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**NOTE**

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From: General Secretariat of the Council  
To: Delegations

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Subject: Amendment No 5 to the Three-year Action Programme for the African Peace Facility, 2014-2016

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1. On 26 October 2016, the Permanent Representatives Committee approved Amendment No 5 to the 2014-2016 Action Programme of the African Peace Facility (APF).
2. In line with Article 15(b) of Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund, Amendment No 5 to the Action Programme annexed to this note can now be adopted by the Commission.

**Action Document for the 2014-2016 action programme of the African Peace Facility****Amendment No 5****1. IDENTIFICATION**

Title/Number	2014-2016 action programme of the African Peace Facility (APF) CRIS number: ACP/FED/037-398  financed under the Bridging Facility and 11 <sup>th</sup> European Development Fund  Revision 5: October 2016
Total cost	Total estimated cost: EUR 1 051 239 064,53  EDF contribution: EUR 1 050 000 000 <sup>1</sup>  Kingdom of Denmark contribution: DKK 10 000 000 (equivalent to EUR 1 339 064.53) through the transfer agreement ACP/EDF/2014/037398 (including EUR 100 000 for support expenditure)  The APF is open to contributions from other donors and international partners that will be managed in line with the 11 <sup>th</sup> EDF Financial Regulation <sup>2</sup> .

<sup>1</sup> Given the uncertainties on the global financial envelope for the APF under the 11<sup>th</sup> EDF which had still to be agreed at the time of approval of the initial decision in 2014, only EUR 325 000 000 to mainly or exclusively support peace operations in 2014 were initially committed from the EDF Bridging Facility to the APF (Council Decision 2013/759/EU of 12 December 2013; OJ L335 of 14.12.2013). With amendment No.1 approved by the Committee of the Permanent Representatives (COREPER) of the Governments of the Member States on 28 January 2015 and adopted by the Commission on 23 February 2015, a further EUR 123 000 000 from the EDF Bridging Facility were allocated to the APF. Following the entry into force of the 11<sup>th</sup> EDF, amendment No. 2 approved by COREPER on 12 June 2015 and adopted by the Commission on 23 July 2015, allocated a further EUR 302 000 000 to the APF from the 11th EDF. With amendment No.3, approved by COREPER on 24 September 2015 and adopted by the Commission on 7 December 2015, a further EUR 150 000 000 were committed to the APF from the 11th EDF to cover expected additional needs for Peace Support Operations, in particular AMISOM, in 2016. Amendment No.4, approved by COREPER on 13 July 2016 and adopted by the Commission on 26 July 2016, allowed for the use of a lump sum to cover costs for African States for the deployment of troops to African-led Peace Support Operations. With this present amendment No.5, a further amount of EUR 150 000 000 will be allocated to the APF of which EUR 150 000 000 are to cover expected additional needs for Peace Support Operations in the second half of 2016. Furthermore, this amendment allows for APF funds to be provided to the Joint Research Centre (JRC) of the European Commission for continued technical support provided by the JRC to the African Union's Continental Warning Systems as part of the support to the operationalisation of the APSA.

Aid method / Management mode and type of financing	Project Approach – grants and procurement (direct management) and indirect management with the African Union Commission (AUC) and/or African Regional Economic Communities and Regional Mechanisms (RECs/RMs).		
DAC-code	N/A	Sector	N/A

## 2. RATIONALE AND CONTEXT

### 2.1. Summary of the action programme and its objectives

This action programme is the basis for the implementation and replenishment of the African Peace Facility (APF) under the European Development Fund (EDF)<sup>3</sup> for the period 2014-2016.

The action programme aims at contributing to the prevention, management and resolution of conflicts in Africa. It will support the Africa-EU cooperation on peace and security under the Joint Africa-EU Strategy which currently seeks to (i) enhance the political dialogue on peace and security, (ii) operationalize the African Peace and Security Architecture (APSA), including the African Standby Force (ASF), and (iii) provide predictable funding for African-led peace operations.

### 2.2. Context

Conflicts in Africa have had a massive impact on the fight against poverty, ultimately stunting the continent's prospects for long-term stability and sustainable development.

In recent years, the African Union (AU) has shown a strong commitment and has taken practical steps to address the peace and security challenges through African-owned and African-led initiatives in the area of conflict prevention, management and resolution. The examples of AU missions in Sudan (AMIS), in Somalia (AMISOM) and in the Central African Republic (MISCA) show the important role the AU plays in this area.

<sup>2</sup> Council Regulation 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund (OJ L 58, 03.03.2015, p. 17).

<sup>3</sup> Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies (OJ L 210, 6.8.2013, p.1).

Furthermore, the APSA was developed as a structural and long-term response to the peace and security challenges on the continent. With the aim to prevent, manage and resolve conflicts and support peace-building, the APSA consists of several components including the Peace and Security Council which is the central AU decision-making body, a Continental Early Warning System, a Panel of the Wise with a mandate in conflict prevention and resolution, a Peace Fund and an African Standby Force to be deployed in operations supporting peace. In addition, APSA aims to harmonise, streamline and implement actions regarding cross-cutting and thematic peace and security issues such as security sector reform, post-conflict reconstruction and development, maritime safety and security, etc.

The Regional Economic Communities and Regional Mechanisms (RECs/RMs) also play a critical role in the promotion of peace and security across the continent. The RECs/RMs are considered as the pillars of the APSA and they have also been engaged in the management of peace operations such as in the Central African Republic (ECCAS Peace Consolidation Mission in the Central African Republic) and, jointly with the AU, in Mali (African-led International Support Mission to Mali).

While these efforts have to be lauded, African capacity constraints and African dependence on external funding have remained important obstacles preventing African partners to fully concretise their ambition.

The resolve of African partners to promote peace and security has been strongly supported by the EU from the outset, both politically and financially. In 2004, the African Peace Facility (APF) was established in response to a request by African leaders at the AU Summit in Maputo in 2003. Through the APF, the EU has been at the forefront of international support to the APSA and providing, in parallel to political backing, substantial and predictable funding to African peace support operations.

In December 2007, the relationship between the EU and Africa was put on a new strategic footing with the adoption of the Joint Africa-EU Strategy (JAES). In the JAES framework, the cooperation on peace and security consists of three priority actions which were reaffirmed in the action plan 2011-2013 approved at the 3<sup>rd</sup> Africa-EU summit in November 2010. These priorities are designed to mutually reinforce each other, namely:

- (1) Enhanced political dialogue to reach common positions and to implement common approaches on challenges to peace, security and stability in Africa, Europe and globally;
- (2) Effective functioning of the APSA to address peace and security challenges in Africa;
- (3) Predictable funding for peace support operations undertaken by the AU or under its authority.

The 4<sup>th</sup> Africa-EU summit of April 2014 adopted a roadmap under the JAES and provided political guidance for the way ahead. The above three main line of actions for peace and security as well as the three underlying principles of ownership, solidarity and partnership have been confirmed at the summit and remain valid.

Support to African peace and security objectives is a central plank of the Africa-EU partnership and an area of cooperation that has been growing during the last years. Strategies for the Sahel, Horn of Africa and the Great Lakes region all illustrate the close links between security and development. For the EU, this growing engagement reflects: (i) a recognition that unless security issues are dealt with, the EU faces an ever-increasing demand for humanitarian aid and an inability to tackle deep-seated poverty in insecure areas, (ii) that deteriorating security in several regions such as the Sahel or the Horn of Africa does pose a direct threat to EU's interests through terrorism, narcotics and people trafficking, (iii) a political commitment through our partnership with the AU to help Africans develop their capability to manage security on their continent more effectively and (iv) the link made in the Agenda for Change between security and development, both being essential for the other.

In preparation of the multi-annual programming of the APF, a concept note of the APF strategic approach for 2014-2020 was presented and discussed in 2013 with the EU Member States and African partners. This action programme builds on the concept note and the consultations held with the stakeholders as well as the main conclusions of the external evaluation of the APF which was conducted in 2013.

### 2.3. Lessons learnt

Since the creation of the APF, the European Commission has continuously aimed at identifying lessons learned in order to improve the design and functioning of the APF. An external mid-term evaluation was conducted in 2005 and APF evaluation seminars were organised in 2007 and 2013 with the AU and RECs/RMs. Furthermore, a first part of an external APF evaluation was carried out in 2011 to review the procedures of the APF as well as the possibilities of alternative sources of funding. The second part of the evaluation was conducted in 2013 and reviewed the APF overall implementation, its results, as well as the relevance, impact, effectiveness and efficiency of the APF as an instrument to support African efforts in conflict management and provided recommendations.

It is widely acknowledged that since its creation in 2004, the APF has been playing a critical role in backing African efforts in the area of peace and security. The APF support has had a direct and positive impact on the lives of hundreds of thousands of Africans affected by crises. The APF has provided significant funding to African-led peace operations and extensive support for the operationalization of the APSA. The APF has also contributed to Africa's integration by supporting a closer relationship between the AU and the RECs/RMs. Furthermore, the APF has underpinned the dialogue and cooperation between the EU and Africa in the area of peace and security. APF-supported actions have given the EU an important role in supporting conflict reduction efforts on the continent, with the enhanced political credibility and influence this brings.

However, the APF operates in a dynamic and evolving environment and a number of lessons can be drawn from past experience to further enhance its support and impact.

Furthering peace in Africa is a huge task. It requires political will and commitment from African partners and an international coalition of partners of which the EU is just one part. The APF provides a platform to work with all African and international partners and foster a wide-ranging support to peace and security in Africa. However, the early ambition of making long-term financial stability a feature of the APF by opening the instrument budget to African and international partners has not been achieved. The financial pressure on the APF has made the allocation of funds to peace operations and the APF capacity to respond to new crises challenging. In addition, the heavy dependence of the African regional bodies on international partners, including on EU funding, has limited their ownership and capacity to address Africa's peace and security issues. Incentives and exit strategies need therefore to be put in place to promote financial burden sharing in particular for peace support operations, bearing in mind the impact of the African conflicts on the international peace and security.

The APF support to APSA operationalization remains essential as weaknesses in institutional capacity within the AU and RECs/RMs have to some extent limited the effectiveness of the African response to crises. However, this support could be better prioritised. The APF needs to ensure a better balance between salary support and support to key processes within partner institutions that underpin lasting capacity building.

The bulk of APF funding has been and will continue to be crisis-driven. However, mediation, conflict prevention and early phases of post-conflict peace-building activities are increasingly being recognised as essential areas for support. These areas need to be better addressed by the APF with limited and targeted support in close coordination with other related EU instruments, and based on the needs expressed by the relevant African institutions.

Peace and security is a sensitive area which needs political backing from EU Member States. This makes the EU decision-making process longer and the beneficiary institutions have often had to pre-finance actions until APF funds became available. Once political appropriateness from the EU Member States is obtained, the European Commission decision process for the renewal of support to existing peace operations or for replenishment needs to be streamlined.

#### **2.4. Complementary actions**

The EU disposes of a large number of political, development and security instruments that it has used to support peace and security activities in Africa as well as broader political and institutional development processes. In particular, the regional indicative programmes support core and long-term institutional capacity building efforts at the level of the RECs/RMs and regional peace and security activities that are not military in nature. Synergies and complementarities will be promoted between the APF and the regional indicative programmes. National indicative programmes also provide significant support to conflict prevention, peace-building and post-conflict reconstruction. Considerable support from the intra-ACP envelope is also being provided to strengthen the overall institutional capacity of the AU which is essential for the operationalization of the APSA.

Inter-linkages with the Instrument contributing to Stability and Peace and Common Security and Defence Policy operations in Africa are also strong and opportunities for synergies should continue to be seized. Furthermore, complementarities with other relevant EU geographic instruments and the Pan-African Programme will also be promoted to deliver on the commitment jointly taken in the framework of the Africa-EU strategic cooperation to treat Africa as one.

Coordination and synergies between these instruments and relevant services will be systematically sought to ensure relevance and complementarity in order to increase impact and long term sustainability of APF supported activities, particularly in the area of APSA operationalization, and to avoid duplication of interventions.

## **2.5. Donor coordination**

The APF support will act in synergy and be mutually reinforcing with support from other actors including EU Member States, non-EU states and multi-lateral organisations. Donor coordination and a continuous exchange of information and analyses, which is particularly important in the area of peace and security, take place at political and operational levels and in different fora. In particular, active coordination with the EU Member States that also support the AU and RECs in the sector of peace and security will be fostered in order to develop complementarities, improve division of labor and coherence and promote joint planning and monitoring.

The APF supported operations and activities are coordinated in Brussels, Addis Ababa and on the ground. In Brussels, the coordination takes place in particular within the relevant working groups of the Council. In Addis Ababa, coordination among the different partners is facilitated by the EU Delegation to the AU, which chairs the AU partners group on peace and security. Coordination also takes place at the sub-regional level and in countries where APF-supported peace operations are deployed. The EU delegations to sub-regional organisations have an important role to play in that respect.

The European External Action Service (EEAS) and the Commission services, together with the EU Member States, are striving to enhance coordination with the AU and RECs/RMs, including through the JAES and the cooperation on peace and security, the UN and other international partners. Through the APF, the EU will aim at building a wide-ranging coalition of African and international partners and enhancing the predictability, transparency and alignment of the support.



### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

The APF is the most important operational tool of the Africa-EU cooperation on peace and security. Through this instrument, the EU supports the AU and other African regional organisations and mechanism in finding ‘African solutions to African problems’.

From early warning to early action, the overall objective of the APF is to effectively support the African peace and security agenda and to address in a comprehensive ("continuum") manner conflicts on the African continent, thus fostering sustainable development.

Responding to the priorities of the Africa-EU strategic cooperation on peace and security and building on lessons learned and past experience, the APF will continue to offer comprehensive, predictable and timely support to the prevention, management and resolution of conflicts in Africa.

#### **3.2. Expected results and main activities**

The APF action programme is aligned with the JAES objectives. Based on the overall framework of the APSA, the APF will provide a comprehensive support to peace and security in Africa through targeted continental and regional initiatives in the areas of conflict prevention, management and resolution and the prevention of violence resurgence, particularly in the aftermath of African-led peace support operations. The main activities to be implemented are:

- Support to African-led peace support operations. Initial steps of post conflict peacebuilding efforts such as disarmament, demobilisation and reintegration and training activities will be considered when other EU instruments cannot respond to needs. Support to peace operations will also seek to complement, consolidate and reinforce capacity building activities supported in the framework of APSA such as the operationalization of the African Standby Force. Exit strategies will be discussed at the earliest stage and regularly updated (see section 3.3 below);

- Support to the operationalization of the APSA, on the basis on the APSA roadmap and its 2014 review, with a focus on: (i) institutional capacity building, (ii) capacities for conflict prevention, the planning and management of peace operations and post-conflict stabilisation, (iii) operationalization of the African Standby Force and (iv) enhanced coordination and collaboration between the AU and the RECs/RMs. Priorities for support will be jointly defined with African partners to ensure that APF's support will have the greatest impact in building lasting institutional capacities and taking into account the absorption and management capacity of the beneficiaries;
- Support the AU and RECs/RMs with limited but flexible and immediate funding for quick impact actions (Early Response Mechanism) aimed at preventing and addressing potential or emerging crises. Support in this area could also include temporary reinforcement of relevant APSA structures.

These three main areas of support will be underpinned by regular political dialogue on challenges to peace and security, including the operationalization of APSA, the mobilisation of additional funds and exit strategies for APF's support, through consultations, coordination of positions, sharing of information and analyses and joint assessment missions.

Peace and security challenges often have a regional and trans-boundary dimension. Efforts are being undertaken by the AU and RECs/RMs to address these challenges through a comprehensive, structured and continental approach. The continental framework is of particular importance for the effective functioning of APSA which relies on harmonized and coherent contributions from all African regions. In the spirit of the JAES and in respect of the principle of African solidarity, the APF will foster a pan-African approach and may support the operationalization of APSA at the continental level.

In addition, synergies and complementarities will be sought when appropriate between activities funded by the APF and by other relevant EU geographic instruments in order to contribute to a continental approach. Non-ACP African countries may provide targeted and self-funded contributions to the APF from their own resources, within joint co-financing arrangements, provided for in the EDF Implementation Regulation. They may also wish to contribute to the AU peace fund.

### 3.3. Risks, assumptions and mitigation measures

Furthering peace in Africa is a huge task. It requires political will and commitment from African partners and a coordinated international approach in which the EU is taking part. Experience has shown that it is becoming increasingly difficult to sustain substantial funding for long running peace operations and, at the same time, be able to address new crises. In addition, the heavy dependence of the African regional bodies on international partners and on EU funds has limited the African ownership as well as the establishment of lasting African capacities to address Africa's peace and security issues.

It is therefore necessary to establish principles for all APF-funded activities, in particular for long-running peace operations but also for capacity building activities such as support to personnel, in order to increase African ownership and the sustainability of APF-supported activities taking into consideration the financial constraints of the APF. Financial burden sharing amongst external partners will also be sought for peace support operations to ensure a balanced contribution from all partners over the medium-term. This will require the AU and RECs/RMs to be better supported by their member states and substantial contributions from the UN and other international partners. The APF will support the AU and RECs/RMs in reaching out to African member states and international partners and mobilising additional and alternatives resources of funding. At AU level, commitment will be sought for a gradual increase of African contributions. In addition, the EU will work with the AU and the UN to propose the creation of a special fund to finance African-led peace operations as well as the "UN rehatting" of long-running peace operations.

For peace support operations, an exit strategy will be defined from the outset, focusing on time limits and a financial phasing out. When applying for financing of a peace operation, the AU and/or relevant REC and the EU will agree on the approach to follow on EU funding to the operation, in view of progressively reducing the percentage of costs borne by the EU, increasing African contributions to the operation and improve burden sharing. This approach will take into consideration the political imperatives of the crisis at hand, the funding structure of the operation, the contribution of other stakeholders (especially the United Nations), as well as the realistic timelines for an exit strategy. The exact modalities of the APF contributions, as well as the progressive reduction of APF's support overtime, will be described in the financing agreement(s) for each peace operation. In general terms, for what relates to uniformed personnel allowances, the EU contribution should not exceed 80% of the costs from 2015 onwards<sup>4</sup>. The APF contribution will be regularly reviewed and agreed at political level on the basis of joint reviews which will take into account the progress made on the ground, the level of international support and the APF financial resources, and will propose when appropriate an updated exit strategy.

For APSA operationalization support, the timeframe for APF's contribution to human resources costs will be jointly agreed with a view to progressively transfer these costs to the beneficiary and strengthen the sustainability of the beneficiary institutions. The AU and EU will undertake a regular political and technical dialogue about the respective impact related and budgetary developments, and projections in the implementation of APSA.

Furthermore, African peace support operations are complex and conducted in difficult and dynamic environments. The Commission has therefore, since the establishment of the APF, systematically organised independent external ex-post financial audits of each individual peace support operation. This practice has contributed to improve the financial management of peace operations and will be maintained. It has proved to be a useful tool for continuous dialogue on improving AUC financial management. Finally, external experts have been deployed to assist the AU and the RECs/RMs including in the financial management of peace operations. This support will also be maintained under this action programme as part of the actions undertaken by the European Commission to improve the financial management by the AUC.

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<sup>4</sup> The APF contribution will not exceed the applicable UN rates for peace support operations.

Based on different audits and evaluations, the Commission found that there was a need to further strengthen the financial management of the APF via an action plan overseen by a dedicated inter-service Task Force. The main elements of this action plan include: (1) the signing in April 2016 of an Aide Mémoire with the African Union and related monitoring action plan with the concerned Organisation, including the follow-up of an institutional assessment; (2) Providing exchange programmes and capacity building support, specifically in financial management; (3) the creation of a steering committee co-chaired by the AU Deputy Chairperson and DG DEVCO's Deputy Director General which meets every quarter to monitor progress of the action plan; (4) improved reporting on the APF situation towards stakeholders; (5) Closer coordination between the different EU services, and (6) Increased human resources at Headquarters as well as in the EU Delegation to the AU in Addis.

The European Commission - African Union Commission Aide Memoire on measures to strengthen financial management of the AUC, replaces previous Aide Mémoires signed in 2009 and 2011. The Commission and the AUC have already implemented a substantial part of the foreseen measures, including the following in particular

- All contracts have mitigation measures build-in going from the need to have procurement plans approved ex-ante by the European Commission, and establishing no-objection procedures for the award of contracts, to conditioning the amount of last payments to the positive result of the final audit.
- The AUC has taken the roadmap with recommendations to become pillar assessed compliant seriously. Out of the 34 action points in the roadmap, 6 were considered high risk areas. As of end of September 4 out of 6 of the action points have been implemented and the Commission has introduced ex ante controls over the 5th (strict adherence to the procurement manual). The remaining action point is expected to be implemented before the end of 2016.
- The AUC is advancing on its financial management, its internal control standards and institutional reorganisation: there is a new procurement manual which came into force on 1 October 2016; the two last sets of financial statements are compliant with IPSAS and have been audited by independent professionals; and the AUC's 2014 audited financial statements have been published on the African Union website to comply with best practice.

- The AUC is in the process of identifying the technical assistance they require to continue the implementation of internal reforms on financial management, administration and human resource. The Commission is in the process of preparing the service contracts to provide the required assistance.

Beyond the aspects of financial management, it is also important to track progress during the implementation of APF-funded actions, address issues as early as possible and collect lessons for future support. To that aim, the Commission has strengthened the substantive monitoring of APF-funded actions through the recruitment of additional staff dedicated to the APF management. All APF funded actions will be field monitored at least once per year.

### **3.4. Cross-cutting issues**

Mainstreaming of the relevant guidelines on human rights, the protection of women and children in armed conflicts and the role of women in solving conflicts, as well as the application of the UN Security Council resolutions (UNSCRs) 1325, 1820 and all subsequent resolutions on Women, Peace and Security and UNSCR 1612 will be supported through the APF, for example through:

- promoting the increased participation of women in the various structures of the APSA and in the mechanisms for the prevention, management and resolution of conflicts;
- supporting the training of peacekeepers on human rights and international humanitarian law, on the main principles and opportunities in prevention and reintegration of child combatants and on addressing the needs of children and women affected by armed conflicts;
- promoting the integration of a gender perspective across all conflicts prevention, conflict resolution and peacebuilding activities.

### **3.5. Stakeholders**

The direct beneficiaries of the APF will be the AU and the RECs/RMs as well as the relevant institutions/structures within or related to the APSA. The final beneficiaries will be the people of the African states who will be less affected by conflicts and who will live in a safer environment.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Financing agreement**

In order to implement this action programme, a Financing Agreement with the African Union Commission, as referred to in Article 17 of Annex IV to the ACP-EU Partnership, has been concluded in July 2014.

### **4.2. Indicative operational implementation period**

The indicative operational implementation period of this action programme, during which the activities described in sections 3.2 and 4.3 will be carried out, is 72 months from the date of entry into force of the Financing Agreement, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

### **4.3. Implementation components and modules**

Depending on the compliance of the beneficiary organisation with the applicable pillar assessment, the EU shall implement the interventions under this action programme in direct management or indirect management.

#### **4.3.1. Grant: direct award (direct management)**

- (a) Objectives of the grant, fields of intervention, priorities of the year and expected results

To promote peace and security in Africa.

- (b) Justification of a direct grant

Under the responsibility of the authorising officer by delegation, the recourse to an award of a grant without a call for proposals is justified because the AU and RECs/RMs are the primary beneficiaries of the action programme and are the only African intergovernmental bodies with a mandate in the area of peace and security in their respective regions.

- (c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant. The essential award criteria are relevance, design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

### **4.3.2. Procurement (direct management)**

Targeted technical assistance will be procured to support the AU and RECs/RMs. A procurement procedure for a service contract will be launched indicatively during the 3<sup>rd</sup> quarter of 2016.

As part of the support to the operationalisation of the APSA, the Joint Research Centre (JRC) will provide, through cross-sub-delegation, scientific and technical support to the African Union's Continental Early Warning System (CEWS). The support will enable AU decision-makers both to enhance their capacities for early detection of emerging risks and situations, and to respond proactively and proportionally through collaborative monitoring and risk analysis.

The JRC will perform trainings and capacity building activities on the use and operation of the African Union Conflict Analysis and Alerting Systems as part of this action. JRC will detail its commitments (e.g. reporting) in a Service Level Agreement (SLA) to be signed with DEVCO.

### **4.3.3. Indirect management**

Delegation agreements will be signed with the African Union Commission to support the AU-led peace support operations in Somalia (AMISOM) and the Central African Republic (MISCA).

Further interventions under this action programme with the objective of promoting peace and security in Africa under indirect management will be implemented with the AU and/or the RECs/RMs in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012<sup>5</sup> applicable in accordance with Article 17 of Regulation (EU) 2015/323<sup>6</sup>. This implementation is justified because the AU and the RECs/RMs are at the core of the APSA and are the bodies mandated to act in the area of peace and security.

For support to new peace support operations, the elements required by Article 84(3) second subparagraph of Regulation (EU, Euratom) 966/2012 applicable by virtue of Article 26 of Regulation (EU) 2015/323 will be specified in an additional Commission decision (see Annex I, section 1).

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<sup>5</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p.1).

<sup>6</sup> Council Regulation 2015/323 of 2 March 2015 on the financial regulation applicable to the 11th European Development Fund (OJ L 58, 03.03.2015, p. 17).



The RECs/RMs are the regional bodies and organisations which form the APSA. Currently, the following organisations are part of the APSA by virtue of having signed a Memorandum of understanding with the AU: the Arab Maghreb Union (AMU), the Economic Community of Sahelo-Saharan States (CEN-SAD), the Common Market of East and Southern Africa (COMESA), the East African Community (EAC), the Eastern Africa Stand-by Force Coordination Mechanism (EASFOM), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Inter-Governmental Authority for Development (IGAD), the North Africa Regional Capability (NARC), the South African Development Community (SADC).<sup>7</sup>

In case of indirect management for interventions under this action programme, the contract management cycle is delegated to the entrusted entities.

The responsible authorising officer will ensure that these entities comply with the conditions of points (a) to (d) of the second subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. Where they comply with those requirements only in part, the Commission will take appropriate remedial measures to supervise and support the implementation of the tasks entrusted to them. The AUC underwent the assessment under Regulation (EU, Euratom) No 966/2012. The results of this review were not satisfactory for the procurement, accountancy and sub-delegation pillars. The European Commission therefore negotiated a revision of the European Commission – African Union Commission Aide Memoire on measures to strengthen financial management of the AUC that contains a series of engagements, including remedial measures that had been agreed in previous ‘aide mémoires’ signed in 2009 and 2011. These rules of engagement include the implementation of a pillar assessment roadmap; the communication on a regular basis to the European Commission of the AUC’s audited financial statements as well as the information on actual expenditures, accounts or detailed financial situation of the AUC as an organisation. In line with Annex II of the revised aide memoire, additional and more specific remedial measures will be included in the special conditions of all contracts signed between the European Commission, on behalf of the European Union, and the AUC.

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<sup>7</sup> Of the regional bodies and organisations which form the Africa Peace and Security Architecture only SADC has passed the pillar assessment.

As an alternative, where an intervention under indirect management is not appropriate, a grant may be awarded by the responsible authorising officer to the above-mentioned entities in accordance with section 4.3.1. The indicative amounts and implementation modalities identified in the budget in section 4.8 may be adapted accordingly.

#### **4.4. Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act shall apply.

#### **4.5. Retroactive financing**

In order to prevent delays and avoid gaps in funding, the AU or the RECs/RMs may pre-finance certain activities from 1st January 2014, in accordance with Art. 19 of Annex IV of the Cotonou Agreement. Retroactive financing will only be permitted for expenditures incurred after the date of the request by the international organisation (AU/RECs/RMs), which shall be mentioned in the special conditions of the grant contracts or indirect management delegation agreements to be signed with the AU or the sub-regional organisations.

#### **4.6. Co-financing**

While co-financing will be sought for all APF-funded activities, the maximum possible rate of co-financing may be up to 100 % in accordance with Article 192 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 37 of Regulation (EU) 2015/323 if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

#### **4.7. Eligibility of costs**

An indicative list of eligible expenditure includes: per diems, salaries for the civilian component of peace support operations, rations, medical consumables and facilities, transport, travel, fuel, troop allowances, and communication equipment. The following constitutes the list of non-eligible expenditure: ammunition, arms and specific military equipment, spare parts for arms and military equipment, salaries for soldiers and military training for soldiers.

For the reimbursement of costs related to the deployment of troops to African-led Peace Support Operations lump sums will be used, in accordance with the principles of sound financial management and on the basis of the methodology used by the UN to calculate the average cost per soldier per month. This methodology separates such costs into five sub-items, three of which are eligible for financing under the APF (allowances; pre-deployment medical examinations, tests and vaccinations; inland travel to move a contingent to the point of disembarkation to the peace operation).

As for the amount of the lump sum, taking into account the outcome of the discussions in the EU Political and Security Committee of 7 July 2015<sup>8</sup>, an amount of USD 822.4 is fixed as the maximum amount. Using an exchange rate of EUR.USD 1.1139 (InforEuro rate of June 2016), this amounts to EUR 738 per soldier per month.

Payment of these costs will be made by the implementing agency, i.e. the African Union Commission or the subregional organisation, to the governments of the troop contributing countries (TCCs) or directly to the troops on the ground.

The responsibility for the transparent and accountable disbursement of the funds to the peacekeepers and the TCCs lies entirely with the implementing organisation. A "Memorandum of Understanding" (MoU) signed between the implementing organisation and the TCCs and governing among others the disbursements to the TCCs will be established at the commencement of an operation and be updated when and if necessary. The MoU will explicitly mention the list of non-eligible expenditures.

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<sup>8</sup> The conclusions of the EU Political and Security Committee of 7 July 2015 refer to a ceiling of 80% of the then APF contribution to troop allowances (USD 1 028).

#### **4.8. Indicative budget**

The African Peace Facility's (APF) funds will be allocated to the three areas of support identified in section 3.2 above i.e., peace support operations, the African Peace Security Architecture (APSA) operationalization and quick impact deliverables through the Early Response Mechanism (ERM). The budget allocation reflects the different levels of needs of the three areas and is broadly in line with the budget breakdown of previous action programmes. The bulk of the APF envelope is earmarked for peace support operations due to the direct positive effects, both in Africa and the EU, of successful African peace operations and the significant funding needs in this area. Support to the APSA operationalisation aims at strengthening African capacities to tackle peace and security challenges more and more autonomously. Investments in capacity building and conflict prevention contribute to reducing the suffering from conflicts and the need for costly peace operations.

The total EDF financial contribution for the period 2014-2016 is EUR 1 050 000 000. An additional amount of DKK 10 000 000 (equivalent to EUR 1 339 064.53) is contributed by the Kingdom of Denmark as a voluntary national contribution through the Transfer Agreement ACP/EDF/2014/037398. EUR 1 239 064.53 will be allocated to the budget line "Peace Support Operations" and EUR 100 000, corresponding to approximately 7.5% of the total contribution for Commission support expenditure. This amount will be utilised to cover the administrative overheads incurred by the Commission in the management of this contribution.

The table below shows the indicative budget breakdown. Given the uncertainties on the global financial envelope for the APF under the 11<sup>th</sup> EDF, which had still to be agreed at the time of approval of the initial decision in 2014, only EUR 325 000 000 to mainly support peace operations in 2014 were initially committed from the EDF Bridging Facility to the APF.<sup>9</sup> With amendment No.1 approved by the Committee of the Permanent Representatives (COREPER) of the Governments of the Member States on 28 January 2015 and adopted by the Commission on 23 February 2015, a further EUR 123 000 000 from the EDF Bridging Facility were allocated to the APF. Following the entry into force of the 11th EDF, amendment No. 2 approved by COREPER on 12 June 2015 and adopted by the Commission on 23 July 2015, allocated a further EUR 302 000 000 to the APF from the 11th EDF. With amendment No.3, approved by COREPER on 24 September 2015 and adopted by the Commission on 7 December 2015, a further EUR 150 000 000 were committed to the APF from the 11th EDF to cover expected additional needs for Peace Support Operations, in particular AMISOM, in 2016. Amendment No.4, approved by COREPER on 13 July 2016 and adopted by the Commission on 26 July 2016, allowed for the use of a lump sum to cover costs for African States for the deployment of troops to African-led Peace Support Operations. With this present amendment No.5, a further amount of EUR 150 000 000 will be allocated to the APF to cover expected additional needs for Peace Support Operations in the second half of 2016. Furthermore, this amendment allows for APF funds to be provided to the Joint Research Centre (JRC) of the European Commission for continued technical support provided by the JRC to the African Union's Continental Warning Systems as part of the support to the operationalisation of the APSA.

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<sup>9</sup> Council Decision 2013/759/EU of 12 December 2013; OJ L 335 of 14.12.2013.

	<b>Component</b>	<b>in EUR</b>
1	<b>Peace support operations</b>	<b>961 239 064.53</b>
2	<b>Operationalization of the APSA and Africa-EU dialogue</b>	<b>55 000 000</b>
	<i>Of which indirect management (section 4.3.3)</i>	<i>44 000 000</i>
	<i>Of which grants in direct management (section 4.3.1)</i>	<i>10 000 000</i>
	<i>Of which procurement in direct management (section 2.3.2)</i>	<i>1 000 000</i>
3	<b>Quick impact initiatives (Early Response Mechanism) (indirect management, section 4.3.3)</b>	<b>15 000 000</b>
4	<b>Procurement: technical assistance (section 4.3.2), audit, monitoring, evaluation, communication and visibility (sections 4.10 and 4.11)</b>	<b>5 000 000</b>
5	<b>Contingencies</b>	<b>15 000 000</b>
	<b>Total*</b>	<b>1 051 239 064,53</b>

\*In addition, the European Commission has received an amount of EUR 100 000 from the Kingdom of Denmark through the Transfer Agreement ACP/EDF/2014/037398.

The European Commission will inform the Member States when the financial weight of a single peace operation threatens the internal balance of the APF. In such a case, and if the EU is committed to continue its funding, the Commission will launch a specific call for voluntary contributions to further support the specific operation.

Furthermore, the APF will continue to be open to additional voluntary contributions from EU Member States and from other donors, managed in line with Council Regulation (EU) 2015/323 of 2 March 2015 on the financial regulation applicable to the 11<sup>th</sup> European Development Fund, to promote coherence and reduce transaction costs and administrative burden for the African partners.

#### **4.9. Performance monitoring**

For the overall monitoring of the APF, a Joint Coordination Committee (JCC) has been established in order to review, inter alia, the general progress of APF implementation. The JCC will monitor the implementation of this action programme. The Committee members include representatives of the European Union (Commission and EEAS) and the AU/RECs/RMs. The JCC is chaired jointly by the AUC and the European Union. Technical meetings, as appropriate, will prepare the JCC sessions. EU and AU member states will be fully informed on the outcomes of the JCC meetings and could also be associated on an ad hoc basis to the meetings, as has been the practice in the past. In addition, substantive monitoring of the APF-funded actions will be strengthened.

The implementing partners (the AU and/or RECs/RMs) are expected to ensure proper financial reporting and will monitor and verify the accuracy and completeness of financial reporting in accordance with the terms laid down in the grant contracts and/or delegation agreements for each intervention under the action programme. The detailed modalities of the overall monitoring of individual commitments will be specified in those agreements. Capacity building actions will also include a monitoring and evaluation component to provide mid-term corrections and to understand the long-term impact of APF investments.

#### **4.10. Evaluation and audit**

The budget of this action programme includes an audit provision which the Commission will use to organise external audits of each operation financed under this programme. Monitoring, audit and evaluation activities will be contracted through framework contracts concluded by the Commission.

#### **4.11. Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. Communication and visibility is needed to enhance awareness at the EU, African and international levels on the peace and security challenges in Africa and on the APF and to mobilise additional resources. Visibility of all APF interventions will be promoted by communicating progress and results achieved through appropriate channels.

The communication and visibility measures shall be implemented either by the Commission and/or by the beneficiary and shall be included in the delegation agreements and/or grant contracts implementing this action programme.

Contracts for communication and visibility will be awarded and implemented by the Commission under centralised management and in accordance with the EDF rules and procedures.

The Commission shall prepare an activity report on the use of the APF funds for information of the Council and the EDF Committee on an annual basis and at the request of the Council or the EDF Committee.



## Annex I

### Decision-making procedures for the African Peace Facility, 2014-2016

As a general rule, the formal decision-making process for each operation funded by the APF will be launched upon a request from the AU and/or from a sub-regional organisation (RECs/RMs). When a sub-regional organisation takes an initiative, this initiative shall require the political approval of the AU. Peace operations funded by the APF should be consistent with UN principles and objectives. In this respect, endorsement in the broadest sense should be sought from the UN system, in accordance with the UN charter and in particular Chapters VII and VIII. While seeking this UN endorsement, the decision-making should, however, be flexible enough to go ahead with funding. Procedures that will apply to APF-funded interventions are the following:

#### 1) Standard procedure

Upon a request from the AU or a sub-regional organisation (RECs/RMs), the EEAS and Commission will present a joint information note on the intervention envisaged including recommendations to the relevant Council preparatory working groups and will seek the approval of the **Political and Security Committee (PSC)** on political appropriateness of the intervention requested.

For support to new peace operations, once the request has been endorsed by the PSC, the Commission will launch its internal decision-making process. In case of (i) an extension or renewal of support to an existing peace operation or (ii) support to the APSA operationalization, no Commission decision will be needed.

#### 2) Early Response Mechanism (ERM)

The ERM will finance, for a period of up to 12 months, interventions that, by their nature, require immediate support. Upon a request from the AU or a sub-regional organisation (RECs/RMs), the EEAS and Commission will assess the request and decide jointly on the appropriateness of funding the request. No new Commission decision will be needed to finance activities under the ERM. The PSC and the relevant Council working groups will be kept informed on activities supported by the ERM.

3) Audit, monitoring, evaluation, technical assistance, lessons learned and visibility

Operational activities such as audit, monitoring, evaluation, technical assistance, lessons learned and visibility will be decided by the Commission in consultation with the EEAS and will not be submitted to the decision-making process required for substantive APF interventions.

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