1. Allow me from the onset to express the appreciation of the African Union Commission, to the members of the Council for inviting me to address your august Council, aimed at discussing options for further cooperation and support to African Union peace support operations pursuant to United Nations Security Council Resolution 2320(2016).

2. Enhancing the Financing of the African Union including its peace support operations, is a central priority of AU member states. It should be recalled that during the January 2015 Addis Ababa Summit, the African Union (AU) Assembly of Heads of State and Government (the AU Assembly) decided that Member States would fund 25% of the Peace Support Operations (PSO) budget. During the July 2016 Kigali Summit, the AU Assembly decided to institute a universal levy of 0.2% on eligible imports to finance the African Union. The 0.2% levy will endow the Peace Fund with a total of $400m by 2020.

3. I wish to underline that with respect to peace support operations, the fundamental problem that the AU Assembly’s Financing Decisions intended to address is the lack
of predictable and sustainable financing for AU mandated or authorised PSOs. The African Union has demonstrated its political will in deploying peace support operations in the most challenging environments. 13 missions have been deployed since the establishment of the AU. In all these cases, the financing arrangements were ad hoc and highly unpredictable. Tremendous sacrifices have been made and in many cases the ultimate price has been paid by our troops. The donations in kind made by our Member States have also played an important role in the deployment of PSOs and have often not always been reflected in the overall accounting of contributions that have been made.

4. In taking these financing decisions, the Assembly sought to address three key issues: (a) the lack of a dedicated AU operational peace and security budget, (b) the over-reliance on external ad hoc and unpredictable sources of funding, and (c) the absence of a credible AU instrument that could provide the right accountability framework for managing AU Member State and external financing.

5. The UNSCR 2320 was a major milestone in enhancing UN cooperation and support to AU peace support operations. It expressed the UN's readiness to consider the AU proposals for funding of its peace support operations consistent with applicable international obligations, as well as accountability, transparency and compliance frameworks for AU peace support operations.

Mr. President

Distinguished members of Council,

6. I would like to make four key observations on the progress being made on the Peace Fund, for your consideration:

7. First, the AU Peace and Security Council, during its 689th meeting, held on 30 May 2017, endorsed the Report of the Chairperson of the AU Commission on the Peace Fund. The Report contained proposals on the scope of AU operations,
implementation of an enhanced Governance Structure and Accountability Framework as well as on the status of implementation of relevant provisions of the UNSC resolution 2320. This endorsement by the PSC is a milestone and an expression of the political commitment of the AU member states towards the realisation and effectiveness of the Peace Fund. The UNSC may wish to consider these reports and communiqué of the PSC, which has now been officially transmitted to the UN Secretary General, especially in current and future discussions of options for possible predictable and sustainable UN support to AU Peace support operations.

8. **Second**, questions have been repeatedly raised on the envisaged scope of operations that will require possible UN assessed contribution. This question has been partly addressed by the Peace and Security Council, in their decision to adopt a case-by-case approach based on the scope of operation in meeting with the new demands of the evolving nature of security challenges in Africa. At the same time, the AU Commission has developed a Common Costs document, which clearly articulates the variable operational requirements, that could form the basis of burden sharing between the AU and the UN in future AU PSOs. This Common Costs document is consistent with the AU strategic priority of enhancing the African Standby Force and its Rapid Deployment Capability, within the three phases namely: pre-deployment, employment and post-employment. The Commission will remain seized with this matter, and will continue to inform the UNSC on the areas of support that can be supported within the resources that is available in the Peace Fund.

9. **Third**, the most central issue confronting the AU, at this stage is the need to mobilise resources from AU member states into the Peace Fund. At this stage I am happy to report that almost 30% of AU member states have made contributions into the Fund. Some member states expressed their willingness to make their statutory contributions during the recently held PSC meeting. In addition, the Chairperson of the AU Commission, Mr. Moussa Faki Mahamat has recently elongated and expanded the mandate of Dr. Donald Kaberuka as the AU High Representative on
the Peace Fund and Financing of the Union. We are reassured that these significant steps will sustain the political momentum, which will lead to an accelerated operationalisation of the Peace Fund.

10. **Fourth,** let me state in the clearest terms possible the unflinching resolve of the AU Commission to strictly observe and promote transparency and good governance not only in the daily management of the peace fund but on all resources devoted to the AU lead PSOs. The Chairperson of the Commission, Moussa Faki Mahamat will appoint the members of the **Board of Trustees of the Peace Fund** in the coming days.

11. **Finally,** the AU remains confident that this discussion on the Peace Fund and the possibility of predictable and sustainable funding including through UN assessed contribution is consolidating the strategic partnership that has emerged between both the AU and UN. It will be recalled that on 19 April 2017, during the AU-UN Annual Conference held in New York, both the UN Secretary General, Antonio Gutteres and the AU Commission Chairperson signed the Joint UN-AU Framework for Enhanced Partnership in Peace and Security. This is an important step towards ensuring a more institutionalised cooperation between both organisations in addressing the security challenges that Africa continues to face. The AU remains committed to this partnership and the success registered in our joint efforts to enhance support to AU peace support operations, will no doubt be a litmus test.

I thank you for your kind attention.