

AFRICAN UNION

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EXECUTIVE COUNCIL

Twenty-First Ordinary Session

9 – 16 July 2012

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**REPORT OF THE AD-HOC COMMITTEE ON
SCALE OF ASSESSMENT**

REPORT OF THE AD-HOC COMMITTEE ON SCALE OF ASSESSMENT

I. Attendance

1. The meeting was chaired by Ms Maite Nkoana-Mashabane, Minister of International Relations and Cooperation of the Republic of South Africa and was attended by the following Members:

| | | | |
|-------|-------------------|---|---------|
| i) | South Africa | - | (Chair) |
| ii) | Kenya | - | Member |
| iii) | Mauritius | - | Member |
| iv) | Chad | - | Member |
| v) | Ghana | - | Member |
| vi) | Algeria | - | Member |
| vii) | Namibia | - | Member |
| viii) | Equatorial Guinea | - | Member |
| ix) | Libya | - | Member |
| x) | Malawi | - | Member |
| xi) | Nigeria | - | Member |

II. Agenda

2. The following agenda was adopted:

- i) Consideration of the AU Commission report on the scale of assessment to be paid by South Sudan;
- ii) Any other Business.

III. Opening Remarks

3. In her opening remarks Minister Nkoana-Mashabane welcomed members and recalled the purpose of the meeting which was to determine how much the new member, the Republic of South Sudan should be assessed. She reminded the Committee that the Republic of South Sudan was a completely new entity and that it was the responsibility of the African Union family of nations to nurture the young nation and to allow it to grow. She indicated that a political decision was necessary, which would allow the Republic of South Sudan to make some contribution, no matter how small, in order to nurture sense of pride and belonging. She also indicated that much as the Republic of South Sudan was admitted to the African Union in July 2011, the Committee should appreciate the fact that the necessary financial infrastructure was inadequate at independence. She then invited the representative of the African Union Commission to present the report.

4. The representative of the Commission informed the meeting that the current scale of assessment was based on the capacity to pay, which was measured by Gross Domestic Product and adjusted against population and debt stock of a member state. At the moment the Republic of South Sudan is unable to provide the necessary information

and statistics to enable other international organisations, which it has joined, such as the United Nations and the African, Caribbean and Pacific Group, to realistically assess its contribution. Given the circumstances, the Committee could take a political decision on the contribution that should be made pending the global review of the current scale of assessment that will be done in 2013. He therefore proposed that South Sudan be allowed to pay a token floor rate of 0.50 percent, which was the highest floor rate. This rate was chosen on the understanding that South Sudan would continue to export its oil reserves. However, it was recognized that this was not currently the case.

IV. Debate

5. In the debate that ensued, members expressed their understanding for the situation of the Republic of South Sudan and expressed their support to ensure the new nation is not overburdened at this admission stage. They agreed that political independence and financial independence did not come at the same time. They also took cognizance of the current political and economic challenges that have hampered the transition of the new nation. They shared the view that for its own pride and sense of belonging, South Sudan should make some token financial contribution while it grapples with the challenges of economic development and nation building.

V. Any Other Business

6. Under this item the Committee briefly reflected on the loss of oil revenue to the Republic of Sudan arising from the independence of the South Sudan and its likely impact. The Committee agreed that this was a real challenge that could not be ignored much as it was premature for the Committee to quantify this in lieu of available data. It observed that due consideration should be given to this loss so that the Republic of Sudan may be fairly assessed in 2013.

VI. Conclusion and Recommendations

7. The Committee concluded its discussions on this matter with the following recommendations:

- The Commission should work with the relevant international bodies to obtain the necessary statistical data and development indicators that will be used to determine the capacity of the Republic of South Sudan to pay its assessed membership contribution to the African Union, which will be determined in 2013;
- In lieu of the assessed contribution the Republic of South Sudan should make a nominal contribution at rate of 0.30 percent of the current rate of assessment and that this should take effect from 1 January 2012;
- The general review on the scale of assessment in 2013 take into account the effects of the independence of the Republic of South Sudan on the Republic of Sudan.

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