

**THE IMPERATIVE TO
STRENGTHEN OUR UNION**

**Report on the Proposed
Recommendations for the
Institutional Reform of the
African Union**

By H.E. Paul Kagame

29 January 2017

Decision on the Institutional Reform of the African Union

Assembly/AU/Dec.606 (XXVII)

“The Assembly,

- 1. RECALLS the outcomes of the Retreat of Heads of State and Government, the Ministers of Foreign Affairs and Ministers of Finance held in Kigali, Rwanda on 16 July 2016, on the need to conduct a study on the institutional reform of the African Union (AU);*
- 2. DECIDES to entrust the preparation of the study to H.E. Paul Kagame, President of the Republic of Rwanda with a view to submitting a report on the proposed reforms and thus put in place a system of governance capable of addressing the challenges facing the Union. To this end, President Kagame may, in collaboration with the Commission, make use of any expertise of his choice to effectively carry out his mission.”*

Background and Introduction

As unprecedented challenges multiply and spread across the globe at a dizzying pace, new vulnerabilities are increasingly laid bare, in rich and poor nations alike.

Every country must adapt, but the distinctive feature of recent developments is that even the wealthiest and most technologically advanced nations cannot hope to deal with the changes alone.

Even as the dramatic political upheavals unfolding in many states create new uncertainties about the future of multilateral cooperation, it is clear that effectively confronting issues such as climate change, violent extremist ideologies, disease pandemics, or mass migration requires close cooperation with others, mediated in many cases by focused and effective regional organisations.

This is nowhere more true than in Africa, where the arbitrary internal divisions imposed on us by history, have left us relatively more isolated, both from each other and the world as a whole.

To overcome that legacy, we had to come together in shared purpose and action, first to liberate ourselves from foreign domination, and then to set our people on a path to dignity and prosperity.

Out of that necessity, we are fortunate to have inherited a set of institutions, notably the African Union and its predecessor, that are built on the ideal of African unity, and anchored in the values of respect, tolerance, and solidarity that we share as Africans.

However, the point of African unity has never been about rhetoric alone, but rather the practical need to work together to realise concrete improvements in the well-being and security of our citizens which would be unattainable working as individual entities.

Nevertheless, the unfortunate truth is that Africa today is ill-prepared to adequately respond to current events, because the African Union still has to be made fit for purpose.

The cost of inaction will be borne by our citizens, and measured in shortened lives and frustrated ambitions.

Without an African Union that delivers, the continent cannot progress, and we face the likelihood of yet another decade of lost opportunity.

Tens of thousands of young African bodies have been swallowed by the sea or abandoned in the desert, in pursuit of a decent life for which they are prepared to risk everything, because they believe there is no hope at home. They testify to the urgent need to act.

Continuing to defer necessary reforms to the future is an implicit decision to do nothing. It means giving up on ourselves and our people, tolerating our conditions as inevitable, and accepting Africa's subordinate place in the community of nations as natural.

Yet it has always been Africa's moment. The question, at any given time, is whether we choose to be present and develop the institutional capacity needed to seize the available advantages.

But proof that we can do it is right in front of us. For example, ECOWAS and the East African Community have already made freedom of movement a reality within their regions. Therefore, there is no technical obstacle to extending this principle more widely, as we have agreed to do.

In this context, in July 2016, as an outcome of the successful adoption of the Kigali Decision on Financing the African Union, the 27th Ordinary Session of the Assembly of Heads of State determined that there was an urgent need to accelerate the ongoing reform of the African Union, and decided to entrust the task of preparing a report on the proposed way forward to President Paul Kagame of Rwanda.

To this end, President Kagame appointed a pan-African advisory team to assist with the review, with whom he held a series of consultative meetings to identify the African Union's strengths and shortcomings, and consider proposals for reform.¹

¹ Ms Cristina Duarte (former Minister of Finance of Cabo Verde), Dr Donald Kaberuka (former President of the African Development Bank), Dr Acha Leke (Senior Partner, McKinsey & Co.), Dr Carlos Lopes (former Executive Secretary of the U.N. Economic Commission for Africa), Mr Strive Masiyiwa (Executive Chairman, Econet Wireless), Mr Tito Mboweni (former Governor of the South African Reserve Bank), Hon. Amina J. Mohammed (Minister of Environment of Nigeria), Hon. Mariam Mahamat Nour (Minister of Economy and International Cooperation of Chad), and Dr Vera Songwe (Regional Director for West and Central Africa, International Finance Corporation).

The starting point of the review were the previous detailed studies of the African Union's organs and institutions, including the 2007 Adedeji Report and the 2016 Mekelle Report.

The Chairperson of the Commission, Dr Nkosazana Dlamini Zuma, also provided extensive advice and input to the process.

Heads of State were regularly updated, and several contributed detailed perspectives, which have been carefully considered.

Out of this review emerged a number of key findings, which shaped the proposed recommendations.

- The chronic failure to see through African Union decisions has resulted in a crisis of implementation
- A perception of limited relevance to African citizens
- A fragmented organisation with a multitude of focus areas
- Overdependence on partner funding
- Underperformance of some organs and institutions due to unclear mandates or chronic underfunding
- Limited managerial capacity
- Lack of accountability for performance, at all levels
- Unclear division of labour between the African Union Commission, the regional economic communities (RECs), other regional mechanisms (RMs), and member states
- Inefficient working methods in both the Commission and the Assembly

Honesty requires us to acknowledge that the root problem is not primarily technical, but rather the result of a deeper deficiency.

It is not for lack of ideas, visions, priorities, resources, or capabilities that the African Union has failed to keep pace with changing times. Nor can outsiders be blamed for the internal divisions that needlessly slow us down at times.

Reform does not start with the Commission. It starts and ends with the leaders, who must set the right expectations and tempo. The effectiveness of the African Union, after all, is our business and responsibility.

The Assembly has adopted more than 1,500 resolutions. Yet there is no easy way to determine how many of those have actually been implemented. By consistently failing to follow up on the implementation of the decisions we have made, the signal has been sent that they don't matter.

As a result, we have a dysfunctional organisation in which member states see limited value, global partners find little credibility, and our citizens have no trust.

If we do our part, we can expect a realigned and re-energised African Union to perform significantly better, and to continue improving year upon year.

Strengthening the African Union will require us to do the following four things:

- Focus on key priorities with continental scope
- Realign African Union institutions to deliver against those priorities
- Manage the African Union efficiently at both political and operational levels
- Finance the African Union ourselves and sustainably

Under each of these four action areas, the recommendations in the report address the following essential questions.

Focus

- How to ensure that our efforts are not dispersed and that the African Union is focused on priorities that will make a real difference to African citizens
- How to establish a clear division of labour between the African Union, RECs/RMs, and member states

Realign

- How to realign the African Union Commission structures, organs, and specialised technical agencies to focus on the agreed priorities

Manage

- How to create an efficient and effective Commission staffed by the best African professionals
- How to ensure we get real value and impact from the African Union's organs and specialised technical agencies
- How to strengthen the working methods of the African Union Summit in order to improve the quality and impact of decision-making
- How to ensure the timely implementation of Assembly decisions

Finance

- How to achieve financial autonomy
- How to strengthen financial management and accountability

Implementation

We cannot leave implementation of the institutional reforms to chance, or treat it as routine. Both in the Assembly and in the Commission, the responsibility for delivery of the reform agenda must be clearly assigned.

Since many previous decisions have been taken but not implemented, it is time to look for a different mechanism that formally and legally binds us to act without delay, and holds us accountable for outcomes.

Whatever costs might be imposed for non-compliance are much lower than the enormous price of doing nothing, which all Africans have been paying for far too long.

The recommendations offered here are intended as input to our discussion on the way forward.

We have everything needed to succeed. To fail Africa again would be unforgiveable.

Reform rationale and Recommendations

FOCUS the African Union on key priorities with continental scope

The African Union is currently involved in almost every area related to the continent's development. Its work lacks clear focus. This makes it difficult to channel resources strategically and results in a fragmented and ineffective organisation.

Recommendations

1. The African Union should focus on a fewer number of priority areas, which are by nature continental in scope, such as political affairs, peace and security, economic integration, and Africa's global representation and voice.
2. Accordingly, there should be a clear division of labour between the African Union, regional economic communities (RECs), regional mechanisms (RMs), member states, and other continental institutions, in line with the principle of subsidiarity.

REALIGN the structure of African Union institutions to deliver on key priorities

The African Union is a complex organisation comprising dozens of entities. For example, there are eight Commission Directorates and 31 departments and offices, alongside eleven African Union organs, 31 specialised technical agencies (STAs), and some twenty high-level committees.

Previous reviews have documented how this complicated structure hampers the African Union's ability to make decisions and implement initiatives.

Recommendations

3. The Commission's structures should be re-evaluated to ensure they have the right size and capabilities to deliver on the agreed priority areas
4. The Commission's senior leadership team should be lean and performance-oriented
5. An audit of bureaucratic bottlenecks and inefficiencies that impede service delivery should be conducted, and acted upon, without delay

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

New Partnership for Africa's Development (NEPAD)

NEPAD has been incorporated into the Commission as a technical body, but in practice it has not yet been fully integrated. Coordination between the Commission and NEPAD is still a challenge, with each conducting planning and resource mobilisation activities independently, in some cases even competing for the same financial resources. For example, NEPAD focuses on industrialisation and infrastructure, while the Commission covers these areas as well. Moreover, the Commission and NEPAD have parallel reporting lines into the African Union Assembly and Permanent Representatives Committee.

Recommendations

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

Africa Peer Review Mechanism (APRM)

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

Judicial and legislative organs

Pan-African Parliament (PAP)

The Constitutive Act of the African Union provides for the Court of Justice of the African Union. In 2008, the Assembly adopted a protocol to merge the African Court on Human and Peoples' Rights with the Court of Justice of the African Union into a single African Court of Justice and Human Rights.

However, the protocol has not yet been ratified by a sufficient number of member states to enter into force, suggesting a lack of commitment to the organ.

Recommendation

The roles of the African Union’s judicial organs – the Court of Justice of the African Union, the African Court of Human and Peoples’ Rights, and the Pan-African Parliament should be reviewed and clarified, while assessing progress to date.

For example, should the PAP have legislative powers and if so in what areas? Should we consider altering the mode of elections for PAP? What is impeding the merger of the Court of Justice and African Court of Human & People’s Rights? These questions must be resolved.

Peace and Security

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

Recommendation

A thorough reform of the Peace and Security Council (PSC) should be initiated. This reform could include (a) reviewing the PSC’s membership, in line with Article 5(4) of the PSC Protocol, (b) strengthening the PSC’s working methods, and (c) strengthening the PSC’s role in prevention and crisis management.

Permanent Representatives Committee (PRC)

The Constitutive Act specifies that the Permanent Representatives Committee is “charged with the responsibility of preparing the work of the Executive Council and acting on the Executive Council’s instructions”.²

However, in practice, the PRC has assumed the role of supervising the day-to-day work of the Commission. For example, Rule 4 of the PRC Rules of Procedure states that the PRC reviews the African Union’s “programme and budget as well as the Commission’s administrative, budgetary and financial

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

matters”.³ Consultations suggest that this activity has increased the implementation inefficiencies in the Commission.

Moreover, some decisions of the Assembly of Heads of State and Government have been delayed by the PRC or even disregarded, suggesting that the PRC has taken on an unwarranted role in the decision-making process.

Recommendation

The Permanent Representatives Committee (PRC) rules and procedures should be in line with the mandate provided in the Constitutive Act. The PRC should facilitate communication between the African Union and national capitals, and act as an advisory body to the Executive Council, rather than a supervisory body of the Commission.

Specialised Technical Agencies (STAs)

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

Recommendations

The specialised technical agencies (STAs) should be reviewed and streamlined. Only those that fall within the recommended priority areas should be maintained.

7. Increase the Africa Union’s relevance to citizens

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

Recommendations

Establish women and youth quotas across African Union institutions, as well as for private sector representatives, where appropriate

³ Rules of Procedure of the Permanent Representatives Committee (2002)

Establishing an African Volunteer Corps

Making the African passport available to all eligible citizens as quickly as possible, in line with the Assembly decision

The African Union should identify and provide a set of new capabilities or ‘assets’ in the form of common services valued by member states and citizens, for example neutral arbitration and competition services, or a common technical platform for the data and analysis needed to assess Africa’s progress toward its development goals.

MANAGE the African Union efficiently at both the political and operational levels

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

Political

The African Union Summit’s working methods are inefficient and impede decision-making and implementation. Summit sessions are often delayed and marked by overloaded agendas that do not focus on the strategic issues requiring the attention of the Heads of State.⁴

There is limited opportunity for leaders to achieve consensus on key issues before the plenary session, and consultation with RECs is inadequate. Moreover, there is no enforcement mechanism for implementing Assembly decisions.

Recommendations

8. Reform the working methods of the Summit:
 - The African Union Assembly should handle an agenda of no more than three strategic items at each Summit, in line with the Mekelle recommendations. Other business should be delegated to the Executive Council.

⁴ *The Comparative Study on the Working Methods of the African Union and Other Similar International and Multilateral Organizations*, African Union, 2016.

- One Summit per year should be convened at Assembly level, except for extraordinary sessions
 - The second Summit of the year should focus on coordination with RECs, with participation by the Bureau of the African Union Assembly together with the chairs of RECs and regional mechanisms. Ahead of this Summit, the African Union should play a more active coordination and harmonisation role with the RECs, in line with the Abuja Treaty.
 - External parties should be invited to Summits on an exceptional basis and for a specific purpose.
9. Partnership Summits convened by external parties should be reviewed with a view to providing an effective framework for African Union partnerships. Rather than all countries, Africa could be represented by:
- Chairperson of the African Union
 - Previous Chairperson of the Union
 - Incoming Chairperson of the Union
 - Chairperson of the African Union Commission
 - Chairperson of The Regional Economic Communities (RECs)
10. To ensure continuity and effective implementation of Assembly decisions, a troika arrangement between the outgoing, the current, and the incoming chairpersons should be established. This would require the incoming chairperson to be selected one year in advance.
11. The current sanctions mechanism should be strengthened and enforced. This would include consideration of making effective participation in African Union deliberations contingent on adherence to Summit decisions.

Operational

In fulfilling its mandate, the AUC is faced with a number of management challenges, many of which have been identified in previous assessments but remain unaddressed. These include poor leadership accountability, inadequate supervision and

coordination, weak staff recruitment and performance management systems, and an inadequate selection process for top Commission leadership.

12. The Deputy Chairperson and Commissioners should be competitively recruited in line with best practice and appointed by the Chairperson of the Commission, to whom they must be directly accountable, taking account of gender and regional diversity, amongst others.
13. The Deputy Chairperson role should be reframed as a Chief Operating Officer responsible for the efficient and effective functioning of the Commission's administration. The title of the Chairperson of the Commission could also be revisited to reflect the enhanced managerial responsibilities.
14. A fundamental review of the structure and staffing needs of the organization should be undertaken by a reputable firm to ensure alignment with the recommended priority areas.

FINANCE the African Union ourselves and sustainably

In 2014, the African Union's budget was US\$308 million, more than half of which was funded by donors. In 2015, it rose by 30 per cent to US\$393 million, 63 per cent of which was funded by donors. In 2016, donors contributed 60 per cent of the US\$417 million budget. In 2017, member states are expected to contribute 26 per cent of the proposed US\$439 million budget, while donors are expected to contribute the remaining 74 per cent.⁵

The African Union's programmes are 97 per cent funded by donors.⁶ By December 2016, only 25 out of 54 member states had paid their assessment for the financial year 2016 in full. Fourteen member states paid more than half their contribution and 15 have not made any payment.

⁵ African Union Commission, African Union Commission, *African Union Handbook* 2014-2017

⁶ Oyoo, S., *AU dependency on Donor Funding*, 2015

This level of dependence on external partner funds raises a fundamental question: How can member states own the African Union if they do not set its agenda?

Improving overall financial accountability will mean voting budgets that member states can afford based on equitable burden-sharing as well as instituting a set of ‘golden rules’ on financial management.

Recommendations

15. The Kigali Financing Decision should be implemented immediately to ensure the African Union’s financial sustainability.
16. Consider adopting the following critical complementary measures to reinforce the Kigali Financing Decision:
 - The current scale of assessment should be revised based on the following principles: (a) ability to pay, (b) solidarity, and (c) equitable burden sharing (to avoid risk concentration).
 - The Committee of Ten Ministers of Finance established under the 2017 Kigali Financing Decision should assume responsibility for the oversight of the African Union’s budget and finances.
 - The Committee of Finance Ministers should develop a set of ‘golden rules’ setting out clear financial management and accountability principles and these written into the African Union Commission Statutes and Financial Rules and Regulations. These could include, but should not be limited to, the following:
 - External financing should not exceed levels established by the 2015 African Union Assembly decision. This calls for African Union member states to finance 100 per cent of the operating budget, 75 per cent of the programme budget and 25 per cent of the peace support operations budget.

- Penalties for failure to honour assessed contributions should be reviewed and tightened, in line with the new enforceable sanctions regime. In particular, membership could temporarily lapse after failure to meet full obligations within 18 months, and resuming members required to pay outstanding arrears plus additional charges.

IMPLEMENT for results and Impact

This is not the first attempt to reform the African Union. Previous recommendations have remained largely unimplemented. Dedicated oversight, implementation and change management structures are required at both Assembly and African Union Commission level to ensure implementation.

Recommendations

17. A high-level panel of Heads of State and Government should be put in place to supervise the implementation process
18. A Reform Implementation and Change Management Unit should be established in the office of the Chairperson of the Commission to drive the day-to-day implementation of the reforms in line with agreed timelines
19. A legally binding mechanism should be established to ensure members honour their commitments to implement these reforms

Conclusion

Today, the AU stands at yet another crossroad in its history. It can carry on down the same road or change direction to become more relevant. This report suggests that it is time to change direction, and provides a basis to initiate the process.

Ultimately, the decision to change lies in the choices that African leaders make. The choice to change and the choice to remain committed to it. And most importantly, the choice to provide our citizens with a continent in which they can thrive.