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**REPORT OF THE SUB-COMMITTEE ON ADMINISTRATIVE,
BUDGETARY AND FINANCIAL MATTERS**

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**MEETING OF THE PRC ADVISORY SUB-
COMMITTEE ON ADMINISTRATIVE,
BUDGETARY AND FINANCIAL MATTERS
26 October 2016
Addis Ababa, Ethiopia**

Sub-Cttee/2016/Suppl/Rev.1

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ADMINISTRATIVE, FINANCIAL AND BUDGETARY MATTERS**

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REPORT OF THE PRC ADVISORY SUB-COMMITTEE ON ADMINISTRATIVE, FINANCIAL AND BUDGETARY MATTERS

A. INTRODUCTION

1. The meeting of the PRC Advisory Sub-Committee was held on 26 October 2016 to consider 2016 Mid-Term Execution report as well as supplementary proposals to the 2016 budget.

B. ATTENDANCE

2. The meeting was chaired by the Ambassador and Permanent Representative of Tunisia to AU, H.E. Mr Sahbi Khalfallah.

3. It was attended by the following Member States:

- | | |
|---------------------------------------|--------------------------|
| i. Algeria | xix. Malawi |
| ii. Angola | xx. Mauritius |
| iii. Benin | xxi. Namibia |
| iv. Botswana | xxii. Nigeria |
| v. Burkina Faso | xxiii. Saharawi Republic |
| vi. Burundi | xxiv. Senegal |
| vii. Chad | xxv. Seychelles |
| viii. Democratic Republic of
Congo | xxvi. Sierra Leone |
| ix. Ethiopia | xxvii. South Africa |
| x. Egypt | xxviii. South Sudan |
| xi. Gabon | xxix. Swaziland |
| xii. Ghana | xxx. Tanzania |
| xiii. Kenya | xxxi. Togo |
| xiv. Lesotho | xxxii. Tunisia |
| xv. Liberia | xxxiii. Uganda |
| xvi. Libya | xxxiv. Zambia |
| xvii. Madagascar | xxxv. Zimbabwe |
| xviii. Mali | |

C. AGENDA

4. The agenda submitted was adopted as follows:

- a) Opening remarks
- b) Organization of Work
- c) Adoption of the draft agenda
- d) Consideration of the Mid-Term Budget Execution Report
- e) Consideration and deliberation on the 2016 Supplementary Budget Request
- f) Any Other Business (AOB)

D. OPENING REMARKS

5. The meeting was called to order by the Chairperson of the Advisory Sub-Committee on Administrative, Budgetary and Financial Matters, H.E. Ambassador Sahbi khalfallah who welcomed all present and thanked Member States representatives for making themselves available and the AU Commission for making the meeting possible. He went on to inform participants that the meeting was meant to consider report on mid-term Budget Execution for 2016 and supplementary proposals to the 2016 budget of the AU Commission and other AU Organs.

Remarks by H.E. the Deputy Chairperson (DCP) of the African Union Commission

6. In his remarks, H.E. the Deputy Chairperson provided a highlight of the following:

- a) Progress of 2016 budget implementation at midterm;
- b) Key proposals in the Supplementary budget request;
- c) Progress on the status of the Kigali decision on Financing of the Union; and
- d) Preparation of the 2018 budget.

7. In introducing the 2016 Mid-Term budget execution, he informed the meeting that 75% of Member States assessed contribution was received as at the date of the meeting, which was exceptional in many years. He commended Member States for honouring their assessed contribution commitments on time and called upon other Member States that have not yet contributed to do so before the end of the year.

8. On the status of implementing the Kigali decision on Financing of the Union (FoU), the meeting was informed that following the Ministers of Finance meeting in Addis Ababa and in Washington DC, good progress was registered to the extent that modalities for implementing the FoU initiative have been drawn and agreed upon. The modalities have included provisional arrangement for a transition period for countries that may not be ready to implement the initiative from January 2017.

9. On the 2018 budget, the meeting was informed that the Budget Framework Paper was prepared and circulated to all Member States. However, the document continues to be improved and Member States were encouraged to submit inputs anytime even before the meeting to consider the same is held.

10. In conclusion, H.E. the DCP re-assured the meeting that the requested Supplementary budget will be spent by the end of the year, and that the budget execution rate will improve considerably also by the end of the year.

E. CONSIDERATION OF THE 2016 MIDTERM BUDGET EXECUTION REPORT OF THE AFRICAN UNION

Presentation by the African Union Commission

11. The AU Commission presented the 2016 mid-term Budget Execution report with the following salient features:

- i) The approved budget for 2016 was **US\$446,856,100** out of which an amount of **US\$296,352,285** was allocated to the Program Budget representing 66% of the total budget while **US\$150,503,875** representing 34% was allocated to the Operational Budget.

	Annual Budget (US\$)		
Year	Operational	Program	Total
2016	150,503,875	296,352,285	446,856,160
2015	143,723,131	303,150,905	446,874,036
% Change	4.7%	-2.2%	-0.004%

Financing of the Union's Budget

12. From the 2016 approved budget, an amount of **US\$169,833,340** was expected to be financed by Member States while the balance of **US\$277,022,819** was to come from partners.

Revenue Received as at 30th June 2016

13. At the end of the 2nd Quarter of 2016, a total sum of **US\$64,499,059.65** was received from Member States out of **US\$169,833,340** assessed for the 2016 budget of the African Union, representing **38%** of the fund expected. The development partners had disbursed an amount of **US\$100,642,383.52**, representing approximately **36%** of their commitments.

African Union Budget Execution

14. The overall expenditure for the Union stood at **US\$90,784,624**, representing **20%** of the total approved budget of **US\$446,856,160**, as at 30th June, 2016, which was lower compared to a 25% execution for similar period in 2015.

15. The execution rate when computed against the total available funds of **US\$271,860,633** stood at **33%** with 32% for Operational budget and 35% for Program budget.

Comments by Member States

16. Subsequent to the Commission's presentation, Member States made the following comments and observations:

- i) Commended the Commission for efforts taken to collect 75% of the assessed contribution on Member States and noted that it was encouraging.
- ii) Sought clarification on measures that were taken by the Commission to ensure that Member States paid 75% of what was assessed in 2016 as this has happened for the first time in many years;
- iii) With regard to the non-payment or delays in payment by partners, Member States sought to know whether there had been any dialogue between the Commission and the partners to ensure that funds were disbursed on time;
- iv) Requested the Commission to provide an insight of programs that contributed to the budget execution rate of 32%;
- v) Observed that the low execution rate on the budget has sustained over the years and questioned whether the budgeting exercise was conducted properly;
- vi) Requested the Commission to outline measures to be taken between now and the end of the year that will make budget execution rate reach acceptable levels;
- vii) Sought clarification on the budget execution of 35% for payment of salaries as it was not proportionate to the anticipated 50% execution at midyear;
- viii) Enquired if indicative execution rates for up to September 30, 2016 were available so as to supplement information already provided, and assist with evaluating the Supplementary budget request;
- ix) Wanted to know if re-prioritization of the programs to be executed for the remainder of the year can be done first in light of huge budget balances as a result of low budget execution at midpoint so that there is proper information to help with the discussion on Supplementary budget request;
- x) Sought clarification on why there was 'zero' execution on Technical Assistance budget;

Responses from the Commission

17. Factors that led to increased remission of Member States assessed contribution in 2016 include the following:

- i) Heightened attention on budget issues, especially on the inability by the Union to pay staff salaries;
- ii) Ministers of Finance have been involved on budget related issues through the FoU initiative, which led them to begin to appreciate the needs of the Union;
- iii) The Chairperson of the AU Commission also made personal follow up through letters to Heads of State and Government;
- iv) Frequent meetings with partners to review program implementation and disbursement.

18. For Member States that have not yet paid their dues they will receive frequent reminders in addition to having one-on-one meetings with concerned countries to ensure that an agreement is reached on when funds will be remitted to the AU Commission;

19. Admitted that it was difficult to attribute expenditure to a specific program due to incompatibility of system currently in use by Union institutions. It is also difficult to trace expenditure from entry point to end point. A new budget module is being introduced to resolve the problem;

20. Pointed out that frequent reporting and discussion on the budget with spending units will help boost the budget execution rate at the end of year;

21. Low execution on the staff salaries budget line was as a result of new staff that were expected to assume their positions earlier in the year but reported later during the reporting period. A number of staff have also left the Union during the reporting period;

22. On the indicative execution rate for the Union as at 30 September, it was indicated that a 42% and 45% fund absorption rate was registered under the Operational and Program budgets, respectively on released funds;

23. Regarding 'zero' spending on Technical Assistance (TA), it was mentioned that a correct narrative will replace the one currently in the section so that it portrays the true picture in the management of TA;

Recommendations

24. The Sub-Committee adopted the report and recommends to the PRC that:

- a) **Organs of the Union to take corrective measures and show progress in the future to improve the low rate of execution on both the Operating and Program budgets.**
- b) **Organs of the Union to consider revising their budget modalities in order to prepare budgets that conform to resource mobilization realities.**

F. CONSIDERATION OF THE 2016 SUPPLEMENTARY BUDGET REQUEST

25. The AU Commission presented, on behalf of all AU Organs, a total Supplementary budget request of **US\$41,422,136**, representing 9.3% of the original approved budget for 2016. The meeting was informed that this comprised a request on the Operating budget of **US\$1,984,158** and a request on Program budget of **US\$39,437,978**. Of the total request, an amount of **US\$2,113,997**, representing 5.1% was to be financed with Member States funds while **US\$39,308,139** was secured from development partners.

26. The meeting was informed that Member States funds were earmarked to support unavoidable expenditures, such as meeting staff cost obligations of PANVAC, AOSTI office in Malabo, and for modernization of conference facilities at the New York Office in the USA. The meeting was further informed that the request for AOSTI office was revised downwards to US\$13,000 after savings were identified from similar budget lines to pay off the salaries.

General comments by Member States

- i) Proposed that the Supplementary budget request being presented be dealt with by the Ministers of Finance's Committee of Ten (F10) in accordance with the Kigali Decision; however, it was corrected that the Sub-Committee on Budgetary Matters was the relevant authority to deliberating on the draft Supplementary budget while the F10 may receive a report after the PRC has pronounced itself on the report of this Advisory Sub-Committee;
- ii) Observed that certain requests for supplementary budget should be dealt with by the AU Commission if they had authority to reallocate instead of bringing the entire supplementary request before the Advisory Sub-Committee;

Response from the Commission

- i) Provided the definition of the Supplementary Budget as contained in the AU Financial Rules and Regulations (FRR) under Article 17 (1) paragraphs (a) to (d). This was in response to questions relating to the suitability of some supplementary budget requests tabled before the Advisory Sub-Committee;
- ii) Agreed with the proposition that the AU Commission should be able to reallocate from one budget item with low execution rate to those that need funds but explained that doing so will be in violation of the AU FRR. Article 17 of the FRR allows reallocation up to 5% of the approved Operating budget. The AU FRR does not provide for the revision of AU budget at midpoint or at any time during its implementation where such concerns can be addressed;
- iii) Concurred with the observation that the F10 be involved in the deliberation and approval of the Supplementary budget request. However, the Commission proposed that the issue be discussed at a different forum where the relationship between the Sub-Committee on Administrative, Financial and Budgetary matters and other Sub-Committees with the F10 will be clarified;

Following the general comments and responses that ensued each supplementary request was considered:

OPERATIONAL BUDGET

I. New York Office (Bureau of the Chairperson)

27. A supplementary budget request of **US\$473,000** was made which comprised the Medical Scheme of **US\$73,000** to cater for a shortfall in the budget for 2016 for the medical insurance and an amount of **US\$400,000** for the modernization of the conference system to level of AU Headquarters' conference facilities.

Comment by Member States

- i) Sought clarification on why the modernization of the New York office's Conference facility was being treated as supplementary when it was a capital expenditure item which was supposed to be provided for in the normal budget;
- ii) Requested for information as to where funds to finance renovation of the New York conference facility would come from;
- iii) Observed that modernization of the conference facility may not complete within the remaining two months as it was a large capital project;
- iv) Requested for more information on the AU medical Scheme and why they were requesting for extra funds.

Responses from the Commission

- i) Explained that modernization of the New York Conference facility was necessary in order to bring it to the standards of the conference facilities at the Headquarters, and also to allow delegates sitting behind pillars to participate in the deliberations. The pillars that stand in the middle of the Conference room block participants' view of the presiding table. Its renovation would save approximately US\$16,000 in hiring of conference equipment each time a meeting takes place at the Office;
- ii) All preliminary procurement requirements relating to the modernization of the conference facility were satisfied pending the approval of the budget whose fund will be drawn from the Maintenance Fund. The meeting was assured that work would complete within 2 months after the budget for its modernization was approved;
- iii) The funds required for the Medical Scheme is to cover the short fall in meeting the monthly medical insurance premium. The approved budget of US\$330,750 was short by the requested amount which could not be available during budget approval stage due to budgetary constraints.

Recommendations:

28. The Sub-Committee recommends the following supplementary provisions for the New York office (Operational budget):

- a) Endorsed a total budget of US\$473,000 broken down as follows:**
 - i) US\$73,000 for payment of Medical Insurance to be financed from Member States fund;**
 - ii) US\$400,000 for modernisation of the Conference System to be sourced from the Maintenance Fund.**

II. Bureau of the Deputy Chairperson

29. A Supplementary budget request of **US\$94,241** was tabled for purposes of supporting activities of the Ad-Hoc Administrative Tribunal amounting to **US\$74,241** and to top up on the Official Missions budget by **US\$20,000**.

Comment by Member States

- i)** Sought further clarification and explanation on the supplementary budget request for the Administrative Tribunal and why the same was not considered in the initial budget for 2016.

Responses from the Commission

- i)** The requested supplement budget for the Administrative Tribunal was meant to meet the costs of an additional session of 10 days to be held in December 2016 to review cases that are against the Commission. They are meant to cater for honorarium, air tickets, interpretation, daily subsistence allowance, among other costs. Similarly, the current Tribunal's budget was prepared before its current Secretary assumed duties.

Recommendations:

30. The Sub-Committee recommends the following supplementary provisions for the Bureau of the Deputy Chairperson (Operational budget):

- a) Endorsed a total budget of US\$94,241 to be financed from Member States fund. This is broken down as follows:**
 - i) US\$74,241 for the Ad-Hoc Administrative Tribunal activities;**
 - ii) US\$20,000 for the Official Mission.**

III. Administration Human Resources Management (AHRM)

31. The representative of the AHRM presented a budget of **US\$816,117** broken down as follows:

- i) **Payment of rent arrears of US\$494,199** for the Addis Export Building in Addis Ababa;
- ii) **Payment of staff liabilities of US\$321,917** to Ambassador Yilma, a Senior Representative at MINURSO who was paid salary at a lower grade since his appointment in November 2000. The Compensation and Benefit Review Taskforce corrected the anomaly and recommended in 2011 that he be paid salary at grade D1 step 5 and receive salary arrears from 2007 to 2010, which amount to US\$223,788. This also applied to Mr Nicolas Amouzou Komi who was to get salary arrears at a total amount of US\$123,506.97. The latter has since received US\$25,377.96 out of the amount due to him.

Comments by Member States

- i) Requested additional information on the payment of rent to the Addis Export building in Addis Ababa and how it was related to the payment of rent to the residence of the DCP as what has been provided in the document is not clear;
- ii) Wondered why the staff liabilities were being brought through the supplementary budget and not provided for in the earlier annual budgets;
- iii) Proposed that the identified staff liabilities be paid from the savings realized through vacant positions not filled as at June 30, 2016.

Responses from the Commission

- a) The meeting was informed that payment of arrears for the Addis Export Building was provided for in the previous budgets. But due to an immediate requirement to settle arrears for the Washington DC office, which was attracting a heavy penalty, funds were diverted to meet this cost with a view to settle the former arrears at a later date;
- b) Regarding payment of staff liabilities, the meeting was informed that upon a thorough investigation by the Commission's Internal Audit and Legal departments, a conclusion was reached to settle the payments. The meeting was further assured that similar situations will not be experienced again since stronger policies have now been put in place to avoid their recurrence;
- c) Informed the meeting that the Commission foresees savings on staff related costs. The Commission intends to use savings to meet payment of staff liabilities that are requested under the Supplementary budget.

Recommendations:

32. The Sub-Committee recommends the following supplementary provisions for AHRM (Operational budget):

- a) **Endorsed a total budget of US\$816,117 broken down as follows:**

- i) **US\$494,199 for arrears of rentals for the Addis Export Building to be financed from Member States fund;**
- ii) **The staff liabilities of US\$321,918 to be paid from the savings from vacant positions.**

IV. AOSTI

33. Requested an amount of US\$13,000 to meet the cost of motor vehicle insurance of US\$4,600, telephone costs of US\$5,200, fuel and lubricants costs of US\$2,400, and stationary and other expenses of US\$ 800.

Comment by Member States

- i) Sought clarification on the rationale for including operational costs in the Supplementary Budget which would otherwise be in the normal budget.

Responses from the Commission

- i) The operational costs for the office were meant to be supported from the seed money provided by the host country. However, these have remained unpaid for the past two years.

Recommendations:

34. The Sub-Committee recommends the following supplementary provision for AOSTI (Operational budget):

- a) **Endorsed a total budget of US\$13,000 to be financed from Member States fund. This is broken down as follows:**
 - i) **motor vehicle insurance: US\$4,600,**
 - ii) **telephone costs: US\$5,200,**
 - iii) **fuel and lubricants costs: US\$2,400, and**
 - iv) **Stationary and other expenses: US\$800.**

V. AU-PANVAC

35. Requested an amount of US\$7,800 to cover the shortfall for the Education Allowance budget for 2016 as a result of newly recruited staff.

Recommendations:

36. The Sub-Committee recommends the following supplementary provision for PANVAC (Operational budget):

- a) **Endorsed a total budget of US\$7,800 for education allowance of staff to be financed from Member States fund.**

VI. Pan-African Parliament (PAP)

37. The Pan African Parliament (PAP) presented a revised Supplementary budget request of **US\$445,000** from an initial submission of **US\$580,000** to cater for the following:

- i) An amount of US\$40,000 is requested to support the Bureau missions for the remainder of the year.
- ii) An amount of US\$50,000 is requested to allow PAP staff attend AUC meetings and activities, such as budget review meetings.
- iii) An amount of US\$100,000 is being requested to support Committee meetings.
- iv) An amount of US\$25,000 is being requested to undertake result based management training and performance appraisal workshops for PAP staff.
- v) An amount of US\$230,000 is requested to cover separation entitlements for staff leaving the institution.

Comments by the Member States

- i) Sought further clarification regarding budget requests as they were not unforeseen in nature and do not qualify to be part of the supplementary budget;
- ii) Observed that certain amounts presented in the Supplementary request seem to duplicate each other.

Responses by PAP

- i) The meeting was informed that PAP request was largely to meet the costs of staff who have been separated from the institution as a result of restructuring. It was also meant to support advocacy activities for the PAP protocol, meeting the costs of participating in AU meetings, support Committee meetings as well as to finance the retreat of PAP Bureau, among others which could not be accommodated in the earlier budget due to budgetary constraints;
- ii) On ratification, PAP targets 28 Member States in 2016 to ratify the Statute since only one country has ratified to date;
- iii) It was clarified that the budget lines are not being replicated. However, PAP has 3 arms of administration with related activities; and all the rounded figures are supported with detailed breakdown.

Recommendations:

38. The Sub-Committee recommends the following supplementary provisions for PAP (Operational budget):

- a) **Endorsed a total budget of US\$445,000 all to be financed from Member States fund. This is broken down as follows:**
- i) **An amount of US\$215,000 to support AU Activities and Official Missions;**
 - ii) **An amount of US\$230,000 to meet separation entitlements.**

PROGRAM BUDGET

39. The Commission presented a total supplementary budget request of **US\$39,437,978** for the AU Programs. Out of this, an amount of **US\$39,308,139** was fully secured from Partners while the balance of **US\$129,839** was requested to be financed by Member States.

40. Member States observed that some Departments and AU Organs namely, The Court, Bureau of the Deputy Chairperson, Infrastructure, CIDO, and Women and Gender departments did not turn up to explain and defend their budgets.

I. Peace and Security Department

41. The Department presented an initial request of **US\$28,777,120.76** but revised it downwards to **US\$25,863,393** taking in to account the period remaining to the end of the year. The requested amount was meant to meet urgent activities most of which have already commenced such as supporting activities of “Multinational Joint Task Force activities against Boko Haram.”

Comments by the Member States

- i) Sought clarification if it was possible to undertake activities without prior approval of the PRC;

Responses by the Commission

- i) As per Article 16 (2) of the AU Financial Rules and Regulations, the Peace and Security Council has the mandate to approve emerging Peace Support crisis in the Continent.

Recommendations:

42. The Sub-Committee recommends the following supplementary provisions for Peace and Security Department (Program budget):

Endorsed a total budget of US\$25,863,393 broken down as follows:

Activity / Output	Amount	Fund
PEACE AND SECURITY		
Operationalize the African Peace and Security Architecture		

(APSA)		
Undertake preventive missions (election/governance related) to targeted countries	79,906	Denmark
Women Preventive Mediation Summit	127,543	Italy
Panel of the Wise Retreat with Special Envoys	199,392	Finland & Denmark
Field Training Exercise	120,000	EU - AMANI Africa II
Post exercise-after action review	105,000	UK EU - AMANI Africa II
Human resouce support to AMANI Africa II	200,000	EU - AMANI Africa II
Military Eqpt for RDCHQ & Training PSOD	182,256	Turkish
Support to the establishment of a Command, Control, Communication and Information System (C3IS) for African-led peace support operations	150,000	EU-C3SI
AU-RECs/RMs APSA Grants Manuals workshop	80,000	EU-APSA III
Admin Activities-GIZ -KFW Contribution	7,428	German
Programme on Conflict Prevention, Management and Resolution & Post Conflict Reconstruction/Peacebuilding		
African Solidarity Initiative PCRD-UK	56,620	UK support to ASI-PCRD
Support to the African Union-led Regional cooperation initiative for the elimination of the LRA (RCI-LRA)	1,057,346	1. EU -AU activity against LRA
Support for the activities of AU High Level panel (AUHIP) on Sudan and south Sudan & other mediation	866,174	1. EU 2. Italy 3. Danish & 4. Netherland
Support to Special Envoy to South Sudan	419,633	EU ERM II
Human Right Observer mission to Burundi	4,287,770	EU ERM II & UN
Nouakchott Process on the Enhancement of Security Cooperation and Operationalization on the APSA	144,756	Norway
Support the inter Burundi dialogue-EAC	50,000	EU ERM & USA
Support to Strengthening Mediation Unit	81,000	UK
Support to ERM Operation	60,000	EU ERM
Support to AU High Rep to Libya Activity	100,000	EU ERM
Support to High representative to the Peace Fund activities	100,000	Danish

		Member State
Separation cost of Lt. Col Emili Diouf, PSOD staff	21,089	
4th Conference of African Ministers in charge of Border issues and Preparatory meeting of Government Experts, Addis Ababa, Ethiopia, 3-6 October 2016	84,000	GIZ
Multinational Joint Task Force activities against Boko Haram	16,000,000	UK & EU
Convene the 10th meeting of ACSRT Focal Points	195,653	Danish
Validation Workshop on Maritime Security	46,174	Togo
Gender Peace and Security Programme		
Support to MISCA to victims of Sexual violence	105,000	UK
Staff cost of Gender PSD Programme-UK	170,000	UK
Integrating gender into DDR SSR framework and policies addressing female	21,000	UK
Organize a high level discussion/mini summit on sexual violence	48,196	UK
Support to the ICGLR Training center on preventing Sexual Violence in conflict	25,000	UK
Followup support to the Somali Women Development Center(SWDC)	19,794	UK
Followup support to addressing sexual violence in Sudan, south Sudan, Madagascar, Mali	95,000	UK
Staff cost to Special Envoy for Women PS	76,013	UK
Advocacy on WPS Agenda with partner & du	74,336	Norway
Development of a Results Based Framework to monitor Implementation of WPS Agenda	115,661	Norway
Solidarity Missions organised in Conflict affected countries to heighten the Voices of Women	80,882	Norway
Building Synergy on WPS Agenda within AUC and RECs	26,000	Norway
Strengthening Strategy on Advocacy, Communication and Research	34,942	Norway
Capacity Building for Women in Mediation and Election Observation	61,753	Norway
Support to the Special Envoy of women PS	88,076	Spain
Total Peace and Security	25,863,393	

II. Department of Social Affairs

43. The Department presented an initial request of **US\$3,384,769** but revised it downwards to **US\$1,684,769** taking in to account the period remaining to the end of the year.

Recommendations:

44. The Sub-Committee recommends the following supplementary provisions for Department of Social Affairs (Program budget):

Endorsed a total budget of US\$1,684,769 broken down as follows:

Activity / Output	Amount	Fund
SOCIAL AFFAIRS DEPARTMENT		
Support the implementation of the Ouagadougou+10 Plan of Action on employment, poverty eradication and inclusive development	50,000	ILO
AU Sports Council Activities		
Emoluments for former SCSA staff	958,264	Sports Council Fund
Support to AU Sports Council operational costs	66,505	Sports Council Fund
Capital expenditure for AU Sports Council (purchase of vehicle)	60,000	Sports Council Fund
ACDC - Operationalizing the Africa CDC		
Staff cost	50,000	China
Onsite visit for selection of the Africa CDC Regional Collaborating Centers	50,000	China
Immediate emergency fund	200,000	China
Governing Board meeting; and resource mobilization and advocacy by the Champion	100,000	China
The AU Campaign to End Child Marriage in Africa		
The Department of Social Affairs is the lead department on this project work plan of activities has planned activities for 2016	150,000	Ford Foundation
Total Social Affairs	1,684,769	

III. Medical Services

45. The Department presented a supplementary budget request of **US\$1,982,052** to be financed by the Kuwait fund.

Recommendations:

46. The Sub-Committee recommends the following supplementary provision for Medical Services (Program budget):

Endorsed a total budget of US\$1,982,052 broken down as follows:

Activity / Output	Amount	Fund
MEDICAL CENTER		
Medical equipment	1,688,102	Kuwait Fund
Renovation of ENT and Physiotherapy	13,950	Kuwait Fund
Training and clinical attachment for medical staff	250,000	Kuwait Fund
Procurement cost	30,000	Kuwait Fund
Total Medical Center	1,982,052	

IV. Bureau of the Chairperson

47. The Department presented a supplementary request of **US\$1,220,000**.

Recommendations:

48. The Sub-Committee recommends the following supplementary provision for the Bureau of the Chairperson (Program budget):

Endorsed a total budget of US\$1,220,000 broken down as follows:

Activity / Output	Amount	Fund
BUREAU OF THE CHAIRPERSON		
Staff capacity building and training to improve effectiveness and role in implementation of Agenda 2063	110,000	China
Support towards development of Agenda 2063 selected programs, African economic platform, the AU Foundation, Women and Agriculture	450,000	China
Consultants on Agenda 2063 domestication and monitoring and evaluation frameworks	260,000	China
Communication and outreach work on Agenda 2063 through printing, publication and publicity of Agenda 2063	100,000	China
Support capacity building activities to enable representational offices to improve communication and engagement between Headquarters and the offices	300,000	China
Total BCP	1,220,000	

V. Administration and Human Resources Management (AHRM)

49. The Department presented a supplementary request of **US\$602,940**.

Recommendations:

50. The Sub-Committee recommends the following supplementary provision for AHRM (Program budget):

Endorsed a total budget of US\$602,940 broken down as follows:

Activity / Output	Amount	Fund
ADMINISTRATION AND HUMAN RESOURCES MANAGEMENT		
Organize specialized training programs	34,190	World Bank
Consultancy services for data migration to the new data centre	170,000	World Bank
Support the smooth running of IMIS: SAP post implementation support services (HCM configuration review)	160,000	World Bank
Installation of SMART Conference Devices in AUC Meeting Rooms	38,750	Member States
Project running cost (Capacity Building)	100,000	World Bank
Microsoft Enterprise Agreement	100,000	World Bank
Total AHRM	602,940	

VI. Department of Rural Economy and Agriculture (DREA)

51. The Department presented a supplementary budget request of **US\$708,373**.

Recommendations:

52. The Sub-Committee recommends the following supplementary provision for DREA (Program budget):

Endorsed a total budget of US\$708,373 broken down as follows:

Activity / Output	Amount	Fund
RURAL ECONOMY AND AGRICULTURE		
Building disaster resilience to Natural Hazards in the Sub-Saharan Regions, Countries and Communities	364,757	EU-ACP Funds
Program of Action of the Africa regional strategy for disaster Risk Reduction (DRR)	273,616	EU-ACP Funds
STC on Agriculture, Rural Development, Water and Environment (ARDWE)	70,000	Member States
Total REA	708,373	

VII. Human Resources, Science and Technology (HRST)

53. The Department presented a supplementary budget request of **US\$678,291**.

Recommendations:

54. The Sub-Committee recommends the following supplementary provision for (HRST):

Endorsed a total budget of US\$678,291 broken down as follows:

Activity / Output	Amount	Fund
HUMAN RESOURCES, SCIENCE & TECHNOLOGY		
AU Research Grant Phase II (AURG II)	378,291	EU-Research Grant
Strengthen involvement of the AU Youth Clubs and the AU Youth Volunteer program	300,000	China
Total HRST	678,291	

VIII. The African Court (ACHPR)

55. The requested amount was **US\$428,865**.

Recommendations:

56. The Sub-Committee recommends the following supplementary provision for (ACHPR):

Endorsed a total budget of US\$428,865 broken down as follows:

Activity / Output	Amount	Fund
COURT		
Project Staff Costs: Salaries and other costs	91,538	EU PANAF
Training : Case Management System	21,486	EU PANAF
Sensitization visit to Egypt	71,474	EU PANAF
Consultations with other AU Organs	7,520	EU PANAF
43rd Court Session in Banjul	116,381	EU PANAF
Office Equipment	13,820	EU PANAF
Consumables - office supplies	1,007	EU PANAF
Translation of documents (legal aid)	11,191	EU PANAF
Financial services (bank charges)	2,686	EU PANAF
Consultant : Synchronization of case management system, document management systems and language system	30,214	EU PANAF
Legal aid fund: Allowances for Counsels	55,953	EU PANAF
Provision for Contingency	5,595	EU PANAF
Total COURT	428,865	

IX. Department of Political Affairs

57. The Department presented an initial supplementary budget request of **US\$420,000** which was revised downwards to **US\$165,000**.

Comments by Member States

- i) Observed that the Department has gone ahead to set up African Humanitarian Agency (AHA) without being supported by an appropriate AU decision;

Responses by the Commission

- i) It was explained that the Common African Position reached at the Istanbul Humanitarian Summit was endorsed by the AU Assembly during the Kigali Summit. However, the text in the supplementary budget document does not capture the essence of the Assembly decision which shall be revised accordingly.

Recommendations:

58. The Sub-Committee recommends the following supplementary provision for Political Affairs (Program budget):

Endorsed a total budget of US\$165,000 broken down as follows:

Activity / Output	Amount	Fund
POLITICAL AFFAIRS		
Implementation of AU Post-Istanbul (World Humanitarian Summit)		
Consultancy services for WHS	45,000	UNHCR
Implementation of AU convention on IDPs (Kampala Convention)		
Printing and dissemination	5,000	UNHCR
Conference of State Parties	90,000	ICRC/NRC
Planning meetings with UNHCR, WB and RECs on development and implementation of RRR Regional Strategies	10,000	World Bank
Scooping reviews of domestication and implementation of KC	15,000	ICRC
Total Political Affairs	165,000	

X. Bureau of the Deputy Chairperson

59. The Bureau requested supplementary budget of **US\$360,000** to assist with operationalization of the Financing of the Union initiative.

Recommendations:

60. The Sub-Committee recommends the following supplementary provision for Bureau of the Deputy Chairperson (Program budget):

Endorsed a total budget of US\$360,000 broken down as follows:

Activity / Output	Amount	Fund
BUREAU OF THE DEPUTY CHAIRPERSON		
Financing of the Union, relating to the operationalization of the AU decision related to the alternative sources of financing	360,000	EU
Total DCP	360,000	

XI. Infrastructure and Energy

61. The requested supplementary budget was **US\$294,994**

Recommendations:

62. The Sub-Committee recommends the following supplementary provision for Infrastructure and Energy (Program budget):

Endorsed a total budget of US\$294,994 broken down as follows:

Activity / Output	Amount	Fund
INFRASTRUCTURE & ENERGY		
Enhancing capacity of East African experts on small hydropower development through interventions implemented by the East African Community (EUR200,000)	200,000	Italy
PIDA capacity building activities	94,994	AFDB
Total IED	294,994	

XII. CIDO

63. The requested supplementary budget was **US\$169,618**

Recommendations:

64. The Sub-Committee recommends the following supplementary provision for CIDO (Program budget):

Endorsed a total budget of US\$169,618 broken down as follows:

Activity / Output	Amount	Fund
CIDO		
Interfaith Dialogue Forum	169,618	King Abdulaziz
Total CIDO	169,618	

XIII. Women and Gender

65. The requested supplementary budget was **US\$150,000**

Recommendations:

66. The Sub-Committee recommends the following supplementary provision for Women and Gender (Program budget):

Endorsed a total budget of US\$150,000 broken down as follows:

Activity / Output	Amount	Fund
WOMEN AND GENDER		
Improved Women Socio Economic Development	150,000	Japan
Total WGD	150,000	

XIV. Programing, Budgeting, Finance and Accounting (PBFA)

67. The Department presented a supplementary budget request of **US\$125,955**

Recommendations:

68. The Sub-Committee recommends the following supplementary provision for PBFA (Program budget):

Endorsed a total budget of US\$125,955 broken down as follows:

Activity / Output	Amount	Fund
PBFA		
Task force: recruitment costs of 6 Finance Officers to perform a deep dive review of the balances and prepare the partners balance migration to the grant modules	22,509	EU
Strengthen the Treasury function: increase the capacity of the treasury unit via the recruitment of a senior Treasurer	18,351	EU

Establish a strong internal control process via the recruitment of an Audit Officer	15,095	EU
Conduct a comprehensive and detailed and valuation exercise of the Fixed Assets to align with the IPSAS requirements through the services of specialized experts	70,000	EU
Total PBFA	125,955	

XV. Southern Africa Regional Office (SARO) - Lilongwe

69. The requested supplementary budget was **US\$80,000**

Recommendations:

70. The Sub-Committee recommends the following supplementary provision for SARO (Program budget):

Endorsed a total budget of US\$80,000 broken down as follows:

Activity / Output	Amount	Fund
SARO - REGIONAL OOFICE LILONGWE		
African Union Model Summits	80,000	NBCCI
Total SARO	80,000	

XVI. Legal Counsel

71. The Department presented a supplementary budget request of **US\$55,000**

Recommendations:

72. The Sub-Committee recommends the following supplementary provision for Legal Council (Program budget):

Endorsed a total budget of US\$55,000 broken down as follows:

Activity / Output	Amount	Fund
LEGAL COUNSEL		
STC on Justice and Legal Affairs	55,000	GIZ
Total OLC	55,000	

G. CONCLUSIONS AND RECOMMENDATIONS ON 2016 SUPPLEMENTARY BUDGET

73. The Sub-Committee recommends to the PRC the following:
- (i) **A total Supplementary budget of US\$36,096,491 broken down into Operating budget of US\$1,527,240 all to be financed with Member States funds and Program budget of US\$34,569,251 with US\$129,839 to come from Member States and the balance of US\$34,439,412 fully secured from Partners.**
 - (ii) **Financing of the Modernization of the New York Conference facility of US\$400,000 all to be drawn from the Maintenance Fund**
 - (iii) **Recommends improvement to the budgeting process in the following areas:**
 - a) **Allow the Commission to be able to revise the budget at midpoint of the financial year so that issues of underperformance can be addressed in light of resource mobilization limitations;**
 - b) **Call upon the Union through the Commission to adopt new budgeting modalities in order to prepare budgets that conform to resource mobilization realities and that are results based.**
 - (iv) **Recommends to drop future budgetary requests for Departments or AU Organs that do not appear at meetings to explain and defend their requests.**

Annexes

LC18569

Reference: BC/OLC

Date:

ANNEX 1

REQUEST FOR SUPPLEMENTARY BUDGET TO IMPLEMENT THE DECISION OF THE AFRICA UNION PEACE AND SECURITY COUNCIL AT ITS 547TH SESSION MET AT THE LEVEL OF HEADS OF STATE AND GOVERNMENT IN NEW YORK ON 26 SEPTEMBER 2015.

1. The Commission refers to the Communiqué of the African Union Peace and Security Council (PSC) at its 547th Session met at the level of Heads of State and Government in New York on 26 September 2015 of the relevant provision of the communiqué on the issues related to accountability and agreed to the recommendations of the African Union Commission of Inquiry on South Sudan (AUCISS), which the Council agreed:

22. (ii)(a) *“...the establishment by the AU Commission of an independent hybrid judicial court, the Hybrid Court of South Sudan (HCSS), in accordance with Chapter V (3.1.1) of the Agreement on the Resolution of the Conflict in South Sudan (ARCISS), reached by the South Sudanese parties, as an African-led and Africa-owned legal mechanism, to investigate and prosecute individuals bearing the responsibility for violations of international law and/or applicable South Sudanese law committed from 15 December 2013 through the end of the Transitional Period”. Council requests the Chairperson of the Commission to take all necessary steps towards the establishment of the HCSS, including providing broad guidelines relating to the location of the HCSS, its infrastructure, funding and enforcement mechanisms, the applicable jurisprudence, the number and composition of judges, privileges and immunities of Court personnel and any other related matters.”*

2. The Commission wishes to inform the PRC that it has so far carried out consultations with various stakeholders and has also developed several project documents that framed the overall guideline to establish the HCSS. These documents consist of a project proposal, project roadmap and a term of reference for interdepartmental taskforce to elaborate on modalities for operationalizing the HCSS.
3. In 2017, the Commission plan to undertake series of activities towards the establishment of HCSS. The Commission therefore propose the following action

plan to both constitute and enable the HCSS kick start its operation before the end of 2017:

Action Plan		
	Activities	Timeline
1.	Recruit and deploy a Project Task Team	January 2017
2.	Develop Legal, Policy and Strategic Instruments of the HCSS	February – May 2017
3.	Visits to existing Hybrid, Ad hoc and International Criminal Courts and Tribunals	March 2017
4.	Recruit and install HCSS personnel	June 2017
5.	Consult and sensitize South Sudanese and other relevant stakeholders as part of the formation of HCSS	January – September 2017
6.	Develop a resource mobilization strategy and convene a pledging conference for HCSS	April - 2017
7.	Consult on the seat of the Court and facilitate its infrastructural requirements	April – September 2017
8.	Official launching ceremony of HCSS	October 2017
9.	Facilitate and assist initial operational stage of HCSS	October – December 2017

4. In view of the above, the Commission submits a supplementary budget amounting to **\$1,332,968.52** (budget breakdown attached herewith) for consideration and approval of the PRC to implement the aforementioned PSC decision.
5. Further note that the Commission has identified a funding source from a partner to finance the said set of activities (copy of grant agreement attached herewith).

Budget Attachment

Project Title: Establishment of African Union Hybrid Court For South Sudan		
Project Activities - 2017		
Budget Summary		
S/N	Category	Cost
1	Personnel Cost	\$889,769.76
2	Travel Cost	\$220,898.76
3	Equipment Cost	\$104,500.00
4	Supplies	\$75,800.00
5	Other Direct Costs	\$42,000.00
6	Total Cost	\$1,332,968.52

Estimated Budget of AUHCSS (2017 Activities)					
		Unit costs			
S/N	Description	No	Unit (No. of days/ months)	Unit price	Total amount in USD
1. Personnel Costs					
Staff Salary					
1.1	Coordinator [P6]	1	12	\$10,574.76	\$126,897.12
1.2	Legal Experts [P4] [Consultant]	2	12	\$7,959.02	\$191,016.48
1.3	Administrative/Project Officer[P2]	1	12	\$6,002.83	\$72,033.96
1.4	Finance Officer [P2]	1	12	\$6,002.83	\$72,033.96
1.5	Crime and Forensics Analyst [P4][Consultant]	1	12	\$7,959.02	\$95,508.24
1.6	Human Rights Expert [P3] [Consultant]	1	12	\$6,922.50	\$83,070.00
1.7	Information, Communication and Outreach Experts [P3] [Consultant]	2	12	\$6,922.50	\$166,140.00
1.8	Transitional Justice Expert [P3] [Consultant]	1	12	\$6,922.50	\$83,070.00
1.9	Total Personnel	10			\$889,769.76
2. Equipment					
2.1	Desktop Computers	15	1	\$1,500.00	\$22,500.00
2.2	Laptops	14	1	\$2,000.00	\$28,000.00
2.3	Printers	5	1	\$1,000.00	\$5,000.00
2.4	Printers (Network)	3	1	\$1,500.00	\$4,500.00
2.5	Photocopier	2	1	\$7,000.00	\$14,000.00
2.6	Office Furniture (Desks, tables and chairs)	1	1	\$2,000.00	\$2,000.00
2.7	Office Furniture (Desks, tables and chairs)	9	1	\$1,500.00	\$13,500.00
2.8	Filing cabinets	15	1	\$1,000.00	\$15,000.00
2.9	Total Equipment				\$104,500.00
3. Travel					
3.1 Air-tickets					
3.1.1	Addis-Juba-Addis	8	1	\$700.00	\$5,600.00
3.1.2	Addis-Arusha-Addis	5	1	\$1,000.00	\$5,000.00
3.1.3	Visits to existing Hybrid, Ad hoc and International Criminal Courts and Tribunals	6	3	\$1,500.00	\$27,000.00
3.1.4	Project Personnel installation to Addis Ababa, Ethiopia	10	1	\$1,500.00	\$15,000.00

	Sub Total				\$52,600.00
3.2 Full DSA					
3.2.1	Juba	8	30	\$221.00	\$53,040.00
3.2.2	Arusha	6	5	\$220.00	\$6,600.00
3.2.3	Visits to existing Hybrid, Ad hoc and International Criminal Courts and Tribunals*	6	20	\$350.00	\$42,000.00
3.2.4	Terminal Charges	19	7	\$24.00	\$3,192.00
3.2.5	Insurance	19	1	\$914.04	\$17,366.76
	Sub Total				\$122,198.76
3.3 Meeting/ Conference Facilities					
3.3.1	Hall/refreshment - Stakeholders consult. (Juba, Bor, Malakal and Bentiu)*	1	26	\$850.00	\$22,100.00
3.3.2	Hall/refreshment - Consult. Meetings, AU organs and partners*	1	6	\$2,000.00	\$12,000.00
	Sub Total				\$34,100.00
3.4. Ground Transportation					
3.4.1	Juba, Arusha and Visits to existing Hybrid, Ad hoc and International Criminal Courts and Tribunals*	1	1	\$12,000.00	\$12,000.00
	Sub Total				\$12,000.00
3.4.2	Total Travel				\$220,898.76
4. Supplies					
4.1	Stationeries	1	12	\$1,500.00	\$18,000.00
4.2	Subscription - Newspaper	1	12	\$150.00	\$1,800.00
4.3	Publicity/Advertisements	1	1	\$50,000.00	\$50,000.00
4.4	Refreshment	1	12	\$500.00	\$6,000.00
	Total supplies costs				\$75,800.00
5. Other Direct costs					
5.1	Telephone and Conference call	1	12	\$2,500.00	\$30,000.00
5.2	Internet subscription	1	12	\$1,000.00	\$12,000.00
	Total other direct costs				\$42,000.00
Total Project Cost					\$1,332,968.52

* For these activities, a reasonable cost is budgeted as the Commission cannot determine an estimate cost implication with necessary certainty partly because of the nature of the activities and/or uncertainty regarding venue of the activity.

LC18703

9 January 2017

**ANNEX 2
REQUEST
FOR
SUPPLEMENTARY BUDGET TO IMPLEMENT DECISIONS OF THE
EXTRAORDINARY SUMMIT ON THE CHARTER ON MARITIME SECURITY
AND SAFETY AND DEVELOPMENT IN AFRICA.**

1. The Commission refers to Assembly Decision *Ext/Assembly/AU/Dec.1 (VI)* adopted during the Extraordinary Summit held on 15th October 2016 in Lomé, Togo, which adopted the Charter on Maritime Security, Safety and Development in Africa In so doing, the Assembly:

“**REQUEST** the Commission to take all necessary measures to convene Extraordinary Sessions of the relevant Specialized Technical Committees (STCs) which were not involved in the elaboration process of the Charter, namely: the STCs on Trade, and Industry and Minerals, STC on Transport, Transcontinental and Interregional Infrastructures, Energy and Tourism, STC on Finance, Monetary Affairs, Economic Planning and Integration and any other relevant STCs so as to enable them to consider issues falling within their respective mandates and submit their contributions to the Charter, in the form of annexes, to the Assembly for consideration in July 2017;

DECIDES that the annexes, once adopted, shall form an integral part of the Charter.

2. The Commission further recalls, Executive Council Decision *Ext/EX. CL/Dec.1 (XVI)* on the Charter on Maritime Security, Safety and Development in Africa which authorized the Permanent Representatives Committee to allocate the necessary budget for the implementation of the said decisions.
3. In implementing the above decisions, the Commission is proposing to engage experts to draft the annexes and convene the following meetings in 2017;
 - a) Ad-hoc Experts Group drafting sessions to draft the annexes;
 - b) A validation workshop of experts to consider the draft annexes;
 - c) The Commission shall convene extraordinary sessions of the relevant Specialized Technical Committees (STCs) in 2017 to consider the Draft Annexes before submitting to the Assembly through the Executive Council in the July 2017 Summit;

4. Therefore, the Commission proposes the following Action plan towards the implementation of the decision:

ACTION PLAN

Activity	Timeline
1. Expert drafting team to review ANNEXURES with Departments, taking in consideration AIM2050, Agenda 2063 and other relevant sectorial strategies.	January 2017
2. Validation workshop with Experts and maritime stakeholders	January 2017
3. Distribution of ANNEXURES to Member states for national consultations	February 2017
4. Convening of Extraordinary session of STCs	March-May 2017
5. Amended version of ANNEXURES to Member states for further consultations	May/June 2017
6. Popularization of LOME Charter	Ongoing
7. Presentation to AU Summit	July 2017

5. The Commission submits a supplementary budget amounting to **\$607,952** (Budget Breakdown attached herewith) for consideration and approval by the PRC Sub-Committee.
6. The source of fund is proposed to be from Member States and Partners (EC).

Summary of Supplementary Budget Request

Expert Meeting to Draft Annexes for the African Charter – **\$161,256**

Validation Workshop – **\$99,600**

Joint Extraordinary Meetings of STCs on Trade; on Transport & Infrastructure; on Monetary Affairs; on Justice; and on Agriculture to Consider Annexes for the Maritime Security Charter in 2017 - **\$329,096**

Costs for Communication Materials on the Popularization of the Lomè Charter and AIMS 2050 - **\$18,000**

The total budget amount requested is \$607,952 as detailed in the tables below:

1. Cost Estimate for Expert Meeting to Draft Annexes for the African Charter on Maritime Security and Safety and Development in Africa, 2017 in Addis Ababa

S/N	Description	Unit	Days	Unit/Cost	Total Cost	Remark
1	Return Economy Class ticket (Ten (10) Experts and Four (4) Legal Drafters	14	1	\$1,500	\$21,000	
2	DSA at Addis Ababa City - Experts	10	22	\$212	\$46,640	
3	DSA at Addis Ababa City - Legal Drafters	4	12	\$212	\$10,176	
4	Honorarium - Experts	10	20	\$300	\$60,000	
5	Honorarium - Legal Drafters	4	10	\$300	\$12,000	
6	Local transportation (Minibus) - Experts	2	20	\$200	\$8,000	
7	Local transportation (Minibus) - Legal Drafters	1	10	\$200	\$2,000	
8	Tea/Coffee Break and Water provisions (Twice per day) - Experts	10	20	\$6	\$1,200	
9	Tea/Coffee Break and Water provisions (Twice per day) - Legal Drafters	4	10	\$6	\$240	
10	Sub Total				\$161,256	

2. Estimate Cost for Validation Workshop

S/N	Description	Unit	Days	Unit/Cost	Total Cost	Remark
1	Return Economy Class ticket	36		\$1,500	\$54,000	
2	DSA at Addis Ababa City	50	4	\$212	\$42,400	
3	Local transportation (Minibus)	5	2	\$200	\$2,000	
4	Tea/Coffee Break and Water provisions (Twice per day)	100	2	\$6	\$1,200	
	Sub Total				\$99,600	

N.B: The validation workshop comprises of fifty (50) experts including fourteen (14) experts that attends the Expert Meeting.

3. A Joint Extraordinary Meetings of STCs on Trade; on Transport & Infrastructure; on Monetary Affairs; on Justice; and on Agriculture to Consider Annexes for the Maritime Security Charter In 2017

S/N	Description	Unit	Days	Unit/Cost	Total Cost
Translator (Bilingual)					
1	Return Economy Class ticket	12	1	\$1,500	\$18,000
2	DSA at Addis Ababa City	12	7	\$212	\$17,808
3	Salary	12	7	\$252	\$21,168
5	Subtotal				\$56,976
Interpreters (Bilingual)					
1	Return Economy Class ticket	32	1	\$1,500	\$48,000
2	DSA at Addis Ababa City	32	7	\$212	\$47,488
3	Salary	32	7	\$468	\$104,832
5	Subtotal				\$200,320
Stationaries Cost					
1	Plastic Folders	432	1	\$30	\$12,960
2	Photocopy Paper A4 size	600	1	\$40	\$24,000
3	Toner-hp43X	12	1	\$70	\$840
4	Subtotal				\$37,800
Refreshments and two days lunch for Ministers					
1	Tea/Coffee Break and Water provisions (Twice per day)	400	5	\$3	\$6,000
2	Lunch	400	2	\$35	\$28,000
3	Subtotal				\$34,000
Total					\$329,096

4. Costs for Communication Materials on the Popularization of the Lomé Charter and AIMS 2050

Estimate Cost for Communication Materials on the Popularization of the Charter on Maritime Security and AIMS 2050					
1	AU Maritime Charter Advocacy Materials	1	1	\$18,000	\$18,000
2	Subtotal				\$18,000
Total Supplementary Request					<u>\$607,952</u>

ANNEX 3
AU-IBAR PRESENTATION TO THE PRC ON BUDGET
FOR THE 2017 PROGRAMME BUDGET
JANUARY 2017

Presented by the Director of AU-IBAR, Prof. Ahmed El-sawalhy/ Dr. Bruce Mukanda, Senior Programmes and Projects Officer

- Your Excellences Chair and Members of the PRC, you will recall that during the sitting of the PRC sub-committee on Budget held on 24th May 2016, the Department of Rural Economy and Agriculture had an opportunity to present its budget proposals for 2017. The budget presented included submissions from the African Union Interafrican Bureau for Animal Resources (AU-IBAR).
- During the presentation related to AU-IBAR presented to the Sub-committee, among other activities, those indicated below.
- Based on the deliberations and recommendations of the meeting of the PRC Sub-committee and the its subsequent meeting held in June to adopt its report, AU-IBAR was under the impression that all its activities for 2017 had been approved.
- To our surprise, when the final budget was published we discovered that the items listed below were still appearing with zero budgets, when in fact, in the presentation made in May 2016, they were among those that were submitted to have secured funding, also as indicated below.
- The activities in question are:
 - Coordinate programs on Strengthening the Capacity of African Countries to Conserve Animal Genetic Resources. (The amount should be USD4,254,100.00 all from the EU. Not zero as shown);
 - AU-IBAR Capacity to implement its Strategic Plan (IBAR ADMIN) (The amount should be USD500,000.00 from various partners);
 - African Pesticides Data Generation (The total for this activity should be USD206,881 instead of zero. All sourced from the WTO-STDF).

Your Excellencies, this situation is of concern to us for the following reasons:

1. The activities concerned are donor funded and there would be no justification to stop implementing them in 2017, as they have been implemented since 2013 and are expected end by 2018.
2. A total of eight (8) employees are directly responsible for implementing the activities and are paid from the budgets affected. The non-inclusion of the budgets for these activities would entail laying them off prematurely in January 2017.
3. The first and third activities listed above are entering their last phase of implementation in 2017 and lead to the attainment of their final objective and deliverables to all the 54 Member States of the African Union involved. Their non-implementation in 2017 would mean a delay in delivering their final product.
4. The second activity listed above involves resources that partners allocate to AU-IBAR to meet administrative expenses in implementing various projects. It is also used to ensure the implementation of the AU-IBAR Strategic Plan, which in turn is designed to implement continental frameworks such as the Agenda 2063, the CAADP, the Livestock Development Strategy for Africa and the Policy Reform Strategy for Fisheries and Aquaculture in Africa. The non-activation of this activity in 2017 would affect almost all donor and non-donor funded activities in terms of administrative support.

Your Excellencies, we have discussed this matter with both the Director of Strategic Planning and Director of Finance, who have kindly advised us to make this appeal to your august committee.

We, therefore, wish to appeal to your Excellences to approve the said items to be included in the approved budget for 2017.

We kindly submit for your consideration.

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REPORT OF THE SUB-COMMITTEE ON ADMINISTRATIVE, BUDGETARY AND FINANCIAL MATTERS

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