

DECISION ON THE STRUCTURE OF THE BUDGET
AND MODALITY OF FUNDING
DOC. EX.CL/246 (IX)

The Executive Council:

1. **TAKES NOTE** of the report;
2. **DECIDES** that the funding of the Budget shall be as follows:
 - a. Staff costs, operating expenses, statutory meetings and selected top priority programmes/projects shall be assessed on Member States;
 - b. The remaining programme cost shall be financed through donors contributions.
- 3 **ALSO DECIDES** as follows;
 - i) The Union shall have one integrated budget;
 - ii) The Assembly shall determine the budget ceiling for the budget in accordance with the following principles:
 - (1) When preparing the budget, the Commission should present the status of contributions received from Member States;
 - (2) In no case should any change in the structure of the budget entail a budgetary increase that could affect the contributing capacity of Member States;
 - (3) The formula of the integrated budget should not be considered as the mechanical merger of the two parts of the budget (operating cost and programme budget);
 - (4) The principle of ownership and opening up to partners should be taken into consideration during the preparation of the budget;
 - (5) The principle of reinforcing sanctions against defaulting Member States will be further studied after the Banjul Summit;

- (6) Member States should actively contribute to the funding of projects and programmes;
- (7) The budget ceiling will be determined according to objective economic parameters such as average GDP growth rates in Member countries, inflation, etc.;
- (8) The Scale of Assessment adopted in Sirte, Libya in July 2005 makes it possible to take into account the ability of Member States to pay.

4. ENCOURAGES Partners/Donors of the Union to work jointly with the Commission towards realization of budgetary support.

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