



AFRICAN UNION

2016 BUDGET OVERVIEW

AFRICAN UNION COMMISSION
DIRECTORATE OF PROGRAMMING, BUDGETING, FINANCE AND ACCOUNTING

13 June 2015

Sub-Cttee/AU-13Jun

AFRICAN UNION 2016 DRAFT CONSOLIDATED BUDGET

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ACRONYMS

ACDC -	African Centers for Disease Control and Prevention
AFREC -	African Energy Commission
AIR -	African Institute of Remittances
CAADP -	Comprehensive Agriculture Advanced Development Program
CFTA -	Continental Free Trade Areas
CIEFFA -	The International Center for the Education of Girls in Africa
CSOs -	Central Statistics Offices
ECOSOCC -	Economic, Social & Cultural Council
GS -	General Service category
INGO -	International Non-governmental Organization
IPED -	The Pan African Institute of Education for Development
IPSAS -	INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS
NEPAD -	New Economic Partnership for Africa Development
NPCA -	NEPAD Planning and Coordinating Agency
PANVAC -	Pan-African Veterinary Vaccine Center
PAP -	Pan African Parliament
PAU -	Pan African University
PRC -	Permanent Representative Committee
PSC -	Peace and Security Council
RECs -	Regional Economic Communities
SMEs -	Small & Medium Size Enterprises
SRR -	Staff Rules & Regulations
UN -	United Nations
WTO -	World Trade Organization

1.0 INTRODUCTION

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1.1 The 2016 draft budget is based on priorities of the Organs of the Union as stipulated in the 2016 Budget Framework Paper that was thoroughly interrogated by the sub Committee on Programs and Conferences in March 2015. Among others, the sub Committee examined the social and economic developments on the continent, issues and related challenges, which informed the priority areas to focus on in 2016. These in turn set the tone for budget preparation as presented in this paper.

1.2 The budget seeks to consolidate gains in achieving results identified in the AU Commission Strategic Plan for 2014-2017 and on implementing the priorities of the Agenda 2063, and accelerate progress towards the attainment of the AU Vision. Specifically, it was prepared with an objective to see progress in implementing programs that focus on: promoting peace and stability, expanding agricultural production, promoting inclusive economic development and industrialization, building Africa's human capacity, mainstreaming the participation of women and youth in all priorities and activities of the Union and the continent, implementing strategies of resource mobilization, building a people-centered Union, and strengthening the institutional capacity of the AUC, the RECs and other Organs and its relations with strategic and other partners. All these are categorized under five Pillars of:

- a) Peace and Security
- b) Social, Economic and Development
- c) Integration, Cooperation and Partnerships
- d) Shared Values, and
- e) Institutions, Capacity Building and Communication

1.3 It was also prepared on the understanding that the new budget formula on alternative sources of funding will take effect from 2016 with Member States meeting at least 10 percent of Program Budget in addition to absorbing other recurrent costs that have been pending over the past years due to budget constraints emanating from expenditure capping. And with the new formula, Member States will in this budget also begin to absorb in full some program expenditures currently facing enormous challenges with partner funding, such as the Pan African University, Pan African e-Network, election observer missions, humanitarian response, etc.

1.4 The paper is divided into 9 sections: the Introduction situates the budget within the context of the work of the Union and provides the foundation of the budget; Section 2 synthesizes progress in implementing the 2014 budget; Section 3 recalls from the Budget Framework Paper selected key priority areas of focus for 2016;

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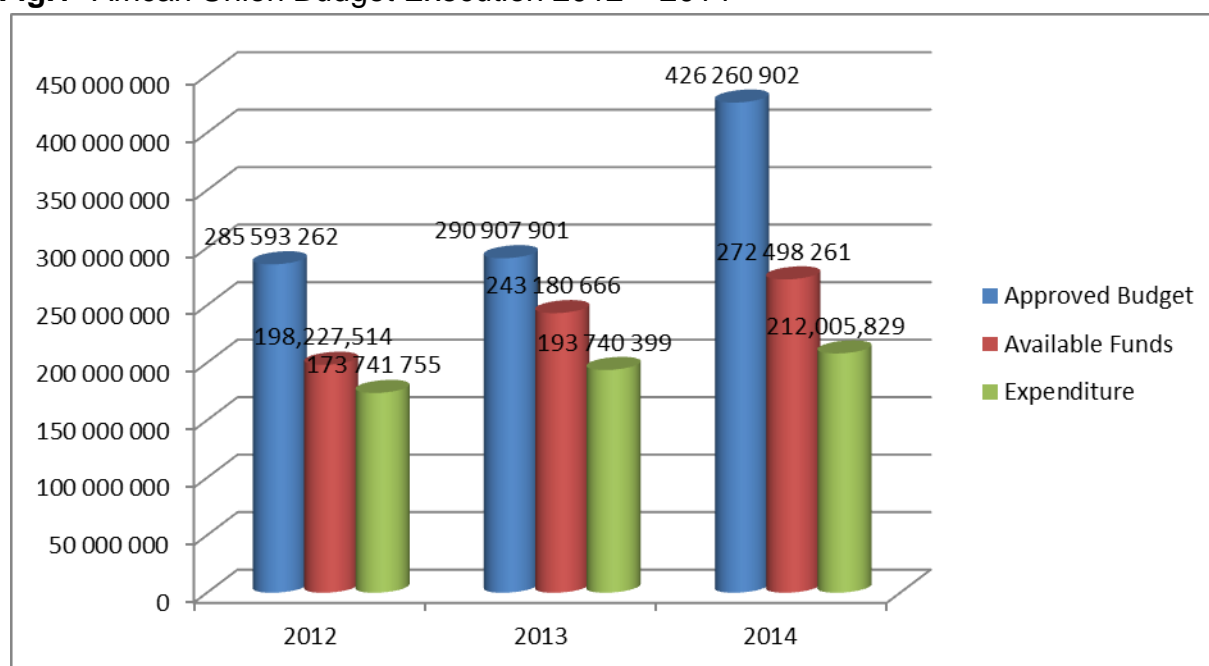
Section 4 provides an overall overview of the 2016 AU budget in broad terms; Section 5 presents the budget by each Organ and reasons where possible, for any increase; while Section 6 gives an indication of the revenue for the AU budget. Section 7 lays out the rationale for the change in the Member States assessed contribution; Section 8 stresses the challenges and opportunities currently facing the Union and argues for the implementation of the new budget formula on alternative sources of funding based on evidence of funding decline; and Section 9 is the conclusion.

HIGHLIGHTS OF 2014 BUDGET PERFORMANCE

The actual expenditure of the African Union stood at US\$212,005,829 representing 50 percent overall execution rate. On further analysis, US\$119,002,854 and US\$93,002,975 have been executed from the Operational and Program budget at an execution rate of 86 percent and 36 percent, respectively. However, not all the program funding was available during the year. Therefore, measuring the performance against approved budget does not reflect an accurate performance. The available funds for the AU programs were US\$292,823,887 million for the 2014 as against approved budget of US\$426,260,902 million. From this, the Operational and Program execution compared with the available funds translates into an execution rate of 86 percent and 60 percent, respectively overall.

The annual execution of the Union's total budget for past three year has averaged around US\$192 million with the highest expenditure recorded in 2014 of US\$212 million and the lowest was in 2012 with an amount of US\$173 million that was spent in absolute terms. However, the absorption rate was highest in 2012 of 88 percent while the lowest rate was recorded in 2014 of 72 percent. This has mainly been due to less availability of partner funds to support programs. Figure 1 shows the trend of total annual budget execution in absolute terms while Table 1 includes the absorption rate.

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Fig.1- African Union Budget Execution 2012 – 2014

Source: AUC

Table 1: Budget Execution against Approved Budget and against available funds

	Approved Budget	Available Funds	Expenditure	Absorption Rate to Budget	Absorption rate to Funds available
2012	285,593,262	198,227,514	173,741,755	61%	88%
2013	290,907,901	243,180,666	193,740,399	67%	80%
2014	426,260,902	292,823,887	212,005,829	50%	72%

Source: AUC

2.0 HIGHLIGHTS OF KEY ACHIEVEMENTS IN 2014

2.1 In the quest to fulfill its promises for 2014, the Union made significant achievements towards the attainment of priorities contained in the Organs' respective Strategic Plans. The following are selected key achievements in 2014 presented by Pillar. Full detail of progress achieved in 2014 is presented separately in an Annual Progress Report for 2014:

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2.1.1 Peace and Security

- The Union, through APSA Support Program assisted the AUC, RECs and RMs with capacity building initiatives to deal with peace and security issues in Africa. As a result, crisis prevention, mediation interventions and capacities building activities were successfully carried out in a total of 15 Member States¹ affected by conflicts during the reporting period. In 7 of these cases, the conflicts are positively being defused resulting in peace agreements reached, the return to constitutional order facilitated, the national dialogue process established, and the border demarcation process initiated. And as a follow up, the processes of post-conflict peace building/peace consolidation are being inclusively and successfully initiated, supported and monitored in these Members States.
- The Union supported two (2) Member States to initiate the process of establishing national coordination mechanisms on Small Arms and Light Weapons (SALW). The countries have since taken further steps and are in discussion with the Union through the AU Commission for capacity building interventions for the newly established National Coordination Mechanisms. The initiative has also benefitted the Border Police and Customs Officers from countries under the Nouakchott Process.
- In an effort to accelerate the neutralization of causes and triggers of violent conflict in Africa and in line with the AU Golden Jubilee Declaration of May 2013, the Union developed as a first step a Roadmap on Silencing the Guns by 2020. This will contribute to achieving the goal of an Africa without war as well as finding ways of implementing and sustaining it
- The AUC together with KfW and COMESA supported a cross border collaboration (“Trading for Peace Program”) through the construction of cross border trade infrastructures within COMESA region. This collaboration is an example of a successful intervention in promoting peace building, stability and development in an otherwise conflict prone area

2.1.2 Shared values

- A total of ten (10) AU Member States had achieved more than 30 per cent of women’s representation in their legislatures, namely, Rwanda (63.8%), Cameroon (31.1%), Tanzania (36%), Algeria (31.6%), South Africa (44.5%), Angola (36.8%), Mozambique (39%) and Senegal (42.67%).

¹ Central African Republic (CAR), Madagascar, South Sudan, Burundi, Mozambique, Burkina Faso, Sudan, Libya, Mali, Somalia, DRC, Tunisia, Egypt, Guinea Bissau, Sudan and Western Sahara.

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- Following the Council Decision (EX.CL.849 (XXV)) regarding elections into the 2nd General Assembly of the Economic, Social and Cultural Council of the African Union (ECOSOCC), the Union conducted continent-wide sensitization campaign enticing Member States to propose eligible candidates for elections into the ECOSOCC Assembly. As a result, the General Assembly was elected in December 2014 who in turn elected its executives and other Internal Organs to run its affairs. With the General Assembly and its executives in place puts ECOSOCC in a position to play its role well.

2.1.3 Social, Economic and Development

- Member States and African agri-business sector were engaged to ensure that progress is consolidated in promoting private sector investments in African Agriculture as well as establish credible public-private partnerships for investments in agriculture. As part of these partnerships, within a period of 1-2 years up to 180 African and International companies have signed commitments to invest US\$8 billion in African agriculture. These are contributing to the creation of tens of thousands of jobs, also reaching out to millions of smallholder farmers.
- The Union, through the Land Policy Initiative, has in 2014 assisted six Member States as they review, develop and implement their land policies and governance programmes. In addition, a “Guiding Principles on Large Scale Land Based Investments in Africa” was developed and subsequently launched in 2014.
- The African Risk Capacity (ARC) is now made operational as a pan-African drought response system that meets needs of those affected in a timelier, cost-effective, objective, and transparent manner. With the significant rainfall deficit in the Sahel in 2014, the African Risk Capacity Insurance Company Limited has been making pay-outs of up to US\$30 million to affected participating countries.
- The Union finalized the preparation of an Action Plan for the sustainability of the Pan-African e-Network for Tele-medicine and Tele-education, as requested by the January 2014 Summit. It should be noted that, as of December 2014, the following milestones have been achieved on the Pan African e-network: 48 Member States have signed the PAeN Agreement; A total of 16 700 students were enrolled in various undergraduate and graduate disciplines in different Indian universities through the network; A total of 628 Tele medicine consultations were made and 4700 Continuous Medical Education (CME) sessions were conducted.

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- The Union is coordinating and managing the Geothermal Risk Management Fund program for Eastern African countries to encourage public and private sector developers to exploit more than 15000 MW of geothermal potential at the Rift system to increase access to modern energy for socioeconomic development. As a result, five geothermal projects were awarded grants in 2014 for a total amount of US\$22 million.
- The Union established a medical mission, the AU Support to Ebola Outbreak in West Africa (ASEOWA) and deployed 689 volunteers in 2014. It is the largest ever single contingent of foreign health workers and a historic continental response to an outbreak. The mission has contributed significantly in arresting the spread of the Ebola Disease Virus through manning of the 4 Ebola Treatment Units in the 3 affected countries, performing laboratory tests and tracing a total 15,674 contacts. Most significantly, the survival rate increased from approximately 30 per cent to 50 per cent in 2014 as a result of the ETUs and outreach activities.
- Pan African University (PAU) graduated 54 of its pioneer Masters Students at the PAU Institute for Basic Sciences, Technology and Innovation (PAUSTI) in Kenya in 2014.
- The Campaign to end Child Marriage in Africa was launched at continental level in May 2014 and in two more Member States the same year and country launches will be on-going till 2017 in all affected Member States. The Campaign aims at bringing down the current 45 per cent of girls marrying under the ages of 18 on the continent, to 30 per cent by 2016 through publicity, awareness raising, advocacy and the involvement of community, traditional and religious leaders.

2.1.4 Integration, Cooperation and Partnerships

- The Tripartite Free Trade Area (FTA) - (comprising 26 countries of COMESA, EAC and SADC) negotiations on trade in goods were finalized and the launch is scheduled for May 2015. An FTA between the Tripartite and ECOWAS would result in a large trading bloc of 41 countries representing 76 percent of AU membership and 80 percent of Africa's GDP.
- On WTO negotiations, through the administrative and technical support provided to African negotiators by the Union, Africa developed a Common Position response to the outcomes of the 2013 Bali WTO Ministerial Conference and the decisions of the Policy Organs of the AU (including the High Level African Trade Committee and Assembly) on the response. This

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response raised Africa's political visibility and attention in international geopolitics and trade negotiations.

- Following the adoption of the Protocol establishing the African Investment Bank (AIB), there are now 20 Member States that have signed the Protocol². However, there is slow progress in the ratification of this protocol. Only 2 countries, Libya and Congo, have ratified the Protocol out of the required 15 ratifications for it to enter into force.

2.1.5 Institutions, Capacity Building and Communication

- In order to promote good governance across the Union, a number of key administrative policies were developed in the year 2014 and processed through the relevant policy organs of the Union. The Travel policy was approved in March 2014 while a further set of four (4) policies are completed and ready for enactment: the Recruitment and Selection policy, Education Allowance and Benefits policy, Medical Assistance Plan and Staff Leave and Holiday policy. Other policies are still in draft form, including in the areas of Information Technology (IT), Asset Maintenance, Record Management and Facilities and are expected to be finalized in 2015.
- In an effort to modernise its accounting and financial management policies and operational system and processes, the Union through the Commission adopted accrual based International Public Sector Accounting Standard (IPSAS) as a basis of its accounting and financial reporting process. The eight business areas considered critical in IPSAS (i.e. Financial statements; Property; Plant and Equipment, Revenue Recognition; Expenditure Recognition; Foreign Exchange, Inventory; Employee Benefits liability and Budget Matters) current in use to ensure compliance were applauded by the external Auditors as following the best practices.
- The Commission has started implementing its Communication, Advocacy and Marketing Strategy 2014 - 2017, adopted in March 2014. The strategy is aimed at promoting the image of the Union and that of the continent through the popularization of its programs in line with Agenda 2063, and it provides the framework for both policy and strategic communication options. The Strategy includes the use of communication platforms such as press conferences, social and new media, live streaming and AU website. The Commission is also currently modernizing the AU Media Centre and provides it with the necessary

² Angola, Benin, Burkina Faso, Côte d'Ivoire, Comoros, Congo, Democratic Republic of Congo, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Libya, Niger, Madagascar, Senegal, Sierra Leone, Sao Tome and Principe, Togo and Zambia.

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resources. In addition, the Commission issues a number of publications such as reference materials, policy documents, newsletters, treaties, journals, branding materials, audio-visual services and materials, to mention but a few.

3.0 SUMMARY OF KEY DELIVERABLES FOR 2016

3.1 As outlined in the 2016 Budget Framework Paper, the Union will intensify its efforts to achieve the following selected results:

- i) Integrated High Speed Train Network: Connecting all African capitals and commercial centres through an African High Speed Train to facilitate movement of goods, factor services and people, reduce transport costs and relieve congestion of current and future systems. In 2016, this has a budget allocation of US\$0.5 million.
- ii) Unification of African Space: Capitalization of opportunities in the aviation sector within the framework of the implementation of the Yamoussoukro Decision on a single airspace market for Africa. This has attracted a budget of US\$0.6 million in 2016.
- iii) An African Virtual and E-University. Increasing access to tertiary and continuing education in Africa by reaching large numbers of students and professionals in multiple sites simultaneously and developing relevant and high quality Open, Distance and eLearning (ODEL) resources to offer the prospective student a guaranteed access to the University from anywhere in the world and anytime (24 hours a day, 7 days a week). In 2016 this will have a budget of US\$0.4 million.
- iv) Formulation of a commodities strategy. Enabling African countries add value, extract higher rents from their commodities, integrate into the Global Value chains, and promote vertical and horizontal diversification anchored in value addition and local content development. In the 2016, the budget for this purpose is US\$0.2 million.
- v) Establishment of an annual African forum. Designed to bring together, once a year, the African political leadership, the private sector, academia and civil society to discuss developments and constraints as well as measures to be taken to realize the Aspirations and goals of Agenda 2063. This has a budget of US\$0.1 million in 2016.
- vi) Establishment of the Continental Free Trade Area by 2017. To significantly accelerate growth of Intra-Africa trade and use trade more effectively as an engine of growth and sustainable development, through doubling of intra-Africa trade by 2022, strengthen Africa's common voice and

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- policy space in global trade negotiations and establish the financial institutions within agreed upon timeframes: African Investment Bank and Pan African Stock Exchange (2016); the African Monetary Fund (2018); and the African Central Bank (2028/34). This has attracted a budget of US\$11.0 million in 2016.
- vii) The African Passport and free movement of people: Transforming Africa's laws, which remain generally restrictive on movement of people despite political commitments to bring down borders with the view to promoting the issuance of visas by Member States enhance free movement of all African citizens in all African countries by 2018. In 2016, this has a budget of US\$0.5 million.
 - viii) Implementation of the Grand Inga Dam Project. The optimal development of the Inga Dam will generate 43,200 MW of power (PIDA) to support current regional power pools and their combined service to transform Africa from traditional to modern sources of energy and ensure access of all Africans to clean and affordable electricity. This has a budget allocation of US\$0.1 million in 2016.
 - ix) The Pan-African E-Network. This involves a wide range of stakeholders and envisages putting in place policies and strategies that will lead to transformative e-applications and services in Africa; especially the intra-African broad band terrestrial infrastructure; and cyber security, making the information revolution the basis for service delivery in the bio and nanotechnology industries and ultimately transform Africa into an e-Society. This has a 2016 budget of US\$0.5 million.
 - x) Silencing the guns by 2020. Ending all wars, civil conflicts, gender based violence and violent conflicts and prevent genocide. Monitor progress through the establishment and operationalization of an African Human Security Index (AHSI).

The Union will achieve the following outcomes in 2016.

Outcome 1: Peace and stability, good governance, democracy and human rights as foundations for development and stable societies promoted

3.2 In order to achieve this Outcome, the Union will undertake the following:

- a) Support Observer missions to elections planned for 2016 as part of entrenching democracy through transparent and peaceful elections. This has a budget of US\$4.8 million in 2016.

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- b) Advocate for a culture of constitutionalism and rule of law with a view to redressing the problem of unconstitutional changes of government. The budget for 2016 is US\$0.3 million.
- c) Strengthen and enhance institutional capacity of African states in public service delivery at all levels of the state, including decentralisation, anti-corruption and governance of natural resources. This has a budget of US\$0.6 million in 2016
- d) Promotion and protection of human and peoples' rights and development of the African Union Transitional Justice Policy Framework. This has attracted a 2016 budget of US\$8.2 million
- e) Respond to African humanitarian crisis situations and strive for durable solution to forced displacement on the continent. This has a budget of 0.6 million in 2016.
- f) Operationalise the five clusters of the African Governance Architecture and the architecture's dialogue and consultative Platform and ensuring its synergy with the African Peace and Security Architecture and the African Peer Review Mechanism (APRM). This has a budget of US\$0.08 million in 2016.
- g) The Union will continue to work through its Liaison Offices to implement post-conflict initiatives aimed at promoting reconciliation, early recovery and stabilization efforts in line with the 6 pillars of the Post-Conflict Reconstruction and Development (PCRD) policy. Member States capacities will also be built through Security Sector Reforms and Disarmament, Demobilization and Reintegration programmes. There is a budget of US\$26.3 million in 2016.
- h) In mainstreaming gender in area of peace and security, the Commission will continue to develop effective strategies and mechanisms for women's increased participation in promoting peace and security on the continent, and enhanced protection in conflict and post conflict situations. The Commission will also enhance coordination and programming in this area by the AUC, the UN, RECs/RMs, INGO, CSOs and other multi-lateral and bi-lateral partners working on these issues in Africa. The budget for 2016 is US\$0.2 million
- i) Enhance the capacity of Peace and Security Council (PSC) to deal with peace and security issues will remain one of the priority areas of the Commission. Specifically, the role of the PSC as the major pillar of the APSA, dealing with the promotion of peace, security and stability in

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Africa will be consolidated. The implementation of the AU Plan of Action on Drug Control and Crime Prevention promoted. In 2016, the budget allocated for this purpose is US\$1.1 million.

Outcome 2: Policies and institutions for sustainable development, increased agricultural production, food and nutrition security, expanded value addition and market access, and sound environmental and natural resource management implemented.

3.3 In order to achieve this Outcome, the Union will:

- a) The priorities identified for 2016 aim to respond to the need for supporting and facilitating Member States to put in place mechanisms to expedite implementation of the 2014 Malabo commitments on agricultural transformation³ as well as systems of tracking of progress and review. In this respect, the Union will support Member States' to implement CAADP priority programmes including animal resources as an instrument to boost agricultural production and productivity for food security and nutrition and reducing poverty. Among others, the Union will support local ownership and leadership to champion the inclusive agricultural growth and transformation agenda and developing effective partnerships to enhance coordination alignment and mutual accountability for results. This has a budget of US\$14.1 million in 2016.
- b) Support and monitor enhancement of agribusiness including access to productive resources and capacity of women and youth. This has attracted a budget of US\$3.2 million in 2016
- c) The Union will facilitate the provision of necessary resources that ensure priority programs on environment and natural resources are implemented. To do this, the Union will facilitate in strengthening governance and management of land, water and other natural resources through implementation of initiatives for climate change and desertification, biodiversity, disaster risk reduction, land and forestry, etc. In 2016, this has a budget of US\$3.6 million.

³ The 2014 Malabo commitments are, among others, on (a) ending hunger, (b) embracing inclusive agricultural growth and transformation, and contribute to poverty reduction targets by at least 50% - by focusing on value-adding agro-industries and agribusiness that will provide huge opportunities for the youth and women, (c) tripling intra-African trade in agricultural goods and services, (d) enhancing resilience of livelihoods and productions systems, and (e) Promoting and institutionalizing mutual accountability mechanisms – through conducting an agricultural review process every two years starting from 2017 and report to the Assembly starting 2018 January.

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- d) Gender Climate Agriculture Support Programmes is implemented. The budget is US\$5.5 million in 2016.
- e) Value addition of intra-regional fish trade in food security in Africa is promoted. This has been allocated a budget of US\$7.5 million in 2016.

Outcome 3: Infrastructure development and environment for inclusive economic development, industrialization, private sector-led intra-African Trade and sustainable utilization of natural resources created

3.4 In order to achieve the above Outcome, the following actions will be undertaken

- a) Develop and promote trade policies and the CFTA negotiations facilitated as well as Improved coordination of Africa engagement in multilateral and regional trade negotiations. In 2016, this has a budget of US\$11.0 million
- b) Validate and implement the AU Commodity Strategy which will result in some Member States adopting policies in line with the recommendations. This will result in Africa gradually reducing its dependence on the export of raw materials, and mitigating against their vulnerability to commodity price changes through economic diversification inter alia. This has a budget of US\$0.2 million in 2016.
- c) Provide technical advisory services to Member States in the areas of mining contract negotiations, domestication of the Africa Mining Vision, policies to address the needs of artisanal and small scale mining, etc. The African Minerals Development Centre (AMDC) will be established and operationalized also in 2016. A budget of US\$0.2 million has been reserved in 2016 for this purpose.
- d) Work with RECs to Implement projects identified in the Action Plan for the Accelerated Industrial Development of Africa (AIDA) as mandated by the AU Ministers of Industry. In 2016, this has a budget of US\$16.5 million.
- e) Support efforts by member states to implement Trade Facilitation Measures within the Framework of the BIAT and WTO. A budget of US\$0.7 million is allocated in 2016 budget.
- f) Develop policies for sustainable utilization of the continent's mineral through industrial development and strengthening of SMEs with a focus

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on women and youth in priority sectors of Agribusiness, Pharmaceuticals and Mining. This has a budget of US\$0.2 million in 2016.

- g) The Union will continue to improve private sector engagement and business climate in Africa in order to boost investment and trade within Africa and beyond especially through encouraging Public Private Partnerships (PPPs). This has a budget of US\$0.2 million in 2016.
- h) Support connectivity, reliability and cost-effectiveness of transport and tourism networks and services in the continent as vehicles for enhanced intra-African Trade, among others. In 2016, this has a budget of US\$19.1 million.
- i) Increase access to modern energy for Africa's socio-economic development. In 2016, this has a budget of US\$2.2 million.
- j) Support efforts to create an enabling and favorable environment for the intra-African interconnectivity and the development of e-applications and services. This has attracted a budget of US\$5.6 million in 2016.
- k) Support implementation of PIDA with particular reference to the Service Delivery Mechanism to promote early project preparation and the functioning of the Continental Business Network on Infrastructure Financing. This has attracted a budget of US\$0.8 million.
- l) Support the establishment of the African Union Institute for Statistics which will be based in Tunis (Tunisia) and the Pan African Training Center on Statistics which will be based in Yamoussoukro (Cote d'Ivoire) aimed at strengthening the capability of AU member states (i) to collect, analyse and disseminate statistics; and (ii) to produce timely and high quality statistics that can be utilised for economic and social development planning; as well as supporting the implementation of Agenda 2063 and creating centres of excellence in statistics in Africa. This has a budget of US\$2.7 million in 2016.
- m) Implement the African Charter on Statistics and the Strategy for the Harmonisation of Statistics in Africa (SHaSA). In 2016 this has been allocated US\$2.7 million.

Outcome 4: Policies and Programmes to enhance health, education and employable skills underpinned by investment in services, science, research and innovation implemented by Member States

3.5 In order to achieve the above Outcome, the Union will facilitate the following:

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- a) Promote key policies and programmes on utilization of outer-space for socio economic development. In 2016, the Union will assist with the popularization and promote implementation of the African Space Policy and Strategy. This will include creation of an AUC space programmatic platform to coordinate the African space programmes. This has a budget of US\$1.1 million.
- b) Facilitate the implementation of the 10-year Science Technology and Innovation Strategy for Africa (STISA-2024) to accelerate Africa's transition to an innovation led and knowledge based economy. The AU will, among others, establish and put into operation the Pan-African Science, Technology and Innovation (STI) Institutions namely PAIPO, ASRIC and fully functionalize the AOSTI. The allocation for this is US\$16.9 million.
- a) Promote the operationalization of the ten-year Continental Education Strategy. This will include advocacy and technical support for its integration in national and regional development plans; implementation of the higher education programs (scholarship, mobility, harmonization and quality assurance); teacher development programs and the operationalization of IPED and CIEFFA. This has a budget of US\$2.5 million in 2016.
- b) The Pan African University (PAU) will have all the 5 institutes operational, including the Space Science in South Africa, and establishment of 6 centres for the institutes. The PAU Rectorate will be operationalized in Cameroon. This has a budget of US\$9.2 million in 2016.
- c) Development and implementation of the Instruments for the implementation of the the African e-University and the pan African E-network. In 2016, an amount of US\$1.0 million has been allocated to this activity.
- c) Implement a youth development pact in line with the African Youth Charter and priority 5 of the Commission, and Agenda 2063; operationalization of 10 AU TVET Reference centers based in all five regions of the continent in line with the 2013 AU TVET strategy. This has a budget of US\$0.8 million.
- d) Key Policies and Programmes on Primary Health Care and Prevention, as well as African Regional Nutrition Strategy promoted and supported

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capacity for surveillance, detection and response to disease outbreaks and threats to public health strengthened. This has a budget of US\$0.7 million in 2016.

- e) Policies and Programmes for Social security and protection of vulnerable groups especially children and persons living with disabilities, as well as for Migrant Workers promoted and strengthened. In 2016, this is allocated US\$0.4 million.
- f) Programmes and policies on Youth and Women employment promoted and implemented. This has a budget of US\$3.6 million in 2016.

Outcome 5: Strategies for resource mobilization, including alternative and additional sources of funding, to enable Africa to finance its programmes and development in place

- a) In 2016, the Union will focus on establishing mechanisms domestic resource mobilisation, including Alternative Sources of funding in order to provide predictable and sustainable implementation of AU development priorities as defined in Agenda 2063 and the Post 2015 Development Agenda.
- b) Advise on modalities aimed at achieving principles of owning the budget by member states over a period of three to five years as follows:
 - 100% for operational budget;
 - 75% for programme budget and;
 - 25% for peace operations;
- c) Provide expertise to Member States to facilitate their choice of options on alternative sources of funding in the light of their ability to pay
- d) Examine and review non-exhaustive and non-binding basket of options at national and continental levels
- e) Devise accountability mechanism to ensure prudent management of Union's budget
- f) Creation of awareness on the mechanism for domestic resource mobilization amongst members states including the role out of the policy recommendation of the NEPAD -ECA study on DRM for the implementation of regional and continental and regional programmes and projects

All the above will attract a budget of US\$0.3 million in 2016.

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Outcome 6: An AU that communicates with and engages Member States/Stakeholders in defining and implementing the African Agenda

3.6 In order to achieve this outcome, the Union will facilitate the following:

- d) Positioning the Agenda 2063 in the minds of AU internal and external audiences by correctly establishing what the Agenda 2063 is, and what it should be known for. (Think Agenda 2063 and you think “the Africa we want”).
- e) Reinforce a more vibrant, positively visible and ‘People Centered African Union through an active communication and advocacy strategy around “human rights”.
- f) Establish an effective and operational AU Communication Structure.
- g) Support Implementation of Legacy Projects (African Diaspora Volunteer Program; Africa Diaspora Skills Data Base; Africa Diaspora Investment Funds and Marketplace for African Development.
- h) Provide support to the operations of ECOSOCC to enable it popularize and encourage the domestication of Agenda 2063 in Member States. And as part of its Ten Year Implementation Plan, ECOSOC will in 2016 establish sub organs to activate sectoral cluster committees as key operational mechanisms. This is in addition to mobilizing national Civil Society Community to assist and support the work of the Union in their respective constituencies. .

All the above will attract a budget of US\$2.9 million in 2016.

Outcome 7: Institutional capacities of the AUC improved, and relations with RECs, AU Organs and with strategic and other partners strengthened

3.7 The Union through its Organs will continue to focus on its strategic direction to make its institutions that are: technology-led and should continue to attract and sustain manpower and finally improve efficiency. AU faces the challenge of competitiveness, loosing its skilled HR to other organisations. Looking at totality of the way AU does business, one major challenge is efficiency in implementing our integration agenda, and must continue to interrogate the instruments we use. In this regard the Union will.

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- a) Enhance corporate governance and management to promote and sustain a culture of accountability and responsibility.
- b) Drive performance and operational efficiency within the Commission.
- c) Coordinate the implementation of the Ten Year Implementation Plan on Agenda 2063.
- d) Promote synergies with AU organs and RECs for improved efficiency and effectiveness.
- e) Improve financial management system to provide transparent accounting and better donor reporting through the operationalization of SAP Grant Management Module.
- f) Ensure an IPSAS compliant African Union for enhanced financial reporting and greater accountability. Operationalize the SAP Public Budget formulation solution module to enhance Results Based Budgeting (RBB).
- g) Carry out systems oriented compliance and financial audits and increase number of performance/ value for money audits.
- h) Streamlining of AHRMD services to enhance operational efficiency and enable AUC to deliver on its mandate.
- i) Implement process improvement initiatives to reduce operational cost and sustain a culture of excellence.
- j) Develop & implement a set of capability building solutions to enable AU Leaders and staff to effectively deliver on the mandate of the Organization.
- k) Full operationalization (across all AU Organs) of the new enhanced Planning, Monitoring, Evaluation and Reporting system.
- l) Optimization of the Knowledge Management Portal.
- m) Put in place measures to enhance of the legal capacity of the AU Commission, in order to improve its operational efficiency.
- n) Ensure harmonious and smooth working relationships with Member States and all AU Organs as Focal point within the Commission in its role as Secretariat of the Union.

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- o) Enhance inter-departmental and directorate coordination.
- p) Mainstream gender in AU institutions
- q) Provide adequate technical services to the Commission, PRC, Executive Council and Assembly in their activities and meetings, in coordination with all Commission structures.
- r) Implement Multi Agency AU-NEPAD CD Support Program for RECs (M-CDP) base on the implementation plan 2015- 2025 and pilot launch of AU Transformative Leadership program in Africa with relevant regional organizations
- s) In 2016 the Union will conduct an inclusive review and assessment of all existing functions and positions at all levels, their relationship and their impact on the achievements of the goals of the AU. This will lead to the implementation of a dynamic, lean and actionable organizational structure that will drive the AU 10 Years Implementation plan of the Agenda 2063
- t) In order to deliver on mandates, the Union will promote and drive performance and operational efficiency within the Union institutions. To do this, it will put in place measures to improve, on a continuous basis, the performance and operational efficiency of AU institutions in terms of finance, human resources and administration, legal, strategic planning, internal audit, conference, medical, protocol and all services in the Commission, through bench marking and adoption of International Best Practices. In 2016, this and activities above it will have a budget of US\$30.2 million.
- u) The Union will also establish an AU Center of Excellence Academy that will assist with developing and implementing a set of capability capacities solutions to enable the AU Organ leaders and staff to effectively deliver on the mandate of the organization. The institute will also open its doors to Member States, especially in areas of measurement and evaluation. In 2016, this will have a budget of US\$0.3 million.
- v) The Union through the Commission also intends to make improvements to its infrastructure by, among others, construct the accreditation center, the new cafeteria, improvement of offices in Lilongwe, Lagos, Bamako, Yaoundé, Geneva, Brussels, New York, and completion of office building for IBAR in Nairobi. This is in addition to refurbish one of its buildings to accommodate the archives. In 2016, this has a budget allocation of approximately US\$15 million.

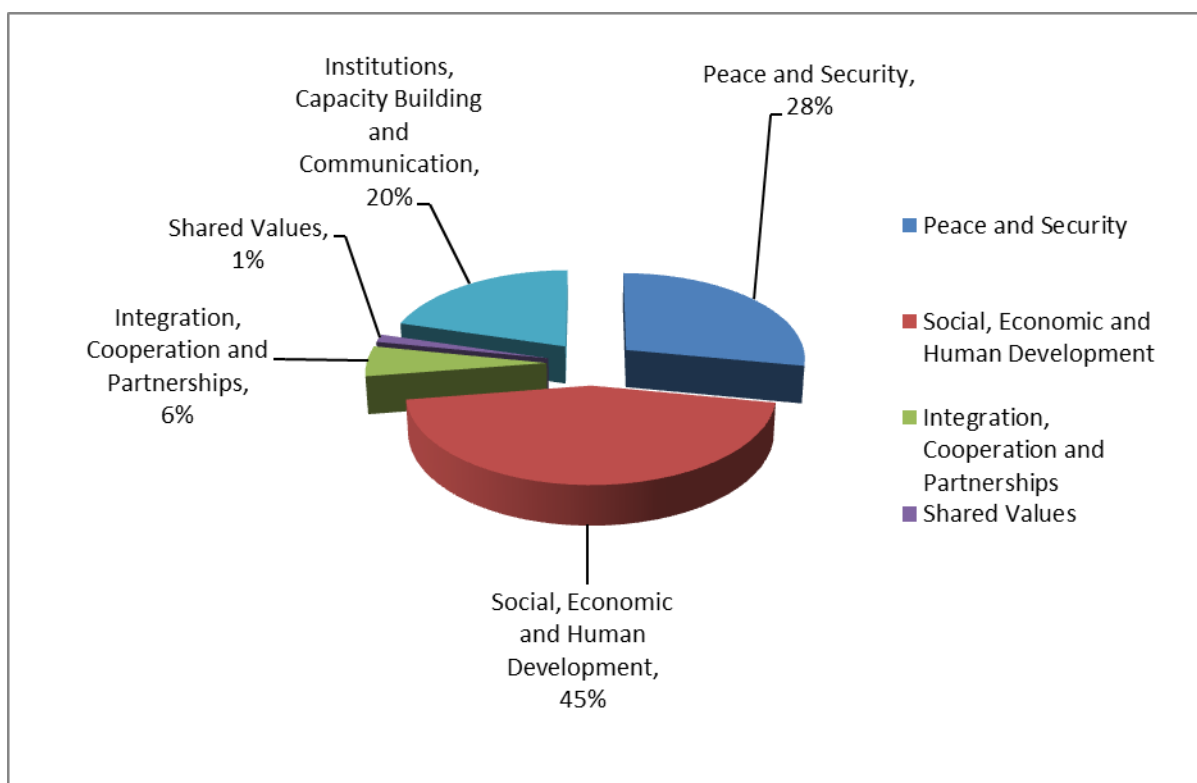
AFRICAN UNION 2016 DRAFT CONSOLIDATED BUDGET

- w) Synergies with AU organs and RECs for improved efficiency and effectiveness is promoted. In 2016, this has a budget allocation of .US\$0.1 million

4.0 OVERVIEW OF PROPOSED BUDGET FOR 2016

4.1 The proposed budget for the African Union for 2016 stands at **US\$416,867,326**, which is 2 percent lower than the 2015 budget. It is composed of Programs of **US\$266,363,451** and Operational budget of **US\$150,503,875**. Overall, the classification of the program budget by Pillar reveal that 28 percent is earmarked for Peace and Security, 45 percent is allocated to Social, Economic and Human Development, about 20 percent is for Institutions, Capacity Building and Communications, while 6 percent goes to Integration, Cooperation and Partnerships, and a further 1 percent is for Shared Values. It should be noted that the 4 percent indicated for Pillar of Integration, Cooperation and Partnership caters only for programs that look at harmonization of policies and standards in various areas i.e. transport, marine, aviation, trade, customs, statistics, etc., leaving the bulk of interventions in the same areas to the Pillar on Social, Economic and Human Development, which has a budget share of 34 percent. Below is the graphical presentation of the classification of the 2016 budget:

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Figure 1: Budget distribution by Components

4.2 The *table* below summarizes the budget allocation by Organ. In the table the African Union Commission has the largest share of the budget of 79 percent, followed by the NPCA with 8 percent. The AUCIL has the lowest share of the budget with 0.18 percent.

Table 1- Budget Distribution by Organ

Organ	Total Budget			% Distribution 2016
	2015 'US\$	2016 'US\$	% Change	
AUC	306,279,604	318,849,642	4.10%	76.49%
PAP	29,521,837	32,460,993	9.96%	7.79%
AfCHR (The Court)	9,857,665	10,286,401	4.35%	2.47%
ACHPR (The Commission)	5,922,595	5,581,245	-5.76%	1.34%
ECOSSOC	1,023,521	2,034,619	98.79%	0.49%
NEPAD	36,045,143	33,885,492	-5.99%	8.13%
AUCIL	642,547	684,775	6.57%	0.16%

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Advisory Board on Corruption	1,805,628	1,376,408	-23.77%	0.33%
Peace & Security Council	759,253	797,216	5.00%	0.19%
ACERWC	279,405	739,178	164.55%	0.18%
SPECIALIZED OFFICES OF THE AU				
AFREC	900,255	945,268	5.00%	0.23%
IPED	0	735,51205		0.18%
CIEFFA	0	735,51205		0.18%
PAU	0	2,526,6684		0.61%
AIR	0	2,135,276		0.51%
ACDC		3,093,121		0.74%
Total	393,037,453	416,867,326	6.06%	100%

5.0 BUDGET BY ORGAN

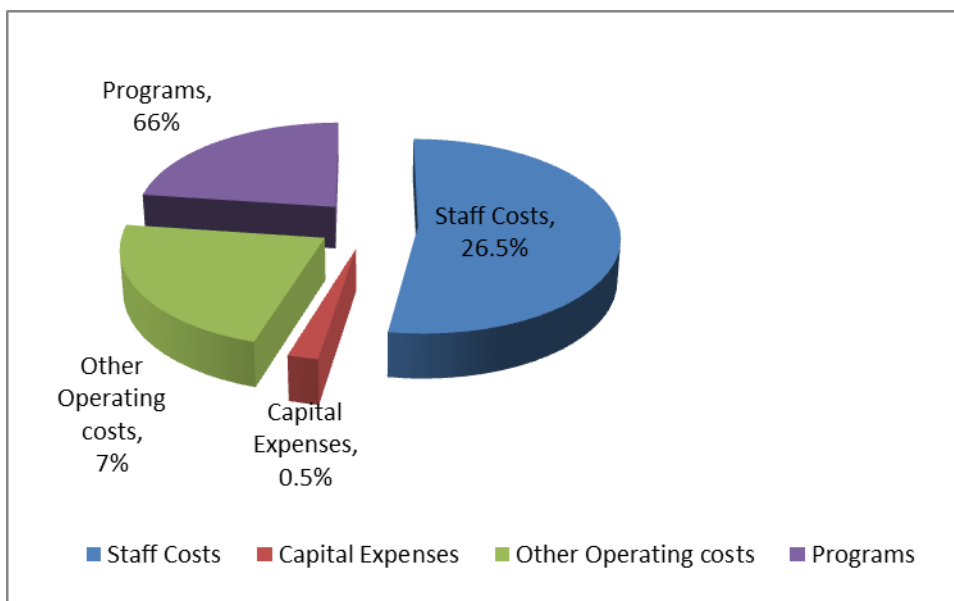
5.1 AU COMMISSION

5.1.1 The AU Commission budget for 2016 stands at **US\$318,849,642** which increased by 4.1 percent from the 2015 budget. It comprise of Operating Budget of **US\$107,213,380** and Program Budget of **US\$211,636,262**. The Program Budget, which has 50 projects, is presented into four parts:

- Mainstream budget - **US\$169,490,361** (80 % of Program budget);
- Pass Through Funds (grants to Member States) with a budget of **US\$11,552,200** (6% of Program budget);
- Technical Assistance (whose funds are spent outside the AU accounting system) with a budget of **US\$2,277,194** (1% of Program budget); and,
- Special projects (these are once-off projects implemented and completed in a plan year) with a budget of **US\$28,316,507** (13% of Program budget).

5.1.2 The Operating budget, on the other hand, is composed of the following:

- Staff costs with a budget of **US\$84,477,258**.
- Capital Expenses amounting to **US\$1,559,098**, and
- Other Operating costs of **US\$21,177,024**.

Figure 2: Distribution of AUC budget by category of Spending

5.1.3 This section presents the priority activities to be undertaken in 2016 if funds are secured from Member States:

- a) Implementation of new initiatives pertaining to improving efficiency in human resource management and practices among its staff. This has a budget of US\$6.6 million in 2016. Although the budget is with the Commission, its implementation will cut across all Organs from 2016;
- b) Upgrade the security and safety of office buildings and staff in view of increased extremist threats. This has attracted a budget of US\$3 million in 2016;
- c) Absorption of recurrent costs pressures emanating from completed projects, such as the management of the new AU Conference Center, SAP, VSAT, operating costs of Africa Energy Commission, African Center for Disease Control, CIEFFA, AIR, IPED and AOSTI. The Pan African E-Network costs will also be absorbed by Member States from July 2016. Altogether, therefore, these have a budget of US\$9.8 million;
- d) Refurbishment of existing office infrastructure to accommodate especially the Archives. A total of US\$0.9 million has been earmarked in 2016 budget for this purpose;
- e) Replacement of obsolete IT equipment, most of which have passed their working life span. A budget of US\$0.03 million has been set aside for this purpose;

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- f) Separation costs for out-going and costs related to the in-coming Commission. This will attract a budget of US\$1.4 million
- g) Periodic step increase to staff basic salaries. This is estimated to cost the Commission US\$2.8 million in 2016;
- h) Statutory subventions and grants for assistance to Refugees, Peace Fund and Women Fund that are allotted at 2%, 7% and 0.5% of the total operational budget of the Commission. All to be paid from Member States contribution
- i) The increased mandate due in part to the scaling up implementation of the Agenda 2063 priorities. This is especially tide to the implementation of flagship projects (Continental High Speed Train and Integrated Infrastructure Initiative, Single African Aviation Market, Pan African e-network, Outer Space, Continental Free Trade Area, African Passport, Virtual University and e-Learning, and Grand Inga Dam). Cost of feasibility studies and implementation for some of these projects will have to be borne by Member States i.e. feasibility study for Hi Speed Train, implementation of African passport, etc.

5.1.4 The majority of these cost pressures have been pending for the past few years due to the 5 percent cap that was imposed on previous budgets.

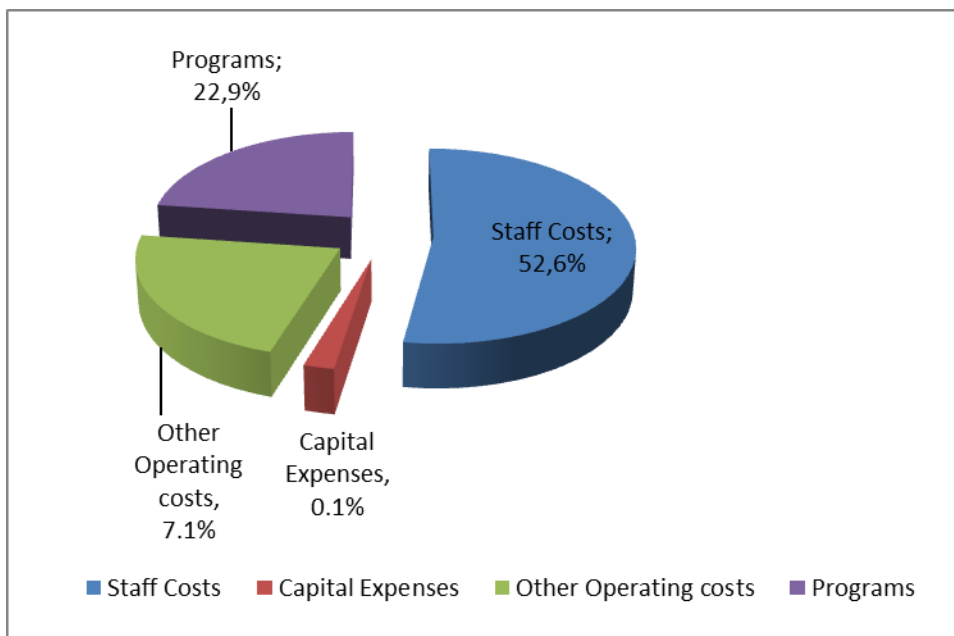
5.2 NEPAD PLANNING AND COORDINATING AGENCY (NPCA)

5.2.1 The NPCA has proposed a budget for 2016 of **US\$33,885,492**, which is 6 percent lower than the approved 2015 budget. The budget comprises Operating and Program budgets of **US\$8,871,755** and **US\$25,013,737**, respectively. The Program budget has four projects, and all expected to be financed with partner funds.

5.2.2 The budget for NPCA has the following categories:

- a) Staff cost – **US\$6,436,872**
- b) Operating expenses – **US\$2,399,794**
- c) Capital expenses – **US\$35,089**
- d) Programs – **US\$25,013,737**

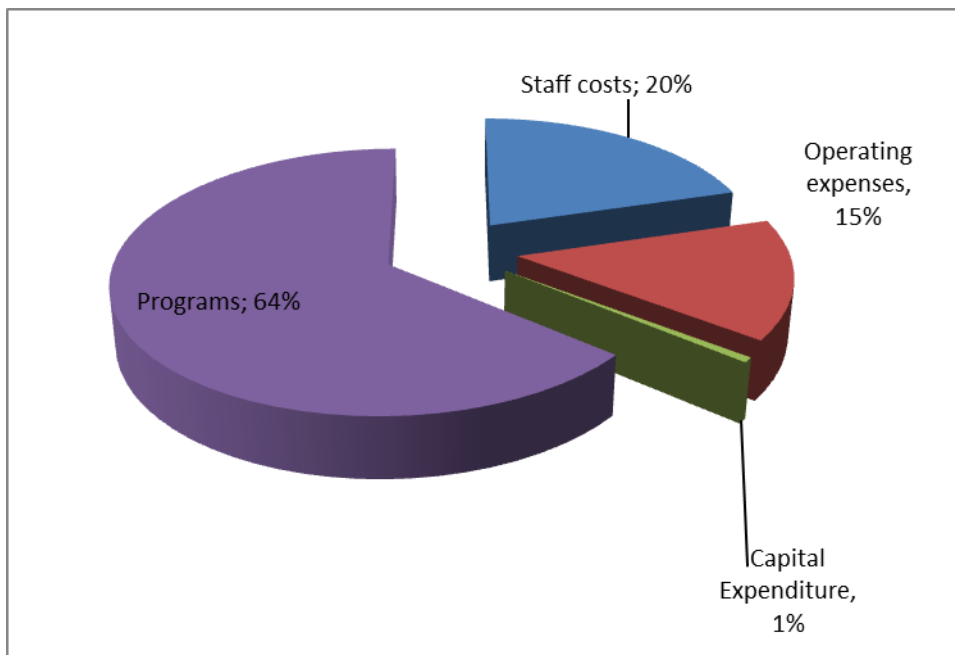
Below is the graphical presentation of NPCA budget distribution.

Figure 3: Distribution of NPCA budget by category of Spending

5.3 THE PAN AFRICAN PARLIAMENT (PAP)

The 2016 proposed budget for PAP stands at **US\$32,460,993**, which is 10 percent higher than the approved 2015 budget. It is divided into an Operating budget of **US\$12,016,230** and a Program budget of **US\$20,444,766**. The entire Program budget is expected to be financed with funds from partners. The budget for PAP has increased due in part to scaling up of establishment's mechanisms and processes, and also due to the need to intensify efforts to speed up ratifications and domestications of AU legal instruments, in addition to carrying out activities that will involve African citizens in AU decision making thereby mainstreaming African voices in the Union programs. Below is the distribution of PAP budget by category presented graphically:

AFRICAN UNION 2016 DRAFT CONSOLIDATED BUDGET

Figure 4: Distribution of PAP budget by category of Spending

5.4 AFRICAN COURT ON HUMAN AND PEOPLES RIGHTS (AFCHPR)

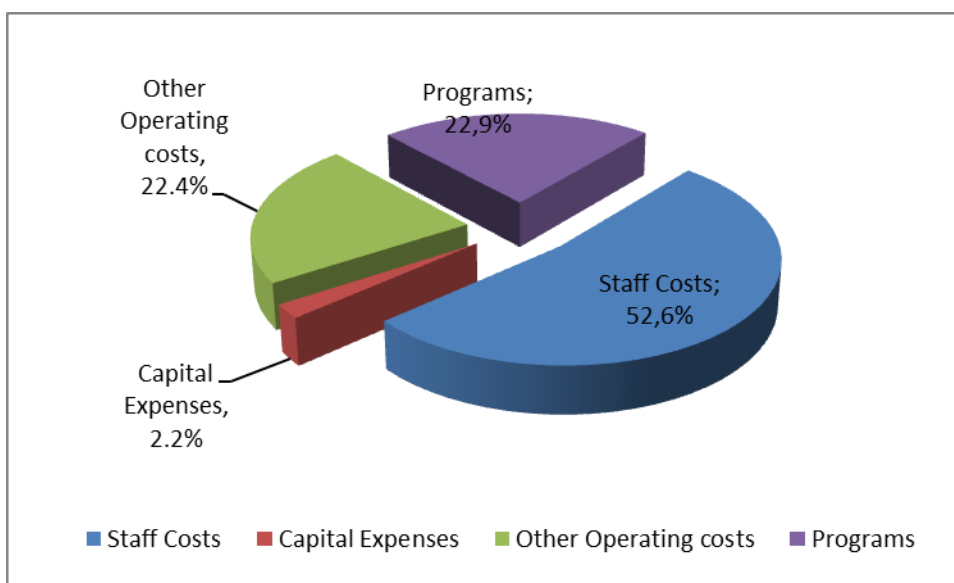
The African Court on Human and Peoples' Rights has prepared a draft budget amounting to **US\$10,286,401** which is 4.4 percent higher than the 2015 budget. It comprises the following:

- a) Staff costs - **US\$5,405,875**
- b) Operational expenses - **US\$2,301,254**
- c) Capital expenses - **US\$227,786**
- d) Programs - **US\$ 2,351,486**

Below is the graphical presentation of the distribution of the Court budget for 2016:

Figure 5: Distribution of Court Budget by Category of Spending

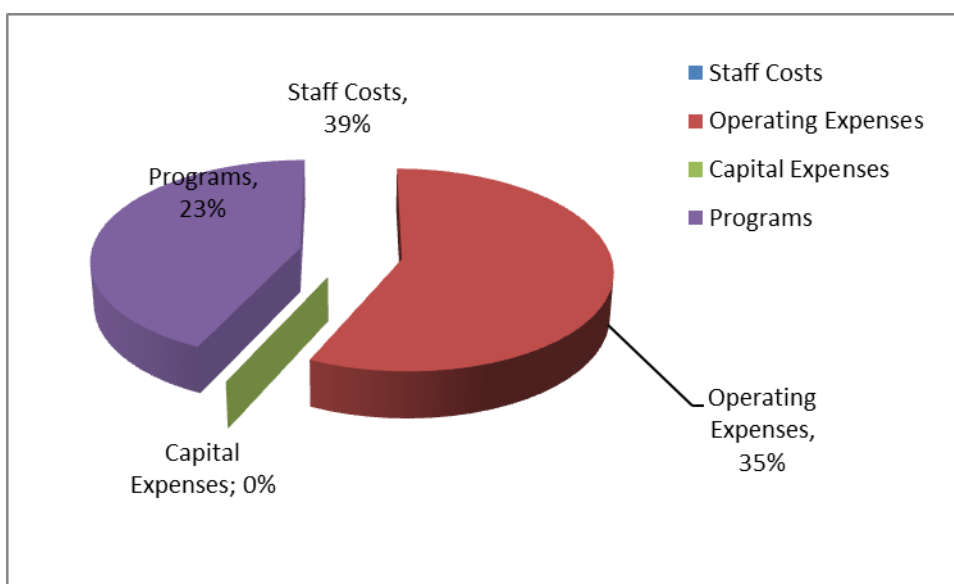
AFRICAN UNION 2016 DRAFT CONSOLIDATED BUDGET



5.5 AFRICAN COMMISSION ON HUMAN AND PEOPLES RIGHTS (ACHPR)

The African Commission on Human and Peoples Rights has a draft budget of **US\$5,581,245** for 2016 down by 5.8 percent over the 2015. Out of this, **US\$4,279,846** is reserved for Operating budget while **US\$1,301,399** is earmarked for Programs. The breakdown of ACHPR budget by cost category is presented in the following graph:

Figure 6: Distribution of ACHPR Budget by Category of Spending



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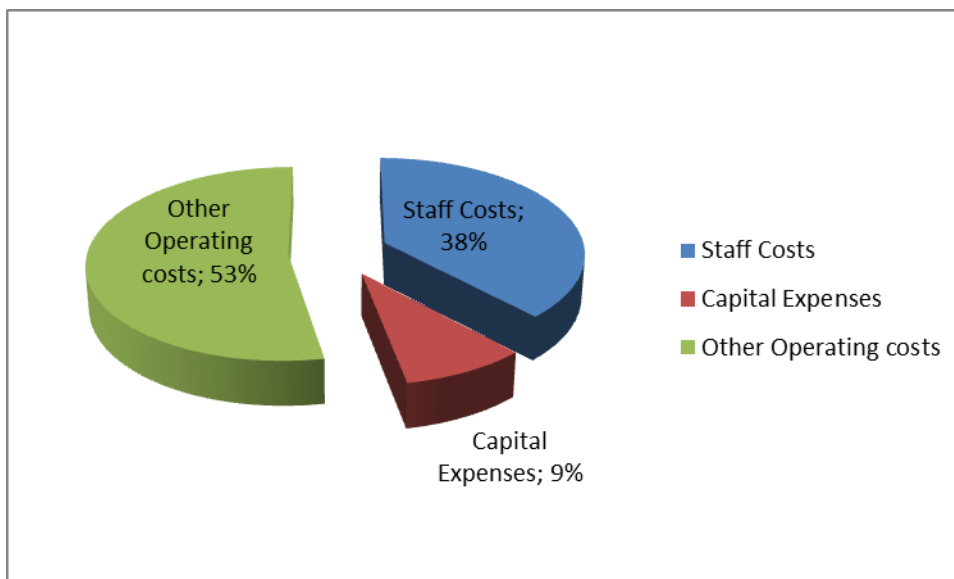
5.6 AFRICAN UNION ADVISORY BOARD ON CORRUPTION

The African Union Advisory Board on Corruption (AUABC) has proposed a draft budget of **US\$1,376,408** for 2016 which is 23.8 percent lower than the 2015 budget. It comprises the following:

- a) Staff costs - **US\$ 523,035**
- b) Operational expenses - **US\$ 729,496**
- c) Capital expenses - **US\$123,877**

The Board, prior to moving to Arusha in Tanzania, its operating costs and others were absorbed by the AU Commission. And during its first year when it moved to Arusha, its operating costs were taken care of by the Swedish government. This support was withdrawn in 2014 such that the Member States took over meeting the costs of the institution from the 2015 budget. In 2016, the AUABC has incorporated a budget for the full running costs of the Board at its current location in Tanzania.

Figure 7: Distribution of AUABC Budget by Category of Spending

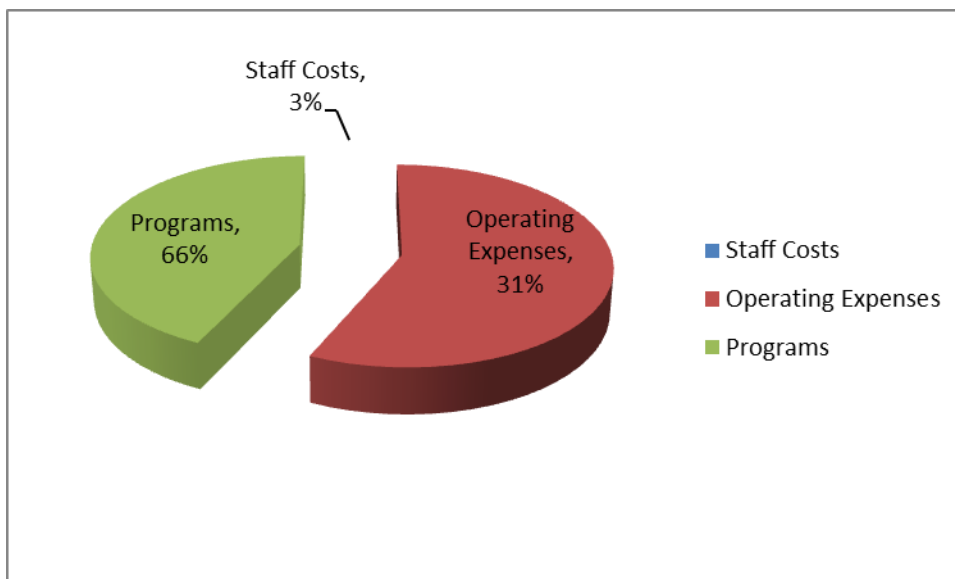
**5.7 THE AFRICAN COMMITTEE OF EXPERTS ON THE RIGHTS AND WELFARE OF THE CHILD (ACERWC)**

The ACERWC has proposed a 2016 budget of **US\$739,178**. It is composed of Operating budget of **US\$253,810** and Program budget of **US\$485,367**. It is 164.6 percent higher than the 2015 budget on account that part of the programs that did attract funding in 2015 has been reprogrammed in 2016.

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The distribution of ACERWC budget by cost category is presented in the following graph:

Figure 8: Distribution of ACERWC Budget by Category of Spending

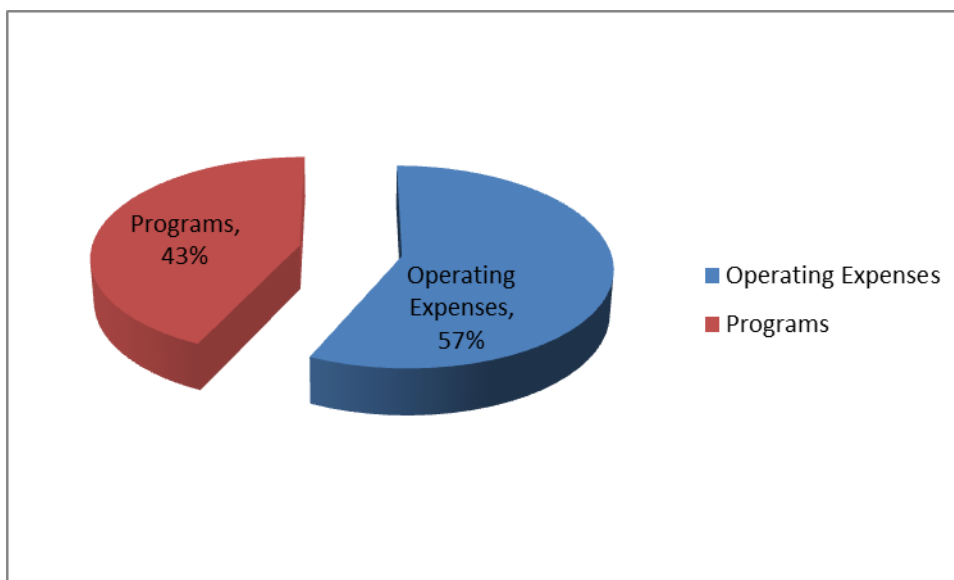


5.8 THE AFRICAN UNION COMMISSION FOR INTERNATIONAL LAW

The African Union Commission for International Law (AUCIL) has a draft 2016 budget of **US\$684,775** grown by 6.57 percent over the 2015 budget. It is composed of Operating budget of **US\$389,575** and Program budget of **US\$295,200**.

The distribution of AUCIL budget by cost category is presented in the following graph:

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Figure 9: Distribution of AUCIL Budget by Category of Spending

5.9 ECONOMIC, SOCIAL AND CULTURAL COUNCIL (ECOSOCC)

Following the 2nd ECOSOCC General Assembly conducted in December 2014, it is expected that the Organ will carry out its mandate and activities at the Continental level as well as the level of Member States. For this reason, Operating budget of **US\$1,043,396** and Programs of **US\$991,223** is being requested for FY2016. The Program budget is anticipated to be financed from funds pledged by World Bank.

6.0 REVENUES FOR AU BUDGET

6.1 Funding for the 2016 budget comes from two main sources: (1) funds received from Member States based on individual contributions according to scale of assessment and/or new methodology on alternative sources of funding to meet mainly the operational expenses of the Union (staff salaries, other operating expenses, capital outlays other overheads); and 2) funds received from development partners (both bilateral and multilateral) to finance peace building and socio-economic development programs and projects.

6.2 The proposed assessed contribution from Member States towards the 2016 budget is expected to be just over **US\$169.83 million** (41% of the total budget and 29% higher than 2015). However, Member States should be compelled to put in more resources in order to meet ever growing mandates of the Union Organs, absorb recurrent costs emanating from completed projects, raise the security and

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safety arrangements of AU compounds in the face of increased extremists threats, meet the scaling up of implementing Agenda 2063, among others. In addition, Member States will be expected to increase counterpart financing of programs by a nominal 6 percentage points to 10 percent in 2016 as a transitional measure towards full implementation of the new budget formula on alternative sources of funding. This however will depend on demonstrated political will to finance the affairs of the Union from treasury and/or alternate sources.

6.3 Development partners such as Canada, Sweden, Germany, Netherland, US, UK, Spain, China, Turkey, World Bank, EU and many others will remain key to the financing of programs and projects of the Union. In 2016 partners are expected to contribute **US\$247 million**, representing 59 percent of total budget mainly to fund programs as per signed agreements.

7.0 RATIONALE FOR THE NEED TO INCREASE THE ASSESSED CONTRIBUTION OF MEMBER STATES

7.1 The 2016 budget marks the beginning of how the operations and programs of the Union will be financed. With demonstrated political will to finance the affairs of the Union from treasury and/or alternate sources, Member States will meet 100 percent, 75 percent and 25 percent of spending requirements for operational, programs, and peace and security budgets, respectively. Although its implementation will stagger over three to five years to allow for countries to adapt to the new formula, it will however be a major departure from being predominantly dependent on partners for program funding towards self-sustenance, self-pride and belief that African problems can be solved with Africans and accountable to Africans. It will be an African Renaissance indeed based on the ideals of Pan Africanism.

8.0 CHALLENGES AND OPPORTUNITIES FOR THE UNION

8.1 The annual funding for the Union budget has been constrained in the past years. Political instability in some parts of the continent coupled with global economic downturn has led to late payment or non-payment of some Member States contribution to AU. The economic embargo imposed on Sudan, too, has constrained that country to send its contribution to AU as well. The partners' funding of AU programs has been affected too. Over the years, their funding has been declining leading to almost 80 of projects unable to commence on time or disrupted implementation of some critical projects, such as the Pan African University where

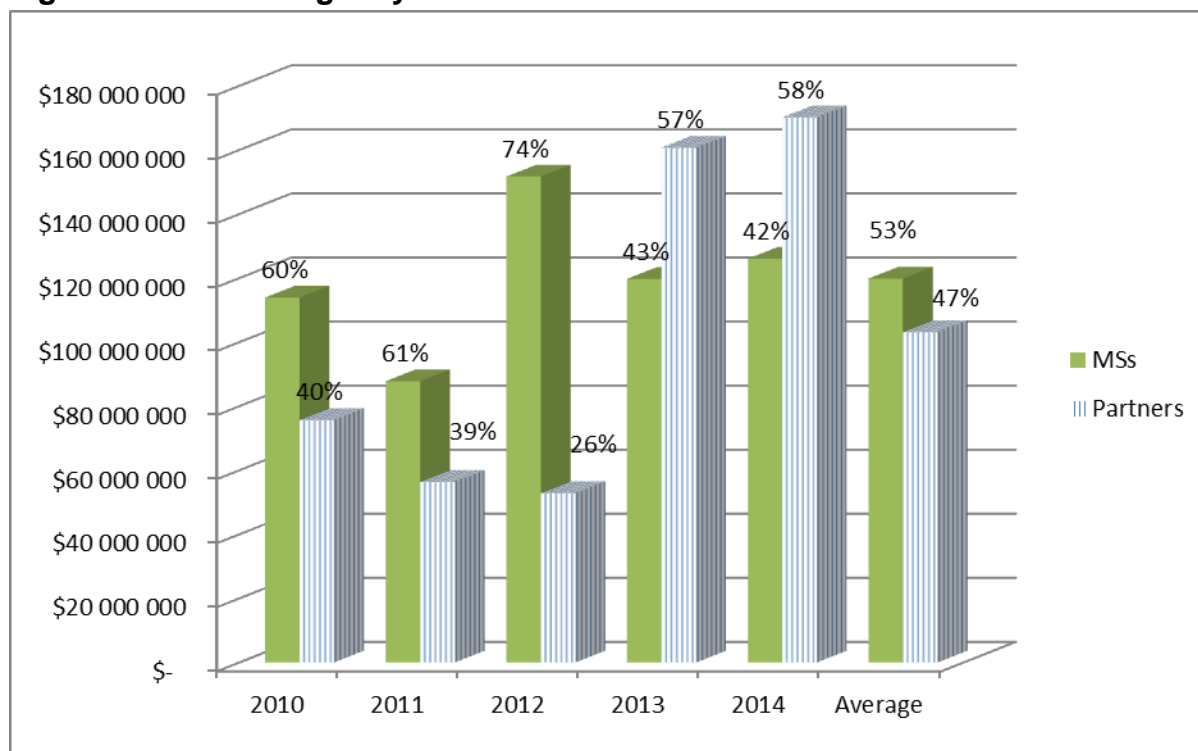
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students went for months without being paid their monthly stipend and other essentials.

8.2 This notwithstanding, the Union is still increasingly dependent on funding from development partners that are unpredictable, selective, often tied to restrictive conditions, requires specialized management and, thus, subjected to risk of non-implementation of some of the key programs. The *Figure* below shows significant portion of Program budget is funded by development partners for past five years. The figure also shows that the operational budget trend over a five-year period equally does not depict a desirable improvement. The trend shows an average annual growth rate of 3% between 2010 and 2014.

8.3 This funding pattern clearly demonstrates that the African Union needs an adequate, more predictable base of regular resources in order to fulfill its mandate and preserve African character in supporting Member States in achieving their development goals. Significant portion of pledged Partner funding do not actually turn out due to non-availability and/or non-disbursement.

Figure 10: Total budget by Member states versus Partners

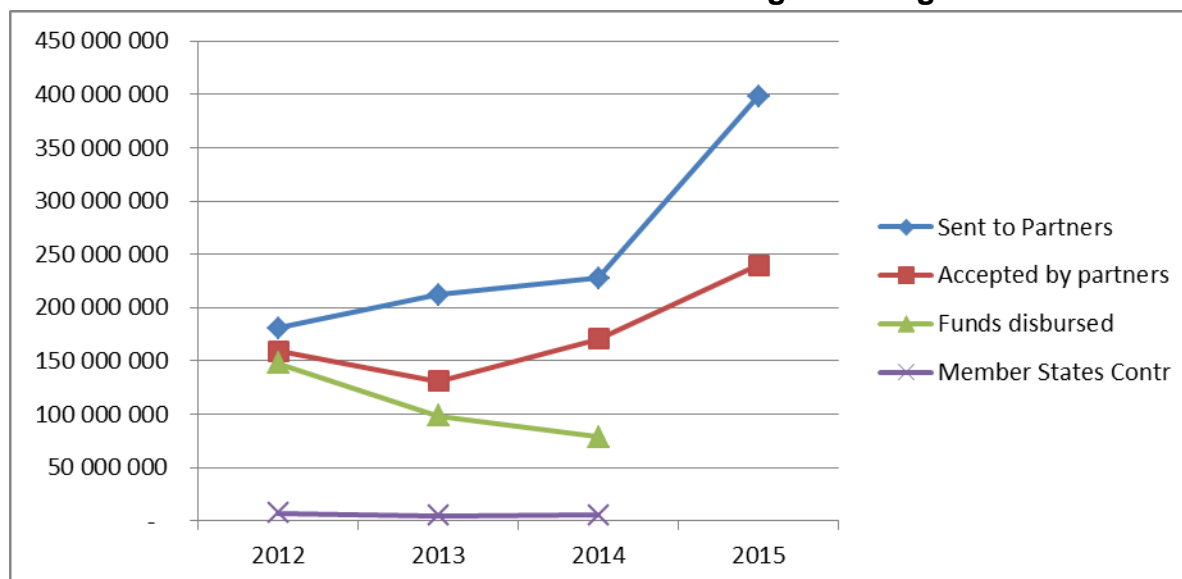


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8.4 Development partners have been instrumental in providing funding for AU programs of up to 96 percent of AU Program Budget over the past years. However, their support has been targeted to mainly peace and security, shared values and institutional and capacity building Pillars, and shunned critical areas of integration and development. In recent years, their funding has been declining as shown in the figure 11 below. For instance, in 2012, the AU negotiated a draft budget of US\$181 million. Partners on the other hand committed to provide US\$159 million, representing 88 percent of negotiated amount. Out of this US\$148 million was actually released to AU, representing 93 percent of committed funds. In 2013, out of US\$212 million requested from partners to fund programs, only US\$131 million was committed, representing 62 percent of the amount requested, and 75 percent of the committed funds were actually released. And in 2014, partners committed 75 percent of the US\$228 million that was tabled for funding negotiations and 52 percent of this was actually disbursed. Again, out of US\$398 million that was tabled for negotiations with partners for 2015 budget, an amount of US\$240 million was committed for funding. In the figure, the budget that was sent to partners for possible funding represents Union's ideal budget due to increased mandate. The analysis reveals, therefore, that while the Union's mandate has increased tremendously it has, however, not matched with available funds. The partners who offered the hope to finance programs are unable to fulfill their commitment in fully as the figure shows. This has led to a great deal of projects that do not meet the requirements of partners not being implemented for years. The partners have been selective in areas of support, and have not favored interventions on integration and development, which are key to achieving the AU Vision. Where funding is guaranteed it has been erratic and often affected smooth implementation of some important projects. The Pan African University project is among the many that have been affected with partner funding. At times, students could go for months without their monthly stipend being paid out, a situation that greatly affected their learning.

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Figure 11: A Comparison of negotiated funds with Partners versus Commitment and Actual Disbursement – AUC Program Budget



8.5 Notwithstanding above challenges, the Union still has a demonstrable capacity to assert itself in terms of funding for its key activities. The Union will require a more sustainable source of funding and nurture the culture of reduction in donor dependency for its programs. The Alternative Sources of Funding initiative provides hope in order to spur African ownership. Enhancing the predictability of the regular funding of AU development activities is important for economic integration and sustainability and therefore the Union need to critically consider reaching full implementation of the new formula for budget financing within the set three to five years.

8.6 Overall, the Union will need to maintain financial solidarity and sustainability in order for it to effectively prosecute its continental development and integration agenda. Finally, there is the need also to explore new sources of financing and partnerships with Non-State participants such as independent Foundations and private sector within the continent.

9.0 CONCLUSION

The 2016 Budget has been prepared in a particularly challenging funding context. It will probably be implemented in an environment marked by unpredictable partner funding. Funding AU operations and programs with locally generated funds maybe a viable option at this stage if aspirations contained in Agenda 2063 will be realized.

ANNEXES

2016 Budget Distribution Recommended by the *Executive Council* - Annex I
Summary by Organ

Assembly/AU/3(XXV)
Annex I

Organ	2015 'US\$	2016 'US\$	% Change
AUC	306,279,604	318,849,642	4.10%
PAP	29,521,837	32,460,993	9.96%
AfCHR (The Court)	9,857,665	10,286,401	4.35%
ACHPR (The Commission)	5,922,595	5,581,245	-5.76%
ECOSSOC	1,023,521	2,034,619	98.79%
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Advisory Board on Corruption	1,805,628	1,376,408	-23.77%
Peace & Security Council	759,253	797,216	5.00%
ACERWC	279,405	739,178	164.55%
SPECIALIZED OFFICES OF THE AU			
AFREC	900,255	945,268	5.00%
IPED	0	735,512	
CIEFFA	0	735,512	
PAU	0	2,526,668	
AIR	0	2,135,276	
ACDC	0	3,093,121	
Total	393,037,453	416,867,326	6.06%

Summary by Source of Fund

Organs	Member States			Partners			Total Budget for 2016		
	Operating Budget	Programs	Total Assessment	Operating	Programs	Total	Operating	Programs	Total 2016
AUC	107,213,380	19,174,284	126,387,664		192,461,978	192,461,978	107,213,380	211,636,262	318,849,642
PAP	12,016,230		12,016,230		20,444,763	20,444,763	12,016,230	20,444,763	32,460,993
AfCHR (The Court)	7,934,915		7,934,915		2,351,486	2,351,486	7,934,915	2,351,486	10,286,401
ACHPR (The Commission)	4,279,846		4,279,846		1,301,399	1,301,399	4,279,846	1,301,399	5,581,245
ECOSSOC	1,043,396		1,043,396		991,223	991,223	1,043,396	991,223	2,034,619
NEPAD	8,871,755		8,871,755		25,013,737	25,013,737	8,871,755	25,013,737	33,885,492
AUCIL	389,575		389,575		295,200	295,200	389,575	295,200	684,775
Advisory Board on Corruption	1,376,408		1,376,408			-	1,376,408	-	1,376,408
Peace & Security Council	-	797,216	797,216			-	-	797,216	797,216
ACERWC	253,810	39,565	293,375		445,802	445,802	253,810	485,367	739,178
SPECIALIZED OFFICES OF THE AU									
AFREC	945,268		945,268			-	945,268	-	945,268
IPED	735,512		735,512			-	735,512	-	735,512
CIEFFA	735,512		735,512			-	735,512	-	735,512
PAU	2,526,668		2,526,668			-	2,526,668	-	2,526,668
AIR	-		-	681,600	1,453,676	2,135,276	681,600	1,453,676	2,135,276
ACDC	1,500,000		1,500,000		1,593,121	1,593,121	1,500,000	1,593,121	3,093,121
TOTAL	149,822,275	20,011,065	169,833,340	681,600	246,352,386	247,033,986	150,503,875	266,363,451	416,867,326

Organ	Member States Assessment		
	2015 'US\$	2016 'US\$	Increase/decrease
AUC	101,112,297	126,387,664	25.00%
PAP	10,891,648	12,016,230	10.33%
AfCHR (The Court)	6,938,014	7,934,915	14.37%
ACHPR (The Commission)	4,076,044	4,279,846	5.00%
ECOSSOC	993,710	1,043,396	5.00%
NEPAD	4,410,000	8,871,755	101.17%
AUCIL	371,024	389,575	5.00%
Advisory Board on Corruption	739,436	1,376,408	86.14%
Peace & Security Council	759,253	797,216	5.00%
ACERWC	279,405	293,375	5.00%
SPECIALIZED OFFICES OF THE AU			
AFREC	900,255	945,268	5.00%
IPED		735,512	
CIEFFA		735,512	
PAU		2,526,668	
AIR		0	
ACDC		1,500,000	
Total	131,471,087	169,833,340	29.18%

Organ	Member States Fund		
	2015'US\$ (Assessment, Reserves & other MSs funds)	2016 'US\$ (Assesment)	Increase/decrease
AUC	111,047,771	126,987,664	14.35%
PAP	11,733,397	12,316,230	4.97%
AfCHR (The Court)	8,176,154	7,934,915	-2.95%
ACHPR (The Commission)	4,970,825	4,279,846	-13.90%
ECOSSOC	1,023,521	1,043,396	1.94%
NEPAD	7,306,433	7,671,755	5.00%
AUCIL	382,155	389,575	1.94%
Advisory Board on Corruption	739,436	1,476,408	99.67%
Peace & Security Council	759,253	797,216	5.00%
ACERWC	279,405	293,375	5.00%
SPECIALIZED OFFICES OF THE AU			
AFREC	900,255	945,268	5.00%
IPED		835,512	
CIEFFA		835,512	
PAU		2,526,668	
AIR		0	
ACDC		1,500,000	
Total	147,318,605	169,833,340	15.28%

NB: This is comparison on total appropriation from MSs funds (Assessment, Reserves, Acquisition of Property and Women Fund)

2015

African Union 2016 Budget Overview

African Union Commission Directorate of Programming, Budgeting, Finance and Accounting

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