



# **Insights on the PSC**

## **Briefing on the AU Peace Fund**

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Tomorrow (2 May) the PSC will hold a briefing session on the AU Peace Fund. The AU Special Envoy on the Financing of the African Union (AU) and the Peace Fund, Donald Kaberuka, will brief the PSC providing updates on the status of operationalization of the Peace Fund.

The AU Assembly at its 24<sup>th</sup> and 25<sup>th</sup> Ordinary Sessions adopted decisions expressing the agreement of AU member states to contribute 25% of the financing for AU peace and security efforts, including peace support operations. In its Decision Assembly/AU/Dec.605(XXVII) on the financing of the Union adopted at its 27<sup>th</sup> Ordinary Session held in July 2016 in Kigali, which decided to endow the AU Peace Fund with \$400m by 2020. In this session the Special Envoy will update the PSC on the progress made in the contribution of member states to the Peace Fund.

Although implementation was meant to start as of 2017, the F10+ (the Committee of the 15 Finance Ministers) decided a transitional period with a target amount of \$65 million for the Peace Fund for the year 2017. Of this amount, some \$40 million has thus far been collected. Issues of interest for member states in this regard include when and how the amount collected would start to be used and the institutional and decision-making measures required to this end. Also of interest to PSC members is the strategy for realizing the collection of both the full initial targeted amount and the July 2016 decision to endow the Peace Fund with \$400m by 2020. In this respect, the briefing session is expected to note the January 2018 summit decision that ‘member states annual contributions to the Peace Fund shall be made on the basis of the AU Scale of Assessment’. It is expected that the AU would have a new scale of assessment from 2019.

It is to be recalled that the PSC at its [30 May 2017 session](#) decided the Peace Fund to have three (3) thematic windows, namely Mediation and Preventive Diplomacy; Institutional Capacity; and Peace Support Operations, as well as the Crisis Reserve facility provided for in Article 21 (4) of the PSC protocol and envisaged to fund rapid response to emergency crisis. As a follow up to that, this session is expected to highlight progress made in organizing the Peace Fund around these three windows in particular in terms of determining the scope and eligibility criteria for the windows.

Another area that Kaberuka’s briefing would provide update on is the progress in the establishment and operationalization of the various institutional set up and governance structures of the Peace

Fund as well as legal instruments including financial rules governing the fund. In terms of the legal instruments, the briefing is expected to inform the PSC that a Peace Fund Instrument codifying the enhanced governance and management arrangements was developed and reviewed by AU Legal Counsel in August 2017 and has since been adopted in the January 2018 AU summit decision Assembly/AU/ Dec.9(XXX).

As endorsed by the May 2017 PSC session and the July 2017 Summit of the AU Assembly, the institutional set up and governance structures of the PSC envisage both political level role players and the strategic and operational governance structures of the Peace Fund.

Political oversight lies with the PSC with the support of the AU Commission Chairperson. As these structures and their roles are already in operation including in terms of mandating and decision-making authority, much of the work in terms of institutional set up and governance structures relate to the establishment and operationalization of the structures that ensure transparent and efficient administration of the fund and the running of the day to day operations of the Peace Fund. The first of these structures is the Board of Trustees.

As proposed in Kaberuka's report on the revitalization of the Peace Fund, the Board of Trustees consist of the Chair and Deputy Chair of the AUC, the Commissioner for Peace and Security and non-executive members of eminent persons on peace and security and up to two non-African partners contributing to the peace fund. The briefing for this session is expected to inform the PSC on the progress made both in the consultations of the AU Commission Chair with the deans of the five regions of Africa on the identification of African members of the Board of Trustees and generally in elaborating the terms of reference and constituting the membership of the Board. Other structures envisaged included the independent evaluation group in respect of which the status of nomination of the group would be of interest in this session.

While at strategic level, the AUC Chairperson assisted by an Executive Management Committee oversees the operations of the Fund, at the operational level, it is envisaged that the Peace Fund would have its own secretariat. The structural proposals for the establishment of the secretariat is envisaged to be considered as part of the ongoing AU reform process during the course of this year.

This is indeed one of the items on which this briefing is expected to shed some light in terms of where the process stands and when the secretariat is expected to be operational.

There are also other areas the briefing is anticipated to touch on. One such area is the human rights and code of conduct compliance framework for AU peace operations. Related to this and particularly important is the follow up to the PSC's request to the AUC Chair and the Special Envoy to take forward the political engagement with United Nations and relevant partners. This in particular concerns the adoption by the UN of 'a substantive Resolution that establishes the principle that AU mandated or authorized PSOs authorized by the UN Security Council should be financed through UN assessed contributions, with decisions on the financing of specific missions to be taken on a case by case basis towards securing a substantive UNSC resolution on these issues'.

The expected outcome of the briefing session is a communiqué. Apart from endorsing items as may be proposed in the briefing such as on the utilization of funds in the Peace Fund, it would build on the 30 May 2017 communiqué on areas for further follow up not only on the operationalization of the structures of the Peace Fund but also on the substantive resolution expected from the UN.

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### **Acknowledgement**

Amani Africa wishes to express its gratitude to the Embassy of Switzerland and the Embassy of Germany in Addis Ababa.

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