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Joining up Africa

Support to Regional Integration

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Acknowledgements

This report summarises the main findings of a study conducted by ECDPM in preparation for the *Joining up Africa* (JUA) conference held in London on 3-4 March 2010. It addresses key issues relating to aid effectiveness at the regional level in view of improving donor support to regional integration processes in Africa.

Evidence was gathered through a limited review of regional organisations as well as development partners' policy documents and a series of interviews of key stakeholders involved from different sides of the regional organisations/development partners' cooperation processes. Inevitably, there is some overlap with particular points coming up repeatedly in different sections, depending on the stakeholders in focus. We would like to thank the interviewees for their willingness to share their insights for the interviews.

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A copy of the *Joining up Africa* conference Outcome Statement is reproduced in Annex 1 and more information about the event can be found on the DFID website at:

<http://collections.europarchive.org/tna/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/Joining-up-Africa-the-road-to-trade/>

List of acronyms

ACP	African, Caribbean and Pacific States
ADF	African Development Fund
AF	Adjustment Facility
AFD	Agence Française de Développement
AfDB	African Development Bank
AfDB	African Development Bank
AfT	Aid for trade
AMU	Arab Magreb Union
APF	Africa Partnership Forum
ASYCUDA	Automated System for Customs Data and Management
AU	African Union
AUC	African Union Commission
CA	Contribution agreement
CAADP	Comprehensive Africa Agriculture Development Program
CDDE	Capacity Development for Development Effectiveness Facility
CDP	Community Development Programme
CEA	Country Environmental Analysis
CEMAC	Monetary and Economic Community of Central Africa
CEN-SAD	Community of Sahel Saharan States
CEPGL	Economic Community of the Great Lakes Countries
COMESA	Common Market for Eastern and Southern Africa
COSCAP	Cooperative Development of Operational Safety and Continuing Airworthiness Programme
CPAF	Common Performance Assessment Framework
DAC	Development Assistance Committee
DFID	Department for International Development
DMC	Drought Monitoring Centre
DP	Development partner
DPAF	Donor Performance Assessment Framework
EAC	East African Community
EAPP	Eastern African Power Pool
EC	European Commission
ECCAS	Economic Community of Central African States
ECDPM	European Centre for Development Policy Management
ECOWAP	Economic Community of Western African States' Agricultural Policy
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EDPRS	Economic Development Poverty Reduction Strategy
EPA	Economic partnership agreement
ESA-IO	Eastern and Southern Africa and Indian Ocean
EU	European Union
FTA	Free trade agreement
GBS	General Budget Support
GEF	Global Environment Facility
IBRD	International Bank for Reconstruction and Development
ICA	Infrastructure Consortium for Africa

IDA	International Development Association
IF	Infrastructure Facility
IGAD	Intergovernmental Authority on Development
INGO	International Non-Governmental Organisation
IOC	Indian Ocean Commission
IRCC	Inter Regional Coordinating Committee
JAES	Joint Africa-EU Strategy
LDCs	Least developed countries
MDGs	Millenium Development Goals
MoU	Memorandum of Understanding
NEPAD	New Partnership for Africa's Development
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-Operation and Development
PD-AAA	Paris Declaration Accra Action Plan
PMAEASA	Port Management Association for Eastern and Southern Africa
RECs	Regional economic communities
RER	Regional Economic Report
REWS	Regional Early Warning System
RIAS	Regional integration assistance strategy
RIP	Regional indicative programme
RISDP	Regional Indicative Strategic Development Plan
RNE	Royal Netherlands Embassy
RO	Regional organizations
RPRSP	Regional Poverty Reduction Strategy
RRSP	Regional Remote Sensing Project
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAPP	Southern African Power Pool
TRA	Trade Related Assistance
UA	Unit of account
UEMOA	Monetary and Economic Union of West Africa (Union Economique et Monétaire Ouest Africaine)
UK	United Kingdom
UN	United Nations
UNECA	United Nations Economic Commission for Africa
USAID	United States Agency for International Development
VA	Vulnerability Analysis
VSAT	Very Small Aperture Terminal
WAPP	West African Power Pool
WB	World Bank
WTO	World Trade Organisation

Executive Summary

Regional integration is an important political and economic priority for Africa. It is largely recognized and increasingly supported by the development partners. The overall objectives of regional integration, which include achieving sustainable economic growth and poverty reduction, are set out and agreed at the continental level in the Abuja Treaty¹ (1991), the New Partnership for Africa's Development (NEPAD) Action Plan and at the regional level in the Treaties and Protocols instituting the related regional economic communities (RECs)².

Regional organizations in Africa vary greatly: some have an economic integration agenda with strategies developed jointly by member states to achieve their objectives while others have shorter term political objectives. Progress achieved so far varies significantly across the RECs: while some in West Africa and Eastern and Southern Africa have shown renewed dynamism in advancing their integration agenda, others (as in Central Africa) have experienced greater difficulties. Recent initiatives to harmonize policies and programmes among regional organizations (ROs) (COMESA-EAC-SADC Tripartite Initiative and the Inter Regional Coordinating Committee (IRCC) coordination mechanism put in place by the four partners COMESA, EAC, IGAD and IOC) are seen as important steps towards building greater coherence among regional communities across Africa.

Bilateral and multilateral development partners³ have been increasingly engaged in support to regional initiatives. They all share the overall common objective of promoting sustainable economic growth, equity and poverty reduction in Africa, although they each have specific areas of competence and interests, which shape their interventions.

This report summarises the main findings of a study conducted by ECDPM in preparation for the *Joining up Africa* (JUA) conference held in London on 3-4 March 2010. It addresses key issues relating to aid effectiveness at the regional level in view of improving donor support to regional integration processes in Africa. The study was based on documentary research and telephone interviews with RECs and their development partners conducted in early 2010.

The first section of the report presents a brief overview of regional strategies developed by the main development partners to support regional integration particularly in the area of infrastructure development and a summary of RECs' strategies to achieve regional integration. The second then reports on the main challenges both regional organisations and development partners have faced in strengthening their cooperation. Then parts 3 and 4 analyse this cooperation at the regional level from the point of view of the Paris Declaration on aid effectiveness and assess its applicability for improving cooperation. Finally the fifth section seeks to make a few practical suggestions as to how the OECD might encourage actors to take forward the aid effectiveness agenda at the regional level in the run-up to the High-Level Forum in Seoul in 2011.

The principal conclusion emerging from the study is that the Paris Declaration principles are not as well applied at the regional as at national level in Africa, though both regional organisations and development partners are keen that they should be. Principal obstacles to further progress on this front include the

¹ Treaty establishing the African Economic Community, signed in June 1991 in Abuja, Nigeria subsequently integrated into the legal basis of the OAU and then the African Union

² In this paper the term RECs refers to those regional organizations (ROs) as having their roots in the Abuja Treaty. There are of course many other ROs in Africa that are not linked to this Treaty.

³ The main bilateral partners supporting regional development and covered include, DFID, AFD, GTZ, USAID and JICA, while on the multilateral side the EC, WB and AfDB are the principal players.

general lack of widely accepted regional strategic planning tools such as exist at the national level in the form of PRSPs or similar tools. The concept of ownership has particular problems associated with it at the regional level as development partners are keen to see not just the regional organisation expressing ownership for programmes but also their member states. This is a difficult area for RECs as long they continue to be seen as largely technical entities with little political power of their own. Funding modalities at the regional level also pose significant challenges as budget support is not yet common and development partners are still generally wary of RECs financial management capacities. At the same time development partners are generally less advanced in coordination and harmonisation at the regional than at the national level and need to make further progress in this area. A number also still need to strengthen their internal coordination and strategies between regional and national desks.

A number of consortia and dialogue platforms bringing regional organisations and their development partners together were identified and offer potentially useful fora for taking the Paris/AAA agenda forward at the regional level. However, the implementation of the Paris Declaration is primarily a political issue and the research shows that this is inherently more difficult at the regional level with its more complex relationships and generally more limited capacities. Overall it would also seem that regional organisations still have to be fully convinced that aid effectiveness and the Paris/Accra Agenda is not donor driven but a mutual agreement. There are thus quite a number of challenges to be overcome to make its application a reality and both regional organisations and development efforts will need to make serious efforts to achieve real progress on this front before the Seoul High Level Forum.

Introduction

Regional integration is an important political and economic priority for Africa. It is largely recognized and increasingly supported by the development partners. The overall objectives of regional integration, which include achieving sustainable economic growth and poverty reduction, are set out and agreed at the continental level in the Abuja Treaty⁴ (1991), the New Partnership for Africa's Development (NEPAD) Action Plan and at the regional level in the Treaties and Protocols instituting the related regional economic communities (RECs)⁵.

The role, size, nature, scope, objectives and coverage of regional organizations vary greatly: some⁶ have an economic integration agenda with strategies developed jointly by member states to achieve their objectives while others⁷ have shorter term political objectives. Progress achieved so far varies significantly across the RECs: while some in West Africa and Eastern and Southern Africa have shown renewed dynamism in advancing their integration agenda, others have (as in Central Africa) experienced greater difficulties. Recent initiatives to harmonize policies and programmes among regional organizations (ROs) (COMESA-EAC-SADC Tripartite Initiative and the Inter Regional Coordinating Committee (IRCC) coordination mechanism put in place by the four partners COMESA, EAC, IGAD and IOC) are seen as important steps towards building greater coherence among regional communities across Africa.

Bilateral and multilateral development partners' (DP) have been engaged in the support to regional initiatives. They all share the overall common objective of promoting sustainable economic growth, equity and poverty reduction in Africa, although they each have specific areas of competence and interests, which shape their interventions. The main bilateral partners involved in the support to African regional integration include, the UK Department for International Development (DFID), the Agence Française de Développement (AFD) and the United States Agency for International Development (USAID), as well as Germany's Gesellschaft für Technische Zusammenarbeit (GTZ), the Japan International Cooperation Agency (JICA) and others. The multilateral development partners primarily active in supporting African regional economic cooperation are the World Bank (WB), the African Development Bank (AfDB) and the European Commission (EC). Both the AfDB and the EC are longstanding supporters of African regional integration. They are lead financiers of the RECs through the African Development Fund (ADF) and the European Development Fund (EDF), respectively.

As a regional organization itself, the EC has perceived the promotion of regional integration as core business. It was the first to give budget support to a REC (COMESA) by means of a contribution agreement signed in 2005. The Joint Africa-EU Strategy signed in 2007 includes a partnership focusing on trade, regional integration and infrastructure. The EU-Africa Infrastructure Trust Fund (whose programmes can be co-financed by non-EU donors) also supports this partnership. In the context of trade and the economic partnership agreements (EPAs) between the European Union (EU) and African, Caribbean and Pacific (ACP), strengthening regional integration processes is a fundamental principle, and one to include in the development chapters of the agreements, as well as a key focus of the EU's accompanying support and broader aid for trade (Aft) measures.

⁴ Treaty establishing the African Economic Community, signed in June 1991 in Abuja, Nigeria subsequently integrated into the legal basis of the OAU and then the African Union

⁵ In this paper the term RECs refers to those regional organizations (ROs) as having their roots in the Abuja Treaty. There are of course many other ROs in Africa that are not linked to this Treaty.

⁶ For example ECOWAS, CEMAC, SADC, COMESA, EAC

⁷ For example IGAD

The WB mainly focused on country assistance for many years, but established an International Development Association (IDA) regional pilot programme in 2003. It has since developed a regional integration assistance strategy (RIAS) and several sub-RIAS. The Mid Term Review of IDA 15⁸ proposed a pilot grant financing scheme to regional organizations to support REC implementation and capacity building, which the Bank had thus far not been able to do.

The African Development Bank (AfDB) has supported regional operations (RO) for a number of years, namely through the African Development Fund (ADF). The RO envelope has grown substantially in recent years, from 5% during the period of the replenishment of ADF 8, to 10% during ADF 9, to 15% during ADF 10 and to 17.5% during ADF 11, amounting to UA 943 million for 16 operations, primarily in the area of infrastructure. The AfDBs regional investments in 2005 accounted for nearly a quarter of all regional investments in Africa. The AfDB Group Regional Integration Strategy 2009-2012 focuses on infrastructure and capacity-building.

The Infrastructure Consortium for Africa (ICA), hosted by the AfDB, was established as a result of the 2005 G8 Gleneagles Summit to assist with scaling up financing for African Infrastructure. It is a partnership between multilateral and bilateral donors and African institutions acting as a platform to catalyze donor and private sector financing.

⁸ World Bank 2009. *IDA 15 Mid Term Review Regional Programme Report*. http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/73449-1257448780237/Implementation_Report_IDA15MTR.pdf

1. Overview of Regional Strategies of Development Partners and Regional Organizations

The first part of this section presents a brief overview of regional strategies developed by the main development partners to support regional integration. The second part briefly summarizes RECs' strategies to achieve regional integration.

1.1. Development Partners' Strategies in Support of Regional Integration:

WORLD BANK IDA and IBRD Regional Integration Assistance Strategy for Sub Saharan Africa: The objective of the regional strategy is to provide a coherent and focused framework to guide the Bank's assistance in support of regional integration and regional programmes. The strategy is structured around 3 pillars and 1 cross-cutting theme, namely expanding and upgrading regional infrastructure, including transport networks, energy and telecommunications, institutional cooperation for economic integration, through trade measures to improve regional environments for business, investment and industrial development, and coordinated interventions to provide regional public goods, in particular through the improvement and management of shared water resources, increase in agricultural productivity and the setting up of regional and sub-regional programs to address the cross border dimensions of major health issues.⁹ Strengthening regional strategic planning and connections with national development plans is a cross-cutting theme. It covers capacity development of the AU including the NEPAD, capacity development of selected RECs and strengthening connection between regional policy commitments and national planning.

AFRICAN DEVELOPMENT BANK: ADB Group Regional Integration Strategy 2009-12: AfDB's specific objectives to promote regional integration focus on the support to the establishment of effective and efficient continental and regional institutional frameworks to promote trade and manage the integration process, to facilitate an enabling policy framework for investment to provide technical assistance and knowledge to facilitate delivery of priority regional infrastructure. The Strategy is based on 2 pillars, namely regional infrastructure, including support to the development corridors and investment and institutional capacity building, including trade facilitation. The Banks also provides general support to the provision of regional public goods.

EUROPEAN COMMISSION: The EC's general support to regional integration¹⁰ is aimed at reinforcing both the ACP (through the Cotonou Agreement) and the AU's (through the Joint Africa-EU Strategy) efforts to promote regional integration. It focuses on the priority areas such as building regional markets, including on services and investment, facilitating business development by improving the regulatory environment, strengthening productive capacities, and encouraging the mobilization of capital; connecting regional infrastructure networks; strengthening regional institutions by improving national institutional capacities, with particular focus on improving regional governance and cooperation for peace and security; and developing regional policies for sustainable development, especially with regards to food security, the common management of natural resources and social cohesion.

⁹ Such as malaria and HIV/AIDS as well as other infectious diseases and pests and the assistance to strengthen research and tertiary education.

¹⁰ European Commission 2008. Regional integration for development in ACP countries.
http://ec.europa.eu/development/policies/9interventionareas/trade/regional_integration_en.cfm

The EC has used Economic Partnership Agreement (EPA)¹¹ as one of the main trade tools to support regional integration. Although not always acknowledged by the African partners, the EC perceives EPAs as agreements intended to consolidate existing regional integration initiatives within Africa, with the objective to help facilitate the gradual integration of African countries into the global economy¹². Regarding financial assistance, the 10th European Development Fund (EDF) constitutes the primary instrument of EU support to regional integration in Africa, complemented by the Development Cooperation Instrument for South Africa.

Box 1: Support to African ROs through the 10th EDF

Central Africa, Eastern Africa and Indian Ocean (ESA-IO), West Africa and Southern Africa receive funds from the 10th EDF with the overall objectives to reduce poverty, promote economic growth and favour peace and security. In the **Central Africa** Region, € 165 million have been committed, of which € 15 million allocated to CEPGL (Economic Community of the Great Lakes Countries). The three areas of intervention include trade and economic integration and EPA accompanying measures (€ 97 million), management of renewable natural resources (€ 30 million) and political integration (€ 15 million). In the **ESA-IO** Region, € 645 million have been committed of which 85% are attributed to deepening regional economic integration through the implementation of the customs union and EPA and regional sector policies such as trade related infrastructure and food security, 10% to furthering political integration/ cooperation agenda, through measures to assist the region to deal with conflict prevention and to promote good governance and 5% to other programmes which are related to the strategies of the ROs, including capacity building, support to the IRCC and involvement of non state actors. **In West Africa**, € 597 million have been committed to assist the region in deepening regional integration and improving competitiveness and EPAs; improving good governance and regional stability and other programmes such as environment and support to non-state actors. Finally, in **Southern Africa**, € 116 million have been committed, of which 80% for regional economic integration to support SADC economic integration and trade policies, including investment promotion, regional infrastructure and food security; 15% for regional political cooperation, to support capacity building in the context of regional governance and implementation of JAES in the area of peace and security and 5% for non focal areas.

In addition, as part of its "Aid for Trade Strategy", the EU has provided over €1 billion for trade facilitation projects in developing countries between 2006 and 2008, and pledged to increase support by 2010, the majority of these projects being in Africa¹³. The objective is to support developing countries, in particular LDCs, to integrate into the rules-based world trading system and to use trade more effectively to reduce poverty in the context of sustainable development. The regional AFT package will include accompanying measures of regional EPAs, building on the 10th EDF regional programming, covering programmes that fall under the six categories¹⁴ of AFT, such as supporting ACP owned regional integration agendas, including the addressing the needs arising from EPAs, providing effective, coherent and concrete EU responses to needs and priorities expressed by ACP countries and regions, including in national and regional development plans and fostering donors and recipients coordination.

UK Department for International Development (DFID): In West and Central Africa, DFID works in close partnership with the European Union, the United Nations and the African Union to help improve the

¹¹ EPAs are currently under negotiations with five African regions: West Africa, Central Africa, Eastern and Southern Africa, the East African Community, and the Southern African Development Community.

¹² More information on the EPA negotiations is available at: <http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/>.

¹³ More information on the EU "Aid for Trade Strategy" is available at: <http://ec.europa.eu/trade/wider-agenda/development/aid-for-trade/>.

¹⁴ In addition to TRA, this includes trade related infrastructure, building productive capacity, trade related adjustment and other trade related needs, as defined in the WTO task force on AFT.

livelihood of people across the region. A Regional Plan for Southern Africa¹⁵ was launched in 2006, through which DFID will contribute £20 million a year towards regional programmes with a view to supporting growth, investment and trade between southern Africa countries, and helping them to effectively participate in international trade, mainly through upgrading regional transport, telecommunications and energy; improving the resilient livelihood of the people by helping countries to address the problems of food security; providing access to more affordable medicines in particular for children living with AIDS; predicting the impact of climate change on the region's poor; assisting countries to improve the management of shared water resources; and helping the region overcome the devastating impact of conflict and war. DIFD works in close collaboration with the RECs such as the ECOWAS, SADC, COMESA, and the Southern African Customs Union (SACU) and with civil society organisations and businesses in the region. In East Africa, DFID is supporting TradeMark East Africa (TMEA) a not-for-profit company, through its Regional East African Integration Programme (REAP) 2008-2013. TMEA has been set up to support the EAC and each national government to promote economic integration. DFID is also one of the largest bilateral donor to the EU-Africa Infrastructure Trust Fund, contributing a total of € 40 million. In January 2010, DFID and the Tripartite Task Force (made up of EAC, COMESA and SADC) signed a MoU which expresses a shared commitment to promote donor coordination and greater alignment and harmonization of external assistance with the Tripartite's regional priorities and programmes.

1.2. Regional Economic Communities' Strategies in Support of Regional Integration

1.2.1. West Africa

In the West African region, the Economic Community of West African States (ECOWAS) and West African Economic and Monetary Union (WAEMU/UEMOA) have developed a common programme named Regional Poverty Reduction Strategy Paper to address the challenge of poverty. This joint strategy focuses on four priority areas, namely conflict management and the promotion of democracy and good governance to strengthen social cohesion; economic integration to reduce trade cost and improve competitiveness to foster economic growth; food security and coordinated infrastructure development; and the capacity building and support to labour mobility in the region.

The main mission of ECOWAS¹⁶ is to promote economic integration in all fields of economic activity, in particular in commerce, monetary and financial matters, agriculture, transport, energy, telecommunications and social matters. Although progress has initially been quite slow, it gained momentum in 1993 when the Treaty of ECOWAS was reviewed. This clarified the Community's economic objectives of establishing a common market and eventually a single currency. A Free Trade Area was launched in 1990 and the Community is currently working towards establishing a Customs Union. The Common External Tariff is expected to be finalized by 2011. The Community has also adopted programmes to facilitate the movement of citizens and macroeconomic policy harmonization. Furthermore, to support investment and promote financial cooperation, it has established an ECObank, a Regional Development Fund and a Regional Investment Bank.

ECOWAS' regional strategy is described in its Vision 2020: From ECOWAS of States to ECOWAS of People. The aim is to create a healthy sub-regional environment, where resources are available to business and people. The Vision is articulated around 5 pillars, namely agriculture; women, children and

¹⁵ More information is available on DFID website at <http://www.dfid.gov.uk/Where-we-work/Africa-Eastern--Southern/South-Africa/Regional-programme/>

¹⁶ Founded in 1975 and comprising 15 countries, namely, Benin, Burkina Faso, Cap Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Nigeria, Niger, Senegal, Sierra Leone and Togo.

youth; the business community; infrastructure (both soft and hard) and governance. ECOWAS is currently developing a Community Development Programme (CDP) that should be finalized by 2010. This CDP is expected to help the region translate the Vision into concrete actions, while ensuring complementarity with national development plans. Finally, a Strategic Plan of the ECOWAS Commission 2007-2010 has also been developed to identify the challenges of regional integration and development in the region to map out the strategic responses of the Commission in terms of operational plans for the period 2007-10.

UEMOA was created in 1994¹⁷, following the monetary crisis in the CFA Franc zone. Its main objectives are to enhance the competitiveness of economic and financial activities of its members through an open and competitive environment and a rationalized and harmonized legal, ensuring convergence of economic performance and policies by establishing a multilateral surveillance procedure and to create a common market, based on the free movement of persons, goods, services, capital and right of establishment of persons engaged in an activity and employment, as well as a common external tariff policy.

UEMOA's strategic programme is detailed in UEMOA Vision 2015. Emphasis is placed on the promotion of a political zone, good governance, integrated economic zone, regional solidarity, development of small and medium enterprises and the reduction of poverty and inequalities. In support of its Vision, UEMOA has developed a Regional Economic Report (RER) 2006-10 which is to be implemented through a 5 year rolling programme.

A number of key regional sectoral initiatives also exist: these include, among others, the Economic Community of Western African States' Agricultural Policy (ECOWAP) to improve agricultural productivity and competitiveness, implement intra-community trade regime and adapt to external trade regime; the UEMOA Common Agricultural Policy, to achieve food security and improve the livelihoods of farmers and develop the rural economy; the UEMOA Road Infrastructure and Transport Action Programme, to improve road networks, harmonize national and regional policies in the transport sector and reduce transport costs; and the West African Power Pool (WAPP) to address issues of power supply constraints through the improvement of the network, the reduction of power supply costs and the creation of a conducive environment to attract investment in the power sector.

To overcome difficulties linked to overlapping memberships, ECOWAS and UEMOA have signed a general cooperation agreement in 2004 to enhance the coordination and harmonization of their programmes. It provides for the creation of a joint technical secretariat to enhance the coordination of their joint activities. The agreement addresses areas of common interest between the two organizations and allows for the exchange of experiences, as well as the elaboration and implementation of joint programmes and projects.

1.2.2. Central Africa

The Integration agenda of ECCAS, as depicted in the treaty for the establishment of a Economic and Monetary Community of Central Africa (CEMAC) adopted by all member state governments in 1994, focuses on the promotion of deeper cooperation in Central Africa towards the creation of a Monetary and Economic Union amongst countries that share the CFA franc as common currency. The key objectives of the CEMAC treaty is to help with: the harmonisation of individual member states trade regulations and policies in an attempt to reduce intra-regional trade barriers; the setting up of a common external tariff; the promotion of free movement of labour and capital in the region; and to design an autonomous financing mechanism for ECCAS.

¹⁷ Members are Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo

ECCAS regional strategy is described in the CEMAC 2025 Vision, which seeks to create an integrated emerging economic space wherein prevails security, solidarity and good governance at the service of human development. This long term plan is based on the implementation of several sectoral programmes and strategies to help reduce poverty and enhance growth in the region. For instance, in the energy sector, the Central African Power Pool (PEAC) was established to address the rising problem of energy crisis of Central Africa. In the field of infrastructure, the Central African Consensual Transport Master Plan (PDCT-AC) was developed to boost up railways, roads and water transport infrastructure around the Great Lakes Areas and pave the way for the linking of ECCAS capitals by tarred roads before 2010. In agriculture, CEMAC is planning to develop a Regional Programme for Food Security (RPFS) for the coordination and harmonization of food security policies that can be used for the mobilization of human and financial resources. On security, the Central African Council for Peace and Security (COPAX) was set up in 1999 to strengthen ECCAS resources in the field of peace and security and conflict prevention; and on the free movement of people, a visa waiver agreement is already effective in four countries of CEMAC (Congo, CAR, Cameroon and Chad).

1.2.3. Eastern and Southern Africa

Established in 1980, one of Southern African Development Community's¹⁸ (SADC) main objective is to establish a regional community to ensure economic well-being, improvement of the standards of living and quality of life, freedom and social justice; peace and security for the peoples of Southern Africa. In pursuit of this agenda, SADC has adopted milestones to facilitate the attainment of the SADC Free Trade Area, launched in 2008, the Customs Union by 2010, the Common Market by 2015, Monetary Union by 2016 and the Single Currency by 2018.

A SADC Regional Indicative Strategic Development Plan (RISDP) was adopted by Heads of State and Government in 1999, which is a 15 year regional integration development framework setting the priorities, policies and strategies for achieving the long-term goals of SADC. The objectives of the RISDP is to review the main cooperation and integration areas; define the priority integration areas for the next fifteen years; set up a logical implementation program necessary for the achievement of the region's objectives; ensure effective sectoral linkages and enhance synergy amongst sectors; and provide member states, SADC Secretariat and other Institutions, regional and international stakeholders with a coherent and comprehensive long term implementation agenda.

SADC has several sectoral initiatives: In the field of **agriculture**, these include the SADC Regional Food Reserve Facility, the Regional Early Warning System (REWS), the Drought Monitoring Centre (DMC), the Regional Remote Sensing Project (RRSP), and the Regional Vulnerability Analysis (VA) System. In the **energy** sector, a Southern African Power Pool (SAPP) was set up to create a common market for electricity in the SADC region. Concerning **transport infrastructure**, the SADC Maritime and Port Infrastructure (Mtwara Corridor project) aims at developing and rehabilitating roads, lake ports, pipelines, and air transport facilities in four countries, namely Malawi, Mozambique, Tanzania and Zambia, which are or can easily be served by Tanzania's port of Mtwara. In the area of Air Transport, the Cooperative Development of Operational Safety and Continuing Airworthiness Programme in the Southern Africa Development Community States (COSCAP-SADC), aims at addressing deficiencies in the pre-requisites for flight safety certification and surveillance functions such as air laws and regulatory provisions and at implementing the Yamoussoukro Decision, which is the single most important air transport reform policy initiative by African Governments to date currently being jointly implemented by COMESA SADC and EAC.

¹⁸ SADC comprises of 15 member states, Angola, Botswana, DR Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, United Republic of Tanzania, Zambia and Zimbabwe

Common Market for Eastern and Southern Africa (COMESA)

COMESA¹⁹ integration, as set out in the Preferential Trade Agreement Treaty of 1993, is focused on the integration of markets through the removal of tariff and non-tariff barriers to trade and investment to achieve full economic co-operation through a gradual process of the creation of a free trading zone, the establishment of a common market and ultimately an economic community. The complete roadmap of the COMESA integration agenda is given by the COMESA Treaty, which however, does not provide clear deadlines for the implementation of the agenda. An FTA²⁰ was established in 2000 and the customs union was launched in 2008. A number of protocols are attached to implement the Treaty, namely the COMESA Protocol on the Gradual Relaxation and Eventual Elimination of Visa Requirements and, the COMESA Protocol on the Free Movement of Persons, Labour, Services, the Right of Establishment and Residence.

COMESA has a number of sectoral initiatives. For instance, in **agriculture**, a COMESA Food Reserve Company²¹ has been established to address the problem of food security. The implementation of the Comprehensive Africa Agriculture Development Program (CAADP) agenda²² is one of the highest policy level frameworks for the development of agriculture. In the field of **energy**, the Eastern African Power Pool (EAPP) aims at facilitating regional integration and hence realizing sustainable growth and development, optimising the usage of energy resources, increasing in the power supply and reducing electricity production cost. In the area of **information, communication and technology**, the implementation of the Automated System for Customs Data and Management (ASYCUDA) and EuroTrace will help COMESA countries facilitate trade in the region through the simplifying and harmonising their customs procedures and document and the, standardisation of the collection of reliable, accurate and up-to-date trade statistics.. A Very Small Aperture Terminal (VSAT) Closed User Group Network has been set up to enhance high-speed Internet connectivity between Regional Organisations such as the Secretariats of COMESA, Indian Ocean Commission (IOC), Eastern African Community (EAC), Inter Governmental Authority on Development (IGAD) and the Coordinating Ministries in Member States. In the field of **transport infrastructure**, COMESA has developed a Memorandum of Understanding (MoU) on cooperation with Port Management Association for Eastern and Southern Africa (PMAEASA) to improve, coordinate and standardize African port operations and services of ports sub-regionally or world-wide. COMESA has also introduced harmonised road transit charges in most of its member states, a Carrier License and a COMESA Yellow Card motor vehicle insurance scheme.

Intergovernmental Authority on Development (IGAD)

The Intergovernmental Authority on Development (IGAD) in Eastern Africa was created in 1996 to supersede the Intergovernmental Authority on Drought and Development (IGADD), which was founded in 1986. The main objective of this organization is to foster economic and diplomatic cooperation between member states with the aim of increasing food security, environmental protection, economic integration and Peace and Security in the region. The IGAD Strategic plan was elaborated in 2003 and adopted at the 10th Summit of Heads of States and Government in Kampala, Uganda. The plan provides a coherent framework guiding IGAD with the implementation of its priority development programmes towards reducing poverty and achieving higher (and sustainable) economic growth in the region. This document identifies all pertinent issues that the region need to tackle in addressing the complex nature of regional integration and categorized them into three priority themes/sectors – namely, Agriculture and Environment; Political and Humanitarian affairs; and Economic Cooperation.

¹⁹ Comprises of 19 members: Burundi, Comoros, Congo, DR, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe

²⁰ FTA comprises of 11 countries: Burundi, Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Zambia and Zimbabwe

²¹ This initiative is partly financed through the COMESA Fund through the € 1 billion EU Facility

²² COMESA has the mandate to implement the CAADP agenda in eastern and southern Africa.

Some key sectoral initiatives that are taking place in the region in support of regional integration include: the Livestock Policy Initiative (LPI) which aim at strengthening the capacity of IGAD, and its member states, to formulate and implement livestock related policies that sustainably reduce food insecurity and poverty; the Horn of Africa Development Initiative which encourage African children to participate in sports instead of the army; the Gender Affairs programme which aim at fostering gender perspectives into the priority areas to promote women empowerment; and the Regional ICT Support Programme (RICTSP) which help the region to integrate more rapidly via a more effective and efficiently functioning ICT environment whose target is to reduce the cost of doing business. IGAD is also actively working towards the revival of its regional integration plan. At the 12th Ordinary Summit of the Assembly in June 2008, Heads of State and Government requested the IGAD Secretariat to undertake an inventory of what has been achieved so far in terms of regional integration and also make recommendations on the potential ways forward.

EAC (East African Community)

The EAC is an intergovernmental organisation, regrouping five countries from East Africa, created in 1967 to supersede the East African Common Services Organisation. This entity aims at strengthening the ties between member states through a common market, a common customs tariff and a range of public services so as to achieve balanced economic growth within the region. The organisation collapsed in 1977 but was later revived in November 1999 with the signature of a new treaty for the establishment of an East African Community. The new integration agenda plans for the creation of a monetary union before the end of 2015, with the East African shilling as common currency. It also proposes the creation of a common market and a political union by the end of 2010, with an East African Federation and a common East African President.

In the last ten years, the EAC has launched several projects, at the regional/sectoral level, in support of deeper integration for the region. These include, amongst others: the Single Tourist Visa programme to facilitate free movement of tourists in the region so as to make the region a more attractive and competitive destination for middle class and high class families.; the Lake Victoria Development Programme to coordinate and promote investment/information sharing among various stakeholders in the region as a way to transform the Lake Victoria Basin into a real economic growth zone; the East African Agriculture and Rural Development Programme to help foster agriculture development and achieve food security in East Africa; the East African Marine System (TEAMS) and the East African Sub Marine Cable System (EASSy) to lower the cost of inter and intra-regional communication; and the East African Civil Aviation Safety and Security Oversight Agency (CASSOA) whose mandate is to harmonize civil aviation regulations covering aviation safety, aerodromes and security.

2. Challenges faced by development partners and regional organizations in working together

Regional organisations and development partners report that they have faced the following challenges to be addressed in order to improve cooperation.

2.1. Key features of regional integration that impact on development partner support:

1. *Strength of RO mandates and links with their members:* Regional integration is based on developing consensus between sovereign states. Clear RO mandates and strong consistent support from their member states, both overall and for specific programmes, inevitably provide a better foundation for cooperation with DPs than where these links are weak or variable.
2. *Overlapping membership between ROs weakens integration:* The number of RECs and regional bodies on the continent has been steadily growing. Many countries are members of several arrangements. Even though some RECs (such as ECOWAS and UEMOA in the Western African Region and SADC-COMESA and EAC in the Eastern and Southern African Region) have taken some steps towards rationalization, the issue remains largely unaddressed, resulting in a complex web of regional organizations, of which only eight are officially recognised by the AUC²³. This leads to costly competition for resources, conflict and inconsistencies in policy formulation²⁴ and implementation, unnecessary duplications of functions and efforts, fragmentation of markets and restriction in growth potential of regions which consequently reduce the ability of RECs to pursue coherent and effective integration programmes.

Box 2: Tripartite Initiative: SADC-COMESA-EAC

To overcome the problems of overlapping memberships and mandates, SADC-COMESA and EAC have established several measures to work towards complementing each other, including:

- (i) a set of Memoranda of Understandings (MOUs) to harmonise and coordinate regional policies and programmes;
- (ii) the creation of a joint COMESA-SADC-EAC Tripartite Task Force to align their trade regimes. The Inter-Regional Coordination Committee (IRCC), initially set up to facilitate the implementation of the RIP of the 9th EDF, is also playing a role in providing a forum for discussion between the RECs although its membership is a bit broader than the Tripartite.

3. *Consistency between national policies and regional integration programmes:* Regional programmes often lack well-defined policy objectives that are not sufficiently aligned with country interests. The consistency between national and regional strategies is often not clearly worked out a point to which we return below in Section 2.2. While strong political support exists for regional integration initiatives, at national levels, a major challenge remains to translate commitments into action. This can then lead

²³ These are: Arab Magreb Union (AMU), Southern Africa Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA), Eastern African Community (EAC), Community of Sahel Saharan States (CEN-SAD), Economic Community of Central African States (ECCAS), Economic Community of Western African States (ECOWAS), and Inter Governmental Authority on Development (IGAD)

²⁴ For instance, the case of EAC and COMESA: four countries EAC, which is already a customs union, are also members of COMESA, which is also moving towards the establishment of a Customs Union. This is technically not possible.

to insufficient setting of priorities, project overlap and duplication. This gap between commitments and actions also translates challenges faced at the national level, namely capacity and budgetary constraints and tensions in prioritizing national and regional programmes. It is therefore felt that some regional strategic frameworks are not built up from country strategies enough, nor are country strategies enough developed within regional frameworks.

It is often felt that programming is mainly donor driven and not always in line with national needs, priorities and development strategies. This often leads to complex and multiple procedures, leading to high demand of staff, lack of control and ownership and lack of integration of the financial instrument into Government's budget.

Box 3: Supply-driven programme dismissing national strategies

According to a World Bank Evaluation, the Sub-Saharan Africa transport policy programme's '*First 15 years since 1987 [were] marked by 'continuous tensions' between Bank and 18 donors over use of money, ownership, voice, openness. [The programme was] characterised as completely donor- and supply-driven, with countries being parts of components. By 2001, several donors had exited the programme over lack of interest and differences with others, including the Bank. [The] Programme [was] restructured in 2003 to provide a country voice, long-term plan and Multi-Donor Trust Fund, although a few donors (i.e. France, Norway, United Kingdom) tend to earmark contributions*'.²⁵

4. *Limitations of the RECs' financial, institutional and technical capacity* to demonstrate clear and strong leadership and to develop bankable projects and make countries implement commitments. Because of the multiple levels of governance and the numbers of stakeholders involved, regional projects are often riskier, costlier and require substantially more resources and time to prepare than country specific ones both for the ROs themselves and the DPs.

Inadequate and unpredictable funding from member states often limit the ability of RECs to play a lead role in successful regional cooperation and integration. Where in some many cases member countries have expanded the mandates of the RECs, there has been little commensurate increase in funding.

Economic and risk analyses of complex regional projects have been insufficient. RECs do not have sufficient capacity to conduct or assist countries in assessing the costs and benefits of integration for member countries. Uncertainty regarding whether and to what extent a country may benefit or lose from regional integration initiatives have, in many cases, led to some reluctance by national authorities to implement such commitments.

5. *Modalities for Implementation:* Aid implementation and disbursement are often seen as particularly slow at the regional level. While RO capacities are improving their procedures are often cumbersome. They can be under-staffed with limited technical capacity. But DPs are also often better structured and equipped to deal with national partners and sometimes give these priority over regional partners. Where DP staff feel under pressure to disburse, the perception that supporting regional projects is slower and more cumbersome can be a disincentive.

²⁵ World Bank 2007. IEG Evaluation of Regional Programs.
http://siteresources.worldbank.org/EXTREGPROPAR/Resources/reg_pgms_full.pdf

While RECs can receive grants directly from DPs, the latter's financial instruments do not always allow them to give loans to RECs. This limits the financial capacity of RECs to implement ambitious programmes.

Box 4: The World Bank and grants to regional organisations

The 2009 IDA 15 Mid-Term Evaluation suggested that the IDA (on a pilot basis) should give grant financing to regional entities. First pilot grants have been agreed and will be a major step forward for cooperation between the Bank and regional organisations.

Until the Mid-Term Review, the World Bank was not able to supply RECs with grants. This posed great challenges to RECs that could not borrow from the IDA as they had no revenue raising power and were therefore seen as too high risk for lending. Member states were usually not willing to borrow for a regional rather than a national programme.

6. *Lack of continuity and sustainability in the programmes:* Although many regional programmes have had successful results, they have not always helped member states to make complementary policy changes to ensure the sustainability of the regional programmes over time. For example, programmes have helped to develop infrastructure, but once completed, there have not been reforms at the national level to allow effective implementation. The WB support to the African Hydropower development project aimed at providing reliable low cost power and increase electricity access in beneficiary countries²⁶. Yet, while the objectives of constructing the power plants and therefore increasing the electricity access were achieved, utility pricing policies in beneficiary countries have not been reformed, putting programme outcomes at risk²⁷.
7. *Definition of regional programmes:* There are different interpretations of what constitutes a regional programme. Their scope and definition varies greatly: they are at times defined as a multi-country series of linked national projects (eg. a trans-national highway). Sometimes they can be simply a national project with a regional dimension (eg. a port that serves the host country and several landlocked countries). But equally they can be conceived as a single programme covering the whole region. Some of these can in practice be taken forward with varying degrees of national level buy-in and support. This in turn can weaken ownership and the prospects for success.

Even when regional programmes bring positive externalities or economies of scale, some regions find that countries have difficulties to act regionally because of:

- (i) Opportunity costs in assigning their limited resources to regional rather than national programmes, in particular if they are not the frontrunner in the programme or will benefit relatively less compared to some other partners.
 - (ii) Free riders and the attribution of costs and benefits – sometimes countries would benefit from the projects without having to pay the cost.
 - (iii) Uncertainty that all countries will meet the obligations.
8. *Divergence in approach towards regional integration between DPs and RECs:* While many RECs would like to see all countries move together and at the same pace towards regional integration, some

²⁶ Mali, Mauritania and Senegal

²⁷ World Bank 2007. IEG Evaluation of Regional Programs.
http://siteresources.worldbank.org/EXTREGPROPAR/Resources/reg_pgms_full.pdf

donors would prefer to adopt the principle of variable geometry, where countries that share common goals and interests could move faster. This would ensure that the 'frontrunner' countries could implement their commitments quickly, giving the slower ones an incentive to catch up.

2.2. Practical challenges for African ROs and member states in promoting regional integration

1. *National - Regional Coherence:* Activities conducted at the national level may not necessarily be compatible with regional commitments. Also, although the regional agenda is largely defined by member states, some countries do not consider the implementation of regional strategy as a national priority, which tends to delay the regional integration programme. There is often a lack of political support and capacity or budgetary constraints at national level which undermine translating regional commitments and priorities into action.
2. *Economic and institutional obstacles to integration:* While funding for regional integration has focussed essentially on infrastructure and capacity building, insufficient attention is paid to policy reform within countries necessary to help them achieve their development objectives and support regional integration. Regions are characterised by heterogeneous levels of development and relatively high poverty levels. Most regions suffer from both poor 'soft' (such as poorly developed financial markets, lack of harmonization in policies and weak institutional development) and "hard" (such as roads, ports and airports) infrastructure and connectivity problems, as well as a lack of strategies combining both "soft" and "hard" development programmes. Barriers to trade (both tariff and non tariff), poor investment climate and human capital, technical and institutional capacity constraints are also common obstacles.

Box 5: Poor Infrastructure: A significant barrier to development

The lack of efficient infrastructure networks at regional and continental levels is a major root cause of impediments to trade, investment and economic development. As an illustrative example, a study presented at the NEPAD Transport Summit of November 2009 reveals that the average waiting time at key ports in Africa (Dar es Salaam and Mombasa) is 23-26 days compared to 3-5 days at other major world ports. Similarly, the average transport costs are 2-3 times higher in Africa than in other parts of the world, including Brazil and China²⁸.

3. *Political obstacles to integration:* A number of RECs have not been able to fully implement regional integration commitments on a timely basis. Delays partly reflect the lack of sufficient political legitimacy and a strong mandate to ensure enforcement of commitments by their member states and therefore to successfully promote the regional agenda. Member states have different motivations for joining ROs and therefore different levels of commitment. Such "ideological pluralism"²⁹ has a fragmentation influence on RECs because different members have different conceptions as to how the goals of the regional organisation are to be achieved.

²⁸ Japan International Cooperation Agency 2009. *The Research on the Cross-Border Transport Infrastructure: Phase 3 – Final Report*. http://www.jica.go.jp/english/operations/thematic_issues/transportation/pdf/research_cross-border01.pdf.

²⁹ Muuka, G. N, Harrison, D. E and Mc Coy, J.P, 1998. Impediments to Economic Integration in Africa: The Case of COMESA, *Journal of Business in Developing Nations*, Vol 2

The poor and limited translation of regional objectives into national development strategies and budget and their inadequate implementation at the national level are also partly the result of a general reluctance of many countries to cede national powers to regional authorities.

4. *Regional v/s continental challenges:* Africa-wide, more than 30 ROs exist, with only 8 being officially recognised as RECs by the African Union³⁰ (AU). In certain sectors such as peace and security efforts are being made to bring more consistency in the way mandated ROs work in this area, but this is proving more difficult in other sectors such as trade where RECs have limited incentives to harmonize procedures. There is growing agreement that there are too many ROs and that some rationalisation is needed, particularly in some parts of Africa where the situation is more acute than others. It is therefore important to strengthen and clarify or even refocus the political mandate of the AUC and the NEPAD Secretariat to ensure that RECs harmonize their policies with each other in a mutually reinforcing way. Politically this is a sensitive issue to address though some efforts are being made notably with the IRCC and the Tripartite Initiative.
5. *Economic cost of implementing regional commitments:* Trade-induced adjustment costs are a matter of concern for most developing countries. While longer term benefits regional integration are largely accepted, the challenges related to transition and short term costs (such as loss of fiscal revenue, potential job losses due to closure of companies driven out by increased competition) may lead to the reluctance on the part of certain national authorities to implement commitments. The major challenge is to address the socio-economic costs that need to be accompanied by strong supporting institutions and the availability of secure and predictable resources to support the adjustment costs.

³⁰ African Development Bank Group Regional Integration Strategy, 2009-12.

Box 6: COMESA Fund

The COMESA Fund is a vehicle for mobilizing resources to address productive capacity and infrastructure needs, as well as adjustment costs associated with integration and economic reforms. The fund has two facilities, namely:

- a. An Adjustment Facility (AF) to address costs that may arise from implementing regional integration measures including trade reforms as being part of the FTA or the Customs Union. So far Burundi and Rwanda have benefited from the AF. They received \$15.1 million and \$6.5 million respectively in anticipation of revenue losses arising from the implementation of EAC lower tariff rates.
- b. An Infrastructure Facility (IF) intended to mobilize resources for the construction and maintenance of infrastructure, and for addressing some of the limited productive capacity of its individual member states. The IF has four main purposes, namely, to provide a source of revenue to be used to finance priority investment projects; to promote regional integration through Eastern and Southern African countries having an equity stake in infrastructure in the region; to allow public-private partnerships in ownership and management of capital assets of the region and as a vehicle through which DPs can contribute to the development of priority infrastructure projects in the region.

The Fund has been ratified and is now in force. COMESA has already identified a number of important infrastructure projects that would greatly enhance development and integration once implemented. It is proposing the North-South Corridor project as a first candidate for Aid for Trade resources to address trade related infrastructure.

6. Sector policy harmonization is critical to the success of regional integration. Differences in legal, procurement and financial frameworks across countries often render the implementation of projects more cumbersome. This is particularly important in regional infrastructure projects, where differences in water, energy or telecommunication policies can lead to delays in the implementation or even significantly hamper the benefits derived from the projects.

3. Paris Declaration principles at the regional level: first experiences

3.1. Lessons from the national level

The Paris Declaration is now five years old and some lessons have been learnt regarding successes and failures. The following section points to a few good practice examples and tries to capture some key features that explain successes.

Box 7: Ghana's Country Environmental Analysis (CEA)

*To improve harmonised working and lower transaction costs, DPs took a joint approach and conducted a **joint Country Environmental Analysis (CEA) funded by the World Bank, DFID, RNE, and AFD in Ghana, which was also used by the EC.***

The Ghana CEA, a continuation of prior analytical work on natural resources, was prepared in collaboration with the group of donors that coordinates development partners' support to the environmental and natural resources sector in Ghana. Since there was already a strong donor network in place, all the donors soon became interested. While the World Bank took the lead, DPs were kept informed and in general regarded the CEA as an activity being undertaken in common. Other donors financed certain components of the CEA, including the preparation of individual chapters (approximately \$100,000 total from the French Development Agency and the Dutch Embassy).

A number of factors have influenced donor coordination in this and other CEAs. Coordination seems to be more likely where donors have common interests in CEA preparation in a particular country and the timing works for each donor. Also, the extent of coordination of the local donor group on environment and the initiative taken by the CEA team have shaped overall coordination. In Ghana the local donor group on environment appears to be well coordinated, and its coordination was strengthened in the course of CEA preparation. (Sources: Joint Assistance Strategy, 2007³¹, World Bank Environment Department, 2008³²)

Box 8: Strong political leadership and clear vision: assets for aid effectiveness in Rwanda³³

Maximising complementarity and concentrating on how the different players contribute to government poverty reduction plans and systems is a main feature of more effective aid in Rwanda. The dialogue in the relationship between the main donors and the Government has created a conducive and productive environment to combine efforts to tackle poverty, which is supported by the Governments leading role in policy reform.

The government has focused on the development of serious and credible poverty reduction strategies that are encompassed in the second generation of PRS called the Economic Development Poverty Reduction Strategy (EDPRS). While it was developed by Rwandans for Rwanda it is also closely in line with the MDGs, which makes it straightforward for donors to back financially. Besides, Government representatives who participated were categorical: if a donor didn't follow their policies and systems then they didn't want to accept the money. This brought donors into line.

³¹ Ghana Joint Assistance Strategy 2007. <http://www.gtz.de/de/dokumente/en-ghana-GJAS.pdf>

³² World Bank Environment Department 2008. Strengthening Policy Dialogue on Environment Learning from Five Years of Country Environmental Analysis. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/03/17/000333038_20080317013929/Rendere d/PDF/428210NWP01NO011PUBLIC10EDP01140CEA.pdf

³³ Based on the results of two roundtables held in Rwanda in March 2008 in the context of the joint ECDPM – Action Aid *Whither EC Aid* project with representatives of DFID, EC and Rwanda Government in the first session, and representatives of Rwandan Civil Society and INGOs in the second roundtable. See weca-ecaid.eu

Other clear factors providing a favourable environment for strong alignment behind government led strategies are:

- Clear vision (Ministry of Finance and Economic Planning, Vision 2020)
- Strong government led development partners coordination forum
- Capacity of government to be accountable to donors and to Rwandan society results high degree of trust by donors (high level of budget support);
- Policies towards decentralisation and district level accounting for impact.

Rwanda's Common Performance Assessment Framework (CPAF) assesses both government and donor performance³⁴

The Common Performance Assessment framework (CPAF) is a mechanism that has been agreed between the Government and all the budget support donors for harmonizing assessment of Rwanda's performance to account for the use of budget support.

The CPAF provides a key new tool by which **donor partners can hold the government to account in delivering the EDPRS** (poverty strategy). In view of its significance, some donors made creation of the CPAF itself a condition for continuation of GBS.

Discussions on the CPAF took place against a background of difficulties experienced by donor partners in making progress against their Paris Declaration commitments. This led to agreement to complement the CPAF with a **Donor Performance Assessment Framework (DPAF)** for all donors, which in practice is a localised version of the Paris Declaration with individual donor targets. Interviews indicate that donors have yet to appreciate fully that the DPAF will apply to all modalities for official development assistance, as opposed to being limited to the GBS programme.

Preparation of both the CPAF and DPAF has been **highly consultative and transparent**. Together these monitoring frameworks mark a major change in the way government and donors aim to hold each other to account.

The first phase³⁵ of the 2008 Evaluation of the Paris Declaration showed that the main factor that explains success regarding the application of ownership, alignment and harmonisation, mutual accountability and managing for results at the national level is **political will** at the highest level both in partner country governments and by development partners. In many instances the application of aid effectiveness principles is hampered by power play, which cannot be solved through technical agreements but needs to be addressed at the highest level.

- The Paris principles should be seen as providing a framework but should not be used to promote a one-size-fits-all policy: flexibility regarding the context remains key.
- Experience on strengthening **ownership** has shown that approaching this principle as a process rather than an absolute condition is most fruitful. This also means that capacity-building is key to reinforcing ownership. Where donors provide predictable support, countries generally do better.
- Regarding **alignment**, successful experiences have shown that if donors fully align with partner country priorities, **harmonization** should occur naturally and should be treated as less important than alignment since it puts donor-donor relationships at the forefront.
- Trust and confidence in partner countries' and other donors' systems are key to alignment and harmonization.
- Aid should trickle down to lower levels of government. If governments receive budget support, they must ensure that this support is also felt at the local level.

³⁴ OECD n/d. Mutual Accountability at the country level: Rwanda Country Case Study. <http://www.oecd.org/dataoecd/52/37/41178735.pdf>

³⁵ OECD 2009. Survey on Monitoring the Paris Declaration – Overview Report and Country Chapters. <http://www.oecd.org/dataoecd/19/9/40888983.pdf>

- Transparency of partner governments and developing partners is key to improving harmonization and alignment.

Many of these lessons can be applied to the regional level, taking into account regional circumstances (see section 4).

3.2. Key reasons for success or failure of the application of the Paris principles

Examples of good practice of programmes at the regional level can be found in Annex I. The following points summarise the main challenges interviewees saw in improving aid effectiveness at the regional level.

3.2.1. Do development partners align with regional organisations' strategies?

The extent of DP alignment with RECs strategies varies depending on clarity, quality and bankability of regional strategies. If regional strategies fail to set out clear priorities and are not informed by robust analysis, DPs argue that they cannot align effectively.

- (i) The focus of regional strategies on economic growth and poverty reduction are difficult to measure partly due to difficulties to determine tangible, short-term results. A positive example of a region focusing on poverty reduction is the ECOWAS Regional Poverty Reduction Strategy (RPRSP).
- (ii) While some DPs (e.g. EC) develop joint strategy papers with ROs thereby improving alignment, others still need to improve their consultation processes with RECs.
- (iii) There are indications that DPs are also not always very good at systematically consulting ROs and of course if they choose to develop regional strategies after only limited consultation, the resulting programmes are more likely to be supply-driven.
- (iv) General budget support to a region seems to enhance DP alignment. However, this is still an unusual practice at the regional level, though a good example is the EC's contribution agreement with COMESA, which has led to more strategic alignment.

3.2.2. Reinforcing regional ownership

Whose ownership?

- (i) Regional ownership involves two types of actors (RECs and their member states). For ownership at the regional level to grow, members need to both own the strategies and programmes themselves and allow for the RECs to have a sense of ownership. Thus, effective institutional linkages between members and RECs should be strengthened and made more operational. In other words national and regional strategies need to be more integrated. Member states have to be convinced that they will gain from the process of regional integration and the proper incentive mechanisms must be in place. If there is competition between RECs and their members for funds, integration will be held back.
- (ii) It remains difficult for the RECs to drive the regional integration process as long as they are only given a technical capacity. Regional integration needs strong institutions and strong accountability mechanisms. RECs are not only weakened by capacity concerns and weak delegation of political power, but also by the overlapping memberships and mandates between them.

Do development partners reinforce regional ownership?

- (i) DPs strengthen RECs capacity due to the considerable amount of funding they receive. However, paradoxically this can also weaken ownership of the REC, or the perception of it by member countries, when RECs become too dependent on DPs funding and/or DPs try to influence the RECs agenda.
- (ii) Evidence suggests that some DPs continue to criticise weak capacities at REC level and use this as a justification to develop programmes on their own with only limited REC input. If they then ask the RECs to implement them without sufficiently taking needs and priorities of the region into account ownership levels can be very low.
- (iii) Budget support to regional organizations will generally increase ownership though as with budget support at the national level the recipient organisation need to have the capacities to handle such support and the requirements of the DP. It is also clear that budget support is not a panacea and other modalities also have their place.
- (iv) There are also cases of DPs funding competing initiatives. For example, some DPs have voiced support for the need to harmonise trade agreements among the RECs and support the Tripartite Initiative, and yet at the same still support the IGAD FTA or the CEPGL (Member states of IGAD and CEPGL are equally members of the Tripartite. If donors support a Tripartite FTA they should not support individual REC FTAs in parallel. CEPGL has been said to be a REC that would have difficulties to continue existing were it not for donors that kept it alive for political reasons). In addition to political reasons, donors may act in this manner out of fear of putting a considerable amount into only one programme in case it fails.

Box 9: RECs Ownership: The Case of COMESA

The use of an EU contribution agreement (CA) with the COMESA region has helped to improve ownership, although IGAD does not consider that its priorities have been adequately addressed and EAC complains about delays in receiving its grants. The IRCC coordination of the programme is appreciated although its capacity to support the regional RECs and their harmonization remains rather weak.

3.2.3. Harmonisation put to the test: Working together or working alongside each other?

- (i) Coordination challenges within regional projects are significant: typically, projects include RECs, other regional institutions, national ministries and sometimes multiple donors.

Box 10: The challenge of donor coordination

In 2007, an Evaluation³⁶ commissioned by the World Bank found that of 19 regional programmes, 8 of which in Africa, donor coordination in only one African project was found to be substantial. The evaluators described modest donor coordination on the Lake Victoria environmental management programme in the following way:

*'Although the project was funded only by IDA and GEF, other donors have supported a range of initiatives in and around the lake basin for many years. The Bank worked with bilateral donors to ensure that GEF/IDA-funded activities complemented work already funded by other donors, especially the EU. [...] Overall, the various donor efforts generally have not been well coordinated. Some donor-supported activities addressed priority environmental concerns, but they were not coordinated at the regional level. Rather, for the most part, they have been **small, fragmented and uncoordinated** activities that put **heavy burdens on national implementing agencies**.'*

- (ii) DPs seem generally willing in principle to improve coordination. Two main 'push factors' have increased the motivation to harmonise. First, infrastructure programmes are often too big for one donor to handle alone and DPs feel the need to share the burden. Second, the financial crisis decreases the overall availability of funds, which has given DPs a push to be more effective with what is at hand.
- (iii) DP regional programmes are often weakly linked to country assistance programmes, which hampers harmonisation internally.
- (iv) Donor coordination meetings where achievements are simply reviewed do not necessarily lead to increased harmonization, if donors are then not willing or not able to take practical steps such as using joint implementation structures, co-financing, or actually harmonising procedures, etc.
- (v) Whereas some DPs have established partnership units (e.g. AfDB) others still seem to allocate too little staff time seems to coordination with other DPs.
- (vi) Emergence of new partners (China, India, Brazil): How can DPs work together to effectively ensure coordination with new partners who may have a different approach to supporting regional integration?

³⁶ World Bank. 2007. IEG Evaluation of Regional Programs.
http://siteresources.worldbank.org/EXTREGPROPAR/Resources/reg_pgms_full.pdf

4. The Paris Declaration at the regional level: directly applicable?

To ensure that PD-AAA principles can be applied at the regional level, it is important to define the meaning of regional integration in more operational terms. In other words, it should be clear which functions and responsibilities regions should take on so as to avoid duplication with the national level and really bring added value to achieving the objectives expected from an integrated region. If this is not well defined, donors support to regional integration might not deliver results in practice.

All strategies in favour of regional integration have growth and poverty reduction as a key objective. To put strategies into practice, work programmes are often developed for several years. Programmes are then implemented through different operational channels. The Paris principles should be applied not only to strategic documents, but also to the implementation stages, which will then allow donors to evaluate whether their programmes have indeed reached the overall objective of growth and poverty reduction.

The following list is neither a closed one nor a “one size fits all” agenda for action, it is a tentative list of existing and possible fields of regional competences and involvements that donors do and should support:

1. Infrastructure investments need to be made at regional level: roads’ network, airport, harbours, electrical production & distribution, etc.
2. Productive basins, involving two or more countries, either for water, natural resources, agricultural land management, might be (already are in some cases) more effective if operated at regional level.
3. Improving the economic environment for better regional trade: common tariffs, harmonised subsidies, commercial norms, fiscal policies, etc.
4. Balancing unequal development within a region: using special funding to reduce gaps between successful areas and less advantaged ones.
5. Negotiating collaboration, complementary mandates, sharing roles, between different existing bodies active at the regional level.

Two key operational issues might be added to focus PD-AAA principles’ application:

1. How regional organisations are funded: member state contributions, tax collection, budget support, basket funds, etc. Could regional development banks play a stronger role?
2. How regional commitments are implemented (determining the best structure): through regional organisations, or independent agencies, or various ad hoc bodies, or national operators (public & private)?

With the above suggestions in mind, partners could use the general PD-AAA principles and adapt them to the various specificities of different regions taking in account lessons learned from application at national level³⁷. Important progress would therefore be achieved as compared to the current situation. Furthermore, as the Paris Declaration is more a political process rather than a conditionality, a better understanding of power relations and a better use of political economy approaches could be recommended.

The proposals below are meant with a view to seek compromise to solve divergent positions to maintain long-term relationships between DPs and ROs. The Paris Declaration generates important transaction

³⁷ OECD 2009. Survey on Monitoring the Paris Declaration – Overview Report and Country Chapters.

costs creating resistance for application. It is therefore important to ensure flexibility in its implementation, to improve aid effectiveness.

The following recommendations are to be made:

1/ Ownership

- Ownership of regional strategies only is not sufficient: it must also be applied at the operational level, either shifting from strategies to sectoral programmes or at local level.
- Consistent with the Paris Declaration and the Accra Agenda, ROs should take the lead in establishing dialogue with DPs on their strategies/programmes to ensure DP support to their strategies.
- To ensure that regional needs and priorities are met, DPs should aim to do programming jointly in support of the strategic processes that ROs seek to establish.
- Donors should aim to decrease the use of their own systems to channel aid flows and consider the possibility of more budget support for RECs, while RECs need coherent regional development strategies, good governance practices, political leadership and more adequate accountability mechanisms.

With additional recommendations on Regional and National Coherence:

- African governments should demonstrate greater ownership in the elaboration of regional strategies and need to show more dedication and commitment to the effective implementation of regional programmes. This may involve increasing participation of member states in the policy dialogue with Development Partners (DPs) to ensure the coherence and alignment of national and regional priorities and strategies with regional programmes.
- To improve the relationship between national and regional projects, regional economic communities (RECs) need to establish key principles (such as subsidiarity, complementarity, and variable geometry) which would guide the level of regional and national coherence.
- RECs need to focus on and work with their member states to encourage policy reforms at national level that enable their members to achieve their development objectives and ensure that regional programmes are efficiently implemented. This would be supported by predictable sources of finance to support adjustment costs.
- Member states also need to ensure proper coordination among themselves to ensure that the regional programmes are implemented.
- The conference could recognise efforts already made by African states, ROs and the AU to start to rationalise the overlapping structures, mandates and memberships of regional organisations and encourage further progress. DPs could undertake to support this movement by ensuring their funding decisions are consistent with this progress.

With additional recommendations on Capacity Strengthening and Institutional Development

- The capacity of RECs needs to be strengthened at different levels: political, institutional and technical. In particular their technical capacities are strengthened in line with their political legitimacy and mandate.
- The capacity of RECs should be strengthened to develop solid bankable projects and to carry out monitoring and evaluation to assess progress made in programme implementation and detect problems to take corrective actions
- RECs should establish Medium Term Expenditure Frameworks and annual budgets corresponding to the strategies' priorities and ensure adequate financial management.

- In parallel, the capacity of member states to deal with regional programmes should also be enhanced.

2/ Alignment

- Alignment must be made essentially on systems and procedures used by regions to implement programmes and operations. This implies for donors to find solutions to manage existing risks.
- RECs play an important role to generate trust in alignment.
- Donors need to coordinate their interventions with beneficiaries at national/ regional level and across regions. If DPs have agreed to support regional initiatives like the Tripartite, they should avoid funding single RECs on competing initiatives.
- DPs should strive to develop joint strategies with the region or regularly consult the region if they choose to develop their own regional strategies.
- To facilitate alignment, RECs strategies should set out clear priorities with result-oriented programmes of action.
- RECs strategies should be informed by preliminary assessments to ensure bankability.

3/ Harmonisation

- ROs should demonstrate proactive leadership to encourage DPs to work together and harmonise their procedures.
- While it is a positive sign that more DP coordination meetings have been held in recent years, this is only a preliminary achievement. DPs should use these meetings to develop pooled funding mechanisms, delegate cooperation, agree on joint country diagnostic tools etc. Some DPs procedures hardly allow for harmonization. These DPs should strive to improve the flexibility of their instruments.
- Donors must spend time to explain their procedures, harmonisation need to trust procedures used by “others”.
- DPs should strengthen their own capacity to address coordination and harmonization which means accept less visibility or a different one. Some DPs have established partnership units to ensure coordination. Others allocate little staff time to inter-staff coordination, which should be adequately addressed.
- Budget support is not the only financial instrument to harmonise.

With additional recommendations on Aid Disbursement:

- DPs should strive to speed up their disbursement procedures and ensure that these are well adapted to the specific challenges of working at the regional level.
- Complementary mechanisms to the current forms of intervention (i.e. capacity building, infrastructure development) need to be put in place to support countries and regions in undertaking policy reforms necessary to achieve their development objectives and support regional integration. In this context, RECs could consider to set up regional mechanisms to provide countries with predictable sources of funding necessary to meet short-term adjustment costs incurred in implementing regional commitments³⁸. DPs could redirect (part of) their regional aid towards this objective to ensure predictability in financing resources.
- RECs could consider building partnerships to establish co-financing arrangements with DPs as well as the private sector to leverage financial resources, expertise and institutional capacity.
- The setting up of proper accountability procedures both at the national and regional level is crucial to avoid duplication of resources spent on similar projects. In addition, improved governance structures to

³⁸ COMESA has recently set up an Adjustment Facility to meet such costs for countries implementing the COMESA FTA commitments.

clarify accountability among governments, RECs, implementing agencies and donors are essential to the success of the projects and programmes.

- DPs should increasingly work towards the possibility of allowing regions and countries to mix their different financial instruments³⁹ to finance regional projects.

4/ Results based approach

This is the weakest point of the Paris Declaration when applied at national level⁴⁰. As a first step, less emphasis should be put on applying this principle; it will become more important once the other principles are applied.

5/ Mutual accountability

This principle generates delicate political debates because of the role of Parliament and citizens' involvement. If this principle is put forward, it is recommended to bring precision on who is accountable to whom and on what.

5. Possible approaches for the OECD to take forward on aid effectiveness at the regional level

The focus of the Paris and Accra Declarations was on aid effectiveness at country level. In view of the next High Level Forum on Aid Effectiveness in Seoul in 2011, the regional dimension of aid effectiveness should be factored into the debate. The OECD has made attempts to set up platforms to promote discussions on possible principles for the regional level but it seems that such platforms have not received much support in Africa so far⁴¹.

One likely way forward would be to consider promoting the debate on aid effectiveness at the regional level within already existing initiatives. A number of platforms exist in different sectors that could play such a role for their sector. Once principles have been developed in such fora, results could be compared and made applicable beyond a specific sector. The AU, NEPAD and UNECA may then be the most appropriate organisations to build on these sectoral experiences and bring things together across sectors and at an all-Africa level.

Existing initiatives that could possibly become fora for promoting the discussion on aid effectiveness at the regional level in Africa in the run up to Seoul include:

ICA

As explained above, the ICA (Infrastructure Consortium for Africa) hosted by the AfDB, is a partnership between multilateral and bilateral donors and African institutions acting as a platform to catalyze donor and private sector financing for infrastructure.

³⁹ For instance, mixing grants given to ROs with loans under regional programming given to countries under national programming to finance regional projects

⁴⁰ OECD 2009. Survey on Monitoring the Paris Declaration – Overview Report and Country Chapters.

⁴¹ In Asia, this role has been taken up by the CDDE (Capacity Development for Development Effectiveness Facility). It provides a mechanism for partners to share experience, and provides support for implementation and commitments.

The Infrastructure Consortium for Africa has four main objectives:

- To increase the amount of finance going to sustainable infrastructure in Africa from both public and private sources.
- To facilitate greater co-operation between members of the ICA and other important sources of infrastructure finance (such as China, India, Arab partners, the private sector).
- To highlight and help remove policy and technical blockages to progress.
- To increase knowledge of the infrastructure sector in Africa through monitoring and reporting on key trends and development.

The ICA already facilitates collaborative work and donor harmonisation and sharing of best practice, which are Paris principles. As it involves major multilateral and bilateral donors as well as African institutions and reaches out to non-ICA partners, it could serve as a good framework to discuss aid effectiveness at the regional level in the area of infrastructure prior to Seoul.

IRCC

The IRCC may be another framework, which could discuss the application of PD-AAA principles at the regional level. As mentioned above, it comprises four RECs (COMESA, EAC, IGAD and IOC) and was originally established to implement the 9th EDF and so far continues to partner with the European Commission.

In their Lusaka Declaration (September 2009) the IRCC and the Commission stated that they would establish an Aid Effectiveness Task Force to 'intensify and structure the ongoing work on aid delivery instruments specifically targeted towards support for regional integration'.⁴² The Task Force will initially be constituted as a 'think-tank' within the IRCC Technical Committee and its first meeting will take place in March 2010. Depending on progress in achieving the Task Force's initial objectives additional objectives may be set at later stages.

Although the IRCC Task Force is relatively new it is focussed precisely on aid effectiveness the application of PD-AAA at the regional level and, in the spirit of these principles should ideally be expanded to include other actors as well if it succeeds in meeting its objectives regarding cooperation with the European Commission. At the same time however the IRCC does not cover the whole of Africa and other platforms would therefore need to be found for the West, North and Central African regions.

CAADP

African leaders at the AU Summit in Maputo established the CAADP in 2003 as a program of NEPAD under the African Union (see annex). The G8 and the World Bank as well as many donors have since recognized it. Whereas in the early stage there has been a strong focus on country level processes, attention is gradually shifting to include *regional integration as a means to achieve the goals set in the national compacts and to enhance effectiveness* of increased investment in agriculture. *It is possible that out of the dialogue between donors on Regional Organizations within the CAADP framework, some useful lessons emerge for the discussion at the DAC level.* The Global Donor Platform for Rural Development, a joint donor initiative, was established in 2004 to unite major bilateral and multilateral donors and development agencies in a concerted effort to adjust the rural development agenda and to work together to improve aid effectiveness in line with the Paris Declaration on Aid Effectiveness and the Rome Declaration on Harmonisation. They seek to enhance coordination, communication and shared learning between all

⁴² ESA-IOC, European Commission. 2009. Lusaka Declaration on the High-Level Meeting of the Eastern and Southern Africa –Indian Ocean (ESA-IOC) region and the European Commission. http://about.comesa.int/attachments/238_090915_Lusaka%20Declaration0001.pdf

development partners. One staff member is specifically dedicated to assist development partners to engage more effectively in supporting CAADP. His main task centres around streamlining CAADP-related communications and knowledge-sharing. In addition, the Partnership Platform meets twice a year with African stakeholders and development partners to dialogue on the implementation of the CAADP. It is supported by a task team - an informal set up for the donor group and African institutional stakeholders - that meets whenever opportune and communicate on a very regular basis.

Africa Partnership Forum

The Africa Partnership Forum (APF) was established in November 2003 in the wake of the Evian Summit as a way of broadening the existing high-level G8/NEPAD dialogue to encompass Africa's major bilateral and multilateral development partners. The APF's mission is to strengthen partnership efforts in favour of Africa's development. The APF has become a key forum at a senior political level for discussing and monitoring policy issues, strategies and priorities in support of Africa's development. Its members; Africa, G8, OECD and other development partners all work together as equals in the forum – and ensure synergies and coherence with other international fora.

The Forum focuses on strategic, political and socio-economic issues related to African development and the implementation of NEPAD programmes given the overarching objective of the Millennium Development Goals. The role of the Forum is to catalyse action and to coordinate support behind African priorities and NEPAD. In this regard, it identifies commitments that African countries and Africa's development partners have made to address the continent's development needs. In carrying out its assessment work, *the APF highlights lessons learned and identifies priorities for action as well as who will be responsible for implementation to facilitate delivery of commitments that have been made.*

The APF is responsible for the Mutual Review of Development Effectiveness in Africa Report which is both an exercise in 'mutual accountability'- assessing what has been done to deliver on commitments to Africa's development, and a review of 'development effectiveness'- assessing what results have been achieved. It is also intended to be of practical use to political leaders in looking forward to the key policy challenges ahead. The review has been undertaken jointly by task teams from UNECA and OECD, in close consultation with the NEPAD Secretariat, and with inputs from African and international institutions and civil society. Lessons learnt through this process could profitably serve as an additional input in the dialogue on aid effectiveness on regional issues.

6. Conclusion

Paris principles can be applied equally well to the regional level as to the national level if regional specificities are being taken into account. It should be considered that they are 'principles' and should thus not be seen as allowing for a one-size-fits all approach.

The application of the Paris Declaration is primarily a political issue. The general principles are by now widely accepted, yet their application remains difficult due to different actors' interests, which need to come together. If this is difficult at the national level, it becomes even more difficult at the regional level and thus political will in partner countries and among development partners needs to be particularly strong to make their application a reality. At the regional level there are more actors, more interests, longer periods are required for things to happen, generally less capacity and trust levels often still need to be built. Overall, it would seem that regional organizations still have to be convinced that aid effectiveness and the Paris/Accra Agenda is not donor driven but a mutual agreement. As more emphasis is put on aid effectiveness at the regional level, lessons learnt at the national level should not be forgotten.

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Annex 1: Outcome Statement from the Joining up Africa conference 4th March 2010, London, UK

1. The African Union Commission (AUC), Regional Economic Communities (RECs) and the United Nations Economic Commission for Africa (UNECA), in line with the Resolutions of the African Union (AU) Heads of State and Government, **reaffirm** that accelerating regional integration is essential for growth and development of Africa.
2. The African Development Bank (AfDB), the World Bank (WB), the European Commission (EC), the World Trade Organisation (WTO) and the Department for International Development (DFID) [*plus other agencies that also want to sign*] **recognise** the urgent need to strengthen and enhance support for economic integration in Africa.
3. As Africa begins to recover from the impact of the global economic crisis, regional solutions are more important than ever in creating jobs, unlocking economies of scale and restoring long term growth in Africa.
4. We recognise that the successful implementation of this process will require close cooperation of all the relevant African stakeholders⁴³.
5. On the development partners side the AfDB; EC; WB and DFID are profoundly committed to supporting this process. The development partners, working together with all the relevant Africa partners, are committed to ensure that their current multiyear regional financial commitments, which total over \$6 billion, are used for the greatest effect. Furthermore the partners commit to efforts to mobilise additional resources to support economic integration and to work to achieve sustained and predictable multi year financing
6. At the Joining up Africa conference in London on 4 March 2010 the African Partners (AUC, RECs and UNECA) and the Development partners (AfDB, WB, EC, WTO and DFID) held discussions that focused on four critical areas and committed themselves to:
 - 6.1. Accelerate the **successful implementation of regional transport; trade, energy and other infrastructure programmes** as well as resolving current constraints and non-tariff barriers. They committed to review progress against this at the next meeting of the Infrastructure Consortium for Africa (ICA). They further committed to;
 - Strengthen links between regional and national level programmes, including greater alignment of national plans to regional priorities and mainstreaming regional policy issues into national level dialogue
 - Strengthening implementation agency capacity
 - Ensuring more realistic implementation sequencing and implementation periods
 - Improved implementation of current trade agreements and increased collaboration on power
 - 6.2. **Ensure that the private sector is more effectively engaged** in supporting regional integration by addressing barriers, including:

⁴³ Stakeholders include: AUC, UNECA, RECs, and other regional integration organisations; specialised regional institutions (such as the regional power pools and river basin authorities) and members states. It will be important to involve the African people, including business, civil society, professional groups, and trade unions in the integration effort

- Provision of policy and operational support to help governments promote competitiveness and improve investment climates
- Fostering successful knowledge sharing on regional public private partnerships and working to resolve uncertainty and lack of clarity therein.
- Earlier engagement with business on project identification and development, including exploring opportunities to develop platforms for business to engage with RECs on project pipeline. And that they know how to access these;
- Developing local private sector capacity to engage on economic integration and project implementation
- Continued innovation of financial and insurance products to support private investment in Africa, including enhanced guarantees, risk sharing mechanisms and enclave lending.

6.3. Improve the effectiveness of support for regional integration by ensuring that the key principles enshrined in the Paris Declaration and Accra Agenda for Action should be applied regionally. In particular they committed themselves to work with other African and development partners including the OECD Development Assistance Committee over the next [18] months on developing further the proposed set of specific proposals set out in the Annex to ensure effective **ownership; alignment; harmonisation; results management and mutual accountability** for all development partner support for regional integration. They are committed to secure agreement to a full set of proposals at the high level event in Seoul in [September] 2011. As part of the **road to Seoul**, they will develop these principles, particularly in the context of existing good practice such as the Common Market for Eastern and Southern Africa (COMESA)-East African Community (EAC)-Southern African Development Community (SADC) Tripartite Task Force, Economic Community of West African States (ECOWAS) Regional Poverty Reduction Plan, the SADC Windhoek Declaration and the four regional programmes agreed at the ICA meeting in Tunis in September 2009. These will be taken to and offered as case studies at the Seoul High Level Forum in 2011. This will be considered and taken forward at the ICA meeting in May and AfDB aid effectiveness meeting scheduled for September

6.4. In the context of the Libreville AU/RECs recommendations and AU Heads of State and Government Resolution, that welcomed the COMESA-EAC-SADC Tripartite Framework and urged other RECs to establish similar arrangements as way of fast tracking the establishment of the AEC, **give support to the COMESA-EAC-SADC Tripartite process** as well as encourage and give support to the AU and other RECs in implementing similar arrangements

Agreed in London, United Kingdom on this 4th day of March 2010.

Signed

Oby Ezekwesili Vice President for Africa, World Bank

Abdoulie Janneh Executive Secretary, UN Economic Commission for Africa

Donald Kaberuka President Africa Development Bank Pascal Lamy Director General, World Trade Organisation

Juma Mwapachu Chairman of the COMESA – EAC – SADC Tripartite and Secretary General of the East African Community

Erastus Mwencha Deputy Chair of Africa Union Commission

Andris Piebalgs Development Commissioner, EU/EC

Gareth Thomas Minister of State for International Development, DFID UK

[open to others to sign]

PROPOSED KEY ELEMENTS OF JOINT AID EFFECTIVENESS COMMITMENTS TO ENHANCE SUPPORT FOR AFRICAN REGIONAL INTEGRATION

Ownership – Regional Economic Communities (RECs) and Regional Integration Organisations (RIOs), exercise effective leadership over their regional integration policies and programmes in close collaboration with AU/NEPAD and their Member States

AU/REC/RIOs commit to

- Promote coherent regional development strategies based on broad consultative processes, including Parliaments and citizens
- Promote prioritised results oriented medium term operational programmes consistent with overall resource availability
- Enhance political leadership and accountability mechanisms.
- Take the lead in establishing dialogue with Development Partners on their regional strategies and encourage them to work as a group to support the strategies and programmes

Development partners commit to

- Respect the AU/REC/RIO leadership
- Work together to scale up and harmonise support to build AU/REC/RIO capacity
- Alignment – Development Partners base their regional support on AU/RECs/RIOs strategies and programmes

Development Partners commit to

- Develop joint strategies with the region or regularly consult the region if they choose to develop their own regional strategies.
- Coordinate their interventions with beneficiaries at national, regional and pan- African level and across regions.
- Aim to do programming jointly with each other in support of the strategies and programmes.
- AU/RECs/RIOs commit to
- Intensify efforts to mobilise domestic resources within the region and to create an enabling environment for public and private investments

Harmonisation – Development Partners ensure regional actions are more harmonised, transparent and collectively effective

AU/RECs/RIOs commit to

- Demonstrate proactive leadership to encourage Development Partners to work together and harmonise their procedures.
- Development Partners commit to
- Strengthen their own capacity to address coordination and harmonization and strive to develop and use harmonised systems.
- Provide reliable indicative commitments of support over multi year framework and disburse support in a timely and predictable fashion according to agreed schedules

Managing for results – Managing resources and improving decision-making for results

AU/RECs/RIOs commit to

- Establish results oriented reporting and assessment frameworks that monitor progress against key targets.

Development Partners commit to

- Link programming and resources to results.

Mutual accountability – All partners are accountable for development results

AU/RECs/RIOs commit to

- Strengthen the role of national governments in regional development strategies and engage with a broad range of development partners.

Development partners commit to

- Provide timely, transparent and comprehensive information on aid flows so as to enable RECs/SRIs to present comprehensive budget reports.

AU/RECs/RIOs/Development partners commit to

- Hold mutual assessment reviews



Further information about the *Joining up Africa* conference can be found at:

<http://collections.europarchive.org/tna/20100423085705/http://www.dfid.gov.uk/Media-Room/News-Stories/2010/Joining-up-Africa-the-road-to-trade/>

Annex 2: Examples of good practice at the regional level

The projects/initiatives below are listed according to the frequency, with which they were quoted as examples of “good practice” by the interviewees.

North-South Corridor

At the COMESA-EAC-SADC Tripartite Summit in 2008, the Tripartite member countries launched the North-South Corridor Programme, which has received a large amount of support from development partners. It ranges from the Copperbelt of southern Democratic Republic of Congo and northern Zambia to the port of Dar es Salaam in the north-east and the southern ports in South Africa.

Objectives:

- More efficient and faster border crossings by completing, amongst other measures, at least three new One Stop Border Posts along the North-South Corridor
- The reform of rail concessions in Eastern and Southern Africa and establishing a well functioning regional rail network
- Improved infrastructure to make the port of Dar es Salaam more efficient
- Improved trade facilitation measures, including streamlining customs procedures and other border clearance facilities and vehicle control systems (such as axle load and vehicle dimension controls) along the corridor.
- Improved power supply and transmission in the region and establishing linkages between Southern and East African Power Pool Member Countries

Major donor commitments include:

- World Bank : US\$500m to projects along the North-South Corridor, with an additional US\$500m committed to projects that are significantly complementary to the Corridor.
- EC: €115m / \$150m.
- AfDB: \$380m for projects on the North-South Corridor. In addition, the bank will invest \$160m in sections of the Ncala Corridor, which is complementary to the North-South Corridor.
- DFID: £100 million (TradeMark Southern Africa (TMSA) Programme).

What makes this initiative special in the interviewees' eyes?

Across the board, interviewees praised the North-South Corridor as an initiative that is fully owned by the RECs. It has received strong support from the donor community and donors have closely aligned their programmes with the initiative and therefore also the tripartite process. It was also quoted as an example of how to ensure that donor support is coordinated and support is complementary. A Tripartite Fund will be able to accept funding from development partners in the future. The Fund will be hosted at and managed by the Development Bank of Southern Africa (DBSA). A Project Implementation Unit (PIU) will be constituted as part of the Tripartite and will be responsible for facilitating, coordinating and monitoring the progress of implementing projects and programmes.

Programme for Infrastructure Development in Africa (PIDA)

On the basis of the NEPAD Strategic Framework, PIDA is a continent-wide infrastructure development programme to run from 2010 to 2030. It is a merger of the NEPAD-Medium to Long-Term Strategic Framework (MLTSF) and the African Union Continental Policies and Master Plans Studies. It is strongly

owned by African institutions and has received full backing from development partners. PIDA is being managed and delivered by the AfDB's NEPAD Regional Integration and Trade Department, ONRI on behalf of the African Union (sponsor).

Objectives:

- Establish a strategic vision, objectives and policy framework for the development of regional and continental infrastructure in four sectors - Energy, Transport, Information and Communication Technology, and Transboundary Water Resources;
 - Establish a prioritized continental/regional infrastructure development programme over a time horizon up to 2030 using the strategic framework; and
 - Prepare an implementation strategy and process, including a priority action plan.
- Provide African decision-makers with analytical and decision-making tools for the formulation of policy, priority infrastructure development programmes and related implementation strategies and processes
- Enable African Stakeholders to have one voice based on a common agenda and propose a common vision for infrastructure development

What makes this initiative special in the interviewees' eyes?

The initiative is strongly African-owned and has senior level political commitment at the national, REC and AU level. The initiative is jointly led by the AUC, the NEPAD Secretariat and the AfDB. Project management and procurement and financial management is done by the AfDB. ICA (Infrastructure Consortium for Africa) Members (G8 countries, EC, WB, AfDB, DBSA, IFC, EIB) have assured their support to PIDA and will input through peer reviews and participate in the review of outputs. As ICA members, they have committed to coordinating their support for infrastructure in Africa to avoid the multiplicity and duplication of programmes.

The West African Power Pool (WAPP)

The vision of the West African Power Pool (WAPP) is to help the integration of the national power system operators of the ECOWAS Member States into a unified regional electricity market, with the expectation of providing reliable power supply services to all citizens of the region at affordable costs in the medium and long term.

Objectives:

- Formalize an official and extended collaboration in the region in order to develop power generation and transmission facilities, thus enhancing power supply and strengthening power security within the sub-region;
- Improve the reliability of power system and quality of power supply in the region as a whole;
- Minimize operating cost of networks;
- Increase investments needed for power grid expansion in the region, with emphasis on the implementation of cross-border projects;
- Create an attractive environment for investments in order to facilitate the funding of power generation and transmission facilities;
- Create a common operating standards and rules in the sector;
- Create a transparent and reliable mechanism for the swift settlement of power trade transactions;
- Increase the overall level of power supply in the region, through the implementation of priority generation and transmission projects that will serve as foundation for economic development and the

extension of cheaper electricity supply to a greater number of consumers

Major Donors involved:

World Bank (WB), African Development Bank (AfDB), European Investment Bank (EIB), Agence Française de Développement (AFD), European Commission (EC), Japanese International Cooperation Agency (JICA), Kreditanstalt für Wiederaufbau (KfW), and West African Development Bank (BOAD).

What makes this initiative special in the interviewees' eyes?

The West African Power Pool was cited in various interviews as a good example of donor-REC and REC-Member states coordination. The WAPP has an in-built Information and Coordination Centre (ICC) that is responsible for the collection and analysis of sensitive electricity-transmission data at the national level so as to minimise the risks of regional power failures.

Horn of Africa Initiative

The European Commission and the Horn countries (**Djibouti, Ethiopia, Eritrea, Kenya, Somalia, Sudan, Uganda**) jointly launched the Horn of Africa initiative in 2008 to meet the specific infrastructure requirements of the Horn region, as part of the wider European Commission Horn of Africa Strategy, which addresses wider issues such as peace and security.

Objectives:

- **Interconnectivity in the transport and energy sectors.** In the area of transport, the initial focus is on **transport facilitation and the creation of an enabling environment for trade.** The long-term vision is to interconnect the countries of the Horn through road, rail and energy networks
- The regional management of **water resources** as an essential element for food security. A **regional water dialogue forum** is planned, as are coordinated **hydrological observation systems**, followed by the creation of a comprehensive regional surface and ground water information system to identify long-term investment needs
- The overall framework for **natural resources governance** and its implications for future human security

What makes this initiative special in the interviewees' eyes?

Technical country experts from the region and ministries from IGAD Member States and Eritrea together with the European Commission jointly developed the projects. In May 2009, Horn countries, the European Commission and other interested donors (WB, AfDB, EIB, DFID) agreed on the "Mombasa Roadmap" for the initiative. The European Commission is continuing to ensure that projects are aligned with national and regional priorities.

CAADP

CADDP is the NEPAD's Comprehensive African Agriculture Development Programme to develop agriculture in the continent in order to fight against poverty and hunger. Starting with the widely endorsed 6% annual growth target in agricultural productivity, CAADP advocates a programmatic, integrated and comprehensive approach. One of the values of the CAADP is also to exploit the *regional and national complementarity* and cooperation. As a result, changes at the regional level include that the RECs are taking more and better leadership in stimulating, coordinating and facilitating support (financial, technical,

knowledge-based) for country CAADP implementation processes, and that regions are better prepared to engage in global issues that affect – or are affected by – agriculture. RECs are also expected to coordinate external support for country processes and to assist with resources mobilization.

Vision/Objectives

The vision is that Africa should be able to effectively and efficiently harness both its own resources and international development support to have a real impact on agricultural productivity. This pan-African framework should translate into a real and sustainable impact on food security and poverty alleviation agenda, while at the same time serving as foundation and driver for agriculturally based industrialization, wealth creation and socio-economic development. The challenge has been, and still is to put these principles to work.

Lessons to be drawn for the experience

- CAADP provides the necessary framework through which to achieve this, as it calls for inclusive co-ordination processes, less driven by conditionality and more driven by coherence and mutual accountability. In order to facilitate donor coordination to support this process, the *Guidelines for Donor Support to CAADP Process at a Country-Level*⁴⁴ lay out guidelines for joint steps through which donors will provide harmonised support for the country-led agriculture and food security planning processes and investment programmes that are CAADP aligned. This improved donor support for African agricultural development is in *line with the PD-AAA* and will significantly contribute to fulfilling international commitments like those made in the L'Aquila Joint Declaration on Global Food Security at the G8 2009.
- The first regional compact ECOWAP was adopted by West Africa (January 2005) as an instrument for implementing CAADP, based on policy reforms and investment programs. A joint commitment between ECOWAS and the technical and financial partners established a mechanism for coordination and management of aid within the institutional and financial framework of ECOWAP/CAADP. This process is a good example of donors commitments vis-à-vis pan-African owned development process. Donors have committed to:
 - align, harmonize and coordinate all their regional assistance agricultural development and food security with ECOWAP;
 - promote the effectiveness of the regional aid to agriculture and food security ;
 - increase their support to the implementation of the ECOWAP/CAADP;
 - improve the predictability of their aid through a multi-year planning of their assistance.

As a result, donors were obliged to coordinate and designate one of them to sign on their behalf. Spain was asked to play that role and to take the lead of the coordination for the next steps. But the difficulty still exists due to the competitive context within the donor group and the resistance to concretely agree on alignment and ownership.

PAPED

The “Programme de L’APE pour le Developpement” (PAPED)⁴⁵ is an initiative of the West Africa regional blocs (ECOWAS and UEMOA) to ensure that the development dimension of EPAs remains at the centre of current negotiation between the region and the European Union. It is a programme proposal consisting of

⁴⁴ This document was produced in October 2009 by the CAADP Development Partners Task Team of the Global Donor Platform for Rural Development in collaboration with the African Union Commission/NEPAD.

⁴⁵ EPA Programme for Development

support measures, which aim of strengthening the implementation of EPAs as a “development tool” for the region. The PAPED initiative will be funded by the European Commission.

Objectives

The objectives of the PAPED can be summarised along the following five lines:

To diversify and increase the production capacity of the region.

- To develop intra-regional trade and facilitate access to international markets.
- To improve and strengthen trade-related Infrastructure.
- To achieve the necessary reforms/adjustments for the region and also cater for other trade-related issues.
- To control trade policy and regulations and help in the implementation and monitoring of the West Africa EPAs.

What makes this initiative special in the interviewees' eyes?

The PAPED is a well-formulated proposal that could form the basis for a “regional West African approach” to EPA-related support and for financing available from other donors under the multilateral Aid for Trade (AfT) initiative. It is also a good example of inter-RECs coordination and harmonisation (involving ECOWAS, UEMOA and their Member states), which has led to a comprehensive regional AfT strategy for the region.

Nile-Basin Trust Fund

The Nile Basin Trust Fund supports the Nile Basin Initiative, which is partnership of the Nile River states (Burundi, DRC, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania and Uganda) through their Council of Ministers of Water Affairs. The Trust Fund is supported by each Nile Basin state and a number of development partners. The TF was established in 2003 and is administered by the World Bank. Contributors to the fund are CIDA, DANIDA, European Commission, Finland, France, Netherlands, Norway, Sweden, DFID and the World Bank.

Objectives

- To maximise riparian ownership and control of the process
- To meet donor requirements for fiduciary accountability
- To provide timely and efficient administration of funds

What makes this initiative special in the interviewees' eyes?

The Trust Fund was established based on a request by the Nile Council of Ministers. Not only development partners contribute to the Fund, but also Nile Basin states themselves. The long-term objective is to transfer it to a Nile Basin institution.

Annex 3: Interviews conducted

Amin Nick	Senior Economic Adviser	DFID South Africa
Cuzon Jean Rene	Charge de Mission Commerce et Développement	AFD
De Joong Ruurd	Head of Unit EDF	European Court of Auditors
Durand Guillaume	Policy Coordinator	European Commission
Fernandez Cardy Peter	Infrastructure Expert ONRI and ICA Secretariat	AfDB (DFID Secondee)
Geraedts Paulus	Policy Group Coordinator	European Commission
Golubiewski Maciej	Regional Desk Officer (COI and IGAD) and Commerce and EPAs Co-Desk	
Killen Brenda	Director Aid Effectiveness Division	OECD
Kwai Pun Mark	RISP Coordinator	COMESA
Mansoor Ali	Chair of Technical Committee of COMESA Fund and Chair of Bureau of COMESA Ministers of Finance	COMESA
Mohamedou El Iza	Chief Regional Integration and Trade Officer	AfDB
Oumarou Amadou	ONRI Director	AfDB
Pearson Mark	Programme Director and Consultant to COMESA/PRTF	DFID
Poulsen Peter	Regional Economic Adviser	ECOWAS
Rugamba Alex	Coordinator of Infrastructure for Africa Secretariat	AfDB
Toornstra Frank	Aid Effectiveness Adviser - Operational Quality and Knowledge Services	World Bank
Van Overstraeten Erik	COMESA Advisor	

The European Centre for Development Policy Management (ECDPM) aims to improve international cooperation between Europe and countries in Africa, the Caribbean, and the Pacific.

Created in 1986 as an independent foundation, the **Centre's objectives** are:

- to enhance the capacity of public and private actors in ACP and other low-income countries; and
- to improve cooperation between development partners in Europe and the ACP Region.

The Centre focuses on **three** interconnected thematic programmes:

- Development Policy and International Relations
- Economic and Trade Cooperation
- Governance

The Centre collaborates with other organisations and has a network of contributors in the European and the ACP countries. Knowledge, insight and experience gained from process facilitation, dialogue, networking, infield research and consultations are widely shared with targeted ACP and EU audiences through international conferences, focussed briefing sessions, electronic media and key publications.

ECDPM Discussion Papers

ECDPM Discussion Papers present initial findings of work-in-progress at the Centre to facilitate meaningful and substantive exchange on key policy questions. The aim is to stimulate broader reflection and informed debate on EU external action, with a focus on relations with countries in the South.

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