AFRICAN UNION

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PROGRESS REPORT ON THE INSTITUTIONAL TRANSFORMATION PROCESS OF THE AFRICAN UNION COMMISSION

<u>**PHASE REPORT ON**
THE INSTITUTIONAL TRANSFORMATION PROJECT OF
THE AFRICAN UNION COMMISSION</u>

A. INTRODUCTION

1. At its extraordinary session of November 2004, the Executive Council, on behalf of the Assembly, adopted, by decision Ext/ EX.CL/Dec.1(VI), the Commission's Strategic Framework and Structured Strategic Plan for the period up to 2007. The priority areas of focus of this Plan are:

      (a) Institutional Transformation;
      (b) Promotion of Peace, Human Security and Governance;
      (c) Promotion of Regional Integration;
      (d) Building a Shared Vision in the Continent.

2. Institutional Transformation is, therefore, one of the main priorities of the Commission. It is even a precondition for the African Union Commission (AUC) to become the catalyst of regional integration and of an Africa reflective of the vision that the Continent's Heads of State approved at the AU summit in July 2004.

3. As the driving force of integration, the Commission should drastically improve its capacity to draw up policies and programmes, monitor and evaluate their implementation in a transparent, responsible and participatory manner. It also identified new roles of leadership, change of management, advocacy and harmonization and working in close collaboration with the RECs. It, therefore, needs to acquire the necessary tools and working culture to achieve the expected results.

4. This is why the objectives of the Institutional Transformation are:

    (a)   To provide the Union with a strong and responsible Commission by equipping with the right men and women, structures and mechanisms at all levels, including administrative, financial, communication and knowledge-sharing;

    (b)   To streamline institutions in the continent based on the subsidiarity principle yet avoiding the proliferation of institutions that seem viable but are often inefficient, and by increasing consistency between the institutions, including the RECs;

    (c)   To help develop the Union's institutional framework for good governance and build consensus for the move towards integration.

B. METHODOLOGY ADOPTED FOR THE TRANSFORMATION

5. The methodology used aims at:

(a)   The individual as the main actor in the Commission's activities;

(b)   The values and attitudes to be upheld in a responsible institution and for the smooth conduct of its mission; and

(c)   The modern structures, systems and methods required for the effective operation of the Commission.

6.   The search for effectiveness, by drawing on the experiences of various institutions that had embarked on institutional transformation, made it necessary to adopt a project approach that emphasizes:

(1)   An organization with a human face at the same time focusing on improving systems and structures to promote a culture of responsibility;

(2)   A human resources policy based on meeting the Commission's staffing needs, by attracting to it adequately qualified staff and providing the necessary support such as information, training and staff development;

(3)   Evolving into a more effective organization by all international management standards;

(4)   Changing the institution's image by increasing focus on its external communication policy.

C. PREPARATORY ACTIVITIES FOR THE PROJECT'S IMPLEMENTATION

7.   An international bid for the provision of this institutional support and assistance to the Commission was launched in October 2004 in accordance with the provisions of the financial regulations in force. It was decided that the work to be performed required a consortium of consultants and accordingly the bid was made on that basis.

8.   This international bid was also disseminated through all the Permanent Representative Offices of Member States in Addis Ababa. Upon the opening of the bids, in accordance with the regulations in force, a consortium of three consultancy firms was selected.

9.   The chosen Consortium comprised:

(a)   Performance Management Consulting (PMC), a Senegalese firm of International repute that is specialized in Management, Structures, Systems and Methods;

(b)   ECDPM, a consultancy firm of the European Union, specialized in Governance and regional integration, and

(c)   Hirzel Leder and Partner (HLP), a GTZ consultancy firm specialized in change management including institutional culture.

D. **DESIGN OF THE INSTITUTIONAL TRANSFORMATION**

10.   The Institutional Transformation Project is structured on three main pillars, namely:

(a)   Institutional Strengthening of the Commission;
(b)   Institutional streamlining and Relations with the other organs;
(c)   Improving the Governance institutional framework.

11.   On these three pillars, the selected Consortium of Consultants built a three-phase work programme and methodology for the period January 2005-June 2007, as follows:

(a)   Period: January 2005-June 2007

(i)   **Phase 1:** The preparatory phase of the entire project, including setting up of the institutional transformation management structures;

(ii)   **Phase 2:** This is the phase relating to launching and the mobilization of all the staff for the Institutional Transformation;

(iii)   **Phase 3:** This is the diagnosis phase with the following proposed actions to strengthen the Commission- identify the Culture of the Commission as well as obstacles to and opportunities for Transformation; identification of the processes – in this case, three types of processes were defined namely the MANAGEMENT PROCESS, the SUPPORT PROCESS and the OPERATIONS PROCESS; preparation of a Progress Schedule for the Institutional Transformation.

(iv)   **Phase 4:** This is the phase during which the processes mentioned above will be mapped and put in place; as follows:

(a)   For the Pillar on Strengthening the Commission, the formulation of improved processes and detailed action plans for management, support and operational processes;

(b)   For the Pillar on Institutional Streamlining, the new relations between the Commission and the Regional Economic Communities (RECs) will be examined and redefined;

(c)   For the Pillar on Governance, this phase will focus on organizing inter-institutional dialogue and

relations between the various organs of the African Union.

(b)   Period: August 2005 – July 2006

(v)   **Phase 5** is the phase when Action Plans will be drawn up for implementation.

12.   This is the phase when the Action Plans drawn up will be implemented and the Change process sped up; this phase is critical for the success of the entire process. In fact, a change project needs to achieve concrete results in order to keep staff mobilized and the project's momentum maintained. However, changes such as those planned will hardly take place rapidly in an organization characterized by many structural weaknesses. Hence the need for quick actions that would produce rapid, tangible and significant benefits alongside the profound transformation of the Commission's culture (which will be a longer process).

(c)   Period: August 2006 – June 2007

13.   This is the phase during which the Change process will be consolidated and extended to all areas of the Commission's activity as relates to the three pillars identified.

(d)   Areas of Action during the First Phase

14.   After the Consortium presented the above methodology to the Commission and given the weak state of the Commission's human resources and, especially of its financial resources, as well as the importance the Commission attached to improving the internal processes and staff improvements, the Commission decided to focus on the mobilization of staff and launching of the change process; analysis and redesign of the Management process and the support process (human resources, administration, finances, information systems, Conference services and communication) as well as on the Culture of the Commission (values and attitudes). It thus moved to the second phase, the other components of the Institutional Transformation concerning the operations process of Pillar 1 "Strengthening the Commission," all of Pillar 2 "Institutional streamlining" and all of Pillar 3 "Governance".

E. ORGANISATIONAL STRUCTURE FOR THE INSTITUTIONAL CHANGE PROCESS

15.   Implementation of the Project required the setting up a management structure that can manage the change process efficiently and effectively to ensure its success. capable of handling activities of this kind of undertaking, a structure The following structures and mechanism were therefore set up.

(a) The Institutional Transformation Team

16.   The team served as the driving force of the process and its role was to manage the entire process with all necessary assistance from the Consortium of Consultants. It defined the procedures and carried out the activities relating to the Project. Its composition was influenced by one of its main roles of mobilizing and mustering efforts around the process. Thus, it comprises 22 persons all of whom are employees of the Commission, who served as appointed representatives of all the departments from the office of the Chairperson and Vice-Chairperson through the Departments, down to the autonomous Offices and such other services as the Medical centre.

17.   Another special feature of the Team was its representative composition. It consisted of all the categories of staff in the Commission, including the Staff Association, making it a proportional horizontal and vertical representation of the staff. The team also had a Team Leader and a Deputy Team Leader.

18.   It was imperative to set up a structure with such a representative composition instead of simply focusing on qualification, skills and experience. It is because this first phase required that efforts be focused on mobilization, involvement and induction of all the Commission's staff with a view to carrying them along in the Change process.

19.   The team carried out all its tasks through Taskforces made up of members of staff who participate on a voluntary basis. This group will be discussed later. Above the Project Team is the Steering Committee.

(ii) The Steering Committee

20.   This is the highest management and decision making body of the Institutional Transformation Project. It defined the guidelines and approved the activities and recommendations of the Project Team. The Committee comprises the Chairperson, the Vice-Chairperson, all the Commissioners and the President of the Staff Association. In order for its functions as Project Management Organ to be clearly marked out, it is not chaired by the Chairperson of the Commission, but by the Project Sponsor. The Steering Committee is accountable to the College of Commissioners.

(iii) The College of Commissioners (COMMISSION)

21.   This is the Management Organ of the African Union Commission, which deals with all major policy and financial matters. As such, it also takes final decision on the Project activities and components for implementation in all the structures of the Commission concerned with the Transformation.

(iv) The Sponsor

22.   This role is performed by a Commissioner (who is currently the Commissioner for Social Affairs) who is appointed by the Chairperson of the

Commission and is in charge of the entire Transformation and Change process and sees to its popularization and dissemination both within and outside the Commission. She is both the artisan and principal agent responsible for motivating and mobilizing staff for the Project. She liaises between the Project Team and the Steering Committee which she chairs.

(v) Decision making

23. Decision making within this Project management structure has been as follows:

(a) The Commission (College of Commissioners) takes decision on matters of policy and guidelines concerning the Project, approves the Transformation budget as part of the package allocated by the decision-making organs as well as the Transformation actions to be taken to improve management and governance in the Commission;

(b) The Vice-Chairperson responsible for Administration and Finance approves, within the limits of available resources, all expenditures relating to the Project's implementation;

(c) The Steering committee is responsible for allocating resources to carry out the Project, for appointing and replacing the Project Team Members and for approving the overall guidelines of the Project.

24. The Projects's Sponsor and the team leaders approve the methodology, planning, task assignment and management of funds allocated to the Project.

25. The Project team is responsible for the management of the overall project.

F. IMPLEMENTATION OF THE PROJECT

(i) Mobilizing staff for the project

26. Earlier Change processes undertaken in the institution showed that their weakest areas were information and staff mobilization. Hence the devotion of much time, in the present process, to staff mobilization for which the following actions have been carried out:

(a) Presentation of the whole process was made to all staff by sending them individual memorandums written by the Commission's Chairperson, followed by verbal information sessions, first at the Commission's Headquarters and then at all its Offices outside Headquarters;

(b)   Organization of a staff Convention on 25 May 2005 (Africa Day) which brought together all staff at Headquarters in Addis Ababa and the representatives of the Offices outside Headquarters under the theme, "Together We Can Make It " The Convention provided a privileged opportunity for all to share views on the objectives, methodology and progress of the Transformation Project. The Institutional Trasnformation Project was also officially launched on that day.

27.   As part of this Communication effort aimed to keep all the staff of the Commission, Member States, the RECs and the partners regularly informed of progress in the implementation of the Project, a Bulletin on the Institutional Transformation was launched and was being published fortnightly. Four issues have been published since its launching. The Bulletin is widely disseminated to all parties concerned.

(ii)   The CULTURE component of the Transformation

28.   The Institutional Transformation which the Officials of the Commission want to be human and mainly pro-staff also has a "Culture" component which is very important. This component is aimed at helping the Commission's staff to jointly build a new culture of responsibility, with a Pan Africanist spirit, a team spirit and a result-based performance.

29.   In this context, a two-day seminar was organized for the Project Team Members on 1 and 2 April 2005 to exchange views and strengthen teamwork. Another such seminar was organized on 21 May for the Chairperson, the Vice-Chairperson, the Commissioners and the Directors. A series of dialogue workshops with the same purpose were organized from 8 June until late November 2005 for all the Commission's staff at Headquarters in small groups of 20 persons. The same series of seminars are planned for members of the Technical and Representative Offices of the Commission outside Headquarters. From discussions emerging during the seminars staff members are better informed about the objectives and components of the Transformation Process, their views obtained on how best to conduct the Transformation and, more importantly, were made more aware of their role in the process.

30.   The main achievement of this first phase of mobilization is that, in spite of the initial skepticism towards change caused by earlier experiences, it has made the attitude of the Commission's staff more open and favourable to the change.

(iii)   Diagnosis and mapping of the Support and Management Processes

31.   The activities undertaken made it possible to draw up a diagnosis of the Commission's processes . Twenty one (21) Support and Management processes were identified and classified into seven (7) sectors, namely: Human Resources (HR), Communication, Finance, Administration,

Management, Conference Services, Information Systems and Knowledge Management.

32. Each of these processes was assigned to a Taskforce led by a Project Team Member. The Taskforce was comprised of team members and interested staff or members of Departments or Services concerned. The role of the Working Group is to consider and explore the process with a view to the diagnosis and mapping needed to finalize Action Plans to be implemented for each process.

33. The first phase ended with the identification of plans and the Taskforces worked relentlessly to accomplish it. However, the development of the action plans still need to be finalized.

(iv)   The Priority Projects

34. The Transformation Process is a long and exacting task, and 2007 will be a turning point at the end of which the implementation of many of the improved processes will have commenced. However, there were some actions which were regarded as urgent and vital to the success of the transformation that they have been given special focus as PRIORITY PROJECTS that started during the first phase and they related to :

    (a)   Staff recruitment and induction of new staff;
    (b)   Establishment of a new financial system; and
    (c)   Internal and external communication supports.
    (d)   Knowledge management

35. Four (4) teams known as the Priority Project Implementation Teams (PPIT) have been set up and assigned the task of carrying out activities relating to the priority projects. The work assiduously carried out by these teams made it possible to accelerate the implementation of these projects..

G.   ACHIEVEMENTS AT THE END OF THE FIRST PHASE

36. The end of the first stage (January – July 2005) provided an opportunity for a first stocktaking of the results achieved, drawing lessons for correcting mistakes made and consolidating on the achievements before initiating the second phase actions. The following are the results and constraints of the first stage of the Project:

(a)   Staff mobilization and management culture

37. The six months period of this phase was relatively short that it is difficult to tell to what extent staff mobilization has been effective. It should be noted that staff at the Commission consist of both newcomers and long serving staff. It is to be expected therefore that there might be some resistance from especially the longer-serving staff whose attitudes could be influenced by their earlier discouraging experiences. Success in this respect

will come with time when all the staff in the Commission realized that change is inevitable and that they can see that the Commission is changing for the better. Their participation is also crucial for the internalization of change and for ownership of the process by the Commission

38.   A diagnosis was done through dialogue workshops during which the staff expressed themselves on various issues pertaining to the culture, values, management and leadership, career development, work environment of the organization. etc. This is why the "Culture" component and changes within the way work is done will remain vital in the whole process, for if the staff members entrusted with the use of the systems, both modern and sophisticated, do not accept change or cannot use the new systems because of failure to empower them to do so, the efforts will be futile and doomed to fail.

39.   Today, with the Convention and the dialogue workshops/seminars for exchange of views with staff, it can be estimated that the process embarked on has the approval of at least 60 per cent of the staff who, however, are still waiting to be fully convinced by concrete actions. This result is encouraging going by the fact that the goal set by the Project Team is to obtain 80 per cent approval in 2007. The next stage , during which the Action Plans will be finalized and implemented, will surely be crucial in convincing some of the remaining 40 per cent of staff who, far from being deeply skeptical, are only waiting to see concrete actions undertaken for the smooth running of the institution. Hence the urgent need to start this implementation without much delay.

(b)   Drawing up Action Plans

40.   As the first stage ends, there is now a Change Plan for the change process and the diagnosis were done for the various processes. What is remaining is to finalize the action plans for the management processes and each of the Support processes , namely: Human resources, Administration, Finance, Conference Services, IT and Communication and accompanied by an approved programme to be implemented from August 2005 to June 2006. These Action Plans, started to be developed by the Taskforces mentioned above with the help of the Consultants, are informed by the detailed internal diagnosis done and references made to the best international practices.

(c)   Acceleration of recruitment to implement the Maputo structure
 (a separate report is being presented)

(d)   Publication of an African Union Newsletters

41.   This bulletin is published twice a month to update the AUC staff and other organs as well as member states on major activities of the Union.

H.   THE WAY FORWARD

42.   At this stage of its implementation, the Institutional Transformation Project/process is six months behind schedule going by its initial timetable. The delay is due mainly to the evaluation of the process thus far and mapping the way forward as well as allowing time to put in place organizational structures for implementation stage. The process has reached a level where its required that everybody at all levels of the Commission will be actively involved to take ownership of the process and to ensure its success. The process is both long-term and extensive but actions will have to be taken now to give assurance to all that their concerns and expectations are being taken on board. This requires that priorities are carefully identified and implemented. This is why it is extremely urgent to define the new bases for resumption of the process as well as develop a concrete timeframe with measurable objectives, actions and resources.

43.   The following actions will be required:

(a)   Setting up of ITP structures for Implementation

44.   The first phase was mainly a mobilization, launching and diagnosis phase, This is why the nature and composition of its Project Team had to be multidisciplinary and interdepartmental.   Having performed its duties satisfactorily, that Team now has to give way to a more technical one geared to the implementation of specific projects. The new Team which should be built around Project Heads should be formed without delay for the commencement of Phase 2. There will also be established a Project Management Office with full-time staff such as a project manager, Administrative Assistant and other support staff.

(b)   Further Development and Implementation of Action Plans

45.   The process of finalizing and implementing action plans will be done by teams within each department. Each department will have to decide which areas they will be able to implement during the period 2006 and deciding how they will implement them, the costing and the reporting milestones. This will include incorporating the recommendations of the consultants during the first phase (combined with the Strategic Orientations and Lines of Action developed in the Strategic Plan processes), and decide priorities, eliminate duplication, and otherwise turn the combined results into their own Departmental Action Plans.

(c)   Activities of phase 1 yet to be implemented

46.   As mentioned in the preceding paragraph, some activities planned as part of the first phase, but had to be moved to the second, should now be implemented in order to finalize the analysis, diagnosis and proposed Action Plans for:

(a)   The operational processes of Pillar 2 (Strengthening the Commission);
(b)   All activities relating to Pillar 2 (Analysis and drawing up of plans for institutional relations); this concerns relations between the Commission and its pillars, the RECs, with Specialized Agencies and with other bodies;
(c)   All activities relating to Pillar 3, especially those concerning the Governance plans of the AU, and relations between and among the various organs of the AU.

47.   Arrangement should be made for these activities which formed part of the proposals submitted initially by the Consortium of Consultants, but were postponed to the second for lack of human and financial resources, to be implemented rapidly alongside the real activities of the second phase.

(d)   Ongoing Management Culture Activities

48.   As mentioned earlier, culture and value aspects of change will be crucial to the success of the change process. As such activities will be focused on change management, leadership and training of the project management team.

(e)   Mobilizing Financial and Technical Resources

49.   Without any doubt, this will be the costliest phase of the Institutional Transformation programme.   The amounts required are stated in the Programme Budget for 2006 under section on Transformation, and since the partners, aware that this is the programme that determine the Commission's efficiency in the decades ahead, have already pledged funds to the Commission for the various projects. The actual mobilization of these funds (some of which have already been disbursed) is to be undertaken immediately for the commencement of the implementation; contacts have already been established and should be continued.

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