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POLICIES, PARTNERSHIP AND COOPERATION WITH OTHER
REGIONAL GROUPINGS WITHIN THE
CONTEXT OF THE ABUJA TREATY
SOUTHERN AFRICA

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I INTRODUCTION

1. Regional Cooperation and Economic Integration has become an indispensable stage in the development process spurred by the GATT/WTO paradigm of liberalization and globalization. However, past experience has shown that Regional Cooperation and Economic Integration is fraught with numerous constraints namely institutional, structural, economic, political and even socio-cultural coupled with technical difficulties in the preparation and implementation of regional projects as compared to national ones. Consequently, the results of Africa's integration efforts since independence have fallen short of expectation.

2. Within the context of the Abuja Treaty and on the basis of regional treaties establishing economic communities, the diversity of productive activities in African Countries or sub-region such as the Indian Ocean should have led to greater complementarity between sectors and the gradual integration of these sectors for a wide range of tradeable products. Unfortunately, this has not been the case. This situation cannot merely be attributed to the non-existence of community or regional regulatory and legal frameworks or the lack of political will, as some may assert. There have been many other contributing factors such as the low level of economic activities among African countries; the limited number of effective partnerships and viable joint ventures; the lack of coordination and consultation between existing partners at the level of implementation and monitoring organs; the lack of awareness of the benefits and impacts of regional cooperation and integration.

3. The protocol of the Abuja Treaty provides a continent-wide framework for rationalizing the activities of existing as well as new regional groupings or economic communities which are expected to serve as building blocks in the establishment of the future African Economic Community. Thus the implementation of this protocol should give a greater impetus to the efforts of consolidating regional cooperation while at the same time ensuing co-ordination and

coherence of programmes of the REC's¹. Towards this end, the ECA can play a catalytical role in promoting joint-ventures through preparation of project ideas and proposals that would bring value-added to primary products and develop effective partnership at country as well as regional level. Opportunities for such partnership or joint ventures possibilities exist in various sub-sectors, namely tourism, telecommunications, infrastructure, information technology, warehousing of staple products, oil refinery and maritime surveillance and mineral resources exploitation, to name but a few.

II THE INDIAN OCEAN COMMISSION: POLICIES AND PARTNERSHIP

4. The IOC groups 5 Island States of which 4 are ACP Countries and also members of the OAU, namely Comoros, Madagascar, Mauritius and Seychelles and one overseas territory, France/Reunion Island which is both a beneficiary and a provider of funds to the IOC.

5. We are thus in a privileged position to group Insular States that are also members of various other Regional Communities and Institutions such as the SADC, COMESA, Indian Ocean Rim/ARC², OAU, ECA and the African Development Bank. In this context, the IOC benefits from the ideas and policies floating in these regional groupings and at the same time is able to share its own experience on Island States whose specificities and uniqueness need not be underscored.

6. Therefore, in terms of approach, we have an "open door" policy of collaboration and cooperation with all other regional Groupings whether in terms of exchange of experience on regional projects and programmes implementation, or sharing of know-how in sectoral developments such as Tourism and Fishing. As a matter of fact, we believe cooperation should be on a thematic basis and by sectors depending on our common endowments, our comparative

¹ REC: Regional Economic Communities

² IOR/ARC: Indian Ocean Rim and Association for Regional Cooperation.

advantages, and on the interest and priorities of our member States. Thus, for the foreseeable future, we expect some form of collaboration with other groupings in our region in the following sectors:

- (a) Trade facilitation and liberalization;
- (b) Cooperation in financial services sectors;
- (c) Telecommunication and information technology;
- (d) Air transport and allied activities;
- (e) Cooperation among Port Authorities for facilitation and clearance of goods and services;
- (f) Environment and meteorology;
- (g) Agricultural and industrial cooperation in terms of food security, quality and norms; and
- (h) Maritime surveillance and monitoring and exploitation of living and non-living marine resources; the ocean being the major natural common endowment of our region.

7. Our policy, therefore, is to become the source of synergy for effective partnership among the various other regional groupings. To realize this goal, we make use of funds provided to us by the European Union, our major Donor under the 8th replenishment of the European Development Fund, and financial assistance from other sources namely, the World Bank, which is already financing "an oil-spill prevention project under the **GEF**³ to the tune of 3.3 million US\$ dollars. We also envisage cooperation in different sectors through cost sharing arrangements wherever possible. We have been able, over the past 15 years, to establish a network of experts in various fields and sectors of activities and we can tap this reservoir of human resources for effective partnership.

³ GEF: Global Environment Facility

8. As most of the IOC Countries are members of the ACP, OAU and ECA, it is our hope to collaborate in an intra-ACP Cooperation framework which does not yet exist, thus constituting a weakness for the ACP countries as a political, geographic and economic entity. It may be noted that the IOC has participated in the various preliminary meetings in Brussels prior to the setting up of the post-Lome IV Framework of negotiations. Towards this end, we believe that the think-tank of Africa, the ECA, has a crucial role to play in terms of: (a) diffusion of its research and findings; (b) exchange of knowledge and know-how through its programmes such as the SRDC by bringing together experts of the region to exchange views and to fine-tune policies and strategies aimed at accelerating regional cooperation and integration; (c) building the coherence and momentum needed at the national, regional and pan-African levels for successful regional cooperation and economic integration; and of course, (d) provide technical inputs for regional project identification, appraisal and implementation.

9. The IOC has recently published a white paper on its future in the next ten years. One of the major recommendations (apart from institutional strengthening or intra-island trade expansion, etc.) focusses on some non-economic issues such as the role of culture, the need for democratization and protection of human rights. These aspects also form part of the Agenda of the IOC which aims at bringing together people of our region who share the same history, culture and destiny. Therefore, our policy is to consolidate the emergence of an Indian Ocean Community and to enhance its role in the greater family of African nations. Without solidarity there is no partnership.

III NECESSARY CONDITIONS FOR EFFECTIVE PARTNERSHIP

A. Flexibility in approach and policies

10. In any of our regional groupings, there exists an uneven level of development among the member countries. In our region, for example, Madagascar and Comoros have different priorities as compared to Mauritius, Seychelles or Reunion Island due to differences in state of

development. Therefore, there is a need to redress imbalances that exist and provide a level playing field necessary and conducive to harmonious regional cooperation and integration.

11. The Question that arises is the following: Should we accept the concept of "variable geometry" which sees the merit of a group of countries proceeding at a faster pace within a Regional or Sub-regional grouping thus acting as a locomotive for slower member states? This flexible approach of a two or multiple speeds such as prevailing in present European Union, may prove beneficial provided it is not counter-productive to the integration process and does not lead to an orderly and inequitable distribution of costs and benefits of economic integration. We know that this approach is counter to the political decision of African Heads of States and Governments, especially at a time when the sub-regions are coming to grips with rationalization of the existing regional groupings. However, we feel that this should not a priori rule out the possibility of making dynamic adjustment to the Treaty that would be in accord with a "variable geometry" should they so decide. We wish to point out that the CBI⁴ initiative upholds this concept.

B. Stronger political will and actions

12. It is clear that the implementation of the Abuja Treaty will ultimately depend on the stronger political will of our Heads of States and Governments. Given the fact that the gains accruing from regional cooperation and integration to individual member States, and to the entire community remain uncertain, substantial effort will need to be undertaken to make the process of regional cooperation and integration more transparent. Towards this end, the IOC has played a catalytical role in the setting up of a "Regional Parliamentary Association" designed to inform our respective national parliaments of the advantages of regional cooperation and integration and dispel any fear about losing political authority or national sovereignty.

⁴ CBI: Cross-Border Investment

13. As a matter of fact, transfer of political authority in specified areas of economic policy is not a threat when legal and institutional framework are well harmonized. A case in point is the alignment of the COMESA rules of origin on the SADC for improving intra-regional trade. Similarly, sovereignty becomes flexible with the harmonization and convergency of macro-economic policies and the deepening of integration.

C. Avoid overlapping and prevent wastage of scarce or limited resources

14. To build effective partnership among regional groupings, partners should avoid duplication of activities and look for complementarity in their objectives, actions and goals. Because of multiple membership, overlappings are sometimes inevitable and, therefore, must be avoided through optimization of available resources.

15. Many regional groupings are encountering budgetary difficulties and cannot meet their intended objectives. Therefore, there is need for better rationalization of not only resources but also of the multiplicity or proliferation of regional organizations under the authority of a Regional Economic Community (REC).

D. Enabling Environment

16. In order to create an environment favourable to the implementation of the Abuja Treaty, a number of factors and conditions must be obviously met at the level of each REC, namely: the member States (and this applies to the IOC Countries as well) should take necessary steps to improve the management of national affairs at all levels through better economic management, a more active participation of the population in socio-economic and cultural development, the adoption of principles of good governance, democracy and human rights, and upgrading of the quality of human resources.

17. Conscious of the need for accelerated growth, most African economies have undergone major structural and sectoral adjustment programmes and reforms. As a result, these adjustments and reforms have led to convergence of macro-economic policies, less state controls and more private sector initiatives. These changes have definitely enhanced competitiveness of Regional Economic Communities in terms of attracting investment and new technology. However, much remains to be done in terms of identifying market niches in which African products are competitive. To further consolidate this improved environment, there is a need for substantial investment in human resources development and training and rapid technological advances to improve quality in order to be able to compete in the international market. ECA's assistance in the diffusion of new technologies will be needed to increase regional productive capacities in order to attain higher productivity levels.

IV THE EXPECTED ROLE OF THE ECA AND ITS ORGANS

18. The ECA's technical inputs in building effective partnerships are important and its actions should transcend boundaries as it is one of the continental instruments for achieving the objectives of the Abuja Treaty. It should work in close collaboration with African as well as foreign investors in order to play a catalytical role in promoting joint investments and business opportunities. For instance, the World Economic Forum, the Davos Group will soon be holding an Economic Summit in Southern Africa regrouping investors, economic operators and policymakers in order to explore new avenues for partnership. Similarly, in a few days, the Indian Ocean Rim Business Community will be meeting in Oman to explore new avenues for regional economic cooperation. Moreover, a number of bilateral trade agreements are already being implemented between countries within Regional Economic Communities such as the SADC, ECOWAS and the COMESA, thus providing additional momentum for business and partnerships. Therefore, the necessary dynamism has been triggered in the region for ECA's intervention in developing effective partnership not only among African entrepreneurs, but also between African and foreign investors.

V. CONCLUSION

19. Africa, of which our five Indian Ocean Islands is an integral part, cannot afford to be left out of the rapid changes that are sweeping the world. We can only restore our dignity by marshalling our own resources and pursuing those strategies that accelerate growth, redress imbalances, and reduce wide spread poverty.

20. Regional cooperation and economic integration is one of the means to reverse economic stagnation and achieve rapid growth and sustainable development. This reversal can only occur by improving economic efficiency through an increasing role of the private sector as an engine of growth. This, however, should in on way undermine the important role and efficiency of the Public Sector as a facilitator.

21. To conclude, I wish to point out that it is most unfortunate that regional cooperation and economic integration in Africa have stopped at the level of solemn declarations and signing of treaties. As you are aware, very little has been achieved beyond these declarations of principles and intentions.

22. It is, therefore, imperative that rapid advances be made in regional cooperation and economic integration through effective partnerships and concrete actions. This is because the global economic environment is changing rapidly in this direction. For Africa in general and the Indian Ocean Commission in particular, regional economic cooperation and integration is no longer a matter of choice but of absolute necessity.