

DECISION ON THE OUTCOME OF THE RETREAT OF THE ASSEMBLY OF THE AFRICAN UNION ¹

1. **REAFFIRMS** its determination to ensure that the African Union (AU) is financed in a predictable, sustainable, equitable and accountable manner with the full ownership by its Member States;
2. **FURTHER REAFFIRMS** its earlier Decision Assembly/AU/Dec.578 (XXV) on the Scale of Assessment and Alternative Sources of Financing the African Union adopted in Johannesburg, South Africa in June 2015 and the Decision of the 547th Meeting of the Peace and Security Council at the level of Heads of State and Government on 26 September 2015 requesting the Chairperson of the Commission to appoint a High Representative on the Peace Fund;
3. **TAKES NOTE** of the Report on Financing the African Union and the African Union Peace Fund of the AU High Representative of the Peace Fund, Dr. Donald Kaberuka and **EXPRESSES ITS APPRECIATION** for the excellent work undertaken;
4. **ALSO TAKES NOTE** of the contributions made by Dr. Carlos Lopes, Executive Secretary of the United Nations Economic Commission for Africa and Dr. Acha Leke of Mckinsey and Company;
5. **DECIDES** as follows:
 - a) **On the Financing of the Union:**
 - i) To institute and implement a 0.2 percent Levy on all eligible imported goods into the Continent to finance the African Union Operational , Program and Peace Support Operations Budgets starting from the year 2017;
 - ii) That the amounts collected from the Levy shall be automatically paid by the national administration, into an account opened for the African Union with the Central Banks of each Member State for transmission to the African Union in accordance with each Member State's assessed contribution;
 - iii) That the Commission shall put in place strong oversight and accountability mechanisms for ensuring the effective and prudent use of the resources;
 - iv) That the Commission should complete the on-going institutional reform of the African Union to ensure a more effective attainment of the objective of the Union and prudent use of all resources;
 - v) To establish a Committee of Ministers of Finance comprising [ten]

¹ Reservation entered by the Republic of Mauritius

Member States, representing the five (5) regions [two per region] to participate in the preparation of the annual budget.

b) On the Peace Fund:

- i) The Peace Fund shall be endowed from the 0.2 percent levy, referred to in paragraph 6(a)(i) above, with an amount of United States Dollars Three Hundred Twenty Five (USD 325) million in 2017, rising to Four Hundred (400) million in 2020. This total amount shall be raised from equal contributions from each of the five (5) AU Regions, as defined in the relevant instruments;
- ii) To adopt the recommendations contained in the Report of Dr. Donald Kaberuka, the High Representative on the Peace Fund to have three (3) thematic windows, namely Mediation and Preventive Diplomacy; Institutional Capacity; and Peace Support Operations, as well as clear governance structures and independent fund management body;
- iii) To request the Chairperson of the Commission to implement all aspects related to the operationalization of the AU Peace Fund, in particular the legal, operational and financial rules and regulations;
- iv) To mandate the Commission to finalise the processes relating to decision making for mobilizing assessed contributions for the African Union peace support operations, and Human Rights and Code of Conduct Compliance Framework for Peace Support Operations;
- v) To request the Chairperson of the Commission to undertake consultations with the Secretary General of the United Nations, the UN General Assembly, the UN Security Council and other relevant partners, on the envisaged funding arrangements for the provision of the UN assessed contributions for AU-led peace operations, bearing in mind the funding arrangements for the Peace Fund as outlined above.

6. **REQUESTS** the Commission to undertake a study on the management of African mineral resources, with particular focus on optimizing revenue through harmonisation of royalties and fiscal regimes. In this regard, also build on the study in order to develop a model law that will provide guidance to Member States in reviewing their royalties and fiscal regimes;
7. **REQUESTS** the Commission to undertake a study on the management of natural resources in Africa, including value addition to raw minerals;
8. **FURTHER REQUESTS** the Chairperson of the Commission to report to the Assembly in January 2017 on progress made in the implementation of this Decision.