



1. Project Data

Project ID P126848	Project Name Support for Capacity Dev't of the AUC		
Country Eastern and Southern Africa	Practice Area(Lead) Governance		
L/C/TF Number(s) IDA-D3550,IDA-H9390	Closing Date (Original) 31-Dec-2018	Total Project Cost (USD) 33,890,478.53	
Bank Approval Date 06-May-2014	Closing Date (Actual) 30-Jun-2023		
	IBRD/IDA (USD)	Grants (USD)	
Original Commitment	25,000,000.00	0.00	
Revised Commitment	40,000,000.00	0.00	
Actual	33,890,478.53	0.00	
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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) according to the Project Appraisal Document (PAD) was to “*strengthen African Union Commission’s capacity to facilitate economic development results and transformation through enhanced institutional efficiency*”, (PAD, p. 12).

The PDO was revised during the 31 July 2018 Restructuring to shift the focus to regional integration results rather than on economic development activities as stated in the original PDO. The PDO was restated as: “*to*



strengthen AUC's capacity to facilitate regional integration results and transformation through enhanced institutional efficiency", (ICR, p. 1).

The revised PDO in the legal agreement was to **"to strengthen the Recipient's capacity to facilitate regional integration results and transformation through enhanced institutional efficiency,"** (ICR, p. 8). The Recipient was the African Union Commission (AUC). For the purposes of the ICRR, the PDO is unpacked as follows:

- PDO1: To strengthen the institutional capacity and efficiency of the AUC; and
- PDO2: To facilitate capacity building and stakeholder awareness for regional integration.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

31-Jul-2018

c. Will a split evaluation be undertaken?

No

d. Components

The project comprised two components:

Component 1: Strengthening Institutional Capacity of the AUC (Appraisal: US\$15 million Additional Financing (AF) US\$7 million; Actual: US\$24.4 million). Under this component initiatives were undertaken to enhance AUC's organizational capabilities, its budget execution rate, staff capacity, and Information and Communication Technology (ICT). The activities encompassed bolstering management systems and procedures, modernizing ICT infrastructure, developing human resources, fostering peer-to-peer learning, and improving stakeholder communication and participation through branding, media, and outreach efforts.

Component 2: Facilitating Regional Integration Results with Stakeholders (Appraisal: US\$10 million; AFUS\$8 million; Actual: US\$9.5 million). Component 2 was designed to advance AUC activities across the continent in collaboration with its member states and partner organizations, particularly the Regional Economic Communities (RECs). The Component financed activities to promote AUC's ability to facilitate regional integration, enhance policy standards, and monitor African Union (AU) agreements. It facilitated external partnerships for regional integration and inclusive growth, monitored AU agreements and program implementation, and supported project monitoring and evaluation, learning, and project coordination. AF was allocated to Component 2 to facilitate regional integration results in the priority areas of the African Continental Free Trade Area (AfCTFA), the Single African Air Transport Market (SAATM), and Free Movement of Persons (FMP); as well as targeted outreach to women, youth and civil society and activities related to the AUC's participation and voice in global fora.



As part of the AF, the project components were not revised, but financing amounts for both components were increased to scale up activities under both project components. The funding allocation between the two main components of the Project was as follows:

- i. strengthening of the institutional capacity of AUC (55 percent); and
- ii. facilitating Africa's economic development results through external partnerships with key stakeholders (45 percent).

However, the actual disbursement at completion for component 1 accounted for 72 percent of total disbursements, while component 2 accounted for 24 percent. The budget distribution highlighted the institutional capacity needs of the AUC.

The project was restructured three times:

- **Restructuring No.1:** On July 31, 2018, the project underwent its initial restructuring, marked by several significant revisions:
 - i. Approval of AF of US\$15 million to scale up successful activities, including IT modernization, and to support selected activities of the AU Institutional Reform program, such as organizational structure review and outreach to African citizens.
 - ii. The PDO was revised to emphasize regional integration results instead of economic development activities. This revision aligned with the strategic priorities of both the AU and the World Bank (WB). The updated PDO was *"to strengthen the Recipient's capacity to facilitate regional integration results and transformation through enhanced institutional efficiency."*
 - iii. The Results Framework (RF), including Intermediate Results Indicators (IRIs) and targets, were updated accordingly. The number of IRIs increased from 9 to 16, with the addition of the following IRIs:
 - IRI#5: State-of-the-art AUC ICT and Mirror data centers established and fully functional.
 - IRI#7: Directorates at AUC HQ that have prepared annual workplans with acceptable results indicators and reports.
 - IRI#12: Reports issued based on the monitoring of AU agreements.
 - IRI#13: AUC support to member states on M&E to meet Agenda 2063 (FTYIP) and MTR requirements.
 - IRI#14: AU's gender balance ratio for professional categories.
 - IRI#15: Enhanced Citizen engagement at the AUC.
 - IRI#16: Dissemination and monitoring of project implementation.

(Note: Own numbering added; IRIs were not renumbered following the AF).

- iv. Updating of the applicable WB Procurement Regulations to (July 2016, revised in November 2017).
- v. Extension of the closing date by 30 months to June 30, 2021.

- **Restructuring No.2:** In June 2021 the closing date was extended to December 31, 2022, to allow for the completion of planned project activities that were delayed due to the Covid-19 pandemic.
- **Restructuring No.3:** In December 2022, a final six-month extension was approved, bringing the closing date to June 30, 2023. This was to enable completion of activities and to align with



preparation of the follow-on project that was under appraisal and to ensure smooth transition between the projects.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: At appraisal in 2014, the budgeted cost of the Project was US\$25 million. Following the 2018 AF, the budget was increased by US\$15 million to reach in total US\$40 million. The total revised cost of the project was set at US\$40 million. Out of this, a total of US\$33.89 million was disbursed.

Financing: The project was primarily financed through two IDA grants (IDA Grant H9390, and IDA Grant D3550).

At project closure, undisbursed funds for cancellation amounted to US\$3.0 million. There was an expected refund of approximately US\$12,700 due to unused advances provided.

The Borrower did not contribute any funds to the project.

Dates: The project was approved on 6 May 2014, and became effective on 5 November 2014. A Mid-Term Review (MTR) was conducted on 12 December 2017.

The original closing date was projected as 31 December 2018. The project closed on 30 June 2023.

3. Relevance of Objectives

Rationale

African governments are dedicated to promoting sustainable socio-economic growth across the continent by embracing initiatives such as the African Union Agenda 2063 and the African Continental Free Trade Area (AfCFTA). In parallel, there is significant harmonization work underway among the majority of RECs. In this strategic context, the project sought to enhance the institutional capacity of the African Union Commission (AUC), which serves as an implementation body of the AU, to effectively manage and implement continental initiatives and improve its ability to facilitate regional integration.

At the time of appraisal in 2013, the economic outlook for Sub-Saharan Africa (SSA) was notably positive, with GDP growth nearing five percent, surpassing the average for low and middle-income countries. SSA attracted substantial private capital, primarily in extractive industries, with annual inflows exceeding US\$50 billion. This economic upturn coincided with political liberalization and noticeable improvements in governance and policies, evidenced by the rise of SSA's macroeconomic policy scores in the 2012 Country Policy and Institutional Assessment (CPIA) to levels comparable with other regions. Additionally, rapid expansion in mobile technology and urbanization contributed positively to this context.

Despite these optimistic trends, the continent faced significant challenges. The economy was heavily reliant on commodity exports, susceptible to price volatility, while other sectors like manufacturing remained stagnant. The observed GDP growth did not translate into sufficient poverty reduction or marked improvements in education and health outcomes. Structural issues such as inadequate infrastructure,



unreliable energy supplies, corruption, and unfavorable policy environments impeded the growth of manufacturing and trade, threatening the achievement of the Millennium Development Goals (MDGs) by 2015. Moreover, despite longstanding goals, regional integration had yet to be fully realized. In response to these multifaceted challenges, the project aimed to strategically reposition the AUC to better tackle issues related to fragmentation. It specifically focused on addressing key operational inefficiencies within the AUC, such as significant operational challenges, including inefficient strategic planning, cumbersome budgeting and procurement processes, slow recruitment, high staff turnover, and inadequate performance management. Coordination issues with RECs further impeded the AUC's effectiveness in implementing programs across member states. Despite having a strategic plan, it was poorly integrated across AU organs, and the AUC's systems were outdated and non-integrated, impacting data, communication, and accounting standards.

Alignment with WB Strategy: The WB's support for the project was justified through its strategic alignment with the continent's long-term development goals. Adopted in 2011, the WB's Africa Strategy outlined a ten-year vision aimed at supporting Africa's transformation. The WB's Africa Strategy rests on two pillars: a) Competitiveness and Employment, and b) Vulnerability and Resilience. These pillars stand on the foundation of governance and public sector capacity. The AUC shares these strategic objectives, (PAD, p. 10). The project was aligned with the Strategy's Competitiveness and Employment pillar, focusing on regional integration programs essential for reform and investment. Recognizing partnerships as crucial for implementing this Strategy, the project presented an opportunity to strengthen the WB's relationship with the AUC. Additionally, the project supported the Regional Integration Assistance Strategy (RIAS) by enhancing institutional cooperation for economic integration, specifically aiming to build the capacity and governance of regional institutions.

As the project progressed, it remained in alignment with the updates to the WB's strategy, particularly the 2021 update which emphasized Pillar 2: Promoting Trade and Market Integration. This update included a focus on supporting the implementation of the AfCFTA, along with the SAATM and the FMP, all contributing to broader continental market integration.

The relevance of the project was further underscored by global disruptions such as the COVID-19 pandemic and geopolitical tensions. These events highlighted the critical need for strengthened regional integration to mitigate impacts on global supply chains, underscoring the importance of robust regional institutions.

By the project's closing, it had consistently aligned with and actively contributed to the evolving strategic priorities of the WB, ensuring targeted regional capacity-building efforts improved national public-sector delivery systems. This alignment was not only strategic but also responsive to emergent global challenges, marking the project's success in fostering regional cooperation and integration in a dynamic global context.

Alignment with the AU Agenda 2063: The project was fully aligned with and contributed to Agenda 2063. Agenda 2063 serves as a blueprint for Africa's development over the next few decades, focusing on key priorities such as economic transformation, inclusive growth, infrastructure development, human development, and peace and security. By aligning with this strategic framework, the AUC aims to ensure that its policies, programs, and projects contribute effectively to the realization of Agenda 2063's objectives. To this end, the project sought to support three key flagship programs related to Agenda 2063 (i.e., (AfCFTA, SAATM, and FMP). and drew on its short-term implementation plans in both project design and results monitoring.



Alignment with AUC's own Reform Agenda: Additionally, the project supported the AUC's own institutional reform efforts as outlined in the Kagame Report (the African Union paper), with the objective of enabling more effectively implement Agenda 2063, (ICR, p. 6).

Overall, the relevance of the project and its revised PDO is rated as high, given its strategic alignment with WB strategy, AUC's reform initiatives and Agenda 2063. The project also builds upon previous initiatives supported by the WB Group, such as the Accelerated Program of Economic Integration (APEI), the Trilateral Agreement between Kenya, Uganda, and Rwanda, and initiatives in the Sahel and Great Lakes regions. By enhancing the institutional capacity of the AUC to manage and implement regional integration initiatives, the project directly targets identified needs within the African context.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To strengthen the institutional capacity and efficiency of the AUC

Rationale

The original project did not include a Theory of Change (TOC). A TOC was prepared as part of the AF. The TOC underlying the reforms at the AUC was centered on strengthening its planning, operational, and management functions as well as enhancing its ICT capabilities. By implementing these reforms, the expectation was that the AUC would see an increase in its budget execution rate, an improvement in service delivery, and an enhancement of its effectiveness in facilitating regional economic integration. This theory was anchored on the premise that better internal systems lead to more efficient operations, which in turn, would foster a more dynamic role in major continental initiatives. Specifically, the reforms aimed to leverage the three key Agenda 2063 flagship projects: the AfCFTA, the Single African Air Transport Market (SAATM), and the Free Movement Protocol (FMP), to achieve a transformative impact on regional collaboration and economic growth across Africa. The aim was to help AUC to reposition itself to focus strategically and improve its ability to facilitate regional economic integration via the aforementioned regional integration priority programs.

Key Outputs:

- a. AUC Organization Review leading to new organizational structure
- b. Strategic plans for AUC, New Partnership for Africa's Development (NEPAD), African Court, the African Union Advisory Board on Corruption (AUABC), and the Pan-African Parliament (PAP)



- c. International Public Sector Accounting Standards (IPSAS)-compliant Financial Statements 2019 onward
- d. Data center and mirror data center for disaster recovery
- e. AU Learning Academy (AULA) e-learning academy for AUC staff established
- f. Electronic HR procedures
- g. Revamped intranet and extranet for AUC, AUC apps launched
- h. Judicial and legal capacity development through the Legal Associates Programme

IRIs and Outcomes:

- **IRI#1: AUC's internal organizational structures reviewed and made fully operational:** At project closure, the AUC had completed the review and operationalization of 4 internal organizational structures. The end target of completing at least 4 reviews was met. **(Achieved)**.
- **IRI#2: Full implementation of IPSAS:** The AUC achieved the full implementation of the IPSAS, with the first IPSAS compliant financial statement published by project completion. **(Achieved)**.
- **IRI#3: Timely delivery of key AU services: (i) Time to procure; (ii) Protocol Services and Accreditation; and (iii) Financial management-time to pay:** The processing times for key AUC services, including procurement and payment, were significantly reduced by several months.
 - *Time to Procure:* The AUC achieved the revised and original target of completing procurement within 3 months. **(Achieved)**.
 - *Protocol Services and Accreditation:* The AUC successfully met the target of completing Protocol Services and Accreditation within 3 months (both original and revised target: 3 months). **(Achieved)**.
 - *Financial management-time to pay:* The AUC did not meet the target, taking 5 months instead of the revised and original target of 3 months for financial management-time to pay **(Not Achieved)**.
- **IRI#4: Procurement contracts processed in accordance with the AU Procurement Guidelines (Percentage):** At project closure, 85% of AU's procurement contracts were processed in accordance with the AU Procurement Guidelines, falling short of the revised target of 90%. The target was revised to 90% based on the assumption that an e-procurement system would have been in place. The incomplete implementation of the e-procurement system as planned affected the achievement of the target. **(Partially Achieved)**.
- **IRI#5: State-of-the-art AUC ICT and Mirror data centers established and fully functional:** A modern data center was established first at the AUC, under the parent project, and then a mirror data center was set up in Kenya with AF financing. Both centers were established and fully functional. **(Achieved)**.
- **IRI#6: Outreach and communications are strengthened and active (number, cumulative):** At project closure, outreach and communications efforts were cumulatively strengthened and active, achieving the revised target of 8 (original target: 6). **(Achieved)**
- **IRI#7: Directorates at AUC HQ that have prepared annual workplans with acceptable results indicators and reports (Number):** At project closure, 25 Directorates at AUC HQ prepared annual workplans with acceptable results indicators and reports, surpassing the target of 20. This exceeded the end target. This IRI was added at AF. **(Achieved)**
- **IRI#8: Established and fully functional E-Procurement:** At project closure, the design and testing of E-procurement were completed as planned, but the full implementation, i.e., roll-out of the system,



was not achieved, as system integration with other upgrades remained pending. The ICR notes implementation of activities linked e-procurement were halted to allow for deployment of the Enterprise Resource Planning (ERP) software system ensuring that the integration is done with the new ERP solution, (ICR, p. 39). **(Partially Achieved)**.

- **Institutional Transformation of AUC from a slow, paper-reliant organization to a faster, more transparent institution:** The project enabled the AUC to evolve from a slow, paper-reliant organization to one that operates more quickly and transparently. The AUC modernized its accounting practices, becoming fully compliant with IPSAS. It also raised its annual budget execution rate from 55% to 80%, approaching the target of 84%. Additionally, AUC's processing times for key services like procurement and protocol services was substantially reduced, streamlining operations and improving responsiveness.
- **Improved Technological Infrastructure through Establishment of Two Modern Data Centers and Related ICT technology:** The establishment of a modern data center at the AUC, alongside a mirrored facility in Kenya, significantly upgraded the technological infrastructure. The use of the data centers and state-of-the-art ICT developed under the project far exceeded the intended uses of enhancing daily work, conference management, and citizen outreach. It became essential during the Covid-19 pandemic by enabling the AUC to continue to hold virtual meetings throughout the pandemic, and by providing data warehouse support to the African Center for Disease Control to underpin, among other things, its COVID-19 related research work. Among the virtual meetings benefitting from the technology were the extraordinary summit where the AU member states officially launched trading under the AfCFTA; and the November 2020 meeting, led by the Chairperson of the AU, during which the African Vaccine Acquisition Task Team was established.
- **Progress toward Procurement Modernization at the AUC:** A focal area of the project was the modernization of procurement processes at the AUC, a critical step towards enhancing operational efficiencies and transparency. Although the initial outcomes have significantly reduced the time required for procurement, the procurement activities did not achieve the end targets due to lack of completion of the integration of the e-procurement module and training and roll-out. Although the full realization of these improvements is still underway, the enhancements contribute directly to faster service delivery and improved management of resources, ensuring that the AUC can operate more effectively in its crucial role. The ICR further notes that the objective of procurement modernization is "likely to be fully achieved in the near future given that the work is on-going and continues to be supported by the WB." (ICR, p. 11).
- **Governance and Strategic Enhancements Across AU Organs:** Concurrent with improvements at the AUC, the project also induced significant strategic enhancements across various AU organs. By the end of the project period, seven AU organs were operating under newly developed strategic plans, surpassing the project's targets.

The status of the AU in global fora has increased. The AU was made a permanent member of the G20 in September 2023, giving it the same status as the European Union - the only other regional bloc with a full membership. Its previous designation was "invited international organization". AU's membership is recognized as a strong voice for the global south in a premier forum for international cooperation and development, (ICR p. 12).



PDO Indicators:

- **PDO Indicator #1: AU institutions with strategic plans (as per the AU vision and mission):** Seven AU institutions were guided by strategic plans, exceeding the revised target of 6 (original target: 5). **(Achieved)**.
- **PDO Indicator #2: AUC's Budget execution rate (percentage):** AUC's annual budget execution rate increased from a baseline of 55 percent to 80 percent, although this was below the revised target of 84 percent. **(Partially Achieved)**.

Overall, the achievement of Objective 1 is rated as substantial due to the comprehensive efforts made in strengthening the AUC across various dimensions, including strategic planning, operational efficiency, and ICT capabilities. Despite some shortcomings, such as the incomplete implementation of e-procurement, the overall progress towards achieving Objective 1 is significant. One PDO indicator was exceeded, and one was nearly fully achieved. Six of the eight IRIs were achieved or exceeded and the remaining two, both related to AUC procurement modernization, are likely to be fully achieved in the near future given that the work is on-going and continues to be supported by the WB.

Key outputs such as the establishment of strategic plans for AU institutions, improvements in AUC's budget execution rate, review of internal organizational structures, and the full implementation of IPSAS indicate substantial advancements. Additionally, the establishment of two modern data centers and the reduction in processing times for key services demonstrate tangible progress in enhancing the AUC's institutional effectiveness. While the incomplete implementation of e-procurement remains a notable gap, the overall achievements suggest that the reforms have had a substantial impact on transforming the AUC into a faster, and more transparent institution, and improving its operational capabilities.

Rating

Substantial

OBJECTIVE 2

Objective

To facilitate capacity building and stakeholder awareness for regional integration

Rationale

The TOC centered on enhancing the AUC's capacity to facilitate collective action for promoting regional integration priorities, such as the AfCFTA, the Single African Air Transport Market (SAATM), and the Free Movement Protocol (FMP). Despite longstanding aspirations for African regional integration, persistent fragmentation hindered progress, with significant tariff and non-tariff barriers impeding intra-continental trade. Consequently, the AUC prioritized regional integration alongside its own institutional capacity strengthening (discussed above), as a top reform priority, as highlighted in the 2018 Annual Report's introduction by the AUC Chairman.

To promote greater regional integration, the AUC focused on activities such as enhancing stakeholder awareness and significance of regional integration, expediting the ratification of AU legal instruments, strengthening member states' commitment to regional integration agreements, improving staff expertise, and



advancing and monitoring key integration priorities. Additionally, the project supported several activities to enhance the AUC's capacity for monitoring the implementation of AU agreements and programs, further reinforcing AUC's role in facilitating regional integration. Importantly, these activities were projected to yield several critical outputs: stakeholders becoming more informed and engaged; stronger commitment from member states, and a more knowledgeable AUC staff equipped to handle integration challenges effectively. Additionally, these activities were expected to foster strengthened ownership, partnerships, incentives, and capabilities among stakeholders. With better-informed stakeholders and enhanced monitoring capabilities, the AUC was anticipated to become more effective at implementing regional integration measures.

The aforementioned outputs, were expected to lead to intermediate outcomes such as progress on the implementation of agreed measures for the selected key areas and pave the way for longer-term outcomes, including improved regional integration results and transformation impacts. This progression was envisioned to facilitate other regional integration efforts, enabled by the enhanced institutional capabilities resulting from the initiative. Ultimately, the overarching goal was to achieve increased regional integration results, fostering greater peace and prosperity across Africa. A critical assumption underlying the TOC was that a sufficient number of member states and RECs were interested in pursuing closer regional economic integration and would actively collaborate and commit the necessary resources to implement the integration strategies within an enabling environment.

Key Outputs:

- a. AUC/RECs coordination summits
- b. Thematic mass media campaigns, including on gender issues including ending child marriage
- c. Continental study on the benefits of the Single African Air Transport Market (SAATM)
- d. Airspace and air navigation services architecture development
- e. AfCFTA launch and operationalization
- f. Stakeholder consultations on AfCFTA, SAATM, FMP
- g. AU Key Document database/repository (treaties, constitutive documents, and other)

IRIs and Outcomes:

- **IRI#9: Innovative pilots with RECs and civil society (Number, cumulative):** The AUC completed 3 innovative pilots with RECs and civil society at project closure, which fell short of the revised target of 4 (originally set at 3). COVID-19 restrictions on travel impacted this outcome, limiting the involvement of experts and technical teams with RECs and civil society. **(Partially Achieved)**.
- **IRI#10: Peer-to-peer knowledge sharing, change management and learning events to promote staff leadership and facilitate AU transformation (Number, cumulative):** At project closure, the AUC had conducted 5 peer-to-peer knowledge sharing, change management, and learning events to promote staff leadership and facilitate AU transformation, which fell below the target of 6. This IRI was added at the AF restructuring. Despite challenges posed by COVID-19 restrictions on face-to-face events, the AUC, however, expanded online learning through the AU Learn platform, with 7,978 participants registered and 7,478 enrollment courses reported. Additionally, new courses, including Results Based Management, Diplomatic Writing, language courses (Arabic, French, Portuguese), Ethics and Code of Conduct, and Safety at Work, were introduced (source AU Learn website). **(Partially Achieved)**.
- **IRI#11: AU Data Repository established and disseminated to connect African citizens:** The AU Data Repository was successfully established and operational. **(Achieved)**



- **IRI#12: Reports issued based on the monitoring of AU agreements (Number, cumulative):** The AUC issued 6 reports based on the monitoring of AU agreements. This IRI was added at the AF restructuring, meeting the target of 6. **(Achieved)**.
- **IRI#13: AUC support to member states on M&E to meet Agenda 2063 (FTYIP) and MTR requirements:** The AUC successfully supported member states in meeting Agenda 2063 (FTYIP) and MTR requirements through monitoring and evaluation. It established plans with 5 countries and 2 RECs. Support activities for both the FTYIP and the STYIP plan were carried out. Activities with RECs, however, were postponed during COVID-19. This IRI was added at the AF restructuring. **(Achieved)**.
- **IRI#14: AU's gender balance ratio for professional categories (Percentage):** At project closure, the AU's gender balance ratio for professional categories was 32% which did not meet the target of 35% (original target was 28%). This IRI was added at the AF restructuring. **(Not Achieved)**
- **IRI#15: Enhanced Citizen engagement at the AUC (Number):** At project closure, the citizen engagement at the AUC reached a total of 210,000, falling short of the target of 300,000. Citizen engagement end targets were not reached due to delays in contracting the outreach communications firm and the multimedia specialist. This IRI was added at the AF restructuring. **(Not Achieved)**
- **IRI#16: Dissemination and monitoring of project implementation (Number, cumulative):** The AUC conducted 5 dissemination and monitoring of project implementation events, below the original target of 6. The IRI was added at AF and was based on one annual dissemination event and one annual lessons learned/M&E event per year for 3 years, with no events held during COVID-19. **(Partially Achieved)**.

Project assistance provided to advance key thematic priorities, such as the AfCFTA, SAATM, and FMP, along with related AUC consultation, advocacy, monitoring, reporting, and dissemination activities, resulted in various outcomes. These are summarized below:

- **Advancement of Thematic Priorities and Programs - Launch of the AfCFTA Agreement:** The AfCFTA agreement, adopted in March 2018, was officially launched in January 2021, with Guided Trade Initiative pilots introduced in eight countries by 2022 (i.e., Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tanzania and Tunisia). (ICR, p. 12.)
- **Visa Openness:** Additionally, notable strides were made in improving the openness of African countries to visitors from other African nations, as evidenced by the Visa Openness Index. 36 countries improved their openness between 2016 and 2023 as measured by the Visa Openness Index and four countries offer visa-free access to all Africans.
- **Support for Gender and Youth Programs:** The project also financed other thematic work, including in gender and youth programs and statistics which led to the development of projects in these areas. Thus, support for the Strategy for the Harmonization of Statistics in Africa (SHaSA) initiative led to a program of regional statistics projects and AUC's media campaigns on Ending Child Marriage and Elimination of Female Genital Mutilation served as a bridge to the implementation of the Sahel Women's Empowerment and Demographic Dividend Project (SWEDD) project that supports interventions strengthening alternatives to early marriage and childbearing in Sahel countries.
- **Enhancing Access to Information and Transparency:** The project played a role in enhancing access to information and transparency regarding AU decisions and declarations. By making all AU decisions and declarations since 2002 available online, alongside data on signature and ratification status, stakeholders were empowered with a centralized platform to monitor commitments across the



continent. This initiative fosters greater transparency, accountability, and informed decision-making among stakeholders involved in AU-related matters,

PDO Indicators:

- **PDO Indicator #3: Actions taken by the AUC to support the AU's priority regional economic integration programs (cumulatively):** At project closure, the AUC had cumulatively taken 7 actions to support the AU's priority regional economic integration programs, surpassing the revised target of 6 actions. These include, among others; convening the first AU/RECs Coordination summit in 2019; organizing the AU 5th Ministerial Working Group on SAATM in 2019; setting up the AfCFTA; and several coordination meetings of RECs and regional mechanisms to coordinate implementation of continental integration plan. **(Achieved).**
- **PDO Indicator #4: Publication of Monitoring Reports of AU programs, involving collaboration between the AUC, the AU entities, the RECs and member states.** Six monitoring reports were published by the AUC, the AU entities, the RECs, and member states, meeting the revised target of 6 (original target 2). **(Achieved).**

Overall, progress towards the achievement of Objective 2 is assessed as Substantial, subject to moderate shortcomings. The AUC made significant strides in facilitating capacity building and stakeholder awareness for regional integration, successfully meeting the two revised PDO indicators. Among the IRIs, three were fully achieved (IRIs #11, #12 and #13), three were partially achieved (IRIs #9, #10 and #16), and two were not achieved (IRIs #14 and #15). Five new IRIs (IRIs #12, #13, #14, #15, #16) with ambitious end targets were added at the time of AF. Many of these involved citizen engagement (e.g. IRI #15) and activities with stakeholders that were negatively impacted by the Covid-19 pandemic, resulting in suspended activities. Despite these challenges, substantial progress was made on all 8 IRIs, and the actions and targets continue to be monitored by the AUC.

Rating

Substantial

OVERALL EFFICACY

Rationale

Efficacy is rated Substantial. The project supported relevant activities to improve the institutional capacity of the AUC. Achievement of Objective 1 was rated Substantial, with moderate shortcomings (particularly in procurement modernization). Similarly, Objective 2, which dealt with broader regional integration efforts, exhibited substantial achievements with some moderate shortcomings. The AUC successfully met the two revised PDO indicators under Objective 2, demonstrating progress in advancing regional integration priorities. Overall, the project resulted in substantial progress in the AUC's institutional strengthening, and led to significant advancements in regional integration, despite challenges such as the ambitious scope of the IRIs, the AUC's practical implementation capacity, and the impacts of the COVID-19 pandemic.



Overall Efficacy Rating

Substantial

5. Efficiency

At the design stage, the project's benefits were not defined in monetary terms. Both the PAD and the AF project paper did not provide a financial or economic quantification of benefits, such as Internal Rate of Return (IRR) or Economic Rate of Return (ERR).

The project aided the AUC by (i) enhancing its management systems through automating human resources, procurement, and financial management functions, (ii) updating AUC operations with new ICT infrastructure including intranet and internet facilities, (iii) boosting the skillset of AUC staff in key areas, (iv) fostering regional integration via partnerships with RECs, member states, and African citizens, and (v) improving its visibility through media and civil society interactions. The expected outcomes included better budget execution rates, institutional efficiency, improved labor productivity, enhanced regional connectivity, and greater visibility.

The economic analysis of the project used an incremental approach by comparing scenarios with and without the project (counterfactual scenario), (PAD, p. 22). It evaluated the project's benefits based on improvements in budget execution rates, AUC's increased capacity for absorption, quicker service delivery, alignment with the strategic Agenda 2063 framework, strengthened partnerships for regional integration, and enhanced visibility via media and civil society interactions. Alternative methods of disbursing project funds, such as separate grants to RECs or multiple AU organs, would have incurred higher administrative costs, additional layers of approval, and potentially led to delays, unnecessary competition, duplication, and increased operating expenses.

An ex-post financial and economic analysis was conducted to estimate the ERR of the project. This analysis revealed that the project's financial and economic returns, calculated in Net Present Value (NPV) terms, surpassed its costs, confirming its viability over a 10-year implementation period. The project demonstrated an NPV of US\$18.5 million, discounted at 12 percent.

Finally, the project demonstrated efficiency from both design and implementation perspectives. The original project achieved significant results and had disbursed 83 percent of its funds when the AF was approved. The AF and subsequent project extensions enabled the AUC to scale up strategic priorities, which led to a total disbursement of over 90 percent. However, there were approximately US\$3 million in exchange rate losses and about US\$3million that remained unused and were subsequently cancelled.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

Rate Available?	Point value (%)	*Coverage/Scope (%)
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Appraisal	0	0 <input type="checkbox"/> Not Applicable
ICR Estimate	0	0 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Based on the assigned rating for the three criteria (Relevance of Objectives, Overall Efficacy and Efficiency), the Outcome of the project is rated Satisfactory. Substantial progress was made in connection with both institutional strengthening (Objective 1), and regional integration efforts (Objective 2).

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

The likelihood of the project outcomes not being sustained is low. The project significantly bolstered the institutional capacity of the AUC and facilitated enhancements to essential systems and functions, establishing a robust basis for ongoing enhancement. The decision to prolong WB involvement and intensify focus on specific priority programs within the *Building Institutions and Systems to Harness and Realize Agenda 2023 project (P180117)* further diminishes risks to development outcomes and ensures the continuous provision of technical and financial support by the WB. Additionally, the subsequent project underscores the enduring importance of supporting institutional capacity.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was developed in line with the AUC and WB strategic priorities, incorporating a technical design based on international standards. Implementation was carried out by a dedicated team with clearly defined roles, drawing on lessons from similar initiatives. Despite its lengthy preparation phase of about 36 months due to rigorous internal processes and consultations, the project resulted in a high-quality launch and successful outcomes. The project also included an Institutional Development Fund (IDF) grant (TF014039. 2013), helping the AUC to conduct strategic studies and familiarize themselves with WB procedures.



Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

An implementation support plan was included as an annex to the PAD, outlining support strategies through regular visits to the AUC by cross-sectoral experts, including Information and Technology Services (ITS). With the onset of the COVID-19 pandemic, these visits were replaced by virtual quarterly check-in meetings to support the recipient and address emerging issues. Comprehensive and action-oriented reporting was maintained throughout, with Aide Memoires and management letters documenting project performance in Implementation Status Reports (ISRs). However, reporting intervals sometimes extended beyond the expected six months. The WB team provided prompt and effective guidance covering technical, procurement, and financial management aspects of the project. Throughout the project, three task team leader (TTL) transitions occurred, which were well-coordinated overlapping transitions, ensuring minimal disruption and smooth handovers.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

Although the Monitoring and Evaluation (M&E) design did not incorporate a TOC, a comprehensive RF was developed to track progress towards achieving the PDO. This framework's design aligned with the AUC Third Strategic Plan 2014-17, facilitating monitoring efforts and ensuring ownership. It established linkages between the PDO, project components and IRIs, while encompassing relevant definitions, baselines, end targets, data sources, and the responsible agencies. The project activities also included the design of an AUC Scorecard to be developed in the second year of the project and to be used as a key M&E and communications tool for the project.

b. M&E Implementation

Throughout implementation, the collection, analysis, and utilization of data were deemed satisfactory for the majority of the project duration. Initially assessed as Moderately Satisfactory, the M&E ratings consistently improved to Satisfactory over six consecutive years, even amidst the challenges posed by the COVID-19 pandemic. As part of the AF, new results indicators and IRIs were refined, and targets were broadened. However, the addition of the IRIs at AF was ambitious for the envisaged timeframe. Moreover, both new and original IRIs were adversely affected by the COVID-19 pandemic, and adjustments to targets were not made accordingly, indicating limited utilization of the M&E framework to make course correction, particularly when opportunities presented as part of the restructurings to



approve additional closing date extensions. Despite some delay, the AUC Scorecard was eventually developed as planned.

c. M&E Utilization

The utilization of M&E as a project management tool exhibited shortcomings. Despite successive ISRs indicating that activities were influenced by the Covid-19 pandemic, neither the Result Indicators nor the IRIs, and their associated targets were adjusted accordingly. Furthermore, the RF did not include 3 of the original IRIs in the ISR reporting. Additionally, the process of acquiring and validating data for the assessment of end targets proved to be challenging. End target data validation was a lengthy process and found some shortcomings.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The original project and AF were rated Category C under WB safeguards policies. No environmental or social safeguard policies of the WB were triggered.

b. Fiduciary Compliance

Financial Management (FM) was adequately handled throughout project implementation. Interim financial reports and audited financial statements were consistently received either on time or within months of the due date. These reports were deemed acceptable to the Bank, with no qualifications from external auditors. Any minor issues, such as low budget utilization, outstanding advances, and payables, were promptly communicated to the AUC for their attention, and appropriate actions were taken. However, several issues were noted during project implementation, including interfund borrowing, delays in internal audit reviews, and delays in budget preparation and approval.

Procurement for the project maintained a rating ranging from moderately satisfactory to satisfactory, with a substantial risk rating throughout its duration. The AUC demonstrated adequate procurement planning and execution, including staffing, advertisement, bid evaluation and contract award, review of procurement decisions, complaints handling, and procurement oversight, all conducted in accordance with agreed procedures. However, notable risks persisted, primarily related to the limited utilization of the Systematic Tracking of Exchanges in Procurement (STEP) as a monitoring tool for procurement and contract management performance. Discrepancies arose between reported procurement performance by the AUC and that extracted from STEP due to incomplete updates of the system for all initiated contracts. Additionally, the preparation of procurement plans sometimes failed to reflect current market prices, and contract durations were not always compatible with the scope and complexity of the assignments, posing further risks. Furthermore, the absence of dedicated staff for procurement planning, updating



procurement plans, and uploading required data and documents for initiated procurement activities in STEP remained a challenge until project closure.

c. Unintended impacts (Positive or Negative)

Institutional Strengthening: The project was by design an institutional strengthening project which was included in the PDO. In addition to the institutional strengthening of the AUC, several AU organs, including the African Court, the AU Advisory Board against Corruption, and the Pan-African Parliament, benefited from adopting strategic planning and management. The African Union Leadership Academy (AULA) carried out over 25 training programs reaching over 3,700 people.

Gender: The project had positive impacts on narrowing gender gaps, both at the AUC and through its activities across the continent. Although the original project was not gender-tagged, the AF incorporated an intervention to reduce the gender gap in female AUC employment. The AF supported the AUC in implementing its strategy to narrow the gaps between male and female staff at all levels of the institution and monitored progress with an IRI. While the final target was not reached, progress had been made, the project had supported AU initiatives to improve economic opportunities for women across the continent by promoting the advancement of AU programs including ending child marriage and female genital mutilation. This included financing the preparation and dissemination of information on these topics.

Poverty Reduction: The project was not designed to directly reduce poverty and boost shared prosperity, but it supported activities that facilitated poverty reduction in member countries as flagship programs progressed. Activities supported by the project to promote the adoption of the AfCFTA were instrumental to its entry into force and the launch of trading, which has the estimated potential to lift 30 million people out of extreme poverty. Studies financed by the project related to air transport estimated that liberalization in Africa could create up to 31,000 direct jobs in Africa’s aviation sector, and up to 96,000 jobs, including indirect employment, and generate approximately US\$1 billion in annual GDP. Similarly, liberalization and the easing of visa processes could potentially attract an additional four million visitors to Africa, with a total spending of US\$1.65 billion, and the creation of over 268,000 jobs in the tourism sector.

d. Other

n/a

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Highly Satisfactory	Satisfactory	Broad scope of project
Quality of M&E	Modest	Modest	



Quality of ICR --- High

12. Lessons

This review agrees with the lessons outlined in the ICR (p. 12), and adds the following lessons:

- **Projects aimed at capacity building and institutional reform can serve as catalysts for deeper regional integration.** Regional integration initiatives, such as those facilitated by the AU and REC play a vital role in promoting economic growth, enhancing trade, and addressing common challenges collectively. By supporting institutional capacity building at the regional level and enabling the AUC to better leverage its capabilities and resources, the project contributed to strengthening regional cooperation and integration efforts. Nonetheless, it is crucial to acknowledge that the AUC's role primarily lies in advocacy and fostering partnerships, as the responsibility for implementing regional integration initiatives and agreements ultimately is the mandate of member states.
- **The uptake of activities to deepen regional integration depends on the readiness and motivation of member states.** When member states perceive their national interests as being supported and enhanced by regional initiatives, they are more likely to commit to and actively participate in regional integration efforts. This alignment is crucial not only for the initiation of projects but also for their sustained implementation and success. Effective regional integration therefore requires a harmonious approach where both national and regional objectives are seen as mutually reinforcing, leading to collective benefits such as improved economic stability, increased trade, and stronger political and economic alliances. This synergy can help overcome potential resistances and challenges, facilitating smoother cooperation across different governmental and regional levels.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR offered a well-structured discussion of the project's objectives and effectively highlighted the context at project appraisal. It discussed the project's goals and demonstrated strategic alignment with broader initiatives, providing valuable insights into the intended impacts and focal areas of the project. The ICR also provided a comprehensive analysis of lessons learned from the project, adding significant value to its overall utility. These lessons were derived from the project's experiences and were well-supported by the analysis, allowing them to serve as important guidelines for future initiatives.

However, the report could have offered richer background information on the institutional make-up and historical development of the AU, its organs, and especially the AUC, as well as the relationship between these entities. Although such in-depth contextual information was provided in the PAD, a fuller discussion in the ICR would have been warranted. Moreover, the ICR did not update the numbering of the IRIs following the AF.



Additionally, while the report utilized quotations to strengthen its analysis, some of these lacked specific page references.

Overall, the quality of the ICR is rated as High, subject to some minor shortcomings.

a. Quality of ICR Rating

High