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Assessment of Regional Integration in Africa (ARIA II):
Rationalization of Regional Economic Communities
Concept Paper

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Trade and Regional Integration Division (TRID), ECA, P. O. Box 3001, Addis Ababa, Ethiopia.

I. INTRODUCTION

African countries are increasingly realising the virtue of regional co-operation and integration as a strategy to help them achieve robust and self-sustaining economic recovery and growth and thereby become an important and effective player in the global economy. Through this process, the continent can pool its capacities, endowments and energies together to transform itself, and thereby help uplift the lives of the millions of its peoples. To this end, African countries and governments, through the regional economic communities (RECs) and the OAU (now the AU), are doggedly trying to pursue the process of integration along a roadmap of establishing Free Trade areas, Customs Union and Common Markets. Eventually these efforts are expected to converge to an African Union, whereby economic, monetary, fiscal, social and sectoral policies would be totally integrated or become uniform among all countries. Through the wider economic and market space thus engineered, Africa can hope to strengthen its economic independence and empowerment vis-à-vis the rest of the world.

Currently, regional integration in Africa is advocated, implemented or supported by many actors such as governments, institutions, and partners. In their various capacities, these actors contribute somehow to the advancement of the process. However, the integration process can be smooth only if the stakeholders work in unison. Among those actors, the RECs emerge as the key players. Indeed, they are the bodies in charge of conceiving, executing or monitoring the implementation of very comprehensive policies and programs related to regional integration among their member States. As such, they are the nerve centers of Africa's integration process. However, in order for them to play effectively this role, RECs need not only to have the technical, legal and financial capacities in place, they must also operate in a coordinated setting that makes their activities mutually supportive and complementary. Currently, the situation as can be observed is far from such a conducive environment.

The African Economic Community (AEC) has recognized and/or signed a protocol with seven RECs¹ some of which cut across the "regions" as recognized by the OAU Charter, as well as in the Abuja Treaty (Article I) which defines "Region" as "an OAU region according to Resolution CM/Res.464 (XXVI) of the OAU Council of Ministers. This resolution groups Africa into five (5) regions namely, North Africa, West Africa, Central Africa, East Africa and Southern Africa. The recognition of more RECs than implicitly allowed by the Abuja Treaty was the result of pressures from members of some economic groupings that may not strictly qualify for recognition under the definition of the Abuja Treaty. In fact, the configuration of none of the RECs tallies with the "regions" as defined by the OAU.

Both the Abuja Treaty and the Constitutive Act of the African Union also have provisions calling for the coordination and harmonization of the policies of existing and future RECs with a view to achieving gradually the objectives of Africa's integration. The Abuja Treaty's provisions on the subject were translated into the protocol on the relationship between the AEC and the RECs. The AU is expected to sign with the RECs a revised form of this protocol the content of which remains to be agreed upon. The experience so far has shown that all these efforts, though a significant step, need to be sustained so as to minimize or eliminate wasteful duplication and overlaps among the RECs.

¹ UMA has not yet signed the Protocol

Overlaps are also likely to be further exacerbated by other externalities resulting from attempts, if not pressures, to establish free trade arrangements involving RECs and other regions outside the continent, in particular the EU, under the new ACP-EU successor arrangements (EPAs). With this looming prospect, most RECs are trying to poise themselves to be members of such north-south trading blocs.

To help investigate and unravel the issue of multiple RECs and overlapping membership and their likely impact on Africa's overall integration process, ECA has decided to devote the next ARIA report (ARIA II) on the theme of rationalization of RECs. Thus, there will be a better understanding as to the extent to which multiple RECs and overlapping membership pose a problem for regional integration in Africa. In this context, ARIA II aims at:

- ◆ Understanding what RECs are now doing, the impact of their overlaps and duplications, and in that light put forward proposals to streamline their structures and actions in consonance with the common and collective objective of establishing the African Union.
- ◆ Enhancing the fruits of rationalization through other accompanying measures to improve RECs' efficiency, mainstream their agendas in national policies, institutions, plans, and budgets, and empower the AU to assume its leadership and coordination role in the establishment of the African Union.

II. RATIONALIZATION OF INTEGRATION EFFORTS IN RETROSPECT

So far, the most obvious attempt at rationalizing regional integration institutional settings was initiated by ECA in 1987 for the West African sub-region. In a concerted action, the concerned organizations of the sub-region and ECA produced a report² that made suggestions as to steps that could be taken to rationalize the economic groupings in West Africa. The recommendations were subsequently endorsed by an ECOWAS Summit held in Banjul, the Gambia in the form of a resolution, which while strongly supporting the rationalization process, merely invited member States to cooperate towards the ultimate goal of having ECOWAS emerge as the sole integration entity in West Africa. Following the collapse of CEAO and the creation of UEMOA, consultations were launched in a more systematic manner through the Joint ECOWAS/UEMOA Committee, which regularly reviews areas of common interest to the two organizations. However, no time horizon is foreseen for full merger of the organizations concerned, including the Mano River Union (MRU).

In Central Africa, the creation in 1983 of ECCAS alongside CEPGL and UDEAC made it imperative to harmonize activities in common areas. At the initiative of ECA, two consultative meetings took place in 1990 and 1991, which resulted in assignment of lead or exclusive role in some fields to ECCAS. However, with the virtual collapse of ECCAS between 1993 and 1999, the agreement could not be implemented.

In eastern and Southern Africa, the debate on rationalization revolved for long around the coexistence of PTA/COMESA and SADCC/SADC. The transformation of SADCC from a coordinating mechanism into a full community; the shift of IGADD from a mainly drought-concerned organization to a wider developmental institution called IGAD; and the reinstatement of the EAC have increased efforts to rationalize the institutional setting for integration also in this region. In 1993, joint efforts by PTA and SADC did not yield any significant results. Since then,

² "Proposals for the rationalization of West African integration efforts. ECA, May 1987

COMESA and SADC on one hand and COMESA and EAC on the other have established mechanisms to help harmonize their programs, especially in the field of trade. It however remains to be seen whether or not these efforts could lead to a more profound streamlining of activities in the spirit of rationalization.

All in all, while these attempts at minimizing the impact of multiple RECs and overlapping membership are laudable, the issue needs to be further investigated. The advent of the African Union and the pledge by African States to make it a turning point in the integration of the continent provide an opportunity to address the much-heralded issue of RECs' proliferation and overlaps.

III. POSSIBLE SCENARIOS FOR THE RATIONALIZATION OF THE RECS

Rationalization of RECs can mean different things to different people. It may imply abandoning some RECs or part of their existing programs, or more significantly the merging of RECs. It could also imply enhancing the content and rhythm of coordination and harmonization efforts among the RECs. The issue becomes more complex when one considers the fact that in principle, all RECs have been established to serve purposes that were deemed important by their constituencies, so it is the primary responsibility of these constituencies to decide upon the continued relevance or otherwise of their RECs. But others would argue that the scenario according to which time will come when member States will abolish certain RECs or merge them with others is unlikely to materialize, at least soon enough to dovetail with the on-going building phase of the African Union. From this standpoint, concerted action and support is called for towards rationalizing the RECs sooner rather than later so that through this process, a few RECs would emerge as the pillars for the African Union. This line of argument appears to fit the consensus over the fact that for the AU to be effective, RECS should move in unison, while currently they seem to operate like different independent entities and utilize divergent instruments.

Whatever views one might entertain about rationalization of RECs, the issue cannot be left hanging in abeyance. The advent of the African Union, therefore, provides a good opportunity to address the issue of multiple RECs and overlapping membership resolutely so that there would be a more coherent and structured pathway to Africa's integration. Adopting such a stance would help clarify the current situation under the AEC in which there are more "RECs" and overlapping mandates and programs than are perhaps needed for effective and coordinated interaction. In this regard, objective analysis would be called for so as to facilitate political support for rationalizing the RECs.

In this context, it is possible to envisage a number of scenarios that could form the basis of further investigation and analysis:

First Scenario:- Reconfiguration of the RECs

This scenario will entail merging RECs or consolidating them into a few ones. Thus, there would be only a few RECs (between 4 and 6) to serve as building blocs for the African Union. Under this scenario, a country would also be required to belong to not more than one REC. Those belonging to two or more RECs will have to make a choice as to the sole REC they wish to be members of. To smoothen the process towards the new system, transitional arrangements could be put in place to phase out the status quo and eventually establish the new configurations at

dates to be agreed upon.

Second Scenario :- Retention of variable geometry under a new paradigm

This second scenario will consist of allowing the principle of variable geometry to prevail under a systematic arrangement, which ensures a rational distribution of activities among the different RECs or specializing the RECs in the following variety of ways:

- Large RECs would be made to concentrate on generally common regional issues. For example, overarching issues such as trade liberalization, free movement of people, policy convergence, peace and security mechanisms and certain regional networks could be entrusted to COMESA, while the smaller groupings or subsets within this Community concentrate on more specific niches (e.g. IGAD on food security, IOC on fisheries, etc)
- Alternatively, RECs within the same sub-region would adopt identical instruments, not least in trade, policy convergence, and free movement of people so as to avoid duplication and minimize overlaps.

Within this scenario, multiple memberships could be entertained. However, there would be specific guidelines and principles to govern membership to more than one REC.

Third Scenario :- Retention of status quo with greater coordination and harmonization

This scenario will simply maintain the present system, but with more intensified efforts to enhance current coordination and harmonization efforts among the RECs. Nonetheless, the creation of additional RECs will have to be abolished or strictly controlled. There would also be some period fixed to ensure unification of the RECs within each sub-region.

IV. ANCILLARY ISSUES TO RECS' RATIONALIZATION

Rationalizing the institutional setting is an important but not a sufficient condition for the success of Africa's integration. As the primary stakeholders of the integration process, member States and governments have an important role to play in ensuring the implementation of commonly agreed policies at the national level. They need to play their individual part by ensuring that there is a much stronger congruence between actions and words, and between plans and outcomes. Thus, they would be seen as fulfilling their respective commitments and obligations towards the construction of the integration edifice. But, it has been observed that implementation of regional integration agreements is generally weak at the national level as very few countries have established effective mechanisms to promote actions to this end.

Several reasons, including lack of capacity and resources at the national level, account for weak national commitments to and implementation of regional policies and strategies. But more significantly, the perception by member States that they are reaping unequal benefits from the integration arrangement or losing more in terms of revenue tend to create unequal levels of commitment to the process. Consequently, compensation measures to promote balanced gains and losses can enhance this commitment. It is one of the reasons why the European Union, for instance, created the structural funds to address polarization among its members.

Therefore, while rationalizing the institutional settings is important, it is equally essential to examine the interface between regional agreements and national policies because commitment and action at the national level are a sine-qua-non for successful integration in general. Measures to even out the costs and benefits of integration to member States can go a long way in enhancing this commitment and thereby boost the implementation of integration policies and programs at the national level.

The success of rationalization can also be enhanced if there is involvement of civil society and all stakeholders in the process. Unfortunately in Africa, the dialogue on integration has generally been monopolized by governments and their inter-governmental organizations, and although there is a recognition to involve the people in the process (e.g. the OAU June 2001 and 2002 meetings on civil society involvement in Africa's integration), the institutional machinery for making this possible is yet to fully evolve (e.g. the Pan-African Parliament), or at best it is very embryonic (e.g. sub-regional parliaments in few RECs such as ECOWAS, EAC and CEMAC). A genuine effort to make Africa's integration process more participatory and transparent can therefore be instrumental for a successful rationalization of the RECs because it will bring the people on board in the debate and decisions to implement it. For example, if there is a genuine popular support for a proposal to merge UEMOA and ECOWAS in the spirit of rationalization--because the public perceives it as a solution to removing obstacles for labor and other factor mobility across the entire West African sub-region-- this can facilitate its implementation.

Another important factor that can strengthen the outcome of rationalization is sustainable financing of RECs' activities in particular and the integration process in general. Financing integration is a subject slated for in-depth study subsequently. Nonetheless, it deserves to be raised as a key part of the range of issues that underpin the effectiveness of RECs, besides their rationalization.

V. STRUCTURE OF ARIA II

All the above issues provide central elements for designing a possible content of ARIA II. In light of these elements, ARIA II would consist of seven chapters an overview of each of which is presented below (*See Annex for the ARIA II Table of Content*).

Chapter One: Introduction and Overview

Chapter I will set the tone for ARIA II by situating the rationalization of RECs within the context of the imperative of Africa's integration and its major constraints and challenges, among which is the importance of ensuring cohesiveness of the efforts towards achieving the goal of the African Union. In this context, the chapter will highlight the main findings of ARIA I, including the unfolding process of the African Union, expected to make a decisive difference to the substance and pace of progress towards the goals of integration in Africa.

Flowing from this overview, the Chapter will conclude with an overview of the rationale and structure of ARIA II and highlight its main messages, findings, and conclusions. Against this background, Chapter One will consist of the following elements:

1. Imperatives of regional integration: overview

- ◆ Changes in global trading system
 - ◆ Raising the stakes for regional integration
 - ◆ Major constraints and challenges including rationalization
 - ◆ African Union as a response to the challenges (Constitutive act, shaping the future; Objectives and process; New dynamics (NEPAD, EPAs)
2. Rationale and Structure of ARJA II
 - ◆ Directives and decisions for RECs' rationalization
 - ◆ Chapters overview
 3. Key messages and conclusions
 - ◆ Synthesis of findings
 - ◆ Synthesis of Way Forward

Chapter Two – Africa's integration architecture: Theory and Reality

Chapter Two will first provide some theoretical perspectives about the institutional environment for effective integration, and thus provide some insights as to how institutions both influence and are influenced by the integration agenda and its surrounding actors and policies. In this context, the Chapter will describe the institutional forces and variables associated with a successful integration process, highlighting critical efficiency and effectiveness parameters from a theoretical standpoint.

Chapter Two will also help to clarify the nature of the institutional framework for Africa's integration from the legal perspective. A clear understanding of the legal status of the institutional settings is particularly important because currently, there seems to be some ambiguity as to whether or not the continental blueprints (the AEC Treaty and more recently the Constitutive Act of the African Union), supposed to represent the formal rules and policies for Africa's overall integration process, are credible legal frameworks of rights and obligations incumbent upon RECs and their member States. This is borne from the observation that, although expected to serve as the building blocks of the African Economic Community, and for the African Union as well, RECs show a great deal of independence in pursuing their integration agendas with no hard and fast rules binding them to the continental framework, and with no "supranational" authority providing oversight and enforcing compliance. There is, therefore, the perception that these continental blueprints for integration have served largely as loose frameworks for the process, and not as rule-based points of reference requiring strict compliance by all RECs and member states, and that they rely mainly on the "best endeavour efforts" of the participating countries.

Against this background, Chapter Two will comprise the following elements:

- I. Review of institutional theory in context of integration
 - (i) Organizational performance (effectiveness, efficiency, relevance)
 - (ii) Organizational capacity (structure, human resources, leadership, financial viability)
 - (iii) Institutional setting: Lessons from other groupings (EU, ASEAN etc)

2. The Legal Determinants of Africa's integration

- (i) The Blueprints (AEC Treaty, Constitutive Act: Legal mandates and interface between them
- (ii) RECs in Theory: Legal definitions
- (iii) Subsidiarity in AEC/AU context
- (iv) Legal mandate of protocol governing AEC/AU and RECs relationship
- (v) OAU Secretariat/AU Commission: Statutory mandates
- (vi) Norms on REC membership

3. Actual Institutional frameworks and membership

- (i) The AEC Treaty/Constitutive Act in reality
- (ii) What RECs are in practice (understanding their proliferation, formation background, how countries became members)

Chapter Three: The Case for Rationalization

RECs operating within the same sub-regional space basically pursue identical mandates and objectives, though there are a few variations in the modalities and tempo of operations. The situation appears to breed wasteful duplication of efforts. Against a backdrop of capacities and resources in limited supply, RECs overlaps are considered not germane for a rational and focused use of such resources. REC overlaps also multiply the hurdles towards Africa's integration because they tend to dissipate the collective focus on the common goal of the African Union. Multiple arrangements and institutions as well as overlapping membership in the same region tend to confuse integration goals and could lead to counter productive competition between countries and institutions. REC overlaps also entail added burdens for member States. A country belonging to two or more RECs would have to cope with varying meetings, policy decisions, instruments, procedures and schedules in addition to its multiple financial obligations. In the area of trade liberalization for instance, customs officials would have to deal with different tariff reduction rates, rules of origin, trade documentation, statistical nomenclatures and so on applicable to different RECs. In the process, customs procedures and paper work are amplified and, thus, run counter to the spirit of liberalizing the market in terms of trade facilitation and simplification.

Hence, RECs' coherence, efficiency and effectiveness as building blocs for Africa's integration and the AU necessitate rationalizing them so that the AU can be endowed with a renewed institutional basis characterized by a well defined set of building blocs as the central cornerstones for the continental integration process. It is contended that multiple, uncoordinated and poorly supported RECs will not be solid enough building blocs to create the much needed African Union

Against this backdrop, Chapter Three will demonstrate why rationalizing the RECs is an imperative choice for a successful regional integration in Africa. In this regard, the Chapter will make the case for rationalization and attempt to demonstrate the efficiency gains to be accrued to the RECs through the process. It is expected that in the final analysis, rationalization should result in accelerating progress towards the creation of single market spaces within each sub-region through streamlined and better-harmonized trade and other policy instruments.

In light of the foregoing, Chapter Three will consist of the following elements:

1. Definition of rationalization
2. Historical efforts towards rationalization
3. Variable geometry and rationalization
4. Unraveling the RECs' maze:
 - ◆ *Harmonization* (of the interlocking mandates)
 - ◆ *Efficiency* (in internal management, human and financial resources, and competitiveness)
 - ◆ *Effectiveness* (in achieving the ultimate AU goals and regional integration)
 - ◆ *Overlaps* (of the membership)
 - ◆ *Duplication* (of programs)
 - ◆ *Coordination* (of RECs operating in the same sub-region, and with the AU)
5. RECs' efforts to improve rationalization
 - ◆ Overview
 - ◆ Rationalization still a major challenge

Chapter Four – Missing consensus and actions at the national level

An important facet of RECs is their interface with member States. It is perceived to be weak and inadequate, and consequently, adversely affects the implementation of commonly agreed regional objectives and plans at the national level. Part of the inadequacies appears to stem from deficient national mechanisms for translating RECs' treaty obligations and commitments into national plans and budgets. There is also marginal involvement of the private sector and civil society in general in integration policy formulation and implementation. The creation of permanent platforms for communication and dialogue on integration matters should be a critical component of the integration process. RECs and their Governments have therefore a pivotal role to play in mobilizing the public or civil society at large for the integration agenda as they would do, in principle, in terms of national and regional policies. Among the main requirements are ensuring: permanent access to information by citizens/all stakeholders; diffusion of information by related structures; creation of national and regional forums for debate in addition to parliaments; popular consultations to formulate national and regional positions; and feedback, evaluation and accountability to citizens and stakeholders. The replicable potential of other models, such as the African Development Forum (ADF) concept, will also be assessed in this regard.

In light of the foregoing, Chapter Five will analyze the weaknesses at the national level in relation to how governments organize themselves to implement their regional agreements, including measures to involve the people in the integration process. In so doing, the chapter will address the following elements.

1. The institutional setup and management
2. Translation of REC goals into national plans and budgets, and national programming
3. Implementation of agreed programs
4. The legislative process for integration matters
5. Fulfillment of financial obligations to RECs
6. Cost and benefit of integration
7. Private sector relations
8. Civil society relations
9. Public sensitization

Chapter Five: Inadequacies of coordination at the continental level

The AU, as a new dispensation for Africa's integration, is expected to make a decisive difference to previous attempts. To this end, accelerated efforts are necessary to make visible inroads in achieving the objectives of Africa's integration in areas including free movement of people, goods, services and capital, trade, infrastructure linkages, macro-economic convergence and monetary cooperation (including measures to accelerate movement towards the use of single currencies, taking inspiration from the EU's landmark achievement embodied in the Euro). To this end, it is imperative to enhance coordination of actions on all these fronts. This implies that common agendas and implementation plans will have to be set under the leadership of the AU Commission so that the RECs can march in unison towards accomplishing the objectives of the AU. In so doing, it will be easier to build capacities and partnerships and secure financing within an integrated framework of goals, objectives, plans, and targets.

But presently, the coordination of Africa's integration at the continental level is not as effective as one would have expected. There are apparent weaknesses with the existing coordinating and monitoring capacity and instruments, including the joint OAU/ADB/ECA joint secretariat framework, contributing to slow progress in Africa's integration process. Part of the problem is fundamental and has to do with an apparent lack of clarity in the integration visions and schemes, overlapping mandates and institutions, thus making overall coordination extremely difficult and complex. This Chapter will therefore analyze these inadequacies according to the following elements with a view to proposing measures to improve the situation.

1. Protocol on relationship between AEC and RECs: constraints
2. Conflicts on visions and schemes
3. Ambiguity in the definition of building blocs
4. Coordination in the design of programmes
5. Coordination in the implementation of programmes
6. Experience of the Joint Secretariat

Chapter Six – General Framework of Rationalization

Emerging from the analysis of the various issues and constraints as well as the imperative for rationalization outlined from Chapter one to five, Chapter Six will then look to the future in terms of coming up with a different set of approaches towards materializing the long-standing concern for rationalizing the RECs and making them more effective instruments for successful integration in Africa. Indeed, the overarching principle under any of these options is the fact that the ultimate objective of Africa's integration is to create a continental common market, implying, therefore, that the building blocs need to fit neatly and rationally into a coherent integration

architecture. This implies among other things that a common vision shared by all and sundry will be a critical ingredient for successful rationalization and Africa's integration process in general.

With this in view, Chapter six will propose different scenarios for dealing with this important but seemingly sensitive subject of rationalization and thereby allow member States to make a choice that they will find acceptable to them.

The different options, already intimated earlier on in this concept paper, are recapped below:

Scenario 1 - Reconfiguration of RECs

1. Merger or consolidation of RECs (Options 5 +/- 1)
2. One country, one REC
3. Transitional arrangements

Scenario 2: Retention of variable geometry under a new paradigm

Rational distribution of activities among different RECs:

- ◆ Large RECs to concentrate on generally common regional issues
- ◆ Subsets of larger RECs to concentrate on more specific niches
- ◆ Adoption of identical instruments by RECs within the same sub-region
- ◆ Guidelines and principles to govern membership to more than one REC

Scenario 3 - Retention of status quo with greater coordination and harmonization

1. Maintain current RECs, but ban creation of additional RECs
2. Strengthen current coordination and harmonization efforts
3. Define a transition towards unification within each sub-region

Chapter seven – Strengthening the rationalization process at sub-regional, national and regional levels

As stated earlier on, rationalization of the RECs will itself not generate the desired impact on Africa's integration agenda unless supported by other important measures designed to strengthen RECs' efficiency and effectiveness, the capacity and readiness of member States to implement commonly agreed objectives and coordination and monitoring of actions at the continental level. Chapter seven will therefore represent the "icing of the cake" in terms of putting forward proposals to reinforce these other critical aspects of the integration agenda. Chapter seven will, thus, consist of the following elements:

1. Improving RECs' capacity to deliver

- ◆ Legal, human, financial, technical and management capacities (to advise and guide; to formulate policies; to benchmark; to assess; to partner; to report; and to enforce)
- ◆ Streamlining and standardizing REC statutory organs(number; overlaps; procedures and so on).

2. Improving consensus and actions at the national level

- ◆ National mechanisms for implementing agreed decisions (planning; budgeting; reporting by all players; setting targets; executing; amassing and cataloging data; evaluating performance; disseminating information and knowledge)
- ◆ Appointment of national coordinator(to catalyze implementation; organize and assemble inputs from all actors to decision making about regional integration at REC and national levels; and ensure conformity between RECs and national agencies)
- ◆ Dissemination of knowledge to stakeholders
- ◆ Eradication of illiteracy on regional integration (*Catalysts:* Government; Media)
- ◆ Creation of national forums for debate and negotiation on regional integration
- ◆ ADF as model for RECs and countries
- ◆ Enhancing the role of national and sub-regional parliaments
- ◆ Networking with civil society, private sector and other stakeholders

3. Improving continental coordination

- ◆ New protocol on AU/REC relationship
- ◆ Establishing a clear common vision and framework for convergence
- ◆ Clarifying understanding of joint responsibility and accountability
- ◆ Monitoring, evaluating and reporting
- ◆ Providing early warning of laxities

VI. METHODOLOGY

ARIA II would be carried out through desk research, drawing on ARIA I and documents and reports available in ECA. An important part of the work is field missions. The field research would include studying operations at the national level and how they interface with regional agreements. The missions will also make it possible to consult with RECs and selected member States to sample their opinions about the rationalization of the RECs and the different options proposed. There will also be questionnaires to facilitate the gathering of views and opinions on these matters and the preparation of the various chapters.

Given the topical importance of its theme, ARIA II is also an exercise in which other partners can have a collective interest. Therefore, as part of the methodology, a Steering Committee will be established in order to allow different partners and interested parties to provide intellectual inputs and bring on board their experiences, knowledge and information resources to bear on ARIA II, as well as to play an important role in the validation and peer review process, with a view to ensuring that the final report meets requisite quality standards. The Steering Committee members will consist of the ECA Sub-regional Offices, AU, Selected RECs (UMA, ECOWAS, COMESA, ECCAS and SADC), ADB, UNDP, and the World Bank.

In terms of time frame, in the context of TRID's work program for 2004-2005, ARIA II is expected to take about 12 months to complete (excluding final launching): **from January to December 2004**. Hence, work should begin presently to get consultants on board, organize field missions and probe, compile and organize relevant documents and data on each chapter.

especially with the help of the TRID research assistants, fellows and interns. Where feasible, data can also be obtained through the use of very simple questionnaire. Experience from ARIA I has shown that if the questionnaires are too elaborate, they reduce the chances of obtaining responses.

In light of the foregoing, the following work plan/targets are proposed:

(a) Work Plan/Targets

- ☐ Recruitment of consultants to team up with TRID staff, in particular the Regional Integration Policies and Institutions Thematic Management Team (TMT), on the basis of terms of reference already prepared or to be finalized (**December 2003**)
- ☐ First Steering Committee meeting (**February 2004**)
- ☐ Data collection missions to RECs and member States (**January/February 2004**)
- ☐ Compilation of data and information from RECs, institutions, websites, etc to be facilitated by TRID's research assistants, fellows and interns (**to be started now**)
- ☐ Finalization of all chapters (**October 2004**)
- ☐ ARIA II draft ready for internal peer review (**November 2004**)
- ☐ Internal Peer Review (**1st week of December 2004**)
- ☐ ARIA II draft ready for external peer review (**2nd week of December 2004**)
- ☐ External Peer review with RECs/AU (**3rd week of December 2004**)

(b) Tentative Mission Plan

Mission period:

January/February 2004

Purpose:

To sample views and opinions about the RECs' rationalization; consult RECs' on their programs and overlaps with other RECs; gather information on national mechanisms for coordinating and implementing regional agreements, as well as for involving civil society in integration and the rationalization process.

RECs to visit

All of them.

Target countries to consult: *

Sample of countries with integration ministries:

Nigeria, Ghana, Benin, South Africa, Niger, Burkina Faso.

Other countries to be visited

Zambia, Tanzania, South Africa, Morocco, Senegal

ARIA II

Table of Content

Chapter One - Introduction and Overview*Main issue*

Rationalization of RECs needs to be situated within the context of the imperative of Africa's integration, and its major constraints and challenges among which is the importance of ensuring cohesiveness of the efforts towards achieving the goal of the African Union

Elements

- 1.1 Imperatives of regional integration: overview
 - 1.1.2.Changes in global trading system
 - 1.1.3.Raising the stakes for regional integration
 - 1.1.4.Major constraints and challenges including rationalization
 - 1.1.5.African Union as a response to the challenges (Constitutive act. shaping the future; Objectives and process; New dynamics (NEPAD, EPAs)
- 1.2 Rationale and Structure of ARIA II
 - 1.2.1 Directives and decisions for RECs' rationalization
 - 1.2.2 Chapters overview
- 1.3. Key messages and conclusions
 - 1.3.1. Synthesis of findings
 - 1.3.2. Synthesis of Way Forward

Chapter Two – Africa's integration architecture: Theory and Reality*Main issue*

While there is a consensus about the importance of a clear vision and well defined institutional building blocs to achieve regional integration, the reality in Africa is that the integration process in general, and RECs' contribution to that process in particular, are hampered or obscured by (i) ambiguities and imprecisions about the legal frameworks for Africa's integration (ii) incoherence between continental blueprints and realities on the ground, and (iii) RECs show a great deal of independence in pursuing their integration agendas, and their treaties appear to take precedence over the continental blueprints in formulating and implementing policy, and (iv) no hard and fast rules bind RECs' integration agendas to the continental frameworks.

Elements

2.1. Review of institutional theory in context of integration

- 2.1.1. Organizational performance (effectiveness, efficiency, relevance)
- 2.1.2. Organizational capacity (structure, human resources, leadership, financial viability)
- 2.1.3. Institutional setting: Lessons from other groupings (EU, ASEAN etc)

2.2. The Legal Determinants of Africa's integration

- 2.2.1. The Blueprints (AEC Treaty, Constitutive Act: Legal mandates and interface between them)
- 2.2.2. RECs in Theory: Legal definitions
- 2.2.3. Subsidiarity in AEC/AU context
- 2.2.4. Legal mandate of protocol governing AEC/AU and RECs relationship
- 2.2.5. OAU Secretariat/AU Commission: Statutory mandates
- 2.2.6. Norms on REC membership

2.3. Actual Institutional frameworks and membership

- 2.3.1. The AEC Treaty/Constitutive Act in reality
- 2.3.2. What RECs are in practice (understanding their proliferation, formation background, how countries became members)

Chapter Three – The case for rationalization

Main issue

Some RECs have made considerable progress through such efforts as the establishment of joint task forces and committees and the conclusion of Memorandum of Understanding to coordinate and harmonize their activities. Nonetheless, effective coordination and harmonization still remains a major issue and challenge for forging a coherent integration process in Africa. Rationalization as a step beyond mere coordination and harmonization of activities offers perhaps the best hope for bringing the RECs more closely together, and thereby strengthen their efficiency and effectiveness in achieving collectively the vision of the African Union.

Elements

- 3.1. Definition of rationalization
- 3.2. Historical efforts towards rationalization
- 3.3. Variable geometry and rationalization
- 3.4. Unraveling the RECs' maze:
 - 3.4.1. Harmonization (of the interlocking mandates)
 - 3.4.2. Efficiency (in internal management, human and financial resources, and competitiveness)
 - 3.4.3. Effectiveness (in achieving the ultimate AU goals and regional integration)
 - 3.4.4. Overlaps (of the membership)

- 3.4.5. Duplication (of programs)
- 3.4.6. Coordination (of RECs operating in the same sub-region, and with the AU)
- 3.5. RECs' efforts to improve rationalization
 - 3.5.1. Overview
 - 3.5.2. Rationalization still a major challenge

Chapter Four – Missing consensus and actions at the national level

Main Issue

Lack of progress in integration in some spheres appears to stem in large part from inaction by member states and lack of consensus building at the national level. The inaction is reflected in: inadequate internalisation of agreed integration objectives at the national level; considerable delays in ratifying protocols, hampering timely implementation of decisions; and lack of broad-based support for integration at the national level, with civil society largely a spectator and integration issues little part of parliamentary discourse and debate.

Elements

- 4.1. Institutional setup and management
- 4.2. Translation of REC goals into national plans and budgets, and national programming
- 4.3. Implementation of agreed programmes
- 4.4. The legislative process for integration matters
- 4.5. Fulfillment of financial obligations to RECs
- 4.6. Cost and benefit of integration
- 4.7. Private sector relations
- 4.8. Civil society relations
- 4.9. Public sensitization

Chapter Five – Inadequacies of coordination at the continental level

Main issue:

Continental blueprints for integration have served largely as loose frameworks for the process, not as rule-based points of reference for implementing Africa's regional integration agenda, essential in enforcing standards and commitments to integration at all levels. A consequence of this apparent loose framework has been the lack of a rigorous coordinating mechanism to enforce a common African integration vision and track progress at all levels.

Elements

- 5.1. Protocol on relationship between AEC and RECs: constraints
- 5.2. Conflicts on visions and schemes
- 5.3. Ambiguity in the definition of building blocs
- 5.4. Coordination in the design of programs
- 5.5. Coordination in the implementation of programs
- 5.6. Experience of the Joint Secretariat

Chapter Six – General Framework of Rationalization

Main issue

Establishing a common vision and policy framework for all actors to follow is key to rationalization and the success of Africa's integration. Thus, there can be a common understanding, uniformity of actions and enhanced discipline to drive the integration process at national, sub-regional and continental levels. In this context, a number of principles to underscore the RECs' rationalization are imperative, and it is also important to address this sensitive issue by exploring different approaches.

Elements

6.1. Principles

- 6.1.1 Sharing the same vision through alignment with AU and NEPAD
- 6.1.2. Strengthening the efficiency of RECs
- 6.1.3. Ensuring geographical viability of the groupings
- 6.1.4. Broadening the economic and market space for investments
- 6.1.4. Taking into account transitional arrangements

6.2. Scenarios

6.2.1. Scenario 1 - Reconfiguration of RECs

- 6.2.1.1. Merger or consolidation of RECs (Options 5 +/- 1)
- 6.2.1.2. One country, one REC (Countries to make a choice)
- 6.2.1.3. Transitional arrangements

6.2.2. Scenario 2: Retention of variable geometry under a new paradigm

- 6.2.2.1. Rational distribution of activities among different RECs
 - 6.2.2.1.1. Large RECs to concentrate on generally common regional issues (e.g. trade liberalization, free movement of people, policy convergence, peace and security mechanisms and certain regional networks)
 - 6.2.2.1.2. Subsets of larger RECs to concentrate on more specific niches (e.g. IGAD on food security, IOC on fisheries, etc)
 - 6.2.2.1.3. Alternatively, adoption of identical instruments by RECs within the same sub-region, not least in trade, policy convergence, and free movement of people.
- 6.2.2.2. Guidelines and principles to govern membership to more than one REC

6.2.3. Scenario 3 Retention of status quo with greater coordination and harmonization

- 6.2.3.1. Maintain current RECs, but ban creation of additional RECs
- 6.2.3.2. Strengthen current coordination and harmonization efforts
- 6.2.3.3. Define a transition towards unification within each sub-region

Chapter seven – Strengthening the rationalization process at sub-regional, national and regional levels

Main issue

Rationalizing is an important but not a sufficient condition for the success of Africa's integration. Other measures should accompany the process in order to enhance its impact on integration. These would include measures to strengthen efforts and consensus building at the national level, improve RECs' capacities and enhance coordination at the continental level.

Elements

7.1. Improving RECs' capacity to deliver

- 7.1.1. Legal, human, financial, technical and management capacities (to advise and guide; to formulate policies; to benchmark; to assess; to partner; to report; and to enforce)
- 7.1.2. Streamlining and standardizing REC statutory organs(number; overlaps; procedures and so on).

7.2. Improving consensus and actions at the national level

- 7.2.1. National mechanisms for implementing agreed decisions (planning; budgeting; reporting by all players; setting targets; executing; amassing and cataloging data; evaluating performance; disseminating information and knowledge)
- 7.2.2. Appointment of national coordinator(to catalyze implementation; organize and assemble inputs from all actors to decision making about regional integration at REC and national levels; and ensure conformity between RECs and national agencies)
- 7.2.3. Dissemination of knowledge to stakeholders
- 7.2.4. Eradication of illiteracy on regional integration (*Catalysts:* Government; Media)
- 7.2.5. Creation of national forums for debate and negotiation on regional integration
- 7.2.6. ADF as model for RECs and countries
- 7.2.7. Enhancing the role of national and sub-regional parliaments
- 7.2.7. Networking with civil society, private sector and other stakeholders

7.3. Improving continental coordination

- 7.3.1. New protocol on AU/REC relationship
- 7.3.2. Establishing a clear common vision and framework for convergence
- 7.3.3. Clarifying understanding of joint responsibility and accountability
- 7.3.4. Monitoring, evaluating and reporting
- 7.3.5. Providing early warning of laxities