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This action is funded by the European Union

ANNEX 3

of the Commission Implementing Decision on the Annual Action Programme 2018 of the DCI Pan-African Programme to be financed from the general budget of the European Union

Action Document for the African Union Support Programme IV

1. Title/basic act/ CRIS number	African Union Support Programme IV (AUSP IV) CRIS number: DCI/PANAF/040-979 financed under the Development Cooperation Instrument (DCI)			
2. Zone benefiting from the action/location	Pan-African The action shall be carried out at the following location: Africa			
3. Programming document	Multi-Annual Indicative Programme (MIP) for the Pan-African Programme 2018-2020			
4. Sector of concentration/ thematic area	Political Dialogue and Pan-African Governance	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost: EUR 30 000 000 Total amount of EU budget contribution: EUR 30 000 000			
6. Aid and implementation modality	Project Modality Indirect management with the African Union Commission			
7 a) DAC code	15110 - Public Sector Policy and Administrative Management			
b) Main Delivery Channel	47000 – Other multilateral Institutions			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Global Public Goods Challenges thematic flagships	NA
10. Sustainable Development Goals (SDGs)	<p>Main SDG 16: Promote peaceful and inclusive societies for sustainable development, provision of access to justice for all, and building effective, accountable institutions at all levels.</p> <p>Secondary SDG 17: Revitalise global partnership for sustainable development</p>

SUMMARY

The African Union (AU), and in particular its Commission (AUC), plays an essential role in a number of key areas, such as building peace and security across the continent, managing the pan-African process of regional integration, coordinating the implementation of the Joint Africa–EU Strategic Partnership, as well as an interlocutor on global issues.

This new phase of the African Union Support Programme (AUSP) has as overall objective to contribute to an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena and the specific objective of contributing to the transformation of the AUC into an efficient and value addition institution to accelerate the AU institutional reform process, guide the advancement of the 2063 Agenda of the African Union and consolidate the AU-EU partnership. To this effect, AUSP IV will be aligned to the First Ten-Year Implementation Plan (FTYIP) of the AU Agenda 2063 and contribute to the AU institutional goals. In order for the AU to deliver on its reforms and in Agenda 2063, further institutional capacity is absolutely required and MTP 2018-23 needs to be operationalised. Consolidating the EU-AU partnership and ensuring effective coordination with the Regional Economic Communities (RECs) would also greatly contribute to this purpose. This in turn requires efforts to strengthen AU institutions, to enhance their service delivery and to develop, domesticate and implement continental policy frameworks and coordination under a principle of subsidiarity continental-regional national.

An indirect implementation modality is proposed for AUSP IV, with a EUR 30 million Delegation Agreement to be signed between the EU and the AUC covering a 50-month period starting from 2019.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 Public Policy Assessment and EU Policy Framework

The "AU Agenda 2063: shared strategic framework for equitable growth and sustainable development", prepared in close collaboration between the AUC, the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA), examines long-term economic, demographic and social trends across Africa and proposes long-term policy responses. Agenda 2063 was approved at the AU January 2015 Summit and is operationalised through an initial FTYIP 2014-23. This plan is articulated along 7 aspirations and comprises 12 flagship programmes, including the establishment of the Continental Free Trade Area by 2017, of a Single African Air Transport Market, Silencing the Guns by 2020 and African passport and Free Movement of People. The first phase of the FTYIP was implemented through the Strategic Plan 2014-17 containing 5 areas (so-called pillars): (I) peace and security; (II) social, economic and human development; (III) integration,

cooperation & partnerships; (IV) shared values and (V) institutions, capacity building and communication.

The implementation of the Agenda 2063 FTYIP is now guided by the AUC MTP 2018-23 that was adopted by the Permanent Representatives Committee in May 2018 and comprises 3 strategic areas, namely:

SA-I- Institutional reform

SA-II- Service delivery, capacity development, partnership and outreach

SA-III- Delivering on continental frameworks and mandates, with the latter composed of 7 thematic priority areas, namely:

PA1- Economic transformation, inclusive growth and environmental sustainability

PA2- Investing in the African people, especially youth, women and children

PA3- Continental integration

PA4- Governance, human rights and institutions

PA5- Peace and security

PA6- Africa's role and position in the global context

PA7- Flagship projects

The AU-EU partnership was reaffirmed at the 5th AU-EU Summit held in Abidjan in November 2017 in a spirit of shared ownership, responsibility, reciprocity, respect, mutual accountability and transparency. The Summit Political Declaration identifies 4 AU-EU joint strategic priority areas, namely:

JPA1- Investing in people – education, science, technology and skills development

JPA2- Resilience, peace, security and governance

JPA3- Mobilising investments for African structural sustainable transformation

JPA4- Migration and mobility

1.1.2 Stakeholder analysis

The AU is composed of Policy Organs (Assembly, Executive Council, Permanent Representatives Committee, Specialised Technical Committees, Peace and Security Council and the Commission), other Organs (Pan-African Parliament (PAP), African Court on Human and Peoples' Rights (AfCHR), African Commission on Human and People's Rights (ACHPR), Economic, Social and Cultural Council (ECOSSOC), New Partnership for Africa's Development (NEPAD), AU Commission on International Law (AUCIL), AU Advisory Board on Corruption, African Committee of Experts on the Rights and Welfare of the Child (ACERWC)) and 8 Specialised Offices, all of them with the corresponding annual (operating and/or programmed) budgetary allocations. On top of that, there are 11 recognised RECs/RMs, building blocks of Africa's regional architecture.

The AU has a wide range of stakeholders, its 55 MS, 8 recognised RECs and African citizens. The complex and articulated institutional architecture of the AU with three layers (continental, regional and national) and several organs and institutions poses several challenges for building consensus for areas of common interests, on the application of the subsidiarity and complementarity principles and on defining a clear division of labour.

Other important stakeholders are international organisations (particularly the EU, UNECA, and AfDB), bilateral partners, and civil society organizations.

1.1.3 Priority areas for support/problem analysis

Since 2002, the AU has demonstrated increasing potential and confidence as the lead African inter-governmental organisation in the implementation of the AU political and integration agenda and advancing the strategic partnership with the EU. Since 2015 the AU has adopted a long-term vision, Agenda 2063 that sets the aspirations of African people and identifies the structural transformations required to achieve inclusive growth and sustainable development.

Despite major progresses, the AU still suffers from important shortcomings such as: (i) limited capacity of the AU in translating political decisions at continental level into coordinated action at regional and national level; (ii) limited internal resources and high dependency of the AU on resources from international partners; (iii) a fragmented organisation with a multitude of focus areas; (iv) perceived as of limited relevance to African citizens; (v) limited managerial capacity and lack of accountability for performance at all levels; (vi) inefficient working methods; (vii) underperforming due to unclear mandates or chronic underfunding; and (viii) unclear division of labour between the AUC, RECs, and MS.

In order to address the main constraints impairing the implementation of the Agenda 2063 and its FTYIP, an Institutional Reform agenda was adopted by the AU Assembly in 2016. The institutional reform hinges on five continental priorities, namely:

- Focus on key priorities with continental scope and specifically on (i) economic integration, political affairs, peace and security and Africa’s global representation; and (ii) establishing a clear division of labour among continental institutions
- Realign AU institutions in order to deliver against those priorities
- Connect the AU to its citizens
- Manage the business of the AU efficiently and effectively at both the political and operational levels
- Finance the AU sustainably and with the full ownership of the MS

The EU is the main contributing partner to the AU Budget and the successive AUSPs are an effective support tool. AUSP IV is specifically supporting the implementation of the MTP 2018-23 through its component 1 (1.1-institutional reform and 1.2-service delivery, addressing respectively MTP strategic areas I and II) and component 2 (MTP strategic area III, continental frameworks and mandates, and its priority areas 1, 2, 3, 4 and 7). Priority area 6 on peace and security is not considered under AUSP IV, being the subject of a separate action (APSA SP IV).

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Lack of political will reflected in the lack of domestication and implementation of AU decisions	H	EU-AU political dialogue. AUSP can be used as leverage.
Limited implementation of the AU institutional reform agenda, including financing issues	M	EU-AU political dialogue and engagement with AU policy organs. Revision of MTP areas to be supported.
Lack of capacity within the AUC hinders implementation of the programme	H	Capacity building support will be provided to AUC.
Lack of result-oriented EU–AU policy dialogue	M	AUSP will be the main EU support to the MTP 2018-23 (apart from the various peace and security interventions) with a strong focus on outcomes and outputs at planning and reporting levels.
Weak monitoring and evaluation mechanism and difficulty to report on deliverables	M	Monitoring and evaluation mechanisms in place in AUSP (Steering Committee, report to the Joint Annual Forum, the use of MTP targets/milestones and of the AMERT planning system).

Operational framework	L	EU pillar assessment is planned for late 2018 or 2019 and risk mitigating measures will be considered if required.
Lack of EU visibility and leverage supporting key areas (i.e. trade, governance, etc.)	L	AUSP IV supports the implementation of the MTP and this will enhance the visibility of the EU. In this area, AUSP will be complemented by JAES Support Mechanism III.
Extend AUC mandate to implementation	M	AUC is not an implementing agency. Its role needs to be focused on policy issues and to be interlinked with interventions at regional and national level. In case NEPAD will be transformed into the AU Development Agency (AUDA), some implementing responsibilities, especially dealing with sectoral policy development and domestication at regional level will be transferred to it.
<p>Assumptions</p> <ul style="list-style-type: none"> - AU MS will pursue their African integration commitments overcoming the reluctance to transfer powers from the national to the supra-national level together with the difficulties to put in place accountable, efficient and well-resourced institutions at the continental level. - Continued commitment of AU MS towards the implementation of the institutional reform agenda, especially the financing of the Union component, and support the re-organisation of the AUC to enhance its capacity to deliver results and to decrease its dependence on donors. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The AUSP series has been the key support instrument to the AU and the JAES since 2007. It also has a unique strategic value in influencing and advancing the AU institutional reform agenda and driving change in the AU. The AUSP has been implemented in different phases and the current third one is to be completed in 2019.

AUSP evaluations to date have confirmed its high relevance in terms of supporting the intuitional and administrative capacity within the AU, particularly regarding its institutional transformation process. The AUSP supported the preparation for pillar assessments, the implementation of strategic plans, the formulation of key AU flagship programmes, as well as the implementation of the JAES road map. However, the sustainability of many of these programmes is questioned due to the lack of commitment and limited financial contributions provided by AU MS.

The implementation of the AUSP III suffered from most of the constraints identified in the previous phases but provided valuable lessons and insight knowledge in terms of planning and implementation capacities of AUC that have guided the formulation of the present Action Document for the next phase of AUSP.

3.2 Complementarity, synergy and donor coordination

3.2.1 Complementarity

AUSP IV focuses on the MTP 2018-23 and will be complementary to the support provided by the EU to AUC under the African Peace Facility, other actions of the Pan-African Programme, Intra-ACP programmes and specific EC Budget thematic interventions.

This programme will be complementary to the support provided to AU by other international partners, particularly a core group of EU MS. In this regard, a mapping study of the total EU contribution to the AU from 2014 to 2017 and from 2018 to 2020 is undergoing and will cast some light on the global picture by the end of 2018.

In November 2014, the AUC launched a 4-year project, funded by the World Bank (USD 25 million) to strengthen and support the AUC institutional transformation. It is expected that the project will be extended for a similar period and financial endowment.

3.2.2 Donor coordination

Donor coordination at the AUC is set up under the AU Partners Group (AUPG) framework. The AUPG is currently divided into subgroups following the 5 pillars of the Strategic Plan 2014-17 but this configuration will be revised to align to the 3 key strategic areas of the MTP 2018-23. The objective of the AUPG is to enhance donors' cooperation in their partnership with the AU, providing an active forum for overall coordination and harmonisation on both political and development issues.

The EU is currently the lead donor for pillar I on peace and security and it is very active in other groups. Since June 2011, the EU has signed three Joint Programming Arrangements (JPAs or joint pledging of support) in force until the end of 2018 on pillar V (institutional capacity building, a key platform to engage on the reform agenda under the lead of the Deputy Chair Person office of the AUC and Canada/Netherlands); on political affairs (including governance and elections, coordinated by UK), on trade (coordinated by USA). In addition, the EU is observer at the gender JPA and has signed two Joint Financing Arrangements (JFAs, multi-donor baskets) to support peace and security staff and the AU liaison offices in conflict and post conflict countries.

3.3 Cross-cutting issues

The programme will be aligned with the MTP 2018-23 for which gender and youth are cross-cutting issues: gender and youth empowerment and equal representation in AU institutions are key components and part of the deliverables on the institutional reform agenda, while resilience (in the context of peace, security and governance) is one of the joint strategic priority areas of the AU-EU partnership. Furthermore, the programme will pay due attention to sustainable management of natural resources and resource efficiency. It is a major cross-cutting issue for the EU, and is in line with the AUC MTP 2018-2023 priorities and delivering on Continental Frameworks and Mandates relating to Agenda 2063 FTYIP on Economic Transformation, Inclusive Growth, and Environmental Sustainability.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The overall objective of the programme is to contribute to an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena.

The specific objective is to contribute to the transformation of the AUC into an efficient and value addition institution to accelerate the AU institutional reform process, guide the advancement of the Agenda 2063 and consolidate the AU-EU partnership.

The action will consist of two main components related to the specific objectives, namely:

Component 1: Institutional strengthening

Component 1.1 Institutional reform

This AUSP IV component will contribute to the MTP strategic area I: institutional reform. Thus, it will assist in the advancement of the AU institutional reform agenda, including the financing of the Union and the coordination with RECs.

Expected results

- AU institutional reform more effectively coordinated and implemented
- Improved coordination AU-RECs

Component 1.2: Service delivery and capacity building, partnership and outreach & thematic twinning-like support & ad hoc initiatives

Service delivery, capacity building, partnership and outreach

This AUSP IV component will contribute to the MTP strategic area II: service delivery and capacity building. This component will also focus on strengthening capacities in the fields of coordination, cooperation, harmonisation, communication, monitoring & evaluation (M&E), reporting, inter-sectorial and inter-departmental collaboration, and delivery of services. AUSP IV will contribute to address some of the identified challenges and to strengthen the capacities of (i) the Bureau of the Chairperson and dependant Directorates and Offices¹ and (ii) the Bureau of the Deputy Chairperson and dependant Directorates and Offices², relevant AUC Departments³, and other AU organs⁴. A specific area of support will be on policy research that plays a very important role in informing decision-making processes: in this regard, it is particularly important to enhance the capacity of the Strategic Policy, Planning, Monitoring, Evaluation and Resource Mobilisation (SPPMERM) Directorate. The political and strategic dialogue between AU and EU institutions, including the next AU-EU Summit and technical meetings, will also be supported.

Twinning-like support

Twinning-like cooperation will be a two-way shared commitment between the EU (mostly European Commission services and other EU Services and Agencies) and the AU (mostly AUC Departments/Directorates, Offices and Specialised Agencies) institutions with similar mandates and responsibilities and aiming at sharing best practices, strengthening technical competencies and mutual understanding of integration processes and global issues. It could be achieved, *inter alia*, through workshops, training sessions, expert missions, study visits, internship, counselling and implementation of joint initiatives. The AU and the EU will encourage respective services to establish contacts with potential partners in the other institution. Each year the parties will jointly identify the best prepared and detailed twinning-like proposals to be supported by AUSP IV.

Ad hoc and unforeseen initiatives

Support to initiatives that can emerge in the course of the implementation of the action complementing other AUSP IV components through, *inter alia* the mobilisation of technical expertise, organisation of consultative fora or extraordinary meetings. *Ad hoc* resources will be mobilised on a case-by-case basis following sufficient justification and by mutual agreement of the parties, their use governed by prioritisation principles to maximise its impact.

¹ i.e. the Office of the Secretary-General to the Commission, Directorate of Women, Gender and Development (WGDD), Directorate of Strategic Planning, Policy, Monitoring, Evaluation and Resource Mobilisation (SPPMERM), Office of the Legal Counsel (OLC), Office of Internal Audit (OIA), Directorate of Information and Communication (DIC), Partnership Management and Coordination Division (PMCD), Citizens and Diaspora Directorate (CIDO) and NEPAD Coordination Unit.

² i.e. the Directorate of Administration and Human Resources Management (AHRM) and the Directorate of Programming, Budget, Finance and Accounting (PBFA).

³ Departments of Political Affairs and Economic Affairs.

⁴ Economic, Social and Cultural Council (ECOSOCC) and the AUC on International Law (AUCIL).

Expected results

- AUC service delivery and policy research capacities improved
- Result-based management and performance monitoring developed and implemented
- AU-EU political and strategic dialogue facilitated, technical cooperation enhanced and partnership strengthened

Component 2: Policy development and coordination with RECs

Agenda 2063 and MTP 2018-23 explicitly apply a subsidiarity principle to the continental and regional/national levels: AUC should confine itself to broad continental policy frameworks, guidelines and coordination and should leave NEPAD Agency (AUDA in case it is adopted) and RECs to deal with MS in implementation, monitoring and evaluation of programmes.

AUSP IV policy component 2 will support AUC Departments of Political Affairs, Social Affairs, Infrastructure and Energy, Trade and Industry, Rural Economy and Agriculture, Human Resources, Science and Technology, Economic Affairs and the NEPAD Agency (AUDA in case it is adopted) engaged in the implementation of MTP projects, particularly those related to joint AU-EU priorities. Support will also be provided to ensure domestication of sectoral policies at regional level, reporting on policy implementation, and maintaining a two-way dialogue on sectoral policies formulation, harmonisation, revision and evaluation. However, financial resources to implement policies at regional level would not be drawn from AUSP IV but from regional resources, such as RECs' own budgets and EU RIPS' envelopes.

Expected results

- Effective and coherent policies developed for economic transformation and environmental sustainability as well as for investing in African people, especially youth
- Continental and regional policy frameworks developed for facilitating continental integration
- Governance and human rights promoted by effective and accountable institutions
- Flagship projects of Agenda 2063 promoted and coordinated by comprehensive policy frameworks at continental and regional levels

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of Goal 10 but also promotes progress towards Goals 16 and 17.

4.2 Indicative activities

Component 1. Institutional strengthening

Component 1.1: Institutional reform

- Clear division of labour and effective collaboration among the AU, RECs, MS and other continental institutions, in line with the principle of subsidiarity and complementarity
- Reviewing AUC structures and staffing needs and updating staff regulations
- Enforcing women and youth quotas across AU institutions and private sector
- Fully implementing the Kigali decision on financing of the Union
- Improving working rules, methods and processes of AU Summits

Component 1.2: Service delivery and capacity building, partnership and outreach & thematic twinning-like support & ad hoc initiatives

- Improving service delivery through results based management, strengthened accountability, knowledge management and proper auditing
- Fostering organisational communication (inter-departmental collaboration, cooperation, information sharing, joint planning and monitoring) through formalised procedures
- Strengthening the function of policy analysis and research
- Developing, implementing and regularly appraising human resource development plans

- Strengthening AU-EU partnership through regular joint technical and strategic meetings
- Planning, committing to and implementing twinning-like initiatives
- Coordination & clear mandates and responsibilities between AUC and NEPAD Agency (AUDA in case it is adopted)

Component 2: Policy development and coordination with RECs

This component will focus on activities contributing to the development of continental policy frameworks and their domestication at regional level on (*inter alia*):

PA1- Economic transformation, inclusive growth and environmental sustainability

- Maritime strategy (blue economy)
- Accelerated industrial development for Africa (AIDA)
- Continental agri-business strategy to unlock private sector investments
- Sanitary and phytosanitary measures for intra-African trade
- Continental geographic indications framework
- Implementation of CAADP-Malabo Declaration on agricultural transformation in Africa
- Policy framework and reform strategy for fisheries and aquaculture in Africa
- Resilience of production systems to climate change and agricultural risk management
- Africa's engagement in global climate change negotiations
- Conserving Africa's wild fauna and flora
- Monitoring for environmental security in Africa and related strategy on meteorology
- Multilateral environmental agreements (ACP & others)
- African disaster risk reduction strategy/action programme (Sendai Framework 2015-30)
- Sustainable forest and land management

PA2- Investing in the African people, especially youth, women and children

- Implementation of Science, Technology and Innovation Strategy for Africa (STISA)
- Implementation of Continental Education Strategy for Africa (CESA)
- Migration policy framework for Africa and plan of action 2018-30
- Gender strategy
- African youth Charter

PA3- Continental integration

- Programme for Infrastructure Development in Africa (PIDA)
- Africa Renewable Energy Initiative (AREI)
- Energy cooperation initiatives through the Africa-EU Energy Partnership (AEEP)
- African common market & intra-African trade (CFTA)
- Continental infrastructure policies and regulatory frameworks (transport, energy and ICT)
- Continental e-governance framework
- Harmonisation of statistical systems in Africa

PA4- Governance, human rights and institutions

- Democratic values and practices
- Constitutionalism and rule of law
- Participatory development and local governance
- Human rights and transitional justice
- Promotion of women's rights
- Institutions and leadership

PA7- Flagship projects

- Single African Aviation Transport Market (SAATM)
- Continental Free Trade Area (AfCFTA)
- Africa Outer Space Strategy (AOSS)
- Silencing the Guns by 2020 (governance and conflict prevention aspects)

4.3 Intervention logic

The proposed action is built on the commitment of the African Union leadership to transform the African Union and following the general theory of change:

In order for the AU to deliver on its reforms and in Agenda 2063, further institutional capacity is required and MTP 2018-23 needs to be operationalised. Consolidating the EU-AU partnership would also greatly contribute to this purpose. This in turn requires efforts to strengthen AU institutions, to enhance their service delivery and to develop, domesticate and implement continental policy frameworks and coordination under a principle of subsidiarity continental-regional national.

AUSP IV support will be aligned to the annual AU Budget and be implemented through successive Annual Work Plans, where the targets/milestones for the year will be identified in full consistency with the MTP. Listed activities will not receive the same level of support nor will they all be implemented every year. The selection of activities to be supported by AUSP IV and the funding level will be jointly done by means of their inclusion in the annual AU Budget and in the corresponding AUSP Annual Work Plans, considering other contributions by AU MS, by other EU programs and by other international partners.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 50 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation of the budget support component

N/A.

5.4 Implementation modalities

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

5.4.1 Indirect management with the African Union Commission

This Action may be implemented in indirect management with the African Union Commission (AUC).

This implementation entails the execution of activities annually planned and budgeted by the African Union Commission and requiring specialised human resources, supporting services and other inputs such as travel, accommodation, ancillary services, material and equipment.

This implementation is justified as it constitutes a continuation of similar projects supported by the EU, successfully managed by the AUC. The entrusted entity is currently planning to undergo by late 2018 or 2019 ex-ante assessment, following a negative pillar assessment carried out in 2014-2015 that resulted in an Aide Memoire between the European Commission and the African Union Commission on Measures to Strengthen the Financial Management of the African Union Commission and the application of mitigating measures. The responsible authorising officer of the European Commission deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No1605/2002, the long-lasting cooperation and the role that AUC plays in the strategic partnership between the EU and Africa, the entity can be entrusted with budget implementation tasks under indirect management.

The entrusted entity would act as the contracting authority under a delegation agreement of the same duration as the action for the maximum total amount of the EU contribution to the action for EUR 30 000 000, that may be signed subject to customary mitigation measures to be developed in line with the outcome of the ex-ante assessment. The delegation agreement should contain an amount for contingency mobilised with EU prior written authorisation. The remuneration of the entrusted entity under the delegation agreement shall be 0% of the final amount of eligible costs of the Action.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

	EU contribution (EUR)
Indirect Management with the African Union Commission:	
<i>Component 1: Institutional strengthening</i>	
- Component 1.1 Institutional reform	600 000
- Component 1.2: Service delivery and capacity building, partnership and outreach & thematic twinning-like support & ad hoc initiatives	5 100 000
<i>Component 2. Policy development and coordination with RECs:</i>	
PA1- Economic transformation, inclusive growth and environmental sustainability	9 500 000

PA2- Investing in the African people, especially youth, women and children	1 600 000
PA3- Continental integration	5 900 000
PA4- Governance, human rights and institutions	1 600 000
PA7- Flagship projects	4 300 000
Contingency funds	1 400 000
Evaluation – Audit	will be covered by another decision
Communications and visibility	will be covered by another decision
TOTAL	30 000 000

Justification of AUSP IV contribution to AUC Program Budget

EU annual financial contribution to the AUC Budget will be adjusted over the three-year period in line with the targets for financing of the Union, specifically 100% of the AU operating Budget and 75% of the AU programme Budget funded by AU MS. To that effect, during the annual AU Budget consultations, including AU MS and international partners, AUC will seek and obtain additional funding from its MS in order to achieving its financing targets.

5.7 Organisational set-up and responsibilities

All AUSP IV related communications will be made through the AUC Chairperson (through his Chief of Staff) office, with the AUC Deputy Chairperson office in copy.

Operational day-to-day management will be carried out by the Directorate for Strategic Planning, Policy, Monitoring, Evaluation and Resource Mobilisation (SPPMERM), specifically the International Cooperation and Resource Mobilisation Division. SPPMERM Directorate will also act as the AUSP secretariat and will prepare the reports and ensure their quality and timely delivery.

After approval of the annual AU Budget, proposals for Annual Work Plans for the forthcoming year shall be presented by the AUC to the EU for analysis and subsequent discussions by mid-October at the latest.

A programme steering committee will be set up and will meet at least once a year back to back the Joint Annual Forums. The terms of reference of the steering committee will be agreed by both parties. The steering committee shall be made up of:

- Representatives of the AUC – Chief of Staff, Deputy Chairperson office, SPPMERM Directorate and other relevant AUC Departments
- Representatives of the EU Delegation to the AU, including the Head of Delegation
- Others, if necessary, as observers

5.8 Performance monitoring and reporting

The day to day technical and financial monitoring of the implementation of this action will be a continuous process and part of the AUC responsibilities as implementing partner. To this aim, the AUC shall use its internal strategic planning system, AMERT, as the AUSP IV monitoring system and for the elaboration of regular narrative and financial progress reports. The AUC will provide semi-annual and annual narrative reports indicating the progress made

towards the achievements of objectives and output indicators, as well as semi-annual and annual internally audited financial report.

The AUC AMERT system provides information for a given project the linkages of the project to the MTP 2018-23 areas, the outputs to be provided by the project, the indicators to assess performance on each output, the different activities for each output with a limited description and an estimated costing for each activity.

AUSP IV is formulated up to the level of outputs and their indicators. Hence, narrative reporting and monitoring on AUSP IV should be limited to the strategic areas, projects implemented and their outputs, as well as the levels attained by the project's indicators. However, AUSP IV financial reporting and audit would include the activities implemented, their cost and accounting. For the purpose of establishing the specific indicators, baselines and targets identified for reporting, AUSP IV logframe matrix will be completed every year with the provisions agreed between the parties and included in the successive Annual Work Plans (MTP/AMERT milestones/targets or others if the former are not sufficiently SMART).

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes), using as reference the action logframe matrix completed with the specific indicators, baselines and targets established in the successive Annual Work Plans. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

A final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. The Commission may, during implementation, decide to undertake other evaluations for duly justified reasons either on its own decision or on the initiative of the partner.

The Commission shall inform the AUC at least 30 days in advance of the dates foreseen for the evaluation missions. The AUC shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

Evaluations will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the contribution of this programme to (i) enhancing EU-AU policy dialogue and (ii) in strengthening the capacities of the AUC in policy development and provision of services to AU organs. Evaluation reports shall be shared with the AUC. The implementing partner and the EC shall analyse the conclusions and recommendations of the evaluations and, where appropriate jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Financing of evaluations shall be covered by another measure constituting a financing decision.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of external audits or expenditure verification assignments shall be covered by another measure constituting a financing decision.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This Action shall contain communication and visibility measures based on a specific Communication and Visibility Plan, to be elaborated at the start of implementation and supported with the corresponding budget provided for in the delegation agreement. In terms of legal obligations on communication and visibility, appropriate contractual obligations shall be included in the delegation agreement. The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ⁵

The objectives, outputs and indicators below are derived from the AUC Medium Term Plan 2018-2023 as this action is contributing to its implementation and the contribution is covering a limited proportion of the cost of jointly identified outputs. Specific action's related outputs, indicators, and annual baselines and targets will be included in the Annual Work Plan

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Contribute to an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena	- SDG indicators: 1.1.1 Proportion of population below the international poverty line, by sex, age 16.1.1 Number of victims of intentional homicide per 100,000 population (indicator 16.1.2 Conflict-related deaths per 100,000 population - Level of advancement of the Agenda 2063 and level of implementation of the First Ten Year Implementation Plan	To be defined at the onset of the action	To be defined at the onset of the action	- African Union Web-site -African Statistical Yearbook	
Specific objective(s): Outcome(s)	Contribute to the transformation of the AUC into an efficient and value addition institution to accelerate the AU institutional reform process, guide the advancement of the Agenda 2063 and consolidate the AU-EU partnership	Number of Assembly and Executive Council Decisions on African integration and development promoted, coordinated, monitored and reported by the African Union Commission Level advancement of the AU Institutional Reform Level of advancement of the 2063 FTYIP. Level of implementation of the AU-EU partnership.	To be defined at the onset of the action	To be defined at the onset of the action	- Annual reports of the African Union Commission - Reports of annual Summits and Coordination meetings of the African Union - African Union Web-site	- AU Member States committed and mobilising planned resources to implement the Institutional Reform Agenda and to fund the implementation of the 2063 FTYIP. -International partners providing external support aligned to AUC Medium Term Plan and adhering to the institutional reform goals in terms of programme budget funding

⁵ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

Outputs	AU institutional reform more effectively coordinated and implemented;	Level of advancement of all components of the Institutional Reform Agenda;	To be defined in each annual work plan	To be defined in each annual work plan	- By-annual reports of the Reform Unit in the Bureau of the Chairperson of AUC; -Report on the implementation of annual work plan	
	Improved coordination AU-RECs;	- Number of High level Coordination meeting between AU, RECs and other continental institutions; - Level of implementation of provisions of the Memorandum of Understanding between the African Union and Regional Economic Communities or newly developed MoU			- Annual reports of the AUC, other AU Policy Organs and RECs; -Report on the implementation of annual work plan	
	AUC service delivery and policy research capacities improved;	- Variance (in terms of budget execution, number of Outputs, Outcomes and Activities completed in the course of the year, using AMERT system) between annual plans and execution level; - Satisfaction level for services delivered by AUC to AU Organs and other stakeholders; -Number of publications on policy research;			- AUC annual report - Report on the implementation of annual work plan - Annual audit reports	
	Result based management and performance monitoring developed and implemented	- Number of AUC structures (Directorates, Departments, Divisions, Offices) applying Result based management and performance monitoring system			- AUC annual report -Report on the implementation of annual work plan	
	- AU-EU political and strategic dialogue facilitated, technical cooperation enhanced and partnership strengthened;	- Frequency of joint AU-EU meetings at political and strategic levels; -Number of twinning like initiatives established and performing with the support of this action			- Reports on AU-EU partnership - Reports on implementation of twinning like initiatives	
	Effective and coherent policies developed for economic transformation and environmental sustainability as well as investing in the African People, especially the Youth	- Quality and level of implementation at continental and regional levels of policy frameworks guiding economic transformation and environmental sustainability, continental integration and flagship projects;			- Deliberations of Specialised Technical Committees of the AU; - By-annual report	

		<ul style="list-style-type: none"> - Number of protocols, treaties, agreements, charters and conventions signed and ratified at national level; - Level of investment in youth initiatives at regional and national levels; 			<ul style="list-style-type: none"> of the PRC and decisions of the Executive Council and Assembly - Publications on the Status of Continental Integration (UNECA ARIA reports and AU-UNECA Africa Regional Integration Index report) 	
	Governance and Human Rights promoted by effective and accountable institutions;	<ul style="list-style-type: none"> - Number of AU Member States participating in the APRM and implementing recommendations; - Number of AU Member States participating in the APRM and implementing recommendations; - Number of AU Member States regularly reporting and domesticating the African Charter on Democracy, Election and Governance; - Number of AU Member States regularly reporting and domesticating the African Charter on Human and People's rights, including its Maputo protocol on Gender equality, and the African Charter on Children; 			<ul style="list-style-type: none"> -APRM reports -AU Web-site 	
	Flagship projects of Agenda 2063 promoted and coordinated by comprehensive policy frameworks at continental and regional levels	<ul style="list-style-type: none"> - Level of implementation of specific implementation plans for each Flagship Project/Programme 			<ul style="list-style-type: none"> - Annual AUC report - Deliberations of Specialised Technical Committees of the AU 	