

AFRICAN UNION

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**EXECUTIVE COUNCIL
Twenty-Fifth Ordinary Session
20 – 24 June 2014
Malabo, EQUATORIAL GUINEA**

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REPORT OF THE SUB-COMMITTEE ON CONTRIBUTIONS

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1. The Meeting of the Sub-Committee on Contributions was held on 12 June 2014 to consider the Report on Contributions by Member States and Partners under the 2014 budget of the African Union

Attendance

2. The Meeting was chaired by HE Gerard Mapango, Ambassador of the Democratic Republic of Congo to the Federal Democratic Republic of Ethiopia and Permanent Representative to the African Union, 1st Vice Chairman of the Sub-Committee on Contributions. In attendance were the representatives of the following Member States:

- i) Algeria
- ii) Burkina Faso
- iii) Chad
- iv) Democratic Republic of Congo
- v) Gabon
- vi) Nigeria
- vii) Seychelles
- viii) Sierra Leone
- ix) Sudan
- x) Swaziland
- xi) Togo
- xii) South Africa

Adoption of the agenda

3. The Sub-Committee adopted the following agenda proposed by the Commission after amendment:

- i) Opening of meeting;
- ii) Organization of work;
- iii) Adoption of the Agenda;
- iv) Consideration of the Report on contributions by Member States and Partners as at 30 May 2014;
- v) Any other Business.

Opening of the Meeting

4. In his keynote address, the Chairperson of the Sub-Committee expressed his gratitude to Member States for their participation and stressed the importance of the Meeting. He then invited the representative of the Commission to present the report.

Presentation of the Report

5. The representative of the Directorate of Planning, Budget, Finance and Accounting of the Commission, informed the Meeting that the Report on Contributions being presented to Member States covered the period from 1 January to 30 May 2014.

6. In his presentation, he said that out of USD **395.223.186** representing the budget approved for the African Union for the 2014 financial year, the assessed contributions by Member States amounted to USD **137.884.958**, while USD **257.338.228 dollars** was allocated to partners

7. According to the Report prepared as of 30 May 2014 and hereto attached, total receivables amounted to USD **61.011.144.99** of which USD **46,396,641.64** represented assessed contributions from Member States for the 2014 financial year; USD **14.281.756,79** being the balance of arrears as at December 31 2013 and USD **332.746, 56 dollars** advance payments for the 2015 financial year budget

8. Contributions received during the year represented **37%** of the total amounts payable by the Member States at the beginning of the year. The representative of the Commission further stated that 19 of the 54 Member States had paid their contributions in full, of which 4 had paid their contributions in advance. Nineteen Member States currently owe the Commission, of which 15 have arrears dating back to 2013 in addition to their assessed contributions for the current year.

9. During the reporting period, only USD **63.1 million dollars**, that is **24%** of a total pledged amount of USD **257, 33 million** was received from Partners for financing various programmes of the AU Commission. Of this amount **42.1 million dollars** is the budget balance of 2013 carried over to the 2014 financial year. Out of this amount, only USD 21,052,408,67 was mobilized from international Partners to finance the various programmes of the Union, i.e., only 9% of the total amount of USD 257,338,228 to be mobilized from Partners.

10. Regarding sanctions, the representative of the Directorate of Planning, Budget, Finance and Accounting informed the Meeting that according to the status of contributions as at 30 May 2014, only two Member States namely the Central African Republic and Guinea Bissau are under sanction for default in payment. Madagascar and Somalia are not less than two years behind in the payment of their contributions.

11. Concerning Madagascar, it is worth recalling that the Executive Council in its decision EX.CL/Dec.788 (XXIV) granted a moratorium guaranteeing the non-imposition of sanctions on Madagascar and requested the latter to pay up its arrears 30 days

before the commencement of the June Executive Council in Session in Malabo. The Republic of Madagascar approached the Commission twice to explore ways and means to settle its arrears in the not too distant future as the country would not be able to honour its commitments within the time limit set by Council's decision. Madagascar contacted the Sub-Committee on Contributions through a Note Verbale explaining the difficult financial situation facing the country and requested that sanction be deferred until an agreement has been concluded between the Commission and Madagascar

12. As regards Somalia, the same decision called on that country to start paying normally its arrears of contribution from January 2014. Mention was also made on countries that have accumulated arrears and which also have not yet paid their contributions of the current year. These countries are likely to fall under sanctions by the end of December 2014. **One such country is the Republic of Sudan**

13. Raising the case of Sudan, the representative of the Finance Directorate of the African Union Commission however explained the difficulty that country is facing in the payment of its arrears of contribution due to the international sanctions imposed on the country. That notwithstanding, Sudan has indicated its willingness to pay off part of its arrears in three Notes Verbale it addressed to the African Union Commission. The latest is dated 9 June 2014 referenced SEA/AA/411 requesting the Commission to propose possible options for Sudan to honour its commitments in the shortest possible time. In its response to the above cited Note Verbale, the African Union Commission by Note Verbale dated 10 June 2014 referenced PBFA/DIR/21/46/048 notified the Republic of Sudan to deposit its contribution cash in USD at the African Union Liaison Office in Khartoum and submit proof of payment to the Finance Directorate of the Commission. Be that as it may, a solution must be found to this situation to spare Sudan from falling in the category of countries under sanctions, more so as the country has demonstrated its willingness to honour its commitments

14. After taking note of the Report presented by the Commission, the Chairperson of the Sub-Committee gave the floor to Members for their comments and observations.

During the ensuing discussions, the Meeting:

- i) Commended the Commission for its lucid Report while requesting that it be corrected, taking due account of the observations and comments made by Sub-Committee Members
- ii) Commended Member States that have paid their contributions in full and those that have made advance payments
- iii) Expressed its concern over the delay by some Member States in the full payment of their assessed contributions and stressed that Member States in arrears should be encouraged to settle all their debts to African Union;
- iv) Reminded the Commission to regularly send a Note Verbale to inform Member States of their arrears of contribution.

- v) Requested the African Union Commission to touch base with the Republic of Madagascar to find a suitable solution that will enable that country to pay its contribution, given the difficulties it is going through;
- vi) Requested information on the Partners in order to identify those that honour their commitments and those who do not do so regularly to enable the Sub-Committee to make a Recommendation to that effect;
- vii) Expressed concern about outfits and departments of the Commission which lag behind in the submission of their reports.
- viii) Called on Member States in arrears prior to 2014 to make an effort to pay up their arrears to avoid sanctions.

Commission's response

- i) Reacting to these observations and comments made, the representative of the Directorate of Finance informed the meeting that due note has been taken thereof and that reminders will be sent before long to Member States in arrears prior to 2014.
- ii) With respect to Madagascar, the Commission will have the Note Verbale sent to that country translated in the working languages of the AU and circulate same to Members of the Sub-Committee at its meeting to adopt its Report. In the meantime the Commission stands by the decision of the Executive Council until a final recommendation is made by the decision-making bodies
- iii) The status of Partners' contributions reflects the low level of implementation of programmes within the set deadlines in 2014 due to unavailability of funds

Recommendations

- i) The Sub-Committee made the following recommendations:
- ii) Commends the Member States that are up to date with their contributions;
- iii) Urges Member States to pay their contributions on time and encourages those in arrears to settle their debts;
- iv) Requests the Commission to take disciplinary measures against Departments and Organs which do not submit reports to Partners in time to enable the latter to release funds;

- v) Requests the Republic of Sudan to make a deposit in cash USD into the accounts of the African Union Liaison Office in Khartoum and specifically requests that a summary report thereon be submitted before the opening of the Executive Council Session in Malabo.
- vi) Recommends that sanctions be imposed on the following Member States for default of payment:
 - 1) Central African Republic;
 - 2) Republic of Guinea Bissau
- vii) Calls on the Republic of Somalia to comply with decision EX.CL/Dec.788 (XXIV) and start paying without delay its contributions, failing which sanctions will be imposed at the next Summit;
- viii) Requests the Republic of Madagascar to take the necessary measures to pay its contribution before the beginning of the next Executive Council Session in January 2015.

15. No issue was raised under Any Other Business and the meeting rose at 11:07 hours.

**STATEMENT OF CONTRIBUTIONS
OF THE AFRICAN UNION
30-May-14**

N O.	MEMBER STATE	SCALE OF ASSESSMENT	TOTAL ASSESSED CONTRIBUTION 2014	ARREARS UPTO 31 DEC 2013	CONTRIBUTION PAID IN ADVANCE(UPTO 31 DEC 2013)	TOTAL DUE AS AT 01 JANUARY 2014	CONTRIBUTION RECEIVED IN 2014			
							CURRENT YEAR ASSESSMENT (2014)	ARREARS UPTO 31 DEC 2013	CONTRIBUTION PAID IN ADVANCE FOR 2015	TOTAL
1	Algeria	12.904	16,265,607.88	0.00	0.00	16,265,607.88	16,265,607.88	0.00	0.00	16,265,607.88
2	Angola	5.275	6,649,184.87	0.00	0.00	6,649,184.87	6,649,184.88	0.00	0.00	6,649,184.88
3	Bénin	0.374	471,430.36	537,413.02	0.00	1,008,843.38	22,392.21	537,413.02	0.00	559,805.23
4	Botswana	1.004	1,265,551.02	0.00	0.00	1,265,551.02	0.00	0.00	0.00	0.00
5	Burkina Faso	0.475	598,741.77	6,349.57	0.00	605,091.33	0.00	0.00	0.00	0.00
6	Burundi	0.100	126,050.90	80.00	0.00	126,130.90	0.00	0.00	0.00	0.00
7	Cameroon	1.442	1,817,653.95	2,979,291.50	0.00	4,796,945.45	0.00	0.00	0.00	0.00
8	Cape Verde	0.113	142,437.51	336,756.24	0.00	479,193.75	0.00	0.00	0.00	0.00
9	Central African Republic	0.103	129,832.42	332,235.80	0.00	462,068.23	0.00	0.00	0.00	0.00
10	Chad	0.44	550,842.42	381,083.25	0.00	931,925.67	0.00	381,060.25	0.00	381,060.25
11	Comoros	0.031	39,075.78	188.98	0.00	39,264.76	0.00	0.00	0.00	0.00
12	Congo	0.612	771,431.50	351,795.13	0.00	1,123,226.62	284,523.83	351,795.13	0.00	636,318.96
13	Cote d'Ivoire	1.306	1,646,224.73	52,154.74	0.00	1,698,379.46	1,646,224.73	52,154.74	317,512.82	2,015,892.29
14	Democratic Republic of Congo	0.599	755,044.88	692,967.83	0.00	1,448,012.71	0.00	0.00	0.00	0.00
15	Djibouti	0.076	95,798.68	0.00	4.01	95,794.67	0.00	0.00	0.00	0.00
16	Egypt	12.904	16,265,607.88	0.00	0.00	16,265,607.88	0.00	0.00	0.00	0.00
17	Equatorial Guinea	0.752	947,902.75	91,399.86	0.00	1,039,302.61	0.00	0.00	0.00	0.00
18	Eritrea	0.113	142,437.51	0.00	0.00	142,437.51	0.00	0.00	0.00	0.00
19	Ethiopia	1.419	1,788,662.24	0.00	2,000.00	1,786,662.24	1,788,662.24	0.00	2,000.00	1,790,662.24
20	Gabon	1.165	1,468,492.96	0.00	79,759.38	1,388,733.58	0.00	0.00	0.00	0.00
21	Gambia	0.050	63,025.45	0.00	0.00	63,025.45	0.00	0.00	0.00	0.00
22	Ghana	1.993	2,512,194.40	1,297,709.28	0.00	3,809,903.68	0.00	0.00	0.00	0.00
23	Guinea	0.270	340,337.42	0.00	0.32	340,337.10	337,877.00	0.00	0.00	337,877.00
24	Guinea Bissau	0.045	56,722.90	69,900.50	0.00	126,623.41	0.00	0.00	0.00	0.00
25	Kenya	1.78	2,248,748.02	3,024,383.62	0.00	5,273,131.64	425,260.18	3,024,383.62	0.00	3,449,643.80
26	Lesotho	0.161	202,941.95	0.00	103.04	202,838.91	202,838.91	0.00	5,662.74	208,501.65
27	Liberia	0.042	52,941.38	0.00	0.00	52,941.38	30,202.22	0.00	0.00	30,202.22
28	Libya	12.904	16,265,607.88	16,305,631.40	0.00	32,571,239.27	0.00	3,999,971.00	0.00	3,999,971.00
29	Madagascar	0.457	576,052.60	1,821,521.94	0.00	2,397,574.55	0.00	0.00	0.00	0.00
30	Malawi	0.269	339,076.92	434.28	0.00	339,511.20	0.00	0.00	0.00	0.00
31	Mali	0.494	622,691.44	638,863.84	0.00	1,261,555.28	53,621.47	638,863.84	0.00	692,485.31
32	Mauritania	0.199	250,841.29	276,449.93	0.00	527,291.22	56,250.03	276,449.93	0.00	332,699.96
33	Mauritius	0.688	867,230.18	0.00	0.00	867,230.18	867,230.17	0.00	0.00	867,230.17
34	Mozambique	0.519	654,204.16	0.00	0.00	654,204.16	0.00	0.00	0.00	0.00
35	Namibia	0.76	954,205.30	0.00	918,911.05	35,294.25	35,294.25	0.00	0.00	35,294.25
36	Niger	0.290	365,547.60	667,963.17	0.00	1,033,510.77	365,547.60	667,963.17	7,571.00	1,040,981.77
37	Nigeria	12.904	16,265,607.88	0.00	12,281.29	16,253,326.59	0.00	0.00	0.00	0.00
38	Rwanda	0.300	378,152.69	0.08	0.00	378,152.77	0.00	0.00	0.00	0.00
39	SADR	0.037	46,638.83	15,461.83	0.00	62,100.66	46,614.00	0.00	0.00	46,614.00
40	Sao Tomé & Príncipe	0.014	17,647.13	36,789.73	0.00	54,436.86	0.00	34,947.32	0.00	34,947.32
41	Senegal	0.761	959,247.33	1,070,914.32	0.00	2,030,161.66	0.00	0.00	0.00	0.00
42	Seychelles	0.058	73,109.52	0.00	27.22	73,082.30	73,082.30	0.00	0.00	73,082.30
43	Sierra Leone	0.142	178,992.28	0.00	46,416.70	132,575.58	0.00	0.00	0.00	0.00
44	Somalia	0.059	74,370.03	930,716.96	0.00	1,005,086.99	0.00	0.00	0.00	0.00
45	South Africa	12.904	16,265,607.88	0.38	0.00	16,265,608.26	16,265,607.89	0.00	0.00	16,265,607.89
46	South Sudan	0.625	787,818.11	1,469,318.89	0.00	2,257,137.00	0.00	1,469,318.89	0.00	1,469,318.89

N O.	MEMBER STATE	SCALE OF ASSESSMENT	TOTAL ASSESSED CONTRIBUTION 2014	ARREARS UPTO 31 DEC 2013	CONTRIBUTIO N PAID IN ADVANCE(UPT O 31 DEC 2013)	TOTAL DUE AS AT 01 JANUARY 2014	CONTRIBUTION RECEIVED IN 2014			
							CURRENT YEAR ASSESSMENT (2014)	ARREARS UPTO 31 DEC 2013	CONTRIBUTION PAID IN ADVANCE FOR 2015	TOTAL
47	Sudan	3.457	4,357,579.54	10,660,354.24	0.00	15,017,933.79	0.00	0.00	0.00	0.00
48	Swaziland	0.254	320,169.28	0.63	0.00	320,169.91	0.00	0.00	0.00	0.00
49	Tanzania	1.215	1,531,518.41	1,814,165.57	0.00	3,345,683.98	0.00	1,052,668.78	0.00	1,052,668.78
50	Togo	0.173	218,068.05	0.00	0.00	218,068.06	0.00	0.00	0.00	0.00
51	Tunisia	2.849	3,591,190.08	667,048.17	0.00	4,258,238.26	0.00	0.00	0.00	0.00
52	Uganda	0.924	1,164,710.30	1,794,867.33	0.00	2,959,577.63	0.00	1,794,867.10	0.00	1,794,867.10
53	Zambia	0.837	1,055,046.02	0.00	14,768.18	1,040,277.84	980,619.85	0.00	0.00	980,619.85
54	Zimbabwe	0.361	455,043.74	149.68	0.00	455,193.42	0.00	0.00	0.00	0.00
	TOTAL	100.00	126,050,898.00	48,324,361.69	1,074,271.19	173,300,988.50	46,396,641.64	14,281,756.79	332,746.56	61,011,144.99

OUTSTANDING CONTRIBUTION

CURRENT YEAR ASSESSMENT (2014)	ARREARS UPTO 31 DEC 2013	CONTRIBUTION PAID IN ADVANCE FOR 2015	OUTSTANDING CONTRIBUTION
0.00	0.00	0.00	0.00
(0.01)	0.00	0.00	(0.01)
449,038.15	0.00	0.00	449,038.15
1,265,551.02	0.00	0.00	1,265,551.02
598,741.77	6,349.57	0.00	605,091.33
126,050.90	80.00	0.00	126,130.90
1,817,653.95	2,979,291.50	0.00	4,796,945.45
142,437.51	336,756.24	0.00	479,193.75
129,832.42	332,235.80	0.00	462,068.23
550,842.42	23.00	0.00	550,865.42
39,075.78	188.98	0.00	39,264.76
486,907.67	(0.00)	0.00	486,907.66
(0.00)	(0.00)	317,512.82	(317,512.83)
755,044.88	692,967.83	0.00	1,448,012.71
95,794.67	0.00	0.00	95,794.67
16,265,607.88	0.00	0.00	16,265,607.88
947,902.75	91,399.86	0.00	1,039,302.61
142,437.51	0.00	0.00	142,437.51
0.00	0.00	2,000.00	(2,000.00)
1,388,733.58	0.00	0.00	1,388,733.58
63,025.45	0.00	0.00	63,025.45
2,512,194.40	1,297,709.28	0.00	3,809,903.68
2,460.10	0.00	0.00	2,460.10
56,722.90	69,900.50	0.00	126,623.41
1,823,487.84	0.00	0.00	1,823,487.84
(0.00)	0.00	5,662.74	(5,662.74)
22,739.16	0.00	0.00	22,739.16
16,265,607.88	12,305,660.40	0.00	28,571,268.27
576,052.60	1,821,521.94	0.00	2,397,574.55
339,076.92	434.28	0.00	339,511.20
569,069.97	0.00	0.00	569,069.97
194,591.26	0.00	0.00	194,591.26
0.01	0.00	0.00	0.01
654,204.16	0.00	0.00	654,204.16
(0.00)	0.00	0.00	(0.00)
0.00	100.00	7,571.00	(7,471.00)
16,253,326.59	0.00	0.00	16,253,326.59
378,152.69	0.08	0.00	378,152.77
24.83	15,461.83	0.00	15,486.66
17,647.13	1,842.41	0.00	19,489.54
959,247.33	1,070,914.32	0.00	2,030,161.66
0.00	0.00	0.00	0.00
132,575.58	0.00	0.00	132,575.58
74,370.03	930,716.96	0.00	1,005,086.99
(0.01)	0.38	0.00	0.37
787,818.11	0.00	0.00	787,818.11

OUTSTANDING CONTRIBUTION

CURRENT YEAR ASSESSMENT (2014)	ARREARS UPTO 31 DEC 2013	CONTRIBUTION PAID IN ADVANCE FOR 2015	OUTSTANDING CONTRIBUTION
4,357,579.54	10,660,354.24	0.00	15,017,933.79
320,169.28	0.63	0.00	320,169.91
1,531,518.41	761,496.79	0.00	2,293,015.20
218,068.05	0.00	0.00	218,068.06
3,591,190.08	667,048.17	0.00	4,258,238.26
1,164,710.30	0.23	0.00	1,164,710.53
59,657.99	0.00	0.00	59,657.99
455,043.74	149.68	0.00	455,193.42
78,581,985.17	34,042,604.90	332,746.56	112,624,590.07

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