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Addis Ababa, ETHIOPIA

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REPORT OF THE SUB-COMMITTEE ON CONTRIBUTIONS

REPORT OF THE SUB-COMMITTEE ON CONTRIBUTIONS

1. The meeting of the Sub-Committee on Contributions was held on 13 May 2013 to consider the report on the status of contributions from Member States and Partners to the 2013 budget of the African union.

Participation

2. The meeting was chaired by the Ambassador of Togo, H.E Mrs Amoko Holadem Kouvahe, and was attended by representatives of the following Member States:

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

Adoption of the agenda

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

i) Opening;

ii) Organization of work;

iii) Adoption of the agenda;

iv) Consideration of the report on contribution arrears from Member States and Partners as at 15 May 2013;

v) Any other business.

Opening Session

4. In her keynote address, the Chairperson of the Sub-Committee thanked members for attending the meeting and underscored its importance. She then invited the Commission's Representative to present the report.

5. The Representative of the Budgeting and Programming Division informed the meeting that the report on contributions submitted to Member States covered the period up to 15 May 2013.

6. In his presentation, he highlighted that out of the amount of US$ **278.226.622** representing the budget **approved for the African Union for the 2013 financial year, US$ 122.866.637 was divided among Member States and US$ 155.359.986 dollars** was allocated to Partners

7. According to the report on contributions, updated and annexed herewith, the total collections received for the period from 1 January to 15 May 2013 amounted to **US$77.373.266,41 of which**, **US$54.125.503** represented statutory contributions from Member States for the 2013 financial year, **US$23.220.610,90 the balance of arrears as at 31 December 2012 and US$27.152.50** advance contribution payments to the budget of the 2014 financial year.

8. Contributions received during the year accounted for 47% of total contributions owed by Member States at the beginning of the year. The Commission's Representative further stated that 15 of the 54 Member States had fully paid their contributions out of which 3 had made advance payments. Twenty two Member States were currently indebted to the Commission, out of which 10 owe arrears and 14 must still pay their statutory contributions for the current financial year.

9. During the 5 months of the 2013 financial year, only US$ **22.6 million that** is 3% was received from Partners to finance various programmes of the African Union Commission out of a total pledged amount of US$ **160.73 million.**

10. With regard to sanctions, the Representative of the Budgeting and Programming Division informed the meeting that according to the status of contributions, as at 15 May 2013, only one Member State, namely, Sao Tome & Principe had lagged for at least two years or more in the payment of its contributions. He requested that the Sub-Committee should recommend the enforcement by the PRC of the provisions of the AU Financial Rules and Regulations on Arrears of Contribution (FRR/Art.126 (3.a) of 25 - 29 July 2006) whereby any Member State that lagged in the payment of contributions for two whole years should be placed under sanctions.

11. Guinea Bissau and Madagascar were already under sanctions in default of payment and the situation in these cited countries remain unchanged as at 15 May 2013.

12. He further stated that even though Somalia had lagged in the payment of its contribution to the African Union budget, sanction was not proposed against it in line with the Decision of the Executive Council to exclude Somalia from the list of countries under sanctions (EX.CL/Dec.700 (xxi)) and the Sub-Committee must decide on measures to be taken since the new Government was already in place.

13. The temporary exemption granted to the Democratic Republic of Congo was no longer in force since the DRC had honoured its commitments by clearing all its arrears of contribution.

14. On the issue of statutory scale of contribution, the Commission's Representative, recalled that the Ministerial Committee had recommended that the rate which would be fixed for the Republics of Sudan and South Sudan should be reviewed in line with Decision (EX.CL/Dec.700(XXI).

15. After taking note of the presentation made by the Commission, the Chairperson of the Sub-Committee gave the floor to members for their comments and observations.

During the debate that ensued, members:

i) Congratulated the Commission for the precise and well written report;

ii) Commended the 12 Member States which had paid their contributions in full and those countries which had made advance payments;

iii) Expressed concern about the lagging by some Member States in the payment of their statutory contributions and reiterated that the countries in arrears should be encouraged to settle all their respective debts to the African Union;

iv) Reminded the Commission to regularly send a Note Verbale to inform Member States of their outstanding contributions;

v) The Seychelles delegation expressed doubts about the arrears of contribution indicated in the report and requested that a joint meeting between the AUC and the Republic of Seychelles be organized on 15 May 2013.The total amount of its arrears stood at $EU ; 685.074.08;

vi) Expressed the need to congratulate the Democratic Republic of Congo for having honoured its commitments;

vii) Recalled that the decision on the temporary exemption of the Republic of Somalia was valid till the end of 2013; hence the need to remind Somalia that it should start paying its contribution in 2014;

viii) Underscored the need to incorporate the explanatory note on the 1.92% budget deficit owed by the Republics of Sudan and South Sudan and expressed concern over the temporarily fixed 2% in respect of Sudan pending a new proposal based on the Consultant's evaluation;

ix) Requested the status of the expected proposal on the new scale of contribution and strongly urged the Commission to facilitate the work in that regard to enable the Sub- Committee to come up with a proposal on the

minimum to be paid by small island States in a bid to avoid any sanction due to their vulnerability as previously requested under Decision EX.CL/Dec.756 (XXII) para. 8;

x) Requested information on the Partners in order to identify those who honour their commitments and those who default to enable the Sub-Committee to make a recommendation in that respect;

xi) Expressed concern about the Commission's Departments which always fail to submit reports to the Partners, thus causing delays in the release of funds.

Commission's response

i) In response, the Representative of the Finance Directorate informed the meeting that a reminder was sent to Member States every quarter. The Commission would however continue to regularly remind Member States of the status of their areas of contribution;

ii) Regarding the consideration of the scale of contributions, it was explained that it was in line with the Decision of the Executive Council (EX.CL/Dec.718 (XXI)) to make a general review of the assessment in 2013, while taking into account the implications of the independence of the Republic of South Sudan on the Republic of Sudan;

iii) He further observed that the situation reflected the low level of implementation of the on-going programmes of the first quarter of 2013 because the implementation and the reports of programmes had been hampered by problems such as lack of funds from Partners to finance the approved projects and the inability of the Departments to report on results and access funds available within the agreed timeframes.

16. The Sub-Committee made the following recommendations:

Recommendations:

i) Congratulates the countries which are up to date in their contributions;

ii) Urges Member States to pay their contributions in time and encourages Member States which owe areas of contributions to fully pay the amounts due;

iii) Congratulates the Democratic Republic of Congo for having honoured its commitments and Recommends the lifting of the temporary exemption granted to the DRC;

iv) **Recommends that** sanctions imposed on the following Member States should be maintained:

1) Republic of Guinea Bissau; and
2) Madagascar.

v) **Recommends that** sanctions should be imposed on Sao Tome & Principe;

vi) **Requests the Republic of Somalia to touch base with the Commission in order to come up with an agreement on the payment of its arrears and Requests that an interim report on the issue should be presented at the next session of the Executive Council;**

vii) Expresses the concern of Member States about the delays by the Commission in the production of reports to the Partners and Requests the Commission to reprimand Departments which delay in presenting their reports to the Partners in order to access Partners' funds within the time limit.

17. Since no item was raised under Any Other Business, the meeting was closed at 17 h 45.

STATEMENT OF CONTRIBUTIONS
OF THE AFRICAN UNION
15-May-13

			CONTRIBUTION DUE				CONTRIBUTION RECEIVED IN 2012				OUTSTANDING CONTRIBUTION			
NO.	MEMBER STATE	SCALE OF ASSESSMENT	TOTAL ASSESSED CONTRIBUTION 2013	ARREARS UPTO 31 DEC 2012	CONTRIBUTION PAID IN ADVANCE(UP TO 31 DEC 2012)	TOTAL DUE AS AT 01 JANUARY 2012	CURRENT YEAR ASSESSMENT (2013)	ARREARS UPTO 31 DEC 2012	CONTRIBUTION PAID IN ADVANCE FOR 2014	TOTAL	CURRENT YEAR ASSESSMENT (2013)	ARREARS UPTO 31 DEC 2012	CONTRIBUTION PAID IN ADVANCE FOR 2014	OUTSTANDING CONTRIBUTION
1	Algeria	13.27	16,305,631.40	0.00	0.00	**16,305,631.40**	16,305,631.40			**16,305,631.40**	(0.00)	0.00	0.00	**(0.00)**
2	Angola	3.83	4,704,563.53	0.00	0.00	**4,704,563.53**				**0.00**	4,704,563.53	0.00	0.00	**4,704,563.53**
3	Benin	0.40	491,466.55	45,946.47	0.00	**537,413.02**				**0.00**	491,466.55	45,946.47	0.00	**537,413.02**
4	Botswana	1.02	1,250,782.36	(0.00)	0.21	**1,250,782.15**				**0.00**	1,250,782.15	(0.00)	0.00	**1,250,782.15**
5	Burkina Faso	0.49	598,360.52	(0.00)	20,292.01	**578,068.51**				**0.00**	578,068.51	(0.00)	0.00	**578,068.51**
6	Burundi	0.06	77,405.98	50.06	0.00	**77,456.04**	77,375.00			**77,375.00**	30.98	50.06	0.00	**81.04**
7	Cameroon	1.86	2,287,776.78	691,514.72	0.00	**2,979,291.50**				**0.00**	2,287,776.78	691,514.72	0.00	**2,979,291.50**
8	Cape Verde	0.12	146,211.30	290,544.94	0.00	**436,756.24**		100,000.00		**100,000.00**	146,211.30	190,544.94	0.00	**336,756.24**
9	Central African Republic	0.12	143,753.97	188,481.84	0.00	**332,235.80**				**0.00**	143,753.97	188,481.84	0.00	**332,235.80**
10	Chad	0.29	351,398.58	29,684.67	0.00	**381,083.25**				**0.00**	351,398.58	29,684.67	0.00	**381,083.25**
11	Comoros	0.03	41,774.66	42,848.51	0.00	**84,623.16**				**0.00**	41,774.66	42,848.51	0.00	**84,623.16**
12	Congo	0.58	708,940.50	627,952.97	0.00	**1,336,893.47**	159,388.50	627,952.97		**787,341.47**	549,552.00	0.00	0.00	**549,552.00**
13	Democratic Republic Congo	0.56	692,967.83	2,245,923.74	0.00	**2,938,891.57**		2,245,923.74		**2,245,923.74**	692,967.83	(0.00)	0.00	**692,967.83**
14	Cote D'Ivoire	1.72	2,110,848.82	0.00	9,911.30	**2,100,937.53**				**0.00**	2,100,937.52	0.00	0.00	**2,100,937.53**
15	Djibouti	0.08	92,149.98	0.01	4.02	**92,145.96**				**0.00**	92,145.96	0.01	0.00	**92,145.96**
16	Egypt	13.27	16,305,631.40	0.00	0.00	**16,305,631.40**				**0.00**	16,305,631.40	0.00	0.00	**16,305,631.40**
17	Equatorial Guinea	1.02	1,249,553.70	1,791,962.36	0.00	**3,041,516.06**	242,706.82	1,791,962.36		**2,034,669.18**	1,006,846.88	0.00	0.00	**1,006,846.88**
18	Eritrea	0.11	130,238.64	0.00	0.00	**130,238.64**				**0.00**	130,238.64	0.00	0.00	**130,238.64**
19	Ethiopia	1.15	1,409,280.33	0.00	2,000.00	**1,407,280.33**	1,409,280.33			**1,409,280.33**	(2,000.00)	0.00	0.00	**(2,000.00)**
20	Gabon	0.81	997,677.09	(0.00)	1,077,436.47	**(79,759.38)**				**0.00**	(79,759.38)	(0.00)	0.00	**(79,759.38)**
21	Gambia	0.04	45,460.66	1,177.41	0.00	**46,638.07**	45,460.66	1,177.41		**46,638.07**	(0.00)	0.00	0.00	**(0.00)**
22	Ghana	1.06	1,296,243.02	1,466.26	0.00	**1,297,709.28**				**0.00**	1,296,243.02	1,466.26	0.00	**1,297,709.28**
23	Guinea	0.28	337,883.25	0.00	0.57	**337,882.68**	337,883.00			**337,883.00**	(0.32)	0.00	0.00	**(0.32)**
24	Guinea Bissau	0.02	23,344.66	46,555.84	0.00	**69,900.50**				**0.00**	23,344.66	46,555.84	0.00	**69,900.50**
25	Kenya	1.99	2,449,960.74	4,422,541.18	0.00	**6,872,501.92**		685,316.26		**685,316.26**	2,449,960.74	3,737,224.92	0.00	**6,187,185.66**
26	Lesotho	0.17	208,873.28	0.00	103.04	**208,770.25**	208,770.24		103.04	**208,873.28**	0.00	0.00	103.04	**(103.03)**
27	Liberia	0.04	45,460.66	65.00	0.00	**45,525.66**	45,395.66	65.00		**45,460.66**	65.00	0.00	0.00	**65.00**
28	Libya	13.27	16,305,631.40	0.00	0.00	**16,305,631.40**				**0.00**	16,305,631.40	0.00	0.00	**16,305,631.40**
29	Madagascar	0.45	556,585.87	1,264,936.08	0.00	**1,821,521.94**				**0.00**	556,585.87	1,264,936.08	0.00	**1,821,521.94**
30	Malawi	0.16	199,043.95	0.00	198,559.67	**484.28**	50.00			**50.00**	434.28	0.00	0.00	**434.28**
31	Mali	0.52	637,677.85	590,887.95	0.00	**1,228,565.79**				**0.00**	637,677.85	590,887.95	0.00	**1,228,565.79**
32	Mauritania	0.23	276,449.93	(0.00)	0.00	**276,449.93**				**0.00**	276,449.93	(0.00)	0.00	**276,449.93**
33	Mauritius	0.69	844,093.80	0.01	0.00	**844,093.80**	844,093.80			**844,093.80**	(0.00)	0.01	0.00	**0.00**
34	Mozambique	0.51	624,162.52	0.01	0.01	**624,162.51**				**0.00**	624,162.51	0.01	0.00	**624,162.51**
35	Namibia	0.71	872,353.12	(0.00)	0.00	**872,353.12**	872,353.12			**872,353.12**	0.00	(0.00)	0.00	**0.00**
36	Niger	0.27	336,654.59	443,881.70	0.00	**780,536.29**				**0.00**	336,654.59	443,881.70	0.00	**780,536.29**
37	Nigeria	13.27	16,305,631.40	15,971,342.71	0.00	**32,276,974.10**	16,305,631.40	15,971,342.71	12,281.29	**32,289,255.39**	0.00	0.00	12,281.29	**(12,281.29)**
38	Rwanda	0.22	273,992.60	(0.00)	0.52	**273,992.08**				**0.00**	273,992.08	(0.00)	0.00	**273,992.08**

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39	SADR	0.02	19,658.66	0.00	4,196.84	**15,461.83**				**0.00**	15,461.82	0.00	0.00	**15,461.83**
40	Sao Tome and Principe	0.01	12,286.66	23,184.87	0.00	**35,471.53**				**0.00**	12,286.66	23,184.87	0.00	**35,471.53**
41	Senegal	0.86	1,055,424.41	1,015,489.91	0.00	**2,070,914.32**				**0.00**	1,055,424.41	1,015,489.91	0.00	**2,070,914.32**
42	Seychelles	0.07	82,320.65	815,406.64	0.00	**897,727.28**		130,347.86		**130,347.86**	82,320.65	685,058.78	0.00	**767,379.42**
43	Sierra Leone	0.13	153,583.30	153,035.45	0.00	**306,618.74**		153,035.45		**153,035.45**	153,583.30	(0.00)	0.00	**153,583.29**
44	Somalia	0.18	223,617.28	707,099.68	0.00	**930,716.96**				**0.00**	223,617.28	707,099.68	0.00	**930,716.96**
45	South Africa	13.27	16,305,631.40	0.38	0.00	**16,305,631.78**	16,305,631.40			**16,305,631.40**	(0.00)	0.38	0.00	**0.38**
46	South Sudan	0.60	735,971.16	367,286.01	0.00	**1,103,257.17**				**0.00**	735,971.16	367,286.01	0.00	**1,103,257.17**
47	Sudan	2.00	2,457,332.74	8,569,083.22	0.00	**11,026,415.96**				**0.00**	2,457,332.74	8,569,083.22	0.00	**11,026,415.96**
48	Swaziland	0.30	363,685.25	443,808.63	0.00	**807,493.88**		443,808.00		**443,808.00**	363,685.25	0.63	0.00	**363,685.88**
49	Tanzania	1.05	1,283,956.36	1,599,888.37	0.00	**2,883,844.72**		1,069,679.15		**1,069,679.15**	1,283,956.36	530,209.22	0.00	**1,814,165.57**
50	Togo	0.18	217,473.95	0.00	0.00	**217,473.95**				**0.00**	217,473.95	0.00	0.00	**217,473.95**
51	Tunisia	3.01	3,694,599.77	667,048.17	0.00	**4,361,647.94**				**0.00**	3,694,599.77	667,048.17	0.00	**4,361,647.94**
52	Uganda	0.81	990,305.09	804,562.23	0.00	**1,794,867.33**				**0.00**	990,305.09	804,562.23	0.00	**1,794,867.33**
53	Zambia	0.80	984,161.76	0.00	18,310.09	**965,851.67**	965,851.67		14,768.18	**980,619.85**	0.00	0.00	14,768.18	**(14,768.18)**
54	Zimbabwe	0.15	189,214.62	150.06	0.00	**189,364.68**				**0.00**	189,214.62	150.06	0.00	**189,364.68**
	TOTAL	**98.08**	**120,505,140.24**	**43,863,808.04**	**1,330,814.75**	**163,038,133.52**	**54,125,503.00**	**23,220,610.90**	**27,152.50**	**77,373,266.41**	**65,048,822.48**	**20,643,197.13**	**27,152.50**	**85,664,867.11**
	BUDGET 2013	100.00	122,866,637.00				**45%**	**53%**		**47%**				
	Gap between budget and assessment	(1.92)	(2,361,496.76)											

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Report of the sub-committee on contributions

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