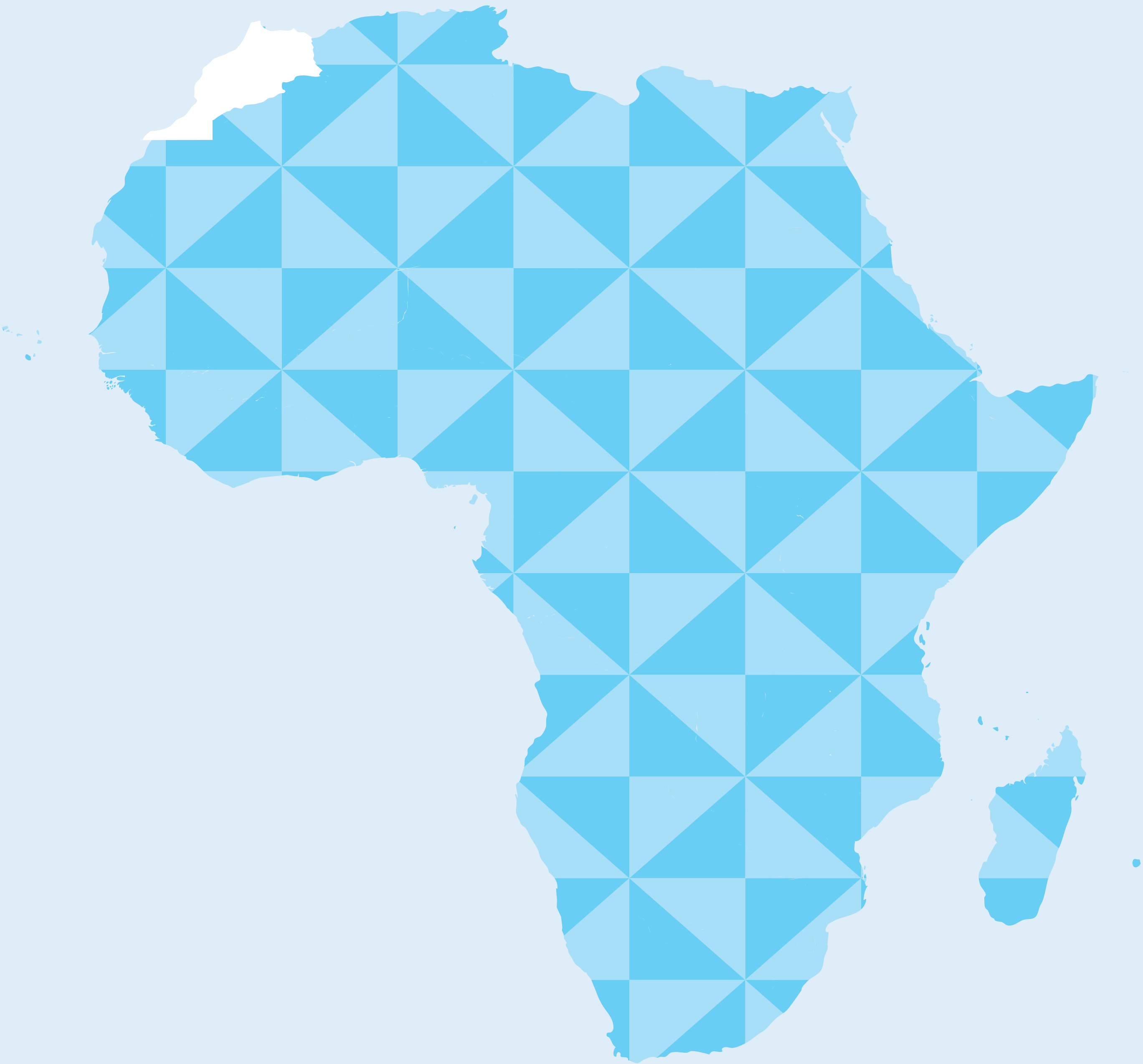
THE POLITICAL ECONOMY OF REGIONAL INTEGRATION IN AFRICA

THE AFRICAN UNION

Jan Vanheukelom



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The political economy of regional integration in Africa

The African Union Report

Jan Vanheukelom

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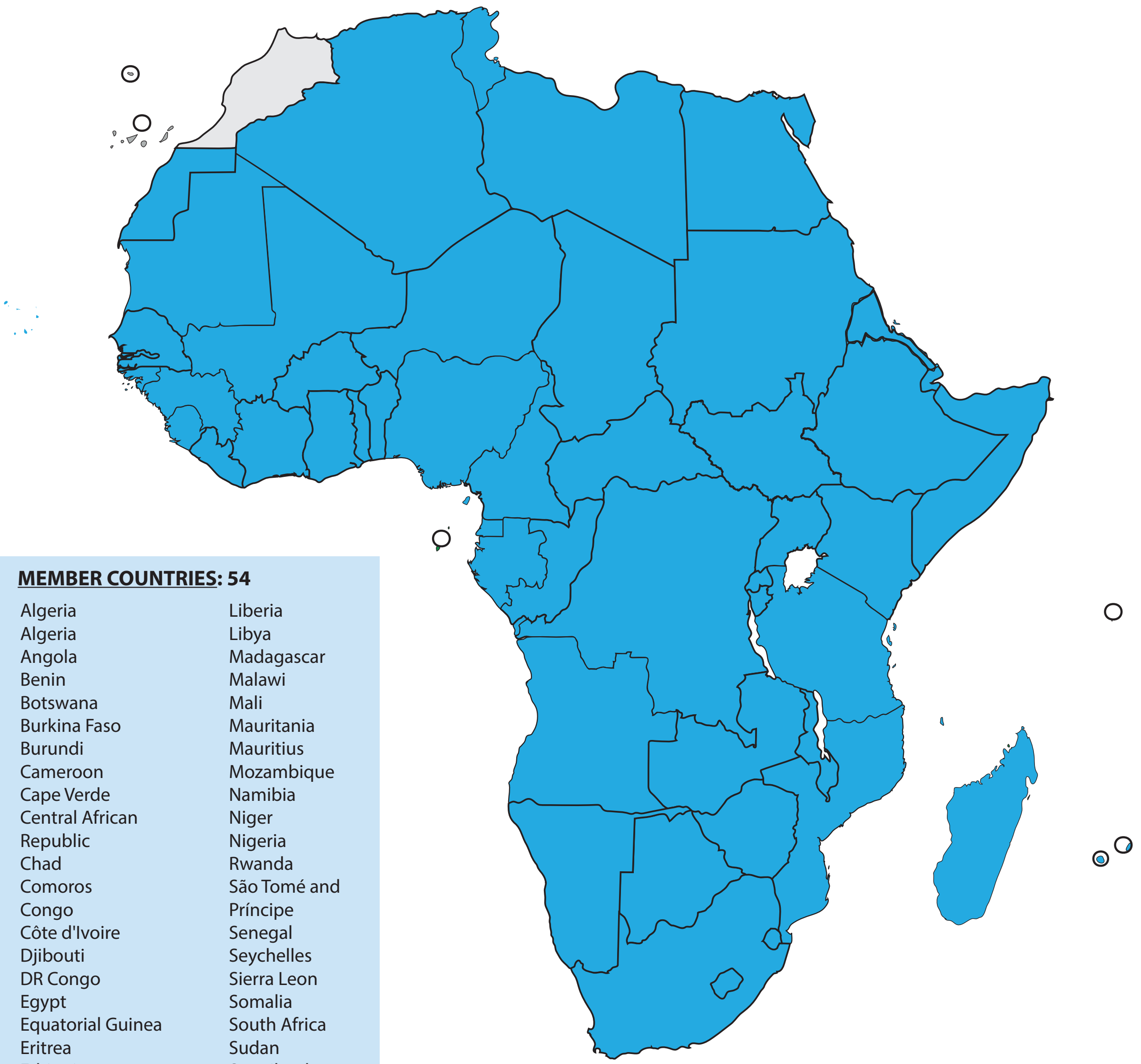

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The author of this study is responsible for its content, interpretations and any errors.

Acronyms

ACCF	Africa Climate Change Fund
ACP	African, Caribbean and Pacific
AfDB	African Development Bank
AGN	Africa Group of Negotiators
AGRA	Alliance for a Green Revolution in Africa
AMCEN	African Ministerial Conference on the Environment
AMERT	African Monitoring and Evaluation Reporting Tool
APRM	African Peer Review Mechanism
APSA	African Peace and Security Architecture
ASF	African Standby Force
AU	African Union
AUC	African Union Commission
AUC PSD	African Union Commission Peace and Security Department
BRICS	Brazil, Russia, India, China and South Africa
CAADP	Comprehensive Africa Agricultural Development Programme
CAHOSCC	Committee of African Heads of State and Government on Climate Change
CAR	Central African Republic
CFR	Climate Finance Readiness
COMESA	Common Market for East and Southern Africa
COP	Conference of the Parties
CSO	Civil Society Organisation
DRC	Democratic Republic of the Congo
EC	European Commission
ECCAS	Economic Community of Central African States
ECOMOG	Economic Community of West Africa States Monitoring Group
ECOSOCC	Economic, Social and Cultural Council
ECOWAS	Economic Community Of West African States
EIB	European Investment Bank
EU	European Union
FAO	Food and Agriculture Organisation
GCF	Green Climate Fund
GEF	Global Environment Facility
GIZ	German International Cooperation
ICA	Infrastructure Consortium for Africa
ICGLR	International Conference on the Great Lakes Region
IGAD	Intergovernmental Authority on Development
JAES	Joint Africa-EU Strategy
LRA	Lord's Resistance Army
MDG	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental organisation
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-operation and Development
PBA	Programme Based Approaches
PIDA	Programme for Infrastructure Development in Africa

PPF	Project Preparation Facilities
PRC	Permanent Representatives Committee
PSC	Peace and Security Council
RCI-LRA	Regional Cooperation Initiative for the elimination of the Lord's Resistance Army
REC	Regional Economic Community
SADC	Southern African Development Community
UN	United Nations
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank
WEF	World Economic Forum

Executive Summary

This study presents a political economy analysis of the African Union (AU), focusing in particular on what drives and constrains this continental organisation in the following policy areas: preventing and resolving conflicts in Africa, pursuing infrastructure development, promoting a continental approach to agriculture and food security, and engaging in global climate change diplomacy. This report is part of a broader study that also includes five Regional Economic Communities in Africa.

Why a political economy study of the African Union?

The African Union (AU) is the continental champion on political cooperation and economic integration in Africa. With its 54 member states, the AU is the world's largest and most diverse regional organisation in terms of member income levels, populations and geographic features. Its diversity and size give an indication of the profound challenges the AU faces in carrying out its mission of promoting regional cooperation and integration in Africa. Further, the continent faces a range of intricate and persistent security threats and organised violence, as well as economic, developmental and governance challenges.

To address these challenges, the AU features a number of continent-wide institutions that enable deliberations, political decision-making, cooperation, and dialogue with non-state actors (such as African civil society and private sector organisations) and coordination among AU institutions (such as the AU Commission, numerous sub-regional organisations, African member states). The AU was established in 2001 and has substantially evolved from its predecessor, the Organisation of African Unity (1963). The most striking AU departure has been the decision to equip the AU with the mandate, powers and institutions to deal more forcefully with threats to peace and with violent conflicts on the continent. So far, the bulk of the workload and resources of the AU has been spent on implementing this mandate on conflict and peace.

A second departure has been the substantial expansion of the AU's overall policy agenda. This agenda has become wide-ranging and covers among other things continental trade, infrastructure development, agricultural transformation and food security, gender equality, good governance and democracy, election monitoring, and crisis management, as was the case with the outbreak of Ebola. Moreover, the AU deliberates and defends African positions on global issues such as climate change and financing for development. With the expanding agenda, 'implementation gaps' between promise and delivery have also widened as the resources, leverage and political commitment by key implementing partners are not always present.

The AU Commission at the centre of the AU has undertaken some soul searching on the deepening gap between the expanding policy decisions and ambitions on the one hand, and the lack of implementation on the other. In its new strategy the AUC called for a shift from normative work to greater involvement of the numerous continental, regional and national institutions and stakeholders in implementation.

This study of the AU tries to provide insights on the *implementation gaps* that may help inform, calibrate and target reforms as well as support efforts that are not only technically desirable but also politically feasible. To do so, the study focuses on the key drivers and constraints that shape the AU agenda and influence implementation. It analyses four policy areas (peace and security, infrastructure development, agriculture and food security, and climate change) as well as the cross-cutting theme of gender. *The study applies a political economy framework to answer two core questions: how do key actors and factors affect* *and shape the agenda setting of the AU? And how do actors and factors influence what gets implemented and why?*

Key findings of the AU study

The creation of the African Union is closely associated with the drive of a number of influential African member states in the post-Cold War era to better equip the continental institutions to deal with persistent violent conflicts on the continent. A mix of historical features, governance failures and political crises continue to feed insecurity and violent conflicts on the continent. These conflicts carry politically salient risks of regional spillovers, which threaten political and economic stability in neighbouring countries and provided external actors an excuse to intervene militarily. Hence the shared concern and strong drive from numerous member states to establish a continental organisation with a stronger peace and security mandate than the AU's predecessor. This architecture includes a permanent Peace and Security Council that monitors conflict dynamics and political crises, enables decision making on preventive and mediation measures, but also on peace operations in member states as well as sanctions in cases of non-constitutional transfer of power.

Regional powers such as Nigeria, South Africa, Ethiopia, Algeria, Kenya and other countries have played important roles in setting the peace and security agenda and pushing for institutional arrangements to ensure implementation. This has involved providing or mobilising finance, troops and logistical support, breaking deadlocks, ensuring diplomatic cover and political steer, as well as deliberating and imposing sanctions. The AU has mounted 11 peace operations on the continent in a decade, and has participated in many more, with an ever-growing number of African peacekeepers from member states. Many of these operations were *joint ventures* between UN and AU, with an ever-growing amount of *partnership peacekeeping* between AU, other African regional organisations and a varying group of external partners. This partnership peacekeeping and the division of roles reflect an alignment of interests between AU and donors such as the US and the EU on issues such as the fight against the spread of global terror in Africa. It also coincided with a Western disengagement from direct participation with boots on the ground in peace operations in Africa in the nineties. Donors have contributed to the build-up of Africa's peace and security institutions, and have financed most of the peace operations on the continent, with substantial involvement of the UN.

The study also draws attention to AU efforts in other sectors or policy areas because it offers a more comprehensive perspective on sector specific political economy features that affect the implementation gap. Four such features can be distinguished. Firstly, unlike peace and security, in the areas of infrastructure development, food security, climate change or gender, there have been no clear leaders among member states - or coalitions of member states - driving these policy agendas within the AU. Secondly, where the AU has to rely on other regional organisations such as the Regional Economic Communities for implementation, there may be insufficient incentives to involve these regional organisations in timely dialogue on AU policies and their implementation requirements. Thirdly, member states that don't implement agreed policies rarely seem to face peer pressures, sanctions or other financial or reputational costs. Fourthly, certain sectors or policy areas are politically less attractive to governments or political leaders as they find it hard to calculate and propagate potential benefits of regional actions for winning votes or political support at national level. In contrast to peace and security, the sector characteristics in infrastructure, agriculture, climate change and gender make these sector agendas harder to implement through the conduit of the AU as well as the Regional Economic Communities.

Other factors that shape the domestic political incentives in member states and that affect different sectors in different ways include:

- Africa's continental programme to enhance agricultural production and food security (CAADP) is mainly implemented or supported by those member states that already have strong domestic political incentives behind such agricultural reforms. A critical juncture emerged through the crisis in food prices, which gave rise to food riots in 14 African countries, prompting some affected countries and regional organisations to take CAADP more seriously. 41 member states have now signed up to a national level *CAADP Compact*. However, often the motive for signing up to CAADP has been more in response to an external factor, more specifically donors who conditioned support for agriculture to such CAADP Compacts. Hence, signing up to CAADP by national governments was often more to *signal* support for agricultural reforms rather than to reflect a political commitment to the effective implementation of needed agricultural measures.
- Strong country buy-in has also proved to be crucial in transnational infrastructure development. The case of the AU flagship programme on infrastructure development in Africa (PIDA) highlighted that few additional financial resources had been mobilised through PIDA from member states or external partners. Its design has proved to be overly technocratic and top-down, with little involvement of the necessary private and public actors to implement PIDA projects, i.e. their financing or their future use. Where transnational infrastructure development in PIDA does take place, it is due to one or a few strong national champions, with little evidence yet of continental level added value through PIDA.
- In the case of *climate change*, the AU approach is different to continental programmes such as PIDA and CAADP. The AU has sought to add value by engaging in the global diplomatic *climate change* arena in support of its member states that take part in these global negotiations. Ethiopia has been a strong driver and promoter of a common African position in these negotiations. It does so for domestic reasons and interests. Africa's position in these global negotiations has been informed by its high degree of vulnerability to the effects of climate change and its historically low contribution to the global accumulation of greenhouse gas emissions.

Donors constitute a major external factor that influences the AU agenda, its implementation as well as future programmes such as those related to climate change. This carries political economy implications, as the AU is thereby heavily dependent on two uncertain sources of funding. Firstly, it depends on the yearly member state contributions from AU members. These contributions largely cover operational costs of the AU, but some member states pay in an irregular manner, or do not contribute at all. Renewed AU efforts of domestic resource mobilisation among its members for the AU budget are unlikely to meaningfully improve the rate of member state contributions. Secondly, donors largely cover the financing of the peace operations and for other AU programmes. On the one hand, this external finance has enabled to implement parts of the AU policy agenda, has helped to cover some of the operational costs (including non-permanent staff), and has contributed to get particular policy issues or projects on the agenda. On the other hand, the volume and quality of donor funding have raised concerns for basically two reasons:

- Donor gap-filling in the AU budget may reduce a sense of ownership with member states, the more so as aid is not fully transparent. In combination with the information gaps in the budget processes it is hard for African stakeholders – including member states, RECs but also non-state actors – to assess whether donors fund agreed AU priorities or donor preferences, and how reliable this source of funding is or will be.
- The efforts by donors to provide aid in harmonised, aligned and mutually accountable ways are too timid to a) provide incentives for strengthening of AU public finance institutions such as budget planning, execution, internal audit and b) to empower AU partners to effectively engage in such reforms that contribute among other things to improved accountable institutions and systems.

The future of the global Green Climate Fund – if financed by development partners according to plan – will constitute an important source of development finance. In the global UN platform on climate change the AU and member states have drawn the attention to how this and other green climate funds will be allocated and managed. There is a strong demand on donors to adapt the rules for accessing and using such climate finance to the institutional and incentive environment of key stakeholders and interest groups in AU member states.

Implications

These findings carry important implications for stakeholders interested in closing the implementation gap and building more effective forms of regional cooperation through regional organisations such as the AU. Key aspects for consideration for policy makers, donors and other stakeholders when deciding on – or influencing of – the level of ambition of reforms, choice of sectors or policy issues to work on, and selection of reform coalitions to engage with (combination of partners, stakeholders, interest groups) can be summarised as follows:

- Structural and often hard to change foundational factors have a lasting influence on current dynamics and institutions of the AU. These factors help understand the central importance in regional dynamics of national champions or dominant countries (so-called *hegemons*). Policy-makers and partners who support the AU would do well to define their ambitions based on a realistic reading of structural trends and political constraints.

- The four cases and the cross-cutting gender section in this study highlight certain political and technical characteristics that are proper to each sector, and that shape the potential of the AU to contribute to regional cooperation.

- In a sector such as peace and security, powerful member states and ruling elites see their interests served by effective AU institutions, hence a clear drive behind AU involvement and added value. In the *sector* of climate change, the AU adds value by its supportive role in global arenas.

- In other sectors such as infrastructure, agriculture and *gender* the AU found it difficult to identify policy issues with a strong regional dimension or to involve in a timely way key stakeholders or political economy drivers in preparing and implementing regional policies and programmes.

- The political attractiveness of particular sector reforms merit careful attention as this helps inform on the potential for brokering coalitions for change, the timeframes within which these may unfold, and the engagement strategies that supporters of such reforms can develop to help narrow the implementation gap.

- Some cases (peace and security, food security, climate change) illustrated how critical junctures or crises in a particular context can create opportunities for accelerating or even triggering regional dynamics or institutional reforms. Hence the importance for reformers not to over-design reform processes and allow for adaptations to crisis driven opportunities.

- The AU depends heavily on donors for the realisation of its agenda, which puts the onus on donors to diminish the harmful side effects of poorly managed aid, and to strengthen coalitions behind AU reforms that strengthen core governance, transparency and accountability functions.

- There are now strong prospects of additional sources of funding for climate finance. With the AU involvement in the global climate finance diplomacy around the Green Climate Fund, it matters to help prepare the ground by capturing political economy lessons in Africa of both traditional aid finance and the new generation of green climate funds.

- Given the nature of these regional dynamics in which the AU involves and evolves, it matters for donors to strengthen the knowledge base and African research capacity of regional cooperation and regional integration. Political economy analysis needs to be integrated in the strategic programming and management cycle as it addresses core questions about the political feasibility in addition to the technical layer of knowledge (about the technical desirability of certain reforms, for example).

1. Introduction

1.1. Why this regional study of the African Union?

Improving regional cooperation and integration has long been high on the agenda of African countries, regions and regional organisations. There is wide recognition that regional cooperation is vital to tackle development challenges that cannot be solved at a national level. Many such inter-state problems affect poor people's lives in areas ranging from human security, mobility, rural livelihoods, trade, infrastructure, food security, to environment and climate change. Often such cross-country or regional problems have a particular impact on women, for example in the case of violent conflicts, or in the substantial amount of informal cross-border trade that takes place in Africa.

Over the years, this interest in regional cooperation has resulted in commitments, policy documents and strategies, with many partners providing financial and other support. Yet policy-makers, partner country representatives and non-state actors frequently express dissatisfaction with the lack of progress. This is no different for the African Union. While regional cooperation and integration is taking place, levels of progress differ across regions and policy areas, and are not appreciated or understood in the same way.

This report presents the findings of a political economy study of Africa's continental *regional organisation*, the African Union (AU).[1] The African Union (AU) is Africa's continental champion to enhance political cooperation and economic integration among "peoples of Africa and African states" (AU, 2013). With 54 members the AU is the world's largest and most diverse regional organisation across dimensions in income range, population range and geographic range. These diversities and the size give an indication of the profound challenges for regional cooperation and integration in Africa. Moreover, the continent faces a range of intricate and persistent insecurity threats and organised violence.

To tackle continental and global challenges of development and peace, the AU features a number of continent-wide institutions to enable deliberations, cooperation and coordination between the plethora of sub-regional organisations, the African states and African civil society and private sector organisations. It organises twice yearly summits of all African Heads of State and Government to deliberate and take decisions. The AU was also equipped with a mandate, powers and institutions to deal more forcefully – and on a more permanent basis – with the threats and violent conflicts then its predecessor (the Organisation of African Unity, 1963). This mandate to intervene in member states under well-defined conditions is an important departure from its predecessor, and has absorbed the bulk of workload and resources of the AU since its establishment in 2001.

The multiple roles by the AU in continental agenda-setting and institution-building in support of regional integration make it a strong candidate for deeper analysis. The AU has a more elaborate institutional architecture than its predecessor, disposes of a broader mandate and oversees an agenda that reflects the full range of development and security challenges confronting Africa. The AU also projects an ambitious and assertive vision of an "integrated, prosperous and peaceful Africa" that is "driven and managed by its own citizens and representing a dynamic force in the international arena" (African Union, 2013c). Part of this agenda remains aspirational and normative, as the resources, leverage and political commitment by key

[1] The report is part of a broader study that also includes five Regional Economic Communities (RECs) in Africa, i.e. the East African Community (EAC), the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Intergovernmental Authority on Development (IGAD) and the Economic Community of West African States (ECOWAS).

stakeholders are often lacking to implement it. The AU Commission, which acts as the secretariat of the AU, did some soul searching on the deepening gap between the expanding policy decisions and the lack of implementation. In its new strategy the AUC called for a shift from the normative work to a stronger involvement in implementation by the numerous continental, regional and national institutions and stakeholders. Insights in the *implementation gap* help inform, calibrate and target reforms as well as support efforts that are technical desirable and politically feasible.

The focus of this AU study is therefore on the key drivers and constraints in promoting regional cooperation and integration. The study uses a political economy framework to answer two core questions: one about the actors and factors that affect the agenda setting of the AU, and a second about the actors and factors influencing what gets implemented and how.

1.2. Why a political economy analysis?

The challenges and complexities of promoting effective regional cooperation and integration are not unique to Africa. Sometimes, support to regional processes has been misguided by too narrow a focus on one dominant regional model, such as the European Union. In other cases, the agenda gets side-tracked as it considers regional organisations to be the sole driver for regional integration.

The political economy analysis refrains from adopting a best-practice or normative model. Policy reforms and support strategies that build on such analysis take the context as a starting point, and seek to build on or adapt to what *is*, rather than we *should be*. The political economy approach used in this study is dedicated to analysing how and why multiple actors and factors interact in a particular regional context, and the effects they have on change and development processes. In particular, the analysis focuses on how power and resources are distributed and contested in regional contexts, and how structural or foundational factors shape national and regional level institutions. This includes an interest in the effects that global actors and factors have on the national and regional incentive environment.

Such an approach seeks to avoid making judgements about the AU in terms of what it ‘should’ look like and ‘should’ be doing. Instead it focuses on what it is doing and why. By examining the different actors and factors that affect the way the AU works, this study therefore aims to provide insights on what is technically desirable and politically feasible. It also helps to identify the types of partnerships or coalitions that support regional cooperation and regional integration in the AU.

1.3. Methodology of the study

1.3.1. A five-lens framework

In all regional dynamics, five broad sets of political economy actors and factors interact with one another and shape or influence the incentive environment, behaviour and ideas, as well as the distribution of resources, rents, and power. Hence, this study uses a five-lens framework to unpack the actors and factors that one can identify in regional dynamics.[2]

[2] The five-lens approach builds on political economy tools as developed by development agencies and practitioners for insights in the political and economic dynamics at country level. Gradually, the political economy frameworks were also adapted for gaining analysing the political economy dimensions in sectors, or for tackling particular policy problems or challenges. Political economy frameworks that have been consulted and combined for drafting this five-lens framework involve tools as developed by DfID, the EC, Sida, the World Bank, the AfDB, the OECD and others.

The first political economy lens identifies ***foundational factors***. These are factors that are embedded in geographic, historical, demographic and economic characteristics in a country or region. Their influence may be hard or impossible to change. The history of state and region formation, natural endowments and sources of state income may impact on the interests that political elites have in regional processes.

A second lens looks at ***institutions***, in this context understood as *rules of the game.* These can be formal, written or codified rules (in legal texts, etc.), but also informal, unwritten practices, which are associated with norms, beliefs, and customs. For *outsiders,* these informal rules are harder to discern and understand. Context specific combinations of formal and informal institutions – and the way they interact – are important to understand why a particular institutional form is effective in a particular context, and why the same institutional form is dysfunctional in another context.[3]

Thirdly, ***actors, incentives and agency*** need to be factored into the analytical framework. Actors are the 'stakeholders', or individuals and groups that are most relevant to the object of analysis as they support reforms, oppose or undermine it. Actors vary in their ability to exercise agency or their capacity to act and make choices, largely according to their economic, political and social power. The interactions between institutions and foundational factors create incentives to which these actors respond. Ideas, beliefs, leadership capabilities and norms, also help explain the types of *interests*[4] these actors pursue, and the potential for change, or the stickiness of the *status quo*.

A fourth political economy lens draws the attention to the combination of ***political and technical features of particular sectors or policy areas.***[5] Particular features in each sector influence the incentives and interests of providers, users and politicians in different ways, with often specific political and accountability implications (Foresti et al, 2013; McLoughlin and Batley, 2012). Certain visible sectors may have more political salience than less visible sectors, or sectors with more hidden benefits. More visible policies often imply more easily attributable credit or blame. The risks, for example, related to particular contagious health hazards or to cross-border spill-overs of certain security risks may help explain why contagious diseases and violent conflicts receive more regional attention and cooperation than other sectors. Regional cooperation in different sector or policy areas will also have different related costs and benefits.

A fifth lens focuses on ***external factors*** that affect the domestic political economy and the regional dynamics and organisations. Global trade, investment patterns, external responses to security risks and threats, climate change, even the preferences and attitude of consumers in (rich) markets can influence the incentive environment in which domestic and regional actors operate (OECD, 2011). Unlike foundational factors, these external factors can abruptly change. Sometimes, these external factors can be *game changing events* that may coincide with internal developments to create exceptional continental winds of change, as was the case for example with the establishment of the AU. Of particular interest to the six regional studies are international relations, and particularly the volumes and ways in which donors support the regional organisations.

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[3] *Traffic rules* offer a good illustration of how formal and informal institutions influence one another: formal traffic rules in a context where there is a culture of compliance with rules and regulations have a different result on road safety than the same rules in a context in which the informal rules of the game are essentially about breaking these traffic rules. In the latter context, one needs a range of other formal institutions to ensure compliance of behaviour of road users in order to obtain road safety, with extra costs involved to finance a thicker institutional environment.

[4] 'Interests' are understood in a somewhat broader sense, including also values, norms and ideas that often shape the way actors perceive their interests – and how these are best served

[5] 'Sectors' are broadly understood here. There may be some terminological confusion as the term *sector* sometimes is inappropriate for referring to typical *policy areas* or *cross-cutting themes* such as food security, peace and security, infrastructure development, climate change, gender, etc. These *policy areas* or *themes* cover and combine a number of traditional *sectors* (foreign affairs, defence, agriculture, water affairs, public works, etc.) – yet they cannot be called a *sector* in the narrow sense of the word.

1.3.2. Approach of the AU regional study

This report is part of a broader *Political Economy Study of Regional Integration in Africa*, PERIA. All six regional studies follow the same approach, defined during a workshop between the research team and the Swedish Government, and further refined after a discussion with representatives of the AU and RECs in Addis Ababa (October 2014). The AU study builds on inputs from a team of experts from Europe and Africa. It involved a review of research literature, participation in conferences and workshops, and five field visits between October 2014 and March 2015, during which more than 50 key informant interviews were taken.

Analyses of the political economy of regional organisations such as the AU remain relatively novel, and subject to limitations. Carrying out political economy analysis necessitates access to data, information and previous analyses, including political economy analyses at country and sector levels, which are often not readily available. Furthermore, choices must be made regarding scope and focus, while on-going research can be overtaken by events. While not exhaustive, this study points to important political economy dynamics that are indicative of the way the AU works with a view to providing insights for a range of interested stakeholders, including policy makers and their development partners.

The selection of sectors or policy areas for analyses, and indeed the decision to focus on five separate 'sectors', inevitably entail trade-offs in terms of depth and scope of analysis. Nonetheless, as the above highlights, these cases are illustrative of the broader political dynamics at play within the AU organisational setup and therefore have relevance for areas not covered in detail here.

The report was peer reviewed by a Quality Support Group on behalf of the Embassy of Sweden in Nairobi. It combined independent academic expertise, as well as the comments of several staff of the Embassy of Sweden in Addis Ababa and Nairobi.

A separate synthesis report provides a summary of the six reports. It formulates ten statements and presents the key findings on the political economy of regional organisations in Africa, which further help identify the most important implications for different stakeholders with an interest in supporting or nurturing regional dynamics.

1.4. Scope and structure of the AU study

Three criteria informed the discussions on the selection of the *sectors* or *policy areas* for the AU regional study. These included 1) policy relevance of the theme/sector to the AU, 2) underlying importance of the areas for understanding how the AU operates, and 3) feasibility. An introductory section provides background to the key political economy factors that shape the AU's choice of agenda and the implementation arrangements.

Given these criteria, the study covers four policy areas and one transversal theme, gender. Peace and security has become AU core business, and is also the area where most of its human and financial resources are invested. Three other AU priorities are infrastructure development, agricultural development and food security, and climate change. These three policy areas are markedly different from peace and security in terms of the political economy drivers behind the agenda setting and the implementation, which often plays out at different interrelated levels.[6]

[6] The emphasis in this AU report is less on the political economy actors and factors at national level given the high number of member countries, except for those sections where country level political economy analysis was available and pertinent.

The remainder of the study is organised as follows: section 2 looks at the broad characteristics of the AU, focusing particularly on the structural and foundational factors and how these interact with the AU institutions, with key stakeholders including donors. These interactions shape AU policy choices and implementation, for example in the area of reform efforts at the level of the AU Commission and on gender. Sections 3 to 6 focus on the four sector or policy areas under analysis, linking the common regional factors identified in section 2 with sector-specific institutions and how these affect incentives and behaviour of various key actors in shaping the AU's policy choice and progress in implementation. As far as possible, different dynamics taking place between countries within the region, and within some key countries will be looked at. Section 7 concludes with the main findings, and policy implications.

2. General AU features – how to reconcile an expanding agenda with implementation?

This section sets the background for the sector specific cases that will be dealt with in the following sections. It presents the foundational or structural factors of the AU and how these factors interact with the institutions and with key stakeholders.

The AU is relatively young, yet it features an impressive policy agenda and an elaborate architecture of AU institutions. There is, however, a concern, also within the AU, of a gap between what gets decided and what gets implemented (NEPAD 2014; AUC 2013 b). The AU – especially at the level of the AU secretariat, i.e. the AU Commission – has undertaken institutional reforms to close that gap, hence the importance of looking into the most important reforms. The focus is less on the technical quality of reforms, but rather on the political economy considerations in relation to the core accountability and transparency functions in support of improved governance between the national, regional and the continental level institutions and stakeholders. This will help appreciate whether institutional functions may be strengthened that are relevant for implementation of parts of the AU agenda.

The political economy framework also analyses the influence of external factors on the AU agenda and its implementation. Special attention is given to donors, as they fund the bulk of the AU programmes and provide targeted support to the AU reforms. The quality of aid and the volumes provided for programmes and projects raise a number of critical concerns about the drive and steer to the AU agenda, and the contributions to institutional strengthening. This section closes with political economy reflections on the gender work of the AU.

2.1. Structural and foundational factors

A number of historical, geographic, and economic features have lasting effects on Africa's potential to develop and its chances for regional integration.[7] Throughout Africa, different colonisation and decolonisation patterns – often further influenced by Cold War proxy conflicts and related neo-colonial security alliances – have profoundly marked geopolitical, economic, bureaucratic and socio-political dynamics of state building in Africa. The creation of the continental Organisation of African Unity in 1963 (OAU) proved to be an important milestone in Africa's modern history. The OAU was both a product of decolonisation (with 30 of the 32 independent African countries participating in the founding conference) and a boost to not yet independent African countries, helping to elevate some of these pervasive problems to the international arena. The OAU also played important roles in support to the struggle for independence in African countries and in helping African leaders to defend their independence once they got it.

These conflict dynamics often pulled the OAU and its member states in opposite directions. On the one hand, the shared experiences with decolonisation and liberation struggles echoed in an assertive, pan-African ideology. This helped cement a shared sense of identity, non-interventionism and solidarity that shaped or informed norms, narratives and decisions at African or regional levels, especially when confronted by external factors. On the other hand, colonial boundaries across human and geographic landscapes and Cold War machinations have obstructed cross-border cooperation, in trade and infrastructure development for example, and contributed to proxy wars aimed at undermining neighbouring countries. This ideology, these experiences

[7] This cannot be but a broad-brush introduction to some of the foundational factors, given the enormous diversity of regional settings on the African continent. The REC specific studies deal in more region specific ways with the foundational factors.

and the networks of relations still continue to inform some of the narratives and decision-making processes today.

A number of external events or variables (fifth lens) profoundly shook these structural foundations of the OAU, and became strong push factors behind moves to transform the OAU and adapt it to the new demands and possibilities of the times. The end of the Cold War in 1989 initiated a wave of democratisation on the continent, presenting both opportunities but also challenges in terms of election related conflicts, or contestations about the degree of political and economic inclusion at a time increased political competition through electoral institutions. April in 1994 dramatically captured two events that illustrate both challenges and opportunities in the emerging global era as Africa witnessed the start of the genocide in Rwanda and South Africa's first democratic elections. These developments helped strengthen the hands of those who pleaded for a stronger political and peace architecture on the African continent, with a mandate and institutions to intervene. Section 3 analyses in more detail the AU's peace and security architecture. Suffice it here to point to the combination of emerging opportunities and the changing conflict challenges that gave rise to the transformation from OAU to AU at the turn of the millennium.

The presence of powerful economic and political players in regions – often referred to as *hegemons* – merits special attention. Such states can be pivotal in terms of their potential for driving or blocking such processes (Brenton and Hoffman 2015, Vines 2013)**.** In ECOWAS, Nigeria played a pivotal role as Africa's biggest economy with the largest population. After years of military destabilisation under white minority rule, post-apartheid South Africa took on roles that supported regional and continental cooperation, but it also blocked some of the processes of regional integration as promoted by the Southern African Development Community. Kenya and Ethiopia vie for leadership roles in East Africa. In North Africa, before the Arab Spring, these roles were played by Egypt and Libya, with Algeria still an important regional player. In the broader setting of a continental regional organisation such as the AU, with 54 member states, hegemons can at times build the coalitions behind particular measures, reforms, or policy agendas. That was the case when Nigeria and South Africa aligned behind the transformation of the OAU into the AU (see box 1).

Box 1: *Hegemons and leaders* – the creation of the AU

Powerful African countries have played important roles at particular moments in Africa's recent history. In the transition from OAU to AU by the end of the 1990s, and the election by the AU Assembly of the new AUC chairperson in 2012, the power by hegemons – and the power plays among hegemons – clearly showed. South Africa, Nigeria and in different ways also Libya were key drivers in transforming the OAU at the turn of the millennium. Earlier attempts at reforming the OAU had failed, but in 1999 Olusegun Obasanjo became president of Nigeria, and Thabo Mbeki became president of South Africa. Both were agile and well networked political leaders of two emerging democracies, with relatively powerful economies and with converging interests in a major overhaul of the OAU.

President Mbeki was concerned about Africa's image abroad, and sought to project (South) Africa as a safe destination for foreign investors and as a competitive trading partner. Some African leaders objected to his outspoken criticism of undemocratic governments and poor governance in Africa. Therefore, President Mbeki made his message more appealing by referring to an *African Renaissance.* In Nigeria, Obasanjo was confronted during his presidential election campaigning in 1999 with criticism of the expensive peace mission of the *Economic Community of West Africa States Monitoring Group*. Nine years earlier Nigeria had initiated this operation, and contributed at a cost of up to US$ 1 million a day. When former General Obasanjo became president of Nigeria, he sought to spread the costs of the peace efforts more evenly by seeking logistical and financial support at the pan-African level. At about the same time, Libya's President Gaddafi re-emerged on the scene of continental politics and sought to use the transformation process for his international rehabilitation (Tieku, 2004). The simultaneous push helped seal the institutional transformation from OAU to the AU.

In the election campaign for the third chairperson of the AUC, South Africa used its power as a hegemon in different ways (Taddele Maru, 2013 and 2012). South Africa was able to pull diplomatic, economic and political strings to push forward its candidature of Nkosazana Dlamini-Zuma. She won the election, but South Africa's efforts were unprecedented as it broke with informal understandings about smaller country representation at the top of the AUC (no national from a major African state would stand for such post) and sensitivity to linguistic balance. Many AU member states considered South Africa's approach as "divisive, exclusive and insensitive to a number of key regional linguistic and diplomatic African dynamics" (Taddele Maru, 2012 p. 71). The long-standing informal rule of pre-summit informal consultation on matters of a serious nature by the major influential regional leaders was ignored.

Structural features impact on Africa's chances for economic integration. These include the vast differences in size of the economies, with many small economies, the low degree of development of the majority of member countries, and the presence of a few powerful political and economic countries or hegemons (see box). There is limited economic diversification and complementarity between countries, with limited intra-regional trade, and limitations on the free movement of people, goods, services and capital. Resource rich African economies are strongly export oriented to global markets, rather than oriented to inter and intra-regional markets (Mo Ibrahim Foundation, 2014).

2.2. Core institutions of the African Union

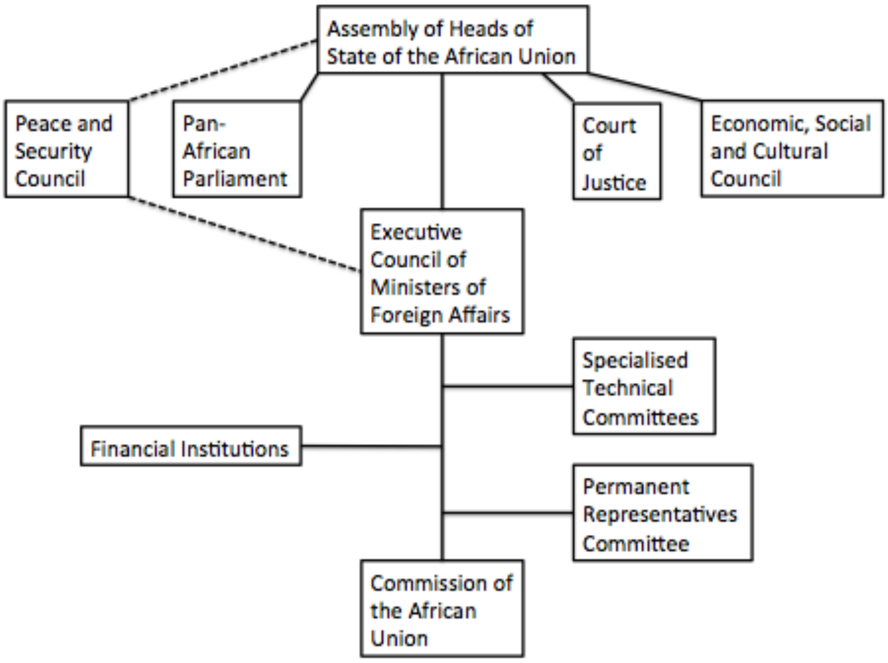
The AU Constitutive Act (2000) sets the objectives[8] and established a number of institutional forms that are at the core of the AU – the *AU Organs*. It also spelled out the governance and accountability relations between these organs, as well as their roles, mandates and responsibilities. The most important institutions include the *Assembly of African Heads of State and Government*, the *Executive Council* (Ministers of Foreign Affairs), the *Permanent Representatives' Committee* (PRC, with all representatives at ambassadorial level of the 54 member states), the *Pan-African Parliament* (the AU's representative body of 265 members elected by the national parliaments of the member states), the 10-member *AU Commission* (which fulfils the role of secretariat to the political structures), the 15-member *Peace and Security Council* (PSC), the *Pan-African Court of Justice* and the *Economic, Social and Cultural Council* (ECOSOCC) (see figure 1). In 2010, the Assembly of Heads of State and Government decided to transform the *New Partnership for Africa's Development (NEPAD)*, into the *NEPAD Agency* and turn it into a stronger AU branch to implement important development projects across the continent.

For the implementation of decisions taken by the AU Assembly, the AU has to primarily rely on member states. Depending on the policy area or sector, differing combinations of AU Organs come into play (see sections 3-6). There are many formal institutions in place to encourage and facilitate implementation. However, the practices of reducing uncertainty, generating mutual trust, providing transparency on actions, offering a framework for dividing labour, interpreting mandates and facilitating policy coordination remain problematic (interviews AUC, Addis, February 2015; AUC Strategy 2014-2017). In fact, the formal institutions and mechanisms for monitoring, or for incentivising cooperative behaviour or compliance and sanctioning deviance, and the informal institutions such as norms in support of respecting formal agreements may be lacking or insufficiently mutually reinforcing. While member states may be willing to cooperate through regional organisations, they are not prepared to give in on sovereignty. The relations between the AU and member states remain strictly intergovernmental.

8 Among the core objectives of the AU are democracy, good governance, sustainable economic development and integration into the global economy, with a specific mandate to promote peace and security.

Figure 1: Simplified organogram of major AU Organs

(Peace and Security Council relates to the Assembly and to the Executive Council, and the AUC has direct connections with all institutions at the first and second row)



Source: author and Taddele Maru

The AUC operates at the centre of the AU. In its review of past reform efforts, the third Commission highlighted shortcomings that needed to be addressed in the new strategic plan (2014-2017). The AUC criticised its over-ambitious agenda and the lack of prioritisation. Other shortcomings included vague and impractical strategies (most of them laying outside the remit of the AUC), no detailed implementation plans and inadequate attention to other stakeholders of the Union, “particularly those responsible for translating outputs delivered by the AUC into outcomes and impacts at the regional and national levels” (AU, 2013 b, p. 28). The call for reforms, including for *results based management*, was not new. What was new though, was the high-level drive by the AUC Chairperson from a strong member state, i.e. South Africa. New was also the upfront recognition of the importance and demanding nature of reporting on results in a governance environment with multiple AU Organs and organisations – with an explicit inclusion of non-state actors – all of which are somehow mandated, called upon or assumed to contribute to the realisation of outputs and results.

The political economy aspects related to this ambitious reform process shed light on the drivers of continued agenda inflation and points to some of the political hurdles to address the implementation gap, hurdles that cannot be removed merely with technical reforms. The main components of these reforms that will be dealt with include, results-based management, budget process, human resources and internal audit.[9]

2.2.1. Results-based management

The AUC’s new strategic plan (2014-2017) is ambitious in that it tries to combine results-based management with proper planning in an environment with low funding predictability and fragmented budgets. The result areas for which the AUC carries responsibility cover 280 projects and tasks that are clustered under five

[9] For a fuller account, see also annex 2.

strategic pillars (peace and security; social, economic and human development; integration, cooperation and partnerships; shared values; and institutions, capacity building and communication). On top of this, there are 12 flagship programmes, requiring inter-departmental synergies such as the Programme for Infrastructure Development in Africa (section 4) and the Comprehensive Africa Agricultural Development Programme (section 5). The AUC *Directorate of Strategic Planning, Monitoring and Resource Mobilisation* has introduced tools and promoted capacity support to enhance results-based planning and monitoring. During an extensive in-house consultative process, the directorate has adapted an open source IT tool, adapted to the needs of the AUC. This resulted in the use of the *African Monitoring and Evaluation Reporting Tool,* AMERT (interviews AUC, Addis; February 2015).

Yet reporting on results in a governance environment with multiple AU Organs, institutions and organisations contributing to the realisation of the outputs and outcomes is highly demanding on planning and public finance management systems, but also on policy coordination and cooperation among multiple stakeholders involved in the result chain. The shift towards results based management is complicated by an expanding AU agenda with increasing concerns about interpretations of mandates and task division, as well as the continued difficulties with financing of the AUC operations and programmes. These difficulties further raise questions about how the AUC can contribute to particular outputs and outcomes, and to what extent other AU organs or institutions need to contribute or cooperate.

2.2.2. Finance and budget

Technical reforms have been, and are being, introduced in the AUC finance and budget processes. These reforms aim to enhance some of the core functions of the budget process, and include:[10]

- the recent revision of the budget cycle, with much earlier budget approval than in the past (it used to be January), which should contribute to the absorption and delivery capacity;
- the introduction of a 'Budget Framework Paper', which contains more information that is relevant for budget planning and preparation and enhances transparency;
- the preparation of the budget now includes a phase where all directorates have to present (and defend) their project proposals; and
- the provision of a 'commitment' column in the 2015 budget is a step towards greater in-year budget flexibility - this way, planned funding that would become available throughout the year, would not have to wait anymore for the revised budget approval by the mid-year AU Summit.

However, on balance, the budget process remains too fragmented and the budget cycle (planning, execution and preparation) too opaque to enable it to be effectively linked to results management. The AUC leadership and member states alike have openly acknowledged these shortcomings. Lack of timely and reliable data hampers transparency, accountability and feeds mistrust as member states cannot rely on the budget to find out which policy actions or projects are prioritised. This is caused primarily by two uncertain sources of funding of the budget, with differing political masters, funding purposes, transparency and accountability arrangements, as well as transaction costs and procedures. On the one hand, there are the AU member states, whose yearly financial contributions are unpredictable and their volumes don't keep up with the ever-increasing demands and agenda. These contributions largely cover the AUC's operational costs. On the other hand, donors largely cover the costs of a wide range of projects and continental programmes, including the bulk of the peace operations in Africa. Most of these contributions remain off-budget.

[10] For more details, see annex 2.

2.2.3. Human resource management

The political economy of human resource management, including recruitment, training, promotion, remuneration and retaining experienced staff, works against building institutional memory and results-based management. The basic administrative structure of AUC staffing dates back to 2003.[11] It is based on a quota system per member country, with a ceiling of 752 staff, as approved by the AU Summit in Maputo (the so-called *Maputo Structure)*. Staffing more than doubled from 284 at the time of the OAU in 2001 to 617 in 2007. The staffing structure was revised in 2006, 2008 and 2012, with attempts at deeper reforms currently under way. The AUC has 28 organisational departments, divisions and units with almost 1,500 staff, 80% of which is working at the headquarters in Addis, with 200 employed by the Peace and Security Directorate. Only half of staff members have a permanent contract, with the other half relying on short-term contracts. Most of the contract staff members have been in the AUC for about four years (World Bank, 2014).

A major institutional Audit of the AU[12] had already highlighted such deficiencies back in 2007 (African Union, 2007a). That audit pointed to the understaffing of certain departments. This nearly ten-year-old observation is still valid. The situation has worsened as the AUC budget has more than tripled in less than a decade from US$ 40 million (OAU in 2001) to US$140 million (AU in 2011), yet the staffing assigned to the AUC on the regular budget remained the same. The policy areas covered by the AUC have continued to grow, requiring specialised skills of more policy analysts, for example. The audit pointed to the inefficient recruitment process and the cumbersome application by the member states of the quota system per country. This involves approval from the Permanent Representatives' Committee for all vacant positions, and as determined by the old quota-system. Thus, "under-quota countries" can hold back on recruitment of competent personnel and create bottlenecks. Interviews confirmed that this situation still exists, though it was also mentioned that – in exceptional cases – strategic human resource decisions (i.e. for a few management position) were made and endorsed, even when not in line with the quota-based system.

Interviewees also pointed out the difference in turnover between former OAU staff and more recently recruited staff. They put forward several explanatory elements for the shortages of professional staff. These include not only the lack of perspective because of short-term contracting, but also the virtual absence of junior and senior expert positions within the organisation. This absence of experts excludes a career perspective for those oriented towards technical expertise rather than managerial positions. In other words, without a balanced number of technical positions at different levels of the approved organisational chart (which would allow for smooth career progress) people get locked in at certain hierarchical levels. This can be detrimental for future career options and hence reduce the intrinsic motivation to stay, with further negative knock-ons on the reform process of the AUC.

To bypass formal obstacles such as the quota system and solve the operational dysfunctions numerous key departments recruit contractual agents to fill vacancies temporarily. These departments rely on additional donor funding for temporary recruitments, while donors may have an interest to keep this 'direct' access to human resource decisions through parallel funding. There are important downsides to such externally driven gap-filling. First, donors may tend to favour their *darling* sectors, policy preferences or preferred projects. Relatedly, overly informal recruitment practices and project related hiring and firing – in combination with lack of budget transparency and integrity – may increase uncertainty with AU member states on the reliability of the

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[11] The Maputo Structure governs the administrative structure and staffing of the AU, with an AU/Ethiopia Host Agreement (2008) covering the immunities and privileges of staff. The Maputo Structure was revised in 2006, 2008 and 2012 (World Bank, 2014).

[12] The *High Level Panel of the Audit of the African Union* undertook an audit review at the request of the AU Assembly. The Audit Report was made public in 2007.

institutions, increase uncertainty and reduce commitment to credibly commit and comply with agreed policies (interviews AUC, Addis Ababa, February 2015). One such commitment relates to the yearly contributions by member states to the AU budget.

2.2.4. Internal audit

Finally, the internal audit function has undergone a major revision in order to shift from merely *compliance audit* to a more demanding *performance audit*. Sixteen of the eighteen staff of the *Office of Internal Audit* have been trained and are certified auditors by the *African Organisation of Supreme Audit Institutions*, with ten of these positions being donor funded (cf. previously discussed issue of sustainability of positions and functions). Overall, there seems to be a positive appreciation within and outside the AUC about the audit reforms undertaken (World Bank, 2012 p. 77; AUC-EU Audit Report 2013; interviews AUC Office of the Deputy Chairperson and Office of Internal Audit, February and March 2015). A first indicator of success, according to the deputy director of the Office of Internal Audit, was the diminishing number of ineligible expenditures, with two remaining problem areas, i.e. travel and procurement. The External Audit Committee - with a strong financial brief - is also taken more seriously than in the past. A recent decision to have National Audit Office representatives in the External Audit Committee may contribute to its credibility.

2.3. Relations between AU and key stakeholders

The AUC has most of the human and financial resources within the AU at its disposal, and fulfils many secretarial and other functions to can help narrow the implementation gap. However, other key actors – including the member states and the RECs, civil society organisations and the private sector – are also recognised by the AU as stakeholders that are responsible for “translating outputs into outcomes”. The AUC strategy recommends that programme design should in future “take into account the whole picture – the full results chain” (African Union, 2013 b, p. 35).

2.3.1. Relations between AU and member states

The AU’s principal political decision-making institutions are the AU Assembly and the Peace and Security Council. The Assembly of the Union is the highest decision making body and consists of Heads of State and Government, who meet twice a year in ordinary sessions. It takes decisions by consensus and if that fails by two-thirds majority. The Assembly determines the common policies of the Union and establishes priorities, gives directives to the Peace and Security Council, and adopts the budget. The Executive Council is the Organ composed of the Ministers of Foreign Affairs of member states, which prepares the session of the Assembly and determines the issues to be submitted for a decision at the Assembly. The Permanent Representatives’ Committee (PRC) is the AU Organ that acts as an advisory body to the Executive Council, and is composed of the permanent representatives that are accredited by the member states to the AU. Subcommittees prepare the work of the PRC, which holds monthly meetings at the AU headquarters.

The size of the policy agenda is not compatible with the institutional, financial and organisational arrangements to ensure its implementation. One indicator of this incompatibility is the low and slow degree of ratification rates of important decisions at AU Assemblies. The *African Charter on Democracy, Elections and Governance* was adopted by the AU Summit in January 2007, but only entered into force five years later, with 23 of the 54 AU member states still to ratify it.[13] Already in 2007, the institutional audit of the AU highlighted that the sanctions regime of the AU had not been applied to member states for non-compliance with AU

[13] A count in 2010 of legislative and policy frameworks amounted to 200 decisions, including 41 treaties and conventions of which 16 had not secured 15 ratifications, the minimum required for decisions to become law.

decisions. It also pointed to the misunderstandings that exist "on the role that each is supposed to play, inevitably leading to tensions, strained relationships and mistrust" between various organs such as the PRC and the AUC (African Union, 2007a: p. 58). The PRC "sometimes strayed beyond its distinctive role as an advisory body to the Council and has entered the domain of management of the Commission", with certain ambassadors using their position in the PRC to influence decisions on recruitment and management of Commission staff (idem). These views were echoed by interviews held more recently (interviews, AUC, February 2015).

Another major gap is that between membership contributions to the AU budget and the budget that is needed to implement the AU agreed policy agenda. First, there is a gap between policy aspirations and the financial resources the AU can mobilise [see table 1]. Secondly, a number of smaller countries in Africa don't pay their assessed contributions in time, or don't contribute at all. Thirdly, there are serious concerns within the AU and among contributing donors about the interrelations between donor dependency and lack of ownership. Finally, there is also a concern about the lack of transparency about the numerous sources of AU finance, as clearly expressed by one interlocutor (see box 2).

Box 2: Transparency of the budget and member states

When the AU budget and budget processes are not transparent and lack integrity, key stakeholders – such as the member states – may feel left in the dark, which feeds mistrust. As one Ambassador and member of the Permanent Representatives' Committee commented, "when we lack information, we don't have the instruments to do our work." (interview Addis Ababa, February 2015). He gave the example of extensive staff travels,[14] which has been mentioned a few times as a bone of contention as it offers incentives for rent-seeking when poorly managed. If a donor spends US$ 500,000 on workshops and this is not integrated in the budget, it may create incentives to travel, even if that does not contribute to implementing on the strategy and action plans. Other transparency and accountability institutions - such as the Pan African Parliament - are not yet sufficiently credible or enabled to help fill the budgetary transparency and accountability gaps. In this view, the lack of transparency and integrity of the AUC planning and budget processes undermines some of the potential for African resource mobilisation.

The AU covers its operational costs through membership contributions. That amounts to roughly half of the total AU budget (without including the major peace and security operations). Donors pay almost the full cost of the programmes and projects, which amounted in 2012 up to US$152 million. Before the regime change in Libya, five AU member states covered 75% of the operational budget: South Africa, Nigeria, Algeria, Egypt and Libya, with the other member countries making up the remaining 25%. No detailed overview of payments of the *assessed contributions* could be obtained, but apparently, eleven member states pay in time, with five that usually make advance payments. Ethiopia is one of those five, with a contribution for 2014 of US$1.8 million (Taddele Maru and Abate, 2015).

The AUC is currently developing several scenarios to reduce donor dependency and increase ownership over the budget as a prime pan-African policy tool.[15] The overall objective is for member states to gradually cover 100% of the recurrent/operational budget, plus 75% of the programme budget and 25% of the peace and security budget. Some interviewees pointed to the momentum to fundamentally increase the member states' contributions as part of the search for 'alternative sources of financing', but overall major changes in the composition of contributors and volume of the AU budget are expected in the foreseeable future.

[14] The AUC has firmed up the Staff Travel rules, something that donors had insisted on for some time. But the lack of donor harmonisation and alignment in budget transparency may work at cross-purpose as certain programme funding may incentivise further traveling in a hidden way.

[15] A special Commission headed by former Nigerian President Obasanjo was tasked with this undertaking.

2.3.2. Relations between the AU and the RECs

Africa's Regional Economic Communities developed independently from the OAU, and most are older than the AU. The Constitutive Act (2000), however, integrated the RECs as *building blocks* of the AU.[16] Yet despite legal texts laying the foundation for the relationship between AU and RECs and some innovations to improve relations, there is often a dysfunctional relationship between the AU and RECs. One such innovation consisted of setting up REC liaison officers in Addis Ababa. The AUC has also housed focal points with the eight official RECs in their capitals to improve communication channels. IGAD was the first to put up a focal point (2006) and ECOWAS the second (2008). The overall experience of the ECOWAS focal point was positive as it deepened the relationships between ECOWAS Commission and the AUC. She referred to improved relationships between the REC secretariats and the AUC ("Secretariat to Secretariat" relations).

Still, at the level of decision-making there remains a gap between RECs and AU organs such as the Assembly and the AUC**.** "People tend to forget that RECs are independent bodies of the AU, with a different drive and different passion. We contribute to delivering the continental projects, but we are separate entities, for funding and for decision making" (interview REC, Addis Ababa, February 2015). According to this view, the AU should explore the subsidiarity principle[17] more carefully. This is not an easy task, as the interpretation of the legal texts differs from department to department. The Department of Peace and Security is farthest advanced in its hands-on cooperation with RECs (see also section 3). Moreover, the RECs differ substantially in their underlying objectives, strengths and weaknesses. Their policy areas cover complex domains such as food security and climate change. The AU, still according to this view, should prioritise and stick to setting standards, harmonising, and building capacity of regions to implement a common agenda. The ECOWAS focal point concludes that the widely diverging regional contexts relating to internal power dynamics between countries and the absence or presence of intra-country coalitions for cross-country problem solving require tailor made problem solving and adaptation from AU partners.

Decision-making on peace and security issues illustrates the differences between the REC and AU. The AU decision-making mechanism through the Peace and Security Council operates at the level of the ambassadors, at ministerial level and at the Assembly level of the Heads of State and Government. Yet the latter only convene twice a year, and at extraordinary Summits. At regional level, RECs' Heads of State and ministers can meet more easily on an *ad hoc* basis or in ways that are more responsive to (emerging) crises. This was the case with the crisis in Mali, when ECOWAS Heads of State met seven times in the course of a few months at REC level. It is also reflected in IGAD's frequent *extraordinary summits* to address challenges in South Sudan. These RECs were better informed, motivated and partially also equipped to respond more swiftly than the AU. Despite such added value at the regional level, there are no mechanisms at the pan-African level that allow the Peace and Security Council to interface with Heads of State of the RECs that are not members of the PSC or their permanent representatives in a timely manner. The 15 members of the Peace and Security Council report back to their capitals but not to RECs (idem).

Further adaptations have improved the information flow but not the governance of relations between the AU and the RECs. The REC focal points are invited as observers to participate in the AU Assembly. It has been proposed to invite the countries that chair the RECs (usually a mandate for two years) to represent their respective REC at the Assembly. REC focal points are now allowed to talk at ministerial meetings, illustrating a slow evolution. But there is no rule yet requiring participation by the RECs for decisions on any policy

[16] RECS were founded on the Abuja Treaty (1991) and the Lagos Plan of Action (1980). They were originally independent of the OAU, and then absorbed into it later. By the time the AU came about RECs were formally part of the organisational structure, although their origins lay outside it.

[17] The *subsidiarity principle* usually refers to the principle of effectively handling matters at the lowest level of competency

measure that relies on them for implementation. Consulting after a decision is taken, is too late, as planning requires timely budgeting and timely consultation. “Anything that the RECs don’t domesticate will not get done - we need to plan together” (idem). All these dysfunctions carry the risk of misalignment between the AU and RECs. This may be compounded by inconsistencies between RECs and their member states, which may have different interests to promote within the REC than the agendas they seek to promote at the AU level (see also World Bank, 2014).

The EU has been instrumental in creating the REC focal points. In fact, the creation of REC focal points was a provision of the EU’s support to the Africa Peace Facility, as it was seen as an important component of capacity building. Due to lack of REC funding, however, the EU also provided financial support to these REC focal points, and helped fund a joint secretariat for these focal points in the AU headquarters in Addis. This measure has largely improved access of REC focal points to the AU organs, including the AUC. It facilitated physical access (with a special office for the RECs at the premises of the AU headquarters) and helped create “more organic relations” (idem). As yet, ECOWAS is the only REC to finance its own focal point secretariat in Addis, again pointing to the frailties of such newly created institutions as most REC focal points depend on donor funding to maintain their Addis based offices.

2.3.3. The AU and non-state actors

The AU Constitutive Act committed to transform the *member states* driven OAU into a *people-centred* AU, and created the legal space for civil society to participate in continental governance. In 2005, the AU established the Economic, Social and Cultural Council (ECOSOCC) to function as advisory AU Organ for a broad variety of non-state actors. Its composition sought to cover different sectors, including labour, business, professional groups, service providers, non-governmental organisations (NGOs), policy think tanks and the African Diaspora. Part of its General Assembly membership should consist of Civil Society Organisations (CSOs) that have been elected at member states level. Yet, this obligatory registration of CSOs by member state governments of the countries in which these CSOs are located poses restrictions on membership as an increasing number of AU member states have become more restrictive in their policies vis-à-vis civil society. At the official launch of ECOSOCC three years after its establishment, CSO elections had been held in only 23 member states. For the second round 55 CSOs applied at the national level, 3 at the regional level and 6 at the continental level (ECDPM, 2014). This procedure may further reduce the space for vocal CSOs whose country of origin may refuse to register them for fear that they might use the pan-African formal platforms for airing a critical voice.

Still, a stated objective of the AUC Strategic Plan 2014-2017 is to engage more closely with African citizenry. Some AUC departments maintain or explore direct working relations with specialised non-state actors. The Department of Political Affairs holds annual dialogues with civil society, and one interviewee from that department further explained that it had working relations with CSOs on the *African Governance Architecture*. The Department, according to the interviewee, was also negotiating with Human Rights Watch and Amnesty International on signing Memos of Understanding for cooperation.

For a small group of specialised NGOs and think tanks (Friedrich Ebert Stiftung, Institute for Security Studies, ACCORD, and a few others) policy discussions with the AUC and the Peace and Security Council have improved over the years. “The AU understands that it has to cooperate with other stakeholders out there where AU people don’t have access” (interview Oxfam, February 2015). Other avenues for non-state actors to engage with pan-African institutions include the NEPAD Agency, with potential for civil society organisations to engage in the African Peer Review Mechanism or in dedicated programmes (agriculture, climate change, etc.), the Pan African Parliament, and the (older) practice of involvement of CSOs and international NGOs through the workings of the African Commission for Human and Peoples' Rights and the African Court for Human and Peoples' Rights.

The AUC has a strategy to better involve the diaspora through the Citizens and Diaspora Directorate. The more effective forms of non-state actor participation at a pan-African level seem to play out in the area of peace and security. A Peace and Security Council protocol of 2004 already recognised the principle of participation and consultation, and established a mechanism to that end four years later, the so-called *Livingstone Formula*. Oxfam International (Liaison Office with the African Union), the Institute for Security Studies (ISS), and the African Centre for the Constructive Resolution of Disputes (ACCORD) are three of the NGOs and think tanks that managed to use the "invited space" in the field of peace and security. Improved access to policy dialogue or to regional organisations does not, of course, automatically translate to effects on the ground.

2.4. External factors

2.4.1. The AU and global players

The OAU's transition at the turn of the millennium into the African Union coincided with substantial changes in the global environment. Africa's economic integration into the global economy persisted and deepened, primarily based on export of raw materials. Its partnership relations broadened at a time that Europe was weakened by the financial crisis. Emerging donors such as China, India and more recently Turkey have increasingly courted African countries but also the AU. In 2014, the AU headquarters welcomed high-powered delegations from Japan, the US, China and Russia, and hosted the Fourth Africa-EU Summit. The EU, the US and China have opened permanent delegations to the AU, and President Obama was the first US President ever to pay a visit to the capital of the pan-African institution in 2015. The AU, furthermore, plays a more active role at the level of the UN in New York. The UN opened an office in Addis Ababa in 2010. The AU enjoys some anchorage in the partnership of *Brazil, Russia, India, China and South* Africa (BRICS) through South Africa's membership.

The EU maintains a complex set of relations with the AU, and has established a set of comprehensive formal arrangements with the AU.[18] The EU was the first to engage with the newly created African Union with an early grant in 2003, soon to be followed by a substantial €250 million grant for the *Africa Peace Facility*, with a further €55 million for support to institutional development of the AUC (Laporte and Mackie 2010). As of 2007, the AU and EU embarked on a *Joint Africa EU Strategy, JAES.* This EU partnership treated Africa as one and included the Maghreb countries and covered a more comprehensive agenda, with eight partnerships and related programmes. These partnerships allowed for formal and informal exchanges between the AU and EU, with in some partnerships effective cooperation such as in science and technology.

The partnership on democratic governance and human rights proved to be a source of conflict, with differences in appreciation on the approach in politically sensitive areas such as democracy and human rights. This illustrates the tensions between partners who may well agree on general principles but find it difficult to agree on real-life conflicts emerging in specific cases such as EU sanctions against Zimbabwe, the International Criminal Court, the Libyan crisis in 2011, regional trade regimes, etc. (Helly et al, 2014).

[18] The EU engages moreover with the RECs and with all AU member states. It does so through its presence on the ground via EU delegations in REC capitals and through its EU delegation in Addis Ababa, as well as through Brussels based EU institutions.

Overall, the EU strategic partnership with Africa contributed to further inflate the AU agenda, raising additional implementation challenges**.** Ever since its inception, the AU policy agenda had continued to grow - in response to global challenges, African demands and crises, but also to donor demands. When Nkosazana Dlamini-Zuma assumed office as AUC Chairperson, she called for a review of all of the AU's international partnerships, including the eight partnership programmes with the EU. Although this review resulted in a reduction in the number of programmes during the fourth EU-AU Summit (2014), the issue of agenda inflation was not resolved. Implementing JAES has also proven to be administratively demanding on poorly staffed African partners. There was also confusion about the levels at which JAES implementation ought to take place, pointing to general problems related to division of responsibilities and labour between member states, RECs and AU. So while the AU inputs to the JAES agenda are largely prepared and set by the AUC, the implementation may well fall under the responsibility of RECs and member states. RECs and member states may also have their own partnership relations with the EU, which further calls for another layer of coordination.

The relations with China have expanded substantially in a range of areas. Africa-China trade has increased with a positive trade balance for Africa, the lion's share being due to exports of Africa's natural resources. As the section on infrastructure development points out, China has also increased investments on the continent. However, unlike some traditional donors, China's direct support to Africa is not earmarked for institutional strengthening or financing of AU, REC and regional programmes. This is also mirrored in the little overall aid China provides to the AU and the AUC, despite its substantial total aid package to Africa, which totals US$ 3.2 billion for 2013 (Brautigam, 2015). This aid is primarily destined for bilateral purposes. China did invest though in constructing the AU headquarters in Addis Ababa.

There has been some speculation that China's interests in Africa may enhance policy space for African countries – and by extension regional organisations. A broader choice between old and new donors, it is argued, can strengthen Africa's negotiation position and can help the AU or member states neutralise the conditionality regimes of traditional donors with respect to human rights, democracy and good governance. Yet, as Kragelund (2014) has argued, Chinese aid in general does not fundamentally alter the power relations between African countries and their development partners. Rather than divergence and competition - with the potential for creating more leverage and policy space - Kragelund sees convergence and cooperation between an emerging donor such as China and the Development Assistance Committee donors.[19] This argument can also be extended to the AU and the RECs. At the broad political level, be it the *new China-Africa strategic partnership* or the *India-Africa Forum Summit* the declarations and objectives are increasingly similar between traditional and emerging donors (idem).

2.4.2. The political economy implications of aid

Aid is the most important external factor in terms of its political economy implications on the agenda setting of the AU and on its implementation. While aid has contributed to the AU's institutional development and to the financing of various programmes, its quality and volume have been a concern to both sides of the partnership. On the quality of aid, already in 2007, the office of the Deputy Chairperson of the AUC had drafted proposals to improve the quality of the partnership with donors and the quality of the aid mechanisms. This process provides helpful insight on the nature and degree of dependency, on the quality of aid and on the efforts to tackle some of the political and technical challenges to improve the quality of the partnership between AU and donors.

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19 China's recent accession to the OECD Development Centre on 1 July 2015 may probably also be seen in that light.

Managing multiple sources of funding

The concern about increased donor dependency goes back to the first AU Commission, with attempts already then at finding alternative sources of financing for the AU. The latest attempt has involved the former Nigerian President Obasanjo, whom the AU Assembly tasked to head a high level panel, which produced in 2013 a *Report on Alternative Sources of Funding the African Union*. The *Obasanjo Panel* provided an overview of the increased dependency on external funding of the AU. There are two main sources of funding: AU member states and donors. The AU member states cover the funding for the operational budget (staff salaries, other operating expenses and capital outlays). Five bigger member countries pay approximately 66% of the total operational budget with the rest made up of the contributions from the other member states, according to a scale of assessment. A diminishing portion of the programme budget is also financed by AU member states. Donors provide the bulk of the programme budget, as well as the separate budget for peace operations.

In January 2015, the AU Assembly adopted a proposal by AU finance ministers to increase member states' contributions to the AU's operational budget to 100%, to the programme budget to 75% and to the peacekeeping budget to 25%. This plan is to be phased in within five years from 2016 onwards. Contributions have also been reassessed "applying the principle of fairness and solidarity". Countries are grouped in three tiers: as of 2016, 60% of the budget is to be covered equally by countries with shares of gross domestic product that is above 4% of the total continent (Algeria, Angola, Egypt, Libya, Nigeria and South Africa), 25% of the budget must be equally covered by countries with shares of GDP between 1% and 4% (12 countries), and the third tier consists of countries with shares lower than 1% - or 36 member states that make up for the remaining 15% of the budget. Of the six bigger contributors, four have paid their AU fees on time for 2014, but two – Egypt and Sudan – had only paid half of their 2013 and 2014 contributions. Any drastic increase of African resource mobilisation seems unlikely, nor is there a positive expectation about alternative sources of finance for the AU budget.

Over the years the agreed programme budgets and the budget for peace operations have increased substantially. The degree of dependency on donors has simultaneously gone up, as table1 shows from figures from 2007 to 2013. As the contributions of the AU member states to the programmes have gone down from US$13.4 million in 2007 to US$5.4 million, the member states' contributions to the AU operational budget went up from US$74 million to US$118 million. In the same six years, donor contributions to the AU (almost entirely to programmes) went up from US$36.3 million to US$155 million, without taking into account their funding of the peace operations. The Obasanjo panel report also reminded that member states contribution arrears in 2011 and 2012 amounted to US$72 million and US$44 million respectively (AU 2013d). In the absence of alternative sources of finance – there will be increased dependency on donor funding, which carries implications for the agenda setting and for the resources with which to implement.

Table 1: Sources of funding of the overall Budget (programmes + operational budget) of AU and its organs (in US$ million)

Sources	2007 (%)	2008 (%)	2009 (%)	2010 (%)	2011 (%)	2012 (%)	2013 (%)
Member States	87.8 (71)	107.6 (77)	106.9 (65)	116.8 (47)	122.6 (48)	122.4 (45)	122.9 (44)
Partners	36.3 (29)	32.4 (23)	57.4 (35)	133.7 (53)	134.2 (52)	151.7 (55)	155,4 (56)
Total	124.1 (100)	140 (100)	164.3 (100)	250.5 (100)	256.8 (100)	274.1 (100)	278.2 (100)

Source: African Union 2013d

Implications of the quality of aid

The quality of aid is one factor that influences the incentive environment and the AU potential for strengthening its institutions**.** Given the central role of the AUC[20] in the budget and partnership processes with donors, the AUC Deputy Chairperson engaged in a process in 2008 to improve the partnership and proposed a *Framework for Cooperation between the AUC and International Partners*. It spelled out how his office saw the gradual implementation of the aid effectiveness principles of the *Paris Declaration on Aid Effectiveness* (Paris 2005). Both development and developing partners[21] had formally agreed at an international conference in Paris in 2005 to apply principles such as ownership, harmonised donor support, alignment with partner systems and policies, and attention to mutual accountability. In order to strengthen the systems and the policy priorities of developing partners, donors committed to apply more *Programme Based Approaches,* PBA (see box 3).

Yet, applying these principles proved to be extremely difficult in a partnership that involved 26 donors who use different funding arrangements in financing more than half of the AU budget. One illustrative example involves the AUC Peace and Security Directorate that had to report against 110 separate project accounts, each with specific requirements (Lawson and Kamaray, 2010). Inevitably, the directorate would have less time for careful procurement planning or for following up on audit recommendations. Fragmented projects and programmes under different funding modalities and with multiple reporting and audit requirements entailed high transaction costs for the recipient and reduced flexibility.

Donors had often selected their own funding priorities, with only limited forms of harmonisation. This state of affairs further eroded a sense of ownership with member states, with the AUC perceived to be captured by multiple donors and absorbed by managing donor projects (interviews, Addis, February 2015). It also put additional strains on public finance management functions such as oversight and audit, and may have incentivised rent seeking (as has been the case with the use of per diem and extensive travel budgets).

In order to improve the quality of the partnership and to stimulate the application of the principles of effective aid, the AUC Vice-Chairperson and a group of donors commissioned an independent study **(**Lawson and Kamary, 2010)**.** The study attempted to find out whether donors and the AUC were ready to apply principles of leadership from the partner (the AUC), of alignment behind one single budget framework, of reduction of administrative overload, and of optimisation of the use of AUC systems. The aid modality that is closest to applying such principles is referred to as *Programme Based Approach, PBA.* In his previous function as Secretary General of COMESA, the current Vice Chairperson of the AUC had already piloted such an approach in partnership with the EU (called *Contribution Agreement),* and he managed to introduce it also within the AUC. Other RECs have also followed the COMESA example.

While the AUC's development partners have formally expressed their commitment to move to enhanced levels of PBA, only a few donors have embarked on that road. By 2010, six donors out of 26 had piloted a pooled fund, called a *Joint Financing Arrangement*. These donors tried to harmonise their inputs behind support for the AUC's institutional and capacity development. Meanwhile, other such Joint Financing Arrangements have been finalised, including, for example, in support of financing the salaries of staff working on peace and security and to support a programme on "shared values", two pillars of the AUC Strategic Plan 2009-2012.

[20] The AUC manages the bulk of the relations with donors as well as of the operational and programme budget. It spends approximately 80% of the budget (not including the costs of the peace operations)

[21] 25 African countries and a host of pan-African organisations have signed the Paris Declaration on Aid Effectiveness in 2005.

These Joint Financing Arrangements used a so-called *Common Pool Fund*, which - according to Lawson and Kamary – came very close to the characteristics of sector budget support (see box 3).

Box 3: Programme Based Approach as one corner stone of improving aid effectiveness

Programme Based Approaches take on many forms, and are referred to in different ways as budget support, pooled funding, etc. A few shared characteristics are important to note. The Organisation for Economic Co-operation and Development defines Programme Based Approaches (PBA) as "a way of engaging in development cooperation based on the principles of co-ordinated support for a locally owned programme of development, such as a national development strategy, a sector programme, a thematic programme or a programme of a specific organisation. Programme based approaches share the following features: (a) leadership by the host country or organisation; (b) a single comprehensive programme and budget framework; (c) a formalised process for donor co-ordination and harmonisation of donor procedures for reporting, budgeting, financial management and procurement; (d) donor efforts to increase the use of local systems for programme design and implementation, financial management, monitoring and evaluation" (OECD, 2005).

In general, traditional donors and partners of the AUC have agreed to apply Programme Based Approaches in their cooperation with the AUC. Yet the devil is in the detail of what is meant by such PBA. Lawson and Kamary distinguish four types of PBA, with differing degrees of attractiveness to developing partners – and corresponding requirements in terms of management of fiduciary risks and strength of public finance management systems. (i) A *basic PBA* does not necessarily involve a change in funding modality or in financial management system. The central idea of such a PBA is for donors to align behind a common policy framework or programme and to adopt common monitoring procedures. There are no specific requirements in terms of disbursement and financial management with this basic approach. (ii) A *Joint Financing Agreement* or a *Common Pool Fund* goes further than the basic PBA in that it also includes arrangements on funding modalities. Donors commit to use a Common Pool Fund, disbursement and financial management system. This Common Pool Fund would be common to their users, according to Lawson and Kamary, but not yet integrated in the financial systems of the AUC. This approach allows for gradual institutional strengthening, including possibilities for strengthening transparency and accountability relations that are essential for improving ownership. Yet it is already more demanding on partners reaching agreement on budget lines to fund, mechanisms for crediting the fund, disbursing, procurement, accounting, reporting and auditing.

At still a higher level of attractiveness for beneficiaries is the (iii) *Aligned Joint Financing Agreement*, as donors further commit to adopt an increasing number of procedures of the partner for fund disbursement, financial management, procurement, accounting and auditing. This modality resembles closest the EU's *Contribution Agreement* as applied first with the COMESA Secretariat and later with other RECs and the AUC. The fourth PBA is what is commonly called (iv) budget support (general or sector), which is the approach whereby the donor funds the AUC and fully relies on the systems of the development partner. Of course, this approach requires robust planning, budgeting and financial management procedures from the AUC. (source: Lawson and Kamaray, 2010)

However, most donors continued to rely on extensive use of earmarked funds and separate reporting systems. In interviews with donor staff it transpired that donors often present the problem as one whereby the AUC first had to 'prove that it is ready for budget support or PBA'. But, as the authors conclude, "the truth is, that there are many factors related to the internal incentives of development partners' staff (familiarity with the project modality, concerns over issues of attribution, etc.) and the political pressures under which their senior management have to operate" (Lawson and Kamaray, 2010: p.20). This remark points to the political economy of donors: donor managers seem likely to be concerned with the loss of *visibility* of their support when they harmonise with other donors, or when they align with agenda or policy preferences of the AUC. Their own incentives promote retaining control over deliverables and disbursing the money themselves out of fear for fiduciary risks and the related political fallout in donor capitals. These findings of donor attitudes to PBA for the AUC chime with sobering findings from other studies on the application of the Paris principles on aid effectiveness, on PBAs or on budget support (Wood et al., 2008; OECD-DAC, 2009; EC, 2014). The Paris Declaration, as Wood et al (2008) noted, is not just a technical agreement but a political agenda for action: "in the difficult processes required for implementation, real issues of power and political economy come into play, in many cases requiring political solutions." (Wood et al, 2008 p. xii).

Whether or not the AUC is ready for enhanced PBA is harder to answer for two main reasons. One relates to the lack of comprehensive and publicly available assessments of the AUC management systems, including the public finance management systems. The EC has a decade old experience of *Pillar Assessments.* These assessments or external audits are usually undertaken by Ernst and Young. COMESA, under its then Secretary-General, E. Mwencha, introduced this audit mechanism in the mid 2000s in partnership with the EU when it moved from the project aid modality to a *PBA* (or in the case of the EU a *Contribution Agreement).* Meanwhile, most regional organisations feature such Pillar Assessments, though the findings of these audits are not made public.[22] Secondly, then and now, donor fragmentation offers discretionary *room for manoeuvre* for various directorates who seek to top-up their regular budgets with additional donor funding that may well remain off-budget and hence also *off-guard*. In other words, while the variety in donor funding may support a number of valuable projects, its fragmentation and off-budget modality may create strong incentives within the AUC and AU system to continue non-transparent practices, thereby weakening reformers in their attempt to initiate a stronger performance or results based culture that needs to be grounded on transparent and accountable systems.

In sum, the quality of donor support to the AUC affects AUC performance and its capacity to implement the reform agenda. Ten donors partner in one particular *Joint Programme and Finance Arrangement* (the successor to the Joint Financing Agreement) in support of what is referred to as Pillar V, which is the pillar dealing with "institutions, capacity building and communication" of the AUC Strategic Plan 2014-2017. Part of this donor group engages in pooled funding whereby they use a single foreign exchange account managed by the AUC. All donors in that group commit to a number of principles to reduce overload on the AUC systems and enhance the potential of aid contributing to strengthening institutions – whatever programme it supports.

2.5. Gender – a world of difference

Although gender and gender equality have been elevated to the level of the core principles of the AU Constitutive Act, there are no sufficiently strong drivers to take it from the level of policy to the level of implementation. At its first Summit, the African Union adopted a gender parity principle in the Statutes of the African Union. The principle was applied at the level of the Commission with five male and five female Commissioners, which makes it the first and probably the only multilateral organisation that has gender parity at its most senior level as a policy. Still, as the Audit Report in 2007 dryly stated "there is no direct corollary between the appointment of women Directors and Commissioners and their Departments' progress in mainstreaming gender concerns" (AU, 2007: p. 55).

The AU institutional architecture on gender is substantive, and includes apart from the Constitutive Act also the *Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa*, which creates an obligation on states to respect and protect women's rights. This protocol is the most comprehensive set of obligations for Africa states, which targets, among other things, female genital mutilation

[22] hese reports, it is argued, primarily serve the purpose of informing partners on the reliability of public finance management systems for informing the process about the financing modality and the support measures for capacity or institutional strengthening (interview EU Delegation, February 2015). The Pillar Assessment and the Contribution Agreements are now standard EU practice with Africa's regional organisations, including the AUC, where E. Mwencha currently is the Vice-Chairperson.

and other harmful traditional practices, violence against women, the right to medical abortion, to name but a few. Key strategic and other documents such as the African Common Position on the Post 2015 Agenda, the AUC Strategic Plan (2014-2017) and the Agenda 2063 also contain strong commitments to gender equality and female empowerment.

The institutional and organisational gender architecture is further enhanced with a *Special Rapporteur on the Rights of Women in Africa* (1999, very broad mandate but lacking the resources to follow suit, yet with backing from civil society organisations), the AUC's *Women, Gender and Development Directorate* (responsible for mainstreaming gender within the AUC and across the AU organs, but bogged down with highly visible and demanding projects such as the year of the *Women's Decade*[23]), and the *Special Envoy on Women, Peace and Security* (2014, see further).

The *African Commission on Human and People's Rights* (African Commission) is the first regional entry point for CSOs and individuals to raise issues on human and women's rights violations. The *Special Rapporteur on Women's Rights* is situated in the African Commission. Neither the African Commission, nor the *African Court on Human and People's Rights* (the African Court) have been capacitated to effectively champion women's rights. The African Court is a judicial body that has been created to complement and reinforce the functions of the African Commission. It can adjudicate human rights complaints and issue binding decisions between the parties involved. State and non-state actors can bring cases to the court, yet it remains a narrow avenue for seeking justice as only 27 states have ratified the relevant option (of Article 34(6) of the Protocol to the African Charter on Human and People's Rights) permitting individuals and CSOs to file communications against states with the African Court. Of the 29 cases that had been received (count of September 2014) since its inception, the African Court had disposed of 23 and for 21 of these, the court declared its lack of jurisdiction due to inaction by the states.

In terms of the drivers of the gender agenda, Nkosazana Dlamini-Zuma has been a powerful actor. As the first woman to take up the position of AUC Chairperson, she has reinvigorated the pan-African gender agenda, and emphasised the need to sensitise gender issues and to move on from policy statements to policy actions. According to one of her senior advisors, there are three areas in which the AUC is driving the continental women's agenda: (i) financial inclusion of women (working with private sector, for example with financial institutions and industry), (ii) women representation or gender equity principles in key democratic institutions such as parliaments, and (iii) impact assessment of gender equity on public expenditure, or on policies, and sensitise RECs and member states. The struggle for women's rights in Africa is of course older, and in some countries also related to the position and activism of women in liberation or decolonisation struggles with sometimes a lasting effect on institutional and power arrangements (such as in Rwanda and South Africa). In terms of the African Union, its inaugural ceremony in Durban[24] in July 2002 proved to be a good opportunity for a host of women's organisations to mobilise pointedly and push for more gender sensitivity, among other things a more gender friendly wording of the AU Constitutive Act. The reference to the "founding fathers" was dropped, and more tellingly the promotion of gender equality through "effective participation of women in decision making" was included as one of the central planks of the AU agenda.

Within the AU, UNECA has been entrusted with providing technical and research support. Sensitisation takes place through the Beijing+20 review process, with convening Ministers of Gender. The Coordinator of UNECA's *African Centre for Gender* pointed out that it had to deal with the numerous sensitivities in the areas

[23] EU Scoping Study 2014.

[24] Exactly 19 years earlier in that very same South African city, the ANC Women's League successfully pushed for a quorum for women in the liberation movement's governance structures.

of reproductive health. But there were also the multiple inconsistencies in policy positions adopted by the AU, as well as in the capitals and in the United Nations. That also required follow-up and sensitisation. “It takes a long time for change to show, gender sensitivity needs change in behaviour and understanding” (interview UNECA, February 2015).

Policy actions undertaken at the AU level against the high rate of child marriages in Africa offers one telling example.[25] While there is an impressive set of AU legal and policy frameworks, action lags behind. Therefore, the AUC’s Chairperson had launched a *Campaign to End Child Marriage in Africa.* One component of this campaign was donor funded, which allowed the AUC to take the idea to the field and pilot implementation in order to experiment whether further roll-out and implementation could be envisaged in a number of countries (interview DfID, February 2015).

The *African Gender and Development Index* is another UNECA sponsored mechanism to promote more consistent implementation of policies adopted at the AU level. This mechanism consists of assessing and monitoring the implementation and institutional arrangements at national level that (ought to) back the gender related policy decisions taken at pan-African or regional levels. This way it has provided vital information on policy implementation to interested constituencies. Furthermore, this initiative developed capacities in disaggregated data management in an incremental way as it connected to national statistics offices. UNECA also cooperated with a number of the RECs (SADC, IGAD, COMESA), and adapted its approach to the strengths of these institutions in terms of gender programmes (interview UNECA, Addis, February 2015). The SADC Gender Protocol Barometer also reminded of the shortcomings of merely monitoring progress in gender commitments. Eleven SADC member states had made progress on laws on domestic violence, yet in daily reality gender based violence remains one of the “most direct violations of women’s’ rights in Southern Africa, undermining every other gain” (Sigsworth, 2015).

2.6. Conclusions: key findings

The African Union is an intergovernmental continental organisation that has been mandated by its 54 member states to deliberate, facilitate, set policies, make decisions on a broad range of developmental, political and security challenges on the continent. Established at a time of profound economic and political changes on the continent and globally, the mandate and the institutional architecture reflect a stronger resolve than its predecessor, the African Organisation of Unity, and potential to carry out its mission of regional cooperation and integration in Africa, and to engage in African problem solving. The most pressing of these problems, many of which deeply rooted in history, relate to threats to peace and security. Hence the departure from the past principle of *non-interference,* and the decision to equip the AU with the mandate, powers and institutions to deal more forcefully – and on a more permanent basis – with violent conflicts on the continent under well-defined circumstances.

In a short period of time, the overall policy agenda of the AU has expanded substantially, and it has engaged in efforts to expand and improve the institutions at its core. This agenda ranges from continental trade, infrastructure development, agricultural transformation and food security, gender equality, good governance and democracy, election monitoring, and crisis management, as was the case with the outbreak of Ebola. Through its peace and security architecture it engages with violent conflicts on the continent and on certain issues of political instability. Moreover, the AU deliberates and defends African positions in a globalised world, on issues such as climate change and financing for development. With the widening agenda, the so-called

[25] According to UNICEF (2014) nearly four out of every ten young women in Africa were married or in union before the age of 18.

'implementation gap' has also widened as the resources, leverage and political commitment by key partners to implement is not always present.

Despite creating new institutions and structures, and engaging in institutional reforms, there is a concern about the gap between the ever-expanding AU agenda and the implementation that lags behind. In particular, the African Union Commission as a central institution within the AU has embarked on a new round of reforms to *mend the implementation gap.* These reforms included measures to improve transparency and integrity of the planning and budget process (more complete and reliable data, improved timing and cycle), to become more explicit about the chain of results, about who contributes to results and about how to prioritise and plan. Linking results with other key management functions such as the budget, human resources and internal audit are long-term and ambitious institutional reforms. There are intricate technical hurdles to resolve in such a multi-stakeholder environment with global, regional and national level results-chains to manage and monitor. And there are a range of sticky practical problems to resolve, such as high staff turnover and fragmented budgets. But there are also a number of political economy drivers and blockers to consider.

Whatever the merits of the on-going reforms, the more profound question remains whether the technocratic measures in and of themselves are likely to alter the dominant political incentive environment. This environment is characterised by political leaders of member states who can take decisions at the top of the AU, with insufficient accountability, transparency and other institutions to stimulate, encourage or otherwise promote implementation at national level. Often the AU needs the RECs for contributing to the implementation of the AU agenda. Yet the REC involvement in the decision-making process remains insufficient to inform this process.

It is, moreover, an incentive environment in which external actors – donors – fund half of the AU budget.[26] The quality and quantity of aid for AU programmes, projects and peace operations, therefore, are key factors to consider. These factors may further inflate policy agendas (reflected also in an ever increasing approved AU programme budget) and increase the gap with what ultimately gets implemented (as reflected in the executed programme budget). Fragmented and poorly aligned aid may obstruct the gradual strengthening of pan-African institutions as it overloads AU management systems and tends to primarily serve accountability concerns of donors. This often results in broken feedback loops, reduced transparency and incentives for AU institutions and actors to assume ownership (for example through a more transparent and comprehensive budget process). In turn, this reduces the potential for the AUC to develop appropriate functions and systems in response to accountability pressures.

An elaborate institutional and organisational framework has been developed to deal with gender related challenges and women's empowerment. Yet these change dynamics seem primarily confined to *projectised* processes that take some of the agreed policies and agendas to the member states' level in efforts to put them in practice. At the member state level, however, the AU supported gender efforts don't seem to be taken up in the absence of domestic political incentives – despite committed individual and civil society champions.

The next sections offer more findings on AU drivers and blockers of regional integration in four specific sectors or policy priorities.

[26] This is not taking the donor contributions for the peace operations into account.

3. Peace and Security – the AU in action

There have been over fifty peace operations deployed in eighteen African countries since 2000, many in which the AU was involved**.** These operations mark a drastic change with the OAU era in which the principle of *non-interference* ruled. The AU was mandated and equipped to develop new institutions in accordance with the principle of *non-indifference* in areas of peace and security*.* Given the not-subsiding levels of organised violence and political related unrest on the continent, the AU increasingly engages in complex peace operations, with ever more African boots on the ground, as well as in the imposition of sanctions in well-defined circumstances. To that end, it has created interrelated and overlapping institutions and organisational structures that span a spectrum of conflict management measures ranging from preventive diplomacy, mediation to post-war reconstruction. Not only are many of the institutions and organisational forms in place, they have also “massively increased the tempo and scope of its conflict management activities” (Williams, 2014 b: p. 147).

As most of the AU’s energy and finance is dedicated to peace operations, that is where the emphasis will lie in this section. The five-lens framework helps identify some of the foundational factors in Africa with a lasting influence on violent conflicts, and how these factors influence the continental and regional peace and security institutions. Within this setting, a range of stakeholders interact and shape the agenda as well as the measures that are taken to prevent, manage or resolve conflicts. External partners also exert their power and interact with institutions and African stakeholders in ways that affect agendas and implementation.

3.1. Historical and foundational factors to the AU involvement in conflict and peace

Some of the foundational factors with an often lasting effect on the nature of conflicts in Africa and the state’s capacity and legitimacy to ensure state security include: colonial boundaries, the nature of (de)colonisation processes (with or without liberation wars), the structure of state-society relations in the newly independent states, the types of economic dependencies on coloniser, and the place in the geo-strategic mosaic of Cold War alliances. The continent has a history of regimes fighting one another by supporting rebel movements or proxy forces often in neighbouring countries, or by merely harbouring each other’s insurgents. Many interstate and intrastate wars in Africa have proven to be intractable and long lasting. Some have started as local conflicts, but spilled over into other countries, thereby creating *regional war-zones*. Some conflicts have turned into resource wars when rebels (and often soldiers) seek rents from diamonds, oil and drugs often mixing with expanding organised crime. Deep-rooted mistrust between countries often remains strong and negatively affects the potential to conflict management and resolution. The AU’s peace and security architecture, therefore, is “predicated explicitly on expectations of violence” and regional organisations in Africa can be categorised as “communities of insecurity” despite the many formal security agreements and mechanisms they have set up (Nathan, 2010 b: p. 107).

Most wars in Africa are fought on the peripheries of states by insurgents who may be weak in military capacity or factionalised, but are sufficiently mobile to survive (Straus, 2012). Mobile insurgent groups move back and forth across national borders, as has been the case with the Lord’s Resistance Army, or with global terrorist groups such as Al-Qaeda, the Islamic Maghreb and Al-Shabaab, who may link with separatist or other insurgency movements (Reitano and Shaw, 2014). Newer conflicts are also characterised by ever changing alliances of such violent non-state actors and by blurred lines between political violence and criminal activity (Cilliers and Schünemann, 2013). Insurgents and terrorist groups, such as those in the Sahel or in the Great Lakes Region, draw financing from illicit trade, exploitation of local resources or other criminal activity.

The wave of post-Cold War democratisation in sub-Sahara Africa – and more recently the pressures for democratisation in North Africa – has also resulted in contestations of the quality of multiparty democracy and electoral outcomes. Electoral violence, or *gunpowder politics,* flared up in Cote d'Ivoire, Kenya, Nigeria, Zimbabwe, Madagascar, and recently in Burkina Faso and Burundi. There has been an upsurge of mass revolts and state violence related to poor political governance during the Arab Spring.

Some have drawn the attention to the mobilising and connecting power that emerged from a shared history of liberation and decolonisation**.** Assertions of pan-African solidarity sometimes took the form of an *anti-imperialist front* against international pressures or interventions, such as the international sanctions against President Mugabe in 2003, or NATO' military intervention in Libya in 2011. While such factors influence perceptions, narratives and actions, their *weight* is not easy to assess. Nathan (2010) referred to the illustrative example of the Southern African Development Community. While the region stood strong in its opposition to apartheid destabilisation in the eighties, a lot of the political and ideological cohesion was lost in past-apartheid years in concrete cases of violent conflict. When war broke out in the Democratic Republic of Congo[27], one of the SADC members, a split emerged with one group of SADC countries (led by South Africa) prioritising diplomacy and pacific conflict resolution, while three other SADC members went to war.

By the late nineties, two regional hegemons – Nigeria and South Africa – started to champion the establishment of an effective pan-African institution to overtake the OAU and deal with peace and security on the continent (see also box 1). A decade earlier**,** a group of West African countries, led by Nigeria, had used the Economic Community of West African States to address violent conflicts in Sierra Leone, Liberia and Guinea-Bissau. At the level of the OAU, however, member states continued to block the OAU to engage in peace operations. Mass-killings in Burundi (1993, 1996), genocide in Rwanda (1994) and the reluctance or blockages within the UN system to engage in African conflicts resulted in further pressure on the African consensus position of *non-interference*. This hands-off position stemmed from a conception of *sovereignty* based on fear for "foreign domination, including that by sub-regional hegemons within the continent" (Williams, 2009: p. 606).

3.2. The institutions of the African Peace and Security Architecture

In 2000, the African Heads of State and Government endorsed the creation of the African Peace and Security Architecture (APSA), which meant both some continuity, but also a break with the past in terms of the right to intervene in member states in exceptional circumstances. Various legal documents, including the Constitutive Act (2000), spell out the vision and tasks related to prevention[28], management and resolution of conflicts in Africa. Continuity with the past was ensured as these legal documents committed the member countries to defend the principles of sovereignty, territorial integrity and independence of these members. The AU vision maintained the continent's strong anti-imperialist traditions with a preference for the non-use of force and peaceful solutions. The AU also committed itself to non-intervention in the affairs of member states. Yet two important exceptions marked the break with the past: first, the Constitutive Act legalised measures against "unconstitutional changes of government", and secondly it instituted the right to "intervene in a member state pursuant to a decision from the AU Assembly in respect of grave circumstances". The overall result was a crucial shift from non-intervention to non-indifference.

[27] This conflict became known as the *Great African War* as it involved eight countries on the continent (1998-2003)
[28] Conflict prevention, while part of the mandate of APSA, has not received much attention in the implementation of this mandate, although the creation of the African Governance Architecture (**) can be understood as an attempt to catch up on this preventive pillar.

A first important component of the new African peace architecture consisted of the enactment of a strong *Peace and Security Council*. The PSC was constituted to be the highest standing decision-making body on matters of peace and security in Africa. Its broad mandate provided it with a right to intervene in member countries that moved far beyond the OAU approach. The PSC is in principle able to authorise the entire spectrum of peace operations from small peacekeeping missions to large-scale military enforcement actions. Two distinctions merit attention in terms of approaches to peace operations in relation to *sovereignty* and the origin of the *decision-making power.* One approach relies on article 4 (h) of the Constitutive Act, which can be used in "grave circumstances" such as genocide, large-scale violations of human rights, etc. It mandates the PSC to formulate recommendations to the Assembly on *forceful intervention in a member state*. For such interventionist peace operations, the AU is enabled through the PSC to set aside state sovereignty (or territorial integrity for that matter) and apply the principle of "non-indifference". The second approach relies on article 4 (j).

In practice the AU has never intervened in a member state on the basis of article 4 (h). In the 15 years of existence of the AU, there have been serious conflicts that the International Criminal Court classified as war crimes, genocide or crimes against humanity. Still, the AU has never applied Article 4 (h); in other words, it has never relied on the use of coercive measures, even if that was the only option available. The AU has always deployed its peace operations on the basis of Article 4 (j), which confers on member states the right to ask for interventions from the AU to restore peace. According to Veber (2014) this points to the continued reluctance of the AU to deploy missions with a robust mandate without the consent of a perpetrating state (Veber, 2014).

Another innovation in the AU architecture for conflict management included mechanisms to respond to unconstitutional changes of government. The OAU's inaction about how African regimes assumed power was interrupted by a series of violent incidents such as the coups in Burundi in 1996 and in Sierra Leone a year later. The OAU condemned both events. But it was the Constitutive Act that introduced Articles 23 and 30, enabling the AU to apply a sanction mechanism. It is now more commonplace for the AU to openly criticise *authoritarian* governance structures by linking it to the outbreak of conflicts or crises (Williams, 2011). Sanctions can take the form of suspension of membership, targeted diplomatic and financial sanctions such as travel bans and arms embargos, and public condemnations. In practice, the PSC usually seeks the support of other actors such as the RECs or external organisations such as the UN and the EU.

The PSC, as the main APSA pillar, takes strategic and operational decisions about where, when and how to manage conflicts. The Assembly elects the fifteen members on a basis of equitable regional representation and rotation, with the five regions presenting candidates for election. 47 member countries have signed and ratified the protocol that establishes the modalities for electing members. But in practice, some of the requirements for membership have been *discounted*, which can affect the PSC effectiveness (Dersso, 2014). Until March 2015, 37 member countries had served in the PSC. Decisions are generally taken by consensus. Where consensus is not possible, procedural matters require a simple majority and substantive matters two-thirds majority. The PSC has to operate on the principle of "collaborative security", which calls on the PSC to work in collaboration with African regional bodies and with global actors, notably the UN. The PSC operates at summit, ministerial and ambassadorial levels. It organises four different, loosely structured types of meetings, i.e. formal meetings, briefing sessions, consultations and informal discussions. The latter are used more regularly to hold informal discussions with non-state actors, including specialised think tanks (interview CSO, February 2015; ISS, 2014).

Box 4: Gender in peace and security

The AUC has injected some gender sensitivity in the AU work on peace and security through the African Peace and Security Architecture. The AUC Chairperson created the function of a *Special Envoy on Gender for Peace and Security*. A senior advisor of the AUC Chairperson also pointed out that the PSC consists of mainly male ambassadors. They proposed a male chairperson for the *Panel of the Wise*, the key mediation body of APSA. The panel itself voted female, and for the first time elected a woman, former Mozambican Minister of Finance, Louise Diogo, to head this important body. Participation of women in peace negotiations and peacekeeping has been debated in the AU and pushed up on the agenda. "If you don't have women around the table, the issues raised are not the same and you'll miss out on broader issues of relevance for the prospects of peace" (interview AUC, Addis, February 2015). In other instances, for example, the re-advertisement for the African Mission in Somalia resulted in the selection of more women for positions as human rights officers. More gender-sensitive training is being provided to officers in peace operations than in the past.

Subsidiarity is another important guiding – but hard to interpret and implement – PSC principle in governing its relations with the UN and with RECs. In terms of the relations with the UN, the subsidiarity principle is widely understood and accepted. The UN Security Council leads on wider international security issues. At the level of decision and implementation between the AU and RECs, both signed a Memorandum of Understanding in order to institutionalise regular consultations with respect to division of roles. This memorandum bases cooperation on the principles of subsidiarity, complementarity and comparative advantage. Yet, this is not understood in the same way within the AU as in the RECs. Interpretations and translation of such principles in concrete actions and division of labour has proven to be daunting. The Peace and Security Council Protocol does not explicitly refer to "subsidiarity" in its relations with the RECs, but notes that the PSC should 'work closely with Regional Mechanisms' and that the 'modalities of such partnership shall be determined by the comparative advantage of each and by the prevailing circumstances' (Article 16.1b, PSC Protocol). In practice, the RECs often initiate actions and lead in a particular context, until the AU is needed, is being called upon or takes over (Interview Addis Ababa, December 2014). Subsidiarity arrangements are more important for when related to the key question about who takes the lead for peace operations. Mali has been a typical case with conflicting interpretations of the subsidiarity principle as regards peace operation planning at the levels of UN, AU and ECOWAS (Veber, 2014; Dersso, 2014).[29]

The PSC consumes a considerable amount of financial resources and time of permanent representatives, of the AUC, and of the AU Assembly where "the bulk of time is dedicated to peace and security issues" (Interview Addis Ababa, December 2014). Peace and security also take the largest part of the budget. According to the World Bank, 60% of the AUC's subject matter experts are allocated to peace and security work (World Bank, 2014). The PSC established a separate *Africa Peace Fund* to provide financial resources for peace support operations. This fund is resourced through the regular AU budget, voluntary contributions from member states, and international partners. AU partners and member states contribute directly to particular peace operations through separate mechanisms, and also in kind, depending on the type of peace operation.

APSA also consists of a fairly elaborate set of interrelated institutions and organisations that are key for the implementation of agreed agendas**.** It consists of an analysis centre (the *Continental Early Warning System*), a military element (the *African Standby Forc*e and the *Military Staff Committee*), an external mediation and advisory body (the *Panel of the Wise*) and a special fund to cover the costs (the *Peace Fund*). The APSA structure and hierarchical relations are illustrated in figure 2. Not all of the APSA components are up and running. The history and evolution of the African Standby Fore (ASF) is telling for APSA in two ways. It informs

[29] See also PERIA, ECOWAS report.

about the rapidly evolving context in which APSA operates. Secondly, it also helps appreciate the adaptive character of some of the APSA structures (see box 5).

Box 5: The African Standby Force and the capacity to adapt

The ASF has been established in 2003 through the "Policy Framework for the Establishment of the African Standby Force and the Military Staff Committee". It would consist of five regional standby capabilities of 5,000 personnel each, which would be on standby in their regions and be made available to the AU for deployment when the Peace and Security Council provided a mandate thereto. In addition, a more rapid deployment force of 2,500 personnel per region was also envisaged. Three RECs and two Regional Mechanisms were entrusted with the development of the standby capabilities.[30] Twelve years later, the AU has deployed operations in 11 African countries, along basically four different scenarios, most of which differ from the original concept as set out in the policy framework. The deployments in Mali and CAR largely followed the original ASF model, with RECs/Regional Mechanism largely responsible for generating capabilities required, and the AU sharing deployment and management responsibilities – and eventually taking over leadership. Darfur and Somalia followed the UN approach to peacekeeping, with the AU giving the mandate and the AUC approaching member states to contribute troops as required. Operations in Burundi (2003) and the Comoros (2008), as well as the first deployments undertaken by ECOWAS in Liberia and Sierra Leone largely followed the lead nation model, with countries with a strong interest providing the framework role for the operations. Finally, there is the model whereby the AU authorises coalitions of countries affected by a conflict with regional dimensions to take collective action, as has been the case of the Lord's Resistance Army (see box 6) and Boko Haram.

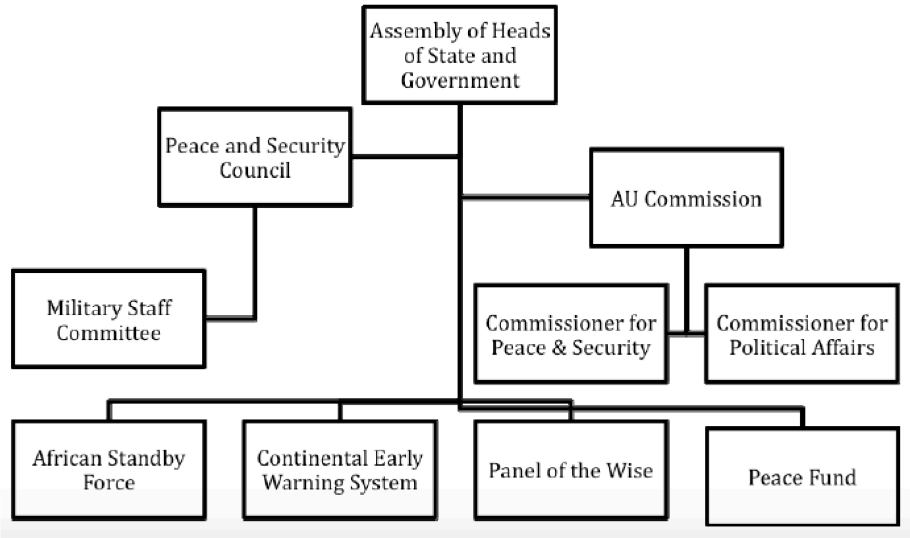
Even though the development of the ASF in the five regions has been uneven, it has been argued that the AU has demonstrated a capacity to adapt to current African realities by working with regions and member states in ways as the available resources allow for and the political context requires. The AU's inability to rapidly deploy boots on the ground in two current crises – Mali and the Central African Republic – and the subsequent military interventions by France, have given ammunition to those who pleaded for an *African Capacity for Immediate Response to Crises Initiative (ACIRC)*. Such an initiative would provide the PSC with the authority to take the deployment decision and form a suitable *coalition of the willing*, with pledges for troops of volunteer countries. South Africa and fourteen other countries are in support, but Nigeria is against ACIRC. Still, the ASF as integral part of APSA has provided a framework for bringing together the AUC, RECs and Regional Mechanisms, member states, training centres and other partners, including donors. They have collaborated in developing capabilities in developing peace operations, and in coupling those efforts with bilateral training programmes in peacekeeping as offered by France (Reinforcement of African Capacity to Maintain Peace), US (African Contingency Training and Assistance) or the UK (British Peace Support Team) (Lotze, 2015).

This section has dealt with the institutions of APSA. In order to see the actors and factors at work that shape the agenda and implementation, the next sub-sections present the ways in which the main stakeholders interact. The case of the Lord's Resistance Army, than, will contextualise institutions and stakeholders in the dynamic setting of the highly volatile regional context of central Africa.

30 The RECs include the Economic Community of Central African States, ECOWAS and SADC; the Regional Mechanisms include are the Eastern African Standby Force and the North African Regional Capability.

Figure 2: Main institutions of the African Peace and Security Architecture

(in: Williams, 2011)



3.3. Actors and decision-making dynamics

As the Peace and Security Council is the main APSA decision-making organ, this sub-section looks primarily at the political economy within this institution**.** The bulk of the PSC deliberations and measures involve peace operations and sanctions, the latter primarily with respect to unconstitutional changes of government. Within the PSC, the fifteen rotating PSC members[31] are the key players, together with the AUC. This is a first dynamic to consider. PSC members debate and deliberate with one another and with the officers and experts of the AUC (especially the Department for Peace and Security), and decide on the most urgent and delicate matters of state and human security, and on core political institutions such constitutional transfer of power. The debates in the closed sessions are secret, and thus far have not been recorded verbatim, with inevitable loss of institutional memory. Decisions are largely taken by consensus, with PSC members acting according to their national interests and the influence or power they hold in particular regions.

Not all members have a similar interest in particular conflicts or exercise the same power, but generally speaking the rotating members tend to be more active on conflicts in their region. Each of the five regions has a fixed quorum of members in the PSC.[32] ECOWAS members were more active on the conflict in Mali with SADC members being more involved in the conflicts in the eastern DRC and in Madagascar. The AUC supports the decision making process of the PSC and provides the expertise. It monitors implementation, reports on progress, and holds the pen in drafting communiqués, thereby shaping the perspectives of PSC members, while the decision-making remains with the PSC members (Engel and Porto, 2014; Williams 2014 b). PSC members have called for a *Committee of Experts* of and by the members, as in their opinion this would be better suited to properly reflect the diversity of views of member states expressed during meetings.

[31] At the inception phase of the PSC, powerful AU members such as South Africa, Nigeria, Algeria, Egypt and Libya tried to design the PSC in such a way that the council would consist of seventeen states, ten of which would be permanent members, with some even holding veto rights. This was rejected, as it would confer too much power on a smaller group of bigger countries.

[32] Three from Central Africa, three from East Africa, two from North Africa, three from Southern Africa, and four from West Africa.

A second level of stakeholders influencing decision processes involve lead neighbouring countries (either as member of the PSC or through their influence on PSC members) and the regional mechanisms for dealing with conflicts of the different RECs. RECs have been pioneers in the area of peace and security[33] and may be the first to act in a particular conflict or political crisis. These regional mechanisms are also important for the implementation. In 2013 the PSC, for example, took sanctions after the Séléka rebels had taken over the capital of the Central African Republic and ousted its President. The member states of the Economic Community of Central African States (ECCAS), however, were reluctant to isolate the rebels or to apply the sanctions.[34] The presence of hegemons – South Africa in SADC, Nigeria in ECOWAS – has been instrumental for the implementation of peace and security agendas at the REC level. The absence of a hegemon in Central Africa has undermined common dynamics for peace and security in that region. But the roles of such hegemons may also be cause for mistrust and tensions, which could hamper APSA (Sheriff, 2013; ISS, 2010).

Disagreements between RECs and the PSC have emerged, such as in the case of Boko Haram in Nigeria[35], or on unconstitutional change in government in Burkina Faso. In the latter case the PSC publicly threatened to sanction the Burkinabe President. The next day, ECOWAS made a public statement saying it was not yet time for sanctions (interview, December 2015; more details also in the PERIA Regional Study on ECOWAS). In the case of the Mali crisis, ECOWAS wanted to lead, but the main countries involved could only be brought together at the level of the AU. In the case of the IGAD involvement in South Sudan, both the REC and the AU have found a pragmatic approach to divide tasks (more details, see PERIA Regional Study on IGAD).

There are many cases that illustrate unresolved inconsistencies or slow decision-making at the level of the PSC in interpreting the principle of non-indifference. Two recent cases on the extreme opposite sides of the *size and power spectrum* - Egypt and Burundi – are illustrative of the actors at play. The PSC sanctioned Egypt in July 2013 in response to the military overthrow of a democratically elected president, a clear violation of the AU norm of constitutional change of government. This was a first ever decision that the PSC took against one of Africa's big five contributors to the AU budget (Dersso, 2014). Reportedly, at least two PSC members – Djibouti and Uganda – expressed reservations about this decision (idem). Apparently, the fact that the military was involved strengthened the resolve, as the fear may have been that if left unattended, such military putsch (with some form of backing from the *will of the people*) may encourage others to follow suit. South Africa took the lead in support of sanctions against Egypt (Fabricius, 2015). In the case of Burundi on the other hand, there were calls on the AU to sanction President Nkurunziza, when he presented himself for a third time to the electorate, which was in violation of the constitutional end of term conditions. While Burundi is one of the smaller countries in Africa, but it is important for APSA as it is also an important troop-contributing country to the AU mission in Somalia. Moreover, at the time of the controversy in 2015, a member of the PSC. Initially, the PSC only slightly reprimanded Burundi, despite the internal unrest and heavy international pressures from EU and US. More recently, the AU has taken some more distance.

A third level involves the external players such as the UN, which plays a powerful and recognised role in PSC responses to peace and security challenges in Africa, and became involved in all major crises on the continent. Other important external actors are the EU, the US, the UK and France (see subsections 3.4 and 3.5).

In its overview for 2013, the Institute for Security Studies concludes that there is a division of labour in the making between various actors in terms of peace and security (Dersso, 2014). The AU level (with the PSC) is

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33 ECOWAS on peacekeeping, IGAD on early warning related to pastoralist conflict and SADC on mediation.
34 Other examples include those dealt with in the PERIA regional studies on IGAD and ECOWAS.
35 See also PERIA, ECOWAS regional study.

increasingly recognised for its "capacity to conceptualise, plan and deploy conflict management tools" and for sanctioning unconstitutional changes of government (idem p. 43). The regional lead countries and RECs use their political and socio-economic leverage to initiate or lead on first instance responses. The UN Security Council is recognised for its role in providing global legitimacy in underwriting regional initiatives and in providing technical expertise and operational support (see further). Yet, many multidimensional violent conflicts that spread over multiple countries and are fought by non-state actors don't fit neatly in the institutional peace and security architecture, with a lack of coordinated action among different levels of actors or stakeholders. This has resulted in a call to shift the traditional focus on regional/REC units to more functional networks and coalitions (Williams, 2014).

Box 6: The Lord's Resistance Army – a reality check[36]

The case of the Lord's Resistance Army underscores the highly volatile context of violent conflicts in Africa within which the AU peace architecture evolves and key actors operate. This case offers a reality check because of the contingent nature of region specific conflicts. The LRA conflict is deeply rooted in the colonial and post-colonial era, with post-independence marginalisation of ethnic groups in northern Uganda. These historical factors gave rise to an increasingly violent rebellion in the late eighties, which became more fluid because of unsuccessful (and some have argued *half-hearted*) attempts by the Ugandan government at crushing it and making peace. Uganda also engaged with the Democratic Republic of Congo (DRC) and Sudan, involving troops of these countries with technical support from the US. This unsuccessful campaign dispersed the rebellion into three neighbouring countries. Other attempts involved Uganda signing formal agreements with the DRC and the Central African Republic (CAR) for its troops to operate in these countries. Yet the operations of the Ugandan army in its neighbours brought to the surface the mistrust in Ugandan motives and *modus operandi*. The full case (Annex 3 and background paper) spells out in more detail some of the political economy factors behind the conflict dynamics in the affected countries, and the resulting profound mistrust among the countries in the region: Uganda, the DRC, the CAR, Sudan and southern Sudan. In southern Sudan, secessionist rebels, with support from Uganda, managed to obtain independence from Sudan, and created South Sudan in 2011. The regional context was further complicated by eruptions of violent conflicts in the CAR in December 2012, and in independent South Sudan among former rebel factions in the coalition government a year later.

As there was no regional organisation in the central Africa region with sufficient legitimacy and geographic regional coverage to effectively engage with all countries involved in this regionalised conflict, a solution was sought at the level of the African Union. In November 2011, the Peace and Security Council declared the LRA a terrorist group and *authorised* the establishment of a collective regional framework for cooperation on military and non-military missions. This regional framework – the *Regional Cooperation Initiative for the Elimination of the LRA* - takes into account some of the financial and political constraints of organising peace operations in central Africa. It consisted of three components, one of which is a *Joint Coordination Mechanism* (chaired by the AU Commissioner for Peace and Security) and another one is the operational *Regional Task Force.* This task force is composed of the four participating countries (Uganda, the DRC, the CAR and South Sudan), which contribute troops that operate under the command of their own countries. Yet, implementation proved to be extremely difficult for a number of reasons. First, there was no powerful country in the region pushing for a solution. Secondly, a peace operation needed to be organised within the deteriorating context of the general peace and security situation in central Africa. Thirdly, the deep-rooted mistrust of countries affected by the LRA conflict was a major hurdle to overcome. And fourthly, while there was external support (for example the push from the US, substantial logistical en operation backup) the funding base remained small as the authorisation of a peace operation does not imply AU funding, as is the case with a *mandated* mission. These elements altered the incentive environment in which the main troop contributing countries shifted their priorities away from the Joint Task Force against the LRA, in function of other rent opportunities (for example by contributing troops to mandated peace operations) or in terms of re-orienting

[36] For the full case, see annex 3 and background note.

troops in function of internal insecurity and conflict (the CAR and South Sudan). Despite such difficulties, the AU managed to secure support from the UN, the EU and the US, and to adopt a pragmatic approach to the constraints and opportunities of the conflict context. This approach of authorising coalitions of the willing has also been discussed as a possible response to the Boko Haram insurgency in Nigeria.

3.4. External actors, the AU and APSA

As the LRA example clearly demonstrated, the AU can lead on peace and security in Africa, but cannot deal with the challenges on its own. The international community has both supported the AU in its peace and security mission, and has sought to influence and shape peace operations and sanctions policy. The emphasis in this section is on the support efforts to APSA – mainly through the UN, but also through bilateral and multilateral cooperation, as it highlights a core characteristic of working through the AU on peace and security, i.e. the variety of frameworks for collaboration. Outside the UN-led peace operations, there are also AU-led missions (Burundi, Darfur, Somalia, the Comoros, Mali and CAR), missions led by the RECs (CAR, Guinea Bissau) and coalitions of the willing, such as those against the LRA.

3.4.1. Partnership peacekeeping and external funding

APSA was created at a time the continent faced protracted crises and new emergencies, with often half a dozen operational theatres at the same time (Williams, 2014). On the one hand, peace and security is at the core of sovereignty of states and at the centre of regime survival. Therefore, the sensitivities about foreign interference in such a sensitive domain are higher than in other partnerships with external actors. On the other hand, there is also recognition of the need for *partnership peacekeeping*, i.e. operations in which two or more international institutions collaborate (idem). In that sense, the AU with APSA has succeeded in strengthening the multi-dimensional cooperation with a range of non-African partners (UN, the EU, a number of bilateral countries,) as well as in working with non-state actors that are specialised in addressing peace and security challenges.

African states, by and large, provide the military personnel, with external partners providing significant forms of assistance in terms of funding, training, logistics and planning. The figure of African peacekeepers has drastically gone up from less than 20,000 (in AU and UN missions) in 2003, to nearly 60,000[37] a decade later. In terms of AU funding, there is a system on paper that does not work in practice. Consequently, the AU has to continuously look for sufficient, predictable and flexible funding elsewhere. This raised concerns about the "extent to which African governments genuinely 'own' the APSA institutions and what level of architecture would be sustainable if the preferences of some key external donors were to change and their levels of financing reduced" (Williams, 2014: p. 157).

This lack of African sources of predictable, flexible and sustainable funding has hampered the AU in four ways. First, it has prevented the AU to field or fund peace missions. Secondly, as a result of lack of indigenous sources of funding "African calls for local ownership and leadership are dramatically undermined" (Williams, 2015: p. 9). Thirdly, donor dependency – as articulated through donor driven aid conditionality in policy and political dialogues with AU partners and member states – is also cause for concern with African stakeholders who question the PSC members' motives for making choices about peace operations or sanctions against member states. This may harm the credibility of the APSA institutions. Finally, the lack of predictable funding obstructs efforts to strengthen AU institutions. A related problem of such dependency may be the incentive for the UN and other partners to substitute missing capacity within APSA rather than enable APSA to develop its

[37] Only eleven African countries provide the bulk of the peacekeepers: Burundi, Egypt, Ethiopia, Ghana, Kenya, Nigeria, Rwanda, Senegal South Africa, Tanzania and Uganda.

own capacity. In combination with the high turn over of personnel (see also section 2) lack of predictable finance renders efforts to develop institutional memory and the capacity for learning within APSA very difficult.

3.4.2. The partnership between the AU, the EU and others

Paradoxically, Western budgetary constraints have also contributed to the support of an African peace and security architecture. As Gowan (2011) pointed out, AU operations "are very cheap compared to Western interventions". More recently, China[38] has jointed the club of mainly Western donors that provide support to APSA. External assistance did contribute significantly to increasing the AU capacity to deploy troops. The EU, the US, France, the UK and other donors financed various ad hoc bilateral and multilateral assistance packages. Most of these resources were linked to specific missions or to longer-standing *train and equip* programmes (mainly by France, US and UK). More generally, the majority of costs for peace operations has been picked up by donors. The contributions of these donors are multidimensional, as it also involves relationships with UN, AU, RECs and at AU member states level. The US is the single largest bilateral donor of UN and African peace operations in Africa (Williams 2015), but the EU is the most comprehensive and structural partner of the AU in terms of its peace and security architecture.

From the early days of the AU, the European Union has substantially invested in the AU's peace and security architecture. The EU created the *African Peace Facility* in 2004 to support APSA to address jointly defined peace and security priorities. EU support to APSA became the most important component of its *Joint Africa EU Strategy* (JAES) when that was established in 2007. Over a decade this multi-faceted strategy and partnership has been supported EU funding of up to €1.3 billion, money that was earmarked for specific peace operations and for capacity and institutional development (Rein, 2015). The EU also launched a *Joint Financing Arrangement* in order to support the employment of AUC personnel working in the Peace and Security Department. In three years time, the EU contributed €10 million for the personnel of this department. A study undertaken on behalf of the European Parliament on the implementation of the JAES found that the quality of the dialogue has "increasingly progressed" at senior and at technical levels between the EU Delegation to the AU and AU structures such as the Peace and Security Department of the AUC. There was, however, a lack of effective communication between technical and decision-making bodies (Helly et al., 2014).

One important aspect in the EU-AU relations on peace and security is linked to the EU relations with the UN. The EU is observer with privileged rights within the UN, two EU member states are permanent members of the UN Security Council, and it is the world's largest donor for development aid as well as the main provide for funding of the UN system. Hence, the "UN is without doubt an inseparable part of this partnership and it is therefore, more appropriate to speak of the AU-EU-UN nexus" (Rein, 2015: p. 195).

3.4.3. The partnership between the UN and the AU

The creation of the AU and APSA initiated more intense forms of cooperation with the UN, but was also the source of tensions between AU and UN. The Constitutive Act recognises that the primary responsibility for the maintenance of international peace rests with the UN Security Council. The relationship between PSC and the UN Security Council has matured through working together on a number of big and smaller peace operations on the ground. Invariably, such cooperation has proven to be demanding, as there have been "legitimacy struggles" between AU and UN, as well as conflicts due to differing organisational cultures. The AU still has "limited bureaucratic, logistical and financial capabilities" that contrast with the UN capabilities and resources (Williams, 2014 a: p. 257). Some open conflicts emerged around the strategic course of action in conflicts such as Libya in 2011, the CAR and Mali in 2013 (interview, Addis Ababa, December 2014).

[38] In September 2015, China announced a US$ 1 billion contribution to the UN and a US$100 million contribution to the AU for the purpose of peace operations.

The AU and the UN have been exposed to operationally collaborate – and find solutions – in Africa's volatile conflict and war zones. This has, among other things, resulted in hybrid (for example the UN expands and absorbs a mission initially led by the AU) and sequenced operations (whereby an AU led mission transitions into a UN mission). Such collaborations have also resulted in new joint systems and structures to improve on cooperation. Examples include the yearly meetings (since 2007) between the members of the UN Security Council and AU Peace and Security Council, the establishment of a UN Office to the African Union in Addis Ababa in 2010, and the decision to organise *collaborative field missions*. The UN set up a ten-year capacity development programme in support of APSA, with capacity support and financial contributions by the EU and other donors.

3.5. Conclusions: main findings

Since its inception the African Union has dealt with an increased caseload of peace and security challenges in Africa. In fact, peace and security has become the most demanding component of the AU workload, and through the African Peace and Security Architecture, the best-resourced AU component. At the centre of APSA, the newly established *Peace and Security Council* (2004) took a growing number of decisions on peace operations and on sanctions in response to often intricate, volatile and fluid wars and conflicts, or to political unrest related to unconstitutional transfers of power.

The combined push from Nigeria and South Africa behind the transformation of the Organisation of African Unity to the AU, was strongly motivated by the drive to find African solutions to peace and security challenges (see also section 2). This episode coincided with an increased unwillingness of European and other partners to help solve African conflicts with boots on the ground. It was also predicated on expectations of violent conflicts, many of which a) were a threat to regional stability, b) proved to be unsolvable at bilateral or sub-regional levels, and c) threatened the AU's broader developmental ambitions. In order to address these challenges, deeply rooted mistrust among member countries and the related strict adherence to the principles of non-interference and of sovereignty (which often provided also a protective blanket to member states for abuses of human rights and violent conflicts on their territories) had to be overcome.

Africa's Heads of State and Government established APSA and the PSC in such ways as to respond to this call for action and to the concerns about infringements of sovereignty. It balanced these concerns in the following way:

- The assembly shifted the AU mandate of *non-interference* to *non-indifference* (with a far-reaching Article 4 (h), the "right to intervene"). While the AU has never invoked the robust mandate of Article 4 (h) to deploy missions without the consent of a perpetrating state (Veber, 2014), through APSA it has found and used other ways to engage in peace operations and sanctions on the continent.

- It also created a range of institutional checks and balances, with rotating membership, with a balanced regional representation and the incentive mechanisms to promote consensus among the fifteen members.

- It established institutions such as the Panel of the Wise, the Early Warning System, the African Standby Force, the Peace Fund, some of which still need to develop further.

- To implement decisions on conflict prevention, management and resolution on the ground.

This section does not focus on *within-country* political economy drivers behind AU decisions and measures on peace and security,[39] but rather on the interactions between institutions and key stakeholders at different levels. The political economy of these interactions within a specific regional context informs the choice of peace operations and sanctions:

- The agenda is set and decisions made primarily through the interactions between the rotating fifteen PSC members, with their country interests, values, preferences and power[40], but also the interests of the conflict affected regions.

- The African Union Commission is another important player administering the affairs of the AU, and it can influence directly the process of agenda-setting and monitoring.

- RECs are not directly involved in the PSC, but indirectly play important roles. Sometimes, RECs are the first to initiate actions in conflict matters that concern the region. At other times, the PSC may call upon RECs to implement PSC decisions for which these RECs may have been insufficiently consulted, as was the case with the sanctions imposed by the AU against the CAR (see also section 2).

External actors are another important category of stakeholders who influence the PSC agenda setting in indirect, yet important, ways**.** Despite attempts at generating African financial resources for peace operations and related programmes, donors remain the prime source of funding – with African member states providing the bulk of the boots on the ground. In other words, peace operations and programmes for which there is no foreign funding, cannot be implemented. As the case study of the Lord's Resistance Army (annex 3) further illustrates, APSA has found ways to adapt to such situations, and use some of its institutional assets, such as its legitimising and mobilising power, to authorise and support *coalitions of the willing*, or member states that seek to pool resources (troops) for peace operations. The US also had prioritised the fight against the LRA because of its longstanding military support to Uganda, its fight against global terrorism, and an effective sensitisation campaign in the US by CSOs on the humanitarian crisis as a result of the LRA rebellion. These financial and other dependencies on foreign donors may hamper the institutional strengthening and the credibility of PSC members, as donors may be perceived to influence the choice of sanctions and peace operations through earmarking aid and or the type of conditionalities.

The UN has become a core partner of the AU and APSA, despite some of the "legitimacy struggles" to which their partnership has given rise**.** The UN has taken on specific roles, especially with respect to decisions that require political and financial support of a global nature for their effective implementation. AU-UN cooperation also takes a strong operational component, as the UN is currently involved in nine peacekeeping operations in Africa, and has been involved in many of the fifty new peace operations across Africa since 2000. Its cooperation with the AU still expands and diversifies. In that respect, the UN has had a marked influence on the AU agenda setting and implementation.

[39] See also regional PERIA studies on ECOWAS and IGAD.
[40] Often expressed in subliminal ways that are hard to interpret, as in the case of Burundi and the speculations about the bargaining power it holds as a troop contributing country to the AU peace operations.

4. Infrastructure development and the AU: adding value through prioritisation?

"Nowhere is lack of infrastructure more crucial and potentially transformational than in sub-Saharan Africa" (Gutman et al. 2015: p. 1). There is a strong need to develop transnational infrastructure in Africa, in fact a stronger need than in other regions in the world. Trends in global trade and changing development financing and investments have further reinforced the demand for infrastructure development. Three years ago, the political leaders of the African Union rallied behind the Programme for Infrastructure Development in Africa, or PIDA.[41] There had been previous attempts at a pan-African level to stimulate transnational infrastructure development. Yet PIDA is the first large-scale infrastructure prioritisation initiative of the African Union that incorporates other continental infrastructure development initiatives and coordinates with other regional infrastructure development initiatives. It did so by creating a consensus through the AU Summit on prioritising a selection of 51 infrastructure projects[42] with a combined investment need of US$68 billion and to be finalised by 2020.

In a short period of time PIDA has become one of the most visible flagship programmes of the AU. What contributed to this policy choice, and what shapes the implementation of this programme? This section addresses these questions, with in section 4.1 a contextualisation and a summary of structural factors influencing infrastructure development in Africa. Section 4.2 presents the institutions of PIDA, and section 4.3 introduces some of the private sector actors with potentially important roles in this continental programme. Section 4.5 deals with specific characteristics of regional infrastructure development that affect funding and implementation of the projects under discussion. Section 4.6 summarises some early considerations on the implementation process.

4.1. Structural factors and context of PIDA

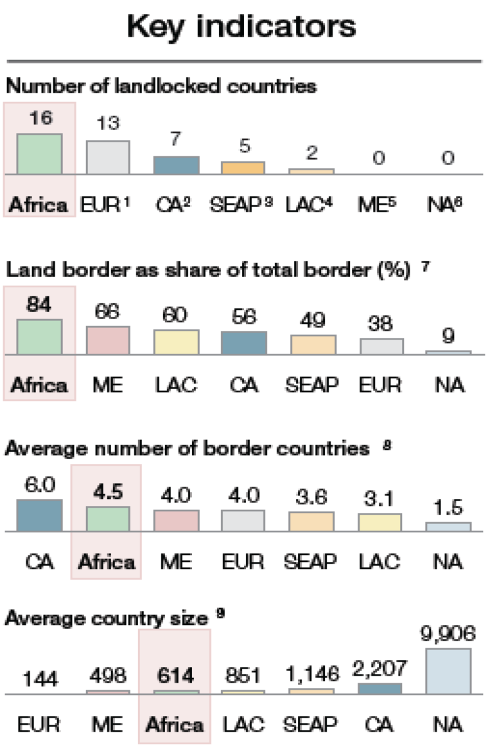
Africa faces a number of structural, geographical and economic realities influencing the nature of development challenges facing transnational infrastructures. Five indicators can illustrate these challenges. Compared with the other world regions, Africa ranks first in the number of landlocked countries, which usually points to a greater need for transport infrastructure to gateway ports when landlocked countries want to link with world markets. It also ranks first in the proportion of land border versus the border's total length, suggesting a higher need for cross-border linkages. Africa ranks second in terms of average number of borders (4.5) it shares with other countries. The higher the number, the higher the need for more transnational infrastructure. With an average of about 614,000 square kilometres (and 20 million people) it ranks third in terms of average country size. Usually a smaller size increases the desirability of cross border networks for the purpose of greater efficiency. While these indicators suggest a stronger need for transnational infrastructure development in Africa, Africa scores worse than the other world regions. Levels of intraregional trade in Africa are very low (a fifth indicator, see Figure 2), which is both cause and effect of the missing transport linkages (WEF, 2014). United Nations Economic Commission for Africa (UNECA)'s *Trade Similarity Index* highlights the lasting effects of these features in the trade statistics, which point to a dismal 12% of total intra-Africa trade (UNECA,

[41] Infrastructure development can be defined as the development of assets in the transport, water and sanitation, power and telecommunications sectors. It also includes social infrastructure, but this case study only deals with the first set of infrastructures.

[42] The terminology of 'projects' and 'programmes' can sometimes be misleading. One can consider PIDA to be a transnational 'portfolio' consisting of 51 'programmes' that can be subdivided in 'sub programmes' (in the case of the *Central Corridor* for example in rail networks, road network and port upgrade), and finally in projects and subprojects (WEF, 2014). In total the PIDA portfolio consists of 433 projects and sub-projects. As most AU documents generally refer to the 51 PIDA projects, this section will do the same.

2013b), suggesting that given geographic proximity, cultural affinity and the size of some economies “Africa is undertrading with itself” (DfID, 2014).

Figure 3: Key indicators for the necessity of transnational infrastructure



Source: World Economic Forum, 2014, p 15

Africa’s existing infrastructure stock has been profoundly shaped by the political economy of colonial exploitation. This is clearly visible in the transport infrastructure, which are largely structured around patterns of mineral resource extraction by former colonial powers. Ports, railway lines, and transport corridors have been primarily oriented for export to other continents rather than for intra-African trade. Not surprisingly, the initial period of post-colonial development assistance by these same former colonisers and the newly created *Bank for International Reconstruction and Development* was heavily oriented towards infrastructure development. Yet in the eighties, under the combined pressures of the African debt crisis, Structural Adjustment Programmes and the changing views on the role of the state in development, financial and technical support for infrastructures in Africa waned.

4.2. Institutional and organisational features

PIDA has a history of less successful predecessors in pan-African infrastructural or economic development programmes. Before embarking on PIDA, pan-African organisations and political leaders had already undertaken efforts to attract financing for infrastructure development. The Senegalese President Wade launched an infrastructure development programme for Africa that coincided with the new millennium, the *Omega Plan for Africa*. With this plan, the President sought to attract finance for priority regional infrastructure programmes from multilateral and bilateral sources. Simultaneously, Algeria, Nigeria and South Africa were pushing the *Millennium Partnership for the Revival of Africa,* which took its inspiration from the UN Millennium

Declaration. The UN Economic Commission for Africa had embarked on a *Pact for Africa's Recovery.* The then Organisation for African Unity merged the three separate plans, adopted the *New Partnership for Africa's Development (NEPAD),* and entrusted NEPAD with a mandate that included promoting sustainable growth, integration in the global economy and good governance.

In the new millennium, there has been a proliferation of continental frameworks and programmes to promote infrastructure development.[43] NEPAD, donors, multilateral and regional development banks, all engaged in efforts at prioritising transnational infrastructure projects in Africa. Yet they did it in fragmented, hence ineffective, ways. These frameworks were often referred to as wish lists that lacked any strategic planning and institutional coordination (interviews Annual Meeting ICA, November 2014). In the immediate run up to PIDA, the AUC Department of Infrastructure and Energy assessed these regional and pan-African initiatives and listed their shortcomings. These included: (i) the "absence of strategic frameworks and policies for infrastructure development", (ii) the "lack of enforcement mechanisms for agreed upon actions and decisions", (iii) the "lack of instruments that formalise relations between AUC and RECs and poor communication between AUC, RECs, and other institutions involved in infrastructure development", (vi) the "weaknesses of resource mobilisation and technical cooperation for infrastructure development" (AUC Department of Infrastructure and Energy, 2011).

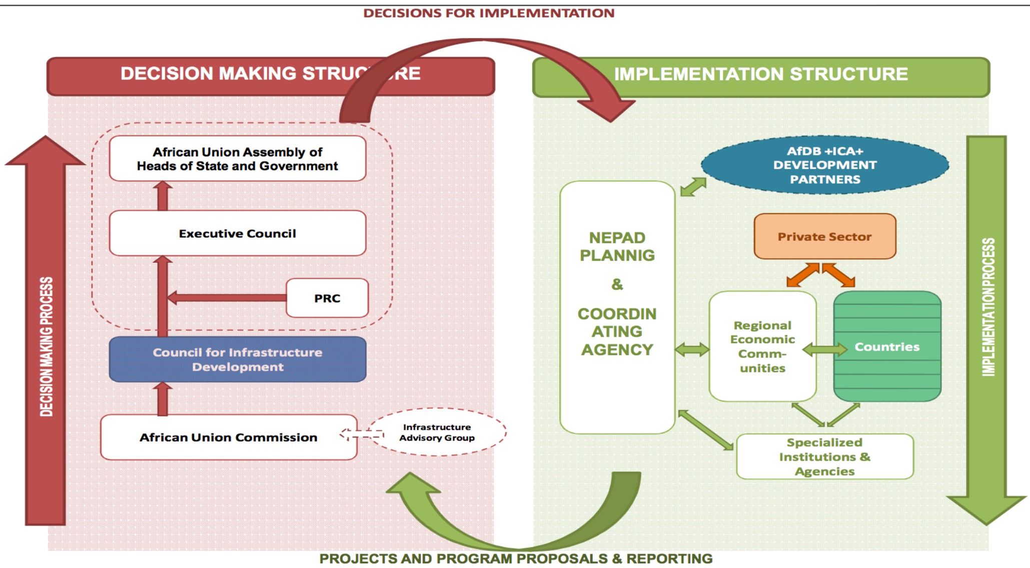
Promoters of PIDA committed not to repeat these errors of the past, and for "PIDA to be different from previous regional infrastructure integration initiatives because it is designed to bring about effective investments" (UNECA, 2012 p. 1). The African drivers behind PIDA included the AUC, the NEPAD Agency, and the African Development Bank with research backing from the UN Economic Commission for Africa. The design of the PIDA process was intended to help "avoid previous traps associated with regional infrastructure development, whereby projects ended incomplete or without adequate allocation of responsibility for further work and maintenance" (UNECA, 2012 p. 9). Through PIDA these three major regional players, sought to integrate the different continental initiatives under one umbrella in order to tackle problems of unclear responsibilities, poor coordination and recurring duplication.

The governance framework of PIDA to address these problems took the form of the *Institutional Architecture for Infrastructure Development in Africa*, IAIDA. The architecture consists of structures for decision-making and implementation (see figure 5). The African Development Bank, which dominated the development of the PIDA process had to slowly hand over the governance of the programme to the NEPAD Agency and the AUC in order to avoid conflicts of interest. The NEPAD Agency forms the backbone of the entire institutional architecture as it interconnects between the decision making phase and the implementation phase. Together with the AUC it is responsible for setting the strategy, monitoring and advocacy of the implementation process. As it is envisaged that the current priorities of the PAP will be updated, the AUC will act as gatekeeper, supported by the *Infrastructure Advisory Committee*, which consists of a panel of experts from the RECs, development banks and private sector officials. Final approval lies with the AU Assembly of Heads of State and Government. A newly created *Council for Infrastructure Development* acts as the behind the scenes decision making body that is composed of all senior executives of different institutions working on African infrastructure, the chairperson of the AUC and the bureau of four special technical committees on infrastructure. At the level of the PAP projects separate sector arrangements will guide the RECs in monitoring implementation progress. RECs, furthermore, received the key responsibility of "assuring the harmonisation and implementation of 'soft' policy measures across countries". (UNECA, 2012 p. 8) IAIDA recognises that RECs are not structured as implementing agencies, therefore "it is countries that will drive and own projects".

43 There are more than 20 such initiatives including the AU Infrastructure Master Plan (2002), the NEPAD-OECD Africa Investment Initiative (2003), the EU-Africa Infrastructure Partnership for Infrastructure (2006), etc.

(idem) *Countries* are also expected to create specific structures needed for each project, to mobilise resources and build the capacities that are essential for preparing, implementing, operating and maintaining projects.

Figure 4: The Institutional Architecture of Infrastructure Development in Africa at a glance



From: UNECA, 2012

Strong local ownership was a key principle, and "all PIDA projects are aligned with regional priorities and are the result of extensive bottom-up consultation and review" (idem). The division of labour was for the RECs to liaise with their member states and with the specialised institutions, bodies and enterprises involved in the construction of the infrastructure and in the provision of services, particularly the regional development finance institutions. The African Development Bank played a decisive role as it is the only institution with the capacity to manage the PIDA process. It acted as the key coordinator in the PIDA programme selection, and funds the initiative. It pushes for early stage project preparation, facilitates blending financing and private sector integration, and takes a leading role in the donor consortium of the *Infrastructure Consortium Africa (ICA)*. Traditionally, the AfDB and the WB had been *cherry-picking* 'easier' bilateral infrastructure projects. This fact was recognised in G20 Development Working Group meetings, with questions asked about how development banks could adapt their performance criteria that incentivise project lenders to maximise turnover at the lowest transaction cost. If the costs for Africa, with more landlocked countries and more complex borders than other regions, would be measured in relation to real economic and social returns, the result could be very different (interview, May 2015).

4.3. Actors and incentives

In terms of private sector actor involvement in and influence on the PIDA process, one has to distinguish between two groups with different interests in the process, i.e. potential users of the infrastructures, and potential private investors in the infrastructure projects. Since the adoption of the PIDA programme, its implementing regional organizations have pushed forward the financing role of the private sector as an almost panacea solution to Africa's infrastructure problems, something which interviewees at the ICA Annual Meeting in Cape Town thought of as an overly optimistic perspective (interviews Cape Town, November 2014).

Nevertheless, the important dependency between regional organisations and these private sector partners has given a boost to the efforts made by the implementing organizations to structure the relationship with private sector financiers and embed them into the regional integration process, for example through roping them in in steering committees and important summits or meetings.

So far, private sector financiers seem to have little faith that PIDA in its current form would offer much scope for success. At the pinnacle of this private sector participation has been the Dakar Financing Summit, a two-day summit held in June 2014 in Senegal. It was exclusively aimed at mobilizing private sector actors to leverage public-private partnerships in support of PIDA projects through an "*auction"* of 15 of Africa's most bankable regional infrastructure projects. Representatives for these projects did not show up. The summit turned into an important wake-up call since not a single project on offer was eventually auctioned. Five months later, the Infrastructure Consortium for Africa organised its 2014 Annual Meeting in Cape Town. The project representatives of these 15 projects from the Dakar summit were still not present and neither were key governmental delegations. Without the attendance of such critical players, there was not much to do for these private sector participants, as there must be a forum to do business in order to draw in private sector players.

In different interviews, private sector financiers believed that the current disconnect could have been reduced if private sector financiers had been involved earlier in the PIDA selection process of priority projects. This would have provided a better chance of private sector receptiveness for investment demands. Currently, many of the mega projects that are on the PIDA table are the opposite of what most private sector investors are seeking. Generally they are on the look out for small and easily replicable projects with little governmental interference (interviews Dakar, June 2014). None of the interviewees among the private sector invitees to the later summit in Cape Town said they were involved or consulted in the selection process of the PIDA priority plan, though they were invited at a much later stage (interviews, Cape Town November 2014).

Bridging diverging views of private financiers and the supplied regional proposal will now be a big challenge, one which may involve cutting these large regional projects into much more manageable proportions. But with the private sector now involved, PIDA implementation agencies do seem to be responding to their inputs and feedback. This has resulted in reducing from 51 to 15 priority projects and putting a greater emphasis on transforming these projects into *portfolios* where different elements are separately assessed on their bankability.

While the participation of private sector financiers seems to be slowly taking shape in the PIDA case, there remains the greater challenge of giving voice to the much larger private sector group of the potential users of PIDA's priority infrastructure projects. There are some encouraging developments at the level of a number of PIDA's priority projects, where efforts are being undertaken to get private sector actors on board and institutionalise more inclusive partnerships. Two examples are the Northern Corridor and the Central Corridor, two transport corridors that connect two major competing ports in Eastern Africa with their hinterland, Mombasa in Kenya and Dar es Salaam in Tanzania.

These two PIDA projects have institutionalised extensive connections with private sector actors such as shippers, traders and transporters that are the principal users of its services. Corridor management and governance take the form of facilitating coordination and cooperation between multiple stakeholders, and technically splitting the overarching programme in multiple (sub)projects for operational purposes. Given the multitude of risks to assess and manage, hurdles to overcome, and range of public and private actors to cover, special organisations are sometimes created that take the form of a *Special Purpose Public Agency* (the *Northern Corridor Transit and Transport Coordination Authority* in Mombasa Port *and Central Corridor Transit*

and Transport Facilitation Agency in the port of Dar es Salaam*).* Such an agency could be a reassuring asset for attracting public or private finance in complex cross-country settings.
Both examples illustrate that there is potential to find common ground for private and public actors in infrastructure development. The Northern Corridor project started already in 2007 with institutional reforms that brought private sector actors together in four thematic specialised committees from different countries to oversee the functioning of the corridor and give feedback on potential bottlenecks. Focus group interviews undertaken during the May 2014 *Customs and Policy Specialized Committee Meeting* in Nairobi showed that most private sector actors in these specialised committees were quite pleased with this arrangement. Interviewees[44] had the impression that this institutionalization offered them the ability to voice their concerns to the national and regional political leadership, thus providing feedback that pushed cooperation to more functional outcomes. Due to their shared interest in furthering the supply of this *regional public good* of transport corridors, private actors from the corridor countries were motivated to remove obstacles and find sufficient ground to reach a common agenda that increased their voice vis-à-vis their governments. This common voice was important because private sector actors sought to increase the governmental interest in and support for regional corridors. Meanwhile, similar structures have been created more recently in the Central Corridor, inspired by the Northern corridor (interview Dar es Salaam, June 2014).

A major difficulty of these types of private sector participation remains however that while they are expanding at the project level, they fail at the larger programme level. When asked about their relationship to the broader continental PIDA initiative, private sector stakeholders and delegates from the ministries of infrastructure with responsibility for the Northern Corridor responded that they had barely heard of PIDA. This casts some doubt over the claim that “all PIDA projects are aligned with regional priorities and are the result of extensive bottom-up consultation and review” (UNECA 2012, p. 9). For these PIDA projects under discussion, state and private sector actors that are relevant for assessing the quality of projects and for their subsequent implementation or use had not been sufficiently consulted (see also section 4.6). Interviewees were very doubtful that this continental programme had any effect on stakeholder participation, but rather that such participation had arisen despite PIDA. Neither had the secretariat of the Northern Corridor been involved in the preparation of the PIDA plan or the Corridor’s selection as a priority project. Interviewees argued that that there are simply too many institutional levels involved in the current institutional architecture to allow for a good transmission of private sector voices. Business Councils within the RECs are possible candidates to play a greater role in coordinating regional infrastructure demands, but these too have been disconnected from the continental PIDA process itself (interviews Nairobi, May 2014).

4.4. Sector characteristics - challenges and risks

The vastly increased financial flows and commitments to Africa’s infrastructure sector may obscure some of the key obstacles to their delivery. Commitments for infrastructure investments during 2013 were calculated to amount to US$99.6 billion, of which US$53 billion were made by external sources and US$47 billion by internal African sources, a total increase of 12% from the previous year (Infrastructure Consortium for Africa, 2014). Official Development Finance investments - which was a dominant source of infrastructure financing in Africa in the 1990s - has grown strongly since 2007 and represents 35% of external financing. External private financing of infrastructure is reported by ICA to be only 8.8% of total financing (including domestic financing) or 16% of total external financing. And official investments from China have gone up from almost nothing to 20% (Gutman et al., 2015, ICA reports a different figure as it states that all non-ICA financing accounted for 18% in total). The low amount of 8.8% is the problem that is facing infrastructure in Africa right now. The July summit on Financing for Development of the UN has put important emphasis on leveraging more private financing.

[44] Focus group interview with six private sector actors from Uganda and Kenya (Nairobi, May 2014).

Yet a one-sided focus on money flows, financial commitments and remaining financing gaps in Africa misses a few essential points about drivers and blockages to infrastructure development. The flurry of figures about committed financial resources for investment projects in Africa paint a rosy picture about money waiting to be spent. A major joint study[45] by the World Bank, the African Development Bank and donors, drew the attention to a host of soft infrastructure needs and challenges that hamper resource mobilisation, or frighten private sector involvement. This includes the institutional and governance systems that are required to create the enabling environment for catalysing timely private sector involvement and finance. (Foster and Briceño-Garmandia, 2010)

A closer look at the *sector* characteristics of transnational infrastructure development reveals the political, governance and technical challenges that need to be overcome, or the risks that need to be addressed. These relate to violent conflicts and political instability in certain regions in Africa (see also section 3). Other hurdles and risks relate to finance, technology, regulatory environment, and governance and politics (World Economic Forum, 2014):

- Financial challenges, beyond the question of volume, include difficulties in getting participating countries to agree on sharing risks, costs and benefits and to implement the agreement. One specific type of issue relates to difficulties in calculating future revenues and costs in cross-country, long-term projects.

- Technical challenges include the difficulties in aligning different technical standards as applied in different countries. A telling example is the differences in rail gauge between African countries, that tend to vary according to which coloniser developed the infrastructure.

- Regulatory challenges include the need to create regulatory and enforcement agreements. Even if such agreements are in place, there is still the issue of implementation and in multi-country settings this often requires effective regional organisations.

- Governance related challenges can be hard to overcome when they relate to unaligned national agendas - with diverging degrees of political, technical and financial support. So country ownership is an important condition, but even when such country commitment to a particular infrastructure programme is demonstrated at the beginning of the programme cycle, it may evolve due to changes in government.

- In fact, managing the risks of political changes is proper to infrastructure projects, which usually take a long time to mature, sometimes spanning several electoral cycles.

These challenges and risks differ according to a number of context specific variables and add to the complexity that needs to be managed. The challenges vary according to how infrastructures are configured across countries, and the number of countries involved - with usually a high number of countries participating in transnational infrastructure in Africa. Numerous agencies or ministries will need to be coordinated - with distribution of responsibilities that are usually asymmetrical, and involve cross-border complexities. Challenges and risks differ according to the types or characteristics of distinct infrastructural programmes. Investments in roads differ from those in dams, or in ICT. Cross-border infrastructure programmes, for example, that involve one single infrastructure facility pose particular problems as the costs and revenues cannot be easily split. A

[45] The joint study set out to calculate the financial infrastructure needs of sub-Saharan Africa to amount up to US$93 billion a year, one-third of which was for maintenance. A large share of these infrastructure investments are domestically financed, but even then - and provided major efficiency gains were captured - sub-Saharan Africa still faces, according to this calculation, an infrastructure gap of US$31 billion a year.

transnational programme “appears to be particularly difficult where national assets such as railways and rolling stock are concerned”. (World Economic Forum, 2014 p. 22) Mobile telecom is an example of (transnational) infrastructure that is successful and that has attracted substantial private participation in financing since 2005. (Gutman et al., 2015) That success can be explained, as mobile telecom is not a “pure” public good, i.e. people who do not pay for the services can be excluded. This characteristic creates incentives for investors, as these are somehow reassured about returns on their investments through generated income as the *freeriders* can be excluded. Challenges and risks also differ according to the phasing of the programme lifecycle, consisting of the origination, preparation, implementation phases and the final phase of construction, operation and maintenance. Risks and challenges are particularly concentrated in the project preparation phase, which received insufficient quality support as a survey of Project Preparation Facilities in Africa highlighted (Infrastructure Consortium for Africa, 2014).

Solving these risks and challenges is part of an institutional learning process that requires that the project cycle is started and at least some of the projects get going. Those projects that make profits for their initial investors will attract new investors and ease the financial challenge. The institutional software that is created for these vanguard projects will ease regulatory challenges of future projects. The connections they may create can help reduce future conflict and governance challenges, with likely positive benefits for electoral politics if the trade and development benefits are associated with such projects. But before such institutional learning can kick in, the regional integration ball has to get rolling (see also section 4.6).

4.5. External actors and factors - old and emerging donors

There are numerous external factors influencing the demand for infrastructure development in Africa. This section deals primarily with traditional donors, as they played important roles in the inception and implementation phases of PIDA. It also presents the case of one emerging donor, China, as it is telling about China’s role vis-à-vis the AU institutions and programmes.

4.5.1. Evolving donor interests and imprints

Donor interest in and support for infrastructure development in Africa underwent drastic changes the last half-century. The initial period of intense support for post-colonial infrastructure development by International Finance Institutions and traditional donors (often in their former colonies) waned in the eighties. Under the combined pressures of the African debt crisis, Structural Adjustment Programmes and the changing views on the role of the state in development, financial and technical donor support waned. In 2000, the Millennium Development Goals (MDGs) reinforced the donor focus on social sectors, but five years later one could notice a revival in support of infrastructure development in Africa. Two events marked that change clearly. The UK led Commission for Africa (2005) signalled the need to support state and private sector as the two need to be involved in infrastructure development. That same year, after the G8 Summit, a donor platform was created to catalyse donor and private sector financing for infrastructure in Africa, the *Infrastructure Consortium Africa.*[46] Bilateral and multilateral donors increased the share of their Official Development Assistance directed at African economic infrastructure, while there had been also an increased interest from emerging economies in infrastructure investments (primarily covered through Other Official Flows).

As bilateral and multilateral donors became more supportive of infrastructure development in Africa after 2005, they also influenced the regional agenda setting and the institutional arrangements. In 2007, the presidency of the G8 shifted to Germany, a donor that put infrastructure firmer on the G8 agenda. The third meeting of the

[46] ICA members include the G8 countries, the World Bank Group, the African Development Bank Group, the European Commission, the European Investment Bank and the Development Bank of Southern Africa.

Infrastructure Consortium for Africa met that same year in Berlin. Germany was well networked with key AU institutions as it supported capacity development in that area, a network that later produced the Terms of Reference for PIDA in 2008.

Donors, development banks and their consultants are firmly embedded partners of the pan-African institutions at the core of PIDA. From this position they may - inadvertently - amplify the disconnects between African institutional levels referred to in section 4.2 and section 2.3 (interviews Cape Town, November 2014). Among the traditional donors, especially European ones are keen to engage with continental bodies such as the AU, with the EU also engaging in a continent wide comprehensive strategic partnership. In fact, PIDA seems to enjoy more support among donors than among AU member states, which thus far failed to finance PIDA initiatives. In fact, such donor support may create situations in which African countries feel less compelled or face reduced incentives to contribute from their own budgets.

PIDA has made transnational infrastructure development in Africa more visible to investors and donors. PIDA thereby created a higher exposure rate in donor programmes. While infrastructure development was (and remains) highly focused on bilateral agreements, PIDA at least has opened up the willingness of investors (donors and perhaps even some private players) to pay more attention to regional infrastructure projects. Examples of this willingness are evident in the EU ITF and in the World Economic Forum's Strategic Infrastructure Initiative. Japan and BRICS have indicated their support to PIDA. GIZ has been an early supporter, has been instrumental in the design of the PIDA governance structure and continues to provide capacity support. USAID partly funds energy projects under PIDA, etc. PIDA has, for example, also been able to associate itself with the rising European interest in aid leveraging, especially through the European Investment Bank and the EU-Africa Infrastructure Partnership. The latter has committed to align up to 55% of its funding with PIDA.

Generally speaking, all donors promote to certain degrees their own interests. In the case of PIDA, traditional donors seem to mainly relate to normative views about how infrastructure development contributes to regional integration or ought to happen. In working on the PIDA case, this team found less evidence about efforts to give space for particular private investors favoured by traditional donors. GIZ, as already mentioned, has been a key partner behind PIDA, but it reported on the sheer lack of interest from German private sector companies to invest in regional infrastructure services. Key countries investing in African infrastructure, like Italy or France, had only very limited roles in PIDA.

4.5.2. Non-traditional donors and Africa's infrastructure – the China Factor

China's influence in the areas of trade and investments has vastly increased since the new millennium. 2000 was also the year that saw the first meeting of the Forum on China-Africa Cooperation (FOCAC), a three yearly forum to craft a more coherent – and increasingly comprehensive - strategy of Sino-African relations. Africa features prominently as both a conduit and a destination in the recent Chinese government's *New Silk Road* master plan, which envisages networks of trading routes and influence stretching into Europe. Since 2000 Sino-African trade has multiplied twentyfold from $10 billion $200 billion in 2012. Partly as a result of the "Going Out" Strategy of the Politburo in 2000, Chinese enterprises boosted outward investment, initially led by state-owned enterprises, but gradually also involvement of private sector actors. Currently, more than 2500 Chinese companies have operations in Africa. Between 2001 and 2012, total Chinese FDI flows to sub-Saharan Africa are estimated at $18 billion. (This is Africa, 6 March 2015) Usually, Chinese investment is accompanied by infrastructure development financed by China's policy banks (see further). The majority of Sino-African trade is concentred in Angola, Sudan, DRC and Zimbabwe, and dominated by the extractive sectors, with over 80% of China's imports in 2011 made up of oil and other natural resources. (European Parliament, 2015)

China has also increased its presence on the scene of transnational infrastructure development in Africa, but not necessarily through PIDA. Also, the exact nature and extent of this presence remains opaque. Throughout the interviews for this report, the story of China and PIDA seemed to be very similar to the story of China to regional programmes in Africa in general, i.e. unfolding in a similar veil of discretion. It sometimes shows up in highly visible projects.[47] And recently, the new China delegation to the AU stated that China's focus in Africa is on railways, highways and airways. In health China will probably support the development of the African centre for disease control (ACDC). China's engagement with regional programmes is rather slow to materialise, as the key focus remains bilateral. So it remains – and wants to remain - outside the PIDA loop. Peking has not supported PIDA programme development, although it has supported the implementation of some of the PIDA projects. So, on the one hand China is playing an important role in the implementation of some PIDA projects/programmes (such as Lamu Port South Sudan Ethiopia Transport Corridor, INGA III, and the Central Corridor Rail Refurbishments), but on the other hand it does not appear to be involved in the regional selection and monitoring process through PIDA. While paying lip service to regional institutions it favours bilateral contacts and negotiations. China, just like the other BRICS has been invited to join the ICA donor consortium, but keeps some distance. South Africa is the only BRICS country that has taken up ICA membership.

One area where some more data are available, i.e. on public works through World Bank financed projects, reflects the growth of China's construction sector in African civil works. The focus here is not on the financing of transnational infrastructure as such, but on the capture of infrastructure development contracts through public procurement. This is an important indicator for China's interests in Africa, but also for assessing the untapped opportunities for Africa's construction industry. Using data on World Bank-financed projects from 1995 to 2013 (with a focus on civil public works), Zhang and Gutman (2015) demonstrate that Chinese and Indian firms capture large chunks of the sub-Saharan construction market. Chinese firms were the top civil works suppliers to sub-Saharan Africa in 2013, accounting for 42% of the total dollar value of civil works contracts supplied to the region and funded through the World Bank. Zhang and Gutman argue that Chinese firms benefit twice: once through access to low-cost governmental lines of credit, and a second time through "tied" financing of China's overseas concessional loans[48], in which the Export-Import Bank (Eximbank[49]) of China plays an important role. Having established a strong foothold in Africa, Chinese companies can outcompete on international contracts, for which the data on the World Bank-financed civil works projects are an indicator. India's experience parallels that of China, only on a smaller scale, and primarily in energy and mining, while for Chinese firms, the priority sector is transportation according to the authors' calculations. Prior to the ascendance of China and India, Nigeria and South Africa were the main suppliers, with France, Italy, the UK, Germany and Switzerland following suit (Zhang and Gutman, 2015).

In terms of the broader demand side pressures for infrastructure development in Africa, a number of new trends in the world economy have emerged that will have an impact on PIDA. But it is still difficult to assess how and how much. The global financial climate is of course very influential on African infrastructure investments, as is the price of natural resources. At least some of the recent infrastructure development in

[47] Not directly related to the topic of transnational infrastructure development, but illustrating China's interest in the AU, Peking has invested in the AU's head quarters' office building in Addis Ababa. It was the third partner to open a mission in Addis Ababa dedicated to working with the AU (February 2015). Still, this direct support to the AU remains relatively small and one dimensional when compared to the funding that the EU provides for peacekeeping, for other AU programmes, for direct institutional and technical support, combined with policy dialogue. GIZ has taken it upon itself with funding from the German government to help construct the new high tech and low ecological footprint offices of the Peace and Security Council.

[48] China has overtaken the US as sub-Saharan Africa's single biggest trading partner.

[49] A model of financing through export credit agencies (worldwide 59 countries apply export credit mechanisms) that seems to follow the older example of Western countries.

Africa has been built on higher resource prices, which made the roll-out of investments in Africa and the related risks more acceptable. With prices plummeting since the summer of 2014, Africa is going through a new oil shock, which will impact infrastructure provisions as well. But the effect of oil prices is totally different for oil exporters than for oil importers. The fall in resource prices is not limited to oil. Copper, iron ores and other commodities have been hit as well. A prime reason (but certainly not the only one) is that Chinese growth is slowing down, although still high at 7%, it is compared to its past performance low. It is, of course difficult to assess the effects of this trend on the long term activities of China in Africa, but it will certainly play a role since so much of the investments were leveraged to increased future demand, rather than stable or declined demand. If there is a slowdown in future demand, many investments might have to rethink their initial business plans. At the same time there is the recovery of the US economy, which also makes African investments from the point of view of US investors again a little less important.

4.6. Mixed results and unclear added value of PIDA

It is still early days to assess PIDA impact, but one can sense the added value of this continental programme firstly by taking a closer look at the PIDA Priority Action Plan and the PIDA process leading up to it, and secondly by assessing the quality of the PIDA processes in terms of four of the benchmarks for an improved continental infrastructure programme as the AUC had set out at the inception of PIDA.

4.6.1. Quality of the PIDA selection process

Despite the commitment to do things differently, in practice there were a number of flaws in the setup and in the prioritisation of the 51 PIDA priority projects. First, during the preparatory process of scrutinising and selecting priority projects and programmes, the Regional Economic Communities were involved as representatives of their regions. At member state level, some interviewees in ministries of infrastructure, energy and East African Cooperation in Kenya, Tanzania and Uganda indicated their limited involvement in the process and in providing inputs to the prioritisation. Not surprisingly, they also felt little ownership over the *PIDA Priority Action Plan* – and the pan-African institutional architecture for facilitating infrastructure implementation and resource mobilisation. Member states also doubted the capacity of RECs to facilitate and represent them at the continental level.

Secondly, the institutional arrangements between the various AU organs were not conducive to effective information sharing, consultation and consensus building in the preparatory phase of identifying priority programmes. Thirdly, as there was no overarching African development strategy against which to assess the degree of relevance of infrastructure proposals, the project selection was undertaken on the basis of broad macroeconomic projections. A consultancy firm, contracted through the African Development Bank, assessed hundreds of regional programmes based on 85 indicators along six econometric and technical criteria to identify the most important bottlenecks for African growth for the next ten years. These criteria included economic and social impact, financial fundability, environmental impact, technical difficulty and their capacity to generate synergies. The scores on these projects eventually formed the basis for the inclusion of a project in PIDA.

So, unlike projects that are entirely dependent on political pressuring and private sector lobbying, the initial PIDA selection process was a highly technical top down exercise in which neither the opinions of the eventual financiers (i.e. departments and government officials at national level) nor those from potentially affected by the infrastructure projects, were taken into consideration. Initially, political, institutional, social and environmental feasibility were flagged as important concerns for the prioritisation process. Given the lack of participatory stakeholder involvement, however, their importance seemed to have been downplayed in the Priority Action Plan. This lack of consultation and/or alignment with national level priorities is further illustrated by a mismatch between the PIDA priorities and the priorities set in national strategic plans and budgets of member states. As long as such projects are not integrated in a country's budget, they politically do not exist as checks and balance institutions, civil society and donors cannot hold anybody to account. These member states often propose wish lists to the RECs without interest in their follow-up and implementation. (interviews Dakar, May 2014; Cape Town, November 2014). Finally, one can point to a few cases where some lobbying or bargaining appears to have taken place in order to get a particular project on the priority list, as was the case with the Central Corridor. (interviews Nairobi, May 2015)

Box 5: PIDA exceptions to prove the rule?

PIDA officials have highlighted a few early success stories, yet some of these showcase projects were already under way before the launch of the PIDA priority list in 2012 and PIDA's added value is often unclear. A few examples to illustrate.

In the case of the *Central Corridor in Tanzania*, it is argued that the PIDA added value consisted of attracting investors such as the World Economic Forum. But the WEF was attracted to this project not only because of the PIDA stamp of approval, but mainly because of the inherent merits of this project. WEF is not a typical donor, but one that is driven from the private sector. It has different motives and responds to different incentives from public donor agencies. WEF purposefully selected a special flagship project from the PIDA list. (World Economic Forum, 2014) The project's *fortes* had been more important factors informing the WEF decision in support of the Central Corridor. These factors included: (i) the presence of a functioning *Special Purpose Public Agency, (ii)* the small number of countries at the centre of the programme (Rwanda, Uganda and Tanzania), (iv) the relatively high scores on government effectiveness of these countries, and (iii) a strong aligning interests from these countries.

The *Abidjan-Lagos Coastal Corridor* was already being implemented at the time that PIDA was signed. PIDA can hardly have affected the course of programme implementation, as there was already a strong drive by participating countries and by ECOWAS. The *Grand Ethiopian Renaissance Dam* is propagated as a PIDA success. In a way, it is surprising this project is on the list, as Egypt - until recently – was vehemently opposed to this Ethiopian dam on the River Nile. Downstream Egypt feared water shortages, and as a consequence of its opposition, donors could not provide funding for its construction. The selection of the Renaissance Dam is probably largely due to Ethiopia's diplomatic and political astuteness within the AU with the subsequent build-up of pan African political and diplomatic support. Again, the initial push for project preparation and resource mobilisation cannot be attributed to PIDA as the initial stages of the project were financed through domestic resource mobilisation (interview, February 2015).

Other projects that were already maturing at the time of the PIDA decision include the Trans-Sahara Highway and the North South Corridor. PIDA officials acknowledge that these projects have been added to the PIDA list as quick wins so the programme could point to positive results early on. Projects that follow the PIDA logic – i.e. using the space for increased regional cooperation to accelerate regional infrastructure projects within the PIDA framework – seem much harder to detect.

4.6.2. Quality of the PIDA process

The AU created PIDA to remove a number of obstacles it had encountered with previous attempts at support infrastructure development in the continent. Back in 2011, the AUC Department of Infrastructure and Energy had identified these obstacles in preparation of the PIDA process (see also section 1.3.). This section uses four of these obstacles as *benchmarks* against which to assess the quality of the PIDA process thus far:

- *The "absence of strategic frameworks and policies for infrastructure development".*

PIDA was set up as a strategic framework, yet it still lacks the deeper integration with national and regional priorities[50] and the linkages with national strategies on productive development that would make it truly catalytic. It remains a macro-economic, relatively low risk, consultancy driven prioritisation exercise, with insufficient bottom-up member states' ownership. In terms of policies for infrastructure development, a number of initiatives have been launched to streamline the process of project implementation. But many of these policies are still at their infancy and have yet to prove their value. One can acknowledge that PIDA has defined financing strategies for prioritised projects, and that it has thought of ways to involve the private sector. But the lack of early private sector finance and lack of participation indicates PIDA's limited success rate so far on this vital objective.

- *The "lack of enforcement mechanisms for agreed upon actions and decisions".*
  It was not realistic and not the intent for the African Union to obtain supranational authority in the execution of the PIDA projects. Countries would have to be deeply involved from the start for any enforcement mechanism to have any ground; that ownership and early involvement by member states is generally still missing. For the time being, there is little more than mechanisms such as the NEPAD Agency's database, which facilitates for different stakeholders to monitor progress through the project cycle. This *Virtual PIDA Information Centre* is intended to become a monitoring tool with a project-per-project overview of progress, and the potential to *name and shame* non-participation or implementation. It can also offer a tool for insiders and outsiders to hold policymakers and implementers accountable. Still, it is not clear to what extent such technical fixes need to go hand in hand with the political and bureaucratic back-up in order to generate incentives for compliance or improved implementation.

- *The "lack of instruments that formalise relations between AUC and RECs and poor communication between AUC, RECs and other institutions involved in infrastructure development".*
  Little has been done in this regard. RECs have now been given a package of PIDA projects for which they have formal responsibility and for which they have to report on progress during the PIDA steering committee meetings. The exact roles of the RECs are however still unclear. They are not responsible for program implementation, because implementation is entrusted to special purpose institutions that are the responsibility of the member states – over which the RECs have no say. Neither are RECs responsible for the priority setting because that is undertaken at the level of the AU. What remains is the setting of standards or the follow-up on the overall package, but this is not a very strong mandate. So RECs end up with heavier responsibilities and the promise of capacity support.

- *The "weaknesses in resource mobilisation and technical cooperation for infrastructure development".*
  Efforts have been made to resolve the shortfall of available finance, but resource mobilisation (especially from African states themselves) remains problematic, with a resulting dearth of bankable programmes. High risks in the early phase of project preparation dissuade investors to commit resources.

4.7. Conclusions: main findings

A changing global environment (international trade and investment patterns with Africa, altering donor attitudes towards infrastructure development) proved to be conducive to the setup of PIDA. After many failed attempts at attracting foreign investors for Africa's infrastructure development, through the PIDA process an agreement was reached for the first time on a continental list of 51 priority projects. The pan African

[50] PIDA does fit within the Africa 2063 Vision and strategy, through its attempts to broaden the scope of the African regional integration process.

consensus, moreover, consisted of an agreement on a financial target of a total amount of US$68 billion to be accessed collectively by 2020. Rather than assess progress on the basis of these targets, this section looked more carefully at the formal institutions of PIDA, sector characteristics, and the factors behind the early effectiveness of three infrastructure programmes.

While it is still early phase in PIDA's development, one can point to a number of hurdles that affect implementation. In terms of the process leading up to the priority list, and the ways in which PIDA operates to resolve obstacles to infrastructure development in Africa, the PIDA section noted that:

- Despite efforts to do PIDA differently from past – failed – infrastructure initiatives at pan-African level, the priority list was essentially the product of a top down exercise that insufficiently considered the degree of political buy in at country level, nor the private sector interest in the programmes.

- PIDA as a strategic framework lacks the deeper integration with national and regional priorities, with little institutionalised mechanisms for dividing responsibilities and for enforcing agreed norms, standards regulations, etc.

PIDA has contributed to publicise the need for support to infrastructure development. But an analysis of the core political economy and sector characteristics helped identify remaining hurdles in terms of accessing finance and reaching the phase of bankable projects. Some of the findings include:

- A more comprehensive assessment of the sector specific challenges and risks relate to the financial, technical, regulatory and governance aspects that all make up the "enabling environment" to different categories of public and non-state stakeholders.

- Three concrete infrastructure development projects that made it on the PIDA list highlighted the importance of (i) strong ownership of a country champion or a few countries behind a project (Grand Ethiopian Renaissance Dam, Abidjan-Lagos Coastal Corridor), (ii) of a smaller amount of relatively well governed partners behind the project, and (iii) effective programme facilitation through a *special purpose public vehicle* of some sort (Central Corridor).

- There was a lack of strategic and timely (not too soon, not too late) engagement with private sector actors, as these may hold some of the knowledge to unlock private sources of finance and to identify obstacles or opportunities for project implementation.

- The roles of the RECs in PIDA implementation are poorly defined. Ambiguity allows the continental level to give the RECs a very weak mandate, which is often not backed up by a strong demand from the member states themselves. When the RECs are however no strong players, which can clearly broadcast the voices from their member states, their role as representatives becomes highly problematic.

- So three years into PIDA implementation there is still a lack of packaged, bankable projects.

A group of development partners have been supporting infrastructure development through the PIDA processes. PIDA does offer opportunities for harmonising support behind a continental programme, but the identified political economy and governance constraints in the set up and implementation of the programme point to:

- The full range of challenges and risks that are specific to the particular sub-sector, including the risks related to donors leaning too heavily on regional and pan-African partners thereby amplifying the disconnects or poor governance relations between key stakeholders.

- The lack of timely and sufficient funding for the risky – and hence costly – early stages of the programme cycle and project preparation, with no other stakeholders overcoming the hurdles to collective action.

- The need to assess what types of *special purpose agencies* may help tap the potential for infrastructure development through process facilitation and coordination.

Finally, PIDA seems to enjoy more support among donors than among AU member states, which thus far failed to finance PIDA initiatives. In fact, such donor support may create some *moral hazard*, and reduce the incentives for Africa's to properly assess and address investment related risks.

5. The AU, agriculture and food security in Africa

Africa's leaders have put agriculture and food security high on the AU policy agenda in 2003, through the *Comprehensive Africa Agriculture Development Programme, CAADP*. As in the case of PIDA, CAADP is a programme that attempts to tackle a broad development challenge at continental, regional and national level; a challenge that also involves multiple sectors with a complex set of stakeholders. This section identifies the political economy drivers and obstacles at the pan-African and national levels[51] around this continental programme. This section is able to draw on relevant research on country level dynamics between CAADP processes and how these interact with the domestic political economy incentives in agriculture in eight African countries.

CAADP is "Africa's policy framework for agricultural transformation, wealth creation, food security and nutrition, economic growth and prosperity for all". Analysing CAADP therefore means investigating the process and policies that African institutions and countries set for themselves to tackle food insecurity. In the early years of CAADP, the focus was mostly on agriculture, but this is only one of the dimensions of food security. Hence, this section covers food security broadly, and not only agricultural transformation.

The first section contextualises Africa's attempt at prioritising agricultural reforms and food security, and provides some of the structural factors. Section 5.2 lays out the institutional arrangements of CAADP and how the different levels interact with one another. Given the importance of the quality of reforms at the national level, section 5.3 delves into evidence of how and why national level stakeholders engage with CAADP, as this informs about the potential of such continental programmes to contribute to national level reforms. Two external variables are dealt with in section 5.4, with section 5.5 concluding with some first findings.

5.1. Context and foundational factors

Both the founders of the African Union and of NEPAD gave agriculture and food security a prominent place on their policy agendas in the beginning of the new millennium. The economic, social and increasingly ecological case in defence of this choice is obvious:

- Agriculture provides around 60% of all employment and is still the largest contributor to GDP in most African countries where it constitutes the backbone of their economies;
- Agriculture is still the main generator of savings and tax revenues and the biggest source of foreign exchange;
- Rural agriculture is the mainstay of food production and supports some 70-80% of the total population, including 70% of the continent's extreme poor and undernourished;
- Better agricultural performance has therefore the potential to increase rural incomes and purchasing power on a bigger scale than any other sector; and
- Improved agriculture practices and food security conditions are very important to fight malnourishment and undernourishment through better nutritional outcomes, and has also the potential to better protect ecosystems (including land, water and biodiversity) and enhance climate resilience.

[51] The ECOWAS case deals with the actors and factors at the regional and national levels that affect the regional agenda setting and implementation of CAADP.

However, the food security situation is very precarious in Africa and this has been the case for many decades. Despite some recent improvements, Sub-Saharan Africa has with one in four people still undernourished, the highest prevalence of undernourishment (FAO/IFAD/WFP, 2014). Some of the key challenges facing African agriculture include known problems of bias towards producing cash crops for world markets (rather than food crops for domestic consumption), low internal demand due to poverty and unstable climate with high dependency on rain combined with limited access to technology. African governments, generally speaking, gave low priority to investing in rural infrastructure and services that are essential for reducing transaction costs in farming. For decades many African governments allocated less than 1% of their budgets to agriculture. Donors also reduced agricultural spending in the 80-90's. The World Bank, for instance, was a major funding source for Africa. It reduced, however, its lending to agriculture from 39% in 1978, to 12% in 1996 and further down to 7% in 2000.

At the turn of the millennium, there was a frank discussion at pan-African level about the underlying weak policies, poor regulatory frameworks and institutional weaknesses related to agricultural reforms and food security. In 2003, these discussions culminated in an AU Summit decision in Maputo to launch the Comprehensive Africa Agriculture Development Programme. This *Maputo Declaration* laid out a new vision on the potential of agricultural transformation to contribute to African self-reliance and to a broader economic productivity so that Africa can play its full part on the world stage. Three underlying principles of CAADP include: (i) recognition of the prevailing market-oriented paradigm, (ii) centrality of the African institutions, and (iii) a pan-Africanist approach to tackling agriculture and food security challenges. The main underlying drive of the Maputo Declaration was to increase investment in agriculture by both African governments and donors.

One can basically distinguish two phases in the short history of this new AU driven continental programme. In both cases, external actors played some role in influencing the course of the programme. From 2003 until 2005, the UN Food and Agricultural Organisation strongly influenced the course of CAADP through a close collaboration with NEPAD, and their combined inputs into the CAADP framework document. The Food and Agriculture Organisation (FAO) also had a strong imprint on the approach taken. FAO focused primarily on the potential too beef up investments into the four CAADP pillars that still stand today: land and water management, rural infrastructure for market access, increasing food supply and agricultural research. Total investment costs were estimated at US$251 billion over the period 2002 till 2015. The FAO-led country-level study aimed at identifying bankable projects failed to find such projects. A second phase involved a stronger emphasis by NEPAD on country processes and a renewed interest by the broader donor community in supporting food security in Africa. This time, the World Bank took on a strong driver's role. The event that triggered CAADP responsiveness and created momentum was the 2007-08 food price crisis. Within Africa, at least 14 countries experienced food riots (Berazneva and Lee, 2013), which raised the political importance of agriculture and food security policies. In some countries, though, CAADP simply meant repackaging existing national policies and lists of projects as it was assumed that this would enhance the prospects for new donor funding.

More than a decade later, CAADP is still firmly part of the AU's priority programmes. 2014 was the African Union *Year of Agriculture and Food Security*, with a renewed call by Heads of State and Government to "Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods" (the *Malabo Declaration, 2013)*. In recent years, various Regional Economic Communities in Africa have stepped up efforts to strengthen regional agricultural markets and to promote value addition in regional agricultural value chains. Numerous initiatives were taken at pan-African and REC levels. But these regional efforts often did not match the level of political buy in at the national level with highly varying degrees of participation, ownership and impact on agriculture and broader food security related policies and practices. Hence, one of the biggest challenges for CAADP has been the perception by many actors at national level of the limited added value of a regional/continental CAADP framework.

5.2. The institutions and organisation of CAADP

5.2.1. General features of the CAADP architecture

Since 2003, CAADP is the formal institutional setting and decision-making process for agriculture development and food security policies within the African Union. African Heads of State and Government have given the mandate to Regional Economic Communities, to the AUC and to the NEPAD Agency - also called the *Lead Institutions* - as well as to African governments. Together they share responsibilities to put in place structures, formal policies, laws, regulations, budgets, and enforcement mechanisms to achieve food security and transform African agriculture. The overarching goals were to attain food security by 2015 (in terms of both availability, affordability, and access of the poor to adequate food and nutrition). The programme also aimed, among other things, to improve the productivity of agriculture, with particular attention to small-scale farmers, especially focusing on women. Two key quantifiable objectives and targets consisted of increasing public investment in “agriculture and rural development to a minimum of 10% of national budgets” and achieving a “6% annual agricultural growth rate at the country level”.

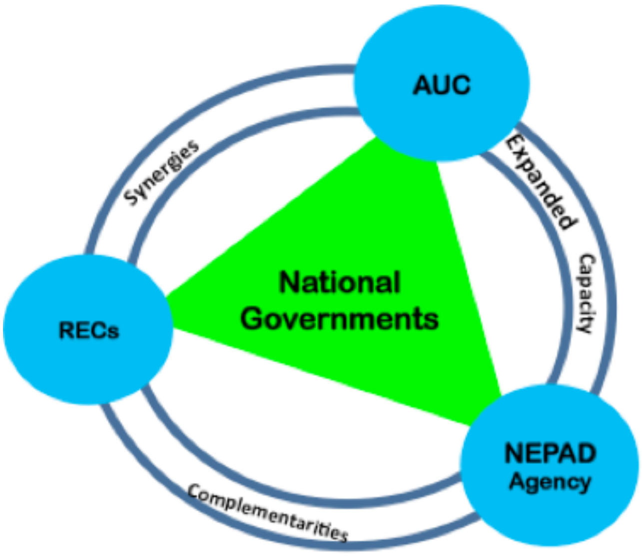
CAADP is centred on the definition of national and regional plans or “compacts” and on investment plans. The compacts are intended as formal agreements between all stakeholders: governments, private sector, farmer organisations, civil society, development partners, as well as the AUC, the NEPAD Agency and the relevant RECs. These compacts serve as a framework for partnerships, alliances, and dialogue to design and implement the required policy interventions and investment programmes. The investment plans operationalise the compacts at national and regional level. As of August 2015 41 countries had signed their national CAADP Compact, and 33 had adopted an investment plan. Moreover, ECOWAS, COMESA, SADC, ECCAS, IGAD, and EAC have a *Regional CAADP Compact* in place, with ECOWAS already implementing its Regional Investment Plan.[52]

CAADP is a continental framework in which the AUC Department of Rural Economy and Agriculture and the NEPAD Agency are tasked with overall coordination. RECs facilitate the formulation and implementation of the regional compacts and regional agricultural investment plans, while supporting their member states with CAADP initiatives at the national level. Governments facilitate the formulation and implementation of the national compact and investment plan (see also Figure 4 for a visualisation of these relations). Key stakeholders hold yearly meetings in *CAADP Partnership Platforms* to review progress and challenges at all levels: national, regional and continental. This is followed by a *CAADP Business Meeting* for executive decisions halfway to the next Partnership Platform meeting.

Eleven years after the Maputo Declaration of 2003, the AU Summit of Malabo renewed and updated this declaration with additional goals. The 2014 Summit set new quantifiable targets for 2025, and included among other things targets for reducing post harvest losses (by half), for creating job opportunities (for at least 30% of youth in agricultural value chains), and for ensuring that at least 30% of farm, pastoral and fisher households will be resilient to climate and weather related risks. Much attention also went to improving the functioning of agricultural markets and intra-African trade, with ambitious goals to triple intra-African trade in agricultural goods and services and to establish public-private partnerships to develop at least five strategic agricultural value chains with strong linkages to smallholder agriculture.

[52] See also ECOWAS report.

Figure 5: NEPAD diagram of the relationships between the continental, regional and national institutions



The CAADP architecture at work - vertical dynamics and tensions

On paper the architecture looks impressive and harmonious, but in reality there are numerous tensions, both vertically axis and on a horizontally. On the vertical axis, there are tensions between the continental and regional, and between regional and national levels. And on each of these levels, there are decisions to be made in terms of the horizontal linkages between sectors and sub-sectors (water management, agriculture, infrastructure development, trade, transport, etc.) with respect to agricultural reforms and food security. The horizontal axis will be dealt with in the next subsection.

Despite the stated commitment to the principle of subsidiarity, there is a top down logic in the system. Initially, there was a top down decision of the AU Summit to launch the CAADP framework, and subsequently the mechanisms for applying (and funding) the CAADP framework were imposed from above. In the implementation, this top down logic resulted in numerous areas of friction between different levels of responsibility over contested mandates, roles and financing. In general, national stakeholders are suspicious of the limited added value of continental/regional institutions on agricultural issues. Though one should nuance this and add that such a sceptical perception differs according to the history, official mandate and track record of each REC. IGAD, for example, enjoys some degree of trust for its value added in livestock and drought in the Horn, while COMESA and EAC are more appreciated for their roles in regional trade in agricultural goods. The RECs, the AUC and the NEPAD Agency are bound by the AU Heads of State and Government decisions. The NEPAD Agency is mandated to develop and promote the CAADP policy framework and tools. The RECs, in turn, are mandated to implement under NEPAD guidance. The main tensions unfold between the pan-African Lead Institutions and the RECs. One REC official said they reluctantly acknowledged the AUC/NEPAD lead with the following analogy: “the AUC is our mother institution and NEPAD our father, so if your mother and father tell you what to do and how to behave, you have to obey”.

Three related explanations for the resulting tensions are relevant in this context. One is the limited staff in REC units working on CAADP issues, with ever expanding mandates and roles. Not surprisingly, different RECs demonstrate differing degrees of capabilities. ECOWAS, for example, was the first to adopt a regional agricultural policy already in 2005 and a regional agricultural investment plan in 2010, and the other regions catching up since 2012. Secondly, these additional roles or mandates are neither carefully spelled out, nor properly negotiated and integrated in existing institutional arrangements. Finally, given the lack of participatory planning and preparation, funding is often uncertain, with many activities falling outside the regular budget. Both AUC and NEPAD Agency are better positioned than the RECs to mobilise additional resources with external partners. So they are usually better equipped in terms of staffing and funding than the RECs. On the other hand, many donors may also prefer to prioritise investing at national level rather than at continental or regional level, as this is more conducive to demonstrating ‘impact on the ground’.

Such vertical tensions negatively affect the chances of strengthening the ownership over policy processes and their implementation. The process leading up to the trade-related CAADP commitments of the AU Malabo Declaration of June 2014 illustrates these tensions and their effects. A CAADP Joint Action Group on Regional

Trade and Infrastructure was created and a first-ever joint conference of AU Ministers of Agriculture and Trade was organised, both led by the AU and the NEPAD Agency. RECs, which have been in the lead on trade issues, were not in the forefront of these processes, creating tensions that reduced the opportunities for creating more coherence between different sectoral disciplines and governance levels that matter for food security.

It seems that the CAADP 'update' in 2014 has not increased the space and roles for RECs in CAADP. The Malabo Declaration of 2014 expanded the areas under CAADP responsibility, to include issues such as trade, but in doing so it largely overlooked the direct responsibility and relevance of the RECs in CAADP related overall policy setting, institutional strengthening and peer reviewing. This was corrected to some extent at the January 2015 AU Summit, which recognised the need to improve the subsidiarity arrangements within CAADP and to specify more clearly the roles and responsibilities of the AUC, the NEPAD Agency and the RECs within the CAADP governance architecture.

5.2.2. Cross-sector coherence - horizontal pressures

The complexities in linking horizontally different yet related policy arenas run deep. So far, the CAADP Lead Institutions never had a clear strategy on such horizontal linkages. Food security covers multiple sub-sectors and disciplines, including agriculture, services like trade, natural resources management, science and technology, nutrition, etc. Prioritisation, coordination and managing linkages is a complex and political undertaking. Over the years, the AUC, the NEPAD Agency and the RECs have tended to accept a *de-facto* expansion beyond the initial agricultural focus. This happened without a proper assessment of the political economy implications as each of these sub-sectors or disciplines involve different stakeholders or potential coalitions responding to particular interests and incentives that may push towards context specific types of horizontal linkages.

There has been improved resourcing and capacity strengthening of the CAADP institutions and processes (ECDPM et al., 2014). Still, these institutions have not yet managed to break the silos, or adapt their roles to the context in which they operate. One likely reinforcing variable behind horizontal fragmentation is the multitude of sources of funding that often come with varying preferences or prefixed priorities. Donors, inadvertently, may also lock actors in and out of funding silos. The Department of Rural Economy and Agriculture, for example, was the only AUC department to attract funding from the Gates Foundation, while the AUC Department for Trade and Industry - with an equally important mandate in terms of its potential contribution to agricultural transformation - remains understaffed and under-resourced (see also section 5.4. on the external factor of donor influence).

5.2.3. Non-state actors involvement

CAADP's institutional architecture creates space for non-state actor participation and dialogue, but in practice that participation has been uneven in quality and scope. Part of the CAADP institutional architecture includes rules relating to multiple roles for Non-State Actors at different levels. At the continental level, these rules spell out that CAADP processes must involve civil society, farmer organisations as well as non-farmer private sector players active in the agriculture and food sectors. In the initial phase of CAADP, these three sub-sets of non-state actors tended to be united in their criticism of lack of adequate representation within the practice of continental CAADP processes. Meanwhile, the situation has evolved. Smallholders, farmers and other agriculture-related entrepreneurs are obviously the groups of stakeholders that potentially could be most affected by CAADP. As CAADP processes gradually unfolded in many countries, these non-state actors became more vocal, involved and also enjoyed more official recognition within the overall CAADP structures and procedures. The representatives of the three non-state actors pillars – private sector, civil society and farmers' organisations – launched a CAADP Coalition of non-state actors during the Partnership Platform in March 2015.

In general one of the major achievements of CAADP has been to open up the conversations (at all levels) on agricultural policies with non-state actors. In many cases, this may have been in response to a formal requirement, but in others the space was used purposefully, with examples of improved agricultural planning and policies. Compared to the early stages of CAADP. Indeed, farmers are given more space also in continental forums, especially through their regional farmer organisations. This occurred after their complaints about marginalisation in the AU and NEPAD forums, compared to national and regional levels, where farmer organisations already had the opportunity to sign CAADP Compacts, so they felt marginalised at the AU and NEPAD levels where farmer organisations already had the opportunity to sign CAADP Compacts.

CAADP emphasises strongly "agriculture as a business", with regular calls for increasing private sector investments and value addition, as well as more prominent roles by the private sector in the decision making CAADP processes. In Malabo, the AU Heads of State and Government committed to creating an environment that is enabling for private investment in agriculture, agribusiness and agro-industries. Priority would be given to local investors. This decision seems to be in response to outcries of domestic farmer groups who feared competition, and who criticised what they saw as an initial CAADP bias for foreign direct investments or foreign interest groups as drivers for agricultural growth and transformation.

In its multi-country review, the research group Future Agricultures only rarely found increased levels of participation in agricultural planning "beyond existing norms" (Poulton et al., 2014 p. 13). Partly, this is due to the weakness of rural-oriented representative organisations and to a degree of mistrust between non-state actors and the public bureaucracy. There are strong bureaucratic vested interests at play, for example to protect budgets or reduce the workload, which explains resistance to effective engagement with non-state actors except when pressurised to do so by the political level or the organised demand side. Extending areas or platforms for dialogue by public actors in and of itself will not contribute to better policy (idem).

Segments of the private sector at continental level tend to be represented by visible and proactive entrepreneurs rather than by representatives of particular private sector constituencies or sub-sectors (retailers, transporters or specific crop producers and processors). It is difficult to say whether those individuals are effectively representing broader private sector constituencies, as the private sector is such a varied group of stakeholders. In many countries, no real impact is felt yet from the continental policies and guidelines on the daily conditions of doing business in agriculture (e.g. on land tenure and management or on the availability of genetically modified food, etc.) probably provides little incentives for interest groups to engage in CAADP agenda setting.

5.3. Domestic political incentives for agricultural transformation - a country level reality check

The effectiveness of CAADP can best be tested in the field. It may be too soon to look for impact in terms of transformed agricultures, more productive smallholders, stronger markets, etc. given that CAADP only gained traction after the 2008 food price crisis. Resources only came on stream as of 2010-2011, once the first Investment Plans were approved. For many countries this only happened in 2012-2014. Yet two questions of relevance for this study relate to how and why different stakeholders have engaged in CAADP processes at country level? And to what effect? Future Agricultures undertook a political economy study of ten African countries in their relations to CAADP with relevant answers to these questions (Poulton et al., 2014). The study distinguished between three sets of countries.

- First there are those countries with strong domestic political incentives in support of smallholder agriculture and quality agricultural reforms. From a political economy perspective, political incentives for investing in smallholder agriculture are strong where ruling elites sense that this is the best way to serve their political survival - or long-term stability. This is, in other words, in countries where governments "recognise they could be vulnerable to (eventual) overthrow if they do not generate broad based benefits for rural populations, i.e. the poor majority" (idem, p. 3). Rwanda and Ethiopia fall in the first category of countries.

- Countries with weak political incentives to invest in smallholder agriculture form the second group, which constitutes the majority of countries with examples including Tanzania, Mozambique and Kenya.

- A second category of countries represents those regimes with intermediate domestic political incentives to invest in smallholder agriculture. Malawi, Ghana and Burkina Faso[53] are such countries, with Burkina one of the West African countries to suffer from food riots, with elite interests that align with those of the majority population as all need agriculture to succeed (rents for the elites, and livelihoods for the majority of the population).

Besides this scrutiny of country specific political incentives, the study also uses a more sophisticated yardstick than the 10% public spending for assessing the "political will" behind effective agricultural reforms. So the study considers the interplay of the quality of agricultural planning, strategy implementation and donor alignment. The two questions (how and why the engagement with CAADP?) will be answered for Ethiopia and Rwanda - two countries referred to as successful CAADP cases - and for Nigeria.

Rwanda was the first country to sign a CAADP Country Compact in 2007, the year that it also reached the 10% target. President Kagame pioneered CAADP as of 2005, a process that he kick-started in response to a poor harvest with a threat of hunger, and alarming national poverty figures. He strongly pushed for further agricultural investments and relied on CAADP to make a stronger case within government and to donors who were more inclined to emphasise social sector spending (Golooba-Mutebi and Booth, 2013). Before CAADP kicked in, key policy documents already reflected support for broad based agricultural investments at the centre of the country's development efforts. But through CAADP and Rwanda's effective cooperation with the NEPAD Secretariat, additional support was given to strengthening the agricultural policy process. Rwanda is also far advanced in taking the lead in donor coordination, and in enforcing the principle of mutual accountability between the government and development partners.

In Rwanda there is a strong political discipline to implement planned reforms, test their feasibility and effectiveness, and if necessary, rectify the course of action. The political settlement and incentives are such that the ruling elite sees its political survival and stability as dependent on broad based poverty reduction as that may broaden its support base. This requires support for smallholder agriculture. In Rwanda's political settlement, the degree of political dominance or control of the ruling party is such that it need not worry about losing the next elections. So, it can initiate policies that may be less popular or measures with less immediate and visible results but that may prove to be more effective over a longer period in terms of their impact on agricultural development.

Some of these characteristics apply also to the case of **Ethiopia**, the fourth country to sign a CAADP Country Compact in 2009, and a National Investment Plan a year later. Ethiopia was already spending above that 10% target in early 2000, and already had an *Agricultural Development Led Industrialisation* strategy in 1991.

[53] The case of Burkina Faso in its interaction with ECOWAS will be dealt with in more detail in the ECOWAS report.

Again, it is revealing to look at the nature of the political incentives given the trade-offs between the twin objectives of agriculture-led economic recovery with poverty reduction and regime legitimacy with political control. Yet the government's focus was not only on investment in smallholder production, but also in employment through investments in large-scale agriculture. In developing the CAADP Country Compact, the government built on existing policies and "indigenised" the CAADP Pillars (Berhanu, 2013). For the design of its Investment Plan, the government set up what was presented as a "broad-based collaborative process", which however was somehow compromised as a number of non-state actors were not invited or excluded.

The Ethiopian Government also sought to instrumentalise CAADP for mobilising additional donor funding for its agricultural ambitions at a time that it faced criticism over a violent political clampdown in 2005. Agricultural policies provided a conduit for re-calibrating the cooperation with donors. Poulton et al. (2014) note that Ethiopia, "whilst seeking to maintain control of the discourse with donors (and pro-actively seeking other sources of investment in the economy to buttress its ability to do this), it has exhibited an increased openness in discussion with donors on agricultural policy over the past five years or so" (idem, p. 9). In response, donors committed to harmonise their efforts and align behind government policies and systems during the 2010 CAADP Business Meeting. Prime Minister Meles' direct involvement as political champion for rural development and in support of CAADP contributed to the effective cooperation on integrating and implementing the *domesticated* CAADP agenda. From the CAADP side, the AUC and the NEPAD Agency supported the process directly. COMESA did not play any role in assisting and had no input. The typical COMESA issue of trade, very important for food security, did not receive much attention in agriculture related policies.

Nigeria is an example of "agriculture progress without CAADP". But it also highlights the central place of domestic politics for understanding the ways in which CAADP processes can be of effect. Nigeria signed a CAADP Compact in 2009, yet the national agricultural processes do not follow CAADP principles. This related to the fact that the then Minister of Agriculture, in a previous life, was personally in charge of the *Alliance for a Green Revolution in Africa (AGRA),* which competed with CAADP over donor resources when the latter was launched. Moreover, the perception of limited added value of a regional/continental framework like CAADP is widespread in the region as the focus is overwhelmingly on national policy issues. This political sensitivity is pronounced in Nigeria as a powerful pan-African and regional hegemon that seeks to shield this policy area from the influence of the AUC and NEPAD. The Minister of Agriculture was hailed internationally as a man who was transforming the national agricultural sector in Nigeria, yet he was doing this outside the framework that the same international community supports and promotes. Still, Nigeria's national priorities do correspond to the regional CAADP agenda and to the policy directions of the ECOWAP, the Regional Agricultural Policy for West Africa.[54] The first specific objective of this ECOWAS policy is to achieve "regional food sovereignty", and not merely food security. This includes import-substitution and the promotion/protection of infant industries, which coincides with the interests and positions of the very strong and largely protectionist Nigerian private sector.

5.4. Donors and incentives - *embeddedness* or at arms length?

There was a clear shift in donor attitudes towards agriculture in development after the dramatic effects of the food price crisis in 2007-08 became manifest**.** In response to this crisis - with food riots in 14 countries in Africa - the G8 committed US$20 billion. Moreover, in line with principles on aid effectiveness in Paris (2005) and

54 This relationship between the agriculture priorities of the regional hegemon and of the regional CAADP framework are clearer in the case of ECOWAS as this region developed its regional CAADP compact well before the others and is still the only REC implementing a regional CAADP investment plan.

Accra (2008), the G8 affirmed that aid should flow through “country led coordination processes”, and referred explicitly to CAADP as an “effective vehicle for ensuring that resources are targeted to a country's plans and priorities” (AFSI, 2009).

Linking new aid flows for agricultural development in Africa to the CAADP processes altered the incentive environment and reinvigorated country level support for CAADP. Until that G8 decision, Rwanda had been the first and only country to sign a CAADP Compact (2007). All other CAADP Compacts were signed after the G8 decision. By the end of 2010, 21 more countries had signed CAADP Compacts, with 13 of them having held a Business Meeting with different stakeholders (government, donors, private sector) to commit funding. At country level, governments can mobilise resources for CAADP processes through different channels: the national budget, the private sector, and donors - and clearly the latter became more prominent after the food price crisis.

But the changing nature of the incentive environment also altered the dynamics of CAADP processes. Country level research suggests that the CAADP processes in countries with weak commitment to agricultural reform got captured by ‘*plan development’* in response to donor incentives. (Poulton et al., 2014) That is in order to secure new donor money - or not lose it - countries engaged in CAADP processes in order to signal willingness to reform without really reforming. The case of the *Global Agriculture and Food Security Program* is an important example of a major multilateral mechanism (US$1.1 billion) with which to finance country-level initiatives. Eligibility criteria include the requirement to have a CAADP investment plan, but an applicant does not necessarily have to demonstrate the plan has also been implemented. Typically, as the Tanzania case study illustrated, the “combination of weak political incentives to deliver improved agricultural performance and heavy donor involvement in national expenditure means that, in many study countries, agricultural strategies and even investment plans are ‘catch all’ lists, comprising both the ‘wish lists’ of the government and the various initiatives that particular donors would like to fund” (idem, p. 9). This perspective can help explain the gap between policy promises and actual delivery on the ground.[55]

The most consistent attempt at donor harmonisation in support behind CAADP as an AU programme has been the Multi-Donor Trust Fund (MDTF) at regional and continental level. Since its creation in 2008, the World Bank holds the secretariat of the CAADP MDTF. Donors provide pooled funding through this mechanism, with the MDTF offering a conduit through which multiple stakeholders can engage in dialogue on policies and coordination, monitoring and information exchange. By working in the MDTF, donors have committed to strengthen the institutional capacities of the AUC, the NEPAD Agency and the RECs to effectively take ownership and lead, implement, monitor and evaluate CAADP processes. An independent assessment of the MDTF found that overall, donors have contributed to strengthening the AUC, the NEPAD Agency and RECs to drive the CAADP processes at different levels – though the impact of donor support should not be exaggerated (ECDPM et al., 2014). The MDTF helped, for example, with strengthening coordination particularly between the continental and regional bodies, as well as between sector agencies. It also created a platform for development partners to cooperate, although it only modestly improved donor harmonisation in support of CAADP implementation, including at the national level.[56]

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[55] 41 AU member states have signed CAADP Compacts but to date only eight have reached the target of 10% expenditure of the budget on agriculture.

[56] The MDTF is a $50 million fund, with the majority of it supposed to be devoted to support CAADP preparations at national level (e.g. design of the Compacts) through activities led and managed by the Lead Institutions; therefore it was never easy to compute how much of the funds were dedicated to the continental/regional and how much to the national levels.

Working so closely with key CAADP stakeholders may alter governance and accountability arrangements and the sense of ownership among some of these stakeholders.[57] One example is the *Partnership Committee*, the governing structure set up for the MDTF. Despite the MDTF being only one instrument among many to support CAADP, according to most stakeholders, the Partnership Committee gained prominence vis-à-vis other CAADP-related instruments and structures such as the CAADP Business Meeting, which is considered to be the executive decision-making body overseeing implementation and progress of CAADP at the continental level. On paper, the Partnership Committee, chaired by the AUC, is a peer review mechanism that provides assistance to the MDTF membership consisting of the AUC, the NEPAD Agency, RECs, the World Bank, the development partners, knowledge institutions, private sector, farmers' organisations and civil society. In practice, however, some members - i.e. the AUC, NEPAD and the WB - at times act as "shadow decision makers" within the Partnership Committee, thus also having an overall amplified influence on the CAADP processes more broadly. They tend to take decisions prior to the committee meetings, thereby affecting the governance and accountability relations, as they are the only ones to have permanent members on the committee. Other members rotate and combine roles as they have to represent respective stakeholder groups (donors, RECs, civil society, private sector, etc.), and tend to feel less ownership in this arrangement.

The substantial support through the MDTF raises broader concerns about aid dependency, with the potential that aid may dilute the sense of ownership and urgency with the Lead Institutions, and the member states. The MDTF I expires in 2015, without firm indications from its sponsors to launch a successor MDTF II, or any alternative support mechanism, due to diverging views among MDTF-contributors. These views diverge on: assessments of the overall effectiveness of the MDTF in serving national-level needs (and not only institutional strengthening of continental/regional bureaucracies); and assessments on certain MDTF governance arrangements, with some perceiving the role of the World Bank as dominant. In case of discontinuity of donor funding, besides the main source of funding for the CAADP Lead Institutions drying up, an umbrella structure for multi-purpose dialogue, cooperation and coordination among the complex variety of institutions and stakeholders would disappear.

As CAADP is a continental programme, which exists at multiple levels, inevitably it interacts with actors at all these levels. Maintaining consistency of approach is a challenge, especially with such a key groups as the donors, able to provide crucial resources at all levels. This can be rendered even more difficult when donors are reluctant to harmonise amongst themselves or when they don't ensure internal consistency. Failure to do so may create additional burdens on already weak African institutions, may enhance inter-institutional tensions – and may put up obstacles for adaptation of such emerging institutions to opportunities for context specific problem solving.

5.5. Conclusions: main findings

This section analysed the main political economy drivers and obstacles to the implementation at regional – but mainly at national – level of Africa's continental agriculture and food security programme, CAADP. A key variable to help explain uptake or use of CAADP in member states, are the political incentives in African countries behind agricultural reforms – smallholder farming more particularly – and food security related policies. In general these incentives are weak. CAADP is an attempt to raise the interest in and commitment to agricultural transformation, and muster multi-stakeholder cooperation, including donors and non-state actors.

[57] In this paragraph, we chose to only stress governance issues among various problematic aspects of MDTF implementation. For a more complete picture, please see ECDPM et al., 2014.

The key findings point to the difficulties for such a continental programme to alter the national political incentive environment, but it also indicates how and why actors use the CAADP framework in countries with a stronger political support behind agricultural reforms. One key external driver that did affect the incentive environment at national and regional level, was the worldwide food price crisis of 2007-08, which triggered food riots and political unrest in fourteen African countries. Until then, CAADP had seen a slow start, with an unsuccessful phase of identifying bankable investment projects but the global food crisis changed this. Analysing the political economy actors and factors related to CAADP processes in more detail reveals that:

- The uptake and interaction with CAADP processes was more pronounced in countries and regions affected by the food crisis (ECOWAS serves as an example) and in countries with strong domestic political incentives behind agricultural reform. In fact, ruling elites in countries such as Ethiopia and Rwanda consider agricultural reform to be at the core of regime survival and stability, and seek to engage with CAADP for the opportunities it offers (mobilising external support, legitimise or strengthen domestic policy choices, etc.)

- Even where domestic political incentives are weak, the CAADP framework offers a broad range of opportunities for reformers to tap. There is, however, also a strong top-down logic at work with little attention for feedback loops on implementation challenges. This reduces the potential for developing a country specific CAADP approach that is compatible with the domestic political incentives.

- Also at the REC level, as with PIDA, there is a strong top-down logic at work, with RECs finding themselves in a position of having to implement CAADP related policies with scarce human and financial resources and poorly spelt out plans. Limited staff and funding combined with inflated and imprecise roles and mandates reinforce vertical tensions.

- Non-state actors have seen the options increase for engaging with continental, regional and national CAADP stakeholders and processes. Yet the effectiveness of such formal inclusion in dialogue processes depends on the strength of non-state actors and the political incentives for public authorities to engage with them.

The food crisis also triggered renewed interest in agriculture and food security with a number of donors at a time that the quality of aid delivery also featured high on the global agenda. The CAADP framework helped reinforce this global call for donor harmonisation, mutual accountability and donor alignment with partner country policies. Donor support has proven to be pivotal in enabling CAADP to function. Yet, heavy dependence on donor funding (even if unpredictable to some extent) created a paradox that hampers the institutionalisation of CAADP. This has implications in terms of unintended consequences related to donor dependency, which will be demanding on CAADP for its future. Other political economy findings include:

- The changing donor attitudes towards agriculture in Africa, the promise of vast amounts of aid and the practice of making aid for agriculture conditional upon the country alignment with CAADP principles have altered the incentive environment, but not always as envisaged.

- In countries with weak domestic support behind agricultural reforms, the donor incentives have often resulted in country governments “signalling” support for CAADP by designing all sorts of agricultural development plans and signing compacts in order to obtain donor funding rather than implement effective reforms in the sector.

- Donors may have unintentionally strengthened tensions or disconnects between different AU levels by prioritising funding to pan-African institutions over regional and national stakeholders and, where they do fund at different levels, by failing to ensure adequate consistency between their different inputs.

- Donors with a stronger "presence on the ground" in Africa may be well-placed to assess opportunities for functional cross-country cooperation and to address horizontal and vertical tensions in the CAADP processes.

6. The African Union and climate change

In recent years climate change has become a defining contemporary global development issue. The AU has embarked on global climate diplomacy and engaged in continental efforts to address the negative impact that climate change has, particularly on Africa's prospects for development and poverty reduction.

The previous sections discussed policies and programmes on peace and security, infrastructure development and food security, all with a strong input from the AUC or other AU institutions. The case of the AU involvement in climate change presents a different arena as it mainly unfolds on the international diplomatic forum of the *United Nations Framework Convention on Climate Change (UNFCCC)*. In this arena, African member states are represented, but the AU is not. This section presents how the AU has contributed and is contributing to global climate change related policy-making. It presents some of the key challenges in terms of the future climate change agenda. One component of this multi-faceted agenda that is important for Africa and for the AU has been the architecture and the volume of climate finance, more specifically the *Green Climate Fund*. Increasingly, development countries channel climate finance to developing countries for climate change mitigation and adaptation,[58] which creates and alters in certain ways incentives depending on the domestic political economy behind climate change related policies.

A first section sets the context and some of the foundational factors for the climate change agenda in Africa and for AU involvement. Section 2 presents the African institutions involved in climate diplomacy and climate finance. Section 3 draws the attention to the fact that *climate change* as such is an emerging policy sector, which raises a number of challenges for governments, for example in terms of how to incorporate global climate change considerations in national budget planning. Section 4 presents two key African actors in climate diplomacy in Africa and in global diplomacy, as this highlights some of the domestic political economy drivers that affect agenda setting and implementation of climate change related policies. Finally, section 5 deals with the external factors, more particularly with a few experiences of climate financing in Africa. These experiences may provide pointers as to likely future challenges and potential roles for AU and pan-African institutions, such as the African regional development banks.

6.1. Context and structural factors

Many African countries face similar climate challenges, as they are affected by drought and flooding. Yet the levels of climate vulnerability of different countries, as well as the nature of the challenge and capacities to cope with climate change, diverge with the size and nature of their economies and the natural endowments. Some of the largest African countries face negative climate change impacts that require both adaptation and mitigation responses. Nigeria faces the result of desertification in the north, sea level rise threats and gas flaring in the south and forest cover issues in the southeast. Other countries have special resources or characteristics such as hydrocarbons, tropical forests, or a more industrialised economy. South Africa, as Africa's most industrialised country is a prime carbon emitter due to its reliance on coal for the bulk of its electricity production. The Sahel and the Horn of Africa are prone to droughts.

Climate change as such has been put on the pan-African policy agenda rather late in the process**.** The AU's predecessor, the Organisation of African Unity, had adopted the *African Convention on the Conservation of Nature and Natural Resources* in 1968. All African states had signed up to major international environmental treaties, including the 1992 *Climate Change Convention* at the *Rio Earth Summit*. In 1995, the UN Framework

[58] Climate adaptation: adaptations intended to reduce the vulnerability of human or natural systems to the impacts of climate change; climate mitigation: actions intended to stabilise greenhouse gas concentrations in the atmosphere.

Convention on Climate Change (UNFCCC) organised its first *Conference of the Parties (COP),* which has been held annually since and which has become the major conduit for global climate diplomacy. In 2007, for the first time, the AU adopted a joint declaration on climate change and development. Two years later, it put forward its “Common African Position on Climate Change” at the Conference of the Parities that was held in Copenhagen (2009).

Different factors contributed to the AU decision to promote a common African position and to secure a greater say for Africa in the global climate change negotiations. Africa’s structural vulnerability to climate change was a common enabler and underlying motif of the AU decision to promote a common African position and to secure a stronger voice for Africa in the global climate change negotiations. While Africa has only contributed 3.8 % of total Greenhouse Gas (GHG) emissions due to its low degree of industrialisation, it is the continent that is most vulnerable to changes in climate conditions (Nakhooda et al., 2011). Africa’s recent economic growth is placing increased pressure on the resources required to ensure that emissions do not grow correspondingly. The continent’s population is highly dependent on climate sensitive sectors, most notably agriculture. The continent also faces particular challenges due to the constraints related to the high number of landlocked countries. Considering the generally high levels of vulnerability of many African countries, most importantly with regards to agriculture, food security, water security and social cohesion, Africa has a major interest in seeing that developed economies curb greenhouse gas emissions and that African countries adapt successfully to the changes (IPCC, 2007).

The potential to utilise new sources of development finance for climate change related *mitigation and adaptation* was another important motivator for African countries to join forces through a stronger presence in the main UN arenas. This process of climate financing had begun in 1992, during the Rio Earth Summit, when the UN Conference on Environment and Development (UNCED) recognised that developed countries had contributed the most to the global accumulation of GHG emissions, with developing countries bearing less historical responsibility. Developed countries committed to mobilise climate finance to help developing countries respond to climate change. Meanwhile, climate finance has become a central issue in international negotiations, as there are many questions that need to be tackled related to volume, sources and destinations of finance, conditionalities attached, the targets (tackle adaptation or mitigation), and nature of the contributions (voluntary or legally binding obligations on developed countries).

The answers are highly relevant for African countries, the more so as the sources and diversity of funding have rapidly expanded. So far, a smaller part of climate finance from developed countries to developing countries targeted at reducing emissions of GHG has gone to Africa (Severino, 2009). Most African countries, however, have prioritised climate finance for the purpose of adaptation, since these responses are more compatible with their structural vulnerabilities and with the place that rural areas and agriculture have within their economies as well as with widespread poverty. Moreover, there are also concerns about the modalities or channels through which *climate finance* is or will be transferred, as well as how African countries can access it.

According to the AfDB (2012), Africa could benefit from the inflow of substantial resources to build its adaptive capacity and to climate proof its vulnerable economic sectors. Globally, adaptation funding is estimated to have accounted for around 7 % of international climate flows. GHG emissions from deforestation and poor agricultural and pastoral land management account for about 65% of Africa’s emissions. Africa could benefit from extended carbon market mechanisms for reduced emissions from deforestation and forest degradation. Yet, despite their rapid expansion in numbers, the financial mechanisms do not serve Africa well, with access to very few of the 24 climate funds. But, the volumes of available financing and financial flows only tell a partial story. Section 6.5 will further explain early experiences with climate finance, as these point to a number of challenges that may affect implementation of the emerging AU agenda on climate change.

6.2. Institutions of global and African climate diplomacy and climate finance

The UNFCCC provides the most important global institutional framework for climate agenda-setting and policy-making. The Conference of the Parties (COP) brings together the 195 signatory parties to the UNFCCC and constitutes its decision-making body. The next COP will be in Paris in December 2015. African countries have increasingly joined efforts through different channels in this main UN negotiating arena. They do so through the so-called *regional blocs* such as the Group of 77+China (G77), and the *African Group of Negotiators (AGN)*[59]. The latter has become the most active regional coalition for pooling resources and influencing among African states in the international climate negotiations. It was formed at the time of the Rio Summit in 1992 as a result of the bloc politics of the UN General Assembly. A small AGN delegation was acting as Africa's lead negotiator. Over the years, this AGN has gained in importance, and now has technical negotiators from every African country (Ramsamy et al, 2014). AGN consultations present outcomes for both technical and political deliberations to the *African Ministerial Conference on the Environment (AMCEN).* AMCEN played an important role in coordinating and preparing a common African position in the mid 2000s. It provided technical inputs as well as political oversight to the AGN, and prepared a *Common African Position on Climate Change,* which was endorsed in 2009 by the AU Assembly. The AU Assembly also established the *Conference of African Heads of State and Government on Climate Change (CAHOSCC).*

CAHOSCC represents the highest level within the AU to endorse common negotiation positions formulated by AMCEN. CAHOSCC represents the AU in high-level international political dialogues on climate change, in particular at ministerial, technical meetings of the UNFCCC (Roger, 2013). The AUC has engaged in coordinating African institutions through CAHOSCC in an effort to *speak with one voice.* The AUC works with national technical negotiators, ministerial committees and continental bodies to facilitate exchanges with the AGN – because the AU as such is not represented in the climate diplomacy of the main UNFCCC events (interview, AUC, April 2014). Consultations to formulate common negotiating positions at the UNFCCC follow the process as illustrated by figure 6. The interactions between the AGN, AMCEN and CAHOSCC are structured in such ways as to ensure that positions decided by AMCEN and endorsed by the AU through CAHOSCC are well informed. African observers consider this arrangement to constitute the cornerstone of Africa's engagement in UNFCCC negotiations for Paris in December 2015.[60]

Figure 6: Process to develop a common African position in the UNFCC negotiations

Source: Tondel et al., 2015 p.12

[59] There are also smaller coalitions, which include African countries such as Brazil, South Africa, India and China (BASIC), or the Alliance of Small Island States (AOSIS).

[60] For further details, see Tondel et al 2015.

The common African Position on Climate Change that has emerged in the UNFCCC negotiations revolved around a number of priorities. The common position promotes a legally binding agreement that is applicable to all Parties of the UNFCCC as the main institutional arrangement to tackle climate change at a global level. It rests on the core concept of *environmental justice* and states that adaptation is the highest priority given the continent's low emissions of greenhouse gas. The Africa Group of Negotiators has indicated its preparedness to contribute to mitigation, as a large part of Africa is covered by forests that serve as carbon sinks. The AGN has identified priority intervention areas to support adaptation in agriculture and food security, poverty reduction and social and economic development, as well as *resilient infrastructures.* At the Malabo Summit in 2014, African Heads of State and Government prioritised *Climate Smart Agriculture*, and integrated the climate change related investments as part of the broader CAADP agenda.

Despite such efforts in support of a common position, some policies by the Africa Group on climate change in the international arenas are not harmonised or remain fragmented. Not all African leaders within CAHOSCC have the same perspective and needs, and some powerful country governments respond to different political and economic incentives (see also section 6.3). Within the AGN, there are those that represent oil-exporting countries (pushing for response measures), Small Island Development States (promoting that big emitters of greenhouse gasses take more responsibility) and least developed countries have a particular interest in finance, technology transfers and adaptation. South Africa stands out as it is the continent's biggest polluter, holding the 12th place in the world on Greenhouse Gas emissions. It also faces powerful political economy dynamics that affect its position in the AU and on international negotiation platforms. South Africa is not only part of the Africa Group but also of the BASIC Group, a grouping of four newly industrialised countries (Brazil, South Africa, India and China), which was established in 2009 to act jointly at the Copenhagen climate summit. In a different way from South Africa, Ethiopia has been a frontrunner, a champion and an influential African player in climate diplomacy, with also powerful political economy drivers at the national and regional level.

One key concern of African Parties to the UNFCCC negotiations relates to the volumes, accessibility and quality of climate finance as it impacts on the future for climate mitigation and adaptation on the continent. Much interest is directed at the institutional architecture of the Green Climate Fund (GCF), which was established in 2011 (at COP 17 in Durban) to support developing countries in their responses to climate change. The GCF is to become the main channel for public climate finance, with developed countries having committed to jointly mobilise $100 billion climate finance per year by 2020 to address the needs of developing countries. In 2013, the GCF established an independent Secretariat in South Korea with the World Bank as its interim trustee. The GCF Board consists of equal representation of developed and developing countries, and, with support from the secretariat, it has developed policies and frameworks to manage, programme and disburse finance as well as measure and account for results and impacts (Schalatek et al, 2014).

The GCF recognises the basic principle of a "country-driven approach". However, in reality there remain many questions about how to operationalise this principle, especially in terms of fiduciary guarantees and types of risk averseness of contributing countries. Answers to these crucial questions will have implications for if and how developing countries can gain access to climate funds (see also section 6.4). There are three access modalities for developing countries of the GCF, i.e. national, regional and international channels and implementing entities. The choice will have implications for the future roles to be played by intermediaries such as regional development banks, and potentially also RECs. Compared to a previous multilateral climate fund (the *Adaptation Fund*) there is one innovation that has been introduced to the GCF financing architecture in that the use of fiduciary standards for accreditation of projects will be on a "fit-for-purpose" basis rather than a "one-size-fits-all" approach (Bird, 2014).

6.3. National and regional actors and incentives

Africa's country representatives at the UN play important roles in global climate diplomacy, and are key stakeholders in setting the agenda, with inputs from the AU institutions in terms of facilitating a *Common African Position*. The AU member countries are also crucial for the implementation of the global and pan-African agreements. Climate change is a fairly new policy area. In Africa, Ethiopia and South Africa have been relatively *early movers* on climate diplomacy and climate change policies. This section will deal with the domestic political economy dynamics that shape the emerging climate change policy agenda as this helps explain initiatives at the AU and at the global level. Such dynamics also point to drivers and obstacles to implementation. This section presents some of the other regional stakeholders that are positioning themselves on the issues of climate change and climate finance.

6.3.1. Ethiopia

Ethiopia under the late Prime Minister Meles Zenawi, pushed for a consolidated African position on climate change in the UNFCCC negotiations. Within the AU, he encouraged the foundation of the AU's high level Committee of African Heads of State and Government on Climate Change, and played a key role during the Copenhagen COP in 2009. He acted as co-chair of the *High-Level Advisory Group on Climate Change Financing*, which sought to rationalise the fragmented landscape of funding and which played an important role in laying the foundations for the future architecture of the Green Climate Fund and setting the target for an additional funding of $100 billion as of 2020.

At home, by 2010 the Ethiopia government had adopted a low-carbon resilient agenda and integrated it into the national planning, addressing both climate change mitigation and climate adaptation. Ethiopia officially rejected the business-as-usual model. There were powerful domestic political incentives behind climate change related policies and behind the drive to implement them. The Ethiopian government seeks to mitigate the threat of political instability that is associated with uncontrolled urbanisation in a context in which "budgetary scarcity, regional instability and extreme weather variability make a potent mix" (Verhoeven, 2011). It considers energy to be an important part of the country's development and security challenges to address this threat.

Landlocked Ethiopia depends on access to oil and other valuable imports through Sudan and Djibouti. Only 1% of its energy requirements comes from electricity, 95% of energy use consists of biomass. So energy has become a strategic priority, the more so as the economy and energy consumption grow. Despite opposition from downstream countries such as Egypt, Ethiopia embarked in 2013 on building the *Grand Ethiopian Renaissance Dam Project,* a dam on the Blue Nile for the generation of hydro-electricity. This enhanced capacity for generating energy was needed to support the manufacturing sector, but also for a countrywide electrification campaign that "would help shore up support in rural areas" (idem). Moreover, climate change has reinforced these underlying policy objectives, including solidifying its position in the region by exporting hydro-power to Djibouti, Somaliland, Kenya, Uganda, Sudan and Egypt.[61]

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[61] In March 2015, the leaders of Sudan, Egypt and Ethiopia signed an initial deal to end a long-running dispute over sharing of Nile waters. Concerns remain, but it seems that an important step has been made: "The Renaissance Dam project represents a source of development for the millions of Ethiopia's citizens through producing green and sustainable energy, but for their brothers living on the banks of that very Nile in Egypt, and who approximately equal them in numbers, it represents a source of concern and worry" (Egyptian President Sisi at the signing ceremony, BBC, 23 March 2015).

6.3.2. South Africa

South Africa is Africa’s most industrialised economy, with its foundations in the mining industry, and powerful state-owned enterprises in electricity, steel, and arms procurement as strategic economic pillars of the apartheid economy. Path dependency can be observed in South Africa today as ESKOM still is the country’s vertically integrated state owned energy utility. It holds a monopoly power over the electricity value chain of generation, transmission and distribution. As of 1994, a democratically elected government sought to make the benefits of democracy tangible through social and other programmes such as housing and electrification. Household connectivity rose from 30% in 1994 to 87% in 2012. Steady growth in the industry placed a have strain on South Africa’s electricity generation capacity, yet prices were kept artificially low with underinvestment in maintenance and in new production capacity, leading into a crisis of running powercuts in 2008 and 2009. Initially, ESKOM managed to turn the energy crisis to its own ends. The electricity giant heavily relies on coal for its electricity production. It was able to rely on ministerial supporters in different departments, and was able to obtain substantial World Bank and AfDB funding for coal-based electricity generators with loans amounting to 2 % of national income (Resnick et al. 2012). This way, ESKOM managed to lock in safeguards for economic growth and well-being of poorer households into a long-term agreement with government on coal fired electricity supply until 2020. South Africa’s official climate change policy pointed in a different direction, and referred among other things to the need to develop “local manufacturing and technical capacity in a broad range of renewable energy and other clean technologies” (National Development Plan 2030, 2012, p. 205).

Despite ESKOM’s continued attempts at using its influence with various departments and agencies, the combination of unavoidable tariff increases and regular interruptions of electricity supply has weakened the position of ESKOM, and resulted in a crisis of confidence. The price rises met with opposition from businesses, consumer groups, as well as trade unions, with the latter strongly pleading for the maintenance of ESKOM’s hold on the electricity value chain. The political economy dynamics, however, were such that policy and operational space opened for a new coalition of change to emerge. At the core of this loose coalition there were the Government’s Treasury department, the Department of Energy Affairs, a specialised unit outside the Department of Energy to manage contracting the emerging Independent Power Producers and foreign investors in renewable energy. NGOs dealing with climate change were supporting these reforms, but “given the low profile this issue has among an array of societal concerns, this is not a substantial source of powerful influence” (Morris and Martin, 2015: p. 70).

Similar tensions and ambiguities have also played out in the field of South Africa’s global climate diplomacy. South Africa is a member of the AGN but is also a member of the BASIC group of emerging economies. It has been able to use its influence in both directions, for example to help break down stand-offs between negotiating blocs that have sometimes hampered negotiations in the UNFCCC (Dewar, 2012). It assumes high profiled policy positions such as its *National Climate Change Response Strategy*, both for domestic and global use. Yet, during the Copenhagen COP, the country played a prominent role in shaping the Copenhagen Accord in alignment with the policy preferences of BASIC, against some of the principles of the AU common position. For that reason, South Africa has, at several instances, been accused of betraying African interests and values. South Africa’s growing political and economic relations with China have raised fears that it would compromise its neighbours’ interests in favour of its own (Atteridge, 2011). South Africa opposes, for example, targets for legally binding emissions reduction for emerging and developing countries, while other countries and regions, notably the EU, are in favour of such targets (Tondel et al., 2015). In fact, the large emerging economies in the G77+China group have equipped themselves for these negotiations and have gained influence.

6.3.3. Other regional stakeholders

Other contributors to a common African position on climate change include the AfDB, UNECA, the RECs and national political leaders. The AfDB has provided since 2008 financial and technical assistance to the African institutions involved in the negotiations and has set in motion other support programmes on climate funding. It has delivered analysis and training to the AGN, and facilitated their meetings. UNECA hosts the African Climate Policy Centre, which also provides climate information and technical advice to the AGN. National political leaders played an important role in defining an AU position on climate change, and a higher degree of political recognition at continental level for the threat of climate change. Among African champions in the fight against climate change are the former President of Ghana, John Kufuor, who was appointed UN Special Envoy on Climate Change ahead of the 2014 UN Climate Summit; the President of Tanzania, Jakaya Kikwete; the late Prime Minister of Ethiopia, Meles Zenawi; the President of Benin, Yayi Boni, a staunch advocate of the climate change cause; and the President of Mozambique, Armando Guebuza (Interview, UNECA, May 2014).

Box 6: Regional organisations involved in climate change

The AfDB created the *Africa Climate Change Fund* (ACCF), a bilateral trust fund to support African countries in their transition to climate-resilient and low-carbon development. The aim is to eventually scale up to a multi-donor trust fund. The Africa Climate Change Fund will specifically help countries access international climate finance. The AfDB assists the AUC with identifying bankable projects. The West African Development Bank has also taken up roles in support of its clients in relation to climate financing (interview Belynda Petrie, OneWorld, February 2015). In 2014, the NEPAD Agency set up the NEPAD Climate Change Fund to provide technical and financial assistance to AU member states, RECs and other organisations that meet the criteria and the target areas of supporting adaptation of agriculture to climate change.

RECs have embarked on developing climate adaptation and mitigation strategies, albeit with varying degrees of progress. COMESA Heads of State and Government held a Summit in Zimbabwe in 2009 to approve the Regional Framework on Climate Change that promotes the role of agriculture, forestry and land use in climate change adaptation and mitigation activities. COMESA organises climate change finance training programmes. SADC has not yet taken up a role in terms of climate change finance. However, its water division is strong, as laid down in the SADC climate change strategy, and it assists member states with the implementation of the *Reducing Emissions from Deforestation and Forest Degradation.* The EAC is trying to get accreditation as a regional implementing agency for the Adaptation Fund, one of the many climate change funds, and intends to position itself for the Green Climate Fund (Interview One World, Belynda Petrie, 2015). In June 2015, ECOWAS organised a regional forum to discuss and promote climate smart agriculture (CSA). It brought together officials from ministries with overlapping portfolios that can contribute to climate smart agriculture that generally don't work together on such issues (environment, water, agriculture, finance and planning, investment). Stakeholders from the private sector and civil society groups were also invited.

In 2011, these three RECs (COMESA, EAC, SADC) established a tripartite 'Programme on Climate Change Adaptation and Mitigation in Eastern and Southern Africa'. This programme aims at increasing investments in climate resilient and carbon efficient agriculture and its linkages to forestry, land use and energy practices by 2016 in member states of the three RECs. The *Permanent Interstates Committee for Drought Control in the Sahel (Comité Permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel, CILLS)* was created in 1973, currently comprised of nearly all ECOWAS member states (10 out of 15 states) as well as Mauritania and Chad. Finally, IGAD has a specialised Climate Prediction and Applications Centre (ICPAC), a technical and scientific centre that was originally established in 1989 and is responsible for eight IGAD member states. Interestingly, IGAD was created in 1996 to replace the

Intergovernmental Authority on Drought and Development (IGADD), which was founded in 1986, after the recurring and severe droughts and other natural disaster throughout the 1970s and 1980s.[62]

Pan-African civil society organisations engage with the AU on climate change related issues. Though the Economic, Social and Cultural Council has largely been absent as an advisory AU organ, a number of specialised NGOs such as the *Pan-African Climate Justice Alliance (PACJA)*, that groups 300 civil society organisations from across Africa, operate on issues of transparency and accountability. PACJA has called for CAHOSCC and the African Union to adopt an African evidence-based position on climate change. In 2011, African Ministerial Conference on the Environment invited African centres of excellence and AU organs and other partners to contribute to the development of a research agenda in support of the African common position.

6.4. Sector characteristics - climate change as a new "policy area"?

Climate change is an *emerging* policy area in many countries, including in Africa. The importance of *traditional* sectors and policy areas can be assessed from their budgetary allocations, from the place in the political hierarchy, and the attention they receive from key ministers and civil servants. Climate change, as a newcomer, often does not have dedicated departmental structures and civil servants, budget targets or allocations, and political or bureaucratic champions. The lack of clear "sector boundaries" of climate finance poses additional challenges when developing countries want to access climate finance to add to domestically raised resources for mitigation or adaptation programmes (Bird, 2015; see also next sub-section). For example, as administrative classifications for planning and spending of ministries are not well developed, there will be difficulties for budget tracking. Such challenges are often compounded by the innate complexities of working with an increasing number of fragmented climate funds, in the absence of internationally agreed definitions and markers on what funding or projects qualify as climate change. There is, as yet, little guidance (based on hands-on experience) on how to incorporate climate change concerns or actions into national budget planning.

In the case of Africa, climate change has typically entered into foreign policy deliberations of the Africa Group of Negotiators through the ministries dealing with environment. These ministries often become the focal points for climate change. But a second candidate for becoming the focal point on climate change are those departments working with donors on climate change finance. In many cases, it is not clear who takes the lead. The lack of domestic political incentives behind climate change has tended to result in a leadership deficit in this policy area. This carries the risk that policy agendas are driven by recipients that are captured by donor requirements, priorities and systems rather than by domestic reform coalitions that identify domestically owned policy priorities in this complex domain (Thornton, 2011). The availability of climate change finance may alter the incentive environment in such ways that reform coalitions behind climate change policies are weakened rather than strengthened. Or line departments with responsibilities over climate change related policies may remain too weak and side-lined for developing, coordinating, steering or implementing such policies.

Research and experiences with climate change funding in Africa suggest that there are few African countries with country owned climate change policies in place. The political 'attractiveness' of climate change to political leaders in Africa is hard to assess, with available evidence suggesting that in and of itself climate change does not seem to muster strong political or ministerial support. A joint study of the AfDB and the OECD on external support to climate change in six African countries[63] pointed to the "few domestic demands from Africa's

[62] See also IGAD study of PERIA
[63] These countries include: Cameroon, Ghana, Kenya, Morocco, South Africa and Tanzania.

citizens to their representatives that they provide leadership on climate change" (Thornton, 2011: p. 25). In countries where political leaders have taken ownership over the climate change agenda, it seems to be part of another, higher political priority such as security, energy, natural resource scarcity or food security.

The cases of Ethiopia and South Africa in the previous sub-section offer telling illustrations for this observation that political commitment to climate change is often part of a broader set of - more politically salient - policy concerns of ruling elites. In such cases, there is more likeliness that (parts of) the climate change agenda gets implemented. The example of South Africa's policies vis-à-vis climate change and independent producers of renewable energy highlights, moreover, the contingent nature of politics and policy changes. It was only when the country went through a serious electricity crisis that the political balance and incentives tilted sufficiently to create space for a coalition of state and private sector actors in support of renewable energy to emerge and grow. The actual choice and implementation of policies in support of renewable energy did not result from a major political commitment to address climate change issues, but the shifts were triggered by a crisis in the supply of electricity" (Morris and Martin, 2015: p. 9).

6.5. External factors – climate change finance

Climate change finance – and its future architectures – is one of the key matters of concern for the AU and the African Group of Negotiators in the global forums. As Thornton pointed out (2011), however, it is unlikely that the AU or the AGN will be able to change in a major way the future *rules of the game* regarding the management of the biggest climate fund in the making, the Green Climate Fund. A lot of work is still on-going, yet there is already a body of evidence and experience of working with existing climate change funds that paint the contours of what can be expected to happen. The volume, sources and types of climate finance have grown significantly over the past decade. One of the first financial climate finance mechanisms was the *Global Environment Facility* (GEF), established in 1991 as a pilot programme within the World Bank with the aim of protecting the global environment. Especially after 2005, there has been a steady growth in climate change funds and mechanisms through which to support mitigation and adaptation programmes in developing countries. It is estimated that by 2016, there will be over 100 special climate change funds.

Experiences of African countries with accessing climate change finance capture the current political economy hurdles, and call for a degree of realism in what can be expected from AU and RECs, and their contributions to accessing climate change finance. The above-mentioned joint AfDB/OECD study applied the five widely agreed aid[64] effectiveness principles (ownership, mutual accountability, results orientation, harmonisation of donors and system/policy alignment) as a yardstick for assessing the actual performance of climate change finance in six African countries. The findings are rather sobering and reinforce the warning by Wood et al (2010) that climate change finance "will create many of the same challenges as have other forms of aid – perhaps even more" (Wood et al, 2011: p. 60). For example, most case study countries indicated a deficit in ownership over climate change policies, or a lack of political leadership (see also previous sub-section). This deficit carries the danger that international institutions may set the agenda as such agenda is not yet rooted in national priorities.

Moreover, the architecture of climate change finance tends to create incentives for setting up separate national institutions. However, responses to climate change only become coherent where core functions of government (office of the president/prime minister, the ministry of finance, etc.) are actively involved and

[64] Aid flows are only one part of the *ecology of development finance*. There is a shift discernable to reflect on *development effectiveness*, as a more comprehensive exercise that a narrow focus on the contribution of aid to effective development partnerships.

cooperative. This study of 2011 found that none of the six countries had developed a comprehensive approach for implementing an effective response to climate change challenges with a sufficiently grounded overall policy framework[65] with targets and budgets, enabling legislation, functioning institutional arrangements and accountability mechanism.

In terms of accountability mechanisms of climate change funds, these were often organised to benefit donor concerns about fiduciary and other risks, rather than to support the domestic accountability and financial management institutions. The burden on aid managers in the field of reporting to headquarters is rather heavy and tends to crowd out resources and capacities needed for capacity and institution development. In theory, transparency and mutual accountability are also intended to serve the purpose of informing multiple state actors, but also non-state actors, especially the emerging specialised civil society organisations and private sector interest groups that may take a more active interest in opportunities of a changing incentive environment. In practice, Thornton noted in 2011 that the civil society organisations in all six countries were not yet organised around climate change issues, which may result in a lack of organised domestic demand side pressures behind climate change policies.

For the future Green Climate Fund, two additional points can be made from experiences with gaining access to international climate finance in Africa (Bird, 2014). First, improving access by developing countries to funding from multilateral sources will critically depend on the question of how the GCF will define and manage fiduciary risks. Reference can be made to the *Adaptation Fund*, one of the more experienced multilateral climate change funds. The fiduciary standards applicable under the Adaptation Fund have resulted in project delivery that is driven by multilateral agencies with limited potential for partner countries to develop their own capacities and institutions. As multilateral agencies manage the risks and the public finances, opportunities to strengthen partner country capacities in these areas remain untapped. As the GCF Board “appears to be well aware of this challenge” there is potential for a more country-driven, “fit-for-purpose accreditation” and approach (Bird, 2014: p 17). Secondly, this study contrasts the experience of the *Global Alliance for Vaccines and Immunisation* with that of the Adaptation Fund. The multilateral health fund was able to provide high levels of funding to countries in need over an eight-year period (Ethiopia received close to $100 million). The Adaptation Fund had to limit its country allocations for direct access in the same period to less than $10 million because of lack of funds. So the challenge is not only about the modality of accessing climate finance but also of quantity of available funding (Bird, 2014).

Box 7: The EU’s normative power in shaping the AU response within the UNFCCC

The EU has been an important actor in engaging with the AU in efforts to influence the AU’s position on climate change. Scheipers and Sicurelli (2008) conducted a study on the normative power in EU-Africa relations, by looking into the activities and dynamics surrounding the agreement of the Kyoto Protocol (2007). The EU has contributed to shaping the positions of the group of sub-Saharan countries in the negotiations for the Kyoto Protocol at three different levels. First, the ratification of the Kyoto Protocol by African countries led to increased recognition by the EU. Second, the EU has provided expertise to African countries on how to prepare, ratify and implement the Protocol. Third, the EU made the provision of parts of its development aid conditional on the ratification of the Kyoto Protocol. The EU strongly defended the principle of *Common But Differentiated Responsibilities,* which may have led to closer cooperation with the AU. This closer collaboration was most prominent during the Durban COP (2011), where an EU-Africa Alliance convinced other Parties to eventually sign the agreement (Tondel et al., 2015).

[65] South Africa, as we have seen, featured aspects of a climate change policy.

Under the *Joint Africa-EU Strategy (JAES)* climate change became a priority area of cooperation between AU and EU. Initially, this partnership raised high expectations about the prospects of a common approach to climate policy at different levels. However, the general perception is that the JAES' climate change partnership mainly served as a forum where talks were not followed by appropriate actions and concrete outcomes. Many problems have affected the JAES and the climate change partnership, most notably, a deficit of political support on both sides. The impression that the EU has continued to act as 'a paternalistic actor, unable to consider the AU and its members as equal partners' is common among African parties. 'The EU [has been] also perceived to firmly keep control over the agenda setting, the substance and the process of consultations and meetings', an EC interviewee explained.

6.6. Conclusions: main findings

The AU has taken on board the challenge of climate change in response to internal champions, but probably, perhaps partially, also in response to EU prompting. Climate change is a highly relevant policy area for Africa. The continent is particularly vulnerable to effects of climate change. The continent has contributed far less to the global accumulation of greenhouse gas emissions than other regions and some African governments are concerned about tensions between sustaining the economic growth and reducing greenhouse gas emissions.

At the UN level of climate change diplomacy, the AU has supported the Africa Group of Negotiators in developing a *Common African Position on Climate Change*, and an emerging institutional architecture for pan-African consultation, policy preparation and decision-making. An important subject for Africa in these UN negotiations relates to international finance for climate change, as this can help developing countries a) manage trade-offs between sustaining growth and reducing greenhouse gas emissions, b) create new incentives for low carbon development, and more generally c) support programmes for mitigation and adaptation. To that end, the AU cooperated with partners such as the AfDB, UNECA and the Africa Group of Negotiators, and provided inputs to the negotiations on the architecture of the Green Climate Fund, as there are concerns about the delivery of climate change finance on the scale, terms and conditions that make such funds fit for purpose.

The multilateral nature of the Green Climate Fund may further lead the AU to take up additional roles, yet it is unlikely that – given the source of finance for the GCF – the AU can alter in substantial ways the criteria for accessing these funds by its member states. The experiences with existing climate change funds provide a better guide to what can be expected from the GCF then imagining something entirely new or innovative to emerge from the international negotiations. The political economy of aid and of donors will shape the type of conditions, degree of acceptance of fiduciary risks, transaction costs, results framework, and the tolerance for diversity or for pursuing country specific good fit rather than best practice models.

The emerging lessons from the use of climate change funds by African countries are compatible with the more general lessons from traditional aid, and in a way also the findings of the CAADP section of this study. Whatever the intention, donors are unlikely to alter the political incentive environment in African countries in such ways as to create the conditions for effective climate change policies and the creation of public-private coalitions behind their implementation. This begs the question whether donors are prepared to adapt the climate finance architecture to make it fit for purpose and for the incentive environment in which it may be used.

7. Overall conclusions

In barely one and a half decade, the African Union has tackled multiple global, continental and regional challenges and managed to rally support behind an ambitious policy agenda and political vision. Yet, as the AUC Chairperson stated, there is no shortage of policies, there is a problem with lack of implementation.[66] This study has analysed the political economy of the African Union, focusing particularly on how policy agendas are set, what drives or constrains their implementation, and hence what helps explain the implementation gap. Insight in the nature of that implementation gap may help policy identify opportunities for bridging it and for contributing to regional integration and cooperation. By applying a political economy analysis to different sectors and policy areas,[67] this study draws the following conclusions.

Peace and security is the one policy area on the AU agenda that sticks out in terms of the level of implementation of AU commitments, though less so in terms of results that are mixed. More than 50 peace operations have been undertaken in 18 African countries in the new millennium. The AU's predecessor, the Organisation of African Unity, was – unlike the AU – not in a position to intervene in member states as the principle and practice of *non-interference* ruled. The post-Cold War era, political developments on the continent and changes in the global economy, however, had created new opportunities and imperatives that enabled or necessitated interventions in member countries. Especially in the area of peace and security, a number of powerful African countries aimed for an overhaul of the OAU, and for new institutions that would be empowered to move from non-interference to *non-indifference*. In a short period of time, the AU has managed to establish a substantial architecture of institutions and organisations in the area of peace and security. While applied unevenly and with differing results, the AU has been able to develop capabilities for deliberating and decision-making, and for engaging in hands-on problem solving through mediation and mounting peace operations, and imposing sanctions in cases of unconstitutional transfer of power.

Influential member states have been important drivers in this sector, spurred by concerns about the visible and immediate costs and mid-term risks from violent conflicts on the continent. Such risks increasingly entailed the threats of regional spill-overs or persistent instability endangering prospects of trade and investments. Regional powers such as Nigeria, South Africa, Ethiopia, Algeria, Kenya and other African countries have played important roles in setting the agenda and pushing for institutional arrangements to ensure implementation. This involved providing finance, troops and logistical support, breaking deadlocks, ensuring diplomatic cover and political steer, as well as deliberating and imposing sanctions. The Africa Peace and Security Architecture has become the institutional embodiment of the AU mission of finding African solutions for African problem-solving, and thus pre-empting foreign interventions in such a sensitive domain as peace and security. As the case of the Lord's Resistance Army in central Africa further illustrated, the AU has managed to adapt its operational approach to the contextual realities of volatile conflicts in various regions. Moreover, it did so in an environment of fragility that is marked by budgetary and political constraints. In the area of peace and security, problem-solving seems to have opened opportunities and space for APSA to engage in functional forms of dialogue and to cooperate with specialised civil society organisations (including those working on gender), think tanks and non-governmental organisations.

In support of its peace operations, the AU managed to organise substantial partnerships with the UN, with the EU and with other donors. These partnerships involved engagements with external partners on authorisation of peace missions, logistical and operational support, and most of the funding for the peace operations. The

[66] Nkosazana Dlamini-Zuma speaking at the OECD Forum on Africa in Paris, 6 October 2014.
[67] The five policy areas, sectors or cross-cutting issues studied include: peace and security, infrastructure development, agricultural transformation and food security, climate change and gender equality.

alignment of interests between the AU and donors on peace and security has been reinforced by the shared concern with the spread of global terror in Africa. Hence, the AU has become the key interlocutor on conflict and peace in Africa.

The study also drew the attention to AU efforts in other sectors or policy areas. This way, the study offered a more comprehensive perspective on sector specific characteristics that affect the implementation gap. Four such characteristics can be distinguished. Firstly, unlike peace and security, in the areas of infrastructure development, food security, climate change or gender, there have been no clear leaders among member states – or coalitions of member states – driving these policy agendas within the AU. On the contrary, national level government leaders may agree on decisions within the AU Assembly without committing to its implementation or creating the institutional arrangements to do so. Secondly, in those policy areas where the AU has to rely on the RECs for implementation, there is often insufficient timely dialogue or involvement of the RECs in preparing AU policies and policy decisions. This has repercussions for implementation. As one REC interviewee commented "anything that RECs don't domesticate will not get done" (section 2). Thirdly, there are few reputational risks, sanctions or other costs for member states that don't implement agreed policies in these areas. Fourthly, certain policy areas are politically less attractive to governments or political leaders as they find it hard to warn against negative regional spill over effects and costs that are easy to identify or calculate. Or they may find it hard to identify immediate positive benefits to be gained from cooperation and integration. In contrast to peace and security, these specific characteristics of the other sectors or policy areas under discussion may make them less amenable for implementation or for regional cooperation through the conduit of the AU.

The study has also identified external factors affecting the domestic political economy environment such as the influence of donors and of critical junctures or crises. In the case of the *Comprehensive Africa Agricultural Development Programme* (CAADP) there was high-level endorsement for this continental programme by the AU member states, but it took an external event to trigger a more positive response in terms of signing the CAADP compacts. The increased food prices in 2007-08 gave rise to food riots in 14 African countries, which raised the level of interest among a number of member states and RECs in implementing CAADP. While it was relatively easy for member states to sign up to CAADP, the actual implementation of the CAADP agenda proved to be more difficult. In fact, the political incentives in many African countries were not strong enough for governments to engage in effective agricultural reforms. Two countries with already strong political drive behind agricultural reforms – Ethiopia and Rwanda – engaged constructively with CAADP for the additional opportunities it offered in terms of funding and legitimisation.

Strong country buy-in also proved to be crucial in transnational infrastructure development. The case of the AU flagship programme on infrastructure development in Africa (PIDA) highlighted that few additional financial resources had been mobilised through PIDA from member states or from external partners. Its design proved to be overly technocratic and top-down, with little involvement of the key private and public actors that are needed for the financing of infrastructural regional public goods, or their future use. Where transnational infrastructure development in PIDA takes place, there are strong national champions involved, with little evidence yet on the added value from PIDA.

In the case of gender, the AU features a well-developed policy agenda on gender equality, based on a strong normative and aspirational framework and a range of legal, policy and organisational pillars. This agenda was re-energised when Nkosazana Dlamini-Zuma took office as the first female Chairperson of the AUC. Various projects and programmes (often donor funded) promote uptake of these gender policies and norms at the level of member states. Implementation at country level hasn't made much progress in the absence of domestic political incentives and drivers behind gender sensitive policies.

The AU has taken an active interest in climate change diplomacy in the global arena of the UN Framework Convention on Climate Change. The AU has supported the Africa Group of Negotiators and facilitated a Common African Position. One particular concern by the AU and member states has been the establishment and the *modus operandi* of the *Green Climate Fund*. This fund is expected to inject substantial additional grant finance for climate adaptation and mitigation in developing countries, including in Africa. Yet, climate change finance will – in addition to the likely benefits – also create many of the same problems that traditional forms of aid have generated. This case has pointed to the opportunities for the AU to promote global rules on climate finance that are fit-for-purpose rather than overly idealistic about ideal type funding models that have no grounding in the poorly institutionalised environment in many African countries.

This issue of foreign funding brings into focus another important variable that affects the implementation gap in all of the sectors and policy areas studied, i.e. traditional donors. In fact, there are concerns on both sides of the partnership with the AU about two uncertain sources of funding of the AU which both impact on the implementation gap. Firstly, the AU depends on yearly contributions to its budget from member states. These contributions largely cover the AU's *operational costs*. However, some member states pay in an irregular manner, or do not contribute at all. Renewed AU efforts of domestic resource mobilisation for its budget are unlikely to drastically change the current *status quo*.

Secondly, donors largely cover the financing of the AU *programmes*, as well as for its peace operations. Undoubtedly, this external source of finance has enabled the implementation of parts of the AU policy agenda, has helped cover some of the operational costs (including non-permanent staff), and has contributed to getting particular policy issues or projects on the agenda. However, the volume and quality of aid raise concerns. Substantial donor funding may even further weaken the relatively poor sense of ownership with member states over the AU agenda. This is made worse by lack of transparency as an unknown part of aid is kept off budget and as some donors continue to earmark their aid for their own preferences. Such practices tend to create administrative bottlenecks, feed mistrust due to lack of reliability and transparency, and contribute to AU agenda overload. In combination with the planning and information gaps in the AU budget processes it is hard for key African stakeholders such as the member states to assess whether donors finance agreed AU priorities or whether they fund donor preferences, and how reliable this source of funding is over time.

There are efforts by donors to provide aid in harmonised, aligned and mutually accountable ways. Ten donors have combined their efforts at improving the quality of their aid. Their explicit aim is to strengthen institutional functions that matter for improved management of the AU (transparency, accountability among the AU institutions, planning and budgeting, etc.) and for improved contributions to regional processes. But there are three hurdles to navigate. First, such improvements to aid can contribute over time to improve core bureaucratic functions, yet in a context of lack of political ownership over AU system reforms there is uncertainty about their results. Secondly, these donor efforts remain for the time being too timid a) to create incentives for strengthening AU public finance institutions such as budget planning, execution, internal audit and b) to empower AU partners to engage in such reforms in effective and gradual ways. Thirdly, the political economy of donors is such that major shifts in donor harmonisation and in policy and system alignment are unlikely to happen. Harmonisation with other donors may result in dilution of donor visibility for donor constituencies; and alignment with AU systems and policy agendas may hit sensitivities to fiduciary and political risks in donor capitals. Supporting regional level programmes and processes often involves more uncertainties, harder to measure risks, and less predictable results frameworks over longer periods of time. All these elements tend to render support for regional integration less attractive in the capitals of donor countries.

Implications

These findings carry important implications for stakeholders interested in closing the implementation gap and building more effective forms of regional cooperation through regional organisations such as the AU. Key aspects for consideration for policy makers, donors and other interests stakeholders in deciding on – or influencing of – the level of ambition of reforms, choice of sectors or policy issues to work on, and selection of reform coalitions to engage with (combination of partners, stakeholders, interest groups) can be summarised as follows:

- Structural and often hard to change foundational factors have a lasting influence on current dynamics and institutions of the AU. These factors help understand the central importance in regional dynamics of national champions or dominant countries (so-called *hegemons*). Policy-makers and partners who support the AU would do well to define their ambitions based on a realistic reading of structural trends and political constraints.

- The four cases and the cross-cutting gender section in this study highlight certain political and technical characteristics that are proper to each sector, and that shape the potential of the AU to contribute to regional cooperation.

- In a sector such as peace and security, powerful member states and ruling elites see their interests served by effective AU institutions, hence a clear drive behind AU involvement and added value. In the *sector* of climate change, the AU adds value by its supportive role in global arenas.

- In other sectors such as infrastructure, agriculture and *gender,* the AU found it difficult to identify policy issues with a strong regional dimension or to involve in a timely way key stakeholders or political economy drivers in preparing and implementing regional policies and programmes.

- The political attractiveness of particular sector reforms merit careful attention as this helps inform on the potential for brokering coalitions for change, the timeframes within which these may unfold, and the engagement strategies that supporters of such reforms can develop to help narrow the implementation gap.

- Some cases (peace and security, food security, climate change) illustrated how critical junctures or crises in a particular context can create opportunities for accelerating or even triggering regional dynamics or institutional reforms. Hence the importance for reformers not to over-design reform processes and allow for adaptations to crisis driven opportunities.

- The AU depends heavily on donors for the realisation of its agenda, which puts the onus on donors to diminish the harmful side effects of poorly managed aid, and to strengthen coalitions behind AU reforms that strengthen core governance, transparency and accountability functions.

- There are now strong prospects of additional sources of funding for climate finance. With the AU involvement in the global climate finance diplomacy around the Green Climate Fund, it matters to help prepare the ground by capturing political economy lessons in Africa of both traditional aid finance and the new generation of green climate funds.

- Given the nature of these regional dynamics in which the AU involves and evolves, it matters for donors to strengthen the knowledge base and African research capacity of regional cooperation and regional integration. Political economy analysis needs to be integrated in the strategic programming and management cycle as it addresses core questions about the political feasibility in addition to the technical layer of knowledge (about the technical desirability of certain reforms, for example).

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Annex 1: List of interviewees AU study (October 2014-March 2015)

AFRICAN UNION COMMSSION				
Department	**Division**	**Name**	**Position**	**Date**
Infrastructure and Energy	Transport and Tourism	Maurice NIATY-MOUAMBA	Senior expert	19/2/2015
Infrastructure and Energy	Posts and Telecommunication	Bonkoungou ZOULI	Telecommunication & ICT Expert	27/2/2015
Rural Economy and Agriculture		Leah Naess WANAMBWA	Senior Policy Officer	19/2/2015
Rural Economy and Agriculture	Environment, Climate Change, Water and Land Management	Almami DAMPHA	Senior Policy Officer on Forest and Land	20/2/2015
Rural Economy and Agriculture	Environment, Climate Change, Water and Land Management	Albert NDERYITWAYEKO	Policy officer Climate Change and Desertification Unit	20/2/2015
Rural Economy and Agriculture	Environment, Climate Change, Water and Land Management	Gilles OGANDAGA-NDIAYE	Expert on Environment	20/2/2015
Rural Economy and Agriculture	Environment, Climate Change, Water and Land Management	Olushola OLAYIDE	Senior Policy Officer on Climate Change	20/2/2015
Strategic Policy Planning, Monitoring and Evaluation, International Cooperation and Resource Mobilization	International Cooperation and Resource Mobilization	Thakanyane MATSIMANE	Policy officer	23/2/2015
Strategic Policy Planning, Monitoring and Evaluation, International Cooperation and Resource Mobilization	International Cooperation and Resource Mobilization	Jacques MUKWENDE	Head of Division	23/2/2015
Strategic Policy Planning, Monitoring and Evaluation, International Cooperation and Resource Mobilization	International Cooperation and Resource Mobilization	Khaled M. Khalil EL-FEKY and Alem MOLUSHOA	Planning and Programme Budget Data Experts	25/2/2015

Secretary General to the Commission		Jean MFASONI	Secretary General	24/2/2015
Peace and Security	RCI-LRA	Mike BUGASON	Advisor to the AU Special Envoy for LRA	3/12/2014
Peace and Security		Elisabeth CHOGE	AU-REC Coordination Officer	8/12/2014
Peace and Security	Conflict Management Division	Pascal Yao KONAN	Regional Desk Officer	8/12/2014
Peace and Security	Planning Unit	Capt. Seth FIANGA	Military Training Officer	8/12/2014
Peace and Security		El Ghassim WANE	Director of Department	24/2/2015
Peace and Security	Conflict Prevention and Early Warning	Fred Ngoga GATERETSE	Head of Division	24/2/2015
Internal Audit		Melckzedeck MAGOKE	Deputy director	24/2/2015
Civil Society and Diaspora Organisation (CIDO)	Diaspora Division	Ahmed EL-BASHEER	Head of Division	24/2/2015
Bureau of Chairperson		Febe POTGIETER-GQUBELE	Special advisor for Strategy Planning and Monitoring	25/2/2015
Bureau of the Deputy Chairperson		Patrick KANKYA	Advisor on International Affairs	23/3/2015
Bureau of the Deputy Chairperson		Fareed ARTHUR	Advisor on Strategic Matters	23/3/2015
Bureau of the Deputy Chairperson	Administration and Human Resource Development	Rekia Mahamoudou TIDJANI	Head of Management System	24/3/2015
Political Affairs	Democracy, Governance, Human Rights and Elections	Salah S. HAMMAD	Senior Human Rights Expert	25/2/2015
Political Affairs	Democracy, Governance, Human Rights and Elections	John IKUBAJE	Political Officer for Governance and Human Rights	27/2/2015
Social affairs	Labour, Employment and Migration	Oumar DIOP	Senior Policy Officer	25/2/2015
Communication and Information		Tankou Azaa Esther YAMBOU	Head of Division	26/2/2015

OTHER AFRICAN INSTITUTIONS

Institution	**Department**	**Name**	**Position**	**Date**
Pan African Parliament	Office of the Clerk	Lyn CHIWANDAMIRA	Head External Relations and Resource Mobilisation	2/3/2015

NEPAD		Shola AKINBADE	Special Adviser to CEO on Governance	2/3/2015
African Development Bank		Zakhele MAYISA	Principal Infrastructure Officer	26/11/2014
IGAD		Abeikarim AZARI		27/11/2014
South African Presidency		Hanief EBRAHIM		27/11/2014
African Centre for Gender		Thokozile RUZVIDZO	Director	26/2/2015
African Trade Policy Centre		David Luke	Coordinator	26/2/2015
ECOWAS Liaison Office to AU	Liaison Office	Raheemat MOMODU	Head of Office, ECOWAS Focal Point	27/2/2015
Environmental Protection Authority		Dessalegne MESFIN	Deputy Director	27/2/2015
Embassy of Tunisia in Addis Ababa		Sahbi KHALFALLAH	Ambassador Tunisia, Permanent Representative to AU-UNECA-UN Habitat	27/2/2015
Embassy of Tunisia in Addis Ababa		Sassim BENSALEM	First Secretary	27/2/2015
DONORS				
Embassy of Sweden in Addis Ababa	Regional Development Cooperation	Lena SCHILDT	Counsellor, Peace and Security	11/2014
Embassy of Sweden in Addis Ababa	Regional Development Cooperation	Brigitte JUNKER	First Secretary, Institutional Development	20/2/2015
Embassy of Sweden in Addis Ababa	Regional Development Cooperation	Camilla BENGTSSON	Counselor, Head of Section	27/2/2015
Embassy of the Netherlands in Addis Ababa	Development Cooperation	Frits VAN BRUGGEN	First Secretary Political Affairs (AU)	18/2/2015
Embassy of the Netherlands in Addis Ababa	Development Cooperation	Martin KOPER	Deputy head of mission, Head of Development Cooperation	23/2/2015
British Embassy in Addis Ababa		Tim STERN	DFID representative	23/2/2015
European Union Delegation to the African Union	Political, Press and Information Section	Karin KAUP	Second Secretary, Diplomat with the AU in preparation of the UN Climate Conference	2/2/2015
European Union Delegation to the African Union		Gary QUINCE	Head of Delegation	19/2/2015

GIZ	GIZ Support programme to the African Union and NEPAD	Winfried ZARGES	Sector Manager Infrastructure, Energy and Water	26/2/2015
JICA	Africa Department	Naito YASUSHI	Executive Advisor to the Director General	25/11/2014
INTERNATIONAL AND EUROPEAN INSTITUTIONS				
European Investment Bank	EU-Africa Infrastructure Trust-Fund	Ludovic POIROTTE	Principal Operation Assistant	27/11/2014
European Investment Bank	EU-Africa Infrastructure Trust-Fund	Eva ROMER	Head of Secretariat	25-27/11/2014
World Bank	Public-Private Infrastructure Advisory Facility	Andy JONES	Operations Analyst	26/11/2014
World Economic Forum	Africa Strategic Infrastructure	Benji COETZEE	Project Manager	27/11/2014
NGOs, RESEARCH INSTITUTES AND PRIVATE ACTORS				
Consultant		Eric VAN OVERSTRAETEN		18/9/2014
Rebel Research Group		Wout KORVING		25/11/2014
International Growth Center		Taz CHAPONDA	Responsible for infrastructure and public-private partnership ("PPP") advisory unit	25/11/2014
Cross Border Information		Joshua REID	Research Analyst	25/11/2014
INFRACO		Ebbe HAMILTON	Principal Developer	26/11/2014
Private Infrastructure Development Group		James LEIGLAND	Technical Advisor	26/11/2014
One World Sustainable Investments		Belynda PETRIE	Director	6/2/2015
Oxfam International liaison office with the African Union		Désiré Y. ASSOGBAVI	Head of Office	25/2/2015
		Emebet GETACHEW	Consultant and expert on Gender, Peace and Security	28/2/2015
Professor, University of Cape Town		Alan HIRSCH	Professor, Director of the Graduate School of Development Policy and Practice	7/5/2015

Annex 2 – Reforming the African Union Commission

The AUC, as the secretariat of the African Union, has a vastly expanded agenda compared to its predecessor, the OAU Secretariat. It initiates norms and standards, engages in collective action with member states, RECs, and other stakeholders including non-state actors, and advocates Africa's position in the global arena on an ever-broadening set of topics. The internal reforms of the Commission hinge on an assumption that improved management systems may help convince other AU organs to allow and enable the AUC to play more active roles. The first AUC Chairperson already launched an *Institutional Transformation Process,* which focused on transparent employment practices, results orientation, transparency, etc. But the momentum could not be maintained over a sufficiently long period. Subsequently, the AU requested an institutional audit of the entire institution. An independent High Level Panel undertook the audit in 2007 (African Union, 2007a). This audit revealed the tensions or paradoxes within the AUC, and between the AUC and member states and with various other components of the AU family. This audit process put new pressures on the AUC and the AU to introduce wholesale political unification with a strong push for the AUC to transform into an "African Authority". In the end, the Executive Council, composed of Ministers of Foreign Affairs of all member states, fell back on the *status quo* position of the AU as a "Union of independent and sovereign States". As such it recognised that the AU remains an intergovernmental organisation. In the area of peace and security, the AU established a number of institutions to take decisions, set up peace operations in member countries, and impose sanctions in case of unconstitutional change of government [see also ECOWAS and IGAD studies, and the Peace and Security section in this study].

An important part of the AUC's third Strategic Plan (2014-2017) is about the AUC's institutional upgrade by strengthening the organisational systems and procedures. To prepare for this strategic plan, the AUC undertook a review of the previous one that covered the period 2009-2012. Self-critically, the review pointed to the AUC's lack of attention to outcomes and its over-ambitiousness or lack of prioritisation. With the AU's ever expanding substantive policy agenda beyond peace and security, the AUC needed to expand its organisational capabilities of policy preparation, facilitation and brokering to a widening group of stakeholders of the Commission: the Regional Economic Communities and specialised sub-regional organisations, member-states and the Assembly of Heads of State and Government, other organs such as the Pan-African Parliament, the African Diaspora, civil society organisations (CSOs), the media, the private sector, but also an expanding group of development partners with new donors coming on board such as Turkey, China and India (African Union Commission, 2014). In addition, the AUC has deepened the existing partnership with the African Development Bank (AfDB) and with the United Nations Economic Commission for Africa (UNECA).

The third Strategic Plan of the AUC ended by covering an even more complex set of actors and an even broader agenda than the second Strategic Plan. This policy agenda rests on five pillars – peace and security; social, economic and human development; integration, cooperation and partnerships; shared values; institutions, capacity building and communication – with a results framework that covers eight priorities with seven outcomes, 35 outputs, 168 strategies and actions, with related indicators and annualised targets and deliverables for which the AU Commission is responsible. In order to make this complex agenda work, the suggested reforms will need to be rolled-out in a coherent and comprehensive way and, subsequently, effectively institutionalised.

But what are the chances for an effective and substantial institutional reform of the AUC? This annex looks at strategic planning, internal and external audit, human resource management and financing of the budget as these are key functions to improve the corporate governance and accountability systems of the AUC.

These reforms within the AUC will help understand some of the broader governance and accountability challenges that the African Union as a whole faces or seeks to address. It also reflects issues relating to the different types of political and managerial leadership at the helm of the organisation, as well as the roles of high-level bureaucrats in shaping reforms in their interactions with key AU organs, institutions and other stakeholders such as non-state actors and donors.

Result-oriented planning

The AUC's 2014-2017 Strategy is highly ambitious on combining results orientation with proper planning in an environment with low funding predictability. The result areas for which the AUC carries responsibility cover 280 projects and tasks that are clustered under five strategic pillars. On top of this, there are 12 flagship programmes, requiring inter-departmental synergies such as the Programme for Infrastructure Development (section 4) and the Comprehensive Africa Agricultural Development Programme (section 5).

Already in 2006, the AUC started with the introduction of result-orientated planning. Given the long gestation time it takes for such ambitious public sector reform, this is not surprising. Consecutive reforms have been launched throughout the last decade to support such a shift towards a result-oriented focus. The Directorate of Strategic Planning, Monitoring and Resource Mobilisation has introduced and promoted tools and capacity support to enhance results-based planning and monitoring. The use of the logical framework planning has been introduced to that end, as well as the introduction of the African Monitoring and Evaluation Reporting Tool (AMERT), an open source IT tool that has been adapted to the needs of the AUC during an extensive consultation process. Ultimately, this reform is intended to contribute to improving the decision making of the AUC, as "policy analysis and knowledge management should become more important functions" (interviews AUC, Addis; February 2015).

Consequently, one can observe a gradual but incomplete evolution towards more strategic planning and elements of a result oriented approach. The system has not fully matured and the management culture has not yet shifted consistently. Overall, the shift towards results orientation is complicated by an expanding and highly complex AU agenda. Such policy complexities raise questions about how the AUC can contribute to particular outputs and outcomes, and to what extent other AU organs or institutions need to contribute or cooperate. It raises further questions about subsidiarity arrangements between RECs and member states. And it points to delicate matters in terms of the AU and AUC dependency on member states' ratification of AU decisions and their implementation arrangements.

The introduction of a results culture puts additional pressures on the scarce capacities for institutional planning, monitoring and evaluation and knowledge management within the AUC. Currently, there are six planners and only one monitoring and evaluation person for the whole of the AUC. When asked about their status in the planning directorate, two interviewees indicated that they were contractual consultants. Their positions - and hence the institutional memory as they were working on this issue for many years - are somehow under pressure as their positions are 'temporary', and are not part of the list of institutionally approved AUC positions (i.e. on the organisation's pay-roll). In other words, such positions are dependent on temporary funding. While there has been a fair degree of stability in the employment of such contractual consultants over the years, this situation can easily alter with changes in donor preferences. This problem is also dealt with in the next subsection on human resources as it provides some indications on the complexity of transforming these kinds of positions into permanent ones, but also because it has broader governance ramifications within the AU.

Human resources

Human resource management is vital to the ongoing change process within the AUC. The basic administrative structure of AUC staffing dates back to 2003.[68] It is based on an old-fashioned quota system per member country, with a total of 752 staff that was approved by the AU Summit in Maputo; hence the *Maputo Structure*. Staffing more than doubled from 284 at the time of the OAU in 2001 to 617 in 2007. The staffing structure has been revised in 2006, 2008 and 2012, with attempts at deeper reforms currently under way. The AUC has 28 organisational departments, divisions and units with almost 1,500 staff, 80% of which is working at the headquarters in Addis, with 200 employed by the Peace and Security Directorate. Only half of staff members have a regular appointment, with the other half relying on short-term contracts. Most of the contract staff members have been in the AUC for about four years (World Bank, 2014).

A major institutional Audit of the African Union already highlighted such deficiencies back in 2007 (African Union, 2007). This audit pointed to the understaffing of certain departments. This 2007 observation – as well as this audit – is still valid, and provides a good baseline. Meanwhile, the situation worsened as the budget has more than tripled in less than a decade from US$40 million (OAU in 2001) to US$140 million (AU in 2011), yet the staffing assigned to the AUC on the regular budget remained the same. The policy areas covered by the AUC continued to grow, and required specialised skills of more policy analysts, for example. The audit pointed to the inefficient recruitment process and the cumbersome application by the member states of the quota system per country. This involves approval from the Permanent Representatives Committee for all vacant positions, and as determined by the old quota-system. Thus, “under-quota countries” can hold back on recruitment of competent personnel and create bottlenecks. Interviews confirmed that this situation still exists, though it was also mentioned that – in exceptional cases – strategic HR decisions (i.e. for a few management position) were made and endorsed, even when not in line with the quota-based system.

Interviewees also pointed out the difference in turnover between former OAU staff and more recently recruited staff. They put forward several explanatory elements for the shortages of professional staff. These include not only the lack of perspective because of short-term contracting, but also the virtual absence of P1 and P4 level positions (i.e. junior and senior experts) within the organisation. This absence excludes a career perspective for those oriented towards technical expertise rather than managerial positions. In other words, without a balanced number of technical positions at different levels of the approved organisational chart (which would allow for smooth career progress) people get locked in at certain hierarchical levels. This can be detrimental for future career options and hence reduce the intrinsic motivation to stay.

While the Strategy highlights performance management of human resources, few systems seem to be operational in terms of monitoring and disciplining staff against agreed annual performance targets and the standards set out in Staff Rules and Regulations. Interviews and the World Bank review (World Bank 2014) indicated that there was not much follow up given to the recommendations of the 2007 Audit (interviews AUC, Addis; February 2015). The Strategy also refers to the “resistance to change in the Administration and Human Resources Management Directorate as one of the main brakes to the development of the Directorate” (Strategy 2014-2017, p. 37). In order to inform policy measures and tackle some of these performance constraints at director level within the AUC a donor-sponsored study was carried out in 2014.

[68] The Maputo Structure governs the administrative structure and staffing of the AU, with an AU/Ethiopia Host Agreement (2008) covering the immunities and privileges of staff. The Maputo Structure was revised in 2006, 2008 and 2012 (World Bank, 2014).

To bypass the formal obstacles such as the quota system and to solve the operational dysfunctions a number of key departments recruit contractual agents to fill vacancies temporarily. Such departments need to rely on additional donor funding for temporary recruitments and donors might actually have an interest to keep this 'direct' access to HR decisions through parallel funding There are important downsides to such gap-filling. First, donors may tend to favour their *darling* sectors or policy preferences. Relatedly, this can create inter-departmental jealousies, and worse, mistrust as other AU organs may raise questions about accountability and transparency arrangements. Donors have sought to harmonise their support for technical assistants and experts that work with(in) the Commission but are on the payroll of donors. Yet the attempts at improving the more substantial mutual accountability arrangements between key donors and the AUC have not come to fruition yet. In addition, with improved operational systems, an up to date organisational chart and reliable funding commitments by member states (i.e. disbursements matching current commitments), the perceived need for gap-filling would diminish, as would the opportunity for *gaming* by both donor and AUC.

Two important appreciations help nuance the picture. First, within the AUC there are *pockets of bureaucratic effectiveness*, for example in functions such as internal audit where observable progress has been made (interviews AUC and donors, Addis, February 2015; AUC, Addis, March 2015), and some areas where things are starting the move (cf. section on budget and finance). Secondly, there are renewed signs of reforms in the area of human resources. Generally speaking, there was a positive appreciation for the appointment of a new head of the Directorate of Administration and Human Resource Development (idem). In March 2015 the AUC discussed with member states the organisational structure of the AUC during the Duala Retreat. This may indicate a high level resolve to tackle some of the key human resource management challenges. Yet there are concerns that such initiatives are mere proof of further proliferations of activities and projects beyond the core tasks.

Internal and external audit

Over the years, the internal audit function has undergone a major revision in order to shift from merely compliance audit to a more demanding performance audit. This revision should help to align this function with - in support of - the result-oriented approach of the AUC. Sixteen of the 18 staff of the Office of Internal Audit have been trained and are certified auditors by the African Organisation of Supreme Audit Institutions, while ten of these positions are externally funded (cf. previously discussed issue of sustainability of positions and functions). Overall, there seems to be a positive appreciation within and outside of the AUC about the reforms undertaken (World Bank, 2012 p. 77; AUC-EU Audit Report 2013; interviews AUC Office of the Deputy Chairperson, Office of Internal Audit, February and March 2015).

A range of reforms has been – or is being – introduced. The annual audit plan (based on criteria of risk assessment and high impact) is prepared by the Internal Audit Office, but the Chairperson of the Commission, the Summit and the donors may introduce additional tasks (e.g. as a precondition to release project/programmes tranches, with the risk of crowding out the agenda or work plan of the Internal Auditor. As of 2013, an *Internal Audit Committee* has been operational that will look at the different recommendations of the Office of Internal Audit, and provide advice to the chairperson on priorities and types of actions to be undertaken. The Internal Audit Office also has a mandate to follow up on the implementation of the recommendations and keeps a database to that end. A first indicator of success, according to the deputy director of the Internal Audit Office, was the diminishing number of ineligible expenditures, with two remaining problem areas, i.e. travel and procurement. Also the external audit committee - with a strong financial brief - is taken more serious than in the past, and a recent decision to have National Audit Office representatives composing the committee, can contribute to its credibility.

Finance and budget

The budget cycle (planning, execution and preparation) is characterised by a high level of opacity, which is acknowledged - and criticised - by all stakeholders (i.e. within AUC, by member states and donors). Lack of timely available and reliable data currently hampers transparency, accountability and dialogue and has created a climate of distrust. In addition, it is important to flag that progress on the results-oriented management agenda is affected by the quality of budget processes and is influenced by the AUC's financing situation. But some parts of the reform agenda are taken forward, for instance:

- the recent revision of the budget cycle with a much earlier budget approval than in the past (it used to be January) should further contribute to the absorption and delivery capacity;

- the 2016 budget preparation for which a 'Budget Framework Paper' has been developed and which includes now a phase where all directorates have to present (and defend) their 2016 project proposals (see also box 1); and

- the provision of a 'commitment' column in the 2015 budget as a step towards greater in-year budget flexibility - this way, planned funding, which would become available throughout the year, would not have to wait anymore for the revised budget approval by the mid-year AU Summit.

As there is little tradition of making reliable and comprehensive budget figures available, recent efforts to improve availability of data suffer from weak baseline/historical figures. This negatively affects the possibility to make a 'big leap forward' in these matters. It also implies that the figures used in this section have to be interpreted cautiously. For the preparation of the 2016 budget, *Budget Framework Paper (BFP)* was prepared in April 2015 (draft version), compiling some key budget figures. Box 1 presents by way of illustration a few figures with reflections for future analysis (taken from the draft 2016 Budget Framework paper, April 2 2015). Some stakeholders within the AU as well as among external partners of the AU flagged reliability of data and coverage of information in such an important policy document as a concern. This Budget Framework Paper is a response to this concern, and may indicate a direction of further reform.

Budget processes currently remain fragmented as the financing of the budget derives basically from two sources with differing funding purposes, and separate logics of predictability and reliability. Funds are received from member states, on the one hand, and from bilateral and multilateral development partners, on the other hand. The former primarily cover AUC operational costs, whereas the latter cover the costs of thematic projects and continental programmes.

A number of African member states and RECs are increasingly concerned about the over-dependency of the AUC on development partners. The high level of donor dependency is also an issue raised by the current AUC chairperson and her aversion for the current donor dependency seems to have affected the nature of (informal) access of donors to key persons and information within the AUC (interviews February/March AUC, Addis, February 2015).

Donor dependency is not only an issue at the strategic level, but has also more operational implications. Donors do not necessarily align with the policy preferences as expressed through the AUC budget, and support preferred programmes. In addition, the Commission experiences difficulties in executing the programme budget, as this is largely funded by donors that require special management and audit procedures thereby raising transaction costs and putting additional strain on staff. In 2012 half of the programme budget remained unspent because of "a cumbersome budget approval process and procurement delays" (World Bank, 2014 p. 69).

In an attempt to address the donor dependency, the member states' contributions are currently under discussion. Before the regime change in Libya, five countries covered 75% of the operational budget: South Africa, Nigeria, Algeria, Egypt and Libya, with the other 49 member countries making up the remaining 25%. Alternative sources of African funding have been explored, but have not yet resulted in a firm commitment by member states, let alone implementation arrangements. No detailed overview of payments of the *assessed contributions* could be obtained. Apparently, eleven member states pay in time, with five that usually make advance payments. Ethiopia is one of those five, with a contribution for 2014 of $1.8million (Taddele Maru and Abate, 2015).

Several scenarios are currently developed by the AUC. The overall objective is for member states to gradually cover 100% of the recurrent budget, plus 75% of the programme budget and 25% of the peace and security budget. This could be based, for example, on a continental GDP share. Interviewees pointed at the momentum to fundamentally increase the member states' contributions as part of the search for 'alternative sources of financing'. This search was necessitated – among other things – by the budget cuts by donors following the financial and economic crisis.

In conclusion, improvements are being introduced to the AUC's financing mechanism and budget system, yet the mix of unresolved issues and partnership related dysfunctions continue. One unresolved issue remains the low membership contributions. Partnership related dysfunctions include the lack of transparency, lack of budget predictability, high transaction costs, and skewed preferences in budget implementation. These factors have a negative impact in mainly two areas. Firstly, these factors hamper the chances of success for intra-AUC reforms in areas such as result-oriented planning, internal audit, and human resources management. Secondly, they also have knock-on effects on the governance and accountability relations within the AU. The latter will be dealt with in the next section.

Box 8: The 2016 Budget Framework Paper – a new instrument for budget planning?

This box presents some of the key figures in the draft Budget Framework Paper for the 2016 budget (caveat of reliability of figures applies), combined with some reflections on the budgetary process.

(1) Programme versus operational budget AUC (2014 budget)

	Total	Programme				Operational			
	mUSD	mUSD	% of APB	% of AVB	% of EXB	mUSD	% of APB	% of AVB	% of EXB
Approved budget (APB)	426	287	67%			139	33%		
Available budget (AVB)	287	154	36%	54%		133	31%	46%	
Executed budget (EXB)	212	93	22%	32%	44%	119	28%	41%	56%

For the 2014 budget, the very substantial difference in 'share of total budget' for the programme component vs. the operational component at the level of approved budget (respectively 67% vs. 33%) is significantly compressed when looking at the available budget (54% vs. 46%) and completely erased at the level of the executed budget (44% vs. 56%). In other words, for the operational budget the ability (and willingness?) to do accurate budgeting is substantially higher.

Building upon the assumption that Development Partners primarily contribute to programme funding and the Member States (MS) to the operational funding, data point at the more or less equal share of MS and DP contributions when looking at the available budget.

(2) Evolution approved, available and executed total budget (2012-4 budget)

	Year	mUSD	Annual change
Approved budget (APB)	2012	286	
	2013	291	2%
	2014	426	46.5%
Available budget (AVB)	2012	198	
	2013	243	23%
	2014	287	18%

Executed budget (EXB)	2012	174	
	2013	194	11.5%
	2014	212	9.5%

	2012	**2013**	**2014**
AVB/APB	69%	84%	67%
EXB/APB	61%	67%	50%
EXB/AVB	88%	80%	74%

The execution rate as compared to the available budget deteriorated substantially over the last three years (from 88% in 2012, over 80% in 2013, down to 74% in 2014).

Though data is only available for 3 years (and hence, inappropriate to draw major conclusions), data seems to indicate that change in available and executed budget is fairly disconnected from any fluctuation in the approved budget (the latter showing hardly any change between 2012 and 2013, and a sudden, steep increase between 2013 and 2014):

- Available budget increased with roughly 20% on an annual basis for the period 2012-2014
- Executed budget increased with roughly 10% on an annual basis for the same period

Given the likelihood of fairly gradual organisational development, it seems logical to observe a gradual increase in execution capacity. This implies that it is probably realistic for the AU to continue on this growth path and that there is little added value of pushing the annual increase of the approved or available budget excessively (except if bold 'flanking' measures are taken in terms of organisational development, i.e. execution capacity). As such, one can say that a lot of time and energy is spent on major budget increases, when there might be some sort of a 'natural' path of increasing execution capacity and when there doesn’t seem to be a particular correlation between the evolution of the approved and available budget.

Annex 3 – The Lord's Resistance Army and AU involvement – a reality check[69]

The case of the Lord's Resistance Army helps contextualise the operations of the African Peace and Security Architecture in the highly volatile conflict dynamics in central Africa. This case also takes the analysis further by providing a reality check on the shifting incentives and the response mechanisms from a range of stakeholders that operate in and with the institutional architecture of APSA.

Prior to AU involvement – roots of a *regionalising* conflict

The rebellion of the Lord's Resistance Army started in 1987 in northern Uganda, but it has deep rooted antecedents in a distant and more recent past. The British coloniser in what was the *British Uganda Protectorate* used the cattle raising Acholi and other northern ethnic groups in Uganda as manual labour and for the colonial military army. When in 1986, Yoweri Museveni's National Resistance Army won the post-independence wars, the Acholi were stigmatised and targeted for vengeance. Out of further marginalisation grew a rural rebellion that crystallised around the Lord's Resistance Army, headed by Joseph Kony. This rebellion increasingly turned violent, and became more fluid because of unsuccessful attempts by the Ugandan government to military defeat the LRA[70].

Failed attempts at crushing the LRA and (probably half-hearted attempts) at making peace have resulted in a spillover from a national political issue into a threat to regional peace and security in Central Africa. In 2006, the Government of Uganda signed an agreement with the LRA to cede hostilities, which paved the way for peace talks with the LRA. Yet these talks never resulted in a final agreement as the LRA leader Kony refused to sign, some would argue as a result of attacks by the Ugandan army on an LRA based. Together with the indictments of the International Criminal Court (2005) this has lead to a situation in which LRA leaders such as Kony find themselves in a space in which they do not have much to loose. Experts thus interpret these developments as giving rise to an LRA that is even more elusive and desperately dangerous.

Prior to an AU involvement in this violent conflict, there have been efforts at a regional level to counter the LRA rebellion. In 2008, for example, there was a joint military operation involving troops of the DRC, Uganda as well as Sudan, with technical support from the US. Though it was described as highly organised with a well thought out military strategy, it failed to effectively work with other partners on the ground and protect civilians. The unsuccessful military operation resulted in the dispersion of the LRA in southern Sudan, the Central African Republic (CAR) and the Democratic Republic of Congo (DRC), whereas the LRA was previously more easily localisable. Other attempts involved Uganda signing formal agreements with the CAR and the DRC to allow its troops to establish rural base camps to conduct operations (Forest, 2014). Yet, despite these agreements, there were challenges to this type of cooperation. In August 2010, suspicion that Ugandan forces would illegally take diamonds from the area led the CAR President to demand all Ugandan troops to pull out of the north-east of the country (Ronan, 2014). The LRA violence as of 2008 spread across the borders into a region with a history of violent conflicts, involving southern Sudan, the Central African Republic (CAR), and the Democratic Republic of Congo (DRC).

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[69] This is a summary of the highlights of an in-depth analysis of a fuller political economy analysis of the LRA conflict and the AU involvement (Background Note PERIA; Knoll, 2015).

[70] There are disagreements to what extent the LRA activities can be ascribed to religious fanatics leading the group and the extent to which the LRA activities share a political rationale with clear messages and objectives. The International Crisis Group has argued that even if the LRA was following a political rationale and agenda, it was delegitimized by the constant human right abuses of local communities through LRA actions (ICG, 2011).

One reality that has profoundly affected both the course of the conflict and the search for a solution relates to central African countries being deeply affected by violent conflicts with neighbours that are profoundly mistrustful of one another. During the last two decades, the region has witnessed violence resulting from proxy forces, post-genocide instability, and a multi-country war in the Democratic Republic of Congo that involved 9 armies and 20 separate armed groups. There are many foundational factors to unravel, but the one that is particularly relevant for the LRA case relates to this multi-country war in the Democratic Republic of Congo, and the long-standing alliance between Uganda and Rwanda. Troops from both countries – together with other armies that fought on the DRC territory – were accused of plunder of natural resources in eastern DRC, further feeding mistrust that would hamper attempts at resolving the conflict.

In the build-up of the AU involvement on finding a regional solution to the LRA regionalised conflict, there were a number of country and stakeholder specific political economy push factors. From the detailed case study, this section only selects the most telling factors:

- Uganda: After years of military involvement by Ugandan troops, the political will to focus on the LRA gradually waned after the military operation in 2008. By 2010, the Uganda Minister of Foreign Affairs stated that the LRA was "far away and no longer a threat to the people of Uganda" (ICG, 2011). Priorities in terms of security and troop deployment shifted with the growing terrorist threat of Al Shabaab in neighbouring Somalia. There were strong incentives in terms of further placating US interests (Uganda has been a long-time military ally of the US in Africa) and of benefitting from better payment for Ugandan soldiers as part of the AU mission in Somalia. Uganda is reported to initially have been weary of an AU intervention fearing that it would weaken its own position and control in the operation against the LRA.

- DRC: the DRC government was initially less interested in resolving the LRA problem on its territory or cooperating regionally. The LRA activities in the eastern part of the country were far removed from the political capital in Kinshasa, and did not seem to pose a strong threat to regime survival. The government in Kinshasa was concerned about the presence of Ugandan troops on DRC territory and denied them access or asked them to leave the territory.

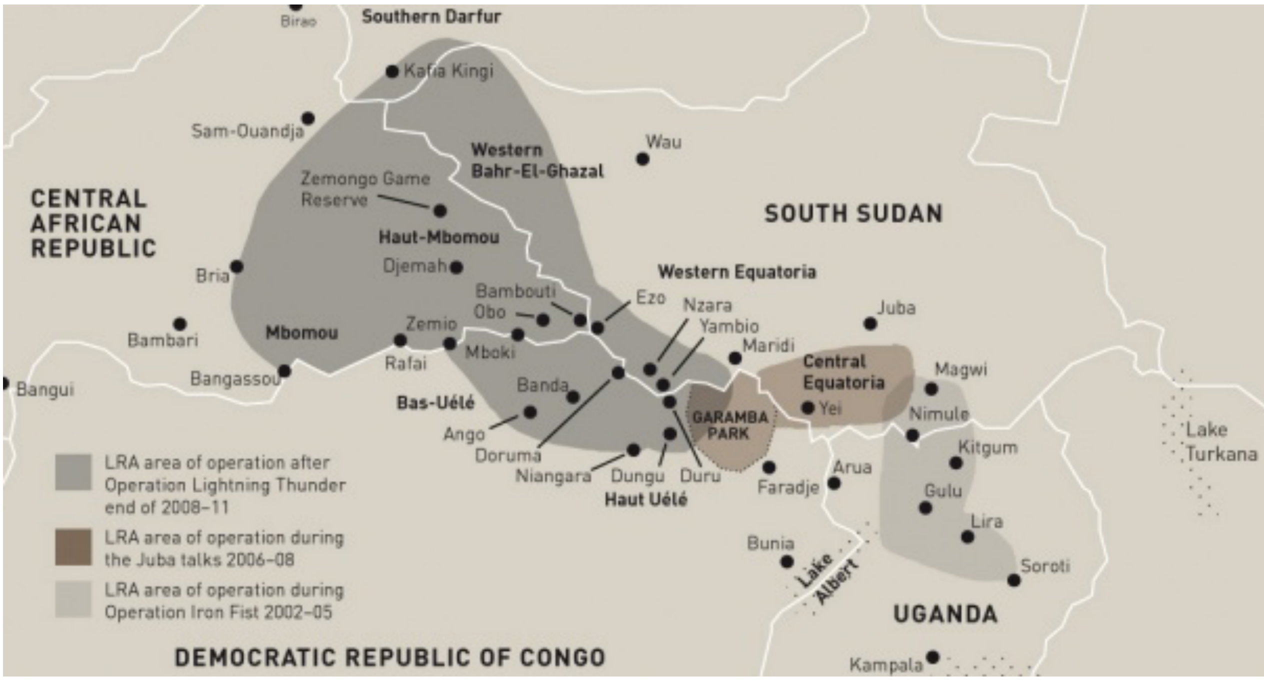
- Central African Republic: CAR became involved in the LRA saga when by 2009 the LRA started to operate in the remote and impoverished south east of CAR. These LRA actions, however, initially posed little threat to regime survival in CAR. The CAR President allowed Ugandan troops to fight the LRA on his territory. However, by 2010, he asked these same Ugandan soldiers to leave a diamond rich area in the northeast of the country out of fear that these troops would abuse the situation and revert to plunder.

- Sudan and southern Sudan: Uganda has supported secessionist rebels of the Sudanese People's Liberation Army in its northern neighbour Sudan where Uganda has strong interests (with over one million Ugandans investing, living and working there, Fisher 2014). Sudan stands being accused of harbouring or supporting the LRA, which it denies71 (Dersso, 2014).

The Central African Republic, South Sudan and the DRC hoped that a regionally legitimised intervention under the AU could broaden the potential pool of donors. Some have suggested that these countries see the African Union as a fundraiser for their military engagement in this conflict (ICG, 2011).

[71] As of late, it is widely believed that LRA leader Kony is hiding in the Kafya Kingi enclave on the border between South Sudan and Sudan.

Figure 7: Spread of LRA in the Central Africa over time



Source: Conciliation Resources, (April 2012), Who is responsible for the consequences of military action?

AU involvement: a hybrid response to a cross-border conflict

In August 2009, the African Union Assembly called upon countries of the region to renew efforts to neutralise the LRA (Interview, December 2014). The Central African Republic took the initiative of raising the LRA issue at the Assembly of July 2010, which called for a ministerial meeting to address the matter. Four months later such a meeting took place and was attended by Uganda, the DRC, CAR, Sudan and (not yet independent) South Sudan. Regional organisations and the UN also attended. Sudan was part of the initial attempts to develop a joint regional initiative but withdrew in July 2011 as South Sudan gained its independence from Sudan that year (Interview, December 2014).

While some conflict affected countries in the region had hoped for an AU “mandated” regional peace operation, the AU settled for “authorising” a peace operation. The ministers of defence and security of Uganda, CAR, DRC and representatives from South Sudan jointly proposed to tackle the LRA problem through a regionally coordinated initiative, including a coordinated military force and the appointment of an AU Special Envoy. Subsequently, the AUC requested the Peace and Security Council to *authorise* such a regional initiative against the LRA. In November 2011 the PSC declared the LRA a terrorist group, and authorised the establishment of the *Regional Cooperation Initiative for the Elimination of the LRA* (RCI-LRA). The RCI-LRA covered among other things the strengthening of operational capabilities of the affected countries to fight the LRA, and the facilitation in the delivery of humanitarian aid. Unlike with a *mandated* operation, an *authorised* one does not provide for reimbursement by AU funds of the troop contributing countries, which can act as a disincentive for such countries.

The RCI-LRA offers a collective regional framework for cooperation on military and non-military missions. It consists of three components, the first being the *Joint Coordination Mechanism,* which is chaired by the AU Commissioner for Peace and Security and brings together the defence ministers of the four affected countries. It tries to enable multi-stakeholder cooperation and communication, since the military, logistical, moral and financial support from different sources is vital for this undertaking. A second component is the *Regional Task Force (RTF),* an AU-led regional military operation with an envisaged strength of 5,000 troops, composed of military units from DRC, Uganda, CAR and South Sudan. Thirdly, a *Joint Operations Centre* was set up to provide monitoring and planning support for the Regional Task Force. The AU appointed a Special Envoy on the LRA, and in March 2012, the operational phase of the RCI-LRA was launched.

Yet implementation proved extremely difficult, partly because of a deterioration of the general peace and security situation in Central Africa, which drastically altered the incentive environment in which key stakeholders operated**.** In December 2012, a Séléka rebellion broke out in the Central African Republic, resulting in the take over of the capital. The PSC suspended CAR from all AU activities and imposed sanctions. In independent South Sudan, a year later, fighting broke out between members of the coalition government composed of former rebels. In the DRC, the UN peacekeepers and the DRC army were drawn into the conflict with other rebel movements on DRC territory, which partly created safe havens and opportunities for the LRA to exploit.

This general deterioration in security in the region has affected the operationalization and the effectiveness of the RCI-LRA, and has made the conflict more intractable. By the end of 2013 DRC, CAR, South Sudan and Uganda had contributed 3,350 troops to the Regional Task Force, troops that remained under the control of their respective countries. This is less than the envisaged 5,000. The various conflicts had shifted the prioritisation of most troop contributing countries. Initially, there were also substantial logistical and operational problems preventing the RTF military to leave their bases (Report of the AU Chairperson, June 2013). Insecurity and violence had also strained inter-communal relationships in conflict affected border regions, for example between different herder groups, intensifying competition over natural resources (ICG 2011). In combination with the proliferation of small arms, these tensions have contributed to increased clashes between armed pastoralists and militias with troops of the Regional Task Force (UN Secretary General Report on LRA 2014). Another negative side-effect of this general deterioration is the fact that the RTF experienced difficulties in gathering intelligence from the local population, and that there have been incidents of local militias and population groups providing intelligence to the LRA. The movements of the LRA reveal that it is highly mobile in the so-called “destabilization belt” where there is an abundance of minerals, and a lack of state authority and poverty. In this climate of insecurity and conflict, the LRA has been sustaining activities in the DRC through ivory poaching, which has become part of its survival strategy package (Lawson and Vines, 2014).

Despite these shortcomings, the PSC brokered RCI-LRA is generally considered to be a mechanism that managed to adapt to the intricacies of the evolving regional challenges and respective interests, to the scarcity of available resources. RCI-LRA offered a framework for the countries of the region to articulate a common approach. As the violence was not located in one country, the PSC had to adapt its response strategy by authorising a coalition of the willing to contribute troops and provide some logistical and mediation support. Since this operation is not fully mandated it has a number of financial and logistical shortcomings. Some of these shortcomings have been responded to by setting up structures to facilitate the mobilisation of support and cooperation with UN and other external partners. For these reasons Dersso calls the RCI-LRA a *unique experiment* in responding to a cross-border security threat (Dersso, 2014 p. 63). It also allows to reflect on the inner nature of the AU’s functioning and its relations with its member states and external actors.

External actors and the LRA

External actors have been involved in a number of ways and for varying reasons**.** The UN Security Council members are largely in agreement on LRA, and in 2011 welcomed the AU approach to the LRA. In June 2012 it approved a strategy in support of the AU approach. According to the Institute for Security Studies

(ISS, 2013), this has contributed to better-facilitated cooperation between the AU and the UN at strategic and operational levels. A UN Special Representative on the LRA closely collaborated with the AU's Special Envoy on the LRA to facilitate strategic and political coordination among the multiple stakeholders. Their cooperation enabled a stronger mobilisation of assistance for victims of LRA violence and for rehabilitation efforts. The AU was also able to tap the potential of UN peacekeeping missions in the areas where the Regional Task Force operated (Bersso, 2014). The UN support did not entail financial backing though.

The US has taken a particular interest in the fight against the LRA for a number of reasons. Firstly, already in 2001, as a direct result of 9/11, the US government put the LRA on its list of terrorist groups. The LRA was thereby lifted to the highest level of political attention (Laruni and Da Silva, 2014). The US has been a longstanding strategic and military ally of the Ugandan President Museveni, and had provided support to Uganda since the 1990s in its fight against the LRA, including humanitarian relief (Forest, 2014). In 2010, President Obama signed into law the *LRA Disarmament and Northern Uganda Recovery Act*, making it a legal obligation for the US government to pursue the LRA and end violence.

The US domestic public opinion also proved to be an important driver behind the government's interest in pursuing the LRA in Central Africa**.** US media and civil society groups had sensitised domestic audiences about the atrocities and the hardship that Kony's LRA had caused. This sensitisation has resulted in a vocal constituency that has further pressured the US President to bring Kony and the LRA to justice. The US has recently stepped up its support to the RCI-LRA with an additional 150 special operation forces and air personnel. It also created a legal provision to reward the capture of Joseph Kony up to US$5 million. The US decision to support the regional efforts against the LRA may have further contributed to draw in support from both the level of the UN and AU.

In its approach to the LRA, the US has maintained that the AU must provide the leadership. Therefore, it designed its mission to be "innovative, low-cost, and with a small footprint", with 100 military advisors and logistics, communications and intelligence support (Forest, 2014 p. 32). The emphasis by the US in this mission was to support African militaries in their efforts – not to come in and get the job done. The US considered the AU to be crucial to provide legitimacy, and to enable the US to pursue its goals concerning the LRA. In the words of a senior US diplomat: "*The AU provides this overall diplomatic hat. This provides a regionally supported mandate and enables us to do things we could not do alone. The AU has more leverage over the countries and has sustained relationships and cultural similarities that we do not have"* (Agger, 2013 p. 5). Another reason for the US to encourage the AU to take a lead may have been to bring in other donors for burden sharing, in particular the EU (ICG, 2011 p.12). The US insisted with the AU that it should be the AU that "must provide leadership and bring the different parties together" (Interview 1, AUC PSD, Addis, December 2014).

The EU has been involved since the first LRA related humanitarian crisis in the late eighties. The EU has mainly provided humanitarian assistance to LRA affected countries and the region. Later it would provide support to the AU sanctioned peace and security efforts. The EU is reluctant to support the military aspects of the AU's LRA programme. It was concerned by what it saw as a shaky legal foundation, and it did not believe that the four armies would work together in the Regional Task Force. Yet it did see merits in greater political AU inputs through the AU's Special Envoy and the consultation, mediation and coordination efforts through the RCI-LRA. Agger (2013) has pointed out that there have been delays in transfer of funds from the EU to the AU, thereby creating a situation in which the AU had to pre-finance parts of the mission. Nevertheless, the combined EU and US support has been essential in allowing the RCI-LRA to function (ISS, 2014). Yet despite these efforts, the RCI-LRA continues to be under-resourced (UN Sec Gen Report, 2014).

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