

AFRICAN UNION

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**EXECUTIVE COUNCIL
Eighth Extra Ordinary Session
19 January 2006
Khartoum, SUDAN**

Ext/EX.CL/Dec.1 - 2(VIII)

DECISIONS

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DECISION OF THE EIGHTH EXTRAORDINARY SESSION OF THE EXECUTIVE COUNCIL ON THE BUDGET FOR 2006

The Executive Council:

1. **APPROVES** the Programme Budget for the year 2006 amounting to US\$129.6 million;
 - US\$69.4 million representing the operational cost shall be shared among Member States as assessed contribution on the basis of the new Scale of Assessment approved in Sirte, July 2005;
 - *US\$60.2 million representing the programme cost to be provided for on voluntary basis by Member States and support from cooperating partners;
2. **AUTHORISES** the Commission to use the collections from arrears to cover the additional requests as follow:-
 - (i) the request of US\$11.5 million relating to other staff costs as well as operational costs to facilitate the implementation of Maputo Structure;
 - (ii) the payment of education allowance of US\$700,000 to local staff of the Commission in line with the Maputo Decision;
 - (iii) operationalization of the recommendations on staff emoluments amounting to US\$800,000 for Geneva and Brussels Offices (refer to PRC/Draft/Rapt/Rpt(XI));
 - (iv) the additional related staff costs to facilitate recruitment of staff of Pan-African Parliament;
 - (v) Implementation of Part B of the adjusted Maputo Structure as amended with its financial implications amounting to US\$4,598,014.88;
3. **DIRECTS** that a formal request through virement covering the above requests to be submitted by the Commission to the PRC.
4. **FURTHER MANDATES** the PRC to support the Commission in its pursuit to implement the above decision accordingly.

* South Africa: Reservation

South Africa, whilst fully endorsing the overall budget, registered its objection to the separation of the budget into assessed part (recurrent budget) and voluntary part (programme budget).

South Africa proposed that, in accordance with the AU Financial Rules and Regulations, the budget should be presented as a joint, composite budget.

The overall budget should be assessed to AU Member States, on the basis of the scale of assessment approved in July 2005 and which takes into account the capacity to pay. This is the only approach that would ensure African ownership of the AU Programmes.

5. **REQUESTS** the Permanent Representative Committee (PRC) in collaboration with the Commission to elaborate further on the following and submit a report and appropriate recommendations to the Ordinary Session of the Executive Council scheduled in June 2006:
 - structure of the 2007 Budget and related funding modalities
 - guidelines and timeous for preparation and consideration of the 2007 Budget including an assessment of this current one.

6. **FURTHER REQUESTS** the Commission in collaboration with the PRC to consider the study on alternative sources of funding the Union and make appropriate recommendations thereon for final decision at the next Summit in 2006 in order to ensure sustainability in funding future Budgets of the Union;

**DECISION OF THE EIGHTH EXTRAORDINARY SESSION OF THE EXECUTIVE
COUNCIL ON THE CONTRIBUTIONS BY MEMBER STATES**

The Executive Council:

1. **URGES** Members States who are in arrears of payment of contributions and those under sanctions to take all necessary measures to pay up their arrears;
2. **EXPRESSES CONCERN** over the increasing number of Member States with arrears of contributions and thus, affected by sanctions;
3. **APPROVES FURTHER** the proposal of Burundi to pay its arrears of contribution by instalment over a period not exceeding five years and therefore, **DECIDES** that Burundi be temporarily exempted from sanctions;
4. **ALSO DECIDES THAT:**
 - (i) Sanctions on Niger, Djibouti and Gabon who made payments during the Summit be lifted;
 - (ii) Sanctions on Sierra Leone continue to be lifted for as long as they honour their agreed payment schedule;
5. **AFFIRMS** that the following Member States continue to be under sanctions:
 - i) Central African Republic;
 - ii) Democratic Republic of Congo;
 - iii) Eritrea;
 - iv) Guinea Bissau;
 - v) Sao-Tome Principe;
 - vi) Somalia;
 - vii) Liberia;
 - viii) Seychelles.
6. **FURTHER DECIDES** that sanctions be applied on the following Member States:
 - i) Benin
 - ii) Cape Verde
 - iii) Cote d'Ivoire
 - iv) Guinea
 - v) Mauritania
7. **COMMENDS** South Africa and Ethiopia for contributing US\$ 11,825,572 and US\$99,152 respectively to the Solidarity Budget of 2005;
8. **TAKES NOTE** of the announcement by Nigeria of its contribution of US\$10 million towards the Solidarity Budget of 2005;