

## INFORMATION & COMMUNICATION DIRECTORATE

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Venue: Addis Ababa, Ethiopia

### **African Union weighs financial capacity against impact of COVID-19 and Ukraine crisis.**

The African Union is convening a [High Level Retreat](#) to evaluate and explore avenues to enhance the financial sustainability of the African Union, following the adverse effects of the COVID-19 pandemic and the Ukraine crisis on the economies of its member states. The Retreat of the Committee of Fifteen Ministers of Finance (F15) is scheduled for the 13<sup>th</sup> to 14<sup>th</sup> June 2022 in Rabat, Morocco, to devise innovative bounce-back strategies that address the growth prospects of the Continent, in view of adverse fiscal challenges affecting the ability of member states to not only meet the needs of their population, but also their financial obligations to the African Union.

Convened under the theme “Beyond COVID-19 pandemic and Ukraine Conflict: Enhancing the Resilience of African Economies and Financial Sustainability of the African Union”, the meeting will consider a raft of issues, among them; the financial status of the African Union following the impact of COVID-19 and the Ukraine crisis on the national economies of Member States and the implications on their capacity to honour financial obligations to the Union. Relatedly, the Ministers will also review the implementation of the [nine Golden Rules](#) for financial management and accountability principles and other decisions adopted on [Financing the African Union](#). The ministers, who will also be joined by experts from the ministries of finance, officials of the African Union and development partners, will also use the meeting as a platform to share experiences on Post Covid-19 and Ukraine crisis economic recovery and the innovative solutions explored by member states towards sustainable recovery, including building a resilient tax base.

The retreat will also evaluate the implementation status of the 0.2 percent import levy that was adopted in July 2016 in Kigali, and intended to facilitate the sustainable and predictable remittance of Member States’ assessed contributions, towards the gradual financing of 100% of the operational costs of the Union, 75% of the program budget, and 25% of peace support operations. As at December 2021, seventeen (17) countries were at various stages of domesticating the Kigali Decision on Financing the Union. Read the Status Report on “[Towards the Financial Autonomy of the African Union.](#)”

The African Union Commission Deputy Chairperson, H.E. Dr. Monique Nsanzabaganwa, and the Minister of Economy and Finance in the Kingdom of Morocco, H.E. Nadia Fettah Alaoui held a bilateral meeting on the 6<sup>th</sup> May 2022 to discuss the preparatory work ahead of the retreat. Both leaders underscored the importance and urgency, for the African Union, to address existing and emerging concerns of the volatility of member states’ revenues, and the subsequent unpredictability for states to meet financial commitments to the Union, which threatens to reverse the gains made in advancing self-reliance and reducing the dependence on external partners in the quest to realise the development vision of the continent as encapsulated in [Agenda 2063](#).

The Retreat also comes against the backdrop of budget and financial reforms aimed at enhancing the sustainability, predictability and accountability of the financing aspects of the African Union, are a key component of the ongoing [institutional reforms](#). They are intended to achieve the following key objectives

- Timely, adequate, reliable and predictable payment of all Member State assessed contributions and Partner contributions to the African Union.
- Financial autonomy and reduced dependence on external sources.
- Equitable burden-sharing of the Union's budget and reduced dependence on a few countries.
- Improved budget, financial oversight and governance to achieve high fiduciary standards, value for money and probity.
- Predictable and sustainable financing of the AU's peace operations through the revitalization of the AU Peace Fund and the pursuit of strategic partnerships.

Find more details about the High Level Meeting [here](#).

### **NOTE TO EDITORS.**

The Committee of Fifteen Ministers of Finance, referred to as the F15, was first convened in September 2016 in Addis Ababa, Ethiopia. The Committee is mandated to: participate in the preparation of the annual AU Budget and provide oversight in its implementation; participate in the development and administration of the AU scale of assessment for Member States contributions and related sanctions regime; provide an oversight role on the AU Reserve Fund; participate in audit matters; and provide general guidance on the implementation of Executive and Assembly Decisions on Financing of the African Union.

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