

**African Regional and Sub-Regional Organizations – Assessing Their  
Contributions to Economic Integration and Conflict Management**

**WWICS and Partnership to Cut Hunger and Poverty in Africa  
Conference**

**(Washington, USA, April 10, 2008)**

**TALKING POINTS**

**ROLE OF  
REGIONAL/SUB-REGIONAL ORGANIZATIONS  
IN ECONOMIC DEVELOPMENT**

## **I. INTRODUCTION**

Since the independence, African leaders, in their quest for unity, political stability, social and economic development, have taken various initiatives to address the constraints to development imposed by the small size of African economies. Among these initiatives, they created the Organization of African Unity (OAU) in 1963 (which led to the later establishment of the African Union in 2001) and the African Development Bank (AfDB) as instruments for fostering development, economic and political integration of the continent (the establishment of the Economic Commission for Africa, UNECA or ECA, in 1958 by the United Nations also aimed to encourage economic cooperation among African states). This commitment was later reiterated in the Lagos Plan of Action in 1980 and, subsequently, in the Abuja Treaty of 1991 which envisions the ultimate creation of the African Economic Community.

As these objectives are inextricably interlinked, the main Regional and Sub-Regional organizations, in other words, the African Union (AU), the Economic Commission for Africa (UNECA or ECA) and the African Development Bank (AfDB) are closely working to achieve these objectives.

The desire to overcome the economic disadvantages of fragmentation gave rise to the establishment of a plethora of treaties and regional institutions, also known as Regional Economic Communities (RECs), whose overriding objective was the creation of self-reliant development of member states. Most of these RECs form the 'pillars' of the African Economic Community (AEC) and several of these pillars also contain subgroups with tighter customs and/or monetary unions of their own.

## **II. ASSESSMENT OF PROGRESS AND CONSTRAINTS TOWARDS REGIONAL INTEGRATION IN AFRICA**

### **2.1. Progress and performance**

However, track record shows that the integration process has been very slow and uneven, and the many efforts made by the Regional and Sub-Regional Organizations to promote intra-regional trade and policy coherence have only resulted in minimum level of integration and limited impact on economic growth. Unlike economic integration in other regions (e.g. European Union, NAFTA, ASEAN ...), regional integration in Africa has fall short of its goals because of the following main constraints impeding African Regional Economic Communities (RECs) to fully integrate into full-functioning constituencies.

### **2.2. Constraints**

The dismal outcome of Africa's initial efforts to integrate can be attributed to the several factors. The main factors include:

- Lack of political will to establish supranational institutions and to implement agreed treaties and mandates;
- Lack of democracy and regulatory, Endemic political instability, disrespect for the rule of law and good governance;

- Insufficient technical and analytical support and inadequate capacity and resources among countries and RECs to promote/enhance the integration process
- Lack of coherence and links among sectoral cooperation programmes and macroeconomic policies pursued by RECs;
- Overlapping regional economic community memberships;
- Inadequate mechanisms for equitable sharing of the costs and benefits of regional arrangements;
- Inability to mainstream integration objectives, plans and programmes into national development frameworks;
- Low integrated markets and participation in global trade;
- Severe Infrastructure Bottlenecks and low economic diversification;
- Rising poverty, increasing number of fragile States and Post-Conflict Countries.

### **2.3. Africa's Renewed Interest in Regional Integration: the launch of the NEPAD**

Notwithstanding the dismal outcome of Africa's efforts to integrate, African countries and regional institutions have shown renewed and keen interest in reinvigorating efforts to integrate their economies. Issues such as the escalating poverty levels, underdevelopment and the continued marginalization of Africa needed a new radical intervention, spearheaded by African leaders, to develop a new Vision that would guarantee Africa's Renewal. To address these current challenges facing the African continent, African leaders adopted in 2001 the New Partnership for Africa's Development (NEPAD).

## **III. BANK GROUP EXPERIENCE IN PROMOTING THE PROCESS OF REGIONAL INTEGRATION IN AFRICA**

### **• The Promotion Regional Integration and Cooperation**

The initiatives undertaken by the Bank in promoting economic growth and development in Africa gear at strengthening intra-African economic cooperation and regional integration and include, among others, collaboration with the AU and the ECA, financial support for integrate-enhancing studies and multinational projects, promotion of the creation of regional capacity building institutions.

### **• The Promotion of Regional infrastructure development and other areas of priority identified by NEPAD**

Infrastructural development has been one of the major areas of past Bank Group multinational interventions. These investments have included the development of energy supply and the air,

road and sea transport networks. However, these investments have not achieved a high degree of integration. The strategy for the future entails promoting, strengthening and expanding infrastructure development through regional co-operation in projects and programs. The AfDB is supporting in Africa's renewed interest in regional integration by preparing the NEPAD's comprehensive Short-Term Action Plan for regional infrastructure development and is currently finalizing the NEPAD Medium to Long-Term Strategic Framework. The Bank is also supporting other areas of priority identified by NEPAD, in agriculture, education, health and environment.

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- **The Promotion of regional trade and participation in global trade**

The Bank's renewed strategy for promoting regional integration process includes support for policy, legal and regulatory work around developing better trade opportunities for African economies in order to maximize on market access, including reducing barriers to trade and ensuring integration agenda's compatibility with external obligations (e.g. WTO and ACP-EU EPAs).

- **The assistance in Capacity Building**

In assisting on building the capacity of the RECs, the Bank collaborates with the AU, the UNECA, the World Bank, and other regional and international development agencies in implementing the mandate of the AU to rationalize and streamline the RECs; provides advisory and technical assistance support to RECs in harmonizing their macroeconomic, monetary and financial policies. The Bank Group is currently developing, jointly with the World Bank, a study on regional financial integration in Africa with the main objective to develop and promote sound regional financial markets.

Under the NEPAD Initiative, the Bank, through the Infrastructure Project Preparatory Facility (IPPF), also assists RECs and Regional Member Countries (RMCs) in preparing high quality and viable regional infrastructure projects and programmes in energy, trans-boundary water resource management, transportation and Information and Communication Technologies (ICT). The Bank also supports the G8 Capacity Building Initiative that was proposed by the G8 Germany Presidency in 2007 as part of initiatives to strengthen the capacity of RECs and African regional institutions.

## **5. The support to Fragile States and Post-Conflict Countries**

Fragile states and Post-Conflict countries continue to be a major impediment to the development of the continent. Almost half of all states in Africa, comprising more than half of the continent's population, are classified as fragile states by the Bank. The political and economic environment in these countries often adds further difficulties to the already complex task of promoting economic and social development. In recent years, the Bank has increased its interventions in favour of fragile states and post-conflict countries.

**Thank you**