

**DECISION ON THE REPORT OF THE JOINT SITTING OF THE MINISTERIAL COMMITTEE ON SCALE OF ASSESSMENT AND CONTRIBUTIONS AND THE COMMITTEE OF FIFTEEN MINISTERS OF FINANCE (F15) - Doc. EX.CL/1444(XLIII)**

**The Executive Council,**

1. **TAKES NOTE** of the Report of the Joint Sitting of the Ministerial Committee on Scale of Assessment and Contributions and the Committee of Fifteen Ministers of Finance (F15) held on the 10<sup>th</sup> of July 2023.
  - a. **On the Status of Member States contributions to the Regular Budget and Peace Fund:**
2. **RECALLS** Decision Assembly/AU/Dec.802(XXXIV) of February 2021 in Addis Ababa, Ethiopia, through which the Assembly decided to delegate its powers to the Executive Council, to apply the AU Sanction Regime, pursuant to the provisions of Article 23 (1) of the Constitutive Act and Rule 36 of the Rules of Procedure of the Assembly.
3. **COMMENDS** Member States for contributing **US\$131,336,144.73**, equivalent to **64%** of the **US\$205,000,000** assessed contribution for the 2023 Regular Budget.
4. **ALSO COMMENDS** Member States for contributing since 2017, **US\$306,626,600.65** towards the AU Peace Fund, demonstrating a high level of commitment by the Union to fully operationalize the Fund. In that regard, **CONGRATULATES** the Republic of Côte d'Ivoire, Republic of Equatorial Guinea, Republic of Eritrea, Federal Democratic Republic of Ethiopia, Republic of Gabon, Republic of the Gambia, Republic of Kenya, Kingdom of Morocco, Republic of Mozambique, Republic of Namibia, Republic of Niger, Nigeria, Republic of Rwanda, Republic of Seychelles, Republic of Sierra Leone, United Republic of Tanzania, Republic of Zambia and Republic of Zimbabwe for making full contributions to the Peace Fund over the assessment period 2017-2023.
5. **FURTHER COMMENDS** Member States that have made full contributions on their 2023 assessments and **ENCOURAGES** Member States to pay their assessed contributions in full as per Rule 23(1) of the AU Financial Rules, taking into consideration the differences in financial years of Member States.
6. **DECIDES** to impose sanctions on the following Member States that have fallen back on the payment of their assessed contributions:
  - a. **Cautionary sanctions:** Benin, Cape Verde, Central African Republic, Congo, Eswatini, Guinea Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, South Sudan, Togo.
  - b. **Comprehensive sanctions:** Guinea, Sao Tome and Principe

7. **REQUESTS** the Commission to expedite the implementation of the multi-annual planning and budgeting framework to allow Member States to plan their annual assessed contributions, and as well for International Partners to plan their commitments to the budgets of the African Union.  
  
**b. On Member States experiencing force majeure circumstances making them temporarily unable to pay their assessed contributions**
8. **RECALLS** Decision **EX.CL/Dec.1071(XXXV)** of July 2019 which considered the security and political situation of Somalia and Libya and withheld the imposition of sanctions for non-payment of contributions, and which requested the Commission to consult with the two countries to agree on a payment plan to clear the arrears within four (4) years from the adoption of the Decision.
9. **FURTHER RECALLS** Decision **Assembly/AU/Dec.752(XXXIII)** of February 2020 which took note of the requests from the Republic of Burundi and the challenges the country faced in meeting its annual contributions to the Union, and the request to the Commission to engage with Member States facing difficulties paying their contributions to the Union and those in arrears for two (2) or more years in order to agree on the payment plan for clearing their arrears.
10. **ALSO RECALLS** Decision **EX.CL/Dec.1119(XXXVIII)** of February 2021 which took note of the request from the Republic of Sudan on the need to review its assessed contribution and requested the Commission to consult with the Republic of Sudan based on the current Scale of Assessment to agree on a Payment plan to clear the arrears as soon as possible, within four (4) years from the adoption of the Decision.
11. **RECALLS** Decision **Assembly/AU/Dec.802(XXXIV)** of February 2021 which endorsed the payment plans for the Republic of Somalia and Republic of Burundi to clear their arrears.
12. **FURTHER RECALLS** Decision **EX.CL/Dec.1138(XXXIX)** of October 2021 which urged the State of Libya and the Republic of The Sudan to conclude the engagements with the Commission to agree on their respective payment plans for settling their arrears and report back to the Executive Council in February 2022.
13. **ALSO RECALLS** Decision **Assembly/AU/Dec.838(XXXV)** of February 2022 which decided exceptionally and given the well-known long-standing complex situation in Libya that upon full payment by the State of Libya of 50% of their arrears, the Commission shall write-off the 50% of the contributions to the regular budget due to the organization.
14. **RECALLS** Decision **EX.CL/Dec.1185(XLI)** of July 2022 which **COGNIZANT** of the lack of progress made in agreeing on a payment plan between the

Commission and the Republic of The Sudan on the payment of the latter's arrears, urged both parties to urgently conclude on the matter and report back to the Executive Council in February 2023.

15. **FURTHER RECALLS** Decision **EX.CL/Dec.1213(XLII)** of February 2023 which noted with appreciation efforts made by the State of Libya to pay its arrears (paid US\$15,376,866.54 of arrears amounting to US\$64,945,479 as at the time when the Decision was taken in February 2022) and encouraged the Member State to settle the 50% of its arrears as per Decision Assembly/AU/Dec.838(XXXV) for the Commission to effect the necessary write-off of the remaining 50% of its arrears, and also noted with concern the accumulation of arrears of the Republic of Sudan to the Union's budgets and strongly encouraged the Commission and the Republic of Sudan to urgently agree on a payment plan and report back to the Executive Council in July 2023.
16. **NOTES WITH CONCERN** the non-adherence by the Republic of Burundi and the Republic of Somalia to the remittance schedules to clear their arrears, and **STRONGLY ENCOURAGES** both Member States to comply with the agreed payment plans.
17. **URGES** the State of Libya to intensify efforts to settle balances on the 50% for the Commission to effect the necessary write-off of the remaining 50% of its arrears, and as well agree on a payment plan with the Commission on payment of accumulated arrears for subsequent years since the adoption of the Decision.
18. **STRESSES** the need for the Commission and the Republic of the Sudan to urgently agree on a payment plan and report back to the Executive Council in February 2024.

**c. On the African Union Scale of Assessment to be applied for the period 2024-2026**

19. **RECALLS** Decision EX.CL/Dec.1138(XXXIX) of October 2021 which directed the Commission, supported by the Experts of the Committee of Fifteen Ministers of Finance (F15), to expedite the process of developing the new scale of assessment to be applied for the period 2023-2025 and present proposals for consideration and adoption by the Policy Organs in February 2022.
20. **FURTHER RECALLS** Decision EX.CL/Dec.1162(XL) of February 2022 which took note of the report of the Joint Sitting of the Ministerial Committee on Scale of Assessment and Contributions and Committee of Fifteen Ministers of Finance (F15) on the development of the new scale of assessments and the recommendation to give more time to the Commission and F15 Experts to gather additional data that will, in the context of COVID-19 pandemic, better reflect Member States' capacity to pay and for the necessary regional

consultations to be undertaken, and the recommendation to the Assembly to extend the 2020-2022 Scale by one year up to 2023.

21. **ALSO RECALLS** Decision Assembly/AU/Dec.838(XXXV) of February 2022 in which the Assembly decided to extend the application of the current scale of assessment 2020- 2022 by one year up to 2023.
22. **RECALLS** Decision **Assembly EX.CL/Dec.1185(XLI)** of July 2022 which took note of the roadmap agreed on by the Commission and F15 on the development of the new scale of assessment and in line with Decision Assembly/AU/Dec.838(XXXV), and requested the Commission with the support of the F15 to develop the new scale of assessment to be applied for the period 2024-2026 and, following the due process, present it to the Assembly for adoption in February 2023 including the relevant consultations.
23. **FURTHER RECALLS** Decision EX.CL/Dec.1213(XLII) of February 2023 which took note of the three Options proposed for the AU successor Scale of Assessment for the period 2024-2026 and approved the request by Member States for additional time to undertake further consultations with the relevant Experts at their respective Capitals, mindful of enduring social and economic challenges in the context of the COVID-19 pandemic, effects of the Russia-Ukraine conflict, inflationary pressures, debt surge, and the increasing negative effects of climate change among other factors, that impact on Member States' capacity to pay, and subsequently requested the Commission and F15 Experts to agree on a roadmap for undertaking the necessary regional consultations, and following due process, present a single option for consideration and adoption by the Executive Council in July 2023.
24. **ALSO RECALLS** Decision Assembly Assembly/AU/Dec.863(XXXVI) of February 2023 which decided to delegate to the Executive Council the powers to adopt the new scale of assessment in July 2023.
25. **TAKES NOTE** of the recommendation to maintain the African Union Scale of Assessment for the period 2020-2023 and **DECIDES** to maintain it for application during the period 2024-2026.

**d. On the matter of assessments to the Peace Fund for the six Member States from the Northern Region with reservations:**

26. **RECALLS** Decision EX.CL/Dec.1119(XXXVIII), which mandated the Commission to continue bilateral consultations with countries according to the reservations on Decision EX.CL/Dec.1100(XXXVII) on the use of the scale of assessment for the regular budget to assess Member States to the AU Peace Fund with a view to arriving at the appropriate mechanism for assessing the Peace Fund as long as it does not affect the consensus already agreed on the matter and the reservations made thereof;

27. **FURTHER RECALLS** Decision EX.CL/Dec.1162(XL), which: took note of the proposal made by the six (6) Member States of the Northern Region that expressed reservations on Decision EX.CL/Dec.1100(XXXVII) on the use of the scale of assessment for the regular budget to assess Member States to the AU Peace Fund and its implications on the total endowment of the Peace Fund; directed the Commission to work closely with the F15 and the Office of the Legal Counsel to analyze the proposals made and the implications thereof; recommended solutions in accordance with the legal framework of the Union; and further directed the Commission, guided by the solutions recommended thereof, to continue consultations with the concerned Member States from the North and other regions to agree on a mechanism for contributions to the Peace Fund and report back to the Executive Council in July 2022;
28. **ALSO RECALLS** Decision EX.CL/Dec.1213(XLII) of February 2023 which took note of the outcome of the regional consultations undertaken by the Commission on the matter of assessing Member States to the Peace Fund and endorsed the recommendation to assess contributions to the Peace Fund, for Member States with reservations, in accordance with their proposal as noted by the Executive Council through its Decision EX.CL/Dec.1162(XL) of February 2022 and further requested the Commission and the six (6) countries of the Northern Region to expeditiously agree on the payment plans for the outstanding contributions to the Peace Fund and submit the outcome report to the Executive Council in July 2023, following due process.
29. **COMMENDS** the People's Democratic Republic of Algeria and the Islamic Republic of Mauritania for making full contribution to the Peace Fund and **CONGRATULATES** countries in the Northern region that have agreed on payment modalities for outstanding contributions to the Peace Fund and **REQUESTS** the Commission to expedite the conclusion of payment plans and report back to the Executive Council in February 2024.
30. **REQUESTS** the Commission to fully operationalize the role of the Committee of Fifteen Ministers of Finance (F15) as per Rule 94 of the African Union Financial Rules, including Peace Fund and special funds oversight.
31. **FURTHER REQUESTS** the Commission through the Peace Fund Secretariat to explore modalities for seeking voluntary contributions from Member States and contributions from the African private sector as a recommendation to fill the shortfall of \$28,136,379.12 on the \$400 million endowment, and report back to the Executive Council in February 2024.