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**REPORT OF THE JOINT SITTING OF THE MINISTERIAL  
COMMITTEE ON SCALE OF ASSESSMENT AND CONTRIBUTIONS  
AND THE COMMITTEE OF FIFTEEN MINISTERS OF FINANCE (F15)**

## **REPORT OF THE MINISTERIAL COMMITTEE OF SCALE OF ASSESSMENT AND CONTRIBUTIONS AND COMMITTEE OF FIFTEEN MINISTERS OF FINANCE**

### **I. INTRODUCTION**

1. The Ministerial Committee on Scale of Assessment and Contributions jointly sitting with the Committee of Fifteen Ministers of Finance (F15) met virtually on February 2, 2021 on the margins of the 38<sup>th</sup> Ordinary Session to deliberate matters of contributions to the Union budget and the Peace Fund. The meeting was presided over by the Minister of Foreign Affairs for Uganda, Honorable Sam Kutesa. It was attended by 10 Member States and 13 members of the F15 as follows:

### **II. ATTENDANCE**

#### **Member States**

- |             |                 |
|-------------|-----------------|
| 1. Algeria  | 6. Kenya        |
| 2. Angola   | 7. Mauritius    |
| 3. Botswana | 8. Nigeria      |
| 4. Egypt    | 9. South Africa |
| 5. Ghana    | 10. Uganda      |

#### **F15**

- |                  |                  |
|------------------|------------------|
| 1. Algeria       | 8. Kenya         |
| 2. Botswana      | 9. Morocco       |
| 3. Cameroon      | 10. Namibia      |
| 4. Cote d'Ivoire | 11. Nigeria      |
| 5. Egypt         | 12. Rwanda       |
| 6. Ethiopia      | 13. South Africa |
| 7. Ghana         |                  |

### **III. OPENING REMARKS**

2. The chairperson, Honorable Sam Kutesa welcomed all participants to the meeting. In his remarks, he reminded participants of the noble task that was before them was to, among others, to receive a report on Status of Contributions for 2020, consider and examine the payment plans for clearing arrears, as well as recommend to the Executive Council countries proposed for placement under various sanctions for non-payment of financial dues to the Union. This was in addition to deliberating on revised targets for attaining self-financing the Union.

### **IV. ADOPTION OF AGENDA**

3. The following was presented as agenda for the meeting:

- a) Consideration of the report on the 2020 status of contributions and sanctions on non-payment of contributions
  - b) Consideration of the proposed payment plans for Member States facing difficulties paying their contributions
  - c) Discussion on the Revised Johannesburg Targets
4. Agenda was adopted as presented.

#### **V. STATUS OF CONTRIBUTIONS FOR 2020.**

5. The Commission introduced the report to the Committee. It was reported that out of the US\$246,959,713 that was assessed to Member States, an amount of US\$220,990,881 was collected representing 89%, which was an improvement compared to 79% in 2019. The meeting was further notified that eSwatini, Cape Verde, Comoros and Central African Republic paid their contributions and cleared all arrears as of the day of the meeting. As such, they no longer placed under sanctions.
6. Arrears of an amount of US\$68,637,507 were collected, representing 53% of outstanding amounts.
7. It was further reported that there was a collection to endow the Peace Fund in 2020 amounted to US\$30,255,34 out of US\$51.25 million assessed to Member States, representing 59% of the amount expected.

#### **Comments from the Joint Sitting**

8. Following the presentation, the joint sitting made comments to the report. Their interventions also looked at other related subject matters on the agenda, which included commenting on the revised Johannesburg targets as well as the draft decisions:
- i) Wanted to know the basis for a request by Sudan which called for a review downward their scale of assessing it. Also alerted the Committee not to entertain such requests as doing so would open for more countries to requesting the same.
  - ii) Egypt reaffirmed its commitment to the Peace Fund but reiterated its reservations on the matters since the Assembly decision 605, which called for equal distribution among region, was not respected.
  - iii) Proposed amendment to para 11 on draft decision of the Executive Council to include '..... and the reservations made thereon'.
  - iv) Observed that adding the numbers in para 4 and 5 do not give the total number of 55 Member States.
  - v) Informed the meeting that it was going to be difficult to review downwards the scale of assessment for Sudan at this stage. It was then proposed to wait until the next scale of assessment in order to allow Sudan argue its case. Meanwhile, the Commission was

- requested to engage with Sudan with a view to agree on a payment plan on settling the arrears.
- vi) proposed that the Commission should approach Comoros and Central African Republic to agree on payment plan.
  - vii) Observed that para 4 of decision of the Executive Council may have erroneously referred to 2022 advance payment instead of 2021.
  - viii) Reminded the Commission to update para 6 in line with the new payments confirmed by the Commission.
  - ix) Informed the meeting that granting the Chairperson of the Commission provisional mandate to lift sanctions on Member States that met all conditions for moving out of sanctions was in violations of existing rules. Reminded the meeting that Article 35 on sanctions is clear on the threshold for lifting the sanctions – 30 days before the Executive Council meeting.
  - x) Urged the Commission to put in place provisions for interpreting and implementation of reservations as the same was not legally provided in AU legal documents.
  - xi) Observed that the power of the Assembly cannot be delegated to Chairperson of the Commission to lift sanctions on its behalf.
  - xii) Commended the Member States for honoring contributions to the AU budget and Peace Fund.
  - xiii) Proposed to have the Commission engage thoroughly with countries under sanctions in order to find other means and possibly grant amnesty in face of untold challenges faced by such countries.
  - xiv) Empower the Commission to engage with countries of the north and find the pragmatic way of payment to the Peace Fund.
  - xv) Proposed to reformulate para 16 of the report of experts meeting so that it is clear on the countries that entered reservations.
  - xvi) Observed that Cameroon although paid its dues but was not yet featured on the list of countries paid their contributions.
  - xvii) Para 10 of the decision of the Executive Council should start by recalling the Kigali Decision 605 in order to put the matter of contribution to Peace Fund into perspective.
  - xviii) proposed that while recalling Assembly decision 605 there is also a need recall decision 734 as well.
  - xix) Wanted to know the basis for suggesting a four year extension to the attainment of Johannesburg targets.
  - xx) Proposed to extend the period by 8 years the attainment of Johannesburg targets so that Member States have ample time to recover from economic shocks caused by Covid pandemic.

### **Responses by the Commission**

- i) Explained the case of Sudan as a matter of misunderstanding. The matter originated from time the Sudan was split into two countries in which the Assembly allowed them to be assessed at 2% as compensation on the loss of revenue to South Sudan. But after 2012, when the new scale of assessment was in place, which applied revised economic data for Sudan after the split, meant the scale of assessment

- generated thereafter took into account new data and appropriate scale of assessing Sudan computed accordingly.
- ii) Took note of comments made and promised to make corrections appropriately.
  - iii) On the threshold for payment to avoid sanctions, it was clarified that due to challenges being faced by Member States, the Commission took exceptional cases and allowed late payments, which enabled Member States move out of sanctions.
  - iv) Agreed with the meeting that lifting of sanctions by the chairperson of the Commission be provisional and has to be in line with Rules of Procedure of the Assembly.
  - v) Confirmed that Para 7 will be cancelled in the draft decision of the Executive Council.
  - vi) Agreed that fouryear extension to the attainment of Johannesburg targets was more appropriate which can be reviewed after its implementation.

## **VI. RECOMMENDATIONS**

9. Endorsed with amendments the report of the Ministerial Committee on Scale of Assessment and Contributions (at Ambassadorial level).
10. Commended Member States for contributing 89% of the funds assessed to them (US\$220,990,881) in 2020 towards the Union regular budget.
11. Urged Member States that have not yet paid their contributions to do so in fulfilment of their financial obligations to the Union.
12. Recommended to Executive Council to lift with immediate effect the sanctions previously imposed on the Republic of Nigeria, Republic of Equatorial Guinea, Republic of Mozambique, Republic of Mauritania, Republic of Djibouti, Republic of the Gambia, Republic of Tunisia, Republic of Niger, Republic of Tanzania, Republic of Guinea Bissau, Republic of Sao Tome and Principe, Republic of Benin, Republic of Cameroon, Republic of Senegal, Republic of Cape Verde, Republic of eSwatini, Republic of Comoros as well as Central African Republic.
13. Commended the Republic of Somalia, Republic of Seychelles and Republic of Burundi for agreeing with the Commission in fulfilling the requirement to submit the Payment Plans to clear the arrears as soon possible, within four (4) years from the adoption of the Decision EX.CL/Dec.1071(XXXV).
14. Took note of the request from the Republic of Sudan on the need to review its assessed contribution and requested the Commission to consult with the Republic of Sudan based on the current Scale of Assessment to agree on a Payment plan to clear the arrears as soon possible, within four (4) years from the adoption of this Decision.
15. Mandated the Commission to continue bilateral consultations with 6 of the countries from Northern region that registered reservations on the use of scale of assessment for the regular budget to assess Member States to the AU Peace Fund

with a view to arriving at the appropriate mechanism for assessing the Peace Fund as long as it does not affect the consensus already agreed on the matter and in accordance their reservations.

16. Endorsed to:

- a) maintain the targets set in Decision Assembly/AU/Dec.578(XXV) of achieving the following:
  - i. 100% of the Union's Operational budget;
  - ii. 75% of Union's Program budget;
  - iii. 25% of Union's Peace support operations budget
- b) Extend the period for attaining the targets by four more years to 2025.

2021-02-04

# Report of the Joint Sitting of the Ministerial Committee on Scale of Assessment and Contributions and the Committee of Fifteen Ministers of Finance (F15)

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