BUILDING A MORE RELEVANT AFRICAN UNION

AFRICAN UNION

January 2017

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Preface

This report is the result of a review of the African Union (AU) led by President Paul Kagame of Rwanda, as mandated by the Assembly of Heads of State in July 2016.

The review was based on analysis of input from the staff of the African Union Commission and external experts from across Africa, documents made available by the African Union, and previous reviews of the institution.

Given the scope of the mandate, President Kagame appointed a pan-African advisory team to assist with the review: Ms Cristina Duarte (Former Minister of Finance, Cabo Verde); Dr Donald Kaberuka (Former President, African Development Bank); Dr Acha Leke (Senior Partner, McKinsey & Company); Dr Carlos Lopes (Former Executive Secretary, United Nations Economic Commission for Africa); Mr Strive Masiywa (Founder, ECONET Wireless); Mr Tito Mboweni (Former Governor, South African Reserve Bank); Ms Amina Mohammed (Minister of Environment, Nigeria); Ms Mariam Mahamat Nour (Minister of Economy and International Cooperation, Chad); and Dr Vera Songwe (Regional Director for West and Central Africa, International Finance Corporation).

The team held consultative meetings to discuss the African Union's strengths and challenges, review benchmarks from similar organisations from around the world, and generate ideas to reform the African Union. The Chairperson of the African Union Commission (AUC), Dr Nkosazana Dlamini Zuma, and other African leaders also provided input.

This review is not an in-depth analysis of all the African Union's processes and structures of its Organs. Rather, it assesses the African Union's priorities and its effectiveness in implementing its current and future priorities. Its recommendations build on past reports – most notably the *Adedeji Report*, the *Me'kelle Report*, *Agenda 2063* and the *Comparative Study on the Working Methods of the African Union and other Similar International and Multilateral Organisations*.

The report provides a perspective on the role the African Union should play given the evolving economic, political, and social needs of the continent and the institution's capacity to meet them. It lays out the challenges the African Union will face,

including defining focus areas and managing its relationship with the regional economic communities (RECs). It suggests recommendations on how the institution could increase its effectiveness to help fulfil the continent's aspirations. It also outlines the strategic, operational and governance reforms the African Union will need to make to effect these recommendations.

Abbreviations and Acronyms

AfDB	African Development Bank
APSA	African Peace and Security Architecture
ASEAN	Association of Southeast Asian Nations
AU	African Union
AUC	African Union Commission
CEWS	Continental Early Warning System
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
EU	European Union
IGAD	Intergovernmental Authority on Development
IGMOs	Intergovernmental Organisations
IFC	International Financial Corporation
NEPAD	New Partnership for Africa's Development
OAU	Organisation of African Unity
PAP	Pan-African Parliament
PRC	Permanent Representatives Committee
PSC	Peace and Security Council
RECs	Regional Economic Communities
STAs	Specialised Technical Agencies
UN	United Nations
UNECA	United Nations Economic Commission for Africa
WTO	World Trade Organisation

Executive summary

To truly unite Africa, increase the prosperity of its people and position the continent to meet the challenges of an ever-changing global landscape, the African Union needs to review and refocus its priorities. Its challenge is to ensure that this does not become another decade of missed opportunity for Africa.

In 1963, the Organisation of African Unity (OAU) was founded with the aim of liberating African states, defending their sovereignty and promoting pan-Africanism. As time passed, African leaders felt that the OAU as it was constituted was not sufficiently addressing the new challenges the continent was facing, and in 2002 they voted to replace the OAU with the African Union.

The African Union was given a broad mandate that included accelerating political and socio-economic integration and promoting peace and security across the continent. Furthermore, one of its strategic aims was to increase its own efficiency and effectiveness to help resolve Africa's most pressing problems in an expeditious manner.

Since the African Union's foundation in 2002, the global context has changed dramatically. The changes include, but are not limited to, the following: Most African states have transitioned to democracy; China has emerged as a major economic force; religious extremism is on the rise; the use of social media is now widespread; mass migration from Africa and the Middle East to Europe is occurring; Europe, the United States and Australia have moved to the far right of the political spectrum; and severe weather has affected the environment. These changes are far-reaching and it is hard to predict where they will lead.

The African Union should be adjusting its priorities and structures consistently to meet the new challenges and opportunities. However, after careful review of the African Union and consultations with the Member States, the advisory team found that the institution has neither achieved its current objectives nor adjusted its organisation and is, in fact, ill-equipped to carry out its mandate in its current form.

To remain relevant to its Member States, African citizens and the world, it is imperative that the African Union renews its focus and the way it works. To do this, it

must create an efficient and effective African organisation that will drive and deliver the continent's agenda within the shifting global landscape.

An assessment of previous African Union reform initiatives revealed a rich catalogue of recommendations and proposals that make good sense, including the Adedeji Report[1], the result of a detailed review of the African Union's Organs and institutions, and the Me'kelle Report[2], which evaluated the working systems of the AUC and some African Union Organs. However, many of these recommendations have not been implemented because of poor stakeholder buy-in at all levels, insufficient monitoring and evaluation and, most critically, the lack of a structured implementation process within the African Union.

As a result, the African Union continues to face four major challenges:

■ The African Union is highly fragmented with too many focus areas;

■ The African Union's complicated structure and limited managerial capacity lead to inefficient working methods, poor decision-making and a lack of accountability;

■ The African Union is neither financially independent nor self-sustaining, relying instead on partner funding for much of its financing;

■ Coordination between the African Union and the RECs is limited.

In order to address these challenges, the African Union should recall the powerful values upon which the OAU was founded. Enshrined in the Constitutive Act of the African Union, these include the rule of law, good governance, and self-reliance.

In line with these principles, the following twenty reform recommendations have been developed to build a more relevant African Union:

I. FOCUS ON KEY PRIORITIES WITH CONTINENTAL SCOPE:

1) Focus the African Union's agenda on a fewer number of priority areas

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[1] High-level Panel of the Audit of the African Union, *Audit of the African Union,* 2007

[2] African Union, Me'kelle Report to the PRC on Restructuring of the African Union Commission and AU Organs, 2016

2) Clarify division of labour between the African Union, RECs, regional mechanisms, the Member States and continental institutions

II. REALIGN AFRICAN UNION INSTITUTIONS IN ORDER TO DELIVER AGAINST THOSE PRIORITIES

3) Conduct an audit of the African Union's bureaucratic bottlenecks and inefficiencies
4) Re-evaluate the size and capabilities of Commission's structures
5) Establish a lean and performance-oriented senior leadership team at Commission
6) Review and update mandate and structure of key organs and institutions

III. CONNECT THE AFRICAN UNION TO ITS CITIZENS

7) Launch initiatives focused on increasing the African Union's relevance to citizens

IV. MANAGE THE BUSINESS OF THE AFRICAN UNION EFFICIENTLY AND EFFECTIVELY, AT BOTH POLITICAL AND OPERATIONAL LEVELS

On political management of the Union:

8) Reform the working methods of the Summit
9) Determine the appropriate African representation at Partnership Summits
10) Establish a troika of the outgoing, current, and incoming African Union chairpersons
11) Strengthen and enforce the current sanctions mechanism

On operational management of the Union:

12) Enhance the process for selecting the Commission Chairperson
13) Recruit the Commission Deputy Chair and Commissioners competitively
14) Reframe the role of Deputy Chairperson and potentially change the titles of the Chairperson and Deputy Chairperson
15) Review structure, staffing needs and conditions of service of the Commission

V. FINANCE THE AFRICAN UNION SUSTAINABLY AND WITH THE FULL OWNERSHIP OF THE MEMBER STATES

16) Implement the Kigali Financing Decision

17) Adopt complementary measures to reinforce the Kigali Financing Decision

IMPLEMENT THE REFORM RECOMMENDATIONS

18) Establish high-level supervision arrangements for the AU reform process
19) Establish a unit in the Commission to drive reform implementation
20) Establish binding mechanism to ensure reform implementation

The African Union stands at yet another crossroads in its history. The advisory team sincerely hopes that the institution and Member State leaders will embrace these reforms and guarantee Africa's citizens a continent in which they can thrive.

The African Union past and present

I. HISTORY

The African Union is the world's largest and most diverse regional organisation in terms of member populations, geographical features and income levels. Its sheer size and the diversity of its Member States present challenges that have prevented the African Union fully from carrying out its mission to promote integration and regional co-operation in Africa[3].

Over the years, the organisation has evolved from one focused on political liberation to an institution that is equally concerned about economic progress. In its original form as the OAU, the institution focused on the ideas of pan-Africanism and nationalism to establish and ensure the sovereignty of Africa's states.

At the African Heads of State Summit in Durban, South Africa, in July 2002, the OAU was replaced by the African Union, as members felt that the OAU as it was constituted was no longer addressing the continent's new challenges. The objective of the new African Union was to drive political coordination and economic integration. To this end, the African Union's recent work has focused on consolidating democratic institutions and culture, promoting and protecting human rights including the rights of women, promoting peace, security and economic development, encouraging the participation of civil society, and ensuring good governance and the rule of law[4].

The African Union has also continued to expand its wide-ranging policy agenda, which includes infrastructure development, continental trade, food security, agricultural transformation, gender equality, democracy and good governance, election monitoring, and crisis management. The African Union also deliberates and defends African positions on global issues, such as climate change and development financing.

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[3] Vanheukelom, J., *The Political Economy of Regional Integration in Africa,* 2016

[4] African Union Commission, *African Union*: *Retrieved from African Union in a Nutshell*, 2016
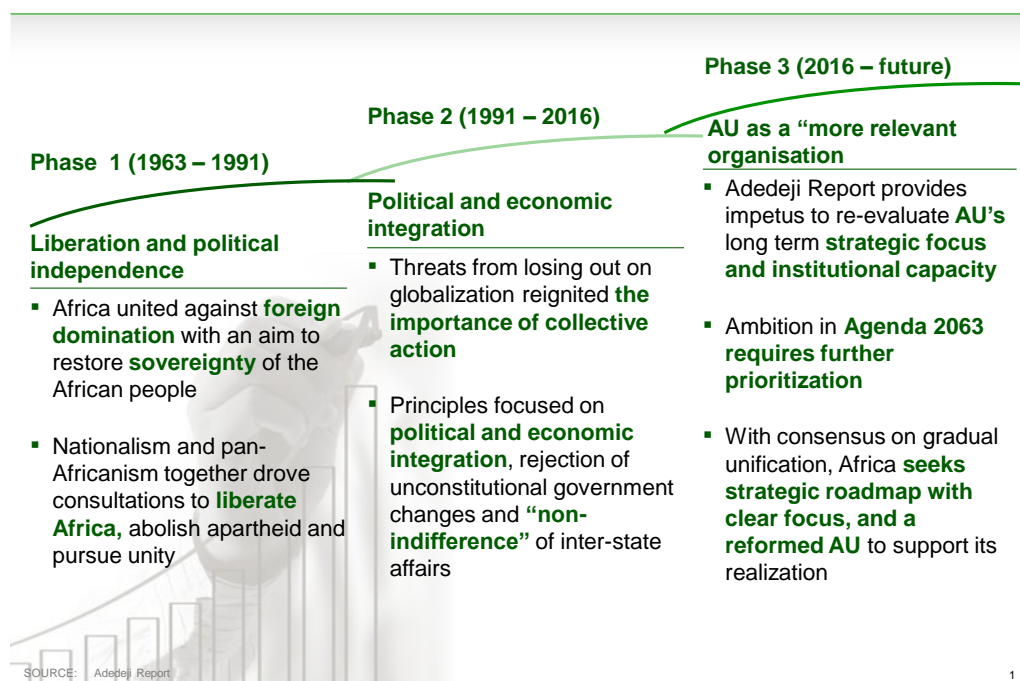
Since 2000, African countries have embraced globalisation and the new economic order to drive renewed economic growth, growing real per capita incomes and improving human development outcomes across the continent with remarkable resilience. That notwithstanding, the shifting global landscape and persistent challenges with governance have meant that Africa has not yet fulfilled its full economic, political and social promise.

Although Africa has shown remarkable resilience in navigating global and regional challenges and capitalising on the big opportunities, it has not lived up to its real economic, political and social promise. Today, it faces different but equally complex challenges and opportunities.

The challenge for the African Union is to ensure that the continent continues its growth momentum and fully captures the opportunities of the coming decades. To truly unite Africa, increase the prosperity of its people and position the continent to meet the challenges of an ever-changing global landscape, the institution needs to review and refocus its priorities.

Today, the African Union stands at yet another crossroads in its history. It can carry on down the same road or change direction to become more relevant. This report suggests that it is time to change direction (Exhibit 1).

EXHIBIT 1

African Union has transformed its ideologies and focus over time

Phase 3 (2016 – future)

Phase 2 (1991 – 2016)

Phase 1 (1963 – 1991)

AU as a "more relevant organisation

Political and economic integration

Liberation and political independence

- Threats from losing out on globalization reignited **the importance of collective action**

- Africa united against **foreign domination** with an aim to restore **sovereignty** of the African people

- Principles focused on **political and economic integration**, rejection of unconstitutional government changes and **"non-indifference"** of inter-state affairs

- Nationalism and pan-Africanism together drove consultations to **liberate Africa,** abolish apartheid and pursue unity

- Adedeji Report provides impetus to re-evaluate **AU's** long term **strategic focus and institutional capacity**

- Ambition in **Agenda 2063 requires further prioritization**

- With consensus on gradual unification, Africa **seeks strategic roadmap with clear focus, and a reformed AU** to support its realization

SOURCE: Adedeji Report

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II. PREVIOUS REFORM EFFORTS

Since 2007, the African Union has conducted a series of studies tasked with identifying the reforms required to implement the vision outlined in its Constitutive Act, and prepare the institution for the future:

- **The Adedeji Report[5] (2007)**. The report constituted an in-depth audit of the African Union that examined the Constitutive Act and assessed the mandates and the execution of statutory functions of all African Union Organs. It provided recommendations on how to reform the Organs' mandates and staff key roles. While the African Union has made progress in some of the improvement areas it identified, most of its recommendations have not been implemented.

- **Agenda 2063 (2013)**. In 2013, the African Union's Agenda 2063 set out seven aspirations for the next 50 years. These aspirations were divided into 39 priority areas under 20 goals to be accomplished through 12 flagship projects. The First Ten-year Implementation Plan for Agenda 2063 was published in 2015 to

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[5]   See Note 1

determine the priorities that the African Union should pursue for the first 10 years from the report being published. To prepare the African Union to deliver its agenda, additional studies were conducted on its operations, working methods and organisation structure.

- **Comparative Study on the Working Methods of the African Union and other Similar International and Multilateral Organisations (2016).** This study benchmarked the African Union's operations against those of similar institutions, identified gaps and recommended a review of the African Union's legal instruments, institutional architecture, working methods, decision-making, monitoring and evaluation processes, and sources of funding. It also recommended that the African Union review its Constitutive Act to ensure that its Organs deliver the integration agenda and clarify their roles and responsibilities, and revise its leadership appointment and resource allocation processes.

- **The Me'kelle Report[6] (2016).** This report evaluated the structure of the African Union Organs and the effectiveness of the African Union secretariat. It recommended ways to enhance the AUC's efficiency and effectiveness to enable it to deliver Agenda 2063, and suggested mechanisms to define which activities sat with the AUC and which with NEPAD.

Each of the reform efforts above was designed to improve the African Union's efficiency and effectiveness or redefine its priorities and demonstrate its commitment to adapt constantly to the needs of the continent. Unfortunately, poor stakeholder buy-in at all levels, insufficient monitoring and evaluation and – most critical of all – the lack of a structured implementation process within the African Union have led to many of these recommendations not having been implemented.

III. THE AFRICAN UNION TODAY, CHALLENGES AND OPPORTUNITIES

As described above, the African Union has failed to reform itself to the level recommended by previous reviews. As a result, it faces four major challenges today:
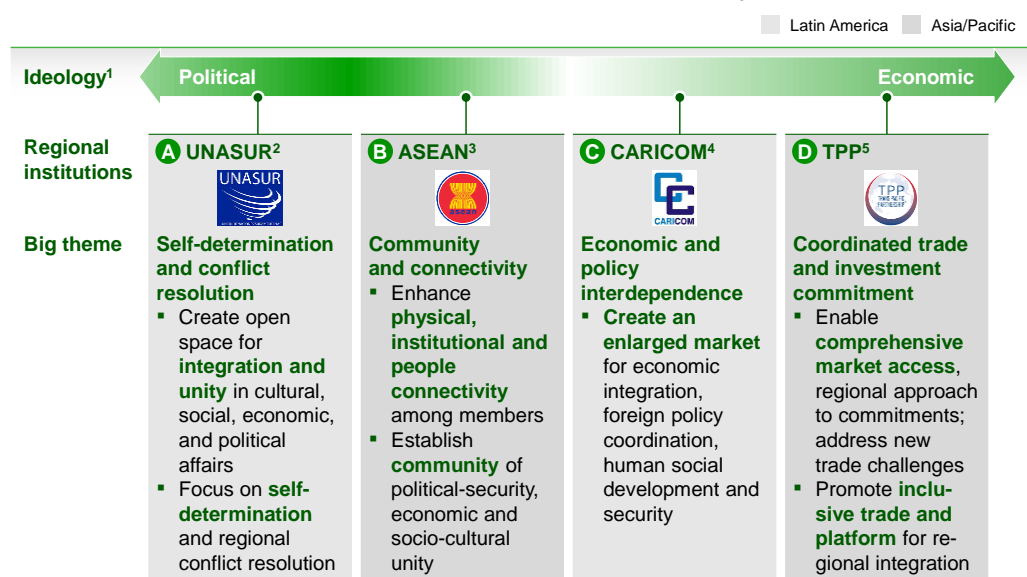
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6   See Note 2

- The African Union is highly fragmented with too many focus areas;

- The African Union's complicated structure and limited managerial capacity lead to inefficient working methods, poor decision-making and lack of accountability;

- The African Union is not financially independent or self-sustaining, relying instead on partner funding for much of its financing;

- Coordination between the African Union and the RECs is limited.

1. The African Union is highly fragmented with too many focus areas

The African Union is involved in many areas related to the continent's development with no clear focus. This makes it difficult to channel resources and creates a fragmented, unwieldy organisation. In 2016, less than 40 per cent of the AUC's operating budget was allotted to the 11 departments or directorates assigned to implement programmes covering topics from peace and security, to rural economy and agriculture, to women and gender development.

An examination of the strategic priorities of other international organisations showed that they tend to centre themselves around a set of 'themes' based on different ideologies (Exhibit 2).

EXHIBIT 2

Examples of "themes" of select institutions which closely mirror the AU

Ideology[1]	**A** UNASUR[2]	**B** ASEAN[3]	**C** CARICOM[4]	**D** TPP[5]
Political → Economic				

Big theme

A UNASUR[2] — Self-determination and conflict resolution
- Create open space for **integration and unity** in cultural, social, economic, and political affairs
- Focus on **self-determination** and regional conflict resolution

B ASEAN[3] — Community and connectivity
- Enhance **physical, institutional and people connectivity** among members
- Establish **community** of political-security, economic and socio-cultural unity

C CARICOM[4] — Economic and policy interdependence
- **Create an enlarged market** for economic integration, foreign policy coordination, human social development and security

D TPP[5] — Coordinated trade and investment commitment
- Enable **comprehensive market access**, regional approach to commitments; address new trade challenges
- Promote **inclusive trade and platform** for regional integration

1 According to recent strategic positions and published papers
2 UNASUR: Argentina; Bolivia; Brazil; Chile; Colombia; Ecuador; Guyana; Paraguay; Peru; Suriname; Uruguay; Venezuela
3 ASEAN: Brunei Darussalam; Cambodia; Indonesia; Lao PDR; Myanmar; Philippines; Singapore; Thailand; Vietnam
4 CARICOM (Caribbean Single Market and Economy): Antigua and Barbuda; Bahamas; Barbados; Belize; Dominica; Grenada; Guyana; Haiti; Jamaica; Montserrat; St. Kitts and Nevis.; St. Lucia; St. Vincent and the Grenadines; Suriname; Trinidad and Tobago
5 TPP: Australia; Singapore; Canada; Chile; Japan; Malaysia; Mexico; Peru; Brunei Darussalam; United States; Vietnam; New Zeland

SOURCE: Expert interviews; Literature search   2

Some institutions align their organisational structures to these focus themes. For example, the Association of Southeast Asian Nations (ASEAN) champions the concept of a regional community and organises its Secretariat around three main areas: political-security, economic, and socio-cultural.

By contrast, the African Union Assembly and other organs have a fragmented agenda and have to address a broad spectrum of issues. As result, their efforts are often inefficient and ineffective. The African Union should streamline its areas of focus, in order to maximize its value to its Member States and make efficient use of its limited resources.

2. The African Union's complicated structure and limited managerial capacity lead to inefficient working methods, poor decision-making and lack of accountability
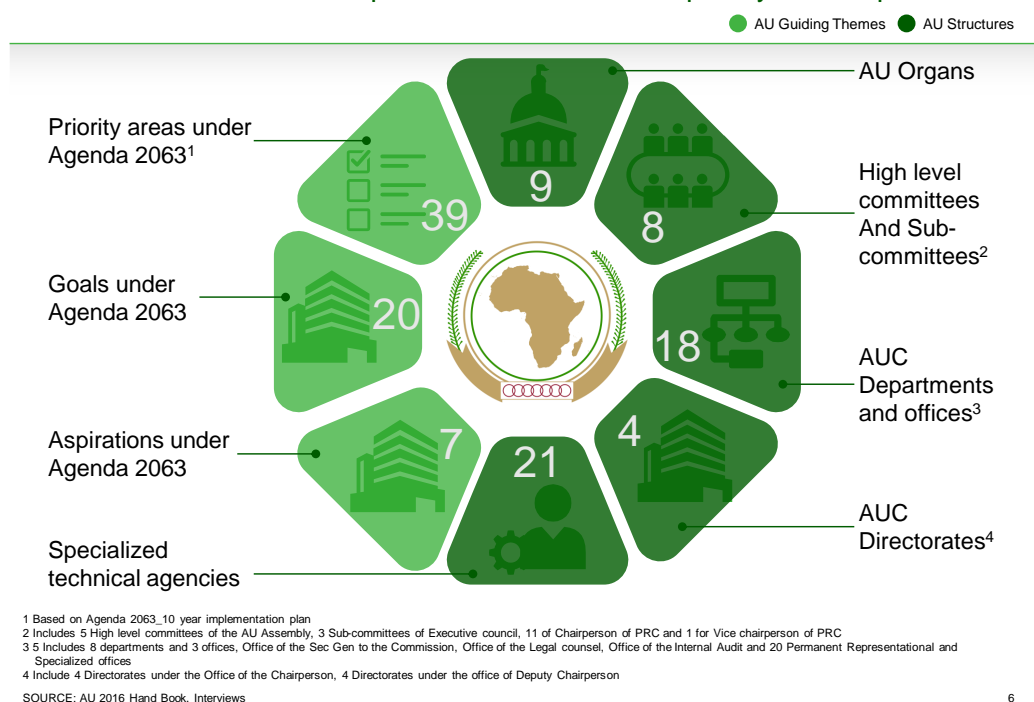
COMPLICATED STRUCTURE

The African Union is a complex organisation comprising many policy organs, technical bodies and agencies that help to implement its Assembly's decisions (Exhibit 3).

EXHIBIT 3

The African union is a complex institution with multiple layers and priorities

● AU Guiding Themes ● AU Structures

Priority areas under Agenda 2063[1] — 39

Goals under Agenda 2063 — 20

Aspirations under Agenda 2063 — 7

Specialized technical agencies — 21

AU Organs — 9

High level committees And Sub-committees[2] — 8

AUC Departments and offices[3] — 18

AUC Directorates[4] — 4

1 Based on Agenda 2063_10 year implementation plan
2 Includes 5 High level committees of the AU Assembly, 3 Sub-committees of Executive council, 11 of Chairperson of PRC and 1 for Vice chairperson of PRC
3 5 Includes 8 departments and 3 offices, Office of the Sec Gen to the Commission, Office of the Legal counsel, Office of the Internal Audit and 20 Permanent Representational and Specialized offices
4 Include 4 Directorates under the Office of the Chairperson, 4 Directorates under the office of Deputy Chairperson

SOURCE: AU 2016 Hand Book, Interviews   6

Previous reviews suggest that this complicated structure hampers the African Union's ability to make decisions and implement its initiatives across all the different organs, and creates a series of challenges, as highlighted below.

■ **AUC and NEPAD**

Overlapping implementation responsibilities. While NEPAD has been incorporated into the African Union as a technical implementation body, the programme implementation functions of both organisations continue to overlap. NEPAD focuses on industrialisation and infrastructure, but the AUC also covers these areas in addition to political, security, economic and social affairs. Coordination and communication between the AUC and NEPAD are a challenge. They each conduct their own planning and resource mobilisation, often without consulting each other, and in some cases they even compete for the same financial resources. This duplication is confusing at both the regional level (where the two organisations work with RECs) and the national level (where they both work with individual countries), and prevents effective implementation.

Parallel reporting lines. The AUC and NEPAD have parallel reporting lines into the African Union Assembly and PRC. The Head of NEPAD reports to the NEPAD

Heads of State and Government Orientation Committee at the African Union Assembly level, but the AUC Chairperson does not report his/her work directly to the same committee. Communication between the AUC and NEPAD is limited since the two bodies are not accountable to each other. Neither is under any obligation to report on its actions or engage in dialogue in case of conflict. In addition, the lack of incentive for NEPAD and AUC to consult each other after the PRC approves their financial budgets creates confusion and inefficiencies.

■ **Permanent Representative Council (PRC)**

Expansion of the PRC's role beyond the Constitutive Act. The Constitutive Act limits the PRC's role to that of an advisory organ with the "responsibility of preparing the work of the Executive Council and acting on the Executive Council's instructions"[7]. However, according to the *PRC Rules of Procedure*[8], the PRC's functions are more extensive. For example, Rule 4 states that the PRC reviews the African Union's "programme and budget as well as the Commission's administrative, budgetary and financial matters". Many of the African Union's senior officials and external partners believe that the PRC's extensive involvement in the AUC has increased implementation inefficiencies within the African Union.

Delayed decision-making at the PRC level. Some of the African Union Assembly's decisions have been delayed in the PRC or even reversed. This suggests that rather than "facilitating communication between the AUC and Member States' capitals"[9], the PRC interferes with the decision-making process. The PRC's failure to act affects those Organs dependent on its decisions and prevents them from carrying out their work. The PRC's decision-making approach does not fulfil the vision of its function within the African Union.

■ **Peace and Security Council (PSC)**

Membership criteria are not applied consistently. The PSC is recognised as the continent's premier decision-making body on peace and security matters, yet it still has to demonstrate real leadership. The quality of the PSC's decision-making is related to the quality of its membership. This quality is maintained where PSC

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7   Article 21(2), The Constitutive Act of the African Union (2000)

8   Rules of Procedure of the Permanent Representatives Committee (2002)

9   Rule 4, Rules of Procedure of the Permanent Representatives Committee (2002)

members meet the requirements set out in the PSC Protocol. Article 5(2) of the PSC Protocol sets out nine requirements for membership but these are neither enforced nor applied consistently. Despite its strong legal framework and enhanced powers and functions, the PSC's quality of decision-making, levels of engagement and impact do not meet the level required by its original mandate.

- **The African Union Assembly**

Working methods are inefficient. The African Union Summit's working methods do not help the African Union Assembly to implement its agenda. Summit meeting openings are often delayed and marked by elaborate programmes, while agendas are overloaded and do not focus on the strategic issues that require the attention of the Heads of States[10]. The African Union Summit is a critical platform for Heads of State to convene and make decisions on African matters. Yet, there are not enough closed meetings to achieve consensus on key issues before the plenary session, and the exclusion of the RECs from the African Union Summit's agenda-setting and decision-making processes makes it difficult for them to implement the decisions.

African Union Assembly decisions are diluted. The African Union Assembly's decisions are often made over the course of different Summits and as a result most of its non-binding decisions are ineffective. Also, there is no strong enforcement mechanism to hold the Member States accountable for implementing African Union Assembly decisions. Many of its decisions, protocols and treaties face ratification challenges at the individual Member State level. Indeed, in August 2013, only 25 of the 42 treaties signed under the African Union (and its predecessor the OAU) had been ratified[11]. Some Member States feel that they have a weaker stake in the African Union and this reflects in their failure to meet financial commitments, which in turn affects the quality of the African Union Assembly's decisions and delays their implementation. Even when the African Union Assembly adopts

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[10] *The Comparative Study on the Working Methods of the African Union and Other Similar International and Multilateral Organizations*, African Union, 2016.

[11] *A Digest of OAU-AU Treaties, Conventions, and Agreements, 1963 to 2014.* African Union and the African Capacity Building Foundation. 2016.

protocols and decisions by consensus, it does not mean that all the Member States are in unanimous agreement.

■ **Judicial Organs**

Lack of commitment to establish the African Court of Justice and Human Rights. The Constitutive Act provides for an African Court of Justice to be established and the initial protocol was adopted in 2003. In 2008, the African Union Assembly adopted a protocol to merge the African Court on Human rights with the African Court of Justice, but the protocol has not yet been ratified by sufficient Member States. A further Protocol on Amendments to the 2008 Protocol was adopted in 2014, but the signatory and ratification process has been equally unsatisfactory. As of August 2015, five countries had signed the 2014 Protocol with no ratifications. There appears to be a lack of commitment among the Member States to establish the African Court of Justice and Human Rights, which in turn suggests their reluctance to accept the Court's jurisdiction.

■ **Pan-African Parliament (PAP)**

Limited buy-in for the PAP among the Member States. Based on the Protocol to the Constitutive Act relating to the Pan-African Parliament, the PAP was founded in 2003 to enable wider participation of Africans in "the development and economic integration of the continent"[12]. Article 25 provides for "a review of the operation and effectiveness of the Protocol and the system of representation in the Pan-African Parliament after five years"[13], but the Constitutive Act maintains that the PAP's detailed functions, powers and organisational structures should be defined in a separate Protocol[14] that was not adopted by the African Union Assembly until 2014. As the Protocol has only been signed by six Member States and ratified by one, the PAP remains a consultative and advisory organ within the African Union. It is unable to make its own proposals via which it may submit or recommend draft model laws for consideration and approval to the African Union

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[12] African Union, *The Constitutive Act of the African Union (Article 17)*, 2000.

[13] African Union. *The Protocol to the Constitutive Act of the African Union relating to the Pan-African Parliament*, 2014.

[14] African Union, *The Protocol to the Constitutive Act of the African Union Relating to the Pan African Parliament*, 2014.

Assembly. Again, this suggests weak Member State support for the PAP to become "an institution with full legislative powers, whose members are elected by universal suffrage"[15].

- **Specialised Technical Agencies (STAs)**

Proliferation of STAs. An increasing number of STAs are funded by the African Union or included under its structure. Many have overlapping themes and some do not align with the African Union's agenda and priorities. Their effectiveness is unclear and the principles for their creation and adoption should be re-evaluated.

LIMITED MANAGERIAL CAPACITY

The work of the AUC is premised on 13 objectives that are spread across departments led by each of the Commissioners and the bureaus of the AUC Chairperson and Deputy Chairperson. The objectives are achieved through continent-wide programmes implemented by more than 1,000 people. Managing the AUC therefore requires precision control and supervision to execute the African Union's mandate.

In fulfilling its mandate, the AUC is plagued by management issues, some of which were identified in previous assessments and persist today, including: poor top leadership accountability; inadequate supervision and coordination; weak staff recruitment and performance management systems; and an inadequate AUC top leadership selection process.

Poor top leadership accountability. Under the African Union Charter, the African Union Chairperson and Deputy Chairperson are elected by the African Union Assembly[16]. This process is followed by the election of Commissioners by the Executive Council[17]. While the AUC Chairperson is directly accountable to the Executive Council[18], the Deputy Chairperson and Commissioners are accountable to the AUC Chairperson[19] although appointed by the Executive Council.

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[15] African Union*, African Union Handbook 2016*, 2016.

[16] African Union, *Constitutive Act* Article 1(i), 2007

[17] African Union, *Statutes of the African Union Commission* Articles 14 and 15, 2002; See Also Rules of Procedure of the Executive Council Rule 5,African Union, 2002

[18] African Union, *Statutes of the African Union Commission* Article 7, 2002

[19] African Union, *Statutes of the African Union Commission* Articles 9 and 11, 2002

By contrast, the UN appoints its Secretary-General through the General Assembly on the recommendation of the Security Council[20]. The Secretary-General appoints both the Deputy and Under-Secretary Generals[21]. This system maintains the Secretary-General's authority over his/her subordinates and promotes accountability. The EU[22], ASEAN[23] and the African Development Bank [24] (AfDB) employ the same system.

The *Adedeji Report* found that AUC Commissioners have low regard for the AUC Chairperson's authority and that this reduces his/her level of accountability. It also found that Directors are often dismissive towards Commissioners as the former typically have longer tenure and experience within their respective AUC departments than their Commissioner superiors. As a result, the Directors often bypass the Commissioners and report directly to the AUC Chairperson.

The *Me'kelle Report* highlighted that the current AUC structure is characterised by conflict and unhealthy working relationships[25], largely due to poor top leadership accountability. Unlike its peers' systems, the African Union's appointment system does not reinforce accountability to the AUC Chairperson.

Inadequate supervision and coordination. Supervision and coordination of shared services within the AUC is divided between the bureau of the AUC Chairperson and that of the Deputy Chairperson. In addition, the African Union statutes do not require the heads of these departments to possess specific skills in operational management.

By contrast, coordination within the UN is headed by the department of management (assisted by the Executive Office of the Secretary-General), which reports directly to

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20 United Nations, *Charter of the United Nations* ,1946; and *General Assembly Resolution 11(1) of 24 January 1946* , 1946

21 United Nations, *Charter of the United Nations* ,1946; and *General Assembly Resolution 12 (1) of 24 January 1946* , 1946

22 European Union, About the EU Commission, available at <http://ec.europa.eu/about/index_en.htm>

23 ASEAN, *Charter of the Association of South East Asian Nations* Article 11, 2007

24 African Development Bank, *Agreement Establishing the African Development Bank*, Article 37, 2011

25 African Union, Me'kelle Report to the PRC on Restructuring of the African Union Commission and AU Organs, 2016

the UN Secretary-General[26]. This department is headed by an Under-Secretary General who manages human resources, finance and budget planning and support services. In the AfDB, the Senior Vice-President leads coordination and operational management; this maintains operational efficiency and provides strategic direction for the AfDB[27].

The *Adedeji Report* highlighted that the AUC suffered from unexplained absences, poor communication and delegation to subordinates by African Union Commissioners and directors. Where delegation was appropriate, subordinates did not understand their level of authority because of inadequate appraisal of their roles and responsibilities. This created delays and in some cases poor execution. There was also evidence of poor supervision and coordination in the activity reporting and budget planning processes.

The AUC lacks the effective supervision and coordination mechanisms of its peer institutions. In the recent past, this has manifested in poor communication between departments and duplication of activities. Poor coordination delays decision-making, thus hampering the efficiency of AUC activities.

Weak staff recruitment and performance management systems. In 2016, the AUC rolled out a new performance management system that requires heads of departments to conduct annual performance reviews for each of their staff. The penalties for failing to carry out these reviews include non-renewal of contracts and withholding of salaries.

In comparison, the UN[28] and EU Commission[29] have robust performance management systems. In the EU, performance management begins with human resource planning, which identifies human resource needs based on the EU

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26 United Nations Handbook, *United Nations Handbook 2016-2017* , 2016

27 African Development Bank*, Amendments to the Approved Development and Business Delivery Model*, October 2016 available at <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic Documents/AFDB_ORGANIZATION_CHART_07_October_2016.pdf>; See also African Development Bank Group, *Chief Operating Officer* <http://www.afdb.org/en/about-us/organisational-structure/chief-operating-officer/ > detailing the role of the Chief Operating Officer

28 United Nations Secretariat, *Performance Management and Development System,* 30 April 2010

29 *The Working Methods of the European Commission 2014-2019*, European Union, 2014

Commission's priorities and work plan. This system uses annual staff reviews to determine staff performance and enables a rating appeal. The UN reviews its staff twice a year, offering staff ratings, rewards and consequences.

Despite the AUC's new system, complaints of inefficiency remain. For example, the recruitment process does not fill all vacancies in some departments or hire people with the right skills for some roles. In some instances, new employees have been engaged only to find that their positions had already been filled, albeit by temporary staff[30]. In addition, the performance review system does not necessarily provide clear rewards and consequences, e.g., promotions, demotions or contract termination.

The lack of efficient recruitment practices and adequate performance review mechanisms have lowered staff morale, generating poor performance.

AUC top leadership selection process. The managerial capacity issues described above are driven to a certain extent by the selection process for the AUC's top leadership. Under the current regime, the AUC Chairperson, Deputy Chairperson and Commissioners are elected. The AUC statutes lay out a two-step process in which candidates are shortlisted by a panel based on certain minimum requirements. It is not clear whether this process is adhered to.

The UN requires Secretary-General candidates to submit vision statements and undergo questioning by civil society[31]. The EU scrutinises candidates for the role of Commissioner through interviews with EU Parliament[32] members.

The African Union's process does not guarantee that the most qualified candidates are selected. Candidates are not subject to comprehensive evaluation to determine their suitability for the role, and their selection is politicised through lobbying and closed-door negotiations. This process does not provide the African Union with the best and brightest individuals the continent has to offer. If the AUC is to improve its

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[30] African Union, Me'kelle Report to the PRC on Restructuring of the African Union Commission and AU Organs, 2016

[31] General Assembly of the United Nations, *Procedure of Selecting the Next UN Secretary General,* , available at <http://www.un.org/pga/71/sg/>

[32] European Union, About the EU Commission, available at <http://ec.europa.eu/about/index_en.htm>

managerial capacity, such individuals must be identified and recruited to lead the Commission.

3. The African Union is not financially independent or self-sustaining, relying instead on partner funding for much of its financing

Historically, the African Union's finances have not been transparent. Although the African Union Assembly, Council, and Commission have recently made attempts to create transparency and accountability, the budget process remains too fragmented and opaque to effectively link to results management.

In 2014, the African Union's budget was USD308 million, more than half of which was funded by donors. In 2015, it rose 30 per cent to USD393 million, 63 per cent of which was funded by donors. In 2016, donors contributed 60 per cent of the USD417 million budget. In 2017, the Member States are expected to contribute 26 per cent of the proposed USD439 million budget, while donors are expected to contribute the remaining 74 per cent [33] (Exhibit 4)..

The African Union's programmes – including peacekeeping, health, education – are 97 per cent funded by donors[34].

By June 2016, only 17 out of 54 Member States had paid their assessment for the financial year 2016 in full; by the end of December, 25 Member States had paid in full (Exhibit 5).

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[33] African Union Commission, African Union Commission, *African Union Handbook* 2014-2017
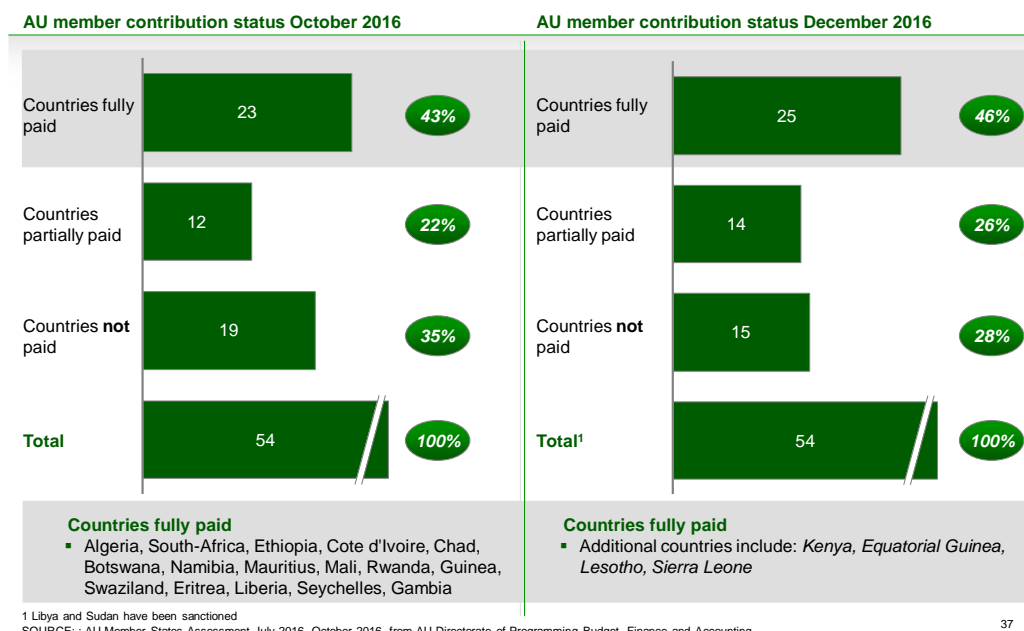
[34] Oyoo, S., *AU dependency on Donor Funding,* 2015

EXHIBIT 5

Between October and December the number of countries that fully paid their contribution increased from 23 to 25

AU member contribution status October 2016		AU member contribution status December 2016	
Countries fully paid	23 — 43%	Countries fully paid	25 — 46%
Countries partially paid	12 — 22%	Countries partially paid	14 — 26%
Countries **not** paid	19 — 35%	Countries **not** paid	15 — 28%
Total	54 — **100%**	**Total[1]**	54 — **100%**

Countries fully paid
- Algeria, South-Africa, Ethiopia, Cote d'Ivoire, Chad, Botswana, Namibia, Mauritius, Mali, Rwanda, Guinea, Swaziland, Eritrea, Liberia, Seychelles, Gambia

Countries fully paid
- Additional countries include: *Kenya, Equatorial Guinea, Lesotho, Sierra Leone*

1 Libya and Sudan have been sanctioned
SOURCE: : AU Member States Assessment July 2016, October 2016 from AU Directorate of Programming Budget, Finance and Accounting

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The African Union is highly dependent on donor funding to finance its programmes, while Member State contributions primarily fund the operational expenses African Union's organs. This observation raises a fundamental question: How can the Member States own the African Union and regain their dignity if they do not set its agenda?

4. Coordination between the African Union and the RECs is limited

The African Union's relationship with the RECs is based on the Treaty Establishing the African Economic Community ("the Abuja Treaty", Abuja, 1991) entered into as a result of the Lagos Plan of Action (1980). These two documents view the RECs as the building blocks of the anticipated African Economic Community and, by extension, the African Union.

In light of this, the African Union prepared a timetable of activities for the RECs with specific goals to achieve regional economic integration. As set out in the Abuja Treaty, these goals included eliminating tariffs and setting up regional customs unions.

The Abuja Treaty did not, however, define a clear working relationship between the African Union and RECs. It also failed to provide guidelines for coordination and relationship management between the RECs. This has resulted in a delayed implementation of the integration timetable and widely different REC mandates (Exhibit 6).

EXHIBIT 6

RECs have made uneven progress towards achieving goals set by the Abuja Treaty

● Not completed   ● Fully completed

	GDP[1]	Population[2]	Economic integration	Elimination of tariffs	Establish free trade area	Establish customs union
EAC	160	169	●	✓	✓	✓
ECOWAS	718	340	◕	✓	✓	✗
COMESA	657	493	●	✓	✓	✓
SADC	679	313	◕	✓	✓	✗
ECCAS	258	158	◑	✓	✓	✗
CENSAD	1,350	553	●	✗	✗	✗
IGAP	218	247	●	✓	✗	✗
AMU	426	95	●	✓	✗	✗

1 2014
2 2014
SOURCE: Assessing Regional Integration by UNECA (ARIA IV and ARIA VII)   1

In 2007, the Member States adopted the Protocol on Relations between the African Union and RECs that brought together representatives of the AUC, RECs and regional organisations such as UNECA and the AfDB in a Committee on Coordination. The committee's annual forums monitored REC activities and made recommendations on integration implementation. These forums created the Minimum Integration Programme (2009) that clearly set out the activities that RECs would undertake to speed up the integration process.

The African Union/REC relationship is not comparable to that of any other regional inter-governmental organisation. It is therefore difficult to apply external benchmarks to understand how the relationship should be structured. Both the

Adedeji and Me'kelle Reports suggest how the relationship should be redesigned to meet African Union obligations.

Today however, the African Union's role vis-à-vis the RECs remains poorly defined, and the RECs continue to face obstacles to achieving their regional integration aspirations [35] due to: poor coordination of activities and policy harmonisation, and lack of national support.

Poor coordination of activities and policy harmonisation

Some RECs have made significant progress towards regional integration, while others have stagnated. Without a clear continental mechanism or institution to monitor, evaluate and provide objective guidance on regional integration, the RECs have been slow to meet their obligations. In addition, poor coordination has resulted in duplicative activities and conflicting policies across the RECs and with the African Union.

Some RECs have taken big steps towards regional integration, while others have stagnated. Thanks to the absence of a clear line of authority to monitor, evaluate and provide objective guidance on regional integration, the RECs have been slow to meet their obligations. In addition, poor coordination means that RECs duplicate activities with the AUC and, in some cases, carry out non-complementary activities. They also adopt non-harmonised policies that result in uncoordinated activities and priorities.

Lack of national support

Many African governments have failed to prioritise the regional integration objectives set out by RECs, instead focusing on their own national needs and interests. This has been driven by limited support from their constituents for regional integration agendas that they do not understand, as well as a lack of clarity in the value of REC membership.

As the African Union has not provided minimum guidelines for REC membership, some Member States have also joined multiple RECs resulting in overlapping memberships. This has further complicated coordination and resulted in conflicting

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[35] UNECA, *Assessing Regional Integration in Africa IV,* 2016; UNECA, *Assessing Regional Integration in Africa II,* 2006;

obligations, which means that some REC activities may be prioritised over others. For example, Uganda belongs to the East African Community (EAC), The Intergovernmental Authority on Development (IGAD) and the Common Market for Eastern and Southern Africa (COMESA) which take different stances on the issue of the South Sudan Conflict.

In conclusion, it is clear that the African Union has failed to strengthen and thus enable the RECs to fulfil their mandates. The African Union/REC relationship is characterised by poor coordination and failure to galvanise Member State support for regional integration. Without these two pillars of support, it is difficult to see how the RECs can achieve their aspirations and – by extension – those of the African Union.

Recommendations for reform

In order to resolve the above challenges, the African Union will need to transform into an institution that meets the evolving needs of its Member States and the continent as a whole. This will require the organization to take the following actions:

- Focus on key priorities with continental scope

- Realign African Union institutions in order to deliver against those priorities

- Connect the African Union to its citizens

- Manage the business of the African Union efficiently and effectively at both the political and operational levels

- Finance the African Union sustainably and with the full ownership of the Member States

- Implement the reform recommendations

I.   FOCUS ON KEY PRIORITIES WITH CONTINENTAL SCOPE

The African Union's current broad focus makes it difficult for the institution to channel resources strategically and results in a fragmented and ineffective organisation. Additionally, its relationship with the RECs, RMs and other continental institutions is relatively uncoordinated leading to duplicated efforts and inefficiencies.

Two recommendations are proposed to focus the African Union's agenda and its relationships with other African institutions:

1.   **The African Union should focus on a fewer number of priority areas, which are by nature continental in scope, such as political affairs, peace and security, economic integration (including the Continental Free Trade Area), and Africa's global representation and voice.**

2.   **There should be a clear division of labour and effective collaboration between the African Union, regional economic communities (RECs), regional mechanisms (RMs), the Member**

States, and other continental institutions, in line with the principle of subsidiarity.

II.   REALIGN AFRICAN UNION INSTITUTIONS IN ORDER TO DELIVER AGAINST KEY PRIORITIES

There are several entities which constitute the African Union. These include but are not limited to the African Union Commission (which includes 31 departments and offices), as well as eleven African Union organs, 31 specialised technical agencies (STAs), and some twenty high-level committees. This complicated structure hampers the African Union's ability to make decisions and implement initiatives.

The following four recommendations are put forward to improve the African Union's ability to deliver on its mandate:

3. **The Commission should initiate, without delay, a professional audit of bureaucratic bottlenecks and inefficiencies that impede service delivery.**

4. **The Commission's structures should be re-evaluated to ensure they have the right size and capabilities to deliver on the agreed priorities.**

5. **The Commission's senior leadership team should be lean and performance-oriented.**

6. **In alignment with the agreed priority areas, the African Union's organs and institutions, such as the following, should also be reviewed and updated:**

    A. ***NEPAD*** *should be fully integrated into the Commission as the African Union's development agency, aligned with the agreed priorities and underpinned by an enhanced results-monitoring framework.*

        NEPAD has been incorporated into the Commission as a technical body, but in practice it has not yet been fully integrated. Coordination between the Commission and NEPAD is still relatively limited, with each conducting

planning and resource mobilisation activities independently, in some cases even competing for the same financial resources.

B. The **African Peer Review Mechanism (APRM)** *should be strengthened to track implementation and oversee monitoring and evaluation in key governance areas of the continent.*

The APSA has a comprehensive agenda for peace and security in Africa and offers a promising tool to prevent and manage conflicts within States. Structures such as the Continental Early Warning System (CEWS) should be operationalised to realise the full benefits envisioned when the PSC Protocol was developed in 2002.

C. *The roles and functions of the African Union* **Judicial Organs and the Pan-African Parliament** *should be reviewed and clarified, and their progress to date assessed.*

Member States have hesitated to ratify the Judicial Organs and the Pan-African Parliament as provided for in the Constitutive Act of the African Union and subsequent Protocols. This suggests that they may not support their respective missions as currently envisioned. The African Union should fundamentally therefore revisit the roles and functions of these organs to ensure they are fit for purpose and have the support of Member States. For example, should the PAP have legislative powers and if so in what areas? Should the mode of elections for PAP be altered? What is impeding the merger of the African Court of Justice and African Court of Human & People's Rights?

D. The **Peace and Security Council (PSC)** *should be reformed to ensure that it meets the ambition foreseen in its Protocol, by strengthening its working methods and its role in conflict prevention and crisis management.*

Despite its strong legal framework and enhanced powers and functions, the quality of the Peace and Security Commission's decision-making, engagement, and impact do not meet the ambition envisaged in the PSC Protocol.

Improving the quality of the PSC's decision-making is directly linked to the quality of its membership, the extent to which PSC members meet the nine requirements set out in Article 5(2) of the PSC Protocol[36], and how these requirements are applied and enforced during a member's participation.

Article 5(4) states that the Assembly can undertake periodic reviews to assess the extent to which PSC members continue to meet the requirements stipulated in Article 5(2). The Assembly should initiate a review to raise the membership bar, while still ensuring that the composition of the PSC adheres to the principles of equity and regional balance.

E. The ***Permanent Representatives Committee's (PRC)*** *Rules of Procedures should be reviewed and be in line with the mandate provided for in the Constitutive Act of the African Union. The PRC should facilitate communication between the African Union and national capitals, and act as an advisory body to the Executive Council, and not as a supervisory body of the Commission.*

The PRC has assumed the role of supervising the day-to-day work of the Commission which is beyond the mandate outlined in the Constitutive Act. Consultations suggest that this activity has increased the implementation inefficiencies in the Commission. Moreover, some decisions of the Assembly of Heads of State and Government have been delayed by the PRC or even disregarded, suggesting that the PRC has taken on an unwarranted role in the decision-making process. This should be reviewed and redefined to sure the effective functioning of the institution.

F. The ***Specialised Technical Agencies (STAs)*** *should be reviewed and streamlined. Only those that fall within the recommended priority areas should be maintained.*

An increasing number of STAs have been established by the African Union or included under its structure. Many have overlapping functions, some of which do not align with the African Union's priorities.

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[36] Peace and Security Council Protocol (2002)

The proliferation of STAs requires the African Union to develop principles to determine their creation, adoption and funding. STAs that are ineffective and overlap with other institutions on the continent should be dissolved. Those that work on similar themes should merge, align their priorities and improve collaboration with AUC departments. STA initiatives that are not aligned with key African Union objectives should be de-prioritised and encouraged to seek alternative sources of funding.

III.   CONNECT THE AFRICAN UNION TO ITS CITIZENS

The African Union is perceived to be disconnected from the citizens of the continent. Although it has made strides in ensuring that gender and youth issues are a core focus of the institution, it still has some way to go in demonstrating its real value and impact for African citizens.

The following reform recommendation is proposed to address this:

7. **The African Union should increase its relevance to citizens by launching a set of initiatives targeted at engaging the African people.**

    A. *The Commission should establish women and youth quotas across its institutions and identify appropriate ways and means to ensure the private sector's participation.*

    B. *The Commission should establish an African Youth Corps, as well as develop programs to facilitate cultural and sports exchange among Member States Facilitate cultural and sports exchange among the Member States.*

    C. *Member States should make the African passport available to all eligible citizens as quickly as possible, in line with the Assembly decision Assembly/AU/Dec.607 (XXVII) adopted in Kigali, Rwanda in July 2016.*

    D. *The Commission should identify and provide a set of new capabilities or 'assets' in the form of common continent-wide public goods and services valued by Member States and citizens. Such services could include the*

provision of neutral arbitration and competition services, or a common technical platform for the data and analysis needed to assess Africa's progress toward its development goals.

IV. MANAGE THE BUSINESS OF THE AFRICAN UNION EFFICIENTLY AND EFFECTIVELY AT BOTH THE POLITICAL AND OPERATIONAL LEVELS

A number of issues have been identified with the current management of the institution at both the political and operational levels.

POLITICAL

The African Union Summit is a critical platform for Heads of State to convene and make decisions on African matters. However, its current working methods are inefficient and impede decision-making and implementation.

Summits rarely start on time and often involve a large number of opening statements, as well as undue participation of external parties. Agendas are overloaded, preventing Heads of States from attending to critical issues that require more time for deliberation and consensus-building. Non-strategic issues crowd the discussion and limited time is spent on reviewing the status of previous decisions.

The RECs have limited input or participation at the Summits, and opportunities to coordinate on matters of continent-wide importance are routinely missed. Further, there are few closed sessions to encourage deeper conversations between the AU and the RECs.

The African Union's current regimes sanction is also largely ineffective. Member States are rarely held to account for non-compliance, and even when they are, the sanctions regime is not fit for purpose. The mechanisms for applying practical sanctions such as export/import restrictions, asset freezes, cash/technology transfer bans or travel restrictions are also not in place.

To improve its political management, the African Union should implement the following four reforms:

8. **The working methods of the African Union Summits should be reformed.**

   A. *The African Union Assembly should handle an agenda of no more than three (3) strategic items at each Summit, in line with the Me'kelle Ministerial Retreat recommendations. Other appropriate business should be delegated to the Executive Council.*

   B. *The Assembly should hold one Ordinary Summit per year, and should hold extraordinary sessions as the need arises.*

   C. *Heads of State shall be represented at Summits by officials not lower than the level of Vice President, Prime Minister or equivalent*

   D. *In place of the June/July Summit, the Bureau of the African Union Assembly should hold a coordination meeting with Regional Economic Communities, with the participation of the Chairpersons of the Regional Economic Communities, the African Union Commission and Regional Mechanisms. Ahead of this meeting, the African Union Commission shall play a more active coordination and harmonisation role with the Regional Economic Communities, in line with the Abuja Treaty.*

   E. *External parties shall only be invited to Summits on an exceptional basis and for a specific purpose determined by in the interests of the African Union.*

9. **Partnership Summits convened by external parties should be reviewed with a view to providing an effective framework for African Union partnerships. Africa should be represented by the Troika, namely the current, incoming and outgoing Chairpersons of the African Union, the Chairperson of the African Union Commission, and the Chairpersons of the Regional Economic Communities**

10. **To ensure continuity and effective implementation of Assembly decisions, a troika arrangement between the outgoing, the current, and the incoming African Union Chairpersons should**

be established. In this regard, the incoming chairperson shall be selected one year in advance.

11. **The current sanctions mechanism should be strengthened and enforced. This would include consideration of making participation in the African Union deliberations contingent on adherence to Summit decisions.**

OPERATIONAL

In fulfilling its mandate, the African Union Commission is faced with a number of management challenges, some of which include: poor leadership accountability, inadequate supervision and coordination, weak staff recruitment and performance management systems, and an inadequate selection process for top Commission leadership.

To address these issues, the operational management of the African Union Commission should be improved in the following three ways:

12. **The election of the Chairperson of the African Union Commission should be enhanced by a robust, merit-based, and transparent selection process.**

13. **The Deputy Chairperson and Commissioners should be competitively recruited in line with best practice and appointed by the Chairperson of the Commission, to whom they should be directly accountable, taking into account gender and regional diversity, amongst other relevant considerations.**

14. **The Deputy Chairperson role should be reframed to be responsible for the efficient and effective functioning of the Commission's administration. The title of Chairperson and Deputy Chairperson may also be reconsidered.**

15. **A fundamental review of the structure and staffing needs of the organisation, as well as conditions of service, should be undertaken to ensure alignment with agreed priority areas.**

V. FINANCE THE AFRICAN UNION SUSTAINABLY AND WITH THE FULL OWNERSHIP OF THE MEMBER STATES

The African Union is currently not financed in a predictable, sustainable, equitable or accountable manner. It is heavily dependent on donor funding to run its programs and operations, and this is further compounded by the fact that >40% of Member States do not pay their yearly contributions to the institution.

Further, Member States have limited involvement in the process of setting the African Union's budget, and there are no 'golden rules' setting out clear financial management and accountability principles in the African Union Commission Statutes and Financial Rules and Regulations. The Commission also does not have a strong oversight and accountability mechanism to ensure that resources are used effectively and prudently.

Given this, the following two recommendations are proposed to ensure sustainable financing of the African Union:

16. **The Kigali Decision on Financing of the Union (Assembly/AU/ Dec. 605 (XXVII) should be implemented in full and without undue delay.**

17. **The following critical complementary measures should also be considered in order to reinforce the Kigali Financing Decision:**

   A. *The current scale of contributions should be revised based on the principles of ability to pay, solidarity, and equitable burden-sharing, to avoid risk concentration.*

B. *The Committee of Ten Finance Ministers should assume responsibility for oversight of the African Union budget and Reserve Fund (in para D(iii)).*

C. *The Committee of Finance Ministers should develop a set of 'golden rules', establishing clear financial management and accountability principles.*

D. *Penalties for failure to honour assessed contributions should be reviewed and tightened. In particular, membership could temporarily lapse after failure to meet full obligations within 18 months, and resuming members required to pay outstanding arrears plus additional charges.*

IMPLEMENT THE REFORM RECOMMENDATIONS

While multiple attempts have been made in the past to reform the African Union, previous recommendations have remained largely unimplemented. This has been due to the fact that no dedicated oversight, implementation or change management structures were put in place to carry out the reform recommendations. In addition, no legally binding mechanisms have ever put in place to ensure reform by the Member States.

To ensure that this reform effort bears fruit, the following three critical recommendations are proposed:

18. **High-level supervision arrangements should be should be established for the AU reform implementation process.**

19. **A Reform Implementation and Change Management Unit should be established in the office of the Chairperson of the Commission to drive the day-to-day implementation of the reforms in line with agreed timelines.**

20. **A legally binding mechanism should be established to ensure the Member States honour their commitments to implement these reforms.**

Sequencing of reform recommendations

Implementing the recommendations proposed in this report will require a structured plan for rolling out the reforms over the coming 1-2 years, starting immediately:

SHORT TERM (0-6 MONTHS)

Reform	Recommendation
#1	Focus the African Union's agenda on a fewer number of priority areas
#16	Implement Kigali Financing Decision
#17	Adopt complementary measures to reinforce Kigali Financing Decision
#11	Strengthen and enforce the current sanctions mechanism
#18	Establish high-level supervision arrangements for the AU reform process
#19	Establish a unit in the Commission to drive reform implementation
#20	Establish binding mechanism to ensure reform implementation
#8	Reform the working methods of the Summit
#9	Determine the appropriate African representation at Partnership Summits

MEDIUM TERM (6-12 MONTHS)

Reform	Recommendation
#12	Enhance the process for selecting the Commission Chairperson
#13	Recruit the Commission Deputy Chair and Commissioners competitively
#14	Reframe the role of Deputy Chairperson and potentially change the titles of the Chairperson and Deputy Chairperson
#3	Conduct an audit of the African Union's bureaucratic bottlenecks and inefficiencies
#4	Re-evaluate the size and capabilities of Commission's structures
#5	Establish a lean and performance-oriented senior leadership team at Commission
#15	Review structure, staffing needs and conditions of service of the Commission

LONG TERM (1-2 YEARS)

Reform	Recommendation
#2	Clarify division of labour between the African Union, RECs, regional mechanisms, the Member States and continental institutions
#6	Review and update mandate and structure of key organs and institutions
#7	Launch initiatives focused on increasing the African Union's relevance to citizens
#10	Establish a troika of the outgoing, current, and incoming African Union chairpersons

Methodology

This review was conducted based on an "outside-in" analysis supported by inputs from some staff of the African Union Commission, documents from the African Union and insights from partners and experts familiar with the institution (Exhibit 7).

Inputs used include:

- *Legislative framework of the African Union:* To understand the foundation of the African Union and its evolvement, the Constitutive Act of the African Union, Rules of Procedure of the African Union Assembly, the Protocol on Relations between the African Union and Regional Economic Communities and the Abuja Treaty were reviewed.

- *Previous African Union studies and assessments:* Given the wealth of assessments that have been conducted on the African Union in the past 10 years, the review considered the issues and recommendations that have been previously proposed. Some of the papers reviewed included the Adedeji Report, Comparative Study on the Working Methods and the Me'kelle Report.

- *African Union Commission documents:* Internal documents and financial data of the African Union were analysed to evaluate the status of implementation of previous recommendations and support the new findings.

- *External benchmarks:* There was a benchmark of several international and government institutions to understand what best practices may apply to the African Union.

- *Expert interviews:* Industry experts and partners of the African Union, as well as members of the African Union Commission, including the Chairperson of the Commission, provided valuable insights to shape the direction of the review and verify the external observations.

EXHIBIT 7

The working team utilized several sources to inform the analysis

I	II	III	IV	V
Legislation	**AU Reports**	**AUC Documents**	**External Reports**	**External Benchmarks**
▪ Constitutive Act of the African Union ▪ Rules of Pro-cedure of the African Union Assembly ▪ Protocol on Relations between the African Union and Regional Economic Communities ▪ Abuja Treaty	▪ African Union Handbooks ▪ Adedeji Report ▪ PRC Subcommittee Audit Report	▪ AUC Budget Framework Report ▪ AUC Handbook and Information Report ▪ Staff Rules and Regulations	▪ Report on the Comparative Study on the Working Methods of the African Union and other Similar International and Multilateral Organizations ▪ Assessing Regional Integration UNECA (ARIAII, IV and VI)	▪ Benchmarked >15 International Governmental Organisation **Expert Interviews** ▪ > 40 hours of interviews with experts from AU, NEPAD, other IGMOs etc.

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