affairs of States in accordance with the United Nations Charter and the Constitutive Act of the African Union; and **DENOUNCES** the unjust unilateral sanctions against States and citizens of AU Member States;

D. Strengthening of the Institutional Capacity of the Commission (Partnerships Management and Coordination Division)

17. **REAFFIRMS** its Decision, EX.CL/Dec.942 (XXX), Paragraph 2.vi, which called for the strengthening of the institutional capacity of the Commission (Partnerships Management and Coordination Division), and **REQUESTS** the PRC in collaboration with the Commission to expedite action in this regard;

III. ON HEADQUARTERS AND HOST AGREEMENTS - Doc. EX.CL/1016(XXXI)

18. COMMENDS:

- i) the spirit of fraternity exerted in addressing matters between the Host Country and the Commission;

- ii) the PRC Sub-Committee on Headquarters and Host Agreements for its guidance in fulfilment of the Headquarters Agreement.

19. **NOTES WITH CONCERN** the numerous outstanding matters in the matrix of pending issues;
20. **REQUESTS** the Host Country of the AU Headquarters and the Commission to accelerate the resolution of all pending matters based on timelines set by the PRC Sub-Committee on Headquarters and Host Agreements;
21. **REITERATES** the need for the Host Country of the AU Headquarters to comply with all applicable international rules on immunities and privileges and the AU Headquarters agreement;
22. **REQUESTS** timely communication to all Permanent Missions of AU Member States and Commission on changes to domestic regulations, rules and policies that affect the privileges immunities and facilities enjoyed by officials of Member States and staff members of the Commission;
23. **FURTHER REQUESTS** PRC Sub-Committee on Headquarters and Host Agreements and the Commission to undertake a review of the Headquarters Agreement with the view to enhancing its implementation;
24. **TAKES NOTE** of the request of the Host Country of the Headquarters to be a permanent member of the Sub-Committee on Headquarters and Host Agreements as well as to have a Liaison Office within the premises of the AU Headquarters and **REQUESTS** the PRC Sub-Committee on Headquarters and Host Agreements to consider the request and make its recommendations for consideration by the PRC;
25. **REQUESTS** the Commission
 - i) to bring to the attention of the PRC Subcommittee on Headquarters and Host Agreements other implementation issues related to Organs, Institutions and Offices outside the Headquarters of the Union;
 - ii) to report on the implementation of this decision during the AU Summit of January 2018.

IV. **ON AUDIT MATTERS - Doc. EX.CL/1016(XXXI)vi**

26. **CALLS UPON** the Commission and AU organs to address the issues raised by the PRC Sub-Committee on Audit Matters including the following:
 - A. **On Commission Budget Performance for the year 2016:**
27. **REQUESTS** the Commission to:

- i) facilitate the budget only those programmes that have secured funding and use supplementary budget if additional funds are secured after the approval of the budget;
- ii) consider modalities for financing the various Agenda 2063 Flagship projects by consulting with the relevant stakeholders with a view to developing investment vehicles through which the diaspora, the private sector, and others can be incentivized to participate in financing the AU flagship projects;
- iii) urge departments to budget according to the priority areas to avoid over-budgeting;
- iv) engage Partners with a view to understand why they could not fund the programs that they pledged on.
- v) adjust the scheduling of programs to reflect the timing of the funds availability;
- vi) take concrete measures to address cases of financial mismanagement including implementing disciplinary and judicial measures
- vii) appoint a team of independent auditors to regularly audit the financial records of the Union to ensure transparency and accountability and forward the reports to Member States;
- viii) the Pass-Through-Projects should be excluded from the overall AU budget and be treated separately.

B. On the Implementation Matrix of Audit Recommendations:

28. REQUESTS the Commission:

- i) to strictly enforce the sanction regime provided in the relevant Rules and Regulations of the Union on any official or staff member who fails to implement audit recommendations and disciplined in accordance with the provisions of the Staff Rules and Regulations of the Union, in order to ensure accountability;
- ii) to consider the outcome of audits (i.e. implementation rate of audit recommendations) as part of the Performance Appraisal system of AU.
- iii) to strictly implement the Policy for Debt Collections and Write-offs. The policy should be implemented strictly and any proposal for write-off should be based on investigation, taking into account all the recovery options. In the meantime, the Commission to continue to recover all the outstanding receivables;
- iv) to enhance and computerize with a view to ensure that all staff records including the debts/loans are accurately captured.

- v) the Report on Matrix of Audit Recommendations to provide specific details of action taken and state clearly the status of what exactly is still in progress along with a deadline.
- vi) to institute Financial Sanction for non-performance of departments. In this regard, the departments/organs should be given budget allocation based on:
 - a) The rate of their previous budget execution;
 - b) The implementation rate of the audit recommendations.
- vii) there is need to schedule a joint PRC Subcommittee (Audit Matters and General Supervision) meeting with the Deputy Chairperson of the Commission (DCP) sometime after the June/July 2017 Summit in order to discuss in detail the financial and administrative matters facing the Commission with a view to ensure a positive change takes place. The meeting should come up with a Progress Report to be tabled to the PRC meeting;
- viii) the Office of Internal Audit (OIA) should assist to place responsibility i.e. determine the Officers responsible for the losses caused by the noncollection of debts when staff separated (based on the list of debts for writeoff) and in accordance with the existing AU policies. Disciplinary action should be taken on the culprits;

29. REQUESTS the Commission to report on the implementation of this decision during the AU Summit of January 2018.