

## Enhancing Financial Management Systems and Processes

Considerable efforts have been deployed on updating the accounting system. SAP – IMIS will be further mainstreamed. The Financial Rules and Regulations are also being updated and an operations manual developed. A Resource Mobilization Committee now ensures better co-ordination of the management of resources and determines viable alternative sources of funding. The Committee also oversees full contract compliance and coordination on finance agreements. Similarly, the Audit Review Committee is now fully operational and ensures close follow up to audit reports and queries. Key result areas from change projects in this area include improved financial management and control, improved budget process, and capacity built.

### Other Administrative Reforms, Developments, and Initiatives

The reform programme includes a number of change projects in all other administrative service areas. In the area of Information and Communication Technology, a lot has been achieved in the recent past to develop connectivity and applications. But the intention is to do more planning, more development work, and more customer satisfaction. AUC must move quickly to an integrated comprehensive knowledge management platform. The focus will be to increase capacity to harness the full potential of the ICT infrastructure, improve security, and improve efficiencies and synergies, including linkage to other AU organs, RECs and Member States. Other change projects are aimed at enhancing asset acquisition and management, travel, and records keeping, and at ensuring a conducive and secure working environment including physical infrastructure and recreational facilities.

### Delivering effective and efficient Conference Services

There are also change projects aimed at modernizing meeting and language facilities, and enhancing the management, and planning of Summits, conferences and meetings; including the need for advance and timely preparation, translation and distribution of documents, as well as, the dissemination of related reports.

### Delivering effective and efficient Medical Services

Focus in the reforms is also in the delivery of medical services to the staff of the Commission and to the diplomatic missions accredited to the AUC. Work will soon begin work on the construction of the extension to the Medical Centre. The developments will be accompanied by updating and expanding competencies at the Centre, implementing an electronic medical data system, implementing the HIV/Aids workplace policy, implementing the new evacuation policy through telemedicine, and improving the procurement of supplies and inventory systems.

### Leveraging Partnerships

An important component of the reform strategy is the leveraging of strategic partnerships to ensure support and confidence in AUC programmes. In this regard, AUC is committed to strengthening its partnership with the various actors working to support Africa face up to its challenges. Consequently the Commission will continue to build on the principles of complementarity and subsidiarity with its partners. AUC commits itself to collaborate with its partners to harness the required resources around common objectives and ensure effective service delivery in a transparent and accountable manner.

**Pillar 4** newsletter will showcase and highlight the success stories and developments in the various aspects of the reform programme. Staff members are encouraged to submit signed contributions to the editor.

**Chief editor: Habiba Mejri-Cheick**

[habibam@africa-union.org](mailto:habibam@africa-union.org)

**Editor: Esther Azaa Yambou**

[yamboue@africa-union.org](mailto:yamboue@africa-union.org)

**Layout and design: Lalla Sy**

[lallasyl23@hotmail.com](mailto:lallasyl23@hotmail.com)

**Contributing writers: Staff of the bureau of the Deputy Chairperson**

**Photography: Engda Wassie**



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African Union Addis Ababa, ETHIOPIA  
P. O. Box 3243  
Telephone: 5517 700  
Fax: 5511299 website :  
[www.africa-union.org](http://www.africa-union.org)

# Pillar

Towards a more efficient and effective African Union Commission Issue 1 / April 2010



## Pillar IV

Institution and Capacity Building is the fourth Pillar of the AUC Strategic Plan 2009-2012. The other three pillars of the Plan are Peace and Security; Integration, Development and Cooperation; and Shared values. The pervading importance of Pillar 4 is that its successful implementation will to a great extent dictate the pace and effectiveness with which the objectives of the other three pillar of the Plan are achieved. Pillar 4 is recognition that to achieve the desired results the Commission must invest in its most valuable assets - its staff.

It must also implement a programme for enhanced operational efficiency and effectiveness on a broad front embracing organizational and administrative structures, policies, systems, processes, and work culture. The Commission must also promote synergies, linkages and effective partnerships not only with Member States but also with all organs of the Union, the RECs, as well as, development partners.

A number of beginnings were made in all these areas in 2009 to bring about the desired changes. Many of the change projects built on already on-going initiatives. Many were new and more are being initiated and implemented in 2010 and the remaining years of the Strategic Plan.

In this Newsletter which we are titling Pillar 4, we intent to enhance the comprehension and appreciation of the broad scope of the change programme by our different stakeholders and keep you abreast of current developments and plans in each and every area of change. This first volume is devoted to an outline of the change programme and to bring you up to date as to where we are with some of the major initiatives.

### IMPLEMENTING PILLAR 4 INSTITUTION AND CAPACITY BUILDING

"As far as the Commission is concerned, we shall continue to place a premium on internal governance through the establishment of such mechanisms and tools as would guarantee transparency and accountability, particularly in the areas of management of the human and financial resources made available to the Commission..."  
*Report of the Chairperson of the Commission to the 14<sup>th</sup> ordinary Session of the Assembly of the Africa Union.*



H.E. Jean Ping Chairperson of the AUC

### Towards an effective and efficient AUC

#### Managing for Results: A Comprehensive Results-based Performance Management and Accountability Framework for AUC

The 2009-2012 Strategic Plan is a multi-year, broad-based policy framework committing the Commission to the attainment of clearly defined results. In order to achieve these results the Commission's has adopted a comprehensive results-based management and accountability approach (RBM).

When fully operational RBM will ensure greater efficiency and effectiveness in the management of the Commission's human and financial resources geared especially towards the achievement of organizational goals and results within the timeframe

of the Strategic Plan.

One leg of RBM is the integration of programme planning, budgeting, implementation, monitoring, evaluation and feedback with a sharp focus on outcome and impact all within a logical framework.

The other leg is the emplacement of a results-oriented Performance Management and Accountability Framework within which departments, work units and staff are tasked and held accountable for agreed deliverables. In the past few months the Commission has taken firm steps on both these legs.

## Integrating Programme Planning, Budgeting, Monitoring, and Evaluating in a

### Results-Oriented Framework:

#### A Medium-term Expenditure Framework (MTEF) and the preparation of the 2010 Budget



H.E. E. Mwencha Deputy Chairperson of the AUC

"It is obvious that we are now embarked on a journey of change— Good Change. At each point in this journey we must stop and ask ourselves, Who we are? Where we are coming from? and Where we are going".

The 2009-2012 Strategic Plan provided the rationale for programme planning and budgeting at the AUC to be set on a multi-year framework so as to ensure that the use of the available resources was

while those for the remaining two years would be more indicative. The starting point was with the strategic objectives, strategies and expected results of the Strategic Plan which were then linked to specific projects, activities and outputs to be delivered against well-defined expected accomplishments and indicators of performance using the logical framework (**Log Frame**) planning. When fully operationalized **MTEF** will provide a unified framework for harmonizing resource inputs from both member states and international partners and channeling them accountably into a coherent programme implementation framework. It will also strengthen overall fiscal discipline within the Commission. And most importantly through the demand for greater accountability it will lead to capacity improvement of the commission's internal systems and structures. It should also promote greater interdepartmental collaboration and team work through an integrated results-oriented programme and operational Budget.



Member States reviewing the 2010 budget

consistent and fully aligned to the achievement of the expected Plan results. Beginning with the preparation of the 2010 Budget therefore, there was a definite attempt to shift the planning and budget process from a purely annual input budgeting, management and monitoring, to a Medium-Term Expenditure Framework (**MTEF**) through **Results-based Budgeting (RBB)** to ensure the effective implementation of the Strategic Plan. The intention was to cast the Commission's operational and programme budgets on a rolling basis over the three-year period 2010, 2011 and 2012 with the first year budget proposals being firm plans.

#### The Annual Policy Statement

As basis for the allocation of resources in the budget for 2010 and their roll over into the subsequent annual budget the Annual Policy Statement was prepared. The Statement defined Commission-wide annual priorities aligned to the Strategic Plan. It provides the framework for allocating resources to the different programmes. The Annual policy Statement prefaces and explains the budget. It identifies and rationalizes the choice of the specific areas the Commission will be working on in 2010 within each pillar and programme of the Strategic Plan. It also indicates the overall results that are expected from this work taking into account the possible challenges and risk factors that need to be addressed to ensure the effective attainment of the results.

#### Budget Ceilings

One other important innovation in the budget process was to impose strict budget ceilings within which Programme Managers would submit their proposals. The ceilings were established at the overall level and by programmes, Departments, and budget type respectively.

The methodology for arriving at the ceilings was fully explained and the rationale was to improve fiscal discipline at the Commission.

The ceilings could not however be applied successfully across Departments and programmes this time around because of the novelty of the measure and the very strong competing calls for resources on the part of programme managers.

#### Enhancing Programme Monitoring and Evaluation

The adoption of the results based management approach will empower Departments to adopt more efficient and effective strategies for implementing their programmes keeping the results in mind.

In order to track the changes an enhanced monitoring and evaluation system that is oriented on impact and not merely on activities shall be put in place. The system shall ensure internal and external stakeholder involvement in monitoring and evaluation of overall institutional performance against organizational mandates.

In this regard the **African Monitoring and Evaluation Tool (AMERT)** which has been developed to support the monitoring function at the AUC will be strengthened.

#### Annual Departmental Work Plans

Programme Manager has been tasked to focus on a few key deliverables for which they will be held accountable.

To this end Departmental Annual Work Plans have been prepared for the implementation of the 2010 Budget. The Departmental Plans will be further translated into **Individual Work Plans** for each staff member.

These individual plans will all be set within the principles and provisions of the new comprehensive Staff Appraisal System which will come into effect early 2010.

## Promoting a Culture of High Performance in a Results- and Work Plan-Based Environment: The New Performance Appraisal System

The new Performance Appraisal System (PAS) was unveiled in a document presented by the Director, Administration and Human Resource Development to the Commission in early February. It will be implemented starting end March 2010 after further consultations with Departments, staff and all role players. The stated objectives of the PAS are:

- ➔ Promote a two-way communication between staff members and supervisors on the goals to be achieved and the basis on which individual performance will be assessed;
  - ➔ Encourage continuous learning and building competencies of Staff for current and future assignments and assist in career development;
  - ➔ Identify good performance and rewarding it accordingly and also address underperformance in a fair and equitable manner;
  - ➔ Foster team work and the equitable distribution of assignment.
- The policy document addresses the various characteristics of the PAS including the appraisal cycle and calendar, individual work planning, the role of staff members and of staff with leadership, managerial and supervisory responsibilities, the rating system, rebuttal mechanism, as well as the governance structure of the system.

#### HR Reforms: Scope and Developments

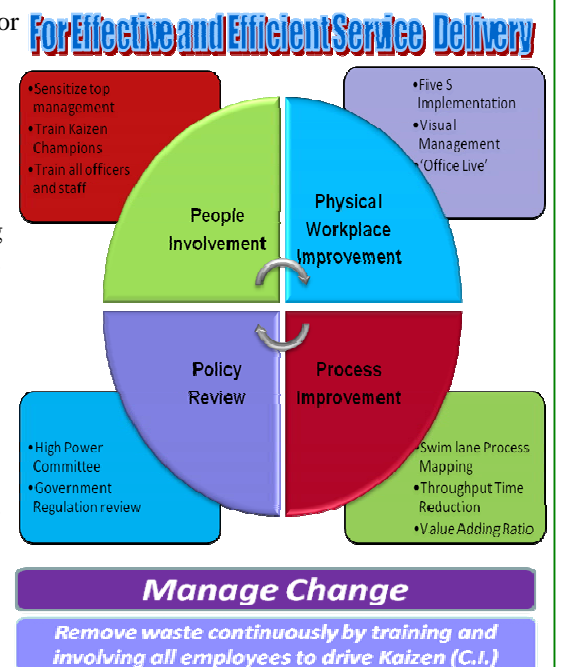
The Human Resource Management function is at the heart of the reform and change process at AUC. The Strategic work plan for AHRD includes a number of key policy and operational changes in the next few months. The long-awaited *revised Staff Rules and Regulations* will soon be finalized. The updated R&R will go a long way towards clarifying staff rights and responsibilities. The serious challenges in the *recruitment process* having regard especially to inordinate delays in the filling of vacant positions are being addressed. The backlog is being eliminated and the current and expected vacancies are being handled with greater transparency and with every effort made to ensure minimum turnaround time at the different stops be they at the level of the Departments, the interview panels, the Appointments and promotion Board (APROB), and medical and other clearances. Results-oriented staff appraisals will be complemented with a comprehensive well-managed *competence development and training programme* targeting leaders, managers and all categories of staff. The *Administration of justice system* is also being reviewed for further rationalization. A new framework for staff pension is under consideration.

#### Rationalizing the Organizational Structure

The organizational structure of the Commission is being reviewed with a view to updating it and rationalizing it in line with the objectives of the Strategic Plan. The revisions to the structure should among other things further enhance synergy, transparency and accountability; avoid duplication and overlap; clarify reporting lines; and, build capacity and rationalize the distribution and use of available resources generally.

#### Pursuing Operational Efficiency and Organizational Excellence through KAI-ZEN

Kai- Zen is Japanese for Good Change hence Continual Improvement. The reform programme at AUC is buttressed by an underlying all-embracing Programme of Continual Improvement through Total Service Management which is now being implemented. The programme consisted in a **first phase** in the training of **100 Champions of Change** chosen from all categories of staff.



In the **second phase** which started in January 2010 and will last for the next several months, these Champions are leading teams in their respective work units to map each and every one of AUC processes, assess the work place for needed improvements, review policies, consider work attitude, and working with all concerned, implement measures for continual improvement that they themselves would recommend. This programme is about improvement that is **Everyday; Everyone; Everywhere**. It is one of the key building blocks on the road to Organizational Excellence.



KAI-ZEN champions leading the effort to re-engineer processes through the Continuous Improvement Programmes.