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Ministers of Finance agree on the roadmap for implementing the 0.2% import levy to Fund the AU



Addis Ababa, Ethiopia 16th September 2016: A two day African Union conference of Ministers of Finance concluded today at the African Union headquarters, with consensus on the need to speedily implement the decision on the financing of the African Union by 2017.

The consensus reflects several important outcomes of the Decision of the 27th Ordinary Session of the

African Union Assembly of Heads of State and Government, in Kigali, Rwanda to impose a 0.2% levy on eligible imports for all members' states to finance the Union. The Ministers adopted the guidelines on the modalities of implementing the levy to provide reliable and predictable funding for the operational, programme and peace support operations budgets of the Union.

The Ministers of Finance agreed on the need to reduce dependency on partner funds for implementation of continental development and integration programs and further on the need to relieve the pressure on Member States' national treasuries to meet national obligations for payment of assessed contributions of the Union.

Dr. Nkosazana Dlamini Zuma, Chairperson of the African Union Commission noted that support from the outside cannot be the main source of development on the continent. On this, Dr. Dlamini Zuma restated the words of the late president of Egypt H.E Mr. Gamel Abdel Nasser who said that "he who cannot support himself, cannot take his own decision" and also that of the late Julius Nyerere of Tanzania who said "that it is stupid for us to imagine that we shall rid ourselves of our poverty through foreign financial assistance rather than our own financial resources. The chairperson greatly lauded the pan African aspiration of self-reliance that these great leaders stood by.

"It cannot be a better time to implement the 0.2 percent levy now that the AU is spearheading Agenda 2063 and its 10 year flagship projects. The import levy will help generate funds for reliable, sustainable and predictable financing of the Union's activities", reiterated Dr. Dlamini Zuma.



H.E Mr. Mbogo Ngabo Seli, Chad's Minister for Finance and Chair of the F10 emphasized that the meeting sought mainly to implement the decision taken by the Heads of State and Government during the 27th African Union Summit in Kigali, Rwanda in July 2016. He also indicated that the Ministers of Finance ought to identify how best to sufficiently implement the decision by enriching proposals made in order to bring into force the

new financing mechanism.

AUC Deputy Chairperson H.E Mr. Erastus Mwencha underscored the importance of implementing the decision and lauded the initiatives taken by some Member States such as Kenya, to implement the decision and encouraged all Member states to put in place concrete measures for effecting the decision at the national levels.

He at the same time, led the discussions on the composition of eligible goods where he revealed that the composition of eligible goods shall consider development programmes and national priorities of member states. Goods exempted from the AU import levy shall take into account goods already exempted by national laws and development policies.

The Ministers called on the African Union Commission to continue its financial management and accounting reforms with a view of creating an environment of greater transparency and accountability.

The quest for self-funding of the AU emanated from the OAU as set out in the Lagos Plan of Action in 1980. The High Level Panel on Alternative Sources of funding led by the former president of Nigeria Mr. Olusegun Obasanjo, also made recommendations.

BM/MTs/DA/MW

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