



THE AFRICAN CAPACITY  
BUILDING FOUNDATION

ABOUT ACBF

The African Capacity Building Foundation (ACBF), continental Africa's premier capacity building institution, was established on 9 February 1991 as a response to the severity of Africa's capacity needs, and the challenge of investing in indigenous human capital and institutions in Sub-Saharan Africa. The current membership comprises the three sponsoring multilateral agencies—the African Development Bank (AfDB), the United Nations Development Programme (UNDP) and the World Bank—the International Monetary Fund (IMF), and 41 African and non-African countries and institutions.

The Foundation's mission is to build sustainable human and institutional capacity for growth, poverty reduction and good governance in Africa. It operates in the following six core competency areas:

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- Financial management and accountability
- Public administration and management
- National statistics and statistical systems
- National parliaments and parliamentary institutions
- Professionalization of the voices of the private sector and civil society

ACBF is also emerging as an internationally recognized knowledge-based organization encouraging the growth of knowledge economies in Africa. It promotes knowledge generation, sharing and dissemination activities through its knowledge networks and programs.

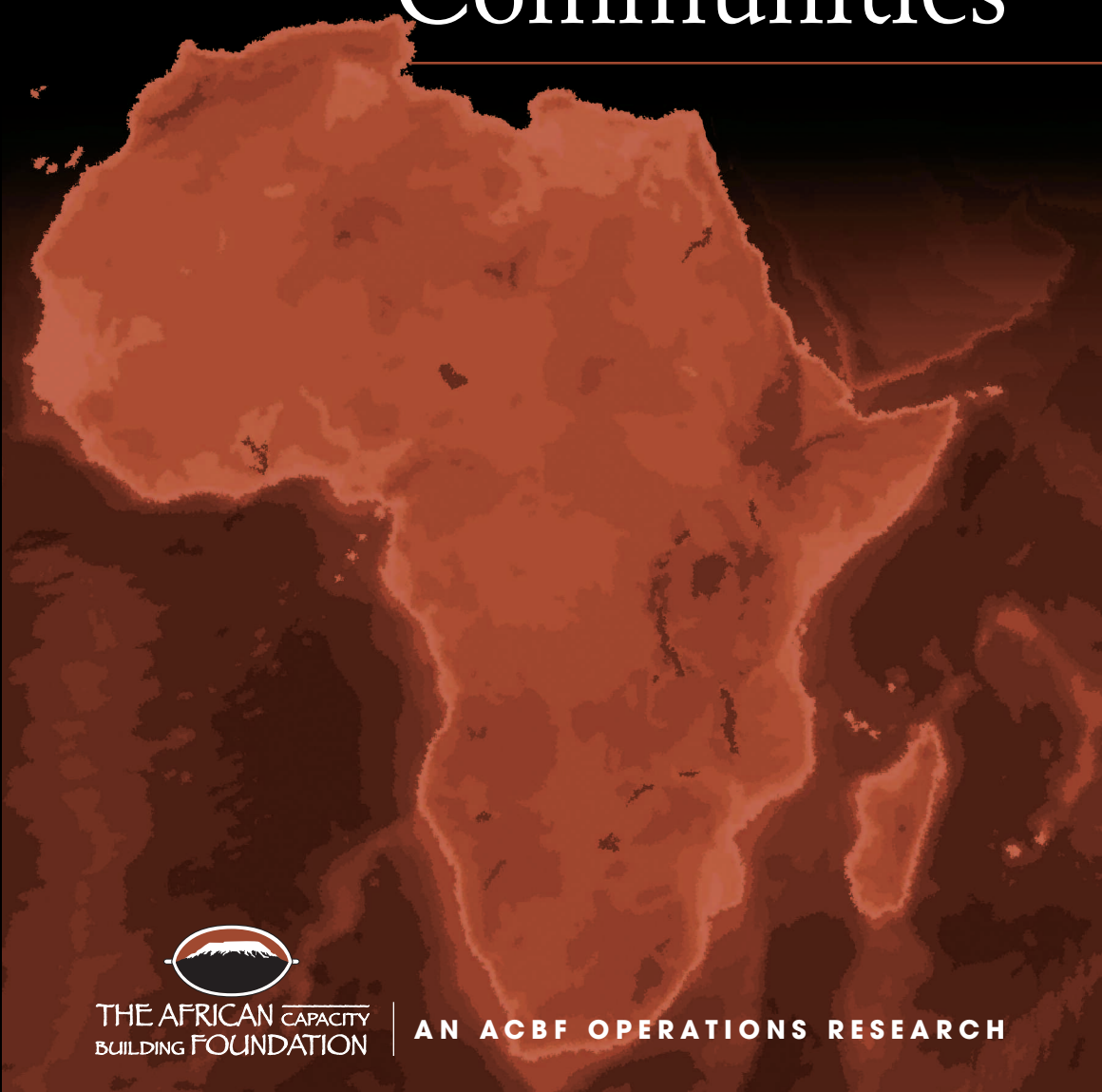


ACBF

A SURVEY OF THE CAPACITY NEEDS OF  
Africa's Regional Economic Communities

A SURVEY OF  
THE CAPACITY  
NEEDS OF

# Africa's Regional Economic Communities



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BUILDING FOUNDATION

AN ACBF OPERATIONS RESEARCH

A Survey of  
the Capacity Needs of

**Africa's  
Regional Economic  
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An ACBF Operations Research

AFRICAN CAPACITY BUILDING FOUNDATION

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# Contents

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<i>Preface</i>	vii
<i>List of Acronyms</i>	ix
Executive Summary	1
<b>Part 1 Synthesis of Findings</b>	
1 Context of Study: The Challenges of African Integration	19
2 An Overview of REC Performance on NEPAD STAP Projects	33
3 Review of NEPAD STAP Projects	39
4 Capacity Challenges in the Implementation of STAP	55
5 The Role of the African Union	65
6 Capacity Constraints and NEPAD	81
7 The Need for Clear Division of Labor or Mutual Understanding of Roles	87
8 The Gender Dimension	93
<b>Part 2 Report on Each Regional Economic Community</b>	
9 Survey of the Capacity Needs of the Communauté Economique et Monétaire des États de l’Afrique Centrale (CEMAC)	101
10 Survey of the Capacity Needs of the Community of Sahel-Saharan States (CEN-SAD)	131
11 Survey of the Capacity Needs of the Common Market for Eastern and Southern Africa (COMESA)	185
12 Survey of the Capacity Needs of the Eastern African Community (EAC)	201
13 Survey of the Capacity Needs of the Economic Community of Central African States (ECCAS)	255
14 Survey of the Capacity Needs of the Economic Community of West African States (ECOWAS)	273

vi Contents

<b>15</b>	Survey of the Capacity Needs of the Intergovernmental Authority on Development (IGAD)	285
<b>16</b>	Survey of the Capacity Needs of the Southern African Development Community (SADC)	299
<b>17</b>	Survey of the Capacity Needs of the Union Economique et Monétaire Ouest Africaine (UEMOA)	311
	<i>Appendix 1 Technical Notes: Toward an Action Plan</i>	347
	<i>Appendix 2 Technical Notes: Financial Management, Budgeting, Procurement, and Corporate Governance</i>	389
	<i>Appendix 3 Technical Notes: ICT and Knowledge Management Issues</i>	403
	<i>Appendix 4 Survey Instruments: Terms of Reference</i>	413
	<i>Appendix 5 Survey Instruments: Questionnaire</i>	421
	<i>Appendix 6 Draft Work Program</i>	427
	<i>Index</i>	429
	<i>About the Book</i>	438

# Preface

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This survey was conducted by a team of consultants led by Prof. Sam Olofin, a macroeconomist, Chair, ACBF Technical Advisory Panel and Network on Economic Policy Analysis and Management (EPANET) and Director, Centre for Allied and Econometric Research (CEAR), University of Ibadan, Nigeria. Other members of the team were: Dr. Sam Dine Sy, an institution-building specialist; Prof. Femi Fajana, a development economist and an expert in regional integration; Prof. Severine Rugumamu, a political scientist; Mr. Joseph Ndallahwa, a financial management specialist; and Mr. Bruce Mawarire, an information and communications technology specialist. Also on the team were two gender specialists: Dr. Elizabeth Amukugo and Mrs. Khady Fall Tall. The team visited all nine Regional Economic Communities—CEMAC, CEN-SAD, COMESA, EAC, ECCAS, ECOWAS, IGAD, SADC, and UEMOA. It met with ACBF, NEPAD, UNECA, AU Commission, AfDB, and the European Commission. The ACBF Knowledge Management Department coordinated the task.





# Acronyms

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ACBF	African Capacity Building Foundation
ACIE	Agence Comptable Inter-Etats
AfDB	African Development Bank
AU/OAU	African Union/Organization of African Unity
BAD	Banque Africaine de Développement
BCEAO	Banque Centrale des Etats de l’Afrique de l’Ouest
BEAC	Banque des Etats de l’Afrique Centrale
BIRD	Banque Mondiale
BOAD	Banque Ouest Africaine de Développement
CAR	Central African Republic
CEDEAO	Communauté Economique des Etats de l’Afrique de l’Ouest
CEEAC	Communauté Economique des Etats de l’Afrique Centrale
CEMAC	Communauté Economique et Monétaire des Etats de l’Afrique Centrale
CEN-SAD	Communauté des Etats Sahélo-Sahariens
CER	Communauté Economique Régionale
CET	Common External Tariff
COMESA	Common Market for Eastern and Southern Africa
COSCAP	Cooperative Development of Operational System and Continuing Airworthiness Program
DAE	Department of Economic Affairs
DAF	Department of Administration and Finance
DASAE	Department of Agriculture, Food Security and the Environment
DASEC	Department of Social Affairs, Education and Culture
DATC	Département de l’Aménagement du Territoire, des Transports et des Télécommunications
DCIET	Department of Trade, Industry, Energy and Tourism
DDRE	Département du Développement Rural et de l’Environnement

DDS	Département du Développement Social
DEMIAT	Département de l’Energie, des Mines, de l’Industrie, de l’Artisanat et du Tourisme
DFSCI	Département des Fonds Structurels et de la Coopération Internationale
DMC	Department of the Common Market
DPE	Département des Politiques Economiques
DPFDC	Département des Politiques Fiscales, Douanières et Commerciales
DTTC	Department of Transport, Telecommunications and Communication
EAC	East African Community
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EU	European Union
FAIR	Fonds d’Aide à l’Intégration Régionale
FED	Fonds Européen de Développement
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technologies
IGAD	Intergovernmental Authority on Development
MDGs	Millennium Development Goals
NEPAD	New Partnership for Africa’s Development
PACITR	Program Communautaire des Infrastructures et du Transport Routiers
PACT	Program d’Action à Court Terme—Infrastructures
PACT	Partnership for Capacity Building in Africa
PRSSA	Program Régional Spécial de Sécurité Alimentaire
REC	Regional Economic Communities
SADC	Southern African Development Community
SSATP	Sub-Saharan Africa Transport Program
STAP	NEPAD Infrastructure Short-Term Action Plan Projects
TCIR	Taxe Communautaire d’Intégration Régionale
TEC	Tarif Extérieur Commun
UDEAC	Union Douanière des Etats de l’Afrique Centrale
UEMOA	Union Economique et Monétaire Ouest Africaine
UMAC	Union Monétaire de l’Afrique Centrale
UMOA	Union Monétaire Ouest Africaine
UNDP	United Nations Development Program
UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Program
WAPP	West African Power Pool
ZMAO	Zone Monétaire de l’Afrique de l’Ouest

# Executive Summary

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## Introduction

Can anything good come out of the African Union (AU) and the Regional Economic Communities (RECs)? The answer, from the perspective of this study, is an unequivocal and resounding “Yes”—but only if we are willing and able to acknowledge our failings; to confront, rather than seek to circumvent them; and to make honest attempts at finding credible and lasting solutions to them.

Much as this may sound like a cryptic summary of this report, it is not intended to dramatize, but simply to draw attention to some of the realities we faced while carrying out the study. The realities are effects of unintended negative actions or inactions that have characterized the implementation of various post-independence development strategies in Africa. The pictures of starving and dying African children splashed across television screens around the globe may have become so familiar that they no longer shock anyone. Is this the inevitable lot of Africa then? Should our leaders also resign themselves to fate just as some of the victims of the many preventable human disasters in Africa often do?

There may appear to be no direct links between the decisions made in the Council of Ministers or Heads of State and Government of the African Union member states and the pictures of starving and dying African children. However, one aspect of the major challenges of African underdevelopment is to reduce the incidence of pervasive poverty. If these sad pictures move others to scramble to organize aid and concerts to raise funds or draw attention to the plight of Africa, they should have no less effect on African leaders at all levels. These leaders are the ones who should take the right decisions to prevent these avoidable human tragedies and put the continent on a path of sustainable growth and development. Such objectives, no doubt, underlie the transformation of the Organization of African Unity (OAU) into the AU and the emergence of the New Partnership for Africa’s Development (NEPAD) as a special program of the AU. Looking over the post-independence era, that is

## 2 *Executive Summary*

from the 1960s, the continent has never been short of such noble intents and goodwill. What has been lacking up until now is the willingness and ability to translate these intents and resolutions into concrete programs at all levels, followed by effective implementation to achieve desired results.

### **Institutional Constraints**

We embarked on this study, hoping to limit ourselves purely to identifying the physical and technical capacity constraints affecting the ability of the Regional Economic Communities (RECs) to implement NEPAD Short-Term Action Plan (STAP) projects and other related programs within their mandates. However, very early into the study, we discovered that the constraints to implementation were more than purely technical. Second, we noticed serious institutional constraints that could render any technical capacity enhancement exercise ineffective if not attended to. These institutional constraints and how they affect technical capacity form the focus of Part 1 of this report. In addition, we examined some cutting-edge issues that span all the RECs, with implications for their technical capacity to deliver their mandates and implement NEPAD projects.

We focused attention on three such key issues: gender, financial management, and information technology. Given the importance of gender concerns in capacity needs assessment, the subject is fully treated in Chapter 8. Owing to their technical nature, challenges of financial management and information technology in all the RECs are treated in the technical notes presented in Appendixes 2 and 3. Prior to these technical notes, we present a skeletal framework for developing an action plan to tackle the various capacity needs of the RECs. In Part 2 of the report, we present the capacity needs assessment of each of the RECs/Intergovernmental Organizations (IGOs) covered in the study in alphabetical order, with a chapter devoted to each REC. Owing to the participatory nature of the study, each REC had the freedom to identify its own capacity needs. As much as we based the study on a common design, we also asked similar questions of each. Yet, the answers we got and the degree of cooperation we received varied from one REC to another. Besides the Union du Maghreb Arabe (UMA), which the team was unable to visit due to logistical reasons, we worked with the facts supplied by each REC. This accounts largely for the differences in the chapters on the capacity needs of the RECs, as presented in Part 2 of this report.

We conclude in Part 1 that the RECs, IGOs, and AU member states need to demonstrate their commitment to the goals and objectives of the AU by going beyond diplomatic niceties and the symbolic gesture of inserting "AU" into their development plans and documents. They need to do more than merely add the so-called NEPAD projects to their list of projects

and programs. The member states, as constituent members of NEPAD, and the RECs must recognize the anomaly or imbalance in institutional structures and relationships arising from the reformation of the Organization of African Unity (OAU) to create the AU. To remove these anomalies, the RECs and other institutional arrangements that co-existed with the OAU must be streamlined as well. To expect the bilateral and multilateral institutional arrangements that were in place under the OAU to thrive under the AU arrangement is to, *ipso facto*, sentence the AU to a similar fate as befell the OAU.

### **Need for Rationalization**

In the course of our study, we discovered that both the AU and the RECs were already thinking of rationalization. The problems they must solve concern the inadequate coordination mechanisms, especially the Protocol on the Relations between the African Economic Community (AEC)/AU and the RECs. We hope the new protocol under development will lead to the emergence of a better working relationship anchored on the principles of subsidiarity and partnership. This partnership should make the RECs the building blocks of the AEC indeed, with the AU playing its role as Africa's premier continental integration organization.

This would necessitate amending the treaties and mandates of the RECs to reflect the supervisory and coordinating role of the AU. The 2006 Summit of the AU was expected to address once and for all the rather sensitive issue of rationalizing the RECs. The multiplicity and overlapping membership of the RECs has thus far made regional integration costly, inefficient, and ineffective. It is also complicating Africa's trade and economic relations with the rest of the world, as evident in the problem that the geographical configuration of Africa's regions is posing for the negotiation of Economic Partnership Agreements (EPAs) with the European Union (EU).

### **Gender Capacity Needs in RECs**

The following recommendations indicate the major areas of capacity needs requiring urgent attention in all of the RECs:

- All RECs should anchor their gender policies on international conventions, especially the Convention for the Elimination of all forms of Discrimination against Women (CEDAW). This is crucial because a comprehensive gender policy, coupled with adequate human and financial resources, would provide a much-desired framework to address all gender issues fully and meaningfully.
- For the gender policies of the RECs to have a real impact, they must be supported by relevant legal and constitutional instruments in all

## 4 *Executive Summary*

their member states. This would create uniformity in the way member states deal with gender issues within a particular REC.

- All RECs should ensure the existence and effective implementation of national gender policies in all member states.
- All RECs should embrace and adhere to the AU solemn declaration on gender equality in Africa.
- Given that NEPAD is an AU program and all RECs have the mandate to implement NEPAD-STAP projects, the AU should coordinate the implementation of its gender policy and ensure that the RECs adhere to the rules.
- Where a REC has no gender policy, it should seek help from the African Capacity Building Foundation (ACBF) to develop one. Generally, the ACBF would provide capacity-building support to the RECs.

### **Other Capacity Needs of the RECs**

As we will demonstrate in Part 2 of this report, we have tried to get each REC to list their capacity needs and identify gaps. Filling these gaps, however, may not make any difference in their performance on current STAP and future projects if the institutional constraints posed by lack of clarity on who should be doing what are not dealt with urgently. Physical or technical capacity constraints are critical. It would, however, be unrealistic to expect results if they are handled in isolation from, or without giving equal attention to, political and institutional constraints; coordination mechanisms; as well as the financial constraints dealt with in Part 1 of this report.

### **CEMAC**

Six countries (Cameroon, Congo, Gabon, Central African Republic [CAR], Chad, and Equatorial Guinea) instituted the Communauté Economique et Monétaire des Etats de l'Afrique Centrale (CEMAC) in 1994. The body comprises several institutions, including the Central African Economic Union (UEAC), the Central African Monetary Union (UMAC), the Community Parliament, the Court of Justice, and other specialized institutions, most of which are members of the UEAC. They launched their activities in June 1999 in fulfillment of the EU's objective, which was to be achieved at the conclusion of a three-stage process, with each stage lasting five years.

The core mission of CEMAC is to facilitate the harmonious development of the member states through the establishment of two unions: an economic union and a monetary union. CEMAC's main mandate is to formulate and implement the new regional economic and social integration strategy in Central Africa based on UDEAC's experience. In order to fulfill this mission, CEMAC has a total of 104 staff members, 50 of whom are high-level officials. The secretariat of CEMAC considers its level of understaffing to

be very high, estimating that it would need 150 staff in the short term, including 95 high-level officials, to carry out its activities efficiently.

After five years of existence, CEMAC's performance as a REC has been adjudged quite satisfactory. However, its weaknesses and shortages in analytical and project design capacity, as well as the gaps in its program implementation and management capacity, have affected its overall effectiveness. The existing political will, particularly the commitments to fund the community, does not compensate for these weaknesses and gaps. Ordinarily, it should have performed much better given the zone's wealth and the experience it has gained in regional cooperation and integration.

Alongside the Common Market for Eastern and Southern Africa (COMESA) and UEMOA, CEMAC is one of three communities with an essentially economic role. All the other RECs pursue a multiplicity of objectives, including economic integration, which lacks visibility. This is important in terms of selectivity when identifying the continent's economic integration and external aid strategy. A suitable capacity-building policy would position CEMAC as a major player in STAP and NEPAD. Ever since the adoption of the TCIR (Taxe communautaire d'intégration régionale), CEMAC has taken on the role of providing windows of opportunities by reducing transaction costs. This is the purpose of the work plan initiated in 1999 to pursue a free trade zone and a common market.

Nevertheless, CEMAC has a number of strengths. It is one of few RECs that devote all their resources to fulfilling the regional economic integration objective. Much like UEMOA, CEMAC is a unique attempt to adapt and institutionalize the European Monetary Union (EMU) concept outside Europe. The Executive Secretariat is beginning to benefit from the trust of some of its important external development partners. However, its technical and financial capacities have not yet attained a critical mass. A number of essential skills needed for conducting regional and continental projects have not been procured. The presence of women in high-level posts is as yet limited. The statutory bodies are functioning effectively, as evident in a progress report produced in 2005. The economic criteria are crucial to personnel and infrastructure management. CEMAC is making efforts to identify and address its weaknesses and threats.

With respect to its immediate and short-term needs, CEMAC organized its capacity building program goals into four components, namely:

- Build economic analysis, and policy and project design capacity.
- Build program implementation and management capacity.
- Build institutional and organizational capacity.
- Stimulate the commitment and political will of political authorities.

The budget presented to ACBF for this program is US\$760,000 for 2005–2006, of which US\$205,000 is for immediate needs.



## **CEN-SAD**

The Communauté des Etats Sahélo-Sahariens (CEN-SAD) came into being in 1999 with five founding member countries. To date, 17 others have since been admitted, making it the flagship of African RECs—one beyond linguistic, economic, geopolitical, and sociocultural cleavages. Its institutional organs include the Conference of the Heads of States and Government; the Executive Council; the General Secretariat; the Development Bank; and the Economic, Social and Cultural Council. The General Secretariat is based in Tripoli, and its operations are entirely supported by Libya. CEN-SAD deploys 10 key officials between its two directorates and about 60 officials constitute the bulk of the staff that carries out its regular activities in the three languages of the AU. This is far below its personnel needs of 160, including 30 high-level staff, as indicated in its organizational structure.

The CEN-SAD mandate is to establish between African member countries a knowledge-based economic union to face drought and aridity, two global threats with severe ecological, socio-economic, and political consequences for the circum-Saharan area. Other risks arise from the challenge to resources in the zone, which desertification threatens even in places with abundant water supply. All the current member countries are directly threatened by the desert, just like the three Sahel-Saharan countries—Algeria, Mauritania, and Ethiopia. But the most vulnerable victims of the desert encroachment—taking into account their development and their dependence on agriculture and agro-business—are other African countries that have not become members.

Since its creation, CEN-SAD has implemented a number of sectoral policies and programs, making it possible to create a common market. Several legal and political instruments have been designed for this, including the Mechanism for Prevention, Management and Resolution of Conflicts; Convention of Cooperation and Security; Convention of Cooperation on Transport and Transit; and Cooperation Agreement on Maritime Transport.

The economic programs focus on infrastructure, transport, mines, energy, telecommunications, social sector, agriculture, the environment, water, and animal health. To succeed in its objectives, the REC created the Special Funds for Solidarity and drafted the Free Trade Area Treaty.

The performance of the General Secretariat in the implementation of the CEN-SAD Treaty is quite satisfactory, given the exceptional challenges that compel the community to continuously innovate to retain its role as a prime mover in Africa's integration efforts. Libya's commitment to peace and security and its decision to provide the full basic running costs of the REC compensate for gaps in implementation of its policies and programs. Indeed, the authorities of the AU and the development partners of Africa

should identify more with the CEN-SAD and its revolutionary approach by providing additional resources to implement the vision of a Sahel-Saharan economic union, based on knowledge, competencies, and capacities. These additional resources will help the REC to initiate several integration projects and action plans, through the following instruments:

### **Immediate**

- Supply of short-term expert and consultancy services for infrastructure and energy action plans

### **Short-Term**

Setting up of:

- An Economic Analysis Think-Tank in the General Secretariat, with four high-level experts and a coordinator for a three-year period
- A Policy Management Unit for Infrastructure and Action Plan with a high-level co-ordinator and four sectoral experts in transport (land, sea, air), energy (water, electricity, gas), infrastructure networks and inter-connections, and information and communication technology (ITC)
- A Financial Partnerships Management and PPP Unit managed by an expert

### **Medium-Term**

Setting up of:

- Networks to rebuild Sahara Infrastructure and Resources Knowledge
- Cooperation and Linguistic Exchange Program with other RECs
- A digital library
- Programs to embed aptitudes and high-level expertise, such as outsourcing competence management, performance management, and attracting and retaining the most talented staff
- Extending these forms of support to other RECs (that is, ECOWAS, UEMOA, CEMAC, ECCAS, IGAD, and UMA) to facilitate the sharing of responsibility at the subregional level

The CEN-SAD identified measures to be taken in each one of these fields for submission to the ACBF and other development partners for support. The capacity-building program is estimated at US\$10,855,000.

## **COMESA**

The Common Market for Eastern and Southern Africa (COMESA), the successor to the Preferential Trade Area (PTA) for Eastern and Southern Africa,

## 8 *Executive Summary*

came into existence in 1994. Its current membership includes Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.

COMESA has designed and implemented a wide range of programs and activities in the areas of trade liberalization and facilitation, monetary integration, infrastructure development, information and communication technology, investment promotion, private sector development, peace and security, gender mainstreaming, and women in business.

Like other RECs, the COMESA Secretariat and its member states have a weak human and institutional capacity base. It is constrained by critical capacity gaps in effective project planning and implementation, coordination, resource mobilization, and project monitoring and evaluation. The Secretariat has an urgent need to recruit additional staff, provide continuous professional training and skills upgrading, provide adequate information and communication technology (ICT) infrastructure, and network effectively with other RECs on the continent.

Unlike most RECs, COMESA has a comprehensive gender policy, a gender policy and implementation plan, as well as a gender unit. However, it needs to secure adequate resources and upgrade the unit to a division for an effective monitoring of the implementation of gender policy in member states.

COMESA needs to enhance its networking relations with other RECs, member states, and civil society organizations in order to promote information exchanges, best practices, as well as deepen its integration with them. These networking arrangements should include people-to-people interactions, ICT exchanges, and research findings.

COMESA has a weak resource mobilization and utilization capacity. This shows clearly in the chronic prevalence of member states' arrears, heavy reliance on donor support, and poor coordination of resources. The need to fill this gap is very urgent. COMESA should emulate the Economic Community of West African States (ECOWAS) and the Economic Community of Central African States (ECCAS) by exploring alternative resource mobilization modalities to finance its projects and programs.

### **EAC**

The East African Community (EAC) has three partner states—Kenya, Tanzania, and Uganda. The Community was relaunched in 2001 after the dissolution of the previous Cooperation Treaty in 1977. Like its forerunner, the EAC has committed itself to cooperating in the priority areas of transport and communication, trade and industry, security, immigration, and the promotion of

investment in the region. These objectives are to be realized incrementally through a common market, the Monetary Union and, ultimately, through a political federation of the East African States.

The study found that the EAC has a relatively large gap between the institutional and human resources capacity available and the minimum required to execute its mandate. The current organizational chart of the EAC is spread too thinly to support the growing mandate of the organization. The Community has an urgent need to mobilize resources, hire the required personnel, ensure a purposeful gender balance, provide adequate funds for continuous professional training, ensure skills upgrading, acquire ICT equipment, and maintain regular professional networking activities.

The EAC needs to establish a culture of permanent learning. This includes mobilizing requisite capacities to facilitate knowledge production, dissemination, exchange and networking with similar RECs. Without systematized information, knowledge, and relevant competencies in development issues at national and regional levels, the EAC cannot exercise any serious influence on the socio-economic and political integration of the region.

The integration of East Africa demands the participation of all key stakeholders. The East Africans and their grassroots organizations must fully participate in all major decision-making. We recommend, therefore, that every effort be made to mobilize institutional capacities to promote grassroots participation in policy formulation, implementation, and evaluation. Popular participation will undoubtedly enhance accountability and citizens' ownership of the program.

Dynamic organizations set up an unambiguous organizational system that supports the effective implementation of their missions. The EAC's internal management systems are destitute. They are either poorly articulated or simply do not exist. The REC has an urgent need to find the right caliber of staff to institute comprehensive systems for ensuring information and financial management and control. Such systems are the objective yardsticks for performance management.

As would be expected from this organizational environment, the EAC has a weak foundation in resource mobilization, utilization, and management. These capacity gaps show in the chronic prevalence of member states' arrears, over-reliance on limited contributions from member states and donor resources, as well as poorly harmonized donor support systems. The EAC needs to enhance its internal capacities to devise innovative resource planning, mobilization, and utilization strategies.

## **ECCAS**

Established in 1983 within the framework of the AEC, ECCAS has the overall goal of creating a common market for Central African states. For well

over a decade, seven out of its eleven member states went through a period of military conflicts and civil strife. Between 1992 and 1997, ECCAS experienced economic decline, deteriorating social conditions, and political instability. Consequently, all efforts at regional cooperation and integration of that time came to a grinding halt.

In 1998, the Heads of State of ECCAS member countries relaunched the regional integration plan to provide the necessary dynamic to the regional integration efforts. They gave the ECCAS Secretariat a more focused mandate, which included seeking to develop physical, economic, and monetary integration of the subregion. Others were to enhance the region's capacity to maintain peace, security, and stability, as well as to develop its capacity for analysis, policy interventions, entrepreneurial initiatives, communication, and collective negotiation. The establishment of NEPAD gave ECCAS the additional mandate to implement NEPAD's program of action in Central Africa. Above all, ECCAS took on the additional responsibility of coordinating the subregion's strategies for achieving the Millenium Development Goals (MDGs).

But for ECCAS to remain relevant, its new mandate would require it to urgently redefine its mission and vision of development, integration, and poverty reduction at the regional level by clearly identifying what it wants to be in the future and how to get there.

ECCAS can be characterized not only as an organization operating in a region rife with military conflicts and social strife, but also one defined by very weak institutional and organizational capacity. Although established in 1983, ECCAS member states did not sign a free trade area agreement until 2004. Even then, the agreement was not likely to come into force until 2006. This indecision reflects the member states' lack of political will to surrender aspects of their respective national sovereignty to the supranational regional body, and in part reflects the inherent weakness and indecisiveness of states in conflict.

Therefore, ECCAS is characterized by the absence of comprehensive strategic plans, financial programming, and coherence in its annual regional plans. Not surprisingly, inter-regional trade stands only at around 2 percent of its total trade volume. By the same token, due to pervasive conflicts, ECCAS has failed to mobilize the necessary resources to execute its mandate. It is necessary, therefore, to make it fully operational so as to implement the Free Trade Area Agreement and embark on "quick-win regional projects" that will promote popular support for regional integration.

Despite donor-funded, capacity-building programs—some ongoing and some under development—ECCAS has yet to create the minimum organizational prerequisites necessary to implement regional integration projects. The Community lacks a critical mass of competent staff (both professional and support staff) to drive the regional integration plan. It is certain that the proposed NEPAD regional projects will further compound this manpower short-

age. The Community needs to build a formidable staff base in-house; provide the personnel with the necessary infrastructure, institutionalize professional training, and skills upgrading; promote research, knowledge sharing, and networking; and set up a performance-based management system.

In order to mobilize resources necessary for regional integration, ECCAS may consider setting up resource mobilization and recruiting consultants to explore and advise on fund raising modalities. ECCAS staff should allocate time to provide information on the ranking, sequencing, and costing of their capacity needs.

## **ECOWAS**

ECOWAS was established in 1975 with the primary objective of promoting cooperation and achieving market integration. ECOWAS has internalized NEPAD/AU programs and projects as the most appropriate instrument for the promotion of rapid and sustainable socio-economic development in the subregion. As a REC, its performance in project implementation has been satisfactory. However, the secretariat is hampered by a lack of supranational authority. Member states carry out the Community's programs, hence their political will and capacity are almost as critical, if not more critical, than as that of the Secretariat for the success of the projects, including those of the AU.

The ECOWAS Secretariat does not have the critical mass of staff or the minimum human capacity needed in both top management and professional levels to effectively run its programs or implement its growing mandate.

ECOWAS relies on donor support to recruit consultants to fill part of the human capacity gaps. It does not have well-developed databases of the expertise available in the region's universities, research institutions, and consultancy firms. There are no training programs to update the skills and increase the productivity of existing staff. The conditions of service are not conducive for the achievement of increased productivity and efficiency.

ECOWAS ICT infrastructure and databases are relatively underdeveloped. Its administrative and financial support systems have not been upgraded or modernized to meet the challenges of its expanded mandate for greater mobilization and more efficient management of resources. These bottlenecks have limited its capacity to absorb committed resources. This difficulty has led ECOWAS to establish a pool fund. The Community is also constrained by the inadequacy of equipment and fiscal facilities in the implementation of regional integration programs and projects.

In order to respond to their immediate and short-term capacity needs, the program should be organized in such a way as to:

- Build administrative and financial management and resource mobilization systems

- Establish a financial management reporting system
- Build effective mechanisms for the collection of ECOWAS funds, especially the Community levies
- Establish a strong and adequate staff analysis and strategic planning mechanism
- Set up a multidisciplinary division to prepare regional infrastructure project proposals
- Establish networks and databases of experts from the subregion's academic and research institutions in areas that are critical to the implementation of NEPAD/AU projects

## **IGAD**

The Intergovernmental Authority on Development (IGAD) has a membership of seven countries—Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, and Uganda. Its current mandates, as set out in article 7 of the Agreement Establishing the Authority, are to promote joint development strategies and the gradual harmonization of macroeconomic policies in the social, technological, and scientific fields. Others are to harmonize trade, customs, transport, communications, agricultural, and natural resources policies; promote programs and projects for sustainable development of natural resources and environmental protection; develop and improve a coordinated and complementary infrastructure, particularly in the area of transport and energy; and promote peace and security.

In pursuing rapid and sustainable development in the IGAD subregion, the REC has accorded high priority in its strategic plan to the implementation of NEPAD STAP projects in transport, energy, and telecommunications.

As in all the RECs previously considered here, a variety of human, institutional, physical, and financial capacity constraints hinder the implementation of the IGAD mandate, including its NEPAD STAP Priority Projects. These include:

- Shortage of professional staff with relevant skills and experience to implement programs and projects in all the key areas of its mandate. The Secretariat has only 22 professional staff members. Many programs in such key areas as health and HIV, education, tourism, accounting and auditing, political affairs, gender, legal affairs, project evaluation, and investment analysis currently have no qualified and experienced professional staff to manage them.
- Absence of a training and human development policy and program to upgrade the skills of existing staff.
- Inadequacy of knowledge base as reflected in the absence of a modern library that is well stocked with up-to-date books, periodicals, and journals.

- Absence of a well-staffed and equipped multidisciplinary division that can serve as a think-tank of the IGAD Secretariat for long-term strategic planning as well as for planning, coordinating, and monitoring programs and projects implementation.
- Heavy reliance on donor resources, which are often unpredictable, to fund programs and projects, and the absence of effective mechanisms and instruments for mobilizing resources from member states and donors, and for financing regional programs and projects.
- Weakness of IGAD focal points in member states, absence of an IGAD program for mobilizing and sensitizing stakeholders in member states to achieve IGAD's objectives, and the lack of a framework for stronger networking and sharing of experiences among stakeholders.
- Absence of video conferencing and intranet facilities to link the Secretariat with member states and other RECs, especially those with which IGAD has overlapping membership and mandate.

The capacity needs of IGAD that require urgent attention include:

- The recruitment of experts in the following areas: health, HIV/AIDS, and social development; industry and tourism; legal affairs; gender; accounting and audit; macroeconomics; political affairs (for the peace and security division); project evaluation and investment analysis; and resource mobilization
- The development of a training program for continuous upgrade of knowledge
- The establishment of a mechanism for job evaluation and monitoring of IGAD staff
- The establishment of IGAD offices in member states to mobilize support and monitor the implementation of IGAD programs and projects
- The creation of appropriate institutional frameworks for strategic planning; resource mobilization; and project preparation, analysis, monitoring, and evaluation
- The enhancement of IGAD's knowledge base
- The procurement of ICT equipment to network effectively with member states and other RECs

## **SADC**

The Southern African Development Community (SADC) program for organizational restructuring was approved by the Heads of States and Government of the region at the Extraordinary Summit held in 2001. The key features of the restructuring included:



- Centralization of program coordination and implementation within the Secretariat. Twenty-one sector coordinating units were grouped under four new Directorates.
- The establishment of SADC National Committees in the member states, comprising representatives from government, the private sector, and civil society.
- Preparation of a business plan for the Regional Indicative Strategic Development Plan (RISDP), which was supported by Gesellschaft für Technische Zusammenarbeit (GTZ), using “Think Tools” techniques, facilitated by Deloitte and Touche. The plan set out the activities to be undertaken based on timelines, targets to be achieved, and indications of costs.

Such plans positioned SADC as a major player in the implementation of NEPAD and STAP projects. SADC has taken steps to implement more of the 400 NEPAD/STAP/AU projects. The implementation of these projects, however, suffer from institutional and staff constraints.

The Secretariat does not enjoy sufficient decision-making powers or autonomy to operate effectively. Most decisions are tied to the political structure of SADC.

Coordination arrangements between the Secretariat and member country departments have not been clearly spelled out. Also, closely linked to issues raised under “institutional development” are the human resource challenges faced by the Secretariat. These include:

- Mismatch between available staffing, resources, and workloads in the technical functions
- Poor investment in staff development to enhance management capacities
- Lack of a dedicated system for financial management and reporting activities

In order to respond to the immediate needs and address the short-term challenges of NEPAD/AU projects, the SADC capacity needs program should focus on investing heavily in technical human resources. It should also prepare a plan of intervention for short-term experts. The supported skills would enhance managerial and technical capacities in such areas as:

- Project planning development and management
- Monitoring and evaluation
- ICP financing and reporting procedures

## UEMOA

In 1994, seven countries on the West Coast of Africa came together to form the Union Economique et Monétaire Ouest Africaine (UEMOA). The seven founding members were Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo. Its activities began in 1995, and the eighth member, Guinea Bissau, joined in 1997. The Union brings together several institutions such as the Commission, the Auditors Court, the Community Parliament, Court of Justice, and autonomous specialized agencies, among which are the Banque des Etats de l'Afrique Centrale (CEAO, the Central Bank of West African States) and the Banque Ouest Africaine de Développement (BOAD).

The Union's primary objectives are to unify their national economies; transform the Union into a growing market that is attractive to investors; strengthen member states' macroeconomic framework through harmonized economic policies, particularly budgetary policies and a stronger common currency. UEMOA's activities focus mainly on realizing the objectives of regional integration, economic governance, and the establishment of an open and competitive market. These objectives are the same as those of NEPAD. The managing, supervisory, and consultative bodies and the autonomous specialized institutions guarantee the separation of powers by drafting additional bills, drawing up regulations, establishing guidelines, taking decisions, and setting forth their recommendations.

UEMOA's staff complement stands at 236, 19 of whom are members of the different bodies while the remaining 217 are civil servants. The senior and middle managerial staff account for 91 and 52 staff, respectively. Nevertheless, there is still a clear shortage in skills and quantity of staff. It has been estimated that the Union required 300 highly skilled staff to have a full complement that would perform optimally on all program activities. It means that with the 236 already on the nominal roll, 56 additional staff are still needed.

UEMOA's performance as a REC is "more than satisfactory." Its performance falls below an excellent rating because of capacity gaps, especially in program analysis and design. But, compared with other RECs, the Union's performance is quite satisfactory and all the more remarkable because it brings together several countries classified among the poorest in the world. These are countries experiencing deep poverty due to unfavorable economic conditions, under-exploitation of natural resources, and poor infrastructure. However, their capacity gaps were filled through solidarity among member states, which promotes integration.

UEMOA is clearly moving toward becoming a service provider as a result of low transaction costs. This is the objective of the Prélèvement Communautaire de Solidarité, (PCS, Community Solidarity Tax) and the Re-

gional Economic Program (PER) and constitutes a rationale for scaling-up UEMOA. In fact, along with COMESA and CEMAC, UEMOA is one of the three communities whose major goal is economic. However, it faces certain difficulties in positioning itself as a fully fledged REC, given the pre-eminence of ECOWAS. The Union still has other weaknesses to address in order to rise above its current challenges.

The steps it has taken to modernize its management include replacing its obsolete computer systems, setting up financial and organizational audits, recruiting high-skilled staff to fill the gap in strategic areas, and increasing staff remuneration.

In response to its capacity-building needs, UEMOA structures its program into immediate-, short-, and medium-term needs. In each of these areas, it identifies the actions to take to strengthen itself and submits them to the development partners, including the ACBF, for assistance. Some of the key areas are:

- Capacity building in economic analysis and in project policy and design
- Capacity building for program implementation and management
- Institutional and organizational capacity building
- Promoting greater commitment and political will among leaders for regional integration, NEPAD, and PACT

## **PART 1**

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# Synthesis of Findings



# 1

## Context of the Study: The Challenges of African Integration

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### 1.1 Introduction

Can anything good come out of the African Union (AU) and the Regional Economic Communities (RECs)? The answer, from the perspective of this study, is an unequivocal and resounding “yes”—but only if we are willing and able to acknowledge our failings; confront, rather than seek to circumvent them; and make honest attempts at finding credible and lasting solutions to them.

Much as the preceding may sound like a cryptic summary of this report, it is not intended to dramatize, but simply to draw attention to some of the realities we faced while carrying out the study. The realities are effects of unintended negative actions or inactions that have characterized the implementation of various post-independence development strategies in Africa. The pictures of starving and dying African children splashed across television screens around the globe may have become so familiar that they no longer shock anyone. Is this the inevitable lot of Africa, then? Should our leaders also resign themselves to fate just as some of the victims of the many preventable human disasters in Africa often do?

There may appear to be no direct links between the decisions made in the Council of Ministers or Heads of State and Government of the AU member states and the pictures of starving and dying African children. However, part of the major challenges of African underdevelopment is to reduce the incidence of pervasive poverty. If these sad pictures move others to scramble to organize aid and concerts to raise funds or draw attention to the plight of Africa, they should have no less effect on African leaders at all levels. They are the ones who should take the right decisions to prevent these avoidable human tragedies and put the continent on a path of sustainable growth and development. Such objectives, no doubt, underlie the transformation of the Organization of African Unity (OAU) into the AU, and the emergence of the New Partnership for Africa’s Development

(NEPAD) as a special program of the AU. Looking over the post-independence era, that is, from the 1960s, the continent has never been short of such noble intents and goodwill. What has been lacking up until now is the willingness and ability to translate these intents and resolutions into concrete programs at all levels, followed by effective implementation to achieve desired results.

We embarked on this study, hoping to limit ourselves purely to identifying the physical and technical capacity constraints affecting the RECs' ability to implement NEPAD STAP (short-term action plans) projects and other related programs within their mandates. However, very early into the study, we discovered that the constraints to implementation were more than purely technical. Second, we noticed serious institutional constraints that could render any technical capacity enhancement exercise ineffective if not attended to. These institutional constraints and how they affect technical capacity form the focus of Part 1 of this report. In addition, we looked at some cutting-edge issues that span all the RECs, with implications for their technical capacity to deliver their mandates and implement NEPAD projects.

We focused attention on three of such key issues, namely, gender, financial management, and information communication and technology (ICT). Given the importance of gender concerns in capacity needs assessment, the subject is fully treated in Chapter 8. Owing to their technical nature, challenges of financial management and ICT in all the RECs are treated in the technical notes presented in Appendixes 2 and 3. Prior to these technical notes, we present a skeletal framework for developing an action plan to tackle the various capacity needs of the RECs. In Part 2 of the report, we present the capacity needs assessment of each of the RECs/Intergovernmental Organizations (IGO) covered in the study in an alphabetical order, with a chapter devoted to each REC. Owing to the participatory nature of the study, each REC had the freedom to identify its own capacity needs. As much as we based the study on a common design, we also asked similar questions. Yet the answers we got and the degree of cooperation we received varied from one REC to another. Besides the Union du Maghreb Arabe (UMA), which the team could not visit due to logistics reasons, we worked with the facts supplied by each REC. This accounts largely for the differences in the chapters on the capacity needs of the RECs, as presented in Part 2 of the report.

## **1.2 Competing or Complementing Institutions and Programs?**

The general perception everywhere is that NEPAD is an offshoot of the AU. On the ground and operationally, however, they are perceived to be tending

more and more toward becoming parallel outfits with competing programs. From our findings at the NEPAD Secretariat, this may be more an issue of wrong perception than a reflection of the policy objective being pursued either by the AU Commission or the NEPAD Secretariat. However, as long as this wrong perception persists, it poses a danger to the effectiveness of the AU and its special program, NEPAD. It has serious implications for the viability and credibility of the institutions of the AU and its programs. In particular, development partners who have been much enthused by the launching of the NEPAD program as a highly promising homegrown initiative would want this ambiguity cleared. They consider it an urgent problem to be solved to prevent the current strong optimism degenerating into the old cynicism that plagued most African development initiatives in the past.

While NEPAD remains a program of the AU in conception, this relationship should be made clear particularly to their intended beneficiaries such as the RECs and member countries. There should be clearer definition and delineation of roles, as well as the working and reporting relationships. The unintended but perceived competition between the two may also hurt the efforts to mobilize resources from internal sources, such as from member countries, or from the international cooperating partners (ICPs).

If the NEPAD is to operate as an organization that derives its authority from the Council of Heads of State and Governments, a clear division of labor that avoids the real or perceived duplication of mandates and efforts must be established between it and the AU. Otherwise, ways must be found to ensure that NEPAD becomes what it is intended to be: a strategic program of the AU. There ought to be no basis for any rivalry and wrangling between the AU, the African Development Bank (AfDB), the Economic Commission for Africa (ECA), and the African Capacity Building Foundation (ACBF). These institutions derive their mandates from different policy organs. Even though the core mandates of the AU, AfDB, and ACBF overlap, they are significantly different and should be mutually reinforcing.

The relationship that we discovered to be creating a little bit of a problem is that between the UN Economic Commission for Africa (ECA) and the AU. The AU does not want to be seen as a mere political organization, as was the case under the OAU, but also as an institution with the capacity to deliver on the economic integration and development component of its mandate. The thinking in the AU appears to be that the ECA is a United Nations institution in the service of Africa that derives its resources and mandate from the UN, and whose role should support and not rival that of the AU. In this regard, it is often argued that it is the European Union Commission and not the UN Economic Commission for Europe that is the driving force behind European economic integration. What we need, therefore, are an effective coordination and cooperation mechanism and platform that would permit synergies and



avoid duplication of effort without necessarily requiring a formal division of labor between them.

### **1.3 Relating Capacity Needs to Clearly Defined Roles**

One of the greatest challenges we faced in conducting the study was finding an appropriate reference point for determining capacity needs of each REC. The NEPAD STAP projects, as well as projects deriving from their mandates, were meant to serve as reference points. But, as it turned out, these issues are beclouded by uncertainties and ambiguities, as the RECs try to grapple with the complexities of new institutional relationships and relating new mandates to the old. Consequently the temptation was for capacity needs assessment to simply become an open-ended wish list. The ambiguities arising from the wrong perception of the relationship between the NEPAD and the AU extend to other regional organizations such as the UN's ECA, the AfDB, the ACBF, and the RECs themselves, which have overlapping membership subscriptions from member states.

There is a sense in which the seeming chaos on role and relationship definition may appear as the inevitable outcome of the recent transformation of the OAU, and the implications this must have for existing institutions. We chose to adopt a positive assessment of the situation, and argue that these ambiguities are temporary transitional phenomena. However, the longer they remain, the more they are likely to become real rivalries. Such rivalries could then degenerate into major energy-dissipating bureaucratic squabbles capable of harming the RECs' ability to handle their programs. This relationship problem needs immediate sorting out because of the serious implications it has for the formulation and implementation of development programs for the AU, the RECs, and member states. They also have serious implications for other partner regional institutions and the donor community (the development partners). Most certainly, the development partners would not like to have any difficulty in identifying which to do business with in the pursuit of the agreed goals and objectives of the AU.

There is also an urgent need to clearly define the authority system in relation to member states and heads of government and in assigning roles and responsibilities critical to effective resource mobilization and program implementation. The more these conflicting mandates, definitions, and delineation of roles are clearly sorted out, the more meaningful and feasible it would be for the RECs to objectively determine their capacity needs and gaps. Capacity needs must be defined in relation to roles and functions mutually agreed upon by the various stakeholders involved in the empowerment of the RECs.

### **1.4 The AU and the RECs: Some Burning Questions**

The RECs have been appropriately identified as assets in the walk toward

African integration, and as building blocks for the AU and its special programs such as the NEPAD. However, again at the level of perception by various stakeholders, the fact that they predate the AU seems to pose its own challenges. In view of the ultimate goal of continental integration, some people wonder if the RECs should be considered stepping stones to the realization of African integration. If so, should they then be viewed as temporary institutions that would pave the way for, and ultimately give way to, the AU? How much of investment effort should be directed at building their capacities beyond investment for short-term purposes? To what extent should the capacities existing in them be duplicated at the AU level? If they must exist side by side with the AU, how can their roles, mandates, and capacity needs be made to complement those of the AU?

From the perspective of our study, we do not see the RECs as posing any threat to the progressive attainment of continental integration. Rather, the challenge they pose would continue to be that of redefining their roles and mandates as the movement toward regional integration intensifies. This redefinition of roles would be required as often as it is found necessary to enable them to adapt to and enhance regional integration. If such required reforms and dynamic adjustments are neglected or feebly implemented, the side-by-side existence of the RECs with the overall regional integration effort could then of course slow down the latter.

Perhaps more challenging are the complications arising from the overlapping memberships of the RECs. The RECs exacerbate this by continuing to entertain fresh applications from prospective new members who sometimes already belong to two or more other RECs. One way out of these interlocking memberships is to modify mandates and adapt to the new roles created within the framework.

These are just a few of the challenging realities that we encountered during our study. The various stakeholders in the African integration project must be committed to finding lasting solutions to them if regional integration is not to be hampered by these regional interests and sometimes conflicting mandates.

### **1.5 Seemingly Conflicting Mandates from Common Legal Entities**

In addition to these complex interrelationships, most actors in the RECs and member countries that translate given mandates into implementable programs are baffled by another major concern. This is the poor streamlining of mandates and the legal framework from which the RECs derive their authority. At the moment, efforts to ensure that mandates given in one forum recognize and do not run counter to similar mandates given in other contexts to RECs and IGOs are inadequate. In addition, it would appear that the legitimacy and authority of some RECs are tied to particular indi-

viduals and personalities, and whatever informal relationships may exist among them at any time. This has often resulted in crisis of confidence and legitimacy, especially where operators in two or more institutions find themselves pursuing seemingly conflicting goals and objectives deriving from different mandates. This is especially true of situations where such institutions derive their authority and legitimacy from resolutions that can be traced to the same Council of Ministers or Heads of State meeting at different forums. The problem of deciding which mandate is superior to, or should supersede, the other(s) sometimes becomes quite difficult to manage, especially in situations where RECs have overlapping memberships.

There are also problems associated with old colonial loyalties and inclinations and, sometimes, subtle rivalries at the secretariats of the various RECs. A typical example is the rivalry between the anglophone and the francophone countries at various commissions and committees. There is, however, also a healthy side to these rivalries. A good example of this is the competitive response to the NEPAD initiative by various institutions desiring to be relevant in contributing to the realization of its programs. This can be properly managed through effective coordination to avoid or minimize the duplication of efforts that could easily hamper effective mobilization and deployment of resources. There is a need to create synergies in place of rivalries, and properly harness the potentials of the new enthusiasm being generated by the NEPAD initiative, for effective formulation and implementation of development programs.

## **1.6 Evidence of Informal Collaboration**

The existing situation does not portray a completely bleak picture. In the course of our study, we found pockets of initiatives aimed at building synergies between competing or complementary institutions. Some examples of such good initiatives are available in the UN organizations and agencies. Operating under the umbrella of a UN coordinating agency, all UN agencies in Africa coordinate their efforts to achieve the NEPAD goals and objectives. This, however, is limited to only the UN agencies that by themselves have little or no direct political or economic advantage over member states or the RECs and IGOs. While each of the major regional organizations, particularly the AfDB and the ECA, have major commitments to the realization of the AU goals and objectives, whatever cooperation or coordination that may exist between them is purely at the level of individual professionals working through project committees to circumvent institutional and bureaucratic wrangling.

The water and ICT committees offer us a good example here in that professionals from different institutions are collaborating on them to find out areas where they could build synergies to achieve the regional or sub-

regional projects of RECs. Since there are no formal or institutional backings for these initiatives, they are often limited in scope and sustained by the goodwill of the collaborating professionals involved. The implication of this for institutional rivalries is that, at the professional personnel level where the capacity for project and program implementation resides, they would readily cooperate to build synergies. This cooperation would be further enhanced if these informal arrangements were formalized into concrete institutional collaborative arrangements.

### 1.7 What Lessons from the Past?

Most of Africa's development partners see the emergence of NEPAD and the AU as a demonstration of their new resolve to own Africa's problems. The attitude hitherto appeared to be that of total dependence in which all problems were blamed on the colonial past. The initiative and responsibility for solutions were left solely in the hands of former metropolitan countries, the multilateral and bilateral agencies, and NGOs working in concert with them as their field representatives. If there were African initiatives, they certainly were not perceived as owned by Africans. Some of these past initiatives included the following:

- Revised Framework of Principles for the Implementation of the New International Economic Order in Africa, prepared by the UN Economic Commission for Africa (ECA) in 1975–1977
- The 1979 Monrovia Strategy
- Lagos Plan of Action and the Final Act of Lagos 1980
- The African Alternative Framework to the Structural Adjustment Program for Socio-Economic Recovery and Transformation (AAF-SAP)
- The African Charter for Popular Participation (ACPP), Arusha 1990
- Conference on Security, Development and Cooperation in Africa (CSSDCA)
- The 20/20 Initiative
- The AEC Treaty

Some of these did not go beyond being mere declarations with little concrete results to show.

While there may be several explanations for the failure of these earlier initiatives, the most glaring one perhaps was that the platform for implementing most of them, the OAU, had built-in flaws. It was rightly or wrongly perceived as a talking workshop for passing resolutions that were hardly binding on member states. One major reason for this has since become quite clear, given the benefit of hindsight. This is the clause of non-interference in the affairs of member states. It easily became an alibi for ren-

dering inoperable any collective decision considered to be at variance with the interest of some member states. In principle, the OAU was to promote African unity, but in practice it was no more than a collection of independent states that jealously and fiercely guarded their presumed autonomy. The OAU, therefore, hardly provided the platform for pursuing any serious regional agenda.

This assessment of the OAU may be considered a little harsh, if one takes into account the limitations imposed by its original mandate, and the severe resource constraints (both human and financial) under which it had to operate. The primary goal the founding fathers set for the organization in 1963 was to rid Africa of colonialism and achieve a measure of political unity. It succeeded largely in this objective. The attainment of rapid socio-economic development through the promotion of regional integration was a later addition to its original mandate. It is in this regard that it may be right to rate its performance as below expectation. But the failure was because both the structures and resource base of the organization were not altered enough to reflect the expansion of its mandate.

The transformation of the OAU into the AU was to ensure that the new framework serves not only as a political organization but also as an effective instrument for attaining rapid and sustainable socio-economic development through the promotion of regional integration. The structures and organs of the AU are being developed or reshaped for this purpose even though little progress has been made to endow it with the necessary resources to implement the mandate. Thus, the capacity of the AU as a foremost organization for promoting African integration needs to be strengthened in this regard.

In the relaunching of the OAU in 2002 in the new garb of the AU, the unduly limiting clause of noninterference in the affairs of member states gave way to a healthier recognition of interdependence. Perhaps it is worth mentioning that unlike the OAU Charter, which entrenched noninterference in the internal affairs of member states, article 4 of the AU Constitutive Act provides for “the right of the Union to intervene in a member state pursuant to a decision of the Assembly in respect of grave circumstances, namely: war crimes, genocide and crimes against humanity.” Thus provision was made for exercising a collective will to create a regional platform, which, while recognizing individual country sovereignty, also allows for the identification and pursuit of some common goals. It is acknowledged that the pursuit of such goals may sometimes supersede or be made exclusive of individual country interests. It has also been recognized that what is required for the AU to serve as an effective instrument for the promotion of socio-economic and political development in Africa is the willingness of the member states to surrender part of their sovereignty to the organization and the RECs, which are the states’ building blocks, and to endow them with adequate resources to deliver their mandates. A strong manifestation of this

newly discovered collective will is in the execution of the African Peer Review Mechanism (APRM). To date, this has been the most visible and perhaps the most practical demonstration of the newly discovered collective resolve of African heads of state, not only to own Africa's problems, but also to seek lasting solutions to them.

Under the APRM, to which at least twenty-three countries have voluntarily subscribed thus far, member countries submit themselves to independent experts. The experts review the extent to which any country under review has adhered to the strict agenda of good governance, openness, and democracy, among other things. The APRM then makes recommendations to the member country on how to set up a program of action to rectify any observed shortcomings. Thus far, the APRM has passed its first two test cases involving Rwanda and Ghana. It is to be expected that the membership of the APRM would not only expand gradually to cover other countries, but that its country reviews would not end with the first two test cases.

There have been other areas of successes as well. For example, in an unprecedented manner that would have violated the principle of "non-interference in the internal affairs of member states," the leadership of the AU rejected what appeared to be the coup in Togo in 2005, following the death of that country's long-serving president. The AU, under its own leadership, succeeded through the application of necessary sanctions or threats of sanctions to persuade the military to submit its preferred candidate to the due process of election, rather than impose him on the people of Togo. There are arguments as to whether the elections that followed were free and fair. There are also those who cynically point out that if small Togo was easy to handle, the inability to speedily resolve the conflict in neighboring Côte d'Ivoire and the controversial silence on the seeming impasse in Zimbabwe constitute a letdown in expectations for the AU. Whatever the limitations of the success story in Togo might have been, there is no doubt that the AU "interference" was unprecedented and most welcome. It would likely serve as a deterrent to any group of adventurous military officers to attempt to topple elected governments. The APRM may therefore be the strongest signal so far that, in governance, a new dawn of accountability has come. This may also provide a strong justification for optimism that this newly found resolve would not be limited to strengthening political will, but may soon extend to the formulation and implementation of economic programs under the umbrella of the AU and its special program, NEPAD.

### **1.8 Convergence of Opinions and Attitudes**

It is needless to emphasize that this newly discovered resolve to own and tackle African problems, through African initiatives, is perfectly in conformity with the emerging trend among development partners. This is an obvious outcome of several failed attempts in the past at providing the lead role in solving

problems of the developing world, particularly Africa. There had been failed and unrealized expectations and some measure of donor/beneficiary fatigue resulting from micromanaged initiatives of the past. These are fast giving way to new initiatives based on the principle of subsidiarity, which is gradually gaining wide acceptance in African policy circles and in the donor community. Debates are ongoing on how best to react to or perceive the latest major Western initiatives on Africa, such as the Africa Commission and the Gleneagles G-8 summit which gave urgent and priority attention to African concerns for the first time. Whatever may be the future outcome of these initiatives, there is hardly any doubt that they are making credible attempts at conforming to this new spirit of subsidiarity. They acknowledge the central role of the AU in whatever fresh look they give to seemingly endemic African problems. Again, this is primarily because the new commitment of African leaders to the pursuit of democracy, good governance, fight against corruption, and protection of human rights is seen as being embedded in the agenda of these new platform(s) created at the initiative of African leaders themselves.

### **1.9 The Challenge of Resource Mobilization**

If Africa is to develop, something has to be done about mobilizing internal resources in member countries. Innovative instruments for generating its own adequate resources to finance programs and projects have to be developed. The preponderant dependence on external resources may not be sustainable in the long run in pursuing the goals and objectives of the organization. Reduction in the capital flight through legitimate and fraudulent transfers would be one major immediate dividend from the fight against corruption and pursuit of good governance. The resulting increase in domestic investment would, however, still need further boosts from increases in net inflow of foreign direct investment and official aid. Progress in these areas, again, hinges on noticeable movement in these self-imposed agendas on the pursuit of democracy, good governance, and the fight against corruption.

There are indications that the resource mobilization implications of sticking to this rigorous agenda may already be yielding results. The most significant of these is the growing willingness of the Paris and London clubs of creditor nations and institutions to cancel a substantial percentage of the debt of the poorest nations, the majority of which are in Africa. This measure should release much needed resources for the pursuit of the Millennium Development Goals (MDGs) of alleviating poverty, reducing infant and maternal mortality rates, and achieving greater accessibility of primary health care, education, and clean water. The second major area of resource mobilization implications of the new AU goodwill is being demonstrated in the willingness of OECD countries to institute agricultural reforms



and reduce agricultural subsidies. These are capable of increasing trade access and improving terms of trade for Africa's traditional exports under the Doha Round. The resulting increases in earnings from trade could boost the resource base for implementing development programs. In other words, there are also resource mobilization implications of the new resolve and emphasis of the AU agenda. Failure to sustain this resolve could have serious resource repercussions on the continent's integration and development agenda.

The existing limited coordination and creation of synergies between institutions have implications for resource mobilization from donor partners and institutions. These cooperating partners do in certain situations (as we found in their relating to the SADC) operate under an umbrella organization or coordinating framework. Creditor nations are also coordinated in their dealings with debtor countries under the London and Paris club arrangements. Therefore, they must have good reason to be bewildered by the multiplicity of organizations soliciting financial assistance or loans independently of one another in support of the same projects. In principle, it should not be too difficult at the level of the AU to perceive the complications, duplications, and waste of effort involved in conflicting goals occasioned by these institutional wrangles. They need to be sorted out very urgently if the current level of goodwill that the AU and NEPAD enjoy among the region's development partners is not to be undermined. The leaders need to ensure that the high expectations among member states and the RECs does not turn to cynicism and despair and ineffectiveness, which became the lot of the OAU and earlier initiatives.

### **1.10 Beyond Symbolic Commitment to the Goals of the AU**

The commitment of member states, the RECs, and IGOs to the goals and objectives of the AU would need to go beyond diplomatic niceties or the symbolic gesture of merely inserting "AU" into their development plans and documents, or merely requiring the RECs to add so-called NEPAD projects to their list of projects and programs. It would require that member states, as constituent members of NEPAD and the RECs, recognize the anomaly or imbalance in institutional structures and relationships arising from reforming the OAU to create the AU. It is necessary to have a corresponding rationalization of the RECs and other institutional arrangements that coexisted with the OAU to remove these anomalies. To expect the bilateral and multilateral institutional arrangements that thrived or were ineffective under the OAU to continue thriving under the AU arrangement is to, *ipso facto*, sentence the AU to a fate similar to that which befell the OAU.

In the course of our study, we discovered that both the AU and the



RECs were already thinking of rationalization. The problems they must solve concern the inadequate coordination mechanisms, especially the Protocol on the Relations between the AEC/AU and the RECs. We hope the new protocol in the works leads to the emergence of a better working relationship anchored in the principles of subsidiarity and partnership. This partnership should make the RECs the building blocks of the AEC indeed, with the AU playing its role as Africa's premier continental integration organization. This would necessitate amending the treaties and mandates of the RECs reflect the supervisory and coordinating role of the AU. The 2006 Summit of the AU is expected to address once and for all the rather sensitive issue of rationalizing the RECs. The multiplicity and overlapping membership of the RECs has thus far made regional integration costly, inefficient, and ineffective. It is also complicating Africa's trade and economic relations with the rest of the world, as is evident in the problem that the country and geographical configuration of Africa's regions poses for the negotiation of Economic Partnership Agreements (EPAs) with the EU.

Another problem in need of an urgent solution concerns the mandate of the RECs in terms of the implementation of regional projects, such as the ongoing NEPAD STAP projects. We found that most RECs see themselves as project and program facilitators and the member states as implementers. Yet, the latter have not shown much commitment to regional integration programs and projects, and there are no sanctions against implementation defaulters. The RECs stand in need of greater power of implementation and appropriate mechanisms, legal or otherwise, to ensure compliance with regional agreements entered into by member states. Perhaps member states need to be sensitized more on the importance of regional integration for the attainment of rapid and sustained development.

In conducting the study, we started out with the full conviction that our job was purely a straightforward one of undertaking capacity needs assessment exercises in respect of the RECs listed in our terms of reference. Early in the exercise, we discovered that some of the RECs to be covered were not officially recognized by other RECs and the AU. Second, we discovered some degree of resentment against the so-called NEPAD STAP projects, which were meant to serve as the major reference point for determining capacity gaps. Most RECs could not appreciate why a distinction had to be made between their projects and those of NEPAD. In other words, they viewed the NEPAD STAP projects as a mere re-branding of their projects. Invariably, each REC had its own strategic and/or business plan, and in a few instances, some included an opening paragraph indicating their commitment to the realization of NEPAD programs and objectives. The capacity needs assessment was to provide an opportunity to interact with the RECs and to identify their short- to medium-term capacity needs in relation to the STAP projects and to related projects deriving from their mandates.

The lack of clarity and the ambiguities about the status of NEPAD projects vis-à-vis their mandates made objective determination of capacity needs difficult for some RECs. Capacity needs and gaps can only be meaningfully defined for known responsibilities arising from clearly defined mandates. Given the conflicting signals from the various regional institutions, it was obvious to us that most RECs were still grappling with what their attitude should be toward NEPAD projects.

As we will show in Part 2 of this report, we got each REC to list its capacity gaps and needs. However, filling these gaps would make no difference to their ability and willingness to implement current STAP and future projects if the confusion over who should be doing what is not dealt with urgently. Physical or technical capacity constraints are critical. It would, however, be unrealistic to expect results if they are handled in isolation from, or without giving equal attention to, political and institutional constraints, coordination mechanisms, and financial constraints dealt with in Part 1 of this report.



# 2

## An Overview of REC Performance on NEPAD STAP Projects

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### 2.1 Introduction

The objective of this chapter, as well as that of Chapter 3, is to determine if the RECs have performed well in implementing NEPAD STAP projects. The goal is to detect the extent to which capacity gaps have affected their ability to implement the projects. In this chapter, we give a brief overview of the overall performance before looking in detail at the various issues on performance in Chapter 3, the implications of these for action plans, and the rectification of capacity deficiencies.

Our terms of reference cover the survey of the capacity needs of Africa's RECs. These include their capacity to handle (1) regional integration as a whole, (2) the whole of the NEPAD agenda, and (3) the short-term action plan (STAP) for implementing NEPAD infrastructure projects. The STAP relates to requirements of short-term NEPAD infrastructure projects only. However, the perspective we have adopted in the study is that STAP is like a pilot scheme that, if it succeeds, would pave the way for enlisting the RECs in the implementation of other projects that come under the mandate of the AU and NEPAD. NEPAD, as a development framework, covers political (including peace and security), economic, social, and corporate matters. It is expected that if the STAP experiment succeeds, then there is no reason why the RECs (the building blocks of African integration) would not be involved in facilitating the implementation of other programs that come under the broad mandate of the AU and NEPAD.

### 2.2 The Purpose of NEPAD STAP Infrastructure Program

In May 2002, the NEPAD Secretariat established a STAP with the support of the African Development Bank (AfDB) and in close collaboration with the RECs, the World Bank, and the European Union. Some RECs' questions on the emphasis placed on infrastructure elicited an obvious answer: development

of infrastructure was seen as a major necessity for promoting regional integration, which is a priority objective of NEPAD. Regional integration is seen as a means of enabling the continent to take advantage of economies of scale and overcome some of the major barriers to Africa's long-term development. Bridging the infrastructure gap is an important step toward promoting regional integration. It is also crucial for reducing Africa's economic marginalization in the global market place; improved infrastructure would promote growth in trade and wealth creation.<sup>1</sup>

Therefore, the STAP projects were seen as NEPAD's response to the challenges facing the infrastructure sector in at least four key areas, which may also be common to other sectors with slight variations.

The STAP programs have been designed to address these four areas as a means of fast-tracking meaningful development and integration through renewed partnership with Africa's development partners:

- Facilitation—focusing on the need to establish policy, regulatory, and institutional frameworks to create a suitable environment for investment and efficient operations
- Capacity building—taking the initiatives to empower the implementation of the projects by the institutions with the mandate to do so
- Investment—making the necessary investment in physical and capital projects
- Setting out the plan for future projects

The NEPAD Heads of State and Government Implementation Committee (HSGIC) formally adopted the STAP projects followed by the subsequent endorsement of the AU in June 2002. A NEPAD portfolio was thus created for the RECs alongside whatever other key regional infrastructure projects they were committed to from their pre-NEPAD mandates.

Not being an end in itself, the STAP program was to be complemented by a more comprehensive medium- to long-term action program in the near future. The AfDB undertook the first review of the implementation of the STAP projects in the spring of 2003 with support from the NEPAD Secretariat and with inputs from the RECs.

Therefore, the STAP may be perceived in relation to the RECs as follows:

- It is a compilation of infrastructure projects more or less ready for financing during the visit to the RECs.

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<sup>1</sup>African Development Bank (2005): NEPAD STAP Review 2005—Continental Synthesis Report Draft

- It is a short-term program; the first set to be followed by a medium-term program.
- RECs are expected to develop and add new projects to enhance the STAP initiative.
- Projects of other sectors are to be developed for financing under other NEPAD schemes.
- Each REC is expected to define a role for itself within the general NEPAD framework.

### **2.3 Impact of Subsidiarity and Dependence on Donor Funding**

The AfDB report of 2005 documents progress in the implementation of the NEPAD infrastructure STAP projects as well as projects currently excluded from the STAP but which are continental or regional in their scope and significance. This was done with the intention of identifying the latter as potential STAP projects.

The following considerations should be borne in mind in evaluating the project implementation performance of the RECs and identifying the gaps in their capacity to implement STAP and related projects:

- Despite the general understanding that the RECs should carry out STAP projects, it should be understood that the principle of subsidiarity also plays a role. It stipulates that NEPAD activities would be carried out by the agencies at the lowest level that is both effective and efficient. In other words, there may be instances where the most relevant implementing agency would be at the individual-member country level rather than the REC as an institution or agency. This principle notwithstanding, the RECs are still seen as pivotal in the implementation of STAP and potential STAP projects or in the implementation of NEPAD programs in general.
- Second, we discovered during our study that the EU, a major development partner, has a minimum of a seven-year gestation lag between project conception and the beginning of actual implementation. This is borne out of the need to satisfy all EU procedures for project funding. And with EU funding looming large in the implementation of most of the projects, expectations on what the RECs were meant to have accomplished since the beginning of STAP must be related to this lag.
- In addition, we also found that the EU does not see the RECs as being equipped or capable of handling project implementation. In its budgeting, it assigns this role to national agencies in member countries, leaving the RECs to facilitate and coordinate roles for the software-related

aspects of project implementation. These are primarily in the areas of influencing the institutional and policy environment needed to enhance the implementation of the various investment projects, as distinct from the capital projects themselves.

## **2.4 Evaluation of Implementation Performance by Project Types**

The report shows that, by project types, facilitation projects or software aspects of projects implementation, which are related to policy formulation and establishment of institutional frameworks to create the right environment for physical investments, had the largest number of projects (52). Realized investment in physical and capital projects comes next (36), followed by studies on projects to be implemented in the near future (17) and capacity-enhancing projects or initiatives to enhance mandate fulfillment (16).

Dividing these into two broad categories of physical investment on capital projects and their software or facilitation related projects, we would have thirty-six of realized capital investment projects, compared with a total of eighty-five ground preparing projects. An indication of the size of these projects and the funds committed to them would make for better comparison. However, going simply by their numbers, it is obvious that achievements in the implementation of the STAP projects have been more in the area of preparatory work toward the realization of future physical investments. Little progress has been made in the implementation of actual physical capital investment projects over the four-year period since the STAP quick-action plan to rectify infrastructure gaps in Africa was introduced.

On further analysis of the preparatory or facilitation-related projects in STAP, we found that the least progress has been made in capacity building-related projects aimed at boosting the capacity of implementing agencies and institutions in the realization of their mandates.

The report indicates clearly that project preparation and implementation lags in physical capital investment projects in infrastructure may be such that not much can be expected in terms of having the desired infrastructure projects in place within a short span of four years. More work would have to be done in facilitation and the preparation needed particularly in capacity building and providing the right institutional environment to enhance the prospects for realizing the desired physical infrastructure investment projects.

## **2.5 Evaluating Performance by Sectors**

Of the critical sectors focused on in the STAP program, namely, transport, ICT, water, and energy, transport-related projects recorded the most progress

in investment realization (71), followed by ICT (24), energy (18), and water (7) projects. Again, this does not necessarily reflect the size of investment involved in each category or of their potential impacts.

## 2.6 Evaluation of Performance by Implementing RECs

Again, without any indication of the total investment expenditure involved, of the seven RECs considered, that is, the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Inter-Governmental Authority on Development (IGAD), the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), and the Union du Maghreb Arabe (UMA), the highest performer was SADC with 40 recorded projects, closely followed by ECCAS (39), ECOWAS (38), UMA (16), COMESA (14), EAC (12) and, last, IGAD (6).

One way of looking at these results is to view them as a reflection of how well the RECs are equipped, and how conducive their business environments are for attracting much desired investment capital. On the other hand, it could also partly be a reflection of the extent to which the various RECs have been able to own the STAP projects and integrate them into their strategic plans and work programs. It could also partly be a reflection of the extent to which project implementation capacity exists or is absent in each of the RECs.

In relative terms, therefore, one way of looking at the implications of this for capacity-building purposes might be to suggest that greater attention should be paid to the least performing RECs in order to boost their capacity to implement STAP projects. However, looking at the performance of the RECs in general, such a simplified approach might be misleading. In absolute terms, overall performance has been poor; hence each REC needs to be examined to identify capacity deficiencies needing remedy to improve implementation capacity.





# 3

## Review of NEPAD STAP Projects

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### 3.1 REC Priority Projects under STAP

The REC priority projects under NEPAD STAP as of March 2005, confirmed at the Workshop on Mechanisms for Capacity Building of RECs and Speeding Up Implementation of NEPAD STAP Projects held in Abuja, Nigeria, were as follows:

#### ***ECOWAS***

##### Energy

- West Africa Gas Pipeline
- West African Power Pool

##### Transport

- Railway Development
- Road Transport Facilitation
- Implementation of Yamoussoukro Decision (YD)

##### Telecommunications

- Infrastructure Backbone Development
- Harmonization of Policy/Framework

##### Capacity Building

- Establishment of a Project Development and Implementation Unit (Planning and Development Wing, PDW)
- Modernization of Regional Procedures and Monitoring Mechanisms (ICT)

#### ***IGAD***

##### Transport

- Isiolo-Moyale Road

## 40 *Synthesis of Findings*

- Ethiopia Djibouti Road Corridor Development
- Road Transport Facilitation
- Implementation of the YD

### Energy

- IGAD HYCOS Project
- Renewable Energy Project

### Telecommunications

- ICT Support Program

## **EAC**

### Transport

- East Africa Road Network Project (five projects)
- East Africa Railways Development
  - Restructuring of East African Railways
  - Railways Development Master Plan
- Road Transport Facilitation
- Implementation of the YD.

### Energy Development

- Power Master Plan
- Gas Pipeline from Dar es Salaam through Kenya to Kampala, Uganda
- Oil Pipeline from Eldoret, Kenya, to Kampala, Uganda

### Telecommunications

- ICT Policy Regulation Program
- East African Submarine Cable System

## **SADC**

- Kanzungula Bridge
- SAOC Interconnectors
- Assessment of Surface Water
- Okavango Project
- SAOC Regional Information Infrastructure
- Capacity Building Needs
- Implementation of YD

### **COMESA**

#### Yamoussoukro Decision

- Competition Regulation
- Cooperative Development of Operational Safety Continuing Air-worthiness Program (COSCAP)
- Communication, Navigation Surveillance, and Air Traffic Management (CNS/ ATM)
- Joint Competition Authority

### **ICT**

- Regional ICT Policy and Regulation

### **COMTEL**

#### Water Management

- Nile Basin Initiative
- Safe Navigation of Lake Tanganyika/Malawi

#### Road Transport Facilitation

- One-Stop Border Post
- Axle Load Harmonization
- Efficiency Improvement of Railways, Roads and Ports
- Transport Reform and Integration Support Facility
- Regulatory Reforms and Assisting Members in Implementing Regionally Agreed Interventions

### **ECCAS**

- Feasibility Study on Port Mayumba (Gabon)
- Feasibility Study of Doussala-Brazzaville highway
- Feasibility Study of the Bridge on the Road/Rail across River Congo between Brazzaville and Kinshasa
- Transport Facilitation on the Douala-Bangui and Douala-Ndjamena Corridors
- Marina Project and the Re-dowe Tourist Platform.

### **CEN-SAD<sup>1</sup>**

- Institutional Capacity Building
- Transfer of Oubangui Waters to Augment Lake Chad through River Chari

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<sup>1</sup>This is based on NEPAD STAP Review 2005—*Continental Synthesis Report*, presented at the NEPAD Infrastructure Workshop on the Short-term Action Plan 2004 Review, Tunis, 13–15 July 2005

## Transport

- Road Axis
  - Libya-Niger-Chad
  - Libya-Sudan-Eritrea
- Railways
  - Egypt- Libya-Tunisia-Algeria-Morocco-Mauritania
  - Libya-Niger-Chad

### **3.1.1 Continental Project: RASCOM**

The Regional African Satellite Communications Organization (RASCOM) project to launch the first African-owned telecommunications satellite was re-confirmed as a priority project to be supported by all the RECs and NEPAD Secretariat.

## **3.2 The NEPAD/AfDB Review**

The continental synthesis report presents the findings of the second review of the progress being made in the implementation of the NEPAD STAP. It presents a picture of the current status of implementation of projects in the portfolio of each of the RECs, as well as other key regional infrastructure projects they have been undertaking. These include projects, though not explicitly listed under STAP, that have an important bearing on the successful implementation of the STAP projects or that are potential candidates for inclusion in STAP.

What we have done here is to go through the report to highlight various aspects that are relevant to our study. We focus on capacity needs that are technical, as well as those areas that have implications for institutional capacity building that are considered critical to ability of the RECs to implement projects and programs under STAP, its future extensions, as well as those arising from their overall mandates.

### **3.2.1 Major Achievements from 2003–2005**

The report identifies some major achievements in respect of the STAP projects since the last review exercise undertaken in 2003. These include the following:

- “A much better clarity and appreciation of the roles and responsibilities associated with the delivery of the NEPAD infrastructure agenda throughout the continent and amongst the various key stakeholders as well as development partners.”

**Comments and observations.** The findings from our study, however, may slightly modify this claim. We discovered that though most of the RECs visited were aware of the NEPAD STAP projects, the level of commitment to them varied from one REC to the other. Virtually all of them showed greater commitment to own projects and programs, some of which may qualify for inclusion in a STAP project. In other words, each REC still maintains a competing list of projects and programs that takes precedence, rather than having the NEPAD STAP projects determine their priorities. There are instances, however, where, like it is with the UEMOA, over 75 percent of the contents of its Regional Economic Program (2004–2008) covers projects that would easily fall under STAP categorization.

- “In recognition of their role, a few RECs were found to have developed and are implementing detailed capacity-building plans. The ECOWAS and the EAC, in particular, were found to be very much ahead of others in developing internal structures to enhance their capacities.” This notwithstanding, the report noted that there were substantial areas of need in capacity building within the various RECs, if they were to carry out their mandate efficiently and effectively.
- The report noted that the role of the AfDB, as lead agency, is also better appreciated and understood.

**Comments and observations.** In our study, we did not find such clarity regarding the roles of the various regional institutions, such as the AfDB, ACBF, UNECA, AU, and NEPAD vis-à-vis the RECs, nor in relation to the various development partners. What prevails in practice is that each of these regional bodies as well as the development partners maintains direct links with the RECs, with little or no coordination or delineation of roles.

There may be growing visibility for the AfDB in relation to the STAP projects, but this does not by any means minimize the problems arising from lack of delineation of roles and clear mutual understanding that could make for greater effectiveness in utilizing the potential resources available in these various regional institutions to supplement or enhance capacity in the various RECs. There is need for greater awareness on the part of the RECs of what resources exist in each of these institutions and how best to avail themselves of such opportunities.

- “The NEPAD infrastructure STAP has received substantial funding support from the AfDB. By the end of 2004, the AfDB had financed STAP projects and programs to the tune of \$520m and had mobilized co-financing of US\$1.6 billion. For 2005, an additional amount US\$500m has been set aside for funding STAP projects.”

**Comments and observations.** From our findings, although this represents a very significant contribution toward the implementation of STAP projects in absolute terms, there is the big challenge of how best to mobilize and coordinate resources for the implementation of STAP from at least three major sources: the organized private sector, the REC member states, and the host of development partners. Again there is lack of clarity as to which institutions should be responsible for this mobilization on behalf of the RECs. At the moment, they individually rely more on direct contacts with the various development partners with little or nothing being done in terms of developing capacity to mobilize the resources from member states and attracting funding support from the organized private sector. This needs to be critically looked into, especially in the area of mobilizing internal resources from member countries.

- “The bank is currently working on converting the NEPAD IPPF into a multi-country facility with a view to expanding it through the participation of other development partners.”

**Comments and observations.** This would be a step in the right direction in terms of the expectation of the RECs that are still in doubt on how the resource mobilization for implementing the STAP and other projects that come under their mandate is to be realized. In their perception, the AfDB should have comparative advantage in resource mobilization vis-à-vis other regional institutions. The RECs expect that any form of formal or informal collaborative arrangements among the key regional institutions should see the AfDB being assigned the responsibility of coordination and fund mobilization needed for the implementation of the STAP and related projects.

- The report observed that despite a relatively lengthy project development period, two significant investment projects have achieved financial closure. These are: The West African Gas Pipeline (WAGP) and RASCOM Phase I.

**Comments and observations.** While this demonstrates that large and complex cross-border projects can be successfully packaged and implemented, it also illustrates why the implementation of STAP projects cannot be rushed, given the rather lengthy processes involved in packaging and selling the projects.

- The report also says, “another laudable achievement is the fact that the immense work undertaken by all the key stakeholders of NEPAD led by the Secretariat and the AfDB has ensured that the NEPAD brand is now fully established, well known and recognized within and outside Africa and that this is evidenced by the fact that all major

development initiatives for Africa particularly in the area of infrastructure are now largely contextualized within the NEPAD framework.”

**Comments and observations.** This may be a desirable goal. However, part of our findings is that most RECs do not recognize this branding of anything relating to infrastructure as being NEPAD. They would rather think of the STAP projects as a beginning priority area for NEPAD by way of assisting the RECs to mobilize resources. They expect NEPAD to shift to other areas of emphasis as time goes on, again only as it pertains to assisting the RECs to raise funds. Even when such expansions of scope thus occur, they expect NEPAD projects to remain a subset of their overall concerns as defined by their original mandates.

### 3.3 Mixed Performance in Program Implementation

The report notes that progress of implementation of projects has been mixed across regions and sectors. Looking at the four key sectors, which are energy, ICT, air transport, and road, rail, and maritime transport, the report makes the following observations regarding each sector:

#### 3.3.1 Energy

“Progress has been achieved in the implementation of a number of projects. The most outstanding being the West Africa Gas Pipeline (WAGP). Others include the West African Power Pool (WAPP), the Southern Africa Power Pool (SAPP), and Development of Generating and Transmission Capacity within the Union du Maghreb Arabe (UMA). Of all the NEPAD STAP projects, the continental investment program in power generation and regional interconnection projects is viewed as the most significant in terms of funding requirement, size duration and potential long-term benefits.”

**Comments and observations.** The major areas of challenge in the energy sector that have implications for capacity building in the RECs are seen to be that of continued development of the power pools and sustainable power trading mechanisms; restructuring of utilities; and attracting partners for sustainable IPP development and the realization of the Grand Inga Project.

#### 3.3.2 ICT

It is observed in the report that “new ICT infrastructure, both in the form of satellite and fibre-optic networks, is emerging in most regions and that most regions have moved forward in the softer aspects of project implementation, such as harmonization of policies and regulations, and have made progress on liberalization and an associated legislative framework.



These reforms are beginning to encourage private sector funding although the exclusivity rights granted to some operators is constraining competition, especially in respect of fixed-line services.

“It has been observed that there is a general awareness among the RECs of the need for a major regional backbone infrastructure in the area of ICT development, and related cross-border interconnectivity.” The report goes further to note that the STAP Program has identified a number of positive measures to overcome these constraints.

**Comments and observations.** In identifying the key challenges in this sector that may have implications for capacity building, the report identified the need to provide sufficient technical skills and resources both at the country level and within the RECs to move these projects forward and manage the transition to fully liberalized markets.

### **3.3.3 Air Transport**

In respect of the air transport sector, the report notes that “the sector shows wide variations in both implementation of reforms and willingness of member states to deregulate and enforce decisions at all levels. The main obstacles and difficulties in implementing the reforms stem from state parties not honouring their commitments to decisions jointly taken but instead insisting on restrictive policies and bilateral agreements which ordinarily should be superseded by the joint decision.” As the report noted, this severely limits the benefit, which would otherwise have accrued to the citizens of Africa, member states individually, and the region collectively.

**Comments and observations.** This perhaps illustrates the fact that lack of progress in implementing the STAP projects is not due solely to lack of implementation capacity in the RECs in purely technical dimensions. In addition to technical capacity gaps, there is also lack of capacity to enforce decisions taken jointly by member states when it comes to implementation of these decisions at the individual country level. We found this lack of institutional and legal framework that can make collective decisions binding on member states a far more limiting capacity gap than technical capacity gaps.

There is an urgent need to address capacity gaps in enforcing collective decisions, as well as an ability to impose sanctions to ensure compliance with collective decisions reached by the RECs on behalf of member states, and decisions reached by the AU on behalf of the RECs. Addressing the technical capacity needs identified in individual RECs or between RECs can only enhance implementation capacity when these legal institutional capacity gaps are addressed.

### 3.3.4 Road, Rail, and Maritime Transport

As in the other sectors discussed above, the report notes, “the road, rail and maritime sectors also display wide variation in the quality of infrastructure and in the implementation of projects, even though the problems to be managed are similar across the sub-regions. In the case of the road sector, there is now a general recognition that the investment will primarily have to be made by the public sector, with private sector participation targeted at performance-based contract for the design building and maintenance of roads. With respect to transit facilitation, lack of institutional stakeholder buy-in, bureaucratic and institutional resistance to reforms, legal complexities and a lack of political willingness to implement genuine reform continue to hinder efforts to facilitate the movement of people and goods across borders within the continent.

“In the rail sector, the STAP projects have focused on the encouragement of privately financed concession schemes and the improvement of rail network connectivity. A number of rail concessions are planned for the year 2005.

“In the maritime sector, the STAP projects have focused on the development of key ports, particularly those offering corridor links through to landlocked countries, improvements in the navigation on the Central African Lakes and increased safety and security standards for ships and ports. Whilst these initiatives have made progress, there are still legal, institutional and political constraints to overcome.”

**Comments and observations.** Again, in this sector the major constraining factor in implementing STAP projects is not so much the lack of technical capacity to facilitate project implementation, but lack of political willingness by member states to implement agreed reforms, legal complexities, outright resistance against reforms, and bureaucratic and institutional bottlenecks. Hence, the attention focused on the hardware and technical aspects of capacity to implement projects should shift to software areas of institutional and legal capacity to enforce decisions taken at the subregional REC or continental level by individual country members.

## 3.4 Private-Sector Participation

The report also indicated substantial opportunities in a number of sectors for the private sector to participate in STAP implementation. These opportunities range from investment- to performance-based contracts. The review recognized, however, that to attain a scale-up of private-sector participation in the implementation of STAP, a coherent package of measures to be executed at the continental, regional, and country level was needed. Among other things, such measures would include the following:

- Greater sensitization of African governments on the cost of political risks
- Accelerating policy initiatives, reform, and actions to improve the investment climate within African countries
- Innovative approaches in the financial and legal structuring of projects
- Greater awareness of, and accessibility to, existing instruments for risk mitigation; and a need to design more flexible instruments and innovative structures that better respond to the unique challenges of African infrastructure projects
- Strengthening capacity within the countries and RECs with respect to the development and implementation of bankable PPP projects
- Policy initiatives and structures to support PSP infrastructure (e.g., rationalization of the many existing legal and regulatory instruments relating to infrastructure development, with a view to adopting a common model for Africa)

**Comments and observations.** Again, looking at the various measures being proposed, they fall under two broad categories: institutional capacity needs (bullets 1, 2, and 6) and technical capacity needs (bullets 3, 4, and 5). There are urgent capacity needs in the RECs to improve and update their competence in preparing bankable projects. Findings from our study show that this is a major capacity gap that cuts across virtually all the RECs. Rather than trying to solve this problem individually, it may best be tackled as a shared problem by approaching the problem collectively by pooling resources and know-how to create regional capacities to which groups of RECs would have ready access.

### 3.5 Overarching Constraints to Program Implementation

Finally the review identified a number of overarching constraints that were handicapping the accelerated implementation of STAP. Major issues highlighted included those below:

- Lengthy and complex decision-making processes of RECs, which may have been appropriate for their traditional activities but which are not well suited to their new role as implementing organs of NEPAD within their regions

**Comments and observations.** Our discovery corroborates this finding. It is necessary to review the mandates of the RECs to align their decision-making with the new orientation of working in concert with the AU and its various organs and programs, including NEPAD, to realize the ultimate objective of continental integration that transcends the goals and objectives set under their mandates before the emergence of the AU.

The challenge in this regard again has both legal and institutional di-

mensions. As things stand at the moment, each REC derives its mandate from the authority conferred on it by its member states to which it reports. Hence the REC's program of activities and priorities are meant to reflect the priorities and programs dictated by member states. The AU also derives its authority from member states. The AU's continental coverage sometimes may not conform to the limited objectives of a subregional mandate.

There is a need, therefore, to have an institutional and legal framework for sorting out conflicts that may arise between very limited subregional mandates compared to a much more broad-based regional mandate on which AU programs and objectives are based. For all practical purposes, the RECs still see themselves as being responsible to their member states and less to the AU. The mandate of each REC needs to be reexamined to do away with aspects that may be in conflict with the overall objectives of the AU, and to build upon those areas where they complement and conform to the ultimate objective of regional integration.

- Failure of countries to translate genuine political will into concrete actions to comply with regionally agreed protocols, conventions, and sectoral policies

**Comments and observations.** Each REC has enough problems trying to translate the goals and aspirations of its member states as embedded in a collective regional mandate into implementable programs and objectives to which all member states can be expected to subscribe or be fully committed. Findings from our study show that national sovereignty considerations to protect perceived national interests still take precedence over the pursuit of regional or continental goals and objectives. It is necessary to determine the extent and role of national interest and sovereignty where regional projects and objectives are involved.

- Limited capacity within RECs to provide technical assistance to countries and to adequately monitor sectoral harmonization programs
- Limited institutional structures and capacity within RECs to develop bankable cross-border infrastructure projects. The RECs were not originally mandated for this role.

**Comments and observations.** These findings are corroborated by our findings. In most instances the capacity neither exists at the regional level nor in the individual countries. Such capacity needs to be developed preferably at the subregional level and made accessible to the RECs and individual member countries whenever they need such expertise.

- Limited financial resources within RECs, which is a result of the manner of funding most RECs and the insufficiency of that financing.

In many RECs, their regular funding streaming from their member/partner states were established some time ago, and do not reflect the “new reality” of their significantly increased commitments associated with their new NEPAD role.

**Comments and observations.** There is not a single REC for which internally generated funding plays any significant role in the finance of regional projects dictated by its own mandate or NEPAD-determined priority projects. Virtually in all cases there is absolute dependence on donor funding of these projects.

There is, therefore, some measure of disproportionality between the desires of member states to determine the priority projects for each REC, compared with the extent to which they are willing to assume responsibility for the financing of these projects. When donor partners provide funding support for a project, are they doing so on behalf of individual member states, the RECs, or the AU? How much of member states’ funding should be expected in funding NEPAD STAP? How may this be raised?

- Lack of a coherent package of policies to support and encourage private sector investment in the STAP

**Comments and observations.** In our study, we found that the RECs give too much attention to their dealings with official donor partners who provide the bulk of the funding support for the implementation of STAP and other non-STAP projects. It is sufficiently daunting for each REC to master the requirements and procedures involved in securing donor partner assistance. These often vary from one donor partner to another. We found very little evidence of their ability to deal with the challenges of creating the conditions necessary for enlisting substantial private sector support and involvement in the implementation of their projects.

Again the development of such capacity need not be done at the level of individual RECs. Developing an outfit capable of servicing a collection of RECs may provide the best approach to bridging this capacity gap. A recent illustration of good practice in this is the joint application of resources secured from the EU by SADC, the EAC, and IGAD.

- Ineffective institutional relationships and coordination between the various stakeholders in the management and implementation of the NEPAD infrastructure agenda

**Comments and observations.** The findings show that this lack of institutional coordination is perhaps the ubiquitous and most crippling of the various constraints that affect the implementation of STAP and other related projects. The poor coordination between the various stakeholders and the ambi-

guity in defining institutional relationships and obligations of the various stakeholders leads to dissipation of energy and duplication of efforts. This exacerbates the problems arising from physical or technical capacity gaps and any attempt to fill such gaps. Ignoring these institutional and relational problems to focus only on bridging physical or technical capacity gaps would bring about little or no change to the existing implementation capacity. Coordination among different stakeholders should reflect the need to enforce the 2003 Rome Declaration on Overseas Development Assistance (ODA) Harmonization.

- Limited capacity within AfDB and the NEPAD Secretariat to meet the growing demands for their services and support in relation to NEPAD and in particular the infrastructure STAP

**Comments and observations.** This observation illustrates the need to recognize the capacity deficiencies in the RECs and in the regional institutions that, by reason of their mandates or in an attempt to be relevant in the implementation of the NEPAD STAP projects, seek to be involved in helping the RECs fulfill their obligations to member countries as well as to NEPAD. We discovered that other regional institutions, including the ECA and the AU, would need to be considered along with the AfDB in this regard.

There is need for some kind of mutual understanding between these various regional institutions to avoid the existing duplication of effort or lack of clarity as to who should be responsible for what in seeking to enhance the implementation capacities of the RECs.

- On systems and practices of development partners that have hitherto not always been fully aligned with NEPAD priorities and adapted to support the efficient and effective implementation of NEPAD infrastructure programs and projects

**Comments and observations.** This multiplicity of processes and varied practices of donor partners that most RECs find bewildering have some capacity implications for the RECs who are often short of personnel and required expertise to cope with the procedural requirements of donors. Again, it would neither be desirable nor cost-effective to have each REC develop the needed capacity individually. Having some joint facility, which can be readily accessed by a number of contiguous RECS, may serve as a more effective strategy for bridging this capacity gap.

The report went further to say that key stakeholders of NEPAD have recognized many of the weaknesses and impediments outlined above for some time now, and many of them have individually and collectively taken some initiatives to address the faults. The report takes cognizance of these efforts, and seeks to support and reinforce them by making a number of rec-

ommendations. We now look at the set of recommendations with a view to reinforcing those that have implications for technical or institutional capacity building with findings from our study. Some of the key recommendations include the following:

- REC decision-making processes could be made more efficient and effective by examining their current processes and mechanisms and streamlining them to meet the requirements of their current NEPAD mandate.

**Comments and observations.** Virtually all the RECs find themselves in the present anomaly of deriving their mandates from member states from which the AU and NEPAD also derive their mandates. Yet the decision-making processes sometimes easily produce conflicting priorities and directives for implementation.

There is need for clarity on the relationship between the line of authority between the RECs and member states, vis-à-vis the line of authority from member states to the RECs through the AU, which should take precedence over the others where there are conflicting demands that cannot be easily reconciled.

- The translation of political will into concrete actions in countries could be facilitated by making certain regional decisions binding on member countries and by improving the capacity of countries to undertake the necessary actions to ensure compliance with agreed regional decisions and protocols.
- The capacity and resources of the RECs should be augmented to enable them to provide technical assistance to countries in their efforts to comply with sectoral harmonization programs and to monitor compliance.

**Comments and observations.** A painful fact at the moment is that the RECs, as currently constituted, are powerless. Invariably they are unable to take collective decisions on behalf of member countries and ensure compliance. There is need for a federal or confederal system of authority and decision-making that allows for a distinction between decisions and priorities or a kind of legislative list that is regional or subregional, as distinct from those that should remain the prerogative of member states. This delineation should be agreed upon at the highest political level at which all member states have representation—preferably the political organ of the AU. Once this is done, capacity for enforcement and ensuring that agreed decisions at the various levels are implemented without hindrance should be developed, particularly at the level of the REC, that being the implementing arm of the AU.

- The preparation of bankable cross-border infrastructure projects could be accelerated by creating specialist project development and implementation units (PDIUs), suitably equipped with the right skills and appropriate grant funding.

**Comments and observations.** This need not be developed for each REC individually, but it could be developed for the benefit of two or more RECs, or made a central facility at the continental level; for example, at the AU Commission, with each REC having quick access to the expertise and competencies available within such a unit.

- Countries should be encouraged to provide the secretariats of their respective RECs with sufficient regular funding to support each REC's basic functions and activities, and, to advance the NEPAD program, contribute meaningfully to the funding required for capacity improvements.

**Comments and observations.** In terms of delineation of responsibilities that should be made enforceable at various levels, this is a responsibility that should be handled by the RECs and for which they need technical, institutional, and legal capacity for enforcement. Each REC needs to be equipped so that it can best generate adequate funding support to meet its recurrent administrative needs from member states and finance regional projects that are within the competence of member states. Recourse to donor funding and mobilization of such funding should be left to the AU, which would fund regionally designated projects that are considered to be beyond the reach of individual member states within a REC.

- A coherent package of policies needs be devised and implemented to encourage private-sector investment in the STAP on a continental, regional, and country levels.

**Comments and observations.** Depending on the scope of projects that are likely to attract private-sector participation, the capacity needs for attracting such participation could be at the individual country, regional, or continental level. This notwithstanding, a strong case could be made for developing such capacity centrally within a PDIU type of structure whose services and competences could be made available to two or more RECs.

- Institutional relationships between the key stakeholders could be strengthened by creating a coordination framework, as recommended and agreed to by the stakeholders at the NEPAD workshop in Abuja in March 2005.



**Comments and observations.** In the course of our study, we discovered that such a coordinating platform already exists under the auspices of the AU Commission. What it lacks at the moment is the authority to make and enforce collective decisions both with the RECs and member states.

- In view of the growing demand for their services in relation to the STAP agenda, the capacity of the AfDB and the NEPAD Secretariat to adequately undertake their respective roles should be assessed with a view to ensuring that they continue to make effective contributions to the implementation of STAP.

**Comments and observations.** Rather than limiting this to the NEPAD Secretariat and the AfDB, such capacity development needs to be extended to other regional institutions such as the AU Commission, the ECA, and the ACBF, that are required by their mandates to work in conjunction with the RECs in achieving the continental goal of economic integration. In the course of our study, we found strong evidence of existing technical capacity that is being underutilized or not utilized at all in these other institutions.

There would be no point in investing in capacity development in the RECs in areas where an institution such as the ECA already has such competencies that it is willing to put at the disposal of the RECs. In a later section of this report, we look at the need for some kind of division of labor or mutual agreement between these various institutions to minimize unnecessary rivalries or duplication of effort that may be detrimental to the ability of the RECs to discharge their responsibilities as the implementing arm of NEPAD.

- Development partners should be encouraged to collaborate more effectively and to adapt their internal systems and practices so as to be in line with the priorities of NEPAD, and thus better contribute to hastening the implementation of the STAP.

In Chapter 4, we run through the relevant parts of the remaining sections of the report with a view to focusing on areas that are relevant to the terms of reference of our study. We corroborate findings and recommendations based on the findings from our study, and suggest alternative viewpoints where our findings diverge.

# 4

## Capacity Challenges in the Implementation of STAP

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### 4.1 STAP as a Prelude to Future Medium-Term Plans

In May 2002 the NEPAD Secretariat, with support from the African Development Bank (AfDB) and in close collaboration with the RECs, the World Bank, and the EU, produced the NEPAD STAP. The NEPAD agenda accords importance to infrastructures, which shows that one of the priorities of NEPAD is to promote regional integration in Africa as a means of overcoming the lack of economies of scale and the barriers to Africa's long-term development. Bridging the infrastructure gap has been identified as an important element in promoting this regional integration. Infrastructure is also an important element in reducing Africa's economic marginalization, because the growth of an adequate and reliable infrastructure capacity is a precursor to increased trading activity and, hence, meaningful socioeconomic development.

The 2002 STAP outlined NEPAD's response to the challenges facing the sector under four areas:

- Facilitation—focusing on the need to establish policy and regulatory and institutional frameworks to create a suitable environment for investment and efficient operations;
- Capacity building—taking the initiatives to empower the implementation of the projects by the institutions with the mandate to do so;
- Investment—making the necessary investment in physical and capital projects; and
- Studies—presenting the plan for future projects.

The NEPAD STAP program thus comprises projects of these four types, conceived and formulated by Africans to fast-track meaningful development and integration of the continent through renewed partnership with Africa's development partners globally. The NEPAD Heads of State and Government Implementation Committee (HSGIC) formally adopted the STAP program,

followed by the subsequent endorsement of the AU in June 2002. The STAP is to be complemented by a more comprehensive medium- and long-term action program in the near future.

#### ***Comments and observations***

- Thus the STAP program is a quick-action plan intended as a precursor of future and perhaps more elaborate and more comprehensive plans for the medium and longer term. It may be justifiable as a good start that need not wait for all institutional arrangements to be set up.
- However, the emerging major institutional and other capacity constraints or shortcomings in carrying out STAP projects need to be corrected before embarking on any more elaborate future plans. A stronger, more inclusive institutional platform that makes for easier coordination of effort and harmonization of policies would enhance the implementation of STAP and any of its future extensions that has occurred hitherto under the existing ad hoc exclusive arrangements between the NEPAD Secretariat and the AfDB.
- Such a platform would allow for some form of division of labor or mutual understanding on who does what in relation to various aspects that are at the moment difficult to coordinate under STAP. The major areas in implementation calling for such collaboration based on mutual understanding of roles include fund mobilization, in which the AfDB should have comparative advantage; technical capacity building and facilitation, in which the ECA is better equipped than other institutions; a political/legal oversight mechanism with which the AU Commission should be better equipped; and, finally, the building of political goodwill for which the NEPAD Secretariat should be at an advantage, and thus handle it more effectively than others. All of these would then be geared to facilitating the implementation of the projects by the RECs in conjunction with national institutions in member states.

In the spring of 2003, the AfDB reviewed the implementation of STAP with support from the NEPAD Secretariat and inputs from the RECs.

#### ***Comments and observations***

- This illustrates some of the institutional capacity gaps that currently bedevil the implementation of STAP and that need to be corrected if requisite technical capacity-building efforts are to enhance the capacity of the RECs in implementing STAP and any future expansion of the programs. The institutional platform for designing STAP and

evaluating STAP performance has been limited to the NEPAD Secretariat, the AfDB working with the RECs, and some collaboration from the EU and the World Bank. There is no indication that the AU Commission, the ECA, and the ACBF, as key regional institutions, were involved.

- It is necessary to rectify this anomaly and build a more broadly based platform that would make for better coordination and comprehensively cater to the needs that RECs have in carrying out their obligations as the implementing agencies for the NEPAD STAP program and any future extensions.

#### **4.1.1 Lack of Clarity on NEPAD and the Roles of Key Stakeholders**

The report noted that immense work undertaken by all the key stakeholders of NEPAD led by the Secretariat has ensured that the NEPAD brand is now fully established and well known and recognized within and outside Africa. This is evident in that all major development initiatives for Africa are now contextualized within the NEPAD framework.

It went further to point out that NEPAD's role has now been distinguished from that of being an implementing agency to that of a facilitator and brand manager. With support from the AfDB, it has been able to mobilize widespread political goodwill and support for the STAP agenda. It has also stimulated action in the facilitation of knowledge sharing, networking, and dissemination of best practices among RECs and certain continental implementing agencies.

This success notwithstanding, however, the report noted further that NEPAD's role in mobilizing political will and action to implement policies and institutional reform in accordance with continental and regional agreements within countries has been somewhat limited. This report believes it is primarily due to the limited human resources within the Secretariat. It then went on to suggest that the Secretariat may wish to consider undertaking an in-depth assessment of its current and future STAP infrastructure-related workload, and devise a strategy to suitably equip and enhance the capacity of the Secretariat to widen and deepen the success it has so far achieved.

#### **Comments and observations**

- As noted above, there is still a lot of work to be done by way of clearly defining the role of NEPAD other than being just a brand name; what we mean by NEPAD's being a facilitator and not an implementing agency; and how these roles are to be perceived by the RECs, member states, and donor partners on the one hand, and the NEPAD Secretariat on the other.

- If NEPAD is to be no more than a brand name and a facilitating agency, what form should its Secretariat take and with what kind of capacity should it be equipped for the implementation of NEPAD-STAP and any of its future extensions? This has to be considered vis-à-vis the Africa Commission and the Secretariat of the RECS and other regional bodies, such as the AfDB and ECA, which are supposed to have a role to play in enabling the RECs to implement STAP and its future extensions.
- Again, what this calls for in our view is the need for a broadly based platform to accommodate all stakeholders and clearly define their complementary roles and institutional interrelationships. By so doing, it would become easier to identify what the capacity needs are at the various levels and in respect of each agency, in relation to assigned responsibilities to make for effective implementation of STAP and its future extensions.

#### **4.1.2 Relationships with the RECs**

Referring to the RECs, the report said it was clearly established during the review that the role of the key stakeholders was now better appreciated in many regions as well as by the development partners. It said further that despite its capacity shortcomings, the majority of RECs fully accept the leading role they have to play in implementing STAP and, in this regard, have championed the NEPAD initiatives in their respective regions. It noted, however, that a small number of RECs have not fully appreciated and distinguished the various roles designated for the key stakeholders (i.e., countries, RECs, NEPAD, and the AfDB). It is noteworthy that it is also within these same RECs that capacity was at its most limited.

#### **Comments and observations**

- What we found during our study is that while it is true that most RECs are willing to accept the role assigned to them as implementing agencies for STAP, there is still no clarity on what the logistics are or should be for accomplishing this. Most RECs would be glad to have more resources at their disposal than they have at the moment.
- The enthusiasm shown in the NEPAD initiative, particularly STAP, is in anticipation of this being one major avenue for attracting or having access to more resources. This enthusiasm would, however, not necessarily translate to implementation capacity if such expectations regarding increased flow of resources do not materialize, or if the logistics for ensuring effective implementation remain as fuzzy as they are at the moment. What appear to be reasonably clear to most RECs at the moment are their obligations to fulfill their original mandates, which,

in some respects, may also be addressing the priorities as defined in STAP. More work needs to be done to ensure a more deliberate process of integrating both or in ensuring that one is substituted for, and takes precedence over, the other.

#### **4.1.3 Relationships with the AfDB and Other Regional Institutions**

The report singles out the AfDB as the lead agency providing technical assistance and support to the RECs, a role, the report believes, is now better appreciated by the RECs. This report partly acknowledges that the NEPAD infrastructure program had received robust funding from the AfDB. By the end of 2004, the AfDB had financed STAP projects and programs up to the tune of US\$520 million and had mobilized cofinancing of US\$1.6 billion. For 2005, there is an additional portfolio of approximately US\$500 million for funding STAP projects. In addition, the AfDB, with Canadian government support, has established the NEPAD Infrastructure Project Preparation Facility (IPPF) and provided funding for preparatory work for a number of projects under this facility.

The report went on to say that some RECs believe the AfDB should interact more with, and participate more effectively in, the development of their programs. It then suggested that consideration should be given to augmenting the capacity of the NEPAD unit within the AfDB. Indeed, as with the NEPAD Secretariat, the bank should consider undertaking an assessment of its current and growing workload, namely, the STAP program, and devise a strategy for mobilizing adequate resources and establishing internal structures to meet the increasing demand for its services and funding under the STAP.

#### **Comments and observations**

- What we found in our study is that most RECs or other regional institutions such as the AU Commission, the ECA, and the ACBF do not necessarily perceive the AfDB as a lead agency. There is hardly any doubt that the AfDB has played a very significant role in assisting the RECs to tackle what most RECs and other stakeholders consider a program aimed at jump-starting what is envisaged under NEPAD. Institutionalizing this temporary measure would be undesirable if current STAP and its future extensions are to have a basis for effective implementation.
- Our second major observation is that in the absence of the full participation of other regional institutions that have been left out of the facilitation and implementation process, the AfDB may have found itself shouldering the responsibility of facilitation in areas where, in comparison with other agencies, it has little or no comparative advantage. For

example, during this study we found that the ECA, which also sees itself as a stakeholder in facilitating the implementation of STAP, has so much of underutilized expertise in technical capability that the RECs do not have access to.

- Our findings further reveal that the RECs are bewildered by the various self-assigned roles of various stakeholders, which they are not in a position to regulate, coordinate, or harmonize for effectiveness. While some areas of facilitation are being handled inefficiently and even duplicated among competing agencies, other critical areas are suffering from total neglect.
- What this calls for is an effective coordinating platform/agency for proper definition and assigning of roles between the various stakeholder institutions and the RECs to avoid duplication of efforts in certain areas and ensure that no area of facilitation is left unattended. By way of illustration, it should be possible to agree on the level of funding required to implement any particular STAP project, the modalities for raising such funds as well as its disbursement. This would minimize the need for different agencies, including the RECs, having to independently approach the same set of donor agencies for funding of the same project.

#### **4.1.4 Linkages Between Countries and RECs**

The report also identified the problem areas between RECs and their member countries, and observed the following:

- There is continuing institutional weakness in the relationships between the RECs and the countries in their region;
- This weakness is evident in some RECs not having any up-to-date information on the status of key projects in their region or being able to liaise with a single contact point in any country that could provide such information;
- Many RECs and their member states have still not established structures and procedures for efficient and effective coordination of NEPAD programs in their regions;
- Some RECs have taken the initiatives to enhance the relationship between them and their member countries. Such initiatives include, among others, establishing a NEPAD focal point within the REC and NEPAD coordination units within each country, region-wide, sector-specific expert and ministerial committees to promote sector harmonization.
- Few of these same RECs, however, have approached this issue in a strategic manner and have continued to create such structures in a piecemeal way, which does not always ensure the strengthening of

institutional relationships or, indeed, better coordination of programs and projects.

The report further recommended that RECs that had not yet done so should be encouraged to conduct a strategic review that will focus on measures to strengthen the institutional arrangements within countries and between countries and RECs to ensure better coordination and acceleration of implementation of NEPAD programs and projects.

### ***Comments and observations***

- The findings buttress this observation. There is hardly any single instance in which we found formalized or institutionalized working relationships between the REC Secretariat and counterpart national institutions, not only in relation to the implementation of STAP but also in the implementation of their overall mandates. Where such relationships exist at all, they only exist in name, thus creating bureaucracies that have little or no impact on the implementation of most projects.
- The capacity implication of this is quite critical to the ability of the RECs to fulfill their obligations as implementing agencies for STAP projects. Rather than independently developing capacity in each REC secretariat, the capacity gaps should be defined in relation to what exists in member countries that may need to be complemented at the regional level. Each REC should be encouraged to use the capacity that already exists in national institutions, or that are best situated in national institutions rather than in the REC secretariat.

## **4.2 Overlapping Responsibilities**

On the relationship between RECs, the report observed that overlapping responsibilities among the different RECs and the membership of some countries in more than one REC with different sets of rules, standards, and, in some cases legal regimes, continue to pose challenges both for facilitation/harmonization of projects and for physical investment projects. It listed the following as challenges posed by these overlapping relationships:

- RECs adopt different sectoral harmonization models and policies, thus creating dilemmas for countries. These often lead to delays in implementing region-wide program objectives.
- Competition for resources poses a dilemma for development partners. Usually, the limited capacity that should be harnessed to deliver regional projects is dissipated by institutions competing for the same donor funds.



- There are complexities in the legal and financial structuring of cross-border regional projects where participating countries belong to different RECs with different legal systems.

The review, however, identified evidence of increasing collaboration between RECs in the implementation of STAP. Such collaboration included the following:

- Establishment of frameworks for regular inter-REC liaison meetings; and
- Agreement on the development of joint sectoral programs and designation of which REC will take leadership for a particular sectoral program, thus reducing the potential for duplication of effort and ensuring that a single regional harmonization model is adopted for any particular sector.

This notwithstanding, the report recommended that NEPAD should continue to intensify its efforts to encourage overlapping RECs to work more closely together in particular to jointly examine their programs with a view to the following:

- Collaborating on joint development of programs, thus avoiding duplication of efforts
- Sharing best practices, knowledge base, and technical competences

### ***Comments and observations***

- Our findings reveal that opinions vary among the various stakeholders on how best to resolve what, in some quarters, is described as a quagmire of interrelationships between RECs. While the AfDB believes the NEPAD can be relied on to encourage greater cooperation and harmonization of policies between RECs, the AU Commission and the ECA believe the only effective way out is to rationalize some RECs.
- As a reflection of the degree of complexity posed by these overlapping relationships on STAP projects and any future extensions, we found that there is no agreed definition on what constitutes a REC. The AU Commission officially recognizes eight RECs and downgraded all others to intergovernmental agencies.
- A situation whereby individual member countries are left to decide on what and who constitutes a REC, and to decide voluntarily on who qualifies to join which, can only result in chaotic ineffectiveness either in the implementation of their mandates or in the specific instance of seeking to implement STAP. The AU needs to rectify this.

- We observed some voluntary collaboration between some RECs, particularly between SADC and COMESA. In our view, this may be more cosmetic and superficial than substantive. Most of the existing ad hoc collaborative arrangements result from anticipation of resource sharing, especially where such collaboration is an essential requirement for attracting donor funding. The collaborations are not strong enough to withstand the stress that is likely to occur in project implementation nor would they be easily transferable from one project to another, especially where member states are out to pursue and protect their particular interests, which may vary from one project to another. A more concrete and formalized collaborative arrangement is required.
- Our study also reveals that the NEPAD Secretariat lacks the capacity and is not empowered by its mandate to effect such cooperation or rationalization. The AU Commission, which has the political mandate to work toward the objective of achieving continental integration, may be better placed to handle this and it should be empowered to do so.
- The AU Commission, working in concert with the RECs and other regional agencies that have had longstanding working relationships with the RECS, such as the ECA, should be given the mandate to handle the rationalization of the RECs.
- This is perhaps one of the most difficult issues that must be confronted realistically by all stakeholders in the African economic integration project. If this project is to be taken seriously as an ultimately realizable goal, the only justification for the existence of any REC side by side with the AU would be to facilitate and speed the efforts to attain continental integration. A major operational implication of this would be the need to look closely at the structure and mandate of each REC and streamline them to ensure that they conform to the ultimate goal of achieving continental integration.
- Here, again, a sufficiently broad-based and all-inclusive platform needs to be institutionally and legally empowered to carry out this streamlining process. With proper empowerment, the AU should be entrusted with the responsibility of handling this process.

### **4.3 Poor Financial and Technical Capacity in the RECs**

The report identified a chronic shortage of financial and technical resources in all RECs as a key constraint in the first review conducted in 2003. It went on to emphasize that this had not improved by 2005. The report further demonstrated that poor financial and technical capacity continues to handicap the RECs in their efforts to carry out their designated mandate as the implementing organs of NEPAD in their respective regions. This incapacity, it

further observed, emanated from the way the RECs were structured, staffed, and funded to pursue their mandates.

It noted that a few RECs have initiated measures to improve their financial and technical capacity by doing the following:

- Improving the manner and level of funding from their respective member countries
- Conducting institutional reforms to boost technical capacity to harmonize and develop programs as well as to prepare bankable projects

Furthermore, the AfDB is seriously thinking of converting NEPAD IPPF into a multicountry donor facility and seeking to expand the fund with contributions from other development partners.

#### ***Comments and observations***

- If continental integration is accepted as an overriding ultimate goal of the RECs and their member countries, the relevant capacity needs assessment and the need to rectify such capacity gaps must be handled in a well-coordinated manner. This would make for a holistic approach of addressing what each REC requires to fulfill its obligation to the realization of the common goal.
- We view the current ACBF-led needs assessment as laying the foundation for this process which should not be a one-off exercise, but an activity to be conducted at regular intervals to ensure that the RECs are working in concert with other stakeholders toward the achievement of this ultimate desired goal.
- Whatever independent efforts the RECs may be in a position to undertake must complement such a holistic approach of the current exercise rather than negating it.

# 5

## The Role of the African Union

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### 5.1 Introduction

An analysis of the institutional problems confronting the implementation of STAP points to the need for effective coordination, which is lacking at the moment. The findings from our study suggest very strongly that the responsibility for such coordination should be that of the AU. In this chapter, we consider our findings alongside the Strategic Plan of the AU.<sup>1</sup> The purpose of this is to discover what steps the plan contemplates and how they may address some of the capacity gaps identified in our study. In doing this, we focus attention on the various interrelationships existing between the major stakeholders in African integration agenda, that is, the AU, NEPAD, the RECs, IGOs, member countries, and the development partners.

In conception, the AU is an elaborate, intricately designed institution with well-defined organs whose workings and objectives are well articulated in at least three documents that guide its entire operations:

- The Vision of the African Union and the Mission of the African Union Commission
- The 2004–2007 Strategic Framework of the African Union Commission
- The Action Plans of the Various Departments of the African Commission

These documents set the AU Action Plan for the medium term, from 2004 to 2007. These were prepared in full collaboration with development partners and with inputs from various stakeholders across the continent. The Strategic Framework in particular is the road map for achieving the aims and objectives of the AU.

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<sup>1</sup>AU website, [www.africa-union.org](http://www.africa-union.org), Strategic Plan of the Commission of the African Union, Vols. 1, 2, and 3.

The challenge, therefore, is how to implement their various provisions and translate their good intentions to enforceable provisions. There is, therefore, an urgent need to determine the ways and means of actualizing these intentions. This is to avoid some of the ongoing pragmatic stopgaps undertaken by other regional institutions to establish some degree of relevance to the RECs and the fossilization of the AU into uncoordinated institutional chaos.

## 5.2 Institutional Cacophony

Predating the AU are a host of institutions established over the preceding 50 years with varying mandates on how best to bring about political and economic integration at various levels, particularly at the subregional levels. This has led to a proliferation of integration institutions of various types and shades with interlocking memberships, objectives, and mandates that must now be rationalized within the context of the new initiative and vision of continental integration under the umbrella of the AU.

The Strategic Plan [Vol. 2, p. 8] recognizes the daunting nature of the challenges of what is referred to as institutional cacophony, resulting from over fifty years of activities to build various regional and sub-regional integration institutions that predate the AU. The AU by its Constitutive Act is now charged with the responsibility for rationalizing, harmonizing and coordinating the integration activities of these diverse institutions. . . .

One of the key aims of the African leaders who established the African Union was to bring together the large number of continental and sub-regional institutions established in Africa over the past 50 years and make them work together in one inter-related and well-organized whole that could more effectively deliver results. Thus, for instance, the AU Constitutive Act incorporates the African Economic Community established by the Abuja Treaty (1991) and its regional integration program along with the RECs established to deliver that program. In the economic development field alone, this inheritance from past decisions has led to the creation of a dozen or so regional and sub-regional economic organizations in Africa with many member states belonging to several of them. Inevitably such interlocking and overlapping mandates result in confusion, most evident at times when coordinated action is required, for instance during international negotiations. [Vol. 2, p. 8]

The Strategic Plan recognizes that the existence of several integration groupings in each of the five regions of the continent has obvious disadvantages, which include the following:

- Lack of leadership and the impossibility of mapping out harmonized and coordinated goals; and, therefore, the impossibility of undertaking any organized planning

- Dispersal of studies, approaches, programs, actions, and solutions
- Competition, which thwarts solidarity and blurs the sense of sacrifice for the common good
- Dispersal of resources and initiatives, stretched dangerously thin and rendered ineffective
- Competition and, at times, even contradiction in the cooperation, partnership, and assistance requests presented to bilateral and institutional development partners, a factor which contributes to “donor fatigue”
- A proliferation of community headquarters, staff positions, and meetings—all of which place a huge financial burden on states

“The above situation led the OAD and the ECA to undertake [an] in-depth reflection on the whole question of rationalization. A seminar organized by the OAD in 1993 on the African Economic Community concluded that rationalization of Intergovernmental Organizations (IGOs) was more of a political than a technical issue; and therefore called for courageous political decision and action to reduce and/or rationalize some of the IGOs with a view to turning them into specialized institutions of the larger Regional Economic Communities.”<sup>2</sup>

### **5.3 The AU and Member States**

On relations between the AU and member states, The Strategic Framework states:

For the African Union to effectively become the integration organization that it is designed to be by virtue of the Constitutive Act, it is absolutely necessary for Member States to recognize” that achieving integration is an imperative and for them to accept all that contributes to this goal. This includes in particular providing the Commission with adequate resources to enable it to optimally operate its organs as well as leaving for the new Organization some room for maneuver. This presupposes that the Commission should reassure Member States in terms of respecting their prerogatives and inspire them with confidence in terms of its capacity to effectively help them to crystalize their ambitions for Africa. In this connection, it is vital that the presentation of all African Union major programs or issues should always be preceded by wide consultation within the Council of Heads of State and Government as a way of ensuring ownership of such programs and issues by all and sundry. [Vol. 2, p. 27]

Three key issues are pertinent in this declaration. First, is the superseding nature of the AU as “the” integrating organization, and second is the imperative of integration to all member states; thus integration is a goal

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<sup>2</sup>AU website, [www.africa-union.org](http://www.africa-union.org), Strategic Plan of the Commission of the African Union, Vols. 1, 2, and 3.

they must accept and contribute toward. Third, is ownership, which requires that no program of the AU be imposed without due consultation at the highest level of decisionmaking—the Council of Heads of State and Government—to ensure ownership not just for a convenient few, but by all and sundry.

It is significant that, by virtue of its Constitutive Act, the AU has been designated as “the integration organization.” If this is accepted by all member states, by implication, every other integrating organization, in particular, the RECs, can only be subsidiary to this main integration organization.

Thus the following obtain:

- The AU takes precedence over the RECs in every regard, hence the RECs should be made to work toward the common goal of continental integration.
- Justification for their existing side by side with the AU must be only to the extent that they work toward and not in contradiction to the achievement of this common goal.
- Given that most RECs predated the AU, their original mandates should be streamlined to make them work within a new mandate that focuses on the achievement of regional integration.
- Operationally the AU should have the obligation of a coordinating, if not supervisory, role over the RECs to ensure that they all work toward the attainment of the common goal.

In assigning a coordinating role to the AU, what the Strategic Plan envisages is an all-embracing platform that allows the AU Commission to effectively coordinate activities of the RECs and member states in order to avoid duplication of efforts.

Accordingly, the document says:

In this regard, it is necessary to reaffirm the Decision of our Heads of State and Government to bestow on the Commission a leadership role on all political, economic, social and cultural issues concerning Africa as a whole. It should therefore be agreed with Member States and the development partners (bilateral and multilateral, particularly the United Nations system, NGOs, other development support associations) that Ministerial and Member States’ Expert meetings should be held under the political leadership of the African Union Commission. This would help avoid duplication and overlapping, [identify] sources of wastage of resources, create greater harmony in programs and program implementation and strengthen the capacities of the African Union. [Vol. 1. p. 28]

In the course of our study, there was little or no evidence that the RECs recognize this superseding role of the AU as conveyed by an act to which

all member states fully subscribe. Therefore, if this overriding provision is accepted in principle by all member states, it is imperative that they make the effort to actualize it in practice without much delay.

We found in our study that the AU Commission's Strategic Framework contains an elaborate plan for strengthening the RECs as pillars of regional integration in a short-term action plan whose objectives are meant to be realized by 2007. This is to be accomplished through a series of measures to harmonize the RECs. It would be desirable to meet this target.

#### **5.4 Harmonization of the RECs**

On harmonizing and rationalizing the RECs, the Strategic Plan states that it is necessary to do this to

enable them to meaningfully play their role as pillars of integration. There is a need first and foremost to ensure that the activities of inter-governmental organizations (IGOs) contribute to the consolidation of the RECs in their integration endeavours. To this end, it is noteworthy that the Continent accounts for over a hundred IGOs with cooperation rather than integration vocation. This proliferation of roles results in duplication, wastage, and red tapism and poor performance. Clarification of these roles will go a long way in strengthening these IGOs and foster their effective interaction with the RECs. There is also the need to support the RECs during the different stages of regional integration. To facilitate the requisite coordination of initiatives with the RECs, the Commission has already decided to open a Delegation in each of the Regional Economic Communities and sign fresh Cooperation Agreements with them. [Vol. 1, p. 31]

The Strategic Framework (vol. 2, pp. 28–29) notes that the Abuja Treaty defined the RECs as the “pillars” of the AU. Furthermore, to achieve this goal the AU Commission, while ensuring its continental leadership in the integration process, is required to coordinate and establish close cooperative relationships with the RECs and involve them fully in as many aspects as possible of the AU Commission's work. While doing this, due attention is to be paid to the key principles of subsidiarity and complementarity in developing this relationship. Constructing and securing this relationship will be a key transformation to enable the AUC Strategic Plan's short-term goal of strengthening the regional pillars by 2007.

Two parallel processes are planned for clarifying the AUC relationship with the RECs. The first involves content and programs; the second covers respective roles and the harmonization of the RECs. The first process was meant to start in the latter half of 2004 and continue for six months into the first quarter of 2005. It was meant to involve discussion with each REC on the state of its work on regional integration and an assessment of its anticipated



integration program for the period up to 2007. The prime objective of this discussion was to assess the feasibility of each REC in delivering on a standard minimum integration program (MIP) by 2007. Once this assessment had been conducted with each REC, a standardized MIP was to be designed and proposed to the RECs.

The MIP is intended to provide greater coherence in the overall movement toward regional integration on a continental level, and it includes a set of programs aimed at enabling each REC to deliver on such goals as the establishment of a regional brigade for the African Stand-by Force; coordination of, and a common approach to, international trade negotiations; trade liberalization; free-movement goals within each REC; and regional common policy in various areas, common monetary policy, and common policy in various other sectors.

The next step in the process will be to reach agreement with RECs on these MIPS and, based on this, a Strategic Plan for the achievement will be prepared with each REC. This would form the basis of a Protocol between each REC and the AU Commission.

To this end, the Commission is said to have already decided on immediately establishing a delegation in each REC and to put in place a connectivity project for the RECs, paving the way for the creation of a shared platform for management of skills and expertise. Furthermore, the Commission is meant to find the ways and means of more closely involving the RECs in its work by transmitting to them the reports from the meetings and activities of some of its key organs.

It is also intended that the AU Commission should systematize invitations to executive secretaries to Executive Council and Assembly sessions, and convene two annual coordination meetings with the RECs (May and October). Lastly, an annual report on the state of the union would be prepared each year in partnership between the Commission and the RECs.

The second process is meant to involve reflection and dialogue with the RECs on their role, capacity, and ability to deliver on a standardized regional integration program such as envisaged in the MIPS. This, it is stated, would be nourished with studies and inputs from a number of sources such as UNECA and academic institutions and lead to a first evaluation of the RECs by July 2005, on the basis of previously established criteria.

Member states are also meant to be involved in this reorientation process to ensure that some level of standardization is attained in the mandates they all give to the RECs to which they belong. Thereafter, agreement would then be sought with the major stakeholders with a view to arriving at a final decision on these various measures. The final step in the realization of this short-term objective would be to implement these agreements so as to achieve the overall AU Commission's short-term strategic objective of strengthened regional structures by 2007.

To affirm their regional leadership, each REC retained at the end of the harmonization process would be expected to work toward opening missions in its member countries and encouraging the latter to ensure that they are represented at the headquarters of the concerned RECs.

It is argued that harmonization of the RECs would ensure, among other things, the following:

- More effective management of the continental integration process
- Visibility of each REC
- Greater facility for harmonizing projects and programs
- Greater focus on, and appropriate treatment of, issues relating to peace, security, and conflict prevention and resolution
- The building of physical infrastructure (roads, bridges, telecommunication, energy, and river and lake basin development)

In contemplating the future of the RECs and their relationship with the AU, the Strategic Plan document (Vol. 2, pp. 53–55) spells out clearly how the gradual integration of the RECs into the AU is to be accomplished. It says:

Regional integration has proved to be an invaluable tool for speeding up the economic and social development of nations across the world. This is even more true in the context of globalization; reason for which the African Union, upon establishment, took the decision to consolidate the guidelines contained in the Abuja Treaty for the gradual accomplishment of the objective of integration of the economies of the Continent. The Commission will focus attention on updating the stages defined in the Treaty as shown below, so as to fix timeframes for accomplishment of the integration process.

In the short and medium terms, the priority will be to consolidate the capacities of the RECs to play their role as the pillars of integration and as spaces for transfer of sovereignty, as stipulated in the Abuja Treaty. Each of these RECs should progressively put in place the key tools for an integration area (intra and inter RECs free trade area or Customs Union in order to develop intra-African trade, common policies in specific sectors, monetary and economic union, etc.) borrowing from the best international practices and experience in some of these areas accumulated by some of the RECs on the Continent.

The Commission will therefore work with the RECs to formulate a minimum integration program (to be known as Integration Horizon 2007) which will be a common regional cooperation pact paving the way for attainment in 2007 of sufficient integration level to orientate all the RECs towards an irreversible momentum of Continental integration. To this end, harmonization of policies and programs of the RECs in all the sectors will be systematically promoted. The Commission will contribute thereto by formulating white papers and undertaking advocacy initiatives vis-à-vis the RECs and their Member States.

The Abuja Treaty provided for the AEC to be set up through a gradual process built on the strengthening, gradual harmonization, and then integration of the RECs. This involves six stages lasting over 34 years (from 1994 to 2028).

- Strengthening the RECs (5 years)
- Stabilizing tariffs and other barriers to regional trade, strengthening regional integration and infrastructure, and coordinating and harmonizing RECs (8 years)
- Establishing a free trade area and customs union at REC level (10 years)
- Coordinating and harmonizing tariffs and non-tariffs between RECs (2 years)
- Establishing an African Common Market and common policies (4 years)
- Integrating all sectors, establishing African Central Bank, African single currency, African Economic and Monetary Union, and electing the first Pan-African Parliament (5 years)

Following the creation of the AU and the integration of the African Economic Community within the AU, these six stages will be updated.

## 5.5 The Process of Political Integration

The vision of integration envisaged under the AU is one that would involve gradual transfer of sovereignty from member states to RECs, and ultimately to the AU. While this is a long-term proposition, it does have implications for the short to medium term in defining the institutional relationships between member states vis-à-vis the RECs, on the one hand, and between the RECs and the AU. The Strategic Plan document envisages three levels of citizenship: national, regional, and continental, as well as the evolution of the RECs—created with the prospect of widening domestic markets—toward credible regional integration communities.

On this score, acceptance by Member States of gradual transfer of sovereignty and delegation of power at regional level might lead the RECs to evolve from inter-governmental management approach to con-federal and later federal management. This development will, in turn, dictate that of the African Union: that is, a move from intergovernmental management with transfer of sovereignty, followed by con-federal management leading to confederation, upon the RECs attaining the federal phase. [Vol. 1, p. 27]

It is needful to strengthen the capacities of all the RECs within the context of a new integration logic (the RECs emerged at a time when regional integration was protectionist in nature), with operational bases at different levels. This linkage between reflection and action should be at the core of the initiatives of the African Union. [Vol. 1, p. 27]

These provisions, if implemented, would tackle some of the major institutional capacity problems that, as we found in our study, militate against the effective implementation of STAP far more than the deficiencies in physical or technical capacity of the RECs.

We conducted our study midway into 2005. The implication is that if these short-term objectives meant to be realized by 2007 were to be actualized, most of the measures and processes for actualizing them ought to be in place at the time of our visit to the RECs. In truth, we found little or no evidence either at the RECs or at the AU Commission that significant progress was being made to put into operation these harmonization measures and procedures. In place of harmonization, virtually all the RECs were still very much confined to the individual strategic plans in their original mandates. It was only in some cases that they recognized the need to include the STAP projects in their consideration.

The speedy implementation of these various measures would have major implications for the outcome of our kind of exercise when it is to be conducted in the future. It would redefine and streamline the roles of the RECs against which their capacity needs must be redefined and rectified.

There is urgent need for the AU Commission to realize this critical short-term goal and objective of harmonization in its overall Strategic Plan.

## **5.6 Integration of NEPAD into the AU Commission**

In the course of our study, we discovered that the RECs were unsure of what NEPAD stands for, the nature of its relationship with the AU, other regional institutions and the RECs. Yet, the Strategic Framework (Vol. 2, p. 32) spells out in clear terms how the NEPAD should be perceived, especially in relation to the AU.

NEPAD is a program of the AU adopted as such at the GAD Summit in Lusaka in July 2001. It constitutes a dynamic and proactive framework for coordination of implementation of a wide variety of economic and social development projects across the continent. In addition, it has successfully established a space for international dialogue that has opened up a constructive debate on continental development needs with some of Africa's principal international partners.

Operationally, many view the relationship between NEPAD and the NEPAD Secretariat, vis-à-vis the AU and the AU Commission, as parallel and competing outfits, given the physical separation of the secretariats and what appears to be their independently run facilitating roles, particularly in relation to the RECs. Going by the AU Strategic Plan, however, this must be a temporary phenomenon that should be rectified with the full integration

of NEPAD programs into AU programs and the NEPAD Secretariat into the AU Commission. According to the Strategic Plan:

Efforts are well underway to fully integrate the NEPAD program into the work plans of the AU so as to increase synergies and achieve maximum complementarity. Further work still has to be done in developing a strong team spirit, integrated processes and collaboration mechanisms without at the same time losing the key qualities and assets of NEPAD, its dynamic and proactive culture, its focus on results and its collaborative and networking approach. This integration process will be carried forward and completed in the next two years. As the NEPAD Secretariat becomes step by step more integrated into the AU Commission, it will also be involved in all aspects of the institutional strengthening program of the AU Commission.

On the need to integrate the NEPAD into the AU Commission, there appears to be a definite decision taken by the Heads of State of the African Union taken in 2003 to this effect as follows:

Integrating in the AU Commission the various initiatives, which had been mapped out to accelerate integration in the Continent, particularly, the NEPAD and CSSDCA. In this regard, it is most welcome that the Heads of State of the African Union decided, at the Maputo Summit in July 2003, to integrate NEPAD into the structures and processes of the Union. [Vol. 1, p. 31]

There appears to be no awareness of this intended integration of the NEPAD Secretariat into the AU Commission in most RECs, nor of the working relationship that ought to exist between what, to the RECs, appear to be two separate organizations competing to make themselves relevant to the RECs.

The way they both relate to the RECs suggests nothing obligatory. Rather they seem like potential sources for additional funding to supplement the RECs' own meager funds, or possible sources of assistance like they would expect from donor partner agencies.

These relational ambiguities have been far more detrimental to the ability and willingness of the RECs to implement STAP, far more than the limitations arising from physical or technical capacity constraints. Integration was meant to be completed in two years, that is, at the end of 2005. However, we saw very little evidence, be it at the NEPAD Secretariat, the AU Commission, or at the RECs, of any practical steps being taken to achieve this objective.

There is an urgent need to clarify and act upon the institutional relationships between the NEPAD and the AU and their respective secretariats, in order to clear the ambiguities that exist not only in their dealings with the RECs but also in their dealings with donor partners and other stakeholders in the integration agenda of the AU.

## **5.7 The AU and Its International Partners**

The Strategic Plan also presents the relationship between the AU and other regional institutions as follows (Vol. 2, p. 35):

Top on the Agenda of the new Africa in the making is the building of an open and transparent dialogue as well as genuine partnership at the global level. To this end, the Commission will take steps to involve everyone wishing to make an input to Africa's development, through implementation of the programs of the African Union.

At the level of Africa, the United Nations Economic Commission for Africa (UNECA) and the African Development Bank (AfDB) are natural partners of the Commission with which it is vital to share Africa's agenda and establish cooperation linkages with a view to enlisting their expertise in the service of the African Union. A variety of international donors have also expressed interest in supporting the work of the AU and more particularly the institutional development process of the AU Commission and the broader AU. This support will be integrated into a single framework so as to ensure that it is really effective. It is envisaged that some form of joint partnership agreement, managed by the AU Commission Resource Mobilization Unit, will be worked out with a group of donors that agree to support the AU's institutional development. Management of the support of such a group of donors should be clearly located within the AU Commission, which will appoint a contact person to act as the focal point for donor coordination. The donor group should reciprocate by appointing a chef de file to act as liaison point on their side. Fixed moments for the joint strategic planning of support will then be organized at regular intervals to review progress and plan forthcoming support needs.

To operationalize this process, the AU Commission was to hold a conference with its international partners in October 2004. The prime aim of this conference was to get agreement on a unified "basket" type of fund directly linked to the AU Commission Strategic Plan, for donor support to the AU Commission. The conference was also to cover both the needs for donor support to the institutional transformation process and to the operational programs of the AU.

The Strategic Plan recognizes the critical complementary roles of existing regional organizations especially the AfDB, the ECA, and the ACBF that were not specifically mentioned. The emphasis is on complementarity, which from our findings does not exist at the moment, particularly as it pertains to the AU and AU Commission. The only visible relationship at the moment is the one between NEPAD and the AfDB for the implementation of STAP projects in which the AU Commission appears to be having little or no involvement. It is necessary that this platform be developed to bring these various institutions on board not just for the implementation of STAP but also for the wider AU program. Creating this platform would enable the various institutions to concentrate on offering their expertise and know-how

along the lines of division of labor. This division will be dictated by the institutions' respective comparative advantage as opposed to the existing situation in which the AfDB alone shoulders the responsibility of working with the RECs to implement STAP, and no doubt finding it quite burdensome.

Whatever capacity gaps may exist in the RECs, the AU Commission itself and the NEPAD Secretariat waiting to be filled should first take cognizance of what is available in these various institutions. For example, in the course of study we learned that the ECA has a wealth of experience and technical expertise that it is willing to put at the disposal of the RECs and the AU commission if only they ask, and if the right harnessing framework can be put in place.

## **5.8 Financing the Strategic Plan**

In volume 3 of the Strategic Plan document, various sectoral programs are given priority. A close look at the projects listed under African Union—NEPAD Flagship Program [Vol. 3, Action sheet 24, pp. 64–65] shows some overlapping with current STAP projects, even though they are listed as joint AU-NEPAD projects. This gives a strong indication of the intention to integrate NEPAD programs into the AU program. The Strategic Plan states it thus:

To speed up the progress towards integration and build upon the momentum of the New Partnership for Africa's Development (NEPAD), a priority African Union-NEPAD program ... incorporating integration projects capable of changing the face of Africa, has been formulated. This program will be endowed with a special implementation strategy, which will include dedicated authorities to define the implementation approach, seek the necessary financing and forge public-private partnership for the various projects identified.

Based on these and other programs, Table 5.1 presents the financing needed to implement the Strategic Plan of the Commission over the period (2004–2007).

The AU-NEPAD priority program coupled with the African Peer Review Mechanism (APRM) program would account for 35 percent of the funding needed for the Strategic Plan projects. There is, however, no indication on how this amount relates to the funding needs of STAP and who would be responsible for raising the funds.

Commenting on the availability of funds to execute the Strategic Plan, it is revealed that estimates carried out on the resource needs for the period 2004–2007 show that the existing resources of the Commission can hardly finance one-tenth of the minimum requirements to implement the 2004–2007 Strategic Plan. Consequently, it is necessary to identify alternative

Table 5.1 Indicative Budget for the 2004–2007 Strategic Plan of the AU Commission

	Millions of US\$	Percentage
Institutional Transformation		
a) Strengthening the Commission	25	1.46%
b) Institutional Rationalization	10	0.58%
c) Governance	5	0.29%
<b>Subtotal</b>	<b>40</b>	<b>2.33%</b>
Action Area 1: Shared Vision		
1) African Union, our future	10	0.58%
2) Citizens of Africa	10	0.58%
3) Africa's Visibility	10	0.58%
4) Afro-Arab Brotherhood	5	0.29%
5) Africa Reflects on its Future	5	0.29%
<b>Subtotal</b>	<b>40</b>	<b>2.33%</b>
Action Area 2: Peace, Governance, and Human Security		
6) Peaceful Africa in a Peaceful World	20	1.17%
7) Democracy in Progress	10	0.58%
8) Well Governed Africa	5	0.29%
<b>Subtotal</b>	<b>35</b>	<b>2.04%</b>
Action Area 3: Economic Integration		
9) Integration Horizon 2007	15	0.87%
10) Free Movement	5	0.29%
11) Food Security and Self-Sufficiency	20	1.17%
12) Water for All	5	0.29%
13) Invest in Africa	5	0.29%
14) Made in Africa	10	0.58%
15) Equitable Global Trade	5	0.29%
16) Towards a Common African Currency	5	0.29%
<b>Subtotal</b>	<b>70</b>	<b>4.08%</b>
Action Area 4: Integration Infrastructure		
17) Interconnect Africa	20	1.17%
18) Bridge the Digital Divide	15	0.87%
<b>Subtotal</b>	<b>35</b>	<b>2.04%</b>

(continues)



**Table 5.1 Cont.**

	Millions of US\$	Percentage
Action Area 5:		
Social Development		
19) Priority Education	20	1.17%
20) Stop AIDS, Malaria and Tuberculosis	10	0.58%
21) Fight Poverty and Social Exclusion	10	0.58%
22) Interdependent Africa	20	1.17%
	<b>60</b>	<b>3.50%</b>
23) Cultural Renaissance	20	1.17%
	<b>300</b>	<b>17.50%</b>
Overhead Costs		
Staff Salary and Emoluments	105	6.12%
Running Costs	30	1.75%
Pan-African Parliament	30	1.75%
Court of Justice	3	0.17%
African Court of Human and Peoples' Rights	3	0.17%
ECOSOCC	9	0.52%
Council for the Future	1.5	0.09%
Peace Fund	600	35.00%
Special Funds		
AU-NEPAD and APRM Priority Program Fund	600	35.00%
Special African Initiatives Program	33	1.92%
<b>TOTAL</b>	<b>1,714.5</b>	

sources of financing to reinforce the available resources in the Commission, thereby enabling it to successfully implement the agenda on the continent. Such alternative sources include, among other things, the deduction of an amount equivalent to 0.5 percent of the budget resources of each member state; a 10 percent deduction from the budget of defense ministries of AU member states to finance the peace and security agenda of the continent; and the RECs ceding to the Commission a part of their resources.

The Strategic Plan also emphasizes the need to have a single framework for resource mobilization especially in relation to international development partners. This is quite a bothersome problem to the RECs as well as the international donor partners at the moment, especially in the resource mobilization effort to fund STAP projects. The international donor partners have difficulty in knowing how best to respond to the requests of individual countries and, the various RECs, just as between the AU Commission and the NEPAD for funding for various projects or the same set of projects under STAP.

We found very little evidence of coordination and harmonization of resource mobilization process for which the AU Commission is assuming responsibility being effected. There is a need for urgent action in this regard to make concrete the intended harmonization and centralization of resource mobilizations not only for the implementation of STAP but any of its future extensions as well.

During our study, we found that part of the reasons for the AU Commission's poor action to exercise its coordination and integrating role over the RECs may be partly attributable to its own capacity deficiencies, which is acknowledged in the Strategic Plan.

### **5.9 The Weakness of the Existing Capacities in the AU Commission**

The Commission of the African Union, which is supposed to be the engine of the Union and of the integration process, does not yet possess the necessary capacities to achieve the stated objectives. The institutional heritage of the OAU is characterized by numerical and qualitative staff shortage, ineffective structures resulting in compartmentalization of the Departments, a highly hierarchical and bureaucratic organizational structure, and systems and procedures that do not enhance modern, transparent and results oriented management. [Vol. 2, p. 7]

Looking at the staffing levels presented in Table 5.1, there is no single department of the Commission that has above 61 percent of the intended full staff complement. This capacity deficiency must be rectified if the Commission is to achieve most of the critical measures of its harmonizing and coordinating roles over the RECs and member states and the implementation of the regional integration agenda of which STAP is an initiating component.



# 6

## Capacity Constraints and NEPAD

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### 6.1 Introduction

In the course of our study, we found evidence of inadequate understanding among the RECs and other stakeholders on the extent to which NEPAD should be regarded as an institution and, if an institution, what its mandate is; how this mandate relates to the mandates of other institutions; and what the mechanism is for fulfilling its mandate. There is hardly any doubt that NEPAD has such visibility and enjoys a level of awareness across the continent that is far more than any other African initiative that has ever been designed to advance the cause of African development. Herein lies the dilemma that confronts most stakeholders in African development. What appears to be the question everywhere among the RECs, other African institutes, and the development partners is, if NEPAD is an idea that has long been overdue, how is it to be perceived in relation to existing programs and institutions?

To the RECs, whose capacity needs are being assessed in relation to NEPAD-STAP projects, there is some measure of skepticism toward NEPAD. First, given the original mandates of the RECs from the very same source that is now promoting NEPAD, it appears that the whole NEPAD idea seems suspicious. Second, the RECs wonder about the wisdom of defining their (that is, RECs') capacity needs from the perspective of NEPAD, which appears to be a "quick-fix" short-term program.

Most RECs would rather define their capacity needs from the perspective of their original mandates and hope that such a definition would also meet the requirements for NEPAD projects, whichever way this gets to be defined either in the nature of the ongoing STAP or any of its future extensions.

The AU Commission is, no doubt, experiencing very serious implementation lag problems, which have made the impact of its activities on the RECs very limited thus far. But by the time it begins to implement its elaborate plan of strengthening and rationalizing the RECs and their activities,

as contained in its Strategic Plan, the current dilemma the RECs face in relation to NEPAD could be further compounded.

What is NEPAD and what is NEPAD in relation to the AU, the AU Commission, and the RECs? Why must the RECs be guided in defining their capacity needs primarily from the perspective of NEPAD STAP projects? How is STAP to be perceived in relation to the overall mandate of NEPAD and how are the RECs meant to fit into this overall picture? Again, while telling the RECs that they are the implementation arm of NEPAD, most RECs are at a loss about what this relationship translates to in reality when it comes to project design, mobilizing resources for implementation, and getting to actually implement the projects.

We attempted seeking clarification to some of these issues by trying to look at NEPAD from both the perspective of the AU and the NEPAD Secretariat.

## **6.2 NEPAD from the Perspective of the AU Commission**

From the perspective of the AU Commission the following represents a brief summary of what NEPAD is [AU website, pp. 17–18]:

NEPAD (the New Partnership for Africa's Development) adopted by the OAU Summit in Lusaka, Zambia, in July 2001, concurrently with the launch of the African Union, represents a perfect illustration of the new will on the part of Africans to change the future of their Continent. This coincidence of the launch of NEPAD and the African Union in many respects reflects the determination of African leaders to turn a new page for Africa. It is also an indication that Africa is back on the world stage.

Born of the merger of the Millennium African Program (MAP) initiated by Presidents Mbeki, Obasanjo and Bouteflika, and President Wade's Omega Plan, NEPAD embodies the critical values and principles that should drive the Continent's economic rebirth, notably: good governance both political and economic; a society built on the rule of law; the region as an operational field—since Africa is divided into five regions—and lastly, involvement of the private sector as an engine of investment and economic growth.

In addition to these fundamental facts, NEPAD has retained eight (8) key sectors, interaction of which will trigger development, namely: infrastructure development, education and training, health, agriculture, the information and communication technologies, the environment, energy and access to developed countries' markets.

NEPAD therefore marks a new beginning in many respects. It takes on board necessary consultation with the people of Africa, as well as debt related and gender issues. NEPAD is also intended to promote rational development of Africa's natural and agricultural resources through judicious financing which will enable the continent to move away from the spiral of poverty sustained by the debt/assistance binomial as a means of financing development. NEPAD will be fully integrated into the Vision of the African Union and the Action Plans of the Commission in conformity with

the Maputo (Mozambique) summit Decision of July 2003 (Assembly/AU, Dec. 8).

The implication of the above from the perspective of most RECs is that the NEPAD is soon meant to be integrated into the AU Commission and its action plans. This should have significant implications for the STAP and any of its possible future extensions.

If the RECs are to define their capacity needs, therefore, it should be from the perspective of the AU Commission's action plans rather than the temporary program of NEPAD that are about to be fully integrated into AU Commission's action plans.

If the integration is indeed to take place, there is no clear indication as to when this would be, in which case it becomes even more problematic to define their capacity needs from the perspective of being the implementation arm of NEPAD.

### **6.3 Looking at NEPAD from the Perspective of NEPAD Secretariat**

In its newsletter issued in July/August 2005, the NEPAD provided a very quick summary of what it is, what its goals and objectives are, and how it is setting about realizing them in simple question-and-answer format as follows:

#### ***On NEPAD and Its Origins***

The New Partnership for Africa's Development (NEPAD) is a VISION and STRATEGIC FRAMEWORK FOR AFRICA'S RENEWAL. . . . NEPAD is designed to address the current challenges facing the African continent—issues such as the escalating poverty levels. . . . The NEPAD Program of Action is a holistic, comprehensive and integrated sustainable development initiative for the revival of Africa.

What are the Origins of NEPAD? The NEPAD strategic framework document arises from a mandate given to the five initiating Heads of State (Algeria, Egypt, Nigeria, Senegal, and South Africa) by the Organization of African Unity (OAU) to develop an integrated socio-economic development framework for Africa. The 37th Summit of the OAU in July 2001 formally adopted the strategic framework document.

#### ***On the Justification for NEPAD***

What is the need for NEPAD? NEPAD is designed to address the current challenges facing the African continent. 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.

***NEPAD's primary objectives.***

- To eradicate poverty;
- To place African countries, both individually and collectively, on a path of sustainable growth and development;
- To halt the marginalization of Africa in the globalization process and enhance its full and beneficial integration into the global economy; and
- To accelerate the empowerment of women.

***What Are the Principles of NEPAD?***

- Good governance as a basic requirement for peace, security and sustainable political and socio-economic development;
- African ownership and leadership, as well as broad and deep participation by all sectors of society;
- Anchoring the development of Africa on its resources and [the] resourcefulness of its people;
- Partnership between and amongst African peoples;
- Acceleration of regional and continental integration;
- Building the competitiveness of African countries and the continent;
- Forging a new international partnership that changes the unequal relationship between Africa and the developed world; and
- Ensuring that all Partnerships with NEPAD are linked to the Millennium Development Goals and other agreed development goals and targets.

***On NEPAD's Program of Action***

The NEPAD Program of Action is a holistic, comprehensive and integrated sustainable development initiative for the revival of Africa, guided by the aforementioned objectives, principles and strategic focus.

***NEPAD's Priorities.*** Establishing the Conditions for Sustainable Development by ensuring:

- Democracy and good political, economic and corporate governance; regional cooperation and integration; capacity building;
- Policy reforms and increased investment in the following priority sectors—agriculture; human development with a focus on health, education, science and technology and skills development; building and improving infrastructure, including Informa-

tion and Communication Technology (ICT), energy, transport, water and sanitation; promoting diversification of production and exports, particularly with respect to agro-industries, manufacturing, mining, mineral beneficiation and tourism; accelerating intra-African trade and improving access to markets of developed countries; and

- The environment, mobilizing resources, increasing domestic savings and investments, improving management of public revenue and expenditure, improving Africa's share in global trade, attracting foreign direct investment, and increasing capital flows through further debt reduction and increase ODA flows.

***Immediate desired outcomes of NEPAD.***

- Africa becomes more effective in conflict prevention and the establishment of enduring peace on the continent;
- Africa adopts and implements principles of democracy and good political, economic and corporate governance; and the protection of human rights becomes further entrenched in every African country;
- Africa develops and implements effective poverty eradication programs and accelerates the pace of achieving set African development goals, particularly human development;
- Africa achieves increased levels of domestic savings, as well as investments, both domestic and foreign;
- Increased levels of ODA to the continent are achieved and its effective utilization maximized;
- Africa achieves desired capacity for policy development, coordination and negotiation in the international arena, to ensure its beneficial engagement in the global economy, especially on trade and market access issues;
- Regional integration is further accelerated and higher levels of sustainable economic growth in Africa is achieved;
- Genuine partnerships are established between Africa and the developed countries based on mutual respect and accountability.

***Key priority action areas.***

- Operationalizing the African Peer Review Mechanism;
- Facilitating and supporting implementation of the short-term regional infrastructure programs covering Transport Energy, ICT, Water and Sanitation;
- Facilitating implementation of the food security and agricultural



- development program in all sub-regions;
- Facilitating the preparation of a coordinated African position on Market Access, debt relief and ODA reforms;
- Monitoring and intervening as appropriate to ensure that the Millennium Development Goals in the areas of health and education are met.

#### **6.4 The Structure for Implementing NEPAD's Programs**

NEPAD is a program of the African Union designed to meet its development objectives. The highest authority of the NEPAD implementation process is the Heads of State and Government Summit of the African Union, formerly known as the OAU. The Heads of State and Government Implementation Committee (HSIC) comprises three states per AU region, as mandated by the OAU Summit of July 2001 and ratified by the AU Summit of July 2002. The HSIC reports to the AU Summit on an annual basis. The Steering Committee of NEPAD comprises the Personal Representatives of NEPAD Heads of State and Government. This Committee oversees projects and program development. NEPAD Secretariat coordinates implementation of projects and programs approved by the HSIC.

In asking the RECs to define their capacity gaps for which rectification programs are to be designed and doing so in the context of being the implementation arm of NEPAD raises a number of questions for which the RECs are unable to provide immediate answers. Some of them include the following:

- The program of NEPAD is holistic in nature, encompassing virtually every conceivable dimension of development. Why then should assessment of capacity needs even as a short-term exercise be unduly focused on STAP?
- There is no indication whatsoever of the temporary nature of NEPAD as an independent program and its intended absorption into the AU Commission. How reliable and enduring would any capacity needs assessment based on the perspective of NEPAD as against the Strategic Plan of the AU Commission be?
- Making the RECs' capacity needs assessment exercise meaningful would require that these conflicting perspectives and relational uncertainties and ambiguities be resolved at the highest level of policymaking in the AU and NEPAD as well as in the RECs. It would also require giving equal attention to empowerment mechanism for the enforcement of such decisions once they are taken. The status of the 2003 Maputo decision and inability to enforce it remains a puzzle to most of the RECs and other stakeholders among development partners.

# 7

## The Need for Clear Division of Labor or Mutual Understanding of Roles

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### 7.1 Introduction

Our overall findings suggest that, unlike earlier initiatives, various stakeholders in the African Project, including development partners, are taking the African integration agenda quite seriously. The idea of NEPAD has generated much enthusiasm and raised expectations that this time around Africa is determined to experience positive change in all areas of development, with the support of collaborating development partners, as enunciated in the AU-led initiative. Our findings also suggest that the critical role assigned to the RECs as the building blocks or implementation arm of AU/NEPAD may not be misplaced confidence. However, if the RECs are to succeed in accomplishing this role effectively, existing gaps in their physical and technical capabilities must be bridged. If their performance thus far in the delivery of NEPAD STAP projects as a pilot program is anything to go by, the RECs are confronted by more than just physical technical constraints. There appear to be major capacity bottlenecks arising from different institutions seeking, without proper coordination, to provide supportive or leadership role to the RECs. The present situation, therefore, calls for a strong coordinating platform for determining and assigning roles, and for sorting out institutional relationships that would ensure proper understanding of roles that would transform competitive roles to complementing facilitation programs to enhance the implementation capacity of the RECs.

### 7.2 An Indicative Division of Labor

Looking at various stakeholder institutions involved in equipping or assisting the RECs to perform their tasks, and going by their terms of reference, there shouldn't be much difficulty in identifying the areas where each has comparative advantage. Such comparative advantage and a track record of past performance ought to serve as a useful guide in delineating roles.

Table 7.1 illustrates such delineation of roles using a number of illustrative activities that are not necessarily exhaustive but adequately demonstrate how the various institutions can complement one another's efforts. The simple illustrative table is discussed under the following assumptions:

- The African Economic Community (AEC) is the ultimate integration goal of the AU.
- The RECs remain the main pillars of implementation for the realization of this goal. Hence, the various illustrative activities listed are aimed at facilitating this role, that is, equipping the RECs to implement the various integration projects;
- NEPAD and the NEPAD Secretariat are viewed as integral parts rather than separate entities in relation to the AU and the AU Commission.
- Funding requirements and corresponding resource mobilization are from both internal and external sources, that is, including the mobilization of resources from member states as well as development partners.
- We are limiting ourselves to the key regional institutions, that is, the AU, the ECA, the AfDB, and the ACBF all working in concert with the RECs and development partners to promote African integration and overall development agenda.

### **7.3 Need for Flexibility and Adaptability**

We recognize that these key institutions derive their mandates and legal authority from different sources. Thus the issue of division of labor can only be pursued within the context of shared mandates in relation to the objective of promoting African integration. The pursuit of this shared objective or mandate necessitates some form of mutual understanding among the various institutions. If not formal division of labor, how best are their desired goals to be achieved in a manner that would ensure minimization of wasteful duplication of effort and maximization of efficiency?

Looking at Table 7.1, a summary of roles would suggest that the AU would assume responsibility for overall coordination of integration activities and specifically handle the political leveraging aspects of these activities. The AU Secretariat in the Africa Commission would provide the platform or framework for coordinating the joint activities of the secretariats of the different institutions in servicing these activities. The ECA with comparative advantage in technical capability would handle all technical capacity creation and enhancement activities in relation to the RECs. The AfDB in conjunction with the ACBF would handle all financial resource mobilization from internal and external sources as well as disbursement-related activities vis-à-vis the RECs. This is in addition to direct funding of activities

**Table 7.1 Allocation Tasks and Responsibilities to AU, ECA, AfDB, and ACBF**

AU	ECA	AfDB/ACBF	AU/ECA/AfDB Secretariat
1. Popularizing the treaty and promoting its ratification	1. Conducting economic analysis of investment opportunities within and between RECs	1. Mobilizing and financing investment	1. Providing inputs to the work of the PSC
2. Providing secretariat services to the PSC to implement AEC	2. Assisting and promoting sound economic management of projects and programs	2. Ensuring sound financial management of projects and programs	2. Organizing meetings to discuss AEC business
3. Assisting PSC to identify activities that promote implementation of AEC priorities	3. Appraising the rationalization of IGOs within RECs	3. Establishing financial markets	3. Managing and maintaining adequate communication and consultations with the AEC focal points in AU, ECA, and AfDB
4. Promoting democratic practices among member states as a foundation for sound economic management.	4. Appraising the feasibility of new/expanded regional and continental investments in transport and communications of all modes.	4. Financing viable multi-sectoral projects and programs within the RECs	4. Allocating Joint activities to AU, ECA, AfDB according to their roles, responsibilities, and resources
5. Contributing to the settlement of disputes and conflicts so as to concentrate energy on production.	5. Appraising the feasibility of new/expanded/inter-linked regional and continental energy (electric, solar, etc.) projects.	5. Establishing supporting regional development banks	5. Reviewing, following-up, and monitoring progress of AEC activities according to the share of responsibilities
6. Establishing a secretariat for the AEC.	6. Implementing global approach to economic integration	6. Establishing regional community funds	6. Identifying AEC activities that cut across (mixed triple roles) the individual roles of AU, AEC, and AfDB/ACBF, and setting up joint task forces to manage their design and implementation

(continues)

**Table 7.1 Cont.**

AU	ECA	AfDB/ACBF	AU/ECA/AfDB Secretariat
7. Organizing conferences to coordinate relief supplies (such as Somalia, Sudan, and Madagascar)	7. Promoting the study of: (1) poverty and its alleviation; (2) environmental degradation; (3) developing a comprehensive macroeconomic model for managing growth and equity	7. Improving the performance of regional monetary clearing houses/other monetary exchange mechanisms	7. Monitoring the constantly shifting boundaries of roles and responsibilities of the AU, ECA, and AfDB /ACBF
8. Arranging peace talks such as the Rwanda/RPF case in Arusha	8. Providing technical assistance in own area of specialization (especially to RECs)	8. Studying self-financing in RECs	
9. Organizing workshops on social matters such as AU/UNICEF workshop on the children held in Dakar	9. Establishing the African Export/Import Bank		
10. Promoting political and social strategic studies of African interstate relations. Establishing an African institute of strategic studies modeled on the London School of Strategic Studies		10. Establishing and managing the Solidarity, Development and Compensation Fund	
11. Promoting the study and practice of diplomacy in Africa		11. Providing technical assistance in own area of specialization (especially to RECs)	
		12. Establishing and promoting studies and publications in own area of specialization	

within the limits of the two entities' resources and operational terms of reference. As already emphasized, this is an indicative allocation of responsibilities. The allocation process should not be considered a one-off activity or a watertight compartmentalization. It should be flexible and subjected to constant review to accommodate new challenges and activities to ensure relevance and effectiveness.



# 8

## The Gender Dimension

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### 8.1 Introduction

The major challenge facing Africa is to achieve rapid and sustainable development, eradicate poverty and improve the living conditions of its people, and promote democracy and good governance. To meet this challenge in recent years, African leaders at the highest policy level have taken a number of important initiatives that include the establishment of the African Union and the adoption of NEPAD as the strategic program of the AU. The RECs (the building blocks of the AU) are expected to play a major role in meeting this challenge.

It goes without saying that if Africa is to successfully meet the challenge of poverty eradication and sustainable development, the continent must fully involve all its peoples in the development process. This is particularly true of the women, who constitute 52 percent of Africa's total population and who historically have suffered social, economic, and cultural discrimination leading not only to their marginalization but also to lack of access to, and control over, societal resources.

The marginalization of women has been a result of patriarchal tendencies of favoring male children, girls dropping out of school, early girl marriages, and weak networking among educated and professional females.

Over the last thirty years, gender issues have been on the international agenda. At the same time, there has been increased institutionalization of gender issues in both international and continental institutions. Hence the UN General Assembly proclaimed 1975 the International Women's Year (for which a conference was held in Mexico). Twenty years later, in 1995, a World Conference on Women was held in Beijing. During this conference, participating governments adopted a declaration that affirmed their commitment to the principles of equal rights enshrined in the UN Charter, the Universal Declaration of Human Rights; and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). In 2000,



the world's governments met in New York to assess progress made in implementing the Beijing Declaration and Platform for Action. A Beijing+5 document containing major resolutions emerged from this gathering and it was later adopted by the UN General Assembly. During February/March 2005, the UN Commission on the Status of Women converged in New York to review and appraise the Beijing Declaration and Platform of Action (Beijing+10). Besides all the above, goal three of the Millennium Development Goals (MDGs) addresses the promotion of gender equality and empowerment of women. Through this, the UN Millennium Summit of 2000 not only accorded high priority to the gender issue but stated that this goal "represents a global affirmation of women's rights and gender equality as core values of development."

African states have been full participants in the above international and regional activities to combat all forms of discrimination against women. For example, Africa participated in the four world conferences organized by the UN on the gender issue and entirely subscribed to the move to concede more rights and status to women. Two of the world conferences were held in Copenhagen in 1980 and Nairobi in 1985 in addition to the Mexico and Beijing conferences mentioned earlier. All these conferences have shed more light on gender issues and opened interesting perspectives on how to address them. More specifically, the Beijing conference called upon governments and civil society organizations to take concrete actions on the following issues:

- Women and poverty
- Education and training of women
- Women and health
- Violence against women
- Women in armed conflicts
- Women and economy
- Women, power, and decisionmaking
- Institutional mechanisms for women's promotion
- Women and human rights
- Women and media
- Women and environment
- Problematic of girls

Deriving from the foregoing, African governments have committed themselves to improving women's lot at the national, continental, and international levels. Since the whole purpose of establishing RECs is to accelerate African countries' economic, social, political, and cultural development, they must take seriously the gender relations aspect (i.e., resource sharing, division of labor, benefits and rights, powers and privileges) within this process.

In the Solemn Declaration on Gender Equality in Africa, the Heads of State and Government of Member States of the African Union (July 2004)

reaffirmed their commitment “to continue, expand and accelerate efforts to promote gender equality at all levels.” Furthermore, one is encouraged by the fact that the AU, under which all the RECs fall, has given a clear direction with regard to the kind of development that Africa needs. Hence the statement in the Strategic Plan of the AU Commission’s Volume 1:

Policies and strategies to be implemented would have no meaning unless they are human-centered. Humans in Africa—of whom over fifty percent are women—must, in all circumstances, be both the actors in and beneficiaries of the structural changes engendered by development. . . . In the same vein, Africa cannot move forward in any domain unless the situation of women is corrected.

Moreover, various regional and subregional womens’ meetings in Africa complemented the international efforts being made toward gender equality.

## 8.2 Gender Status in the RECs

It is astonishing to note that in spite of having been part of international and continental efforts to fight gender imbalances, most of the RECs do not have gender policies that would provide a framework within which to address gender issues. Such issues cover, among other things, lack of gender mainstreaming in institutional strategies, programs, and plans; gender inequalities and discrimination; gender sensitivity/insensitivity with regard to staff compositions and the hiring of consultants; possible gender bias in modes of appointments; and gender-sensitive/insensitive capacity development programs.

Also a pertinent question is whether NEPAD, an AU program, which the Continental Body expects to “epitomize the new will on the part of Africans to change the future of their Continent” and whose STAP projects are to be implemented by RECs, is showing the way, in terms of addressing gender issues. In the *Africa Policy E-Journal* (11 Feb. 2002), feminist consultant Sara Hlupekile Longwe held that while NEPAD made some strong principle statements about the need for gender equality, “this initial commitment fades away as the planning sequence proceeds, leading to no adequate identification of specific gender issues to be addressed, and no strategies and/or proposed actions to address gender issues.”

These observations were made in July 2001, about half a year after NEPAD was adopted by the OAU Summit at Lusaka. Has the situation changed since then? Is it enough that articles 67 (b) and 68 (b) of the NEPAD foundation document focus on gender issues? The Concept Paper for NEPAD Gender Task Force (July 2005) suggests that NEPAD

not only has to facilitate the involvement, effective participation of women in the implementation process but also ensure that economic empowerment of women is one of the priorities of NEPAD’s social economic agenda.

Furthermore, new programs emanating from the NEPAD implementation process should not add on to the existing gender disparities and create new ones while at the same time ensuring that they empower women.

Considering that more than 60 percent of Africans who live on less than one US dollar a day, are women, RECs have no choice but to either strengthen their already existing gender programs, or if not yet committed, follow the AU gender policy in a bid to align themselves with the UN, AU, and NEPAD gender parity principles.

### **8.3 Gender Capacity Needs in RECs**

The following are identified as some major areas of capacity needs that require urgent attention in all the RECs:

- It is recommended that all RECs should have a gender policy that is anchored in international conventions, more specifically, the Convention for the Elimination of All Forms of Discrimination Against Women (CEDAW). This is crucial because a comprehensive gender policy, coupled with adequate human and financial resources, would provide a sufficient framework within which all gender issues can be addressed more fully and meaningfully.
- For RECs' gender policies to have a real impact, RECs should ensure that there are relevant legal and constitutional instruments that support gender policies in all their respective member states. Such a move would create uniformity in the way member states deal with gender issues within a particular REC.
- RECs should also ensure that not only are there national gender policies within all member states, but also that such policies are effectively implemented at the national level.
- All RECs should embrace and adhere to the AU solemn declaration on gender equality in Africa.
- NEPAD is an AU program, and given that all RECs are expected to implement NEPAD STAP projects, the AU should coordinate and harmonize the implementation of AU gender policy and ensure that it is adhered to by all RECs.
- In the absence of a gender policy in all RECs, such institutions should seek assistance from the ACBF to develop such a project. Generally, the ACBF should provide capacity-building support to the RECs.

**Table 8.1 RECs' Performance in Implementation of Gender-Oriented Policy**

	Treaty		Policy		Governance structure		Skilled staff		Budget		HRM		Capacity Building Program		Gender Unit Training program	
	Reference to gender	Specific policy or program	Presence of women	Number of women	Specific line	Gender oriented	Gender component	Number of experts	Number of women involved	Gender component	Number of experts	Number of women involved				
CEMAC	Yes	No	0	0	0		0	0	0	0	0	na				
CEN-SAD	na	No	0	0	0		0	0	0	0	0	na				
COMESA																
EAC	na	No	0	0	No		No	na	na	na	na	0				
ECCAS	na	No	0	0	0		No	No	No	No	No	0				
ECOWAS																
IGAD																
SADC	Yes	No	0	3	0		0	No	No	No	No	No				
UEMOA	No	No	No	0	0		0	0	0	No	No	No				
UMA																

*Note:* This table reflects the extent to which the RECs responded to our inquiries on their existing gender capacity.



## **PART 2**

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# **Report on Each Regional Economic Community**



# 9

## Survey of the Capacity Needs of the Communauté Economique et Monétaire des États de l’Afrique Centrale (CEMAC)

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### 9.1 Executive Summary

Six countries (Cameroon, Congo, Gabon, Central African Republic, Chad, and Equatorial Guinea) instituted the Communauté Economique et Monétaire des États de l’Afrique Centrale (CEMAC) in 1994. By the 1994 treaty signed in N’Djamena, the body comprises four major institutions, including the Central African Economic Union (Union Economique de l’Afrique Centrale, UEAC), Central African Monetary Union (Union Monétaire de l’Afrique Centrale, UMAC), Community Parliament, and Court of Justice, as well as other specialized institutions, most of which are members of the UEAC. They launched their activities in June 1999 in fulfillment of UEAC’s objective, which was to be achieved at the conclusion of a three-stage process, with each stage lasting five years.

The core mission of CEMAC is to facilitate the harmonious development of the member states through the establishment of two unions: one economic and one monetary. CEMAC’s main mandate is to formulate and implement the new regional economic and social integration strategy in Central Africa based on the experience of the Central African Customs Union (Union Douanière des États de l’Afrique Centrale, UDEAC) experience. To fulfill this mission, CEMAC has a total of 104 staff members, fifty of whom are high-level officials. The Secretariat of CEMAC considers under-staffing as a serious issue, estimating that in the short term it would need 150 staffers, including 95 high-level officials, to carry out its activities efficiently.

After five years of existence, CEMAC’s performance as a REC has been judged quite satisfactory. However, its weaknesses and shortages in analytical and project design capacity, as well as the gaps in its program implementation and management capacity have affected its overall effectiveness. The existing political will, particularly the commitments to fund CEMAC, does



not compensate for these weaknesses and gaps. Ordinarily, it should have performed much better, given the zone's wealth and the experience it has in regional cooperation and integration.

Alongside COMESA and the West African Economic and Monetary Union (WAEMU), CEMAC is one of three communities with an essentially economic role. All the other RECs pursue a multiplicity of objectives, including economic integration, which lacks visibility. This is important in terms of selectivity when identifying the continent's economic integration and external aid strategy. A suitable capacity-building policy would position CEMAC as a major player in STAP and NEPAD. Ever since the adoption of the Community Regional Integration Tax (TCIR), CEMAC has taken on the role of providing windows of opportunities by reducing transaction costs. This is the purpose of the work plan initiated in 1999 to pursue a free-trade zone and a common market.

Nevertheless, CEMAC has a number of strengths. It is one of few RECs that devote all their resources to fulfilling the regional economic integration objective. Much like WAEMU, CEMAC is a unique attempt to adapt and institutionalize the economic and monetary union concept outside Europe. CEMAC's Executive Secretariat is beginning to benefit from the trust of some of its more important external development partners. However, its technical and financial capacities have not yet attained a critical mass. A number of essential skills needed for conducting regional and continental projects have not been procured. The presence of women in high-level posts is as yet limited. The statutory bodies are functioning effectively, as evident in a progress report produced in 2005. The economic criteria are crucial to manpower and infrastructure management. CEMAC is making efforts to identify and address its weaknesses and threats.

To address its immediate and short-term needs, CEMAC organized its capacity-building program into four components, namely to:

- Build economic analysis and policy, and project design capacity
- Build program implementation and management capacity
- Build institutional and organizational capacity
- Stimulate the commitment and political will of political authorities

The budget presented to ACBF for this program is US\$760,000 for 2005–2006, of which US\$205,000 is for immediate needs.

## **9.2 Background**

CEMAC's activities were officially launched in June 1999 at Malabo, once the new regional integration strategy for the zone had been determined on

the basis of the economic union objective, which, as noted above, was to be achieved at the end of a three-stage process, each stage lasting five years.

Of the six founding member states, only Equatorial Guinea is not a former member of French Equatorial Africa (AEF) and UDEAC.

In recent years, more than half of CEMAC's member states have been ravaged by violent conflicts and politico-military crises of varying intensity. Chad, Congo, the Central African Republic (CAR) and, to a lesser extent, Equatorial Guinea.

All the CEMAC countries are members of Economic Community of Central African States (ECCAS). The CAR and Chad are members of the Community of Sahelian-Saharan States (Communauté des Etats Sahélo-Sahariens, CEN-SAD), while Cameroon, Gabon, and Equatorial Guinea are signatories to the Convention on the Security of the Gulf of Guinea, a United States initiative in favor of this African oil-producing zone.

Apart from the CAR, all the others countries are oil producers. The share of oil production in the GDP is 10 percent for Cameroon, 42 percent for Gabon, 54 percent for Congo, and 90 percent for Equatorial Guinea. Chad has just initiated oil production activities. The abundance of oil in this zone has not, however, had a significant impact on STAP or revenue growth and financial viability.

All the states have adopted the Millennium Development Goals by implementing the Poverty Reduction Strategy. Cameroon is benefiting from the Poverty Reduction and Growth Facility (PRGF) while other countries, such as Gabon, are still negotiating or about to sign an agreement with the IMF to be able to implement the program.

Inspired by the old regional cooperation legacy and the existence of the Communauté financière africaine (CFA) franc as a common currency, intra-regional trade represented just 12 percent of total trade in 2002 compared

**Table 9.1 CEMAC Country Data**

Country	Population (million) (2003)	Per capita GDP (\$) (2003)	Beginning of oil production	Barrel of oil per capita (2003)	Oil production (1,000 barrel/day)		
					2001	2005 (est.)	2015 (est.)
Equatorial Guinea	0.5	6026	1992	197.3	195	400	653
Rep. of Congo	3.7	957	1957	24.7	273	285	314
Gabon	1.3	4566	1961	73.5	259	250	100
Chad	8.6	307	2004	0	230	80	
Cameroon	16.0	862	1978	1.6	107	84	66

Source: AfDB ERWPS n° 84.

with 4 percent in 1980 and 8 percent in 1987. Since 1999, however, CEMAC has made rapid progress toward the setting up of a customs union and common market, particularly with the harmonization of tax and customs legislation, the Community External Tariff (TEC) adopted in 1993 and then revised in 2001, and the customs code in 2002.

To set up a common market, CEMAC has put in place several instruments, including a generalized preferential tariff, adopted in 1998, as well as the Rules of Origin and the community passport.

CEMAC took a decisive step in adopting the decision to lift the TCIR. This tax entered into effect in 2002 and was instituted in all the countries. A 1 percent tax is imposed on goods imported from third-party countries and consumed within the community. As much as 30 percent of the revenue collected is allocated to the Executive Secretariat and its associated bodies and 70 percent to the Community Development Fund (FODEC). Up to 60 percent of FODEC's funds are channeled toward the implementation of integration projects (Window 1), and the remaining 40 percent is devoted to compensation for loss of revenue. The window is managed by the Banque de développement des Etats de l'Afrique Centrale (BDEAC), which plays the role of financial agent, while Window 2 is under the authority of the Executive Secretary.

Studies are currently underway on the Regional Economic Program outline.

As a result of the violent conflicts besetting the zone, CEMAC created a regional intervention force, which intervened in the CAR politico-military crisis.

### **9.3 Mission's Terms of Reference and Objectives**

The mission's terms of reference are to be found in Appendix 4. The mission, composed of Dr. Sam Dine Sy, team leader, and Bruce Mawarire, took place from 5 to 8 July 2005 in Bangui.

The objective was to identify CEMAC's regional economic integration capacity-building needs. These include in-depth analysis, design, implementation, management, project financing, and the evaluation of the advantages and costs of regional economic programs. In addition, the mission was to evaluate CEMAC's state of preparation for the NEPAD regional integration projects and the CEMAC executive secretary's capacity to implement the STAP in the region.

The specific objectives of the mission were the following:

- Express a professional opinion on the nature, pertinence, and effectiveness of CEMAC's present visions, missions, mandates, and objectives
- Provide a profile of the types of capacities that are currently available in CEMAC

- Define CEMAC's general and specific capacity needs and target these needs for the effective staging of the capacity-building process
- Evaluate the effectiveness of past and ongoing capacity-building programs
- Evaluate the extent to which CEMAC has access to and makes effective use of global, regional, and local information
- Make appropriate recommendations to encourage stakeholders to make more effective contributions to capacity building in CEMAC

#### 9.4 The RECs, STAP, and CEMAC

The RECs were instituted to:

- Dress "Africa's wounds" after nearly four centuries of bruising as a result of slavery, slave trade, war, colonization, plundering of resources to the detriment of the continent's populations, and the confiscation of the sovereignties acquired after independence
- Protect the weaker states from almost certain collapse
- Reconstruct and consolidate the regional geo-economic and political zones that were balkanized and fragmented, in order to make them viable during this era of globalization
- Pursue the economic integration objectives in stages, as defined by the various treaties adopted by the OAU and then the AU

In this context, Africa was divided into five main regions, including ECCAS, which also includes the former UDEAC linked with a common currency, the CFAF.

The fact that four decades after independence most African countries are in the same shape—poor and highly indebted, highly dependent on external public aid, and plagued by interminable crises, and conflicts—means that, whether or not they belong to the CFAF zone, the role of the different communities and groupings needs to be reconsidered. Apart from poor leadership and lack of political will, there are other reasons for the failure of regional integration in Africa. We could talk of the priority accorded the interminable processes based on an unrealistic timetable, the obvious desire to manage relationships between the countries' economies, or difficulties in preventing the regional crises from hampering integration. The list includes a limited understanding of the link between regionalization and globalization; limited options available to countries if the process is blocked; the obsession with conforming to the provisions of treaties and other historical plans of action; the limited validity of the theoretical and conceptual frameworks that serve as a reference point; the tendency to resort to fragmented and ad hoc approaches instead of adopting a global and systematic perspective; and limited skills for implementing complex programs.

The changing context with the advent of the EU, as well as the intensity of the conflicts, paralysis of most RECs, and efforts made by CFAF zone countries, have led to the adoption of a more results-based, focused, pragmatic, and positive approach with more emphasis on coordination and flexibility. In this respect, the renewal of interest in CEMAC's experience has led the authorities responsible for implementing NEPAD to include the community on the list of institutions targeted by the survey on capacity needs assessment.

This approach is vital because the community is no longer considered by the AU and NEPAD as a full REC, but rather as a grouping that is a full member of ECCAS. ECCAS is, however, pursuing more global and varied policy and strategic objectives. It has undergone a major period of inactivity over the past ten years. Furthermore CEMAC was only directly involved in the preparatory discussions to establish NEPAD after the Abuja meeting of 7–8 March 2005 devoted to accelerating the implementation of the STAP infrastructure.

In this context, it seemed important to the mission to design a performance grid that would enable it to compare the different entities applying to be accorded REC status, which would also contribute to clarifying the debate on rationalizing and facilitating the formulation of the selection criteria as well as identifying the support required for these regional organizations.

Subsequent to the mission, the Executive Secretariat of CEMAC expressed its strong hope that ACBF and the HSGIC/Steering Committee would implement NEPAD by providing the resources needed to improve the operations of the Community's bodies, implement its own regional economic program, and strengthen capacity for policy analysis, regional integration project coordination, and skills management.

CEMAC hopes that this exercise will contribute in a concrete manner to addressing the stated resource and skills needs so as to better integrate the STAP dimension into its annual program of activities:

- The immediate needs identified for the next six months
- The short-term needs identified for the next two years in liaison with the implementation of the STAP infrastructure
- The medium-term needs aimed at addressing the challenges involved in implementing NEPAD's regional and continental programs

## **9.5 Sources of Information and CEMAC's Expectations**

The mission collected baseline data on the capacities available within the Executive Secretariat. The mission ensured that the survey questionnaire was available in French. Then it began to interview the main department heads and organize panel interviews with the experts whenever they were

available. Several legal documents were consulted, among which are the following:

- The CEMAC Treaty
- The Additional Clauses of the Treaty on the Community's Institutional and Legal System
- The UEAC Convention
- The UMAC Convention
- The Convention Governing CEMAC's Court of Justice
- The Activity Report on the First Stage of CEMAC's Economic Integration Process (1999–2004), published by the Executive Secretariat
- The aide-memoir of the AfDB mission to collect information on community transport policy and projects within the framework of NEPAD, 2002
- Statistical data on existing staff (submitted to the mission by the CEMAC Department of Administration and Finance (DAF): name, position, country of origin, qualifications, status)
- Data on projects implemented by CEMAC

The discussions took place in French using the questionnaire, which had been translated through the ECCAS Executive Secretariat and forwarded to CEMAC by ACBF. At the end of the discussions, a special feedback session for all the managers interviewed was organized, during which the mission presented the research results as well as their key recommendations. The subsequent discussions made it possible to supplement the data and information that the mission had not been able to collect previously. The discussions also helped to enrich the recommendations made and to reach a consensus on the aspects needing reinforcement.

The mission was able to collect sufficient information to conduct a quantified and comparative evaluation of CEMAC's performance.

## **9.6 CEMAC**

### ***9.6.1 Mission and Mandate***

CEMAC's mission and mandate are defined by the treaty instituting the Community. Its overall mission is to promote the harmonious development of the member states within the framework of the institution of two unions, economic and monetary.

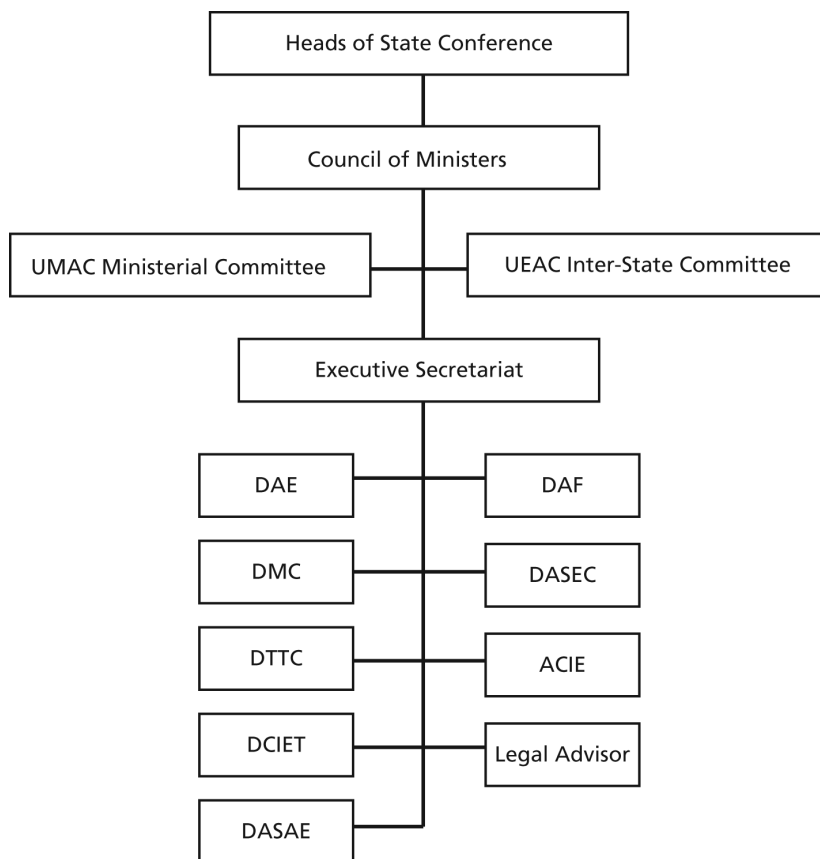
In each of the two unions, the member states aim to progress from a regional cooperation to a union that is appropriate for refining the economic and monetary integration process.

CEMAC's principal mandate is to formulate and implement the new regional economic and social integration strategy in Central Africa based upon UDEAC's experiences.

**9.6.2 Structures**

The organizational chart of the Executive Secretariat is shown in Figure 9.1:

**Figure 9.1 Governance and Structure of the Executive Secretariat of CEMAC**



CEMAC has a total staff strength of 104, 50 of whom are senior officers. Of these, 17 hold management posts or their equivalent (directors, deputy directors, departmental consultants), including three women. CEMAC considers the staff shortages to be serious and estimates that in the short term it needs 150 staff members, 95 of whom would be senior officers, to implement

its annual program of activities efficiently. This would practically double the number of managers needed to compensate for the shortage in regional experts. With 19 heads of department and only 12 regional experts, there is a lack of balance in the Executive Secretariat's organization chart. This imbalance has not been addressed by the limited presence of in-house experts and external consultants. The need is particularly great in two departments—Economic Affairs and the Common Market.

CEMAC has not made use of the private sector or skills market. Out of 50 senior officers, 36 are on attachment from the civil service in their countries of origin.

The level of recruitment has led to a strong presence of professionals with the minimum qualification of a master's or an engineering degree. The number of holders of state doctorates, PhDs, and degrees is low, at only 2 percent of management. Although all CEMAC staff speak French, the Community's working language, the same does not apply to English and Spanish, despite the presence of Equatorial Guinea in the community.

The range of skills is limited in diversity because of the large number of sectoral economists specializing in customs, tax, and financial issues and of technical engineers.

All managers have proven experience in project management. They prepare terms of reference, supervise the consultants, represent CEMAC at meetings of groups of experts, and prepare technical or evaluation reports.

Apart from the Department of Transport, Telecommunications, and Communication (DTTC), there is a serious shortage of specific skills required for conducting in-depth quantitative economic analyses that can serve as a basis for formulating economic policies and community sectoral programs. This shortage is more marked in such specialized areas of international economics as finance, trade, and corporate governance.

All CEMAC's human resources are devoted to achieving the economic objectives of the community, a characteristic that it shares with UEMOA and COMESA and that distinguishes it from such classical RECs as ECCAS, ECOWAS, SADC, and IGAD. However, during the CAR politico-military crisis, the Executive Secretariat as well as two departments, Department of the Common Market (DMC) and Department of Social Affairs, Education, and Culture (DASEC), were mobilized to participate in the conflict resolution process initiated under the auspices of the UN and the AU.

Concerning staff appointments, a distinction must be drawn between the body's members and other employees. The Executive Secretary and his deputy are appointed by the Council of Ministers and are members of CEMAC's bodies. The department staffs are generally seconded from the government departments of the member states, subsequent to short-listed selection limited to candidates from the country concerned, thus ensuring equal representation of each country within the Secretariat. The other managers are recruited on the basis of their professional competence after taking a test. But there is no gender quota.



Since no reference is made to the skills market, CEMAC's remuneration policy is largely based on that of the national governments, although it offers more benefits. Ever since the 2003 increases, CEMAC's salaries are much higher than their national counterparts. However, all the employees interviewed believe that the existing remuneration policy is unsatisfactory in comparison with its sister institutions, such as Banque des Etats de l'Afrique Centrale (BEAC) or other institutions such as the AfDB and the UNDP.

The number of women recruited into management posts is low (three out of fifty), and in the recruitment or promotional procedures no provision has been made to encourage the promotion of women.

### 9.6.3 Operational Processes

As a REC, CEMAC fulfills three main functions, in addition to the existing main policies and guidelines. Table 9.2 provides an overview of the functional distribution of activities in the Community and highlights the problems that the existing departments face in managing all the functions assigned to them, as well as the regrouping that has taken place for want of anything better.

**Table 9.2 Community Activities**

Functions	Domains	Policies, Programs	Departments	
Management	Mission, mandate	Vision, values	Executive Secretary and his deputy	
Conducting Joint Activities	Joint policies	General Economic Policy	DAE	
		Taxation	DMC	
Sectoral policies	Sectoral policies	Common market	DMC	
		Teaching, research, and vocational training	DASEC	
		Transport and telecommunications	DTTC	
		Agriculture, livestock rearing, and fisheries	DASAE	
		Protection of the environment	DCIET	
		Industry		
		Energy		
		Tourism		
		Common rules on the first phase	(Article 4 paragraph a of the UEAC Convention):	All technical departments
		Setting of community regulations for the purposes of harmonization		Legal Unit
Multilateral Surveillance		Broad Guidelines of the Economic Policy	DAE	
		Surveillance tool		
Administrative, Financial, and Accounts Management			DAF ACIE	

#### **9.6.4 Research, Documentation, and Networks**

CEMAC does not have a research department or center, as such. However, within the Department of Economic Analysis there is a statistical research unit, which is an embryonic research unit. Because of this gap, the managers organize themselves individually to obtain research data, information, and findings through the technical partners during international meetings or regional seminars they are invited to attend.

Although there is a documentation center, it is not used by operational managers because it provides inadequate resources and the premises are not very functional.

As yet, interaction through formal and structured networks is limited to the region, particularly with ECCAS, of which CEMAC countries are members, and to a lesser degree with UEMOA, with which it shares membership of the CFAF zone and ECOWAS, which is its immediate neighbor. Relationships with other RECs exist at the AU and NEPAD level through the continental meetings, which have given rise to the following:

- Yamoussoukro Decision
- Sub-Saharan Transport Program (SSATP)
- Cooperative Development of Operational System and Continuing Airworthiness Program (COSCAP)
- Social Dialogue Network

Data and information exchange has been inadequate within these networks due to the limited amount of Internet infrastructure.

#### **9.6.5 Existing Capacity**

CEMAC's Executive Secretariat is composed of seven departments, including the Accounts Agency and Legal Unit. All the departments are housed in the same building, formerly the UDEAC headquarters. The building, which was built in the 1970s, has eight floors and is fairly spacious. It has the following problems, however:

- Lack of a central air-conditioning system
- No lifts
- Inadequate equipment
- Obsolete computer equipment
- Poor access to local and international telephone lines

Furthermore, the staff members have a strong sense of being hemmed in, worsened by the climate of insecurity that existed in Bangui during CAR's politico-military crisis in 2004.

Official legal texts govern the staff and financial regulations. The legal framework determines the stages, deadlines, and processes involved in regional integration.

The planning process is still managed by the secretariat's bodies. The departments draft their budgets, which are then consolidated by the Executive Secretariat, which then submits the overall budget to the secretariat in the Council of Ministers for approval. Arbitration takes place on the basis of an overall percentage increase, which is then imputed to each department. This procedure is based on the system used in government where services are voted in and the semiautomatic redirection of operating expenditure takes place.

The government consultation process is perceived as a bottleneck because feedback from the national departments on projects submitted to them is often delayed, as in the case of the Action Plan on the Environment submitted in 2002, which has still not been approved.

The CEMAC Treaty, in particular the UEAC Convention, determines the regional integration objectives and process. The activities conducted in this regard since 1999 have been included in a progress report produced by the Executive Secretariat, outlining progress to date.

All the respondents unanimously agreed that there was a need to quickly set up a strategic planning and budgetary scheduling system as well as to provide a more precise and comprehensive description of the procedures. In the light of these observations, an institutional, accounting, and organizational audit was conducted in 2003, but the actions arising from it are yet to be implemented.

Owing to the absence of a training policy and budget, CEMAC's efforts to improve staff skills are limited. There is simply a general budget with a training budget line, the objectives and amounts of which are considered quite inadequate to meet the training needs of managers, in particular.

The data-processing resources available to the staff are limited, as is evident in the quantity and age of the personal computers in the departments and the complete absence of laptop computers. Furthermore, besides the statistics on external trade, no effort has been made to manage the database even though it is essential to a REC.

CEMAC's web presence is limited to the site, [www.izf.net](http://www.izf.net), which provides information on all the member states of the CFAF zone. Internet access is also limited because the computers that are not obsolete are not always connected to the service provider, and some departments find it impossible to directly access the Internet.

#### **9.6.6 Ongoing or Previous Capacity-Building Support**

CEMAC's Executive Secretariat benefits from the support of external partners through five projects, two of which are for capacity building. Alongside the implementation of STAP, the World Bank supports COSCAP in the region. CEMAC's current projects include the following:

- UNEP: Harmonization of mechanisms and legislations to control substances causing the depletion of the ozone layer

- IBRD: Liberalization of airspace between Africa and in the Center (COSCAP)
- EDF: Technical and institutional support
- RE-CEMAC: Capacity building to enhance the participation of member countries in international trade (being financed to the tune of US\$1 million for four years)
- IBRD: Reinforcement and facilitation of RFCT Trade and Transit (SSATP)

### **9.6.7 Alignment Between the Missions and Capacities of the Executive Secretariat**

There are three dimensions to the alignment of existing capacities with CEMAC's missions:

- Alignment of the organizational framework and organogram with the strategic objectives
- Existence of sufficient capacity to implement the strategic regional integration activities
- Decisionmaking, forecasting, and rapid-response capacity

The following observations were made on these three criteria:

- Several posts on the organogram have not yet been filled, including management level positions.
- There are insufficient resources to mobilize and collect the TCIR. Because they lack the power to sanction the states and due to the poor interface with national governments, some countries continue to retain these funds.
- Since the CEMAC bodies conduct an overall examination of the budget, there is no specific selection criterion for the actions to be taken, nor are resources allocated on the basis of strategic priorities. Consequently investment expenditure is low in comparison to operating expenditure.

In these conditions, the Executive Secretariat is encountering problems with attaining the objectives that were set by the treaty.

### **9.6.8 Financial Autonomy**

The organization's legal texts specify that the Community has a legal status as well as the widest legal capacity accorded to a legal entity for each member state (article 35 of the treaty). The Community may draw upon the technical or financial assistance of any state or international organization. However these provisions do not prejudice CEMAC's ability to acquire loans from donors or to raise capital on the financial market. There is no real loan policy

or structured framework governing the management of loan expenses and the signing of multipartnership financing agreements, which is often the case for complex and far-reaching projects, such as regional projects. As yet, CEMAC is surviving on donations.

CEMAC has established a regional investment bank and a stock exchange, which in the long term may be used as the community's financial agent. Furthermore, CEMAC has a central bank, the BEAC, which is able to fulfill the role of guarantor as well as a lender for the implementation of some integration projects within the zone.

Ever since the establishment of the TCIR, CEMAC has begun to accumulate basic experience as a REC in the management of a community fund (or budget) to achieve allocation efficiency; reduce regional disparities, poverty, and inequality between countries; and create macroeconomic stability and financial viability. The acquisition of community fund management capacity is vital for a REC and contributes toward clarifying the debate on rationalizing and selectivity. From this perspective, the efforts made by CEMAC need to be highlighted, even though the results are as yet modest and the resources for acting on the causes are still limited, given the limits set on disbursements to the Executive Secretariat.

## **9.7 CEMAC's Performance Evaluation and Institutional Profile**

### **9.7.1 Methodology**

The added value of a REC is measured on the basis of its increased effective contribution and quantified on the basis of reduced transaction costs in the regional economic zone, community growth, reduced regional disparities, inequalities among member countries, poverty, and dependence on external public aid.

The performance evaluation helps to determine CEMAC's institutional profile to better target the areas requiring capacity building, as well as to prioritize them.

The four evaluation areas below were identified.

#### ***Institutions***

- Performance of institutional framework, and financial, administrative, technological, and organizational performance

#### ***Analysis and Design of Economic Programs***

- Existence, quality, and efficiency of analysis, forecasting, evaluation, and management mechanisms for macroeconomic, financial, commercial and technical management, economic program design, and policy

coordination; capacity to quantify the REC's contribution to reducing transaction costs, growth, and reducing disparities, inequalities, poverty, and the dependence upon external public aid through increasing its effectiveness

### ***Implementation and Management***

- Performance in the implementation of strategic programs and regional policies defined by the AU and NEPAD

### ***Leadership and Commitment***

- Existence and quality of political will and commitment to regional economic integration at the highest levels

For each of these points, the indicator is linked to the level of performance or the existence of a mechanism as well as the quality and efficiency of its implementation:

- *Level of performance*: rated from 1 to 4, with 4 being the highest score, and denoting excellent; 3, satisfactory; 2, poor; and 1, the lowest score, denoting unacceptable
- *Existence of a mechanism and the quality and efficiency of its implementation*: rated from 0 to 4, with 4 being the highest score at excellent; 3, satisfactory; 2, poor; 1, unacceptable; and 0, mechanism nonexistent

The REC's profile is determined by its weighted performance in all these areas. It can be increased or decreased to take into account factors that are not always easy to capture on the score grid, with qualifying terms such as "very," "more than," "average," and "less than." Each domain is situated on a quadrant of the table below, and the REC is qualified as follows.

- *Facilitator*: The REC's performance is weak in all areas. It has numerous meetings and discussions with unclear results, accumulates mandates without the additional resources required, and offers opinions and recommendations which often do not achieve results but is consulted for every crisis which a member country may experience. In fact, the REC does not exercise exclusive jurisdictions even though the treaty has attributed such jurisdictions to it. It shares them with the member countries but is required to negotiate on a case-by-case basis to acquire more room to maneuver.
- *Monitor*: CEMAC is performing in one area, at least (preferably analysis and design). The REC provides support for the regional integration process in the form of mechanisms for monitoring, periodic examination, meeting preparation, organizing, and providing technical

assistance to national governments that have broad areas of competence in economic integration.

- *Window*: Its performance is above average in at least two areas, namely, analysis and design, or implementation and management. The REC provides various stakeholders—the states, businesses, civil society organizations, and economic agents—with opportunities by reducing transaction costs on a regional level and economies of scale and size achieved by having a free-trade zone and mechanisms to correct regional disparities, inequalities, and poverty. The REC exercises exclusive jurisdictions that are limited in number and scope.
- *Provider*: Its performance is above average in the four areas and it has basic capacity and competences. The REC, within the limits of its exclusive and shared jurisdictions, provides the member countries with solutions to economic policy and development problems that they cannot solve themselves: among others, stability, effective allocation of resources, equity, access to additional financial resources, multi-lateral surveillance, joint policies, overall public assets, long-term forecasting, and the protection of vital interests.

By placing one REC in each quadrant, it is easier to identify the type of support that it needs (see Table 9.3).

**Table 9.3 REC Program Types**

Profile	Type of Capacity-Building Program
Provider	Follow-up program aimed at the institutional strengthening of the REC to establish it as a model and improve the added value and quality of the service provided to the member countries
Window	Institutional and organizational capacity-building program in the domains of market creation and development
Monitor	Technical and management capacity building programs (contracting)
Catalyst/Facilitator	Activity reorientation and restructuring program (overall adjustment that may go as far as full transformation or dissolution)

### **9.7.2 Performance of Institutional and Organizational Framework**

As a REC, CEMAC's performance is measured using the following criteria:

- Clarity, flexibility, and the practical nature of the legal texts (treaty and conventions); degree of concentration on the economic objectives: stability, efficiency, equity, and long-term viability

- Reliability of the information and coordination system at policy and technical level
- Availability of performance incentives in the form of attractive remuneration, compensation, and skills development, and knowledge management programs
- Quality of infrastructure and logistical and computer resources

### **9.7.3 Performance of Economic Analysis and Policy Design Mechanism**

As an economic analysis, evaluation, and management center, we measure CEMAC's performance using the following criteria:

- The existence of in-depth analysis of the economic and social situation in the zone, using quantitative and qualitative models and methods: quality, thoroughness, relevance, and effectiveness of analyses
- Existence of evaluation of the advantages and costs of regional economic integration programs and dialogue with the stakeholders on their distribution; quality and appropriateness of the evaluation results
- Existence of explicit policy coordination mechanisms and rules; quality, thoroughness, relevance, and effectiveness of mechanisms and rules
- Existence of training and policy and economic management analysis capacity-building programs

### **9.7.4 Implementation and Management Capacity of Complex Programs**

As a regional program and policy implementation agency, CEMAC's performance is measured using the following criteria:

- Existence of framework documents in the form of a medium-term regional economic program reflecting the priorities laid down by the bodies and shared by nongovernmental stakeholders
- Existence of priority action plans in domains considered crucial to the zone's regional economic integration (for example, STAP Infrastructure)
- Existence of mechanisms to include these projects and programs in the national and regional agendas and in the agendas of external funding partners
- Existence of a financial, accounting, legal, norms and standards system, and of a quality and reporting system to ensure the adequate funding of programs, proper implementation, and management, as well as the fulfillment of liabilities
- Existence of internal capacity serving as a tool for technical assistance and external stakeholders (engineering firms and complex contracts)



### Institutional and Organizational Framework

	The Facts	Rating	Aggregated
Clarity, flexibility, and practical nature of legal texts (treaty and convention)	<p>The treaty clearly indicates that CEMAC's mission is to move from cooperation to association in three stages. The only area to concentrate on is regional economics.</p> <p>Several institutions (e.g., UEAC, UMAC) coexist and are not independent from the national executives, which means that their level of maturity is still limited. Hence the decision to conduct a general audit of CEMAC in order to modernize the governance and unify the institutional framework.</p> <p>The organization chart is not aligned with CEMAC's mission and mandate.</p>	3	
Reliability of information and coordination system at a policy and technical level	<p>The information system is functioning properly despite the limited communication logistics and the poor interface with national governments.</p>	4	2.75
Existence of performance incentives in the form of attractive remuneration, compensation, and skills development and knowledge management programs	<p>The remuneration system is not performance based and is not considered attractive in comparison to that of the BEAC. The skills and knowledge are not very developed. A significant increase in salaries is to take place in 2003.</p>	2	
Quality of infrastructure and logistical and computer systems	<p>The building is spacious in contrast to that of other RECs (e.g., UEMOA, ECCAS, COMESA)</p> <p>It is dilapidated and has a number of problems. The computer system is obsolete and incomplete.</p>	2	

*Note:* Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Non-existent.

Design and Analysis	The Facts	Score	Aggregated
In-depth analysis of the zone's economic and social situation using quantitative and qualitative models and methods	<p>In-depth economic analysis of the CEMAC zone is the responsibility of other organizations. Examples:</p> <p>IMF, <i>Fiscal Surveillance in a Petro Zone: The Case of the CEMAC</i>; Johannes Wiegand, 2004</p> <p>CEA, <i>Les économes de l'Afrique Centrale</i>, 2004.</p> <p>Banque de France and BEAC: Annual Reports</p>	0	
Evaluations of the advantages and costs of regional economic integration programs and dialogue with stakeholders on their distribution	<p>An evaluation report on the first phase of CEMAC was done internally.</p> <p>There is no pre- or post-STAP assessment report that informs the stakeholders of the effects of growth, reducing poverty and inequality, or of negotiating and taking informed decisions.</p>	2	
Existence of mechanisms and explicit rules governing policy and procedural coordination and benchmarking mechanisms for international and regional negotiations	<p>The treaty clearly defines the decisionmaking and coordination rules, particularly for multilateral surveillance, joint policies, and sectoral policies.</p> <p>The insertion of CEMAC in the framework laid down by the AU and NEPAD is yet to be done (it is still considered as a sub-REC and a full member of ECCAS). Its presence in regional integration networks is limited to a few projects.</p> <p>The relationship with other African RECs and international institutions is severely limited by language barriers.</p>	3	16 Poor
Existence of high-level training and policy analysis, economic management, and database management capacity-building programs.	<p>CEMAC benefits from the support of external partners through five technical assistance and capacity-building projects. But there is no explicit structural or policy framework in this area.</p> <p>The ongoing training of managers takes place in house during seminars and international or continental conferences. There is no plan or budget that is explicitly devoted to management training.</p>	3	
Existence of a research, knowledge management, and digital library system		0	

Note: Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

<b>Implementation and Management</b>	The Facts	Rating	Aggregated
Existence of framework documents in the form of a medium-term regional economic program reflecting the priorities laid down by the bodies and shared by nongovernmental stakeholders	The strategy and objectives are defined by the treaty. They are translated into annual programs of activities approved by the bodies and based on an annual budget. Studies are under way on the Regional Economic Program Preparation Project in keeping with the UEMOA model.	3	
Existence of priority action plans in domains considered crucial to the zone's regional economic integration (for example, STAP Infrastructure)	CEMAC participates in three regional projects, two of which are part of STAP: SSATP, COSCAP, and Yamoussoukro Decision. CEMAC's priority action plans should be better structured to benefit from STAP.	3	
Existence of mechanisms to include these projects and programs in the national and regional agendas and in the agendas of external funding partners	The networks linking CEMAC to the other stakeholders are poorly structured and ineffective. Consequently, the Community is finding it difficult to gain a foothold in national governments, the other RECs, NEPAD, the AU, and STAP's donors.	2	2.60 Moderately satisfactory
Existence of a financial, accounting, legal, normative, and standards systems, and of a quality and reporting system to ensure the adequate funding of programs, proper implementation and management, as well as the fulfillment of liabilities	An accounting, financial, and organizational audit was financed to meet the conditions of eligibility for donor funding (EU). However, there are delays in the effective implementation of the conclusions.	3	
Existence of internal capacity serving as a support for technical assistance and external stakeholders (engineering firms and complex contracts)	With fifty managers, CEMAC has not yet attained the critical mass of experts required to implement the complex and large-scale projects. The recruitment of a permanent staff, regional experts, and consultants is the priority focus of capacity building.	2	

Note: Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Non-existent.

### Political Will, Commitment, and Leadership

	The Facts	Rating	Aggregated
Existence of a regional economic integration strategy designed at the request of governments by CEMAC's internal experts and its implementation using appropriate incentives; relevance, coherence, and feasibility of strategy	The treaty instituting CEMAC, evaluation of the implementation of the first stage, and the decision to conduct a general audit of the Community shows the political commitment of states to the zone's economic integration.	4	
Decision to implement all the funding mechanisms approved (TCIR, FODEC) and to fulfill all the conditions agreed upon with external funding partners, the AU and NEPAD; acceptance and approval of the income distribution criteria set out by TCIR	The TCIR has been approved. It has been difficult to make the TCIR operational because of problems faced with payment by national treasuries and the weakness of the tax base. CEMAC has not yet formulated a strategy for removing the obstacles to collecting taxes, allocating them to the ES's operations, and its distribution in the form of compensation and integration projects.	3	
Existence of ongoing dialogue with nongovernmental players in order to better share CEMAC's vision	At community level, there are no formal discussions with nongovernmental players on the possibility of jointly managing and developing the resources with which the zone is richly endowed (e.g., oil, precious raw materials).	1	2.75 Moderately satisfactory
Decision to effectively implement national programs and to respect the set deadlines	National egos are taking precedence over the will to integrate. Some achievements during the first stage are the implementation of some joint actions and sectoral policies, but their approval process is delayed due to a skills shortage, as well as free movement of goods and services and capital, common market, agriculture, energy, industry, infrastructure, and, notably, transport.	3	

*Note:* Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

### **9.7.5 Political Will, Commitment, and Leadership**

Leadership, commitment, and political will at the highest level are measured by the efforts made by member states to delegate exclusive and shared competences to CEMACs to implement the regional economic integration strategy and achieve the objectives of macroeconomic stabilization, resources allocation, distribution of costs and benefits, and the financial viability of the zone.

CEMAC's performance as a REC is moderately satisfactory (see Table 9.4). Such performance is due to the weaknesses and shortages in analysis and design capacity, as well as the gaps in program implementation and management capacity.

Political will, particularly in fulfilling the community's funding commitments, has not compensated for this performance, which, logically speaking, should be better given the zone's wealth and experience in regional cooperation and integration.

This performance should, however, be put in perspective by comparing it to that of other RECs, which have been rated as satisfactory.

Alongside COMESA and UEMOA, CEMAC is one of three communities with a mainly economic mission. All the other RECs have several objectives, among which economic integration is barely visible. This is important in terms of selectivity when identifying the continent's economic integration strategy and external support and assistance. An appropriate capacity-building policy would position CEMAC as a major player in STAP and NEPAD.

The Community is no longer categorized as an REC and has numerous weaknesses, contenting itself with the role of facilitator/catalyst in regional integration by putting regional projects in contact with countries that have regional and international technical and financial partners. CEMAC's role is to open windows of opportunity by reducing transaction costs. This is also the purpose of the initiatives set up in 1999: free-trade zones, joint actions, sectoral policies, and a common market.

**Table 9.4 Overall Evaluation of CEMAC's Performance and Its Profile as a REC**

Institutions	2.75	Moderately satisfactory
Economic program analysis and design	1.6	Poor
Implementation and management	2.6	Moderately satisfactory
Leadership, political will, and commitment	2.75	Moderately satisfactory
Aggregated	2.5	Moderately satisfactory performance

## 9.8 Profile

### 9.8.1 Capacity Needs

Ever since it launched its activities in 1999, CEMAC has set up an economic union to replace the UDEAC and has introduced profound changes to the way it conducts its activities and in the prerogatives it assigned to the Executive Secretariat.

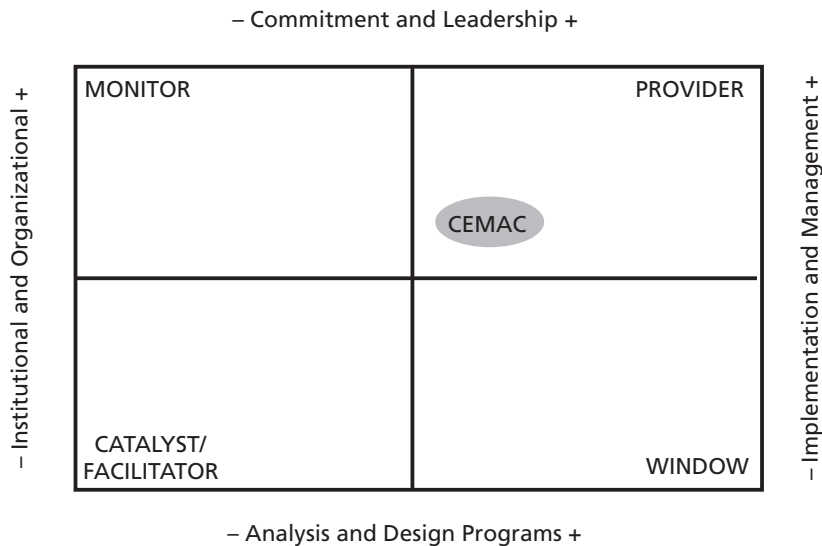
It has made major achievements, particularly in the development of the macroeconomic framework, enhancing the common market, and setting up instruments for the free movement of goods and people.

Its performance is satisfactory in terms of the various politico-military crises and conflicts that hamper regional economic integration in Central Africa.

From a strategic standpoint, CEMAC is viewed as a petroleum zone in Africa, making it a determining factor in the process of regional integration. However, the oil and mining challenges are so great that the member countries are now withdrawing into themselves.

CEMAC is facing problems with positioning itself fully as a REC because of the existence of ECCAS, even though the latter plays a limited role in economic integration.

Figure 9.2 Basic Capacity Needs, CEMAC



### **9.8.2 Strengths to be Developed**

- CEMAC devotes all its resources to fulfilling the regional economic integration objective. Alongside UEMOA, it is a unique initiative to adapt and institutionalize the EMU concept outside Europe.
- The Executive Secretariat is beginning to benefit from the trust of its external partners. Some of its most important partners include the EU, the World Bank, and UNEP.
- The technical and financial capacity to implement projects has not yet attained critical mass.
- Several areas of expertise that are essential to the implementation of regional projects are yet to be filled.
- The presence of women in high-level posts (departments) is still limited.
- The statutory bodies are operating normally, and a progress report was produced in 2005.
- The economic criteria are a determining factor in the management of staff and infrastructure.

### **9.8.3 Weaknesses Identified**

Some of the weaknesses identified include the following:

- Limited commitment to regional integration at policy, national, and local levels
- Difficulties with making the TCIR and FODEC operational
- Isolation of the headquarters
- Dilapidated headquarters building
- Limited use of NTICs
- Low priority accorded to human resources, training, research, networking, and knowledge management

Major efforts are under way to better identify the weaknesses and threats facing CEMAC, including these:

- Salary increases
- Institutional, accounts, and organizational audit to rationalize the structures and create coherence between them and the missions
- Decision to conduct a general audit of CEMAC as a whole

The staff laments the absence of a strategic vision that gives a medium-term perspective upon which the community policy should be focused. Similarly, the operations departments do not have a medium-term integrated program with a budget and management capacity.

The training staff feels strongly that the priorities set by the external partners are inappropriate, fragmented, and prejudicial to the proper use of available skills.

## 9.9 Recommendations

### 9.9.1 Responding to Immediate Needs

#### Building Economic Analysis and Policy and Project Design Capacity

Domains	Actions	Resources Requirements
In-depth analysis and modeling capacity	Set up an economic forecasting unit within the Executive Secretariat.	One consultant to design the unit, its program of work, and the funding
Program evaluation and dialogue capacity	Conduct a sustainable impact assessment of STAP on the implementation of the second step of the treaty before taking a decision and sharing the results with the stakeholders.	An internal working group responsible for conducting a preevaluation of the second stage, supported by independent experts
Benchmarking procedure and policy coordination rules	Renegotiate CEMAC's place on the continental economic integration mechanism with the AU and NEPAD.	A mission to the AU by NEPAD's Executive Secretariat and other RECs so as to better understand the objectives and achievements of CEMAC
	Establish a specific communication and capacity-building program on international coordination and negotiations.	Fifteen man-day mission for the ES
	Establish a language laboratory.	One consultant to set up an economical English laboratory
High-level training and policy analysis, economic management, and database management capacity building	Prepare an intervention framework for external partnerships and aid.	A working group supported by an external consultant
	Formulate a policy analysis and program and database management training program.	One consultant



**9.9.2 Addressing Short-Term Needs****Building Program Implementation and Management Capacities**

Domains	Actions	Resources Requirements
Definition of priorities and dialogue with nongovernmental stakeholders.	Accelerate the design of the regional economic program, including the funding and implementation plan. Involve nongovernmental actors from the beginning of the design.	A consultant team to support the DAE; the same applying for the design of the economic forecasting and prospects unit
STAP-Infrastructure for the CEMAC zone	Organize a refresher workshop on the AfDB seminar on STAP and establish a strategic unit on the implementation of STAP in the zone.  Prepare an evaluation document on the implementation of STAP in the zone and methods of accelerating it.	A working group from DAE and DCTC to organize the workshop  One consultant
Inclusion of CEMAC's programs and projects on national and regional agendas and on the agendas of external funding partners	Draft a communication plan targeting national governments, ECCAS, and external funding partners.	One consultant
Updating of the financial, accounts, and legal systems quality and reporting policy	Implement the audit's operational recommendations.  Prepare a quality policy and adopt reporting standards.	A working group to make operational the audit's recommendations  One consultant
Basic skills to serve as an interface in the design and implementation of regional and continental projects	Establish an expert's recruitment plan (about fifty managers) to cover immediate- and short-term needs identified by the departments.  Lend priority to diversity and women in the recruitment process.	One regional expert from DAF to prepare the recruitment plan, and identify and preselect candidates, and formulate a staff recruitment policy

### 9.9.3 Institutional and Organizational Capacity Building

Domains	Actions	Resources and Requirement
Institutional framework	<p>Conduct a general audit on CEMAC</p> <p>Align the organizational chart with CEMAC's mission and mandate.</p>	<p>Given the complexity of the exercise on diversity, and the number of institutions in CEMAC, it is important to carry out preparatory work to identify the terms of reference for the audit, define the institutional boundaries and integrate the specificities of each institution.</p> <p>One institutional evaluation consultant</p>
Internal information and coordination system	<p>Reinforce the interfaces: Executive Secretariat/ organs</p> <p>Executive Secretariat/ national governments</p> <p>Executive Secretariat/ specialized institutions.</p>	<p>An interinstitutional workshop to better identify the gaps in the community information system and formulate an internal communication policy</p>
Performance-based remuneration and management policy	<p>More recruitment from the skills market</p> <p>Set up an annual performance plan and, over time, reduce the salary gap with BEAC</p>	<p>One expert to assist DAF in drafting the human resource management plan and the recruitment of adequate staff</p>
Infrastructure, logistics, and information technology system	<p>Conduct a building audit to evaluate the cost of renovating it</p> <p>Design a computer strategic plan in order to renew it and gain high-speed Internet access</p>	<p>One building expert</p> <p>One information technology system expert</p>

#### **9.9.4 Encourage Political Authorities to Express More Leadership, Political Will, and Commitment**

Domains	Actions	Resources Requirement
Regional economic integration strategy and ownership incentives	Set up a procedure for regular consultations with regional experts on the issues involved in the integration of the CEMAC zone and on validating the wider economic policy guidelines	One working group to organize an open seminar during the research on CEMAC's vision for the future, the different aspects of the treaty and the problems with its implementation and the challenges of the petro-zone
Implementation of the TCIR and FODEC	<p>Establish preferably a parliamentary mission of inquiry on the obstacles to collection of the TCIR, its disbursement, and the methods of overcoming those obstacles.</p> <p>Prepare and adopt a sanctions procedure for states that are not meeting the commitments approved for financing CEMAC.</p> <p>Prepare the budget strategy per program for the purposes of setting up windows for the regional development fund.</p>	One regional expert to support the mission
Dialogue between the policy makers and nongovernmental stakeholders on CEMAC's vision	Institute dialogue between the organs and opinion leaders on CEMAC's vision and the opportunities for the joint management of the zone's resources	
Effective implementation of national programs and meeting the set deadlines	Set up a monitoring, early-warning, and prevention system to detect shortcomings in the implementation of national programs and mitigate their effects	One monitoring, early-warning, and prevention unit in each country coordinated by the ES

**9.9.5 Summary of Needs and Resources  
to be Mobilized in the Short Term from ACBF (in \$US)**

	Total	Immediate Needs	Short-Term Needs	Medium-Term Needs
		2005	2006	2007
Consultant services	280,000	205,000	75,000	un
Advisory services and studies				
17 m/h x 15000	255,000	195,000	60,000	
Training 20 m/d x 500	25,000	10,000	15,000	
Monitoring and 3valuation 1 m/h X15000				
Expert services 32 m/h	480,000		480,000	un
Regional experts 32 x 15000			480,000	fr
Missions to political and funding partners*				
Operations*				fr
Permanent experts				
Social security contributions				fr
Equipment *				
Language laboratory				
Computer infrastructure				
Building and repairs*				fr
Main building				
Member country liaison building				
Total	760,000	205,000	555,000	fr

Notes: \*un – CEMAC's expenses unavailable; fr – for the record



# 10

## Survey of the Capacity Needs of the Community of Sahel-Saharan States (CEN-SAD)

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### 10.1 Executive Summary

Along with the African Union, CEN-SAD is one of the major initiatives of the Libyan leader, Muammar Gaddafi. Five countries established the Community in 1999, and since then 17 others have been admitted, making it the flagship of African RECs, one beyond linguistic, economic, geopolitical, and sociocultural cleavages. Its institutional organs include the Conference of the Heads of States and Government; the Executive Council; the General Secretariat (GS); the Development Bank; and the Economic, Social, and Cultural Council. The General Secretariat is based in Tripoli, where Libya entirely supports its operations. CEN-SAD deploys ten key officials between its two directorates, and about 60 officials form the main bulk of the staff that carries out its regular activities in the three languages of the AU. This is far below its personnel needs of 160, including 30 high-level staff members, as shown in its organizational structure.

The CEN-SAD mandate is to establish between African member countries a knowledge-based economic union to face drought and aridity, two global threats with severe ecological, socioeconomic, and political consequences for the circum-Saharan space. Other risks arise from the resources abounding in the zone, which fossilization threatens even in places with an abundant water supply. All the current member countries are directly threatened by the desert, just like the three Sahel-Saharan countries—Algeria, Mauritania, and Ethiopia. But the most vulnerable victims of the desert encroachment, considering their development and their dependence on agriculture and agro-business, are other African countries that have not become members.

Since its creation, CEN-SAD has carried out several sectoral policies and programs, making it possible for it to create a common market. Several legal and political instruments have been designed for this, including the Mechanism for Prevention, Management and Resolution of Conflicts; Convention

of Cooperation and Security; Convention of Cooperation on Transport and Transit; and Cooperation Agreement on Maritime Transport.

The economic programs focus on transport, mines, energy, telecommunications, the social sector, agriculture, the environment, water, and animal health. To succeed in this objective, the REC created the Special Funds for Solidarity and began to draft the Free-Trade Area Treaty, which is still ongoing.

The performance of the General Secretariat in carrying out the CEN-SAD Treaty is satisfactory, given the exceptional challenges that compel the community to innovate continually to keep its prestige as a prime mover in Africa's integration efforts. Libya's commitment to peace and security and its decision to provide the full basic running costs of the REC compensate for gaps in implementation of its policies and programs. Indeed, the authorities of the AU and the development partners of Africa should identify more with CEN-SAD and its revolutionary approach. They can provide more resources to fulfill the vision of a Sahel-Saharan economic union, based on knowledge, competences, and capacities. These additional resources will help the REC to start many projects, plans, and policies of the GS and to integrate the gender perspective through the following instruments.

#### **10.1.1 Immediate**

There should be a supply of short-term experts and consultancy services for infrastructure and energy action plans.

#### **10.1.2 Short Term**

The following should be set up:

- An economic analysis think tank at the GS, with four high-level experts and a coordinator for three years
- A policy management unit for infrastructure and action plan with a high-level coordinator and four sectoral experts in transport (land, sea, air), energy (water, electricity, gas), infrastructure networks and interconnections, and ITC
- A financial partnerships management and PPP unit managed by an expert

#### **10.1.3 Medium Term**

Setting up the following:

- Networks to rebuild Sahara infrastructures and resources knowledge
- A cooperation and linguistic exchange program with other RECs
- A digital library

Programs should be established to embed aptitudes and high-level expertise, such as outsourcing competence management, performance management, and attracting and retaining the most talented staff.

These forms of support to other RECs (i.e., ECOWAS, UEMOA, CEMAC, ECCAS, IGAD, and UMA), to facilitate sharing of responsibility in the subregion, should be extended.

CEN-SAD-identified measures should include each one of the above fields for submission to the ACBF and other development partners for support. The capacity-building program estimate is US\$10,855,000, distributed as follows:

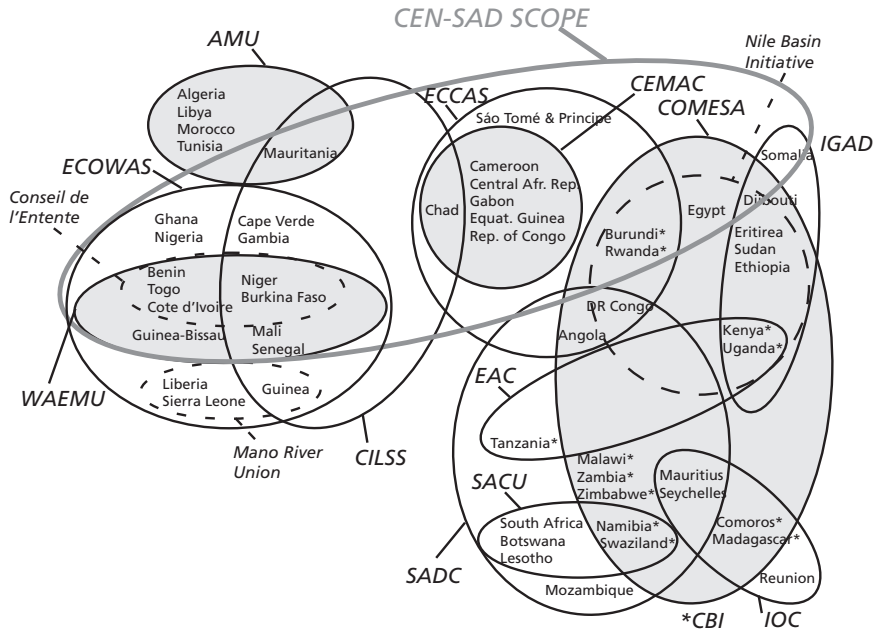
#### **10.1.4 Budget (in \$US)**

	Total
Capacities to Implement Functions	
1. Short-term experts and consultants	1,995,000
2. Think tank for policy analysis and design	1,140,000
3. Policy management unit for infrastructure and action plan (transport, energy, TIC)	1,140,000
4. Financial partnerships management and PPP unit	3,000,000
5. Panel of experts for the external evaluation of the support for the operational activities	160,000
Capacity to Rebuild the Knowledge Base for Infrastructures and Resources Management	
6. Trans-African infrastructures knowledge networks for regional integration (all RECs)	2,000,000
7. Cooperation and linguistic exchange program with other RECs	480,000
8. Virtual library	400,000
Core Competences to Maintain First-Mover Role in Regional Integration	
9. Support program for outsourcing	180,000
10. Support program for competences management	180,000
11. Support program for performance management	180,000
Total in US\$	10,855,000

#### **10.1.5 Background**

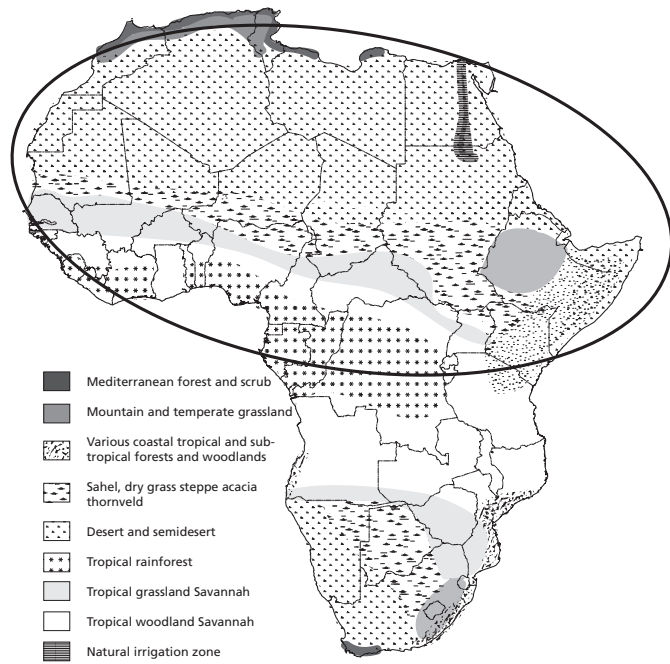
CEN-SAD was founded on 4 February 1998 in Sirte, Libya, by Libya, Burkina Faso, Mali, Niger, Sudan, and Chad. With the AU resulting from the Sirte Declaration of 9 September 1999, the Community constitutes one of the greatest initiatives taken by Muammar Ghaddafi to transform Africa into a strategic player in, and beneficiary from, this era of globalization.





		Countries	CEN-SAD
WAEMU	West African Economic and Monetary Union	8	8
ECOWAS	Economic Community of West African States	15	15
AMU	Arab Maghreb Union	5	3 + 1*
IGAD	Inter-Governmental Authority for Development	7	4
CEMAC	Economic and Monetary Community of Central Africa	6	2
ECCAS	Economic Community of Central African States	11	2
COMESA	Common Market for Eastern and Southern Africa	21	5
CILSS	Permanent Interstate Committee on Drought Control in the Sahel	18	17 +1*
MRU	Mano River Union		
OMVS	Organisation de la Mise en Valeur du fleuve Senegal	3	3
OMVG	Organisation de la Mise en Valeur du fleuve Gambia	2	2
ABN	Autorité du Bassin du Niger	6	6
NBI	Nile Basin Initiative	9	3
ILT	Initiative du Lac Tchad	4	4
SADC	Southern African Development Community	14	0
EAC	East African Community	3	0
SACU	Southern African Customs Union	5	0
CBI	Cross Border Initiative	9	0
IOC	Indian Ocean Commission	5	0

\* Mauritania



The CEN-SAD arose from the need to link the potentialities and resources available to the states of the Sahel and the Sahara to carry out common objectives. By July 2000, barely a few months after its creation, the AU had recognized CEN-SAD as a full REC like the other five that form the building blocks of the AEC.

CEN-SAD finds its justification in the fact that the geopolitical division of Africa has produced one regional tangle that is not easy to understand and that is in permanent search of rationalization. (See the maps above.) Considering the slowness of RECs to adapt to the new globalization issues, this community proposes a vision of integration based on the extent of the challenges confronting Sub-Saharan Africa. This depopulated desert space, the largest in the world, constitutes at the same time the greatest threat and the greatest opportunity for the continent—that is if we consider not only the ecological, socioeconomic, and geopolitical consequences that create the drought and the aridity but also the resources and potentialities that abound in the region. These challenges concern almost all African countries directly or indirectly. This includes the countries of Southern Africa that are affected by the Namibian desert and the few countries of Central Africa the desert has spared thanks to the equatorial green belt. Moreover, the countries not yet touched by the drought are most vulnerable to the climatic attacks.

CEN-SAD embraces countries found in the middle of and at the four cardinal points of the Sahara. These countries also claim membership of one or more of the six RECs, namely UMA, ECOWAS, ECCAS, IGAD, UMOA, and CEMAC. Following the various political and cultural elements of the evolution of the continent, the member states have Arabic, French, English, and Portuguese as their national languages. Its 23 members make it the biggest and most populated African REC built around the economic objective of union beyond ecological, geopolitical, and linguistic cleavages. Besides the six founding members, CEN-SAD's current membership includes the Central African Republic (CAR), Eritrea (as of 1999), Senegal, Djibouti, Gambia (as of 2000), Benin, Ivory Coast, Gambia, Ghana, Guinea Bissau, Liberia, Sierra Leone, Togo, Tunisia, Morocco, Nigeria, and Egypt. Mauritania is soon to become the twenty-fourth member.

Five fully operational institutions manage CEN-SAD:

- The Conference of Heads of States and Leader (CHS)
- The Executive Council (EC)
- The General Secretariat (GS)
- The Development Bank (SBCI)
- The Economic, Social and Cultural Council (ESCC)

Libya still provides most of the financial needs of the Community. This is despite the large membership, the presence of regional powers and emerging

economies, the challenges to cope with (particularly on infrastructure) and the close ties with the AU. As a result, the capacity-needs assessment has to take account of this situation characterized by the role of facilitator played by the Libyan leader because of the support of an inclusive approach to regional integration.

#### **10.1.6 Terms of Reference and Objectives of the Mission**

The terms of reference are presented in Appendix 4. The objective is to identify CEN-SAD's capacity-building needs as far as regional economic integration is concerned. These needs cover in-depth analysis, design, implementation, management, project financing, and evaluation of the advantages and costs of regional economic programs. Also, the mission's objective is to assess the AU's readiness for NEPAD's regional integration projects as well as the commission's capacity to implement STAP priority infrastructure plan of action in the region.

The specific objectives are to do the following:

- Express a professional opinion on the nature as well as the relevance and effectiveness of CEN-SAD's current vision, mission, mandate, and objective
- Provide a profile of the capacities available within CEN-SAD
- Identify CEN-SAD's needs in terms of generic and specific capacity and to advance these needs to facilitate the effective progression of the capacity-building process
- Evaluate the effectiveness of current and past capacity-building programs
- Assess the extent to which CEN-SAD has access to and effectively uses global, regional, and local knowledge and information
- Make appropriate recommendations to secure more contributions from stakeholders to build CEN-SAD's capacity

The survey team consisted of Dr. Sam Dine Sy, team leader, and Dr. Elizabeth Amukugo. The mission started work from 13–17 May 2006 in Tripoli. The discussions were held in French and English. At the end of the discussions, the assistant general secretary organized a debriefing during which the mission presented findings of the survey as well as major recommendations. The discussions that followed made it possible to enrich the recommendations presented and to specify the areas where capacity building is needed.

#### **10.1.7 AU, CEN-SAD, NEPAD, and STAP**

The arrival of the AU made it possible to set up CEN-SAD, whose fast growth outside the traditional framework of RECs suggests the existence of a

close continuity between the two organizations. But the originality of CEN-SAD lies in its bringing together most countries that are exposed to drought and aridity and their ecological and socioeconomic effects. Among these are desertification, degradation of the grounds, impoverishment, migration, and sedentary economies. The growing insecurity in this zone and the rising cost of exploiting energy and fossil minerals buried in the desert zones increase the vulnerability of the affected countries. This explains the countries' keen interest in the Community. The awareness of the increasingly arid conditions as a worldwide threat forms the principal vector of the growth of CEN-SAD.

Despite the many problems that CEN-SAD members face, the Community is not yet formally involved in the pact's implementation. This results from the absence of initiatives and projects under its own label or in partnership with other RECs. This is all the more paradoxical since the CEN-SAD weighs heavier than all other RECs put together and covers space where the infrastructure investments are most vital for the survival of the African continent.

#### **10.1.8 Sources of Information and CEN-SAD's Expectations**

The mission collected data on the state of the capacities available within the Community. It interviewed the principal officers and organized panels with the experts when they were available. Also, it consulted several documents, including the following:

- Texts governing CEN-SAD (i.e., treaty, internal regulations of the functional units, decisions, conventions)
- Protocol on the mechanism of conflict prevention, management, and resolution
- Convention on cooperation and security
- Declaration of Niamey on the prevention of the conflict and the peaceful resolution of disputes
- Charter on security

For a critical assessment of the links between CEN-SAD and NEPAD, the mission extended its data collection to the following sources:

- Reports of the CSSD on desertification (available online)
- The knowledge base (virtual library) of the Observatory of the Sahel and the Sahara (online)
- Reports of AfDB relating to PACT and NEPAD (online)
- Reports of the World Bank Development Committee on Africa, the infrastructures, and the aid effectiveness (available online)
- The Sirte Declaration on AU
- The Strategic Plan of the AUC

During the mission, CEN-SAD's General Secretariat said it was waiting for ACBF and the Steering Committee of NEPAD to provide funds to improve the Community's operations, deliver its projects, and build capacity in policy analysis for regional integration. The different activity areas include infrastructure, transport, telecommunications, the environment, water, mines and energy, agriculture, animal health, social welfare, and security.

In a concrete way, CEN-SAD expects that this exercise will contribute effectively in covering the expressed needs in capacities, knowledge, and competences to carry out its sectoral investment plan. These needs are divided as shown here:

- Immediate needs, for implementation in the next six months
- Short-term needs, for execution within the next two years (these needs cover the harmony and implementation of the sectoral investment plan and the PACT-Infrastructure)
- Medium-term needs

### **10.1.9 Institutional and Organizational Framework**

**Mission and mandate.** The vision of CEN-SAD is stated in the preamble to the treaty signed by the six founding members. Its goals are to create a community of complementarities, peace, stability, and security. Others are to face the endogenous and exogenous causes of economic stagnation, underdevelopment, and instability, and to achieve economic, political, cultural, and social integration among member states.

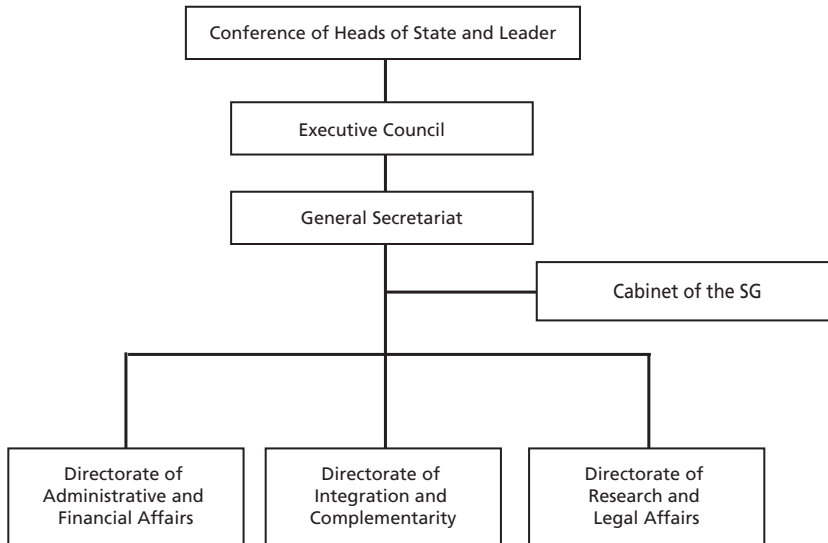
As defined by the treaty, its principal objectives are as follows:

- Set up a global economic union based on a plan of development that complements the national development plans of the countries concerned, embracing investment in the agricultural, industrial, energy, social, and cultural fields
- Remove all the restrictions hampering economic freedom
- Promote external trade through an investment policy in the member states
- Increase the means of land, air, and maritime transport and communication among member states by executing common projects;
- Grant nationals of the signatory countries the same rights, advantages and obligations granted to their own citizens; and
- Harmonize the educational, pedagogical, scientific, and cultural systems in the different cycles of education

CEN-SAD devotes its programs primarily to achieve regional integration, peace, stability, and safety. These objectives are similar to those of the AU and other RECs.

**10.1.10 Structures**

**Figure 10.1 Governance and Organization of CEN-SAD's General Secretariat**



The Conference of Heads of State and Leaders (CHS) is the highest authority of the Community. It decides, regulates, and issues directives necessary for carrying out the objectives and programs of the Community.

The Executive Council prepares the programs and the complementary plans, carries out the decisions of the CCEL, proposes the agenda, and approves the recommendations and work of the specialized interdepartmental committees.

The general secretary has an exclusive mandate to oversee the implementation of the treaty and the decisions of the Conference of Heads of State and the Executive Council and to prepare jointly the agenda with the council. In addition, he or she is in charge of administration and runs the General Secretariat with the support of an assistant general secretary and two directors.

The directorates are Integration and Complementarity (DIC) and Administrative and Financial Affairs (DAF). Each directorate is subdivided into departments, some of which are yet to be staffed. The Directorate of Research and Legal Affairs (DRL) exists at the moment only in the rules of procedure.

**Human resources.** The GS's staff complement stands at 70 people, including two elected members of the organs and ten senior officials seconded to CEN-SAD by member states.

The staff comprises the following:

- Senior managers: 10
- Middle managers: not available
- Support staff: not available
- Consultants: 9 (including 1 woman, 8 men)
- Regional experts: 0
- Female members of staff: 14

The personnel gap remains large. The optimal number is estimated at 160, including 30 high-level officials.

Imbalance within the flow chart would show:

- Weak autonomy of the GS in contrast to the Executive Council and the CCEL
- Insufficiency of the highly skilled staffers
- Absence of research services
- Weak recourse to the external experts and consultants
- The absence of women at management level

The capacity-building needs are the same at all the levels.

A number of male officials are PhD degree holders. All the staff members are proficient in at least one of the three working languages of the AU—Arabic, English, and French.

The spectrum of competence available in the General Secretariat is limited. Sectoral engineers, administrators, lawyers, and economists are the most numerous of the personnel available. All the managers have proven experience in project management; they prepare terms of reference, oversee consultants' work, represent the GS in experts meetings, and draw up technological or evaluation reports.

There is a significant shortage of specific skills needed for economic analyses that provide a useful basis for developing the economic program of the union. The treaty provides for this. Moreover, the treaty encourages staffing the GS with personnel who are skilled in management systems policies and sectoral project design in such areas as free trade, infrastructure, finances, and training.

The staff devotes more than 80 percent of its effort to achieving the economic objectives.

As far as the appointment procedure for personnel, it is necessary to distinguish members of the organizational elements from the others. The



Executive Council appoints the general secretary and assistant general secretary. The managerial staff members come from the member states' national administrations and are recruited at the secretariat's request for applications. However, there is no gender quota, and all female staff members are recruited on local contractual terms irrespective of their citizenships.

Pay policies are based on those of international organizations. GS staff salaries are considerably higher than those of their national counterparts, though there is no competition with ECOWAS, AfDB, or some member states. All the staff members consider their current level of salaries a disincentive.

**Research, documentation, and network.** The Community does not yet have research centers, although the internal regulations of the organization provides for a Directorate of Research and Legal Affairs and a Directorate of Integration and Complementarity (Studies and Research Unit). The General Secretariat compensates for this by using external competences from organizations such as AfDB, FAO, UNESCO, OSS, and FIDA.

CEN-SAD interacts through formal and structured networks with other RECs, especially ECOWAS, UMA, and UEMOA. It consolidates these relations at the AU, ECA, and AfDB levels, working within the framework of the meetings organized on a continental scale.

One noticeable weakness of these networks is their lack of access to the Internet, which inhibits information and data exchanges inside.

**Available capacities.** The Community is officially structured into the cabinet of the SG and three directorates. It provides its services in the same building where the City Hall of Tripoli occupies five floors. The building is modern, and the offices allotted to the SG are roomy, but some are still unoccupied.

The treaty and the internal regulations determine the mandate and the operations of the GS. In anticipation of the installation of the free-trade area, the GS is already conducting an institutional and organizational audit.

The vision inspired by the government of Libya, and the goals laid down in the treaty and specified at the Conference of Heads of State, provide the framework for designing policies and projects for monitoring implementation. But there is no strategic planning system.

There is, therefore, an urgent need to set priorities and organize the programs and projects as well as provide a precise and complete description of the operational processes. The Community's ability to improve the competences of its personnel is limited because it has no training policy and no budget. A study carried out by the Food and Agriculture Organization (FAO) provides the statistical data needed to develop a database for trade in agricultural produce.

CEN-SAD has its own website ([www.cen-sad.org](http://www.cen-sad.org)), which provides some basic information on the Community in Arabic, English, and French. This site provides access to technical documents (i.e., reports, publications, working papers), all of which help to evaluate the capacity needs for analysis and knowledge management in the Community. In addition, [www.africa-union.org](http://www.africa-union.org) offers a link to this site with some information in English.

#### **10.1.11 Aligning the Capacities of CEN-SAD with Its Mission**

CEN-SAD does not depend on the support of the major partners of African countries like the AfDB, EU, the World Bank, and bilateral cooperation arrangements. This notwithstanding, some technical assistance was provided by the AfDB, FAO, OSS, FIDA, UNESCO, CILSS, OPA, AU, and ECA.

Aligning the available capacities of CEN-SAD with its mission has three dimensions:

- Aligning the activities and of the organogram with the strategic objectives of the Community
- Having sufficient in-house capacity to carry out the strategic actions leading to regional integration
- Building capacity for decisionmaking, anticipation, and rapid reaction

This mission found no alignment between the activities and the objectives assigned to CEN-SAD. In particular, we found that several objectives have not been met at all despite some changes in the organization's structure (e.g., Economic Union/FTA, single market of goods and services, harmonization of the educational, pedagogical, scientific, and cultural systems). Moreover, several essential departments and directorates have not been created. For now, Libya provides the bulk of the money for running the administration of the Community. Increasingly, this is proving inadequate for long-term planning.

#### **10.1.12 Financial Autonomy**

Adequate financial autonomy presupposes the existence of the power to withdraw resources from the customs revenue and allocate them to scheduled activities. For legitimacy, this should be done in accordance with the mechanisms for guaranteeing transparency and precision through a balance of power (e.g., parliament, accounting court, observatory), competitive procedures, and anonymous markets.

According to the treaty, the Community is a legal entity whose budget is financed by the members. But in its 2006 report, the GS deplors the members' attitude to funding the REC. In its words, "All the other countries have arrears of payment under the budget adopted . . . in spite of the multiple

reminder notes. . . . Certain countries have never payed since their adherence [to the community].”

The BSIC has set up its headquarters and eight subsidiary companies in several countries located south of the Sahara. The headquarters aims to contribute to financing large projects while the subsidiaries support the small local projects in the countries.

CEN-SAD also has special solidarity funds that provide food assistance and humanitarian emergency in member states. Four countries contribute voluntarily to these funds.

### **10.1.13 Performance Evaluation of CEN-SAD's Institutional Profile**

**Performance grid and rating.** Performance appraisal allows us to determine CEN-SAD's institutional profile. In addition, it allows for an improved definition of the stages that are sensitive to incentives for transforming it into a REC and for observing the principles of managing a modern and integrated organization. (See Figure 10.2 and Box 10.1.)

### **10.1.14 Performance of Institutional and Organizational Framework**

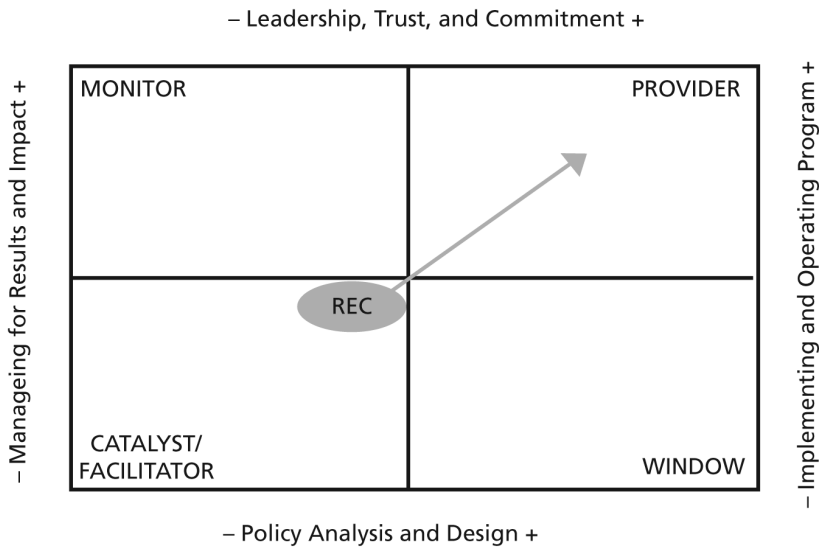
As a REC, CEN-SAD's performance can be measured in terms of the following criteria:

- Clarity, legibility, flexibility, and the practical nature of the body's treaties and agreements; degree of concentration on economic policy objectives; stability, efficiency, equity, and long-term viability
- Feasibility of the information system and of co-ordination at political and technical levels
- Presence of performance incentives in the form of attractive remuneration, rewards, programs to improve skills, and knowledge management
- Quality of infrastructure and logistical and computer resources

**Performance in economic analysis and design.** As a think-tank on economic policy analysis, evaluation, and management, CEN-SAD's performance can be measured using the following criteria:

- Existence of thorough analyses of the ecological, socio-economic, political, and social realities of the community, using quantitative and qualitative methods; and quality, rigor, relevance, and effectiveness of the analyses
- Existence of evaluation works on the advantages and costs of the programs and of integration projects, as well as dialogues with the

Figure 10.2 Basic Capacity Needs



recipients on their distribution, and quality and appropriateness of the results of the evaluations

- Existence of mechanisms and explicit rules of co-ordination of the policies; including the quality, rigor, relevance, and effectiveness of the mechanisms and rules
- Existence of reinforcement and training schemes of the capacities of analysis of the policies and economic management

**Implementation and operationalization capacity.** The General Secretariat is an implementing agency for regional policies and programs. Its performance can be measured based on the following criteria:

- Framework documents in the form of a medium-term regional economic program that reflects the priorities set by the bodies and shared by non-state actors
- Priority plans of action in the areas deemed crucial for the regional economic integration of the zone (for example, PACT-Infrastructure)
- Mechanisms for including these programs and projects on the national and regional agendas as well as those of the external financial partners

**Box 10.1 Performance Grid and Rating****Institutions and Organization for Result-Based Management and Impact:**

- Performance of the institutional framework: financial, administrative, technological, and organizational performance

**Analysis and Design of Economic Programs:**

- Existence, quality and efficiency of the mechanism for analysis, forecasting, and evaluation, and for macroeconomic, financial, commercial, and technical management, as well as the mechanism for economic program design and policy coordination; capacity to quantify the REC's contribution to reducing transaction costs; to growth; to reducing disparities, inequalities, poverty, and dependence on external public aid by improving its effectiveness

**Implementation and Operationalization:**

- Performance in implementing strategic programs and regional policies as defined by AU and NEPAD

**Commitment, Trust, and Leadership:**

- Existence and quality of leadership, commitment, and political will at the highest level on regional economic integration

For each of these points, the indicator relates to the level of performance or the existence of a mechanism as well as the quality and effectiveness of its implementation:

- *Level of performance*: rated from 1 to 4, with 4 being the highest rating (excellent); 3: satisfactory; 2: poor; and 1: the lowest rating (unacceptable).
- *Existence of a mechanism and the quality and effectiveness of its implementation*: rated from 0 to 4, with 4 being the highest rating (excellent); 3: satisfactory; 2: poor; 1: unacceptable; and 0: mechanism non-existent.

The REC's profile is determined by the weighted performance of all these areas. This profile can be raised or lowered to take account of the factors that are not always easy to capture with the rating grid with qualifications such as "very," "more than," "moderately satisfactory," "less than." Depending on its location in one of the quadrants in the table below, the REC is qualified as follows.

**Facilitator:**

The REC's performance is poor in all the areas. It makes considerable effort in carrying out activities such as meetings and consultations with uncertain results, it takes on numerous mandates without the required additional means, puts forward opinions and makes recommendations that are often ineffective, yet serve as a recourse for every economic crisis that rocks a given member state. In reality, it does not have any exclusive skills even if the treaty states otherwise. In terms of skills shared with member states, it has to negotiate on a case-by-case basis in order to have some room to maneuver.

(continues)

**Box 10.1 (Cont.)****Monitor:**

The REC is successful in at least one area (analysis and design). It provides support to the regional integration process in the form of a follow-up mechanism, a periodic examination, preparing meetings of the bodies, and supplying technical assistance to national administrations that have extensive skills in economic integration. In reality, the REC does not have any exclusive skills even if the treaty states otherwise. It shares its skills with member states but must negotiate on a case-by-case basis in order to have some room to maneuver.

**Window:**

The REC has achieved above-average success in at least two areas, that is, analysis and design and implementation and management. It provides the stakeholders—the member states, business, civil society organizations, and economic players—with opportunities, thanks to the reduction of transaction costs in the region and the economies of scale permitted by the free-trade area, as well as mechanisms for correcting regional disparities, inequalities, and poverty. The REC has exclusive skills that are limited in number and extent.

**Provider:**

The REC also achieved above-average performance in the four areas and has basic capacities and skills. Within the context of exclusive and shared skills attributed to it, the REC provides member states with solutions to problems of economic policy and development that they are unable to resolve on their own: It also provides stability, efficient resource allocation, equity, access to credit, additional financial resources, multilateral surveillance, common policies, global public property, long-term prospects, and the safeguarding of vital interests.

The location of the REC in one of the quadrants allows for the improved targeting of the type of support required.

- A financial, accounting, and legal system of norms and standards, together with a quality reporting system to ensure adequate financing of programs, their implementation, and effective management, including obligations and sums owed
- Internal capacity to act as a support for technical assistance and for external partners (software companies and complex contracts)

**Leadership, trust, and commitment.** Leadership, trust, and commitment at the highest level are measured by the member states' efforts in delegating exclusive and shared competences to CEN-SAD to help it set up a regional

Institutional and Organizational Framework	The Facts	Rating	Aggregated
Clarity, flexibility, and practical nature of the body's treaties and agreements	<p>The treaty states clearly that the mission of CEN-SAD is to build an economic union.</p> <p>The institutional architecture, according to the treaty, is complete. CEN-SAD must still work out its budget.</p> <p>A reflection on the role of checks and balance is essential nevertheless.</p> <p>The organizational structure is not yet aligned on the mission and the mandate of CEN-SAD.</p>	4	More than Satisfactory 3.31
Feasibility of the information system and of coordination at political and technical levels	<p>The information system functions correctly in spite of weakness in communication logistics with certain member states and the continental institutions.</p>	4	
Presence of performance incentives in the form of attractive remuneration, rewards, programs to improve skills, and knowledge management	<p>The employee compensation system is not performance based and is considered not very attractive. Competence and knowledge are still underdeveloped.</p>	2	
Quality of infrastructure and logistical and computer resources	<p>The building is modern and roomy.</p> <p>All the officials have of a PC but not a laptop. There are intranet networks but no generalized access to the Internet.</p>	3.5	

Note: Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

Analysis and Design Capacity	The Facts	Rating	Aggregated
<p>Existence of thorough analyses of the economic and social situation of the zone using of the models and the quantitative and qualitative methods</p>	<p>The Community prepares a report for submission to the Executive Council.</p> <p>Within the FTA framework, a study undertaken with the BAD, on the commercial potentialities, the commercial legislation (national and regional) into force, the implications of the FTA for each member state. The preliminary draft on liberalization scheme is ready with a calendar to cut tariff barriers.</p> <p>In-depth analyses on the Sahel-Saharan zone are still the fact of other organizations. Examples:</p> <ul style="list-style-type: none"> <li>• Convention of the UN to fight desertification, CSSD Secretariat;</li> <li>• Establishment of operational and cost-effective early warning systems for drought and turning into a desert, CSSD</li> <li>• Indicators of Sustainable Development</li> <li>• Réseau d'Observatoires de Surveillance Ecologique à Long Terme: acquis et regard prospectif (ROSELT/OSS); Virtual Library of OSS <a href="http://www.unesco.org/oss">www.unesco.org/oss</a>by</li> <li>• Monitoring and evaluation of the effects of the drought and desertification, CIRAD/AGRHYMET</li> <li>• A millennium one drought and implications for the future, CLIVAR/PAGES/IPCC (GIEC)</li> <li>• <i>The Impact of Drought on Sub-Saharan African Economies: A Preliminary Examination</i>; World Bank</li> </ul>	3	2,9 Satisfactory
<p>Existence of evaluations of advantages and costs of policies and the sectoral projects, as well as policy dialogues with stakeholder</p>	<p>Documents produced by:</p> <ul style="list-style-type: none"> <li>• AfDB on FTA</li> <li>• OSS on Higher Council of Water and on the Sahel-Saharan Green Wall</li> <li>• FAO on the development of the 100,000 ha in Mali</li> </ul>	3	

(continues)



Analysis and Design Capacity (Cont.)	The Facts	Rating	Aggregated
Existence of mechanisms and clear rules of coordination of the policies and procedures of benchmarking in particular for the international and regional negotiations	<p>The treaty defined clearly the policy process. CEN-SAD is integrated into the AU, but relations with NEPAD are still weak.</p> <p>Presence in the regional integration networks is limited. Relationships with other African RECs and with international institutions are limited.</p> <p>A list of projects to implement includes peace and security, infrastructure, transport and communications, water and energy, environment, trade, and animal health.</p>	3	
Existence of high-level capacity-building and training programs on policy analysis and economic management and database management	<p>CEN-SAD benefits from an important and regular support from Libya.</p> <p>It benefits from strong and regular support from external partners.</p> <p>Continuous training of managers is done on the job through seminars and international or continental conferences.</p> <p>No plan or budget is specifically dedicated to staff training.</p>	3.5	2.9 Satisfactory
Existence of research and knowledge management system and digital library	<p>A knowledge base for water management of the trans-Saharan zone is under examination</p>	2	

Note: Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

Implementation and Operationalization Capacity	The Facts	Rating	Aggregated
<p>Framework documents in the form of a medium-term regional economic program reflecting the priorities set by the bodies and shared by non-state actors</p>	<p>The objectives are defined by the treaty. They are translated into annual programs of activities submitted to the Executive Council and the CHS with an annual budget. A list of projects under consideration by sector is available as well as the broad outline for the following areas:</p> <ul style="list-style-type: none"> <li>– Peace and security</li> <li>– Transport and infrastructure</li> <li>– Agriculture</li> <li>– Mines and energy</li> <li>– Telecommunications</li> </ul> <p>– Social</p> <p>– Economy and trade</p> <p>– Environment and water</p> <p>– Animal health</p> <p>This list must be completed with a macroeconomic framework and impact assessment. BCIC would design financial strategy.</p>	4	
<p>Priority plans of action in the areas deemed crucial for regional economic integration of the zone (for example PACT-Infrastructure)</p>	<p>The action plan for the development of transport and the infrastructure covers the infrastructure: roads, railways, airports, and maritime, as well as transport services.</p>	3	2.6
<p>Mechanisms to include these programs and projects in national and regional agendas as well as those of the external financial partners</p>	<p>The networks linking CEN-SAD to other partners of STAP are not structured and effective.</p>	2	satisfactory
<p>A financial, accounting, and legal system of norms and standards, with a quality and reporting system to ensure adequate financing of programs, their implementation, management, and accountability</p>	<p>One institutional and organizational audit is programmed.</p>	2	
<p>Internal capacity that can act as a support for technical assistance and for external partners (software companies and complex contracts)</p>	<p>With ten officials, CEN-SAD does not have the critical mass of necessary expertise to implement complex and large-scale projects.</p> <p>It still needs to make stronger effort to diversify.</p> <p>The recruitment of regional experts, consultants, and permanent staff should be accorded top priority to build needed capacity.</p> <p>Much work needs to be done on recruitment and diversification of the profiles of the Community.</p>	2	

Note: Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

Leadership, Trust, and Commitment	The Facts	Rating	Aggregated
Existence of a regional economic integration strategy designed at the request of the governments, and by the internal expertise available within CEN-SAD, and retaining this expertise through appropriate incentives; relevance, coherence, and feasibility of the strategy; giving up sovereignty in strategic areas	<p>The Libyan government plays an active part in conflict mediation in the zone.</p> <p>Libya ensures the financing of the regular operation of the organs.</p> <p>CEN-SAD Treaty explains the commitment of the states in favor of integration through the following instruments:</p> <ul style="list-style-type: none"> <li>- The CEN-SAD Bank and its subsidiary companies in the member states</li> <li>- The Free Trade Area Project</li> <li>- The Mechanism of Conflicts Prevention, Management and Resolution</li> <li>- The Cooperation and Security Convention</li> <li>- The Transport and Transit Cooperation Convention</li> <li>- The Cooperation Agreement on Maritime Transport</li> </ul>	4	
Decision to implement all the approved financial mechanisms (Development Bank) and to fulfil the conditions agreed to with the external financial partners (the AU and NEPAD)	<p>The CEN-SAD Bank is operational.</p> <p>Special funds of solidarity and financial support to Niger (US\$100,000) and Mali (US\$50,000) to cope with the food crisis due to locust invasion and poor rainfall are created.</p>	4	Excellent
Acceptance and approval of the revenue redistribution criteria drawn from the regional intratrade	<p>Mali has given CEN-SAD a farmland of 1,000 hectares.</p>		
Existence of permanent dialogue with non-state actors so as to better share CEN-SAD's vision	<p>The dialogue with the civil society (NGO, university, liberal professions, private-sector, and media) is regular at a high level. A structured framework still remains to be established.</p>	3	
Decision to implement effectively the programs at national level; to respect schedule	<p>There are growing numbers of membership and installation of the institutions and designation of the representatives by the countries in less than six years.</p>	4	

Note: Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

economic integration strategy and for it to achieve the objectives of macro-economic stabilization, resource allocation, distribution of costs and advantages, and financial viability in the Sahel and Sahara zone.

## 10.2 CEN-SAD's Overall Performance

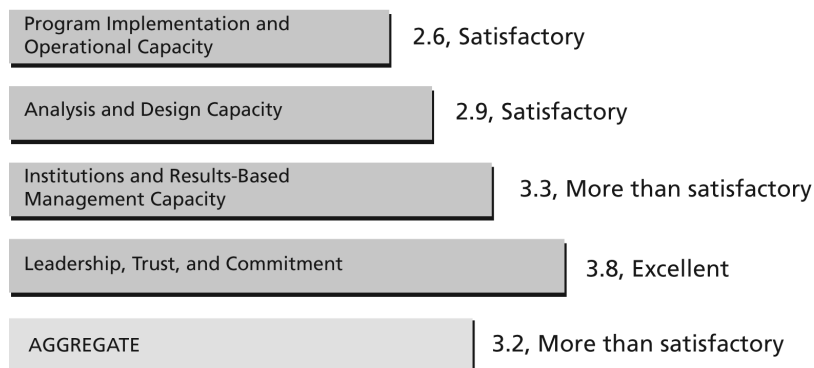
The performance of the CEN-SAD as a REC is “moderately satisfactory.” (See Figure 10.3.)

This performance is all the more remarkable as the CEN-SAD is a young REC that copes with the largest plagues that strike Africa: drought and aridity, and their impact on desertification, impoverishment, migration, insecurity, and the degradation of the economic potential of the zone. The vision that the Libyan leader invigorates makes it possible to compensate for the failures of other member states. CEN-SAD's overall performance must be assessed in comparison with the other RECs and then raised to the level where it can be deemed “very satisfactory.”

The exemplary support that Libya grants to the organs of CEN-SAD should inspire the other regional powers and the emerging economies to support the other RECs that have difficulties in functioning normally.

The importance of the CEN-SAD would be better appreciated when we consider its role in the establishment of the AU and the Program of Trans-Saharan Infrastructure, which is at the heart of the future AfDB Medium- and Long-Term Strategic Framework aimed at integrating the various components of the NEPAD and the STAP.

**Figure 10.3 Overall Evaluation of CEN-SAD's Performance**



### 10.3 CEN-SAD's Profile

#### 10.3.1 Capacity Needs

Since its inauguration in 1999, CEN-SAD has had fast growth in membership, demonstrating that it focuses on the concrete challenges that countries face. These huge challenges, joined to the diverse problems of each country, increased CEN-SAD's responsibility in promoting an improved and successful AU, starting from the Sahel Sahara.

#### 10.3.2 Major Challenges

**Drought and aridity.** CEN-SAD brings together the majority of the countries that are exposed to drought and aridity. The growing insecurity in this zone and the rise in the cost of exploiting energy and mineral resources hidden in the desert zones, and which tend to fossilize there, increase the vulnerability of the countries concerned. This explains their keen interest in CEN-SAD.

Also, CEN-SAD faces this challenge by accommodating the countries seriously affected by drought and aridity. But it will need to demonstrate a knowledge-based economic union to cope with this challenge.

The rapid growth in its membership poses additional problems of coordination. Nearly half of the countries outside the Community are badly affected by desert encroachment. If CEN-SAD succeeds, all these countries would most likely join together with their complex national problems. Among these countries all the economies appear to have reached a certain level of complexity and development. The awakening of the threat that drought constitutes could in the long term lead them to knock on the door of the Community, provided that it displays visible results.

The capacity to coordinate will be all the more crucial as these countries begin to organize national and regional plans within the framework of conventions and other instruments (e.g., UN/CSSD against Desertification and for Environmental Protection). The partner countries too are likely to set up action plans to contribute to the initiative (the EU and member states, in particular). Several institutions like the Observatory of the Sahel and the Sahara are already in place. In addition, the international community organizes itself within the Global Partnership, the MDGs, G8, the World Bank, and around Action Plans for Africa, to better fight against poverty by setting up support for AU and NEPAD in the field of good governance, conflict prevention, health, education, and infrastructure.

In this last field, it is important to note the difficulty of the Community to act as a regional player. It is the only major REC that has not introduced projects under its own umbrella, and that underestimates the needs of the

zone. The comparison between the size of the different RECs and the degree of their activism in infrastructure development leads to an over-representation of some of the countries in certain types of projects.

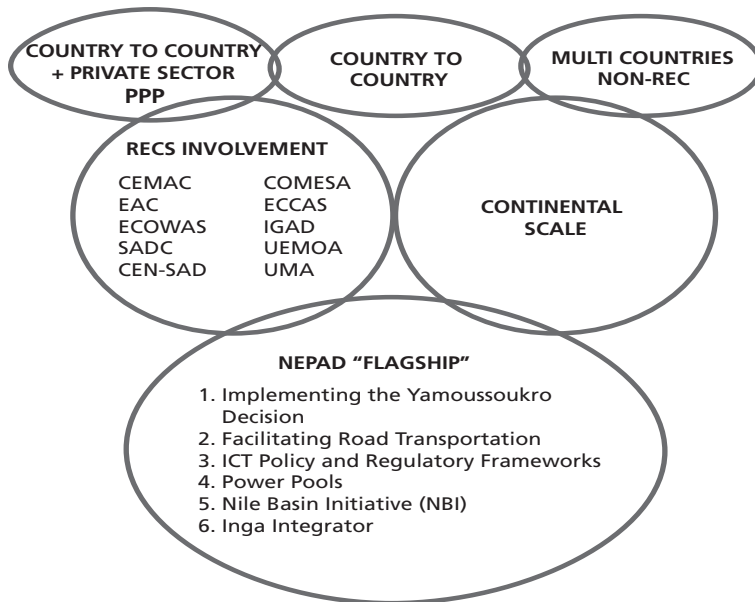
In the “projects race” to be registered with the STAP, the implementation strategy and the selection criteria lead to moral hazard or an “anti-selection attitude.” Moreover, the potential role of RECs is scrambled by the multiplicity of the actors and by the vague statutes in project monitoring and implementation documents (NEPAD Executive Secretariat, countries, and private sector). There is a need to reassess the STAP strategy, pointing to a need to abandon the static and sectoral approach for a more dynamic one. (See Figure 10.4.)

The CEN-SAD must find its place in African integration to justify its ambition to be a strategic operator in the Sahel-Sahara and to give an impetus to the fight against drought by the economic union.

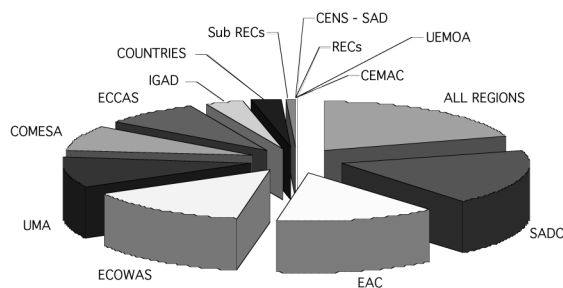
Within this framework, several initiatives and projects are ongoing, including the:

- Loan activities of the Development Bank
- Mechanism of Conflicts Prevention, Management and Resolution
- Cooperation and Security Convention

Figure 10.4 Classification of STAP Projects



PACT/NEPAD	Systemic																								
<b>Projects Static Approach</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Facilitation</td></tr> <tr><td>Capacity-building initiatives</td></tr> <tr><td>Investment in physical and capital projects</td></tr> <tr><td>Studies on future projects</td></tr> </table>	Facilitation	Capacity-building initiatives	Investment in physical and capital projects	Studies on future projects	<b>Projects Dynamic Approach</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Type of Infra-structures Projects</th> <th>Basic Infra-structures</th> <th>Industrial infra-structures</th> <th>ITC infra-structures</th> </tr> </thead> <tbody> <tr><td>New</td><td></td><td></td><td></td></tr> <tr><td>Ongoing</td><td></td><td></td><td></td></tr> <tr><td>Maintenance &amp; upgrading</td><td></td><td></td><td></td></tr> <tr><td>To study</td><td></td><td></td><td></td></tr> </tbody> </table>	Type of Infra-structures Projects	Basic Infra-structures	Industrial infra-structures	ITC infra-structures	New				Ongoing				Maintenance & upgrading				To study			
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<b>Projects Sectoral Approach</b>  Transports Energy Water and Sanitation ITC	<b>Projects Systemic Approach</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Market Orientation RECs Involved</th> <th>Weak</th> <th>Strong</th> </tr> </thead> <tbody> <tr> <td>Mono REC</td> <td>Basic infrastructures</td> <td>Industrial infrastructures</td> </tr> <tr> <td>Multi RECs</td> <td>Strategic infrastructures Networks</td> <td>ITC infrastructures</td> </tr> </tbody> </table>	Market Orientation RECs Involved	Weak	Strong	Mono REC	Basic infrastructures	Industrial infrastructures	Multi RECs	Strategic infrastructures Networks	ITC infrastructures															
Market Orientation RECs Involved	Weak	Strong																							
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- Cooperation Transport Transit Convention
- Cooperation Agreement on Maritime Transport
- Special Funds of Solidarity
- Seeds Authority
- Sahara Development Authority
- Free Trade Area Project
- High Authority of Water (Project)
- Green Wall Project
- Convention on the Fight against the Illicit Traffic of Narcotics and the Psychotropic Substances (draft)
- Convention on the Readmission of the Illegal Immigrants (draft)
- Convention on Freedom of Movement of the People in the CEN-SAD (draft)
- Convention on Legal Mutual Aid (draft)

To avoid stagnation, the Community must also benefit from the experience of regional organizations confronted with a massive and brutal widening like the European Union and the SADC. The Free Trade Area Project and Common Market, covering nearly half of the African countries, also pose a huge challenge. A number of these countries have fragmented markets when they are not exposed to natural and human disasters, while others obey the power logics of the emerging economies. The risk of failure should not be excluded if these questions are not given adequate attention.

Other such complex questions will also arise, particularly in the areas of harmonization of national and subregional strategies on poverty reduction, insecurity (human, food, and social), and conflicts and crises management.

#### **10.4 Active Management of Resources and Potentialities and Value Chain**

The emergence of CEN-SAD is intended to foster an economic union among its members as a strategic alliance in this era of globalization. The major stake is thus to control its energy and exploit its minerals. There is a growing worldwide demand for water, oil, gas, coal, iron, uranium, precious metals, copper, prehistoric vestiges, fauna, flora, tourist sites, and so on.

The chain of value mastery is the strategic tool for resource ownership. However the progress report on the implementation of the PACT shows clearly that this aspect is yet to be subjected to in-depth analysis.

Considering the financial stake (estimated at nearly US\$20 billion for the year 2020) and the structure of the global infrastructure market, it is desirable to pre-empt certain risks. These include:

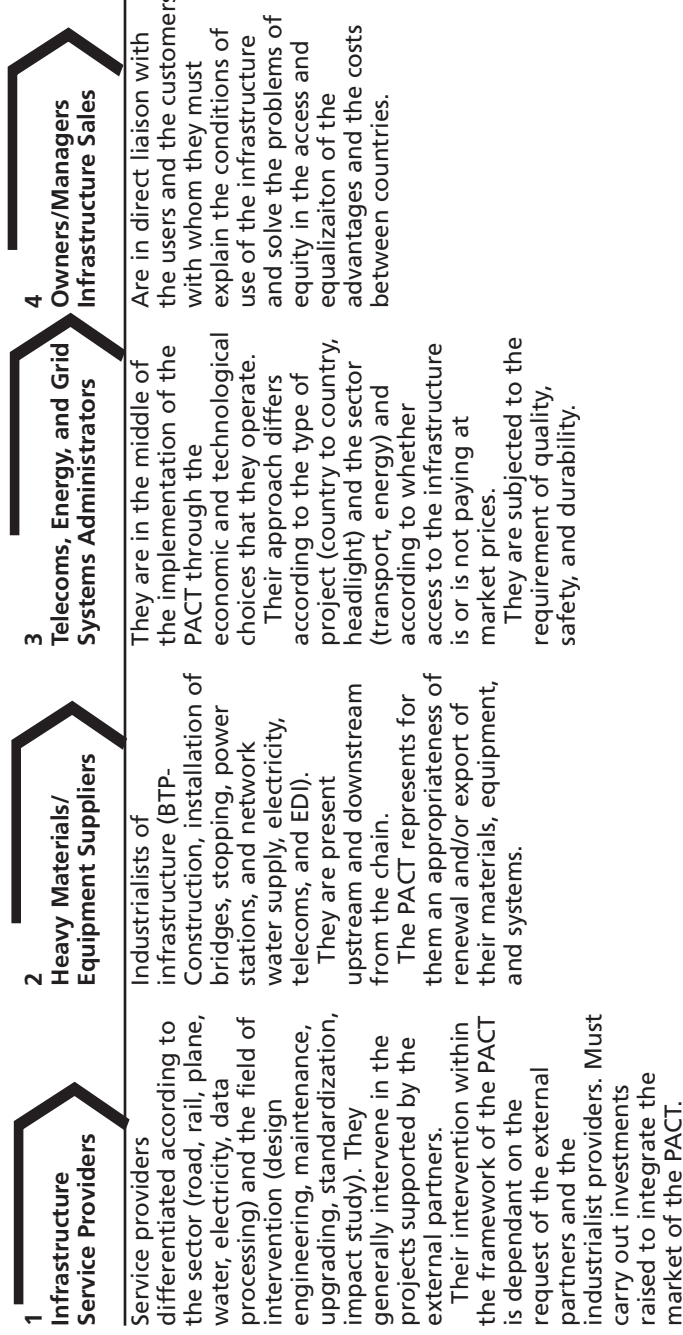


### Major Players in the Infrastructure Value Chain

Caters dominants	Electricity generation	Electricity distribution	Telephone (fixed)	Telephone (mobile)	Water	Reorganization
Africa	AES, ADF, UF, Intergen, PSEG	AES, EDF, EDP	France Télécom, SBC	France Télécom, SBC, Telefonica de Espana Vodafone	RWE, SAUR, ONDEO, VEOLIA, OPP	ONDEO, VEOLIA, OPP
Global	AEP, AES, CLP, Duke, E.ON, EDF, EDP, ENDESA, ENERGY, UF, HEG, Intergen, PSEG, Reliant, Southern, Tractabel	AEP, AES, CLP, E.ON, EDF, EDP, ENDESA, ENERGY, UF, HEG, PSEG, Southeast	Bell South, BT, Deutsche Telekom, France Telecom, SBC, Telecom Italia, Telefonica de España, Telstra, Verizon	Bell South, Deutsche Telekom, France Telecom, SBC, Telecom Italia, Telefonica de España, Telstra, Verizon and Vodafone	AWG, RWE, SAUR, SET, ONDEO, VEOLIA, UUT Others Private Providers (OPP)	AWG, RWE, SAUR, SET, ONDEO, VEOLIA, UUT Other Private Providers (OPP)

American Electric Power (AEP), Electricité de France (EDF), Electricidad de Portugal (EDP), Union Fenosa (UF), Hong Kong Electric Group (HEG), Public Service Enterprise Group (PSEG), Southern Energy Company, United Utilities (UUT), Anglian Waters (AWG), Severn Trent (SET) Other Private Providers (OPP)

## Cost and Advantage Analysis of the Implementation of the PACT Infrastructures



- “Crowding-out effect” for certain types of infrastructure accessible to the poor, and the industrial infrastructure to valorize resources
- “Picking losers effect,” by choosing operators losing speed elsewhere and who seek to reposition themselves in new markets
- “Locking-in effect,” by losing the flexibility blocking choices on infrastructure technologies, whose possibilities of development and/or ownership are limited, or even blocked

It will be necessary to build the capacities of African operators for the continent to assure itself of their presence in the chain, which is not the case for electricity, telephone, water, and sanitation.

Along with this challenge, the Community must continuously adapt its objectives and means of intervention and obtain the essential capacities, competences, and knowledge to achieve its mandate.

The survey highlighted the existence of gaps to be filled in several fields, including the following:

- Global and sectoral analysis of the economic, monetary, industrial, commercial, agricultural, and scientific position of the zone
- Infrastructure value chain analysis, particularly of energy and grid systems, but also of the products and resources of the region
- Engineering of programs, conformity to the standards and specifications, maintenance, and industrial and financial risk management
- Organizational, knowledge, and competences management
- Accountability, reporting, and corporate governance
- Dialogue and participation of the nonofficial actors, particularly the ecological special interest groups and alter-globalists apt to be opposed to large-scale projects
- Prospect kind
- Development and implementation of gender policy

#### **10.4.1 Strengths to Be Developed**

The major strength of CEN-SAD is its capacity to affirm strong and exemplary leadership on regional integration. CEN-SAD benefits from the exceptional support of Col. Ghaddafi of Libya, whose commitment to regional integration is amply demonstrated in his pivotal role in the creation of the AU. Based on this support, the Community will be able to obtain the ready participation of the development partners.

Moreover, the AfDB has in place an adequate financial instrument to support infrastructure projects and initiatives. Similarly, there is a core of experts to assist on the most urgent projects of transport and agriculture. The Community’s statutory organs function regularly, and activity reports are

ready on time. The building it occupies is functional and the data-processing equipment is satisfactory.

#### **10.4.2 Identified Weaknesses**

The main weaknesses are in program implementation and operationalization capacity and in-depth policy analysis capacity.

Among the identified weaknesses are:

- The weakness of the interactions between the Community and NEPAD
- Low capacity in determining priorities and in sectoral programming
- Poor access to the Internet and intranets
- Little interest in training, research, and networking, and poor access to knowledge management
- Unattractive remunerations
- The existing capacities for policy analysis and design is incapable of providing solution to the threat of desertification and risks related to resource exploitation
- Existing employment practices and remunerations are gender insensitive

#### **10.4.3 Areas of Capacity Building**

The principal mandate of the GS is to monitor the implementation and the operationalization of the decisions of its organs in line with the AU vision. To be able to perform this satisfactorily, the capacity needs are ordered as follows:

**Immediate needs.** Build capacity for implementation and operationalization of policies and projects:

- The Declaration of N'djamena on the Development of Infrastructure and Transport Services
  - Recommendations to cope with the energy crisis

**Short-term needs.**

- Build capacity for economic policy analysis and design for:
  - The strategic management of resources: energy, water, Green Wall, and development of the Sahara
  - FTA project
  - Peace, stability, and security
- Build capacity for monitoring the implementation of the economic, social, and cultural programs:
  - FTA

- Financing investment and trade
- Rural development and food security
- Solidarity and humanitarian food assistance
- Fairs
- Organization of Festival of Arts and Culture (AZALAI)
- Enlargement of the Community
- Build capacity for organizational and institutional results-based and impact management through:
  - Governance and organizational structure
  - Financing of the activities and the operations of the GS

***Medium-term needs.***

- Build capacity for in-depth analysis by:
  - Setting up the common market and the economic union
  - Giving mutual recognition of the same rights, advantages, and obligations to the nationals of the member states
  - Harmonizing the educational pedagogical, scientific, and cultural systems in the various levels of education

## **10.5 The Gender Dimension**

### ***10.5.1 Introduction***

An observation of the gender position within the CEN-SAD General Secretariat in Tripoli was carried out during 15–17 May 2006. Our analysis of the situation is based on the view that issues of gender cannot be viewed in isolation from the organizational/institutional framework. In this respect, an effort was made to understand the institutional context within which gender issues are to be addressed.

We attempted to study the gender aspect of the operations of the CEN-SAD General Secretariat. The information herein is mainly based on meetings with various senior officials of CEN-SAD, who were all male. Requests to meet with female staff were not granted. We, nonetheless, managed to talk informally to three female employees.

Having read through the CEN-SAD Treaty it became clear that gender issues were not uppermost in the minds of the founding fathers of this organization. As a result, only article 51, which deals with sociocultural affairs, mentioned “women” once by stating that the department should, among other things, monitor activities in the sociocultural and information sectors of member states “[such as] the issue of youth, child and women.” Not only are gender issues treated as women’s issues, but, even worse, women are

lumped together with children and youths—reflecting a typical conservative view of gender.

### **10.5.2 Gender Policy**

A discussion on gender policy took off with a short presentation on the AU Solemn Declaration on Gender Equality in Africa. But, in spite of CEN-SAD having shown support for the AU gender policy and claiming to agree with issues of gender-based poverty and socioeconomic marginalization of women, there is currently no gender consciousness in their policy framework. We were informed, nevertheless, that gender issues attracted the attention of the Summits of Heads of States held in Niamey, Niger (2003); Bamako, Mali (2004); and Ouagadougou, Mauritania (2005). During these meetings the Heads of States “affirmed and reaffirmed that women have an important role to play within CEN-SAD and the member states. In fact, the General Secretariat was given the responsibility to facilitate and ensure that women play a positive role both within CEN-SAD Secretariat and national levels.” The General Secretary’s Office is said to be in the process of finding a way to implement these summit decisions. Our request for copies of these decisions was not granted despite repeated promises from the CEN-SAD Secretariat.

### **10.5.3 Gender Unit**

The CEN-SAD Treaty does not mention anything about a gender unit or department. This is logical, as gender issues are not considered at all in the entire document.

### **10.5.4 Employment, Qualifications, and Skills of Female Staff**

The absence of a gender policy in CEN-SAD has affected the employment of women and their conditions of service. Of the 70 staff currently on the nominal roll, only 12 are women. Men hold all executive/senior posts within CEN-SAD. Although some male executives talked of female members being part of the management team, informal talks with female staff suggested that all women were employed below management level. The women also revealed that while the majority of men were referred to CEN-SAD by their national governments, all female staff were employed as national (that is, local) staff. This means that while males received internationally comparable salaries in foreign currencies, the women were paid very low salaries in local currencies.

Moreover, there are three academically qualified women on the staff: an IT specialist with an MBA in information systems; a lawyer with a masters degree in law, and a sociologist with a bachelors degree. They have

worked for periods ranging from a few months to two years to five years, respectively. Yet none of them has signed an employment contract. Their remunerations are also not commensurate with their workload. The IT specialist, for example, translates documents for the institution in addition to carrying out IT-related responsibilities. In addition, all these women do typing work just like any other typist within the institution. Generally, women's skills are not adequately utilized.

#### **10.5.5 Women in Government Structures**

CEN-SAD takes pride in the fact that the first and only female Head of State in Africa hails from this region. In fact she was on a state visit to Libya during our time there. We were also informed about women who are currently holding senior positions within CEN-SAD member states, namely:

- Gambia: Speaker
- Niger: Deputy Minister of Foreign Affairs
- Egypt: Minister of Development Cooperation
- Libya: Minister of Culture
- Tunisia: Vice Minister of Foreign Affairs
- Sudan: Minister of Health
- Chad: Minister of Trade and Minister of Employment

It should be noted that this list was given off-hand and may need to be substantiated.

#### **10.5.6 Gender Budget**

There is no specific gender budget within the CEN-SAD Secretariat. The BSIC Bank has not yet started mobilizing financial resources for regional and national projects. It, however, "finances campaign credits for the marketing of basic primary products such as: cotton, peanuts, sesame, Arabic gum, cocoa, and fertilizers, etc., . . . [as well as their] production requirements [and] operation requirements for business enterprises." It is not clear how many women benefit from these activities.

#### **10.5.7 Capacity-Building Programs**

Women are employed and carry out their responsibilities without participating in any capacity-building program or training. This, again, is a consequence of not having a gender policy. We also did not come across any specific capacity-building program for the CEN-SAD General Secretariat. However, the BSCI Bank talked about having continuous training programs in which female members of staff participate. They also talked about several women who head branches at the national level. Because we did not

see any written capacity-building program, it was difficult to determine whether or not there were gender components in these programs.

### **10.5.8 Conclusion and Recommendations**

This study has revealed that a lot needs to be done in the area of gender within the CEN-SAD if women's socioeconomic conditions are to be improved. This is crucial because CEN-SAD is made up of some of the poorest countries in Africa. The Organization blames its gender insensitivity on its relative newness. The argument is further that, as a new organization, its basic structure is not yet complete. The positive position of the Heads of States on this subject shows clearly that there is still room for improvement. But for now, the absence of a gender policy to guide the Organization poses a serious threat to the socioeconomic, legal, and human rights of the women.

In view of the sensitive nature of this subject, we recommend as follows:

- The Office of the General Secretary has expressed its intention to develop a gender policy as part of implementing the decisions taken by the Heads of States. The ACBF could assist in formulating such a policy.
- A CEN-SAD gender policy should be comprehensive if the institution is to guide member states in achieving gender equality. The AU's Solemn Declaration on Gender Equality in Africa should also inform it.
- It is important for the policy to consider women's role in conflict resolution, conflict prevention, and peacebuilding.
- The BSCI Bank should be urged to adopt a broad-based and gender-sensitive policy to ensure that women, who make up the majority of the poor, benefit from its financial interventions and development programs.

## **10.6 Overall Recommendations**

### **10.6.1 Recommendations for CEN-SAD's Partners**

It is recommended to the partners of the Community that they give adequate support to the REC to enable it to address its needs, beyond the traditional supply of short-term experts and consultants. In particular, we recommend that the partners support CEN-SAD by helping to install think-tank units and capacity-building programs in the following fields:

- Short-term experts and consultants for the infrastructure program
- Economic analysis think-tank unit at the GS, with four high-level experts and a coordinator for three years



- Policy management unit for infrastructure and action plan with a high-level coordinator and four sectoral experts: transport (land, sea, and air), energy (water, electricity, and gas) infrastructure networks and interconnections, and ITC
- Financial partnerships management and PPP unit run by an expert
- Networks to rebuild Sahara infrastructure and resources knowledge
- Cooperation and linguistic exchange program with other RECs
- Digital library
- Programs to embed aptitudes and high-level expertise such as outsourcing of competence management, performance management, and to attract and retain the most talented staff

We also recommend extending this same support to other RECs to facilitate the sharing of responsibility at the subregional level (ECOWAS, UEMOA, CEMAC, ECCAS, IGAD, and UMA).

In each one of these fields, the actions to be taken are identified in the action plan to be submitted to the ACBF for advocacy and to the development partners for support. The program submitted to the ACBF amounts to US\$10,855,000 distributed as follows:

2006	2007	2008	2009	2010	Total
3,140,000	2,860,000	2,635,000	1,110,000	1,110,000	10,855,000

### **10.6.2 Recommendations to CEN-SAD**

To design the detailed CEN-SAD's Capacity, Knowledge and Competences Building Action Plan to be submitted to the partners of the AU-NEPAD on the basis of broad outline of the action plan.

## **10.7 CEN-SAD Action Plan**

### **10.7.1 To Meet the Immediate Needs**

The action plan for the REC's immediate needs are to build capacities for implementing and operationalizing programs and sectoral projects for infrastructure to fight against the drought and the aridity and their consequences and to develop the Sahel Sahara.

## Action Plan Budget

	Personnel	US\$	Needs		RIGHT NOW		SHORT-TERM		MEDIUM-TERM		TOTAL
			Duration		2006	2007	2008	2009	2010		
<b>I. CAPACITIES TO IMPLEMENT CORE FUNCTIONS</b>											
<b>1. Short-Term Experts and Consultants</b>											
Experts short-term	57	15,000/month	3-6 months	400,000	300,000	155,000	0	0	0	855,000	
Consultants	76	15,000/month	1 month	500,000	400,000	240,000				1,140,000	
<b>2. Think Tank for Policy Analysis and Design</b>											
Coordinator	1	100,000/year	3 years	100,000	100,000	100,000	0	0	0	300,000	
Experts	4	70,000/year	3 years	280,000	280,000	280,000	0	0	0	840,000	
<b>3. Policy Management Unit for Infrastructure and Action Plan (Transport, Energy, TIC)</b>											
Coordinator	1	100,000/year	3 years	100,000	100,000	100,000	0	0	0	300,000	
Permanent experts	4	70,000/year	3 years	280,000	280,000	280,000	0	0	0	840,000	
<b>4. Financial Partnerships Management and PPP Unit</b>											
Coordinator	1	100,000/year	3 years	1,000,000	1,000,000	1,000,000	0	0	0	3,000,000	
<b>5. Panel of Experts for the External Evaluation of the support for the operational activities</b>											
Pool of Consultants	2	40,000	3 months	80,000	80,000	80,000	0	0	0	160,000	
<b>II. CAPACITY TO REBUILD THE KNOWLEDGE BASE FOR INFRASTRUCTURE AND RESOURCES MANAGEMENT</b>											
<b>6. Trans-African Infrastructure Knowledge Networks for Regional Integration (all RECs)</b>											
Staff Resources for Sahel-Sahara focus	20	20,000/year	5 years	400,000	400,000	400,000	400,000	400,000	400,000	2,000,000	
<b>7. Cooperation and Linguistic Exchanges Program with Other CERs</b>											
Coordinator	1	70,000/year	2 years	0	0	0	0	140,000	140,000	280,000	
Task force	5	20,000/year	2 years	0	0	0	0	100,000	100,000	200,000	

(continues)

**Action Plan Budget (Cont.)**

	Personnel	US\$	Needs Duration	RIGHT NOW		SHORT-TERM		MEDIUM-TERM		
				2006	2007	2008	2007	2008	2009	2010
<b>8. Virtual Library</b>										
Coordinator	1	100,000/year	2 years	0	0	0	0	100,000	100,000	200,000
Task force	5	20,000/year	2 years	0	0	0	0	100,000	100,000	200,000
<b>9. Support Program for Outsourcing</b>										
Expert/Facilitator	1	10,000/week	2 weeks					10,000	10,000	20,000
Experts CEN-SAD	2	4,000/week	2 weeks	0	0	0	0	80,000	80,000	160,000
<b>10. Support Program for Competences Management</b>										
Expert/Facilitator	1	10,000/week	2 weeks					10,000	10,000	20,000
Experts CEN-SAD	2	4,000/week	2 weeks	0	0	0	0	80,000	80,000	160,000
<b>11. Support Program for Performance Management</b>										
Expert/Facilitator	1	10,000/week	2 weeks					10,000	10,000	20,000
Experts CEN-SAD	2	20,000/week	2 weeks	0	0	0	0	80,000	80,000	160,000
TOTAL				3,140,000	2,860,000	2,635,000	1,110,000	1,110,000	1,110,000	10,855,000

**III. CORE COMPETENCES TO CONTINUE TO PLAY  
A FIRST-MOVER ROLE IN REGIONAL INTEGRATION**

## CEN-SAD Action Plan

Fields	Actions	Resources and Time Man (m/m)
A. Definition of the priorities of the implementation infrastructure, valorization of the resources and dialogue with the partners (states and backers) and the non-official players.	To prepare the broad outline of the Action Plan by stressing the criteria for selecting the projects and operationalizing details of implementation of the projects; their degree of orientation toward the market as well as the degree of implication for other RECs  To accelerate the implementation of the "Declaration of N' djamena on the Development of the Infrastructure and Services of Transport in CEN-SAD"	A consultant (1 m/m) to assist the expert on transport and infrastructure.  Profile: Analyze policies of management of infrastructure
B. Action plan for the development of the infrastructure	To prepare a calendar of implementation of the action plan of infrastructure approved by taking account of the progress report of the projects by sectors and by identifying needs according to the nature of the projects and their degree of orientation towards the market	A consultant 1 m/m to assist the expert.  Profile: Policy Analyst in infrastructure management
<b>A.1 Ongoing Projects</b>		
– Round table on African rail	To prepare the sales leaflet, cost profit and a note for the potential backers	1 financial consultant (1 m/m)  Profile: Bank of Businesses or Company of the Council in Investment preferably
– Organization of the Dry Ports	To prepare the working paper	1 consultant 1 m/H  Profile: Transport Economist (roads)
– Implementation of the 3 Radial ones in partnership with the U/NEPAD/UAC	To examine the impact of economic and financial project and to prepare a note for submission to the BAD/U/UA/C/NEPAD	1 consultant (1 m/H)  Profile: Transport Economist (rail)
– Realization of the master line of railway interconnection	To examine the obstacles with the implementation of the master line and to make recommendations to raise them	1 consultant (1 m/m)  Profile Economist of the rail-bound transports

(continues)

Fields	Actions	Resources and Time Man (m/m)
<b>A.2 Maintenance and Upgrading Projects</b>	<p>Having known the importance of the problems of maintenance and levelling of the existing infrastructure, it is crucial for the CEN-SAD to investigate the exact state of the network and the implications for the capacities of maintenance and upgrading</p>	<p>3 consultants (3 m/m) to carry out the survey                      Profile:                      1 specialist in the maintenance of the infrastructure                      1 Transport Engineer                      1 Industrial Economist</p>
<b>A.3 New projects</b>	<p>To coordinate with ECOWAS on the feasibility of the corridor of transit</p> <p>To establish in each REC recipient of the CEN-SAD and each member state a focal point CEN-SAD</p>	<p>—</p> <p>8 experts in RECs including 5 with the load of the CEN-SAD; 23 full-time experts in the states</p>
<b>A.4 Studies to be undertaken</b>	<p>Priority network of CEN-SAD harmonized with those of other RECs</p> <p>To subject to an examination that criticizes the STAP/NEPAD in order to learn the lessons from its design</p> <p>To examine the priorities of the Transahel-Saharan Network of infrastructure by type in order to hold account separately.</p> <p>Requirements in:</p> <ul style="list-style-type: none"> <li>– basic infrastructure for the populations hard hit by the dryness;</li> <li>– infrastructure for industrialists for the valorization of the energy and mineral resources</li> <li>– infrastructure strategic for opening up the circum-Saharan space</li> <li>– technologies of information and communication for the infrastructure to accelerate integration</li> </ul>	<p>A workshop for interns on the STAP animated by the AfDB and an external facilitator and the implementation</p> <p>A strategic study by 4 consultants: (4 m/m)                      Profile:                      1 economist of grid systems                      1 civil engineer                      1 analyst on infrastructure policies;                      1 specialist in public economy and tariff</p>
Availability of the GS of the information brought up to date on the projects	<p>To work out a monitoring system for the implementation and a data base on the projects</p>	<p>2 experts (6 m/m)                      Profile:                      1 Software architect to design network and databanks                      1 specialist in data and web mining</p>

(continues)

Fields	Actions	Resources and Time Man (m/m)
Implication of the BSIC as leader	To undertake in partnership with the BSIC a complete study on the development financing system of CEN-SAD, in particular, infrastructure development and recommendations for the financial instruments to be designed by the bank To subject to the BSIC a pilot scheme to be conceived and financed as a leader	2 consultants (2 m/m) Profile: 1 economist with financial background 1 financial engineer —
Bringing together the infrastructure operators of the African countries in an international competition	To undertake a study on the infrastructure value chain management and African actors/operators capacity to compete with global players: – Provider of services of engineering for the infrastructure – Provider of heavy materials – Energy administrators of systems and grids of transport and telecommunications – Conveyers of energy, distributors and owners of services.	3 Management System consultants (1 m/m) Profile: 1 strategic management 1 industrial economy 1 analysis infrastructure policies
Linkages and sharing of experiments on the implementation of the international code for security of ships and harbor installations	To organize a workshop on the implementation International Code for security of ships and harbour installations	1 Consultant facilitator (1 week/m)
Sharing of experience among the RECs	To prepare a plan of communication for the partners and other RECs To organize a mission of information at other RECs	1 Consultant (1 week/m) —
Reinforcement and development of relations between the coastal countries and the land-locked countries	To organize a workshop on relations between coastal countries and land-locked ones	1 Consultant facilitator (1 week/m) 50 people
Examination of the obligations on unification of harbor taxation	To organize a mission of information to the countries concerned	—
Revision of the obligations of the OMCs to the liberalization of the harbor formats/WTA	To organize a workshop on the implications of OMC obligations of the member states to the liberalization of the harbour formats	1 Consultant facilitator (1 week/m) 50 people
Harmonization of the standards and safety of transport	To organize a workshop on the conditions of harmonization of the standards and safety of transport	—

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Fields	Actions	Resources and Time Man (m/m)
Harmonization of the policies and standardization of the railroad	To organize a workshop on the harmonization of the policies and standardization of the railroads	
Convention and agreements to make safe and regulate the various means of transport	To work out a draft convention and to organize a consultation in the member states	
Integration of the network of air transports	To prepare an introductory document on integrated air grid system and on the assessment of the experiments in progress (benchmark) to subject to the member states	<p>An expert (3 m/m)</p> <p>Profile:                      Transport Economist (air)                      3 consultants (3 m/m)</p> <p>Profile:                      1 analyst of the market of air transport                      1 engineer in the civil aviation                      1 financial engineer</p> <p>The same team</p>
Common Position on Single Space European Transport Air	To organize a workshop of restitution of the study	
Cooperation agreement on maritime transport	To prepare a working paper on the implication of the European decision for the countries of the CEN-SAD	
C. Inclusion of the programs and projects of the CEN-SAD in the national, regional diaries and in those of the external financial partners	To work out a draft agreement of cooperation to be presented to the member states	
D. Levelling of the financial, accounting, legal system.	To work out a plan of communication targeting the national administrations, other external RECs and financial partners.	<p>A communication specialist                      1 permanent station near the Adviser in Communication</p>
Quality Policy and reporting	To accelerate the realization of the institutional and organizational audit from the point of view of the installation of the PTA and the implementation of the plan of development of the infrastructure	<p>A working group on the TOR of the audit</p>

**To Build Capacities for Economic Analysis and Design**

Fields	Actions	Resources and Time Man (m/m)
A. Capacity for in-depth analyses of work and the financing and modelling	<p>To set up a cell of economic analysts and formulators of economic policy of integration at the level of the GS.</p> <p>Areas to be covered:</p> <ul style="list-style-type: none"> <li>– economy and international finance,</li> <li>– right of the international trade and MINT,</li> <li>– management of the investments</li> <li>– analysis of cost-benefit of ZLE, Common Market, and Economic Union</li> </ul> <p>the cell will support the sectoral experts in the form of impact studies and thorough evaluations</p>	<p>Two consultants to design the cell, its program (4 m/m)</p> <p>Profile:</p> <ul style="list-style-type: none"> <li>Strategic analysis</li> <li>Economic programming</li> </ul>
B. Capacity for program evaluation and control of dialogues in the priority areas—energy, the development of the Sahara, the PTA, and Peace and Security		
<b>B.1 Energy</b>		
To implement the recommendations of the meeting of experts in Ouagadougou on 25 November 2005		
<b>New projects:</b>		
The installation of a bilateral or regional system of preferential prices for gas and the bitumen.	To launch a study on evaluation of the current system and proposals for a new system	<p>3 consultants (3 m/m)</p> <p>Profile:</p> <ul style="list-style-type: none"> <li>Economist (Trade )</li> <li>Engineer (hydrocarbon)</li> </ul>
The establishment of Mutual Aid Funds to be used in stabilizing prices.	To launch a study on evaluation of the needs and design of the Funds	<p>3 consultants (3 m/m)</p> <p>Profile:</p> <ul style="list-style-type: none"> <li>Financial economist</li> <li>Engineer (hydrocarbon)</li> <li>Banker</li> </ul>

(continues)



**To Build Capacities for Economic Analysis and Design (Cont.)**

Fields	Actions	Resources and Time Man (m/m)
The organization into a large Jamahiriya of a meeting of the national directors of hydrocarbons and marketing companies in the member states	To prepare the TDR	—
The sharing of information and the exchange of visits between the member states on the electric outputs of the various countries, the progress of their privatization programs as well as the existing interconnections on projects	To organize a workshop on the outputs, distribution and setting in electrical supply network and the reforms in progress	1 facilitator (1 week/m)
Introduction of a partnership with the Executive Secretariat of ECOWAS in order to benefit from its expertise and to transpose its energy program on the scale of the CEN-SAD	To organize a mission to ECOWAS	GS
Reactivation of the interconnection project between Libya - Chad- Niger- Burkina Faso to connect the countries in the North, which potentially enjoy a surplus in electric supply, with the other member countries of the Community	To organize a workshop on the project	1 facilitator (1 week/m)
The effective installation of the regional component of the Program of Education on Renewable Energies (GREET) and the effective launching of the projects control (water supply, rural electrification . . .)	To organize a meeting to launch the program and pilot projects	GS, UNESCO
The inclusion on the agenda of the 13th Ordinary Session of the Executive Council of the suppression of the customs duties on the materials of solar energy as from 1 January 2007	To prepare the working paper	GS
The introduction of a partnership and cooperation between the General Secretariat and the CCC, CILSS, ECOWAS, OSS and any other organization concerned with the question of renewable energies	To prepare a program of communication on renewable energies with the intention of cooperating with its partners	GS
The effective celebration of "Day of the Sun"	To prepare a program of communication on audio and video support for the media	1 consultant (1 m/m) Profile: Communication/media

*(continues)*

### To Build Capacities for Economic Analysis and Design (Cont.)

Fields	Actions	Resources and Time Man (m/m)
<p><b>Studies to undertake</b> The examination of the possibilities of interconnections of the frontier countries with the Democratic Republic of Congo taking into account the immense energy capacities of the Inga dam. In this respect a meeting would be scheduled on the question with the ECCAS, the UPDEA, the AfDB, the African Union, etc.</p>	To raise impact of the project on the Sahel-Saharan countries and beyond	
Evaluation of the electric interconnection	To undertake an exploratory study of the electric interconnections of CEN-SAD, by taking account of the studies carried out within the framework of the other institutions and international regroupings	3 consultants (3 m/m) Profile: Electric engineer Energy economist Analyst
Development and adoption of a Community Policy on Energy and action plan and programs of infrastructure.	To prepare the TOR and to launch the study on the energy policy of the CEN-SAD and action plan	5 consultants supported by the economic analysis unit Profile: Economist of energy Economist of the grid systems of energy Energy engineer and hydrocarbons Finance public economist (tariff) Expert in PPP
The creation of a data base for energy information, the energy potentialities, and the atlas of the member states of management, database and web mining of CEN-SAD.	To prepare the TOR and launch the study	1 expert (6 m/m) supported by 3 Consultants Profile: Expert in knowledge Engineer networks and BDD Energy engineer Energy economist 1 consultant (1 m/m) Profile: Expert in reinforcement of the capacities of formation
The study for the inventory of the institutes of formation and training and the creation of the Institute of Renewable Energies.	To undertake the study	

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**To Build Capacities for Economic Analysis and Design (Cont.)**

Fields	Actions	Resources and Time Man (m/m)
The study on the possibilities of interconnections and the development of a Regional Program of Interconnections	To launch the study	2 consultants supported by the Cell of economic analysts Profile: Economist of energy Economist of the grid systems of energy
The study on the ways and means of improving the rural electrification	To launch the study	1 consultant 1 m/m Profile: Rural electrification specialist
<b>B.2 Green Wall</b> On the basis of study carried out by OSS	To launch a call to demonstration of interest on the construction of the Green Wall in order to test the validity of the concept near the total operators of infrastructure	1 expert 6 m/m to follow in particular the initiative Profile: Expert researcher in economy of the Sahel-Saharan ecosystems
<b>B.3 Development of the Sahara</b> On the basis of conclusion of the meeting of Dakar	To work out an action plan	
Without damage for the conclusions	To launch a test project of exploitation of a natural resource to high added value To launch a study on development research and a program on the resources of the Sahara together with a scientific and technological price for the best work of practical utility devoted to the subject To call for demonstration of interest to design, engineer, produce, and organize a system of valorization of the resources of the Sahara. It is a question of working out a generic model with its components and subsystems usable for a large variety of resources	SG 1 expert (6 m/m) to work out the TOR and to launch the study Profile: Development Economist specializing in arid regions The same expert

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### To Build Capacities for Economic Analysis and Design (Cont.)

Fields	Actions	Resources and Time Man (m/m)
<b>B.4 Installation of the FTA</b> Preliminary draft of treaty creating the FTA	To organize a workshop for the development of the programs for economic integration (FTA, Common Market, Economic Union) and on the strategic framework for their implementation	Team
Consolidation of the customs tariffs on the intra trade	To organize a workshop with the customs services concerned in order to work out a plan of consolidation	1 facilitator (1 week/m)
Study on the customs tariffs and other rights and taxes on foreign trade	To launch the study	3 consultants (3 m/m) Profile: Experts in customs Expert in foreign trade Economist of the finance public
Freedom of movement of the people FMP	To launch a specific study devoted to the implications of FMP	3 consultants to lead an investigation of perception of the principal actors: the authorities, companies, universities, citizens
Institutional audit of the SG	See 2	
Mechanism of financing of the SG	See 2	
<b>B.5 Peace, stability, and security</b>	See 2	
<b>B.6 High-level formation and reinforcement of the capacities of analysis of the policies, economic management, and database management</b>	To establish a specific program to reinforce capacities coordinate international negotiations, in trade and finance.	A consultant (1 m/m) Profile: International negotiation
	To equip CEN SAD with a Language laboratory in order to facilitate the mastery of Arabic, French, and English by all the executives	A consultant for the detailed analysis and the installation of an economic English laboratory. (1 m/m)
	To set up a framework of intervention for the external partnerships and supports	A working group supported by an external consultant (1 m/m)
	To set up a training scheme in the policy analysis modelling, program management documentation, and database management	A consultant (1 m/m)

**10.7.2 To Face the Short-Term Needs****To Build Capacities for Results-Based and Impact Management**

Fields	Actions	Resources and Time Man
The institutional framework	To prepare a document highlighting the role of the Libyan leader in helping to create a dynamic integration in the region to be used as benchmark for the other Heads of State and financial partners of Africa	A Peer Review Mission organized in collaboration with the AU, the EU, and the IMF. A group of 3 experts elected by their organizations (3 m/m).
Financing the GS	To prepare a joint mission in the member states in order to examine the obstacles with the covering of the contributions and the means of raising them	SG
Monitoring System for projects and initiatives	To set up an annual performance plan and results-based management	An expert to assist the SG in developing a plan to manage human resources and recruit adequate personnel 6 m/m Profile: Management of competences
Performance based Remuneration Policy	To study the possibility of setting up an exciting system of remuneration	The same expert
	To supplement the institutional and organizational audit by the mapping of competences and knowledge available and their actualization	The same expert
	To carry out the external evaluation of the operational activities of the GS	2 experts (6 m/m) Profile: Evaluation of program

***To Encourage the Political Authorities of the Member States to Demonstrate Better Leadership and Trust in the CEN-SAD Community***

Fields	Actions	Resources and Time Man
Strategy of regional economic integration and incentives for ownership	To set up a regular consultation procedure of the African expertise on the effect of desertification on Africa and the development of the Sahel-Saharan region and to draw the conclusions for the broad guidelines of the economic policy of the CEN-SAD	2 expert facilitators to support the process of specification of the requirements and consultation of the recipients (6 m/m)
Covering the contributions to the Special Funds of Solidarity	To set up a permanent framework for monitoring and evaluation of resources mobilization and utilization	As above
Dialogue between the political decision makers and the non-official actors on the vision of the CEN-SAD	To institute a dialogue between the organs and the opinion leaders on the vision of the CEN-SAD	2 experts/facilitators to develop the vision and the strategic plan (3 m/m) in consultation with the consultants in charge of the installation of the Economic Analysis Unit of the GS
	To launch an exercise to develop the vision and strategic plan, medium-term expenditure framework, and communication plan	
Effective implementation of the programs at the national level	To set up a monitoring system, and early warning and prevention system to detect failures in implementing programs at the national level and to mitigate effects	A monitoring unit, and early warning and prevention system in each country, and a coordinator in the GS A consultant to work out the mechanism. (1 m/m)

**To Build Capacities of Economic Analysis and Design**

Fields	Actions	Resources and Time Man
A. Capacity for in-depth analyses and modelling.	To set up an Economic Analysis Unit and design of economic policy of integration at the level of the GS Fields to be covered: – Economy and international finance – International law trade and MTN – Investments management – Cost-benefit analysis of FTA, Common Market, and Economic Union The Unit will support the sectoral experts by providing impact studies and in-depth evaluations	A coordinator and 4 experts (3 years/M) Profile: Strategic analysis Economic programming Financial programming Modelling Other environmental, social, and cultural prospects
	To set up a unit to manage the policy on infrastructure and sectoral project	A coordinator and 4 experts (3 years/M) Profile: Expert in Engineering of infrastructure Expert on transport Expert on energy Expert on ITC Expert on natural stock management
	To set up a Unit to manage the financial partnerships and PPP	An expert (3 years/M) Profile: Engineering of the PPP
	To set up a multidisciplinary Knowledge Management Network for the infrastructure and the valorization of the resources of the Sahara	40 people resources 40 m/M per year during 5 years
	To set up a program of acquisition of the high skilled experts for outsourcing, competences management, and performance management to attract and retain them	3 experts facilitators (6 weeks/M) 2 week/year during 2 years Profile: Knowledge management Outsourcing Management of competences and the human capital 6 experts CEN-SAD in tutorat

### 10.7.3 To Face The Medium-Term Needs

#### *To Build Capacities of Economic Analysis and Design*

Fields	Actions	Resources and Time Man
The installation of the Common Market and the Economic Union	To launch an assessment of CEN-SAD achievements in customs union, free trade area, and identification of the gaps to fill	The think-tank placed at the GS
Mutual recognition with the nationals of the member states of the same rights, advantages, and obligations	See B.4	
Research, training, knowledge management system, and digital library	To set up a knowledge management system to fill the gap in research, networking, production, and diffusion of the knowledge capacity. This system deals with the digital library and facilitates the mobilization of the knowledge available within the institutions such as the ACBF, the AfDB, OSS and the other multilateral institutions. It also includes the expertise of the universities and the analysis and research centres located in Africa through a support for the CEN-SAD in its capacity to treat sets of themes directly related to the needs for knowledge of space.	A regional expert to support the GS (6 m/m)



**Box 10.2 Outline of CEN-SAD Infrastructure Action Plan****Road Infrastructure**

- Providing support to road construction and/or maintenance programs for vicinity interconnection with the assistance of ECA, AfDB, and NEPAD
- Providing institutional support to the Trans-Saharan Al Kaddafi Road Project
- Undertaking a study of the main road corridors in collaboration with other regional groupings

**Railway Infrastructure**

- Providing support to the Railway Project linking Libya, Niger, and Chad planned by the High Libyan Railway Authority
- Providing support to the Maghreb Railway Project linking Tunis, Tripoli, and Cairo under the supervision of the REB of the Jamahiriya
- Providing support to the project AFRICARAIL

**Airport and Maritime Infrastructure**

Under the transport infrastructure development action plan:

- Setting up selection criteria for transport infrastructure projects for their submission to institutions to enable the implementation of CEN-SAD's transport infrastructure projects; comprehensive inventory of existing or planned roads; and identification of financing opportunities
- Increasing public and private investments in road infrastructure
- Designing and implementing a guiding plan for railway interconnections among member states
- Promoting the railway sector to limit the currency drain and ensure the normalization and standardization using technical specifications suitable to the African context
- Conducting joint searches for funding of large-scale projects such as the Trans-Saharan Libya-Chad-Niger Project and the AFRICARAIL Project, linking Benin, Burkina Faso, Niger, and Togo, in line with the NEPAD Action Plan
- Networking with technical or financial institutions, undertaken by the Secretariat General, to mobilize financing for the implementation of CEN-SAD Railway Interconnection Action Plan
- Dispatching a mission by the Secretariat General, in collaboration with some partners (UAC, REB), to financial institutions (AfDB, IBRD, etc.) for information and negotiation on the Fund for Infrastructure Project Planning
- Strengthening and developing relations among countries with access to the sea and landlocked countries for the development of inland terminals (dry ports)

Under the improvement of transport services:

The follow-up of consultations for the achievement of the MDGs in the transport sector by the year 2015, namely:

- Removing all nonphysical barriers contributing to transportation and customs processing delays, as well as delays at the borders, that hinder the free movement of goods and services.
- Harmonizing the limits for axial loads, equipments, infrastructure, and technical norms in line with international standards
- Improving rural access; urban mobility; services; air, maritime, railway, and road transport infrastructure; and, reducing costs, particularly for landlocked countries

*(continues)*

**Box 10.2 (Cont.)**

- Integrating issues of desertification and waterway silting in policies and programs
- Ensuring the effective liberalization by member states of the rights for traffic capacity and frequencies, the compliance to OACI norms and practices in terms of flight safety, the appointment of companies according to these norms, and the exclusion of abuses in the use of the third and fourth rights
- Strengthening the cooperation between airlines
- Organizing a meeting for operators in the air transport sub-sector in 2005
- Organizing seminars on CEN-SAD rules in which road users (from the police, customs offices, carriers' associations, and road transport services) would take part
- Harmonizing policies; standardizing transport norms, particularly norms and specifications for the building of new railways, to ensure their interconnection with existing railways; commissioning a comprehensive study on the issue of norms for various means of transportation; and, adopting conventions and agreements to ensure the safety and regulation of the various means of transportation, and convening technical meetings to that effect.
- Sharing experiences and lessons with other groupings such as CEDEAO's Carte Brune
- Ensuring the collaboration with and the signing of agreements between companies and operators in the transport sector, particularly by concluding the agreement of Code Share among member states airlines
- Disseminating and promoting member states to initiate practices that would finance fleet replacement such as the program of road transport fleet replacement that provided tax exemptions for the purchase of new cars
- Fostering greater cooperation and launching of joint or integrated projects such as the establishment of joint airlines and the development of cross-border markets
- Promoting the interconnection of railway networks as suggested by Libia
- Collaborating on the development of infrastructure; the building of multinational dry ports; and the set-up of joint banks and financial institutions
- Updating focal points or coordinators in member states, which would ensure the interface and coordination of all activities carried out in the area of infrastructure and transport
- Ensuring the harmonization of transport policies and standards among CEN-SAD member states

## **10.8 Conclusion**

The performance of the General Secretariat in implementing the CEN-SAD Treaty is satisfactory, but the challenges are huge because drought and aridity constitute a formidable threat to Africa, and the cost to valorized Sahara resources is intimidating. To carry out the vision of the Libyan leader of a knowledge-based economic union in the Sahel-Sahara area, the RECs and other stakeholders need to build a strategic partnership with the Secretariat and give support to its Five-Year Capacity Building Program with US\$10,850,000 presented through the ACBF to the lending agency.

# 11

## Survey of the Capacity Needs of the Common Market for Eastern and Southern Africa (COMESA)

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### 11.1 Executive Summary

The Common Market for Eastern and Southern Africa (COMESA), a successor organization to the Preferential Trade Area for Eastern and Southern Africa (PTA), came into existence in 1994. Its current membership includes Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.

COMESA has designed and carried out a wide range of programs and activities in trade liberalization and facilitation, monetary integration, infrastructure development, ICT, investment promotion, private-sector development, peace and security, and gender mainstreaming and women in business.

Like other RECs, the COMESA Secretariat and its respective member states have a weak human and institutional capacity base. There are critical capacity gaps for effective project planning and implementation, coordination, resource mobilization, and project monitoring and evaluation. There is an urgent need to fill these gaps. The exercise will entail immediate recruitment of additional staff, ensure continuous professional training and skills upgrading, provide adequate ICT infrastructure equipment and regular networking activities with other RECs on the continent.

Unlike most RECs on the continent, COMESA has evolved a comprehensive Gender Policy, Gender Policy Implementation Plan, and a Gender Unit. However, for effective implementation of the policy, it is important to make adequate resources available to the unit to elevate it to the status of a division to monitor effectively the implementation of the gender policy in member states.

COMESA's networking capacities with other RECs, member states, and the civil society organizations need to be enhanced to promote information exchanges, best practices, and, indeed, integration process ownership.

Networking practices should include people-to-people interactions, ICT exchanges, and research findings.

COMESA has a weak resource mobilization and utilization capacity. This capacity gap shows in chronic prevalence of member states' arrears, overdependence on donor support, and poor coordination of resources. There is an urgent need to fill this gap. COMESA should emulate ECOWAS and ECCAS in exploring alternative resource-mobilization modalities for financing its projects and programs.

## **11.2 Introduction**

Established in 1994 as the successor organization to the PTA for Eastern and Southern Africa which had been in existence since 1981, COMESA has a current membership of twenty states: Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.

With a membership of twenty countries and a total population of over 400 million people, COMESA is one of the biggest building blocks of the AEC and the AU. The efficiency and effectiveness with which it implements the NEPAD priority programs and its own primary mandate will determine largely the degree to which Africa can achieve the MDGs and meet the challenges of rapid and sustainable growth and development, eradication of poverty, and integration into the global economy as an important partner.

## **11.3 Mandate of COMESA**

As clearly defined in the treaty establishing it as well as in its various protocols, the mandate of COMESA is to create a fully integrated and internationally competitive REC in which the people will enjoy high and rising standards of living, political and social stability, and peace, and in which goods, services, capital, and labor are free to move across national borders. In pursuit of this mandate, COMESA has designed and been implementing a wide range of programs and activities in trade liberalization and facilitation, monetary integration, infrastructure development, and ICT. Also included are investment promotion and private-sector development, peace and security, and gender mainstreaming and women in business.

## **11.4 NEPAD STAP Projects**

The NEPAD Priority Projects, which COMESA is expected to implement, are as follows.

#### **11.4.1 Yamoussoukro Decision**

- Competition regulation
- Cooperative Development of Operational Safety Continuing Airworthiness Program (COSCAP)
- Communication, Navigation Surveillance, and Air Traffic Management (CNS/ATM)
- Joint Competition Authority

#### **11.4.2 ICT**

- Regional ICT policy and regulation
- COMTEL

#### **11.4.3 Water Management**

- Nile Basin Initiative
- Safe navigation of Lake Tanganyika/Malawi

#### **11.4.4 Road Transport Facilitation**

- One-stop border post
- Axle load harmonization
- Efficiency improvement of railways, roads, and ports
- Transport reform and integration facility for policy institutional and regulatory reforms and assisting members in implementing regional agreed interventions

COMESA has set up structures, including independent institutions, for the implementation of its programs and activities. Since 2003, the REC has operated based on consolidated implementation action plans, which outline the activities to be undertaken by the member states and the Secretariat of COMESA, as decided by the Council of Ministers. The capacity needs of COMESA for implementing the NEPAD priority projects are not different from those of the projects and programs in its action plans.

### **11.5 Institutional Structure of COMESA**

#### **11.5.1 Freelance Structure – BTM**

The main organs of COMESA are the Authority of the Heads of State and Government, Council of Ministers, intergovernmental committees, technical committees, and the COMESA Secretariat.

The COMESA Secretariat is the key organ responsible for the implementation of the REC's mandate. It is currently structured into a General Secretariat and nine divisions:

- Trade Customs and Monetary Affairs
- Legal and Institutional Affairs
- Infrastructure and Development
- Administration
- Information and Networking
- Budget and Finance
- Investment Promotion and Private Sector Development
- Peace and Security
- Strategic Planning

There are also Gender and Resource Mobilization Units.

COMESA has six specialized institutes that support the Secretariat in implementing its mandate:

- African Trade Insurance Company
- PTA Bank
- PTA Reinsurance Company (ZEP-Re)
- Court of Justice
- Clearing House
- Leather and Leather Products Institute (LLPI)

The COMESA Secretariat has 36 professional regular staff members, ten of whom are female. As many as 25 of the professional staff have master's or higher degree qualifications.

## **11.6 Background Analysis and General Observations**

The COMESA Secretariat is strongly committed to implementing its mandate and making a difference in the standard of living of the people. This has resulted in the commendable progress the REC has made toward its primary objective of achieving regional integration.

In trade and market integration, COMESA has succeeded in establishing a free trade area (FTA) and is on track toward becoming a customs union by 2008. Among its achievements are the significant progress made in eliminating tariff and nontariff barriers to intraregional trade, simplifying the rules of origin, adopting a single COMESA customs document (COMESA-CD), installing in most of the member states a Euro Trace (customs management and trade statistics systems aimed at facilitating data and revenue collection and establishing the basis for a harmonized tariff).

Other trade facilitation measures already adopted by COMESA are the introduction of harmonized road transit charge; the COMESA Yellow Card; and the COMESA Carrier's License, which allows commercial goods vehicles to be licensed with one license that is valid throughout the region.

The trade liberalization and facilitation measures introduced by COMESA have resulted in its intraregional trade growing at 20 percent per annum in contrast to a growth rate of 7 percent per annum in its trade with third countries. In spite of this differential in growth rates, at about US\$6 billion (about 7 percent), intra-COMESA trade still constitutes a small proportion of the REC's total trade. Thus achieving trade and market integration remains a major challenge for COMESA. Meeting this challenge requires enhancing the capacity of COMESA to effectively plan, implement, monitor, and harmonize programs and activities in regional trade liberalization and promotion.

Two of the major programs that COMESA has adopted to promote intraregional trade and improve the production and trade performance of its members focus on the dissemination of trade information and the building of productive capacities and competition in member states. The Trade Information Dissemination Program is designed to raise awareness in the region on available trading opportunities. It has been estimated that intra-COMESA trade could increase to 25 percent of its total trade if it switches its sources of supply from extraregional to regional ones. The COMESA Trade Information Program involves five elements:

- Undertaking a trade flow analysis every five years
- Conducting a series of supply and demand surveys on a continuous basis
- Organizing buyers/sellers meetings on a regular basis
- Developing e-commerce for exporters in member states
- Establishing a "Buy COMESA" website for COMESA exporters

The COMESA program on building productive capacities and competitive economies of member states is aimed at enhancing the capacity of industries in the member states to develop products and services that will enable them to compete effectively in regional and international markets. This involves creating innovation and building the competitiveness of key sectors in member states.

Trade and market integration continues to be a relevant key objective of COMESA. Undoubtedly the Secretariat has capacity-building needs, institutional skills, and financial resources that must be met if it is to sustain and improve program delivery of this critical element of the COMESA mandate.

In this era of globalization that is characterized by rapid advances in information, the use of ICT has become essential for improving service delivery and enhancing the efficiency of production, supply, and trade. COMESA has a very rich information base in its functional website and other resource materials that its member states and other institutions can take advantage of. It has a comprehensive program for IT capacity building that is aimed at tak-



ing maximum advantage of the revolution in IT to carry out its mandate effectively and efficiently. The priority focus areas include cost-effective technologies for connectivity, e-applications, and capacity building.

In recognition of the importance of IT for realizing its mandate, its council has directed that the following be carried out:

- Upgrading the baseline survey of e-readiness within the COMESA region
- Carrying out a comprehensive capacity building program, involving all sectors, using cost-effective technologies, including the use of a COMESA-wide portal for online training
- Establishing regional centers of IT training
- Defining its needs clearly with assistance from the COMESA Secretariat in terms of e-applications, both at national and regional levels, and giving priority to cross-cutting e-applications
- Shaping the COMESA IT forum to share information either through meetings or via electronic means; member states and the COMESA Secretariat should conduct liaison to prepare a legislation for e-commerce
- Sustaining the training in the ASYCUDA and Euro Trace by the COMESA Secretariat

The IT Division of the COMESA Secretariat has developed three major project ideas for implementing the decisions of Council of Ministers: e-Comesa, video conference solutions, and e-market place.

The e-Comesa proposal seeks to establish [www.e-comesa.org](http://www.e-comesa.org), as a web portal for a huge web-based database that consolidates, for instance, records about trade, investments, statistics, and analysis in all areas. It will cover, among others, issues related to trade, health, investments, projects, education, legislation, and laws, and cover areas like e-trade and distant learning for capacity building. The project will comprise two phases. The first involves system design and connects five member states to the COMESA Secretariat, while the second phase connects the remaining members. Member states are to be connected to the central database server data through a secured VPN connection.

The video conference solutions of the COMESA Secretariat should be seen in the context of the willingness of this major building block of the AU to cooperate with other RECs and regional bodies at all levels in pursuit of the Secretariat's agenda for regional integration. Through periodic coordination meetings and memorandums of understanding, COMESA has striven to network and establish linkages with such RECs/sub-RECs as SADC, IGAD, IOC, and EAC. This has facilitated inter-RECs and sub-RECs coordination and harmonization of programs and activities in areas including trade liberalization, air transport liberalization, ICT policy, and road safety programs.

The COMESA proposal is for each REC to have one video-conferencing setup, which would allow for meetings between the RECs, thereby reducing the need for travel, should they wish to hold meetings with each other. The second phase of the project will involve having similar setups in other strategic nodes within the member states of the different RECs.

While the video conference solution is commendable, given the principle of subsidiarity that should operate in the relationship between the AU and the RECs, which are its building blocks, it would seem, however, that inter-RECs' coordination and harmonization of programs that this proposal wants to deal with would be better handled by the AU. COMESA should concentrate its efforts on linkages with its member states and the RECs/sub-RECs with which it has overlapping membership or common projects.

COMESA's e-Market Place Proposal, as articulated by its IT Division, is similar to the "Buy COMESA" proposal of its Trade Division. There is a need for greater coherence of IT development and applications proposals of the various divisions of the COMESA Secretariat.

The effective implementation of COMESA IT development and applications agenda will contribute significantly to the bridging of the digital gap in the region and to the realization of the key objectives of the REC. The implementation of this agenda will, however, require the enhancement of the human and institutional capacity of the COMESA Secretariat in IT training, research and provision of information online; data collection, synthesization, and dissemination, among other needs.

COMESA, as well as other RECs, recognizes that the benefits of regional integration will not materialize in an environment of weak and inadequate infrastructure, as reflected, for example, in outdated and fragmented transport and communications systems. Development of infrastructure is key to the attainment of competitiveness, market integration, and sustainable growth and development. In recognition of this, the Consolidated Implementation Plan for 2005 of decisions of COMESA policy organs contains as many as seventeen activity lines in transport and communications. Included in this plan are such priority projects as those relating to air transport liberalization and competition regulations; Communication, Navigation Surveillance, and Air Traffic Management (CNS/ATM); Cooperative Development of Operational Safety Continuing Airworthiness Program (COSCAP); road transport facilitation, including the development of one-stop border posts and axle load control and harmonization; and the COMTEL development. One of the key programs of COMESA infrastructure is the development of a regional infrastructure master plan.

The role assigned to the COMESA Secretariat by the COMESA Treaty in the implementation of the REC's infrastructure development agenda and, indeed, in the implementation of all the treaty provisions and the decisions of the policy organs, is primarily that of a facilitator—to coordinate, harmonize,

and monitor program implementation. The primary responsibility for the implementation of the COMESA Treaty provisions and policy organs' decisions is that of member states that article 3 of the treaty mandates to undertake activities to realize the objectives of the common market. Confining the role of the Secretariat to that of a facilitator and coordinator may limit the ability of the REC to implement indivisible regional projects and to produce regional public goods, such as peace and security, effectively. In the absence of mechanisms to sanction member states that default on COMESA treaty obligations and policy organ decisions, giving the member states the primary role and not endowing the Secretariat with greater powers for the implementation of treaty provisions and policy organ decisions may slow progress toward attainment of the objectives of the REC. The COMESA Secretariat will need to play a greater role in the implementation of programs and projects, especially those that are "indivisible" and best implemented on a collective regional basis.

The limited role of the COMESA Secretariat in the direct implementation of infrastructure projects notwithstanding, this organ of the REC has to be effective in discharging that role if member states are to succeed in theirs. The Secretariat must be able to assist member states to establish appropriate national and institutional structures and mechanisms for implementing projects. They should help to carry out feasibility studies, organize meetings/workshops for skills development, share experiences, and mobilize resources for implementing regional indivisible projects and programs. COMESA has specific capacity needs in this area. For example, the Infrastructure Division of the Secretariat has only four professional staff members, none of whom has skills or experience in financial engineering, international finance, or public/private partnership in infrastructure projects.

The mobilization of extrabudgetary resources for program and project implementation poses a major challenge for COMESA, given the scale of the plan that its policy organs have decided to implement and the limited scope for generating resources from the member states. In response to this challenge, the Secretariat has established a Resource Mobilization Unit that has been given responsibility for the following:

- Undertaking research on the program orientations of potential partners with a view to determining how they can effectively interface and complement COMESA's regional development efforts
- Collecting relevant data to inform COMESA's engagement with cooperating partners
- Ensuring COMESA's adherence to cooperating partners' program management processes, procedures, and regulations
- Assisting various divisions of the COMESA Secretariat to develop appropriate proposals that can attract funding from development partners

- Providing continuous liaison and information flow between member states

These are important functions whose performance will determine the success of COMESA's integration efforts. In spite of the critical role it is expected to perform, the Resources Mobilization Unit of the COMESA Secretariat has only two officers. The unit needs to be upgraded and equipped with adequate professional staffers with skills and experience in disciplines relevant to technical cooperation and resources mobilization.

Given the inadequacy of resources contributed by member states and the dangers of excessive dependence on external resources for the financing of regional projects and programs, COMESA will need to follow the example of other regional and continental organizations (e.g., ECCAS, AU) that are exploring alternative sources of their own resources for the financing of regional projects and programs.

Peace and security constitute an important and indivisible regional public good that the member states of a REC must provide collectively. Without peace and security the objectives of regional integration cannot be achieved. Important programs, such as those relating to trade and market integration, investment promotion, and infrastructure development, can have the desired impact only in a peaceful and secure environment. Given the high incidence of conflicts in the COMESA region, the need for effective institutional machinery for conflict prevention, resolution, and management cannot be overemphasized. Within the COMESA Secretariat, the management of programs in the area of governance, peace, and security has been allocated to the Division of Legal and Institutional Matters. In addition, this division has responsibility for two other important programs of COMESA:

- The Public Procurement Reform Initiative, which is aimed at the eradicating corruption and the enhancing transparency and accountability in the use of public funds
- The Free Movement of Persons and Labour, a central pillar of the Common Market agenda

The Division of Legal and Institutional Matters currently has two established posts, the critical importance of the implementation of its mandate for the achievement of the objectives of COMESA notwithstanding. The implementation of the programs of the division is largely outsourced to consultants. While this practice may be useful, it cannot be an efficient substitute for having a core of dedicated full-time staffers to manage the current programs of the division. Experts in political, labor, and immigration affairs and in public procurement are needed to implement its mandate effectively. In addition, a mechanism should be established in the division to educate citizens

and enterprises about their rights and to receive complaints from, and offer legal advice to, those of them whose rights might be infringed upon by non-compliance with COMESA treaty and protocols obligations. The capacity of the division should also be enhanced to perform this function.

COMESA has acknowledged and recognized the need to mainstream gender in all its regional programs and activities. In pursuance of this goal, a comprehensive COMESA gender policy, formulated by the Secretariat, was adopted by the COMESA Summit of Heads of State and Government in 2002. The adoption was followed by the approval of a COMESA Gender Policy Implementation Plan in 2004 by the COMESA ministers of gender and Council of Ministers. Priority areas in the plan include support for gender mainstreaming and analytical skills training in COMESA; economic empowerment of women in various areas, including access to credit, markets, and information; and provision of technical support through the establishment of business incubators.

If gender is to be effectively mainstreamed into all the activities of COMESA, as decided by its policy organs, the human and institutional capacity of the organization must be significantly enhanced. The capacity-building activities should include:

- Sensitization and training of gender focal-point officers and policy-makers, and planners in gender analysis, budgeting, monitoring, advocacy, and networking in member states
- Provision of short-term consultancy services for the COMESA Women in Business/Gender Affairs Unit to undertake research, documentation, and collection of gender disaggregated data
- Development of gender training programs and materials for the COMESA Secretariat
- Policy advocacy and publication of relevant materials to facilitate the recruitment of qualified women in decisionmaking positions and the provision of equal access to women's education and training. It is necessary to strengthen the capacity of the COMESA Secretariat to facilitate the implementation of key programs and projects for Women in Business/FEMCOM, such as the establishment of business incubators and the Revolving Loan Fund for COMESA Women in Business

The Gender/Women in Business Unit of the COMESA Secretariat needs to be upgraded to the status of a division and provided with additional staff, including a professional with requisite qualification and experience in small-business development if it is to serve effectively as an instrument for the implementation of COMESA gender policy.

## **11.7 COMESA's Capacity Needs**

### **11.7.1 Introduction**

In assessing the capacity needs of COMESA, there is a need to take cognizance of the principles of subsidiarity and division of labor between the Secretariat and the member states in the implementation of this REC's mandate, as set out in the COMESA Treaty and the annual Consolidated Implementation Plan for Decisions of COMESA policy organs. The role earmarked for the Secretariat is that of a facilitator to coordinate and monitor the implementation of programs by the member states. This limited role of the Secretariat means that only a slim but efficient, not a bloated, structure is required at the Secretariat to implement the mandate of COMESA. The COMESA Secretariat is indeed lean and relatively efficient, considering its achievements in various areas. Only two officers are responsible for managing various programs.

The increasing scope of the integration programs and projects of COMESA has, however, created obvious institutional and human capacity gaps that have to be bridged if it is not to jeopardize its objectives. It is neither practicable nor desirable to employ and retain permanent experts at the Secretariat for every project, but there is need to maintain an adequate level of core experts at the Secretariat for effective implementation of programs. Appropriate institutional mechanisms also need to be established to enhance the capacity of the COMESA Secretariat to implement its mandate. The areas requiring urgent attention are indicated below.

### **11.7.2 General Secretariat**

It is necessary to set up central planning and research machinery to effectively prepare, implement, coordinate, and monitor programs and projects. This could take the form of a unit that has an interdisciplinary outlook and is managed by a pool of experts and professionals with requisite qualifications and experience in engineering, finance, economics, accounting, and other relevant disciplines to have the necessary flexibility in dealing with programs and projects, and conduct liaison with member states and other regions and partners. The unit should serve as a think tank for COMESA and provide a medium-/long-term perspective plan to realize the mission and vision of the REC. One of its core functions would be to ensure coherence between the various initiatives (e.g., those relating to MDGs, regional indicative programming and capacity building under the Cotonou Partnership Agreement and the ESA-EPA, the NEPAD program), which aim at achieving the same goals. The unit may be designed to serve not only COMESA but also other RECs, in which case it could be located in the secretariat of any of the latter.

The COMESA Secretariat has important training and research functions to perform to realize the objectives of the REC. It does not need a huge in-house capacity for this. However, for effective performance it requires a framework that will enable it to mobilize the expertise and facilities available in the region's universities and in the training, research, and consultancy institutions. The Secretariat needs to establish a database of regional experts in various fields and enter into a memorandum of understanding with ACBF to use its TAP-NETs and funded regional and national projects in its capacity-building initiatives.

The primary role of the COMESA Secretariat is to facilitate and coordinate. The COMESA Treaty gives the responsibility for program and project implementation to member states. A major challenge facing COMESA is how to ensure that individual member states are committed to the implementation of regional projects (especially the collective and indivisible ones) and integrate such projects into their national action plans, and that they meet their obligations as agreed in the COMESA Treaty and protocols and the consolidated implementation plans for decisions as approved by COMESA policy organs.

The COMESA Secretariat needs to enhance its own capacity to "market" regional projects and programs in member states. It also needs to build instruments and constituencies outside the governments of member states to implement regional programs and projects effectively and to assist member states to mobilize resources to fund regional projects, especially infrastructure that could help achieve integration. In this regard, the facility (which comes in the form of special-purpose vehicles) that the Eastern and Southern African (ESA) countries are considering to finance infrastructure within their EPA with the EU, should be speedily developed for the financing of COMESA regional infrastructure projects. An information unit needs to be established within the secretariat to "sell" the COMESA vision, mission, and regional integration agenda to member states.

There is also a need to strengthen the institutional framework to enforce rights and obligations provided for in the COMESA Treaty, protocols, and other agreements. This requires, among other things, the enhancing the capacity of the COMESA Court of Justice and establishing a unit within the COMESA Secretariat to receive complaints from, and offer legal advice and assistance to, aggrieved COMESA citizens and enterprises whose rights might be infringed through noncompliance with the provisions of COMESA Treaty, protocols, and agreements.

### **11.7.3 Strategic Planning Division**

There is a need to enhance the capacity of the COMESA's Strategic Planning Division through skill development and the recruitment of additional staff /consultants, to prepare long-term planning and scenario building. The



division should be equipped to provide assistance to member states in this critical area so that the latter can be better prepared for unanticipated developments. The division could be developed to serve as the think-tank of COMESA and given the responsibility for major research and ideas generation. An institutional mechanism for effective linkage with ACBF TAP-NETs and regional universities and training and consultancy institutions should be established in this division.

#### ***11.7.4 Infrastructure Division***

The capacity of the division needs to be improved for project preparation, implementation, monitoring, and evaluation. The division requires adequate resources to subscribe to ITU, IMO, and ITB, among other things. Its capacity should be enhanced to enable it to “market” regional infrastructure projects in member states, to help them conduct feasibility studies on such projects, and to establish appropriate national and regional institutional structures and mechanisms for effective implementation of infrastructure projects.

#### ***11.7.5 Trade, Customs, and Monetary Division***

The Strategic Planning Division needs human and institutional capacity enhancement to implement its programs effectively in trade and market integration, trade facilitation, and monetary cooperation and union. In cooperation with the IT Division, it needs the capacity (skills, IT equipment—both hardware and software) to collect, process, and disseminate trade data and information, as well as the capacity for e-commerce. This division also needs to enhance its capacity to provide assistance to member states in building productive capacities and competitiveness in their economies. Another area where the division needs to build its capacity is in the development of trade facilitation infrastructure, particularly the establishment of the one-stop joint border posts to facilitate border crossing. The division also needs to develop the capacity to assist member states in developing alternative sources of revenue generation beyond trade tax. The development, strengthening, and management of a regional financial system for the attainment of monetary union are the other areas in which this division needs to build its capacity.

#### ***11.7.6 Information Technology Division***

The Division of Information Technology needs the human and institutional capacity as well as the financial resources to formulate and implement programs to meet the demands of COMESA for IT cost-effectiveness, e-applications, and IT capacity building. Comprehensive studies have to be undertaken to determine cost-effective technologies and develop projects that can be implemented. The division needs an enhancement of its capacity to



implement online training for COMESA, IT training centers in other RECs, and national counterpart units. The establishment of a COMESA-wide portal is critical for such online training capability.

COMESA has a rich information base that needs to be further developed to sustain in existing IT applications, such as the Automated System for Customs Data and Management (ASYCUDA) and statistical packages for conducting censuses. Its capacity also needs to be developed in other areas of potential applications of IT, especially e-government, e-health, and e-education, including science and technology. These are some of the priority areas in NEPAD's agenda for bridging the digital divide in Africa. The institutional linkage between COMESA and NEPAD should be strengthened to develop capacity in these new areas of IT applications.

In the short term the IT Division needs the capacity (i.e., skills, institutions, equipment—hardware and software) to implement three major IT project ideas that have already been approved by the COMESA Council of Ministers: E-COMESA, video-conference solutions, and e-market place. The outsourcing of consultants could be used to supplement in-house personnel to implement COMESA IT programs.

#### **11.7.7 Investment Promotion and Private-Sector Development Division**

The primary focus of this division is to improve the investment climate in COMESA and the development of the private sector for greater participation in development process. The Private-Sector Development Division needs additional human resources, especially professionals in finance management, to be more effective in its liaison and coordinating role between projects and prospective investors. The development of the special-purpose vehicles for the financing of regional projects needs to be given priority in the capacity needs of the division.

There is also the need to enhance the capacity of this division to promote and strengthen people-to-people networks (e.g., national chambers of commerce, private sector, informal sector) in order to share information, experiences, and best practices.

#### **11.7.8 The Division of Legal and Institutional Matters**

There is need to develop the institutional capacity of this division, especially in dispute settlement. A unit ought to be created within it to receive complaints from, and to offer legal advice and assistance to, aggrieved citizens and enterprises whose rights might have been infringed by the noncompliance with the provisions of the COMESA Treaty, protocols, and agreements. The unit also needs capacity enhancement to implement its public procurement reform initiative.

Other human capacity needs for this division are these:

- Political affairs expert in governance peace and security
- Immigration affairs expert to implement the program on free movement of persons

#### **11.7.9 Peace and Security Division**

The Peace and Security Division needs capacity enhancement to implement its mandate of conflict prevention through preventive diplomacy and to build private networks of civil-society organizations and parliamentarians for conflict prevention and effective early warning. The in-house expertise of the division could increase for this purpose or the assignments could be outsourced to experts or specialists.

#### **11.7.10 The Gender/Women in Business Unit**

This unit needs upgrading to the status of a division for it to implement the COMESA Gender Policy and the AU Heads of State Declaration on Gender effectively. Adequate resources and additional personnel are needed to enable the unit to develop the capacity to train the trainers, establish networking, and raise consciousness in member states. They are needed to establish linkages between policymakers in various areas of development projects, particularly the mainstreaming of actors in the informal sector. The unit also needs the upgrading of its capacity to enhance its interventions in project preparation, implementation, and evaluation for the mainstreaming of gender in development programs. At least two additional gender experts are required to carry out its work in networking, training, and raising consciousness. Also needed is an expert in small business development.

#### **11.7.11 Resource Mobilization Unit**

Currently, this unit is not adequately staffed to perform its role. It requires additional professionals to coordinate donor demands and requirements better, develop capacity for generating cutting-edge ideas, and mobilize and motivate government and the private sector in member states to make larger financial contributions to implement regional development projects. The unit also needs resources to study alternative sources of financing COMESA programs and projects for the consideration of, and possible adoption by, the COMESA policy organs.

#### **11.7.12 Sources of Information**

The consultants, appointed by the ACBF to assess the capacity needs of the RECs, undertook a field mission to the Secretariat of COMESA in Lusaka, Zambia, from 13 to 17 June 2005. Prior to the mission, the TOR and a ques-

tionnaire in respect of the assignment were sent to COMESA, among other RECs. This section of the report covers the assessment of the capacity needs of COMESA.

In preparing it, the consultants obtained information from a variety of sources, including the following:

- COMESA website
- COMESA bulletins and brochures
- COMESA reports and proposals
- Studies on COMESA
- Response to ACBF questionnaire
- Interactive meetings with the principal officers of COMESA and staff of key departments

# 12

## Survey of the Capacity Needs of the East African Community (EAC)

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### 12.1 Executive Summary

The East African Community (EAC) is composed of three partner states: Kenya, Tanzania, and Uganda. The Community was relaunched in 2001 after the dissolution of the previous Cooperation Treaty in 1977. Like the earlier cooperation arrangement, the new EAC has committed itself to cooperate in the priority areas of transport and communication, trade and industry, security, immigration, and the promotion of investment in the region. These ambitious objectives are to be realized step by step through a common market, monetary union, and, ultimately, a political federation of the East African States.

The study has found that EAC has a relatively huge gap between the institutional and human resources capacity base on the ground and what is considered adequate to execute its regional integration mandate. The present organogram of the EAC is too thinly spread out to support the growing mandate of the organization. There is an urgent need to mobilize resources for hiring the requisite personnel, ensuring a purposeful gender balance, securing adequate budget for continuous professional training, skills upgrading, obtaining ICT equipment, and regular professional networking activities.

The EAC needs to set up organization systems that seek to promote a culture of permanent learning. This exercise will require the EAC to mobilize requisite capacities that facilitate institutionalized knowledge production, dissemination, exchange, and networking with similar RECs and beyond. Without systematized information, knowledge and relevant competences in development issues at the national and regional levels, EAC will be unable to exercise influence effectively and efficiently on the social, economic, and political integration of the region.

Integration in East Africa needs to be participatory and seen by all key stakeholders to be so. East Africans and their grassroots organizations must fully participate in all major decision-making processes. It is recommended,

therefore, that every effort be made to mobilize organizational and institutional capacities that facilitate grassroots participation in policy formulation, implementation, and evaluation. Popular participation will undoubtedly enhance citizens ownership and accountability.

Dynamic organizations tend to provide clear and unambiguous organizational systems that ensure effective and efficient implementation of respective missions. The EAC's internal management systems leave a lot to be desired: they are either poorly articulated or simply do not exist. There is an urgent need to mobilize the requisite capacities to put in place comprehensive management information, financial management, and control systems. Such systems are necessary to act as objective yardsticks for performance management.

The EAC has weak resource mobilization, utilization, and management capacities. These capacity gaps show in a number of ways. For example, member states are steeped in chronic arrears, overdependence on limited contributions, overdependence on donor resources, and poorly harmonized donor support systems. The EAC needs to enhance its internal capacities for exploring imaginative resource mobilization modalities, as well as resource use and planning

## **12.2 Background to the East African Community**

The Permanent Tripartite Commission for East African Cooperation was first formed in 1967 as the East African Community. It comprised Kenya, Tanzania, and Uganda. The Community collapsed in 1977 due to political differences. Following the dissolution of the organization, former member states negotiated and signed a mediation agreement for the division of assets and liabilities in 1984. However, as one of the provisions of the agreement, the three states agreed to explore areas of future cooperation and to make concrete arrangements for such cooperation.

Subsequent meetings of the Summit of Heads of State led to the signing of the Agreement for the Establishment of the Permanent Tripartite Commission for East African Cooperation on 30 November 1993. The treaty for reestablishing the EAC was signed on 30 November 1999 and the Community was formally inaugurated on January 2001.

The new Community is driven by a grand vision to build a prosperous, competitive, secure, and politically united East Africa. The vision is expected to be realized by widening and deepening the economic, political, social, and cultural integration to improve the quality of life of the people of that region.

The three countries pledged themselves to cooperate in the priority areas of transport and communication, trade and industry, security, immigration, and the promotion of investment in the region. These objectives are to be

achieved through the establishment of a customs union as the entry point of the Community, a common market, subsequently a monetary union, and, ultimately, a political federation of these East African states.

The main organs of the EAC are the Summit of Heads of State, the Council of Ministers, the Coordination Committee, sectoral committees, the East African Court of Justice, the East African Legislative Assembly, and the EAC Secretariat.

In the following sections, the study outlines the capacity gaps of various key sections of the EAC.

## **12.3 Capacity Gaps in the EAC Court Of Justice**

### ***12.3.1 Introduction***

The East African Court of Justice was established under article 9 of the present treaty for the establishment of the EAC. It became operational following its inauguration on 30 November 2001. The court's operations are ad hoc during this transitional period pending the decision of the Council of Ministers to make it operational. The judges of the court only convene to conduct the business of the court at need.

### ***12.3.2 Composition of the Court***

The judges of the Court of Justice are appointed by the Summit of Heads of State from among persons recommended by the partner states and fulfill the conditions required in their own countries for the holding of such high judicial office, or who are jurists of recognized competence in their respective partner states. There are six current sitting judges, two from each partner state. The court has a registrar, court administrator, accounts assistant, secretary library assistant, two court clerks, driver, and office attendant. The registrar and the others of the court staff permanently reside in Arusha and keep the court operations going.

### ***12.3.3 Mission and Mandate of the Court***

The court's mission is to ensure adherence to law in the interpretation and application of and compliance with the treaty. Adjudication and determination of disputes arising under the present treaty, therefore, is the major function of the court. This exclusive function of the court underscores the crucial role it is to play in the integration of East African states. This role can be effectively realized through the court's effective and efficient execution of its mandate as an arbiter in dispute resolution leading to confidence building in the region. It is expected that the court will enhance the observance and upholding of human rights through good governance and democratic institutions in the region.

In addition to this and its power to enforce jurisdiction to include human rights, the court has jurisdiction to hear and determine disputes between the EAC and its employees arising from the terms and conditions of employment. It also has jurisdiction to hear and determine any matter arising from an arbitration contract or agreement that confers such jurisdiction to which the EAC or any of its institutions is a party, and disputes between partner states regarding the treaty or commercial contract or agreement conferring jurisdiction on the court.

The court has continued to use this transitional period to hold important in-house administrative meetings through court sessions and plenary and internally established court committees, such as the finance and administration, training and public relations, and rules committees. Such committee meetings discuss crucial issues relating to the development of the court. The court has used such forums to develop the court's rules of procedure and rules of arbitration in readiness for its operations. The court has used this period to hold consultative meetings with its major stakeholders and other potential court users to publicize its operations. Court promotional tours and outreach programs have also been used to educate the citizenry on the court's mandate and mission. The court has further taken advantage of the transitional period to develop and build the capacity of the judges and the court staff by way of training in various disciplines relevant to the discharge of their mandate.

#### **12.3.4 Existing Capacity Gaps**

**Human resources.** The proposed total establishment of the court, as adopted by the EAC Council during its Extraordinary Meeting on 23 January 2005, is 46. This number comprises the six judges and nine professional and 31 general staff members. Of the nine professionals, only two have been appointed, while one post has been approved. For the general staff, seven are in office and eight posts have been approved. There are 22 posts waiting to be filled, and there is a gap in human resources that needs to be addressed urgently to avoid hamstringing the operations of the court. For instance, there are no secretaries to attend to judges or, for instance, court recorders, security, or a research officer. The staff recruitment budgetary implications are shown here:

Staff emoluments per annum	US\$273,155
Office equipment	US\$48,555
Total	US\$321,710

**Training.** Training is an essential skill-building process in any organization. The court is no exception. Therefore, for purposes of fully equipping the judges and court staff with the necessary skills and knowledge, they need training in the new developments in law and other relevant fields. This will

enable the judges to perform efficiently and effectively in adjudication and interpretation of the law and the staff to perform effectively its support duties. New developments in the global arena, especially law, commerce, ICT, international arbitration, and other relevant fields require continuous training to keep up with the emerging trends and to equip judges and staff members with necessary skills. Some of the areas for training include, among others, judicial records management, electronic records management, court administration and case management, website design, office management, and best practices in public expenditure management.

#### Training Needs of EAC Judges

Name	Course	Venue	Duration	Charges	
Judges	ICT	ESAMI, Arusha	One month (in 4 phases of 5 days each)	1. Travel 2. Tuition 3. Upkeep Total	US\$12,000 US\$36,000 US\$36,000 US\$84,000
Judges	Kiswahili	MS TCDC, Arusha	2 weeks (in 2 phases of 5 days each)	1. Travel 2. Tuition 3. Upkeep Total	US\$6,000 US\$3,600 US\$18,000 US\$27,600

**Court Library.** In the daily discharge of their duties judges need access to various materials, including statutes, legislation history, law reports, law digests, legal periodicals, and journals. A well-equipped and modern law library can meet this need. The court's law library should be equipped and maintained with a high-quality law collection primarily for the use of the judges of the court and the staff. The library should also be open to other staff of the EAC, members of the bar, and the public with permission of the court. There is a need also to subscribe to a number of electronic legal databases, both in domestic and international law. To enhance the court's law library collection and equip it with modern technology equipment, it is necessary to put the following in place:

Item	Charge
A website designed exclusively for the court	(under ITO budget)
Databases to enable access to electronic resources	(under ITO budget)
Scanner	(under ITO budget)
Additional computers (three)	(under ITO budget)
Printers (three)	(under ITO budget)
Law books (assorted)	US\$3,000
Law dictionaries (four volumes)	US\$1,500
Legal periodicals and journals (quarterly)	US\$580
Complete set of Kenya Law Reports (fifteen volumes)	US\$2,000
Total	US\$7,080



### Training Requirements for EAC Staff

Name	Course	Venue	Duration	Charges(US\$)
Court Administrator	Attachment to the COMESA Court of Justice	Lusaka, Zambia	14 days	700 3,200 100
Accounts Assistant	1. Attachment on Sun Accounting and Business 2. Finance Course	ILRI/COMESA ESAMI, Arusha, Tanzania	14 days 4 weeks	1,200 2,520 2,240 1,200 3,120
Secretary	Information Technology	Uganda Management Institute, Kampala, Uganda	14 days	380 230 50 1,560
Library Assistant	Web Page designing, Publishing and Management	Kampala, Uganda	4 weeks	380 3,000 3,840
2 Court Clerks	Attachment to COMESA Court of Justice	Lusaka, Zambia	14 days	1400 3,840
Office Attendant/ Process Server	Administrative Management Law Course	Law Development Centre, Kampala, Uganda	One month	490
				380 50 3,600
			Total	33,480

## **12.4 Information and Public Relations Office**

### **12.4.1 Goal of the EAC Information and Public Relations Office**

The overall mission of this office is to disseminate information about the EAC as well as to promote a positive image of the Community.

### **12.4.2 Key Results Areas**

- Widespread awareness of the EAC
- Positive image of the EAC
- Popular support and involvement of East Africans in the regional integration process
- Development partnership with the international community

### **12.4.3 Specific Activities**

#### ***Widespread Awareness of EAC***

- Preparation and issuance of press releases, speeches, and public statements on the EAC integration
- Organization of press conferences, briefings, workshops, and seminars on the EAC integration
- Publication of, for example, the Community's magazine, brochures, annual reports, and occasional publications
- Production of EAC video documentaries on the regional integration programs and activities
- Sponsorship of the EAC integration programs and activities on the national TV and radio stations
- Print media advertising, including newspaper supplements
- Facilitation of media involvement in the regional integration programs and activities
- Launching of the EAC Media Award
- Management of visitors and handling inquiries from the general public

#### ***Positive Corporate Image***

- Production and placement of EAC banners, posters, buntings, billboards, and such like, at strategic locations in a region
- Production and distribution of, for example, EAC calendars, diaies, or greetings cards

- Photographs and video recordings of all EAC regional integration activities
- Production of promotional/gift items such as neckties, ladies scarves, T-shirts and caps, and pens for both mass and targeted audiences

### ***Popular Participation***

- Participation in partner states' trade fairs/exhibitions, including the annual EAC Juan Kali/Nauvoo Kari Exhibitions
- EAC Day observance/celebrations
- Organization of outreach programs in the partner states—forums/seminars/workshops on the EAC programs and activities
- Involvement of civil societies in the regional integration process

### ***Development Partnership***

- Providing regular information briefings of development partners
- Undertaking strategic missions to world capitals

## **12.5 EAC Information and Public Relations Capacity Building**

### ***12.5.1 Needs Under the NEPAD Initiative***

- Establishment of a press center
- Establishment of a desktop publishing unit
- Facilitation of regional media workshops, seminars, conferences, briefings, and publicity support activities
- Facilitating the production, distribution, and telecasting or airing of EAC TV/radio programs to partner states
- Increasing the role and participation of the media in the EAC activities and programs
- Facilitating outdoor advertisement of the EAC programs and activities within the region
- Facilitating popular support and involvement of the EAC Secretariat in the regional integration process
- Facilitating EAC outreach programs and activities with, for instance, the media, civil society organizations, and development partners.

**Budgets for IPR Capacity-Building Needs**

S/N	Item	Charge(US\$)
1	Establishment of a press center	30,000
2	Desktop publishing equipment	15,000
3	Press conferences, briefings, workshops, seminars, and publicity support activities	70,000
4	TV/radio programs sponsorship	70,000
5	Launching the EAC Media Award	45,000
6	Outdoor advertising: billboards, banners, and/or posters	70,000
7	Trade fairs/exhibitions	30,000
8	Outreach: contacts with the media, civil society organizations, and/or development partners	70,000
	Total	400,000

**12.6 NEPAD Capacity Building****12.6.1 EAC Infrastructure Department:  
Mandate, Activities, and Capacity Needs**

The Infrastructure Department is responsible for initiating and harmonizing policies and projects in the following sectors:

- Infrastructure development (e.g., EAC headquarters construction)
- Surface transport (roads and railways)
- Meteorology
- Communications/ICT (telecommunications, post, IT, broadcasting, e-applications)
- Civil aviation
- Maritime transport

**12.6.2 Implementation Structure**

The EAC Secretariat implements decisions made by summit, council, and tripartite committees. For the Infrastructure Department, the main decision-making entity is the Sectoral Council on Transport, Communications and Meteorology (TCM), consisting of ministers responsible for the named sectors. However, the Sectoral Council decisions are based on advice from various task forces of experts. For example, in the roads subsector, there is a High Level Standing Committee (HLSC) on the East African Road Network, responsible for coordinating the implementation of projects within the identified priority corridors.

The Secretariat is responsible for direct implementation of regional

projects, but now there is only one multinational road project, the Arusha-Namanga-Athi River Road. The EAC is the executing agency, which is a steering committee made up of permanent secretaries from ministries responsible for roads who handle overall coordination.

The EAC Infrastructure Department currently has the following structure:

- Transport economist (head of department) who is also responsible for civil aviation and meteorological sections
- Engineer planner (communications), responsible for the Communications Section
- Civil engineer, who is responsible for projects in road and railway sectors and civil works programs (building services)
- Maritime safety officer, who is responsible for inland waterway transport and safety

### **12.6.3 Activities Undertaken by the Department**

**Roads.** Current and upcoming activities and projects include the following:

- Coordination of projects under the East African Road Network
- Execution of studies and designs for multinational projects
- Implementation of the Tripartite Agreement on Road Transport, which includes harmonization of designs and standards, licensing, documentation, road safety issues, and transit charges, as well as providing support to implement the customs union and trade facilitation
- Coordination with other RECs on transportation issues of cross-border nature (e.g., transit charges, axle loads)

**Railways.** The Secretariat coordinates the following activities:

- Preparation of an East Africa Railways master plan, which aims to develop railways in the region, to be carried out in a coordinated manner
- Tracking of the concession process with a view to incorporating it into the master plan

**Civil aviation.** The Council of Ministers approved the implementation of the following projects and programs:

- The restructured civil aviation safety project, including the creation of regional institutions, review of operational regulations, and the move toward the creation of a single air space in East Africa
- The Yamoussoukro Decision toward greater liberalization of air travel in the region, in collaboration with COMESA and SADC

**Maritime.** On Lake Victoria the major concern is to enhance the safety of navigation and to unlock the potential for cruise tourism, fishing, water sports, and transport. On the Indian Ocean the issues to be addressed are maritime safety and security. The implementation of recommendations in the Lake Victoria Safety of Navigation Project is under the Lake Victoria Basin Commission.

**Communications.** The following are the main ongoing projects and programs:

- Department of a comprehensive communications strategy for the Lake Victoria basin
- Study on Harmonization of a Regional Communications Regulatory Strategy
- Development of the East African Postal Automation Project (including e-post)
- The East African Submarine Cable Project (EASSy)
- Bridging of the Digital Divide Program (development of e-strategies, including e-government, e-commerce)
- Harmonization of Spectrum Management for Broadcasting and migration to digital broadcasting for East Africa

**Meteorology.** To address holistically the issues in this area, the EAC Council of Ministers approved the execution of the Five-Year Meteorological Development Plan and Investment Strategy Study. This plan will provide the road map toward the provision of quality information, adequate trained personnel, state-of-the-art equipment, data processing, and information exchange facilities.

#### **12.6.4 Capacity Needs at the Secretariat**

The capacity needs for the various sections have been assessed in the light of the expected increase in the workload and the following improvements have been proposed under the revised EAC structure:

- Transport and Works – Two engineers (highways and materials) are to be recruited to carry out the schedules of the roads programs.
- Civil Aviation – The council has approved the recruitment of a principal civil aviation officer to carry out relevant programs.
- Communications – The broadcasting sector is undergoing a basic transformation from analog to digital terrestrial broadcasting following the convergence of ICT technologies. EAC will need an officer to implement the projects and programs in this area.

### 12.6.5 Funding Requirements to Meet Capacity Gaps

**Transport.** The transport area requires funding support in the following areas to enable regional integration programs to proceed without hindrance.

No.	Sector/ Thematic Area	Activities	Funding Needs (US\$)
1	Railways	Preparation of EAC Railways Master Plan and implementation of the plan	300,000
2	Roads	Harmonization of road safety regulations in the region.	100,000
3	Outreach	Workshops and seminars to disseminate to stakeholders the various efforts undertaken for regional integration	60,000
4	Training	Capacity building of the EAC and partner states officials in areas of procurement, financial management, and governance	100,000
5	Logistics	Assistance to the Project Implementation Unit at the EAC to monitor and coordinate programs for the East African Road Network Project	140,000
	Total		\$ 700,000

**Communications.** The communications sector requires funding support in the following areas to enable regional integration programs to proceed without hindrance.

No.	Sector/ Thematic Area	Activities	Funding Needs (US\$)
1	Communications strategy for the Lake Victoria basin	Training of identified personnel in the partner states who will be responsible for overseeing the maritime communications on the lake for safety	90,000
2	Postal	Introduction of e-postal services: development of a harmonized approach and supporting legal framework	100,000
3.	EASSy Project	Training for EAC staff on fiber-optics network planning at USTI	5,000
4.	Broadcasting	Development of migration plan: From analog to digital for the broadcasting industry in the region	150,000
		Support in the engagement of broadcasting expert at EAC for four years	120,000
5.	E-strategies	Harmonization of regulatory regimes	150,000
		Harmonization of cyber laws and legal and regulatory frameworks (e-commerce that would cover e-posts, e-government)	200,000
6	Outreach	Workshops and seminars to disseminate to stakeholders the various efforts being undertaken on regional integration	60,000
7	Training	Capacity building of EAC and partner states officials in areas e-government, e-commerce, e-procurement, e-parliament, e-justice	150,000
	Total		\$ 1,025,000

## **12.7 Records and Information of the Management Section, EAC Secretariat, Arusha, Tanzania**

### **12.7.1 Background**

Information management entails managing information as an asset to achieve the corporate mission. This includes effective acquisition, storage, retrieval, production, sharing, dissemination, and eventual disposition of information in all its types and from a variety of resources. At the EAC, this function is shared among three existing sections: Records Management, Library and Documentation, and Information Communication Technology. The archives, which would be the fourth section (or pillar) no longer exists.

Records are defined as “recorded information, regardless of form or medium, created or received by an institution or individual in accordance with its or his obligations in the transaction of business.” The information in the records is a valuable resource that must be managed and protected because records provide the essential evidence that a particular action or transaction took place or a particular decision was made. The EAC business functions and processes from the planning stage through implementation, monitoring, and evaluation rely heavily on the quality and adequacy of records. Good governance, or evidence-based governance, which the EAC stands for, is almost impossible without accurate and reliable records.

Most of the EAC’s records are paper based and remain an essential component of the institutional memory. Until such a time when electronic records can be retained in reliable and authentic form over time, paper records will be required as legal evidence. The success of the proposed Planning and Research Section at EAC will depend greatly on availability, quality, and organization of records as defined above.

### **12.7.2 Mandate**

The Records Management Section is responsible for providing the EAC Secretariat with a well-defined records management system and service that ensures safe handling, custody, and easy retrieval of records. The main objectives of the function include, but are not limited to, the following:

- Planning and budgeting for records-related resources and equipment
- Setting record-keeping standards in the creation, maintenance, use, distribution, and dissemination of records
- Providing accurate information
- Ensuring users’ adherence to records procedures
- Ensuring safety and security of information
- Designing and implementing a vital records program
- Automating computerizable records



- Good housekeeping for records
- Prompt disposition of records

### **12.7.3 Staffing**

The Records Management Section is headed by a professional, assisted by a Registry Supervisor and a Registry Assistant.

### **12.7.4 Budget**

The section's requested budget for FY 2005/2006 is US\$315,664.

### **12.7.5 Capacity Gaps and Other Issues**

The section faces the following challenges:

- Inadequate professional staff
- Inadequate funding
- Insufficient equipment
- Inadequate license for TRIM users
- Absence of an archives service and repository

### **12.7.6 Addressing the Capacity Gaps**

The capacity requirements for the records management function at EAC are presented below:

**Training (short-term).** The efficiency of any establishment is reflected in the quality and competence of its personnel. Only one professional, assisted by two part-professionals, is operating the section. There is need for additional training in management skills and organizational development for the professional, and in office automation for the two part-professionals to bring them up to a level where they can provide better services. These short-term courses in the regional training institutions cost about US\$6,000 per head. This translates to approximately to US\$24,000 for the four suggested courses.

**Equipment (short-term).** Currently the registry uses a light-duty HP scanner to scan all incoming correspondence into the TRIM information system. This facility is meant for one user and is, therefore, not adequate to handle the scanning of the volume of mail received at EAC. Serious delays are experienced in sharing the mail to relevant personnel, resulting in delayed action. Support in terms of acquiring (1) two heavy-duty scanners or (2) multiple (four) light-duty scanners to improve the section's delivery would be most appreciated. In addition to improving mail management, the same equipment would also assist in the capturing the EAC's vital documentation

such as agreements, memorandums of understanding, and titles to ownership of property. The estimated cost is US\$15,000 for the first option and US\$14,000 for the second.

**Expanded use of TRIM (short to medium term).** The application of TRIM robust records-management computer software to improve the management and performance of recordkeeping systems at EAC is bogged down by the limited number of licensed users of the system. An expanded license is needed to cover 40 additional users of the system at an estimated cost of US\$20,000 per year for at least five years at a total cost of US\$100,000.

**Study on establishment of archives (long-term project).** The continued absence of archives to preserve the old records of the former EAC and the growing accumulations of the current EAC means that the noncurrent records cannot be systematically appraised, preserved, conserved, accessed, and explored. Without it, the scholarly research, institutional planning, and public relations will remain a difficult venture at the EAC for some time. Eventually, the EAC will lose its history and culture. It is necessary to carry out a detailed study on the establishment of an Archives Unit at the EAC and the transfer of the records of the former community currently from the Tanzania National Archives to EAC headquarters at Arusha. The report on the study will provide detailed costs for the establishment of the unit, including personnel costs, equipment, physical space, and fiscal requirements. If established, the archives will support the envisaged research and planning unit; and alongside the library, ICT, and records management, the EAC would achieve a comprehensive information management program. The study is estimated to cost US\$40,000.

### 12.7.7 Summary Cost of Requirements

Item	Charge
Training	US\$24,000
Equipment	US\$15,000
TRIM license	US\$100,000
Study on archives	US\$40,000
Total	US\$179,000

### Internal Audit Function: Capacity Building

Training/ Development Needs	Training Required for the Internal Audit Staff	Possible Training Institution	Estimated Cost	Remarks
Auditing with Sun System accounting	Sun system: Auditing training aimed at skills enhancement	Software application Nairobi  Sun system, UK or South Africa	US\$5,000	With computerized accounting, it is important to equip Internal Audit personnel with techniques for computer control in order to provide management with the assurance that operational information is controlled and used effectively.
Prevention of corporate fraud	Prevention, analysis, and detection of corporate fraud	ESAMI	US\$ Fees US\$4,800	There is need to enhance the effectiveness and efficiency of the officer in charge of safeguarding the assets of EAC, especially given the global concern in the increase of corporate fraud and corruption. With the growth in the budget of the Community, there is need to use the resources of the Community efficiently. With the great growth of EAC, there is the risk of fraud associated with such growth.
Value for money	Value-for-money audit course	ESAMI	US\$4,000	With the growth in the budget of the Community, there is great need to use the resources of the Community efficiently
Internal Auditing function	Managing the internal audit function	Crown agents–UK	US\$5,000	Educate and polish up the Audit staff in the new areas of internal auditing
Professional meetings with Auditors-general of the partner states; IGGAD; COMESA; AU	Auditors-general of the partner states; Internal Auditors of the partner states; Heads of audit of regional bodies	Capitals of the partner states; Lusaka, South Africa	US\$6,000	Networking
An Auditing Package; ACL; Data Analysis tool; A Laptop	Team Mate	Auditing Lake Victoria Commission located in Kisumu;	US\$15,000 US\$10,000 US\$3,000	Fax machine US\$1,000

## **12.8 Capacity Building—NEPAD Support**

### **12.8.1 Introduction**

The EAC Information Technology Department has the mandate to develop corporate management information and communication systems, as well as coordinate and provide support to all ICT systems and data administration. The IT Department has additional functions, namely, to improve the integration of technology into the business of the organization, develop standards and policies, develop communication strategies on information technology, and provide specialized expertise and consultation.

Currently, the EAC IT Department also provides support to the East African Legislative Assembly and East African Court of Justice.

Since its establishment in 1997, the IT Department has implemented a number of projects. The EAC Information and Communication Systems Project was the first major ICT project to be implemented and this was funded by the UK-DfID (Department for International Development). This project commenced in early 1998 and was successfully completed in mid 2000. The project covered a number of areas including Library, Registry, Information Technology, EAC documentation, etc.

Successful implementation of the DfID-funded project enabled the relatively small Secretariat of year 2000 to acquire reliable information systems, including full-time connection to the Internet. This enhanced the Secretariat's ability to perform its functions more effectively and efficiently. The new systems also improved the way of communicating with other partners in the region and overseas. The use of electronic mail (e-mail) improved information flow both internally and externally.

### **12.8.2 Donor-Funded Projects**

There has been a notable growth in ICT infrastructure since the completion of the DfID funded project in year 2000. A number of new hardware and software systems have been procured through donor funding.

The table below shows the type of donor support, which EAC Secretariat received for developing ICT systems since 1998.

Year	Donor	Assistance provided
1998–2000	UK–DFID	<ul style="list-style-type: none"> <li>• Consultancy on information needs</li> <li>• Supply of equipment (servers, desktop computers, laptops, and printers)</li> <li>• Local Area Network (LAN)</li> <li>• Database and library software</li> <li>• Internet connection (dial-up)</li> <li>• Training (system administrator and users)</li> </ul>
2001–2002	GTZ	<ul style="list-style-type: none"> <li>• Supply of equipment (personal computers, printers, and scanner)</li> <li>• Consultancy database</li> </ul>
2002–2003	EU	<ul style="list-style-type: none"> <li>• Statistical database</li> <li>• Equipment (server, personal computers, and laptops)</li> </ul>
2002–2003	USAID	<ul style="list-style-type: none"> <li>• Equipment (servers, personal computers, laptops, and printers)</li> <li>• Improve existing Internet connection</li> </ul>
2003–2005	FINNISH	<ul style="list-style-type: none"> <li>• Equipment (personal computers and photocopiers)</li> <li>• Software systems</li> <li>• Accounts</li> <li>• Registry</li> <li>• Human Resources</li> </ul>

### **12.8.3 Requirement for New ICT Equipment**

On the new EAC organizational structure, a number of new staff will be recruited in the next 12 months. The new members of staff will need computer equipment and other communication facilities.

EAC has a number of old computers and hardware systems that need replacement. These have been in use for over five years and have become obsolete. Replacement of these old machines with new ones will help to maintain proper functioning of the ICT systems.

### **12.8.4 Communication Between EAC and Partner States**

Currently, most of the information flowing between the EAC Secretariat and the partner states is still paper based. There is need to improve communication methods between EAC and the relevant departments in the partner states.

The most effective method of improving information flow between the EAC headquarters and partner states is by introducing a cost-effective electronic information exchange system linking EAC and the capitals. This will speed up the sending and receiving of information and, hence, increase efficiency in undertaking various activities.

### **12.8.5 Human Capacity Needs**

Since its establishment in 1997, the IT Department has remained a one-person Department until early this 2005 when a systems analyst was recruited. The rate of growth of ICT systems since 1998 has been high, and consideration should be made to provide an adequate number of IT personnel.

The table below gives an indication of the expansion rate of ICT systems since 1998.

Year	Number of hardware systems (Servers and PCs)	Number of software systems (Office and automation systems)	Number of IT personnel
Dec. 1998	7	1	1
Dec. 2000	15	3	1
Dec. 2002	35	5	1
Dec. 2004	95	9	1
July 2005	120	11	2

It should be noted that the IT Department needs more staff to run its operations smoothly and expand ICT infrastructure. The Court and Assembly need regular ICT support. There is need, therefore, for the Court and Assembly to have their own ICT personnel who will provide the support required by these two organs.

### **12.8.6 Conclusion**

The EAC Secretariat very much depends on ICT systems for its daily operations, including coordination of meetings and the various projects and programs. Capacity-building needs of ICT should therefore be given the highest priority it deserves in order to enable EAC carry out its functions more effectively and efficiently.

### **12.8.7 ICT Requirements for EAC**

#### ***Implementing a Cost-Effective Electronic Information Exchange System Linking EAC Headquarters and the Partner States***

**Introduction (Phase I).** The Information and Communication Systems project funded by the DfID beginning in November 1998 was successfully completed in May 2000. The project brought improvement to the information and communication systems in Registry; Library; Information Technology; Secretariat documentation and Information security. This marked the end of Phase I.

The success of this phase of the EAC Secretariat Communications and Information Systems project opened the door to developing enhanced capacity within partner states.

**Phase II.** The main objective of Phase II of the Information Communications Systems strategy is to implement an appropriate cost-effective electronic data transfer system between the EAC Secretariat and relevant departments in the partner states.

The strategy will involve a feasibility study to identify key information requirements and implementation of a cost-effective electronic data transfer system, which will improve information flow between the Secretariat and the partner states.

Among the activities to be carried out during the second phase of the ICT Strategy are to:

- Analyze the East African Community's functions, structures, and processes and identify the range and scope of information required for carrying out various functions of the Community
- Review existing management information systems and procedures and assess their efficiency and effectiveness. Consider and recommend modifications as required
- Assess the viability and cost effectiveness of establishing a computerized management information system for electronic data transfer between the EAC Secretariat and the partner states, and recommend a solution as required. The expanding functions at the Secretariat should be considered accordingly
- Consider the extent of resources available to partner states and Secretariat to maintain electronic and communication systems to be established and make recommendations
- Assess capacity-building needs for EAC Secretariat staff and recommend how to address the gap

### **Activities**

- Consultancy/feasibility study to identify key information requirements for the EAC
- Selection of consultants/consultancy firm to carry out the feasibility study and come up with concrete proposals on addressing information needs of EAC
- Solutions to immediate requirements. Implementation of a cost-effective electronic data transfer system linking EAC headquarters and relevant Departments/Ministries in the partner states
- Detailed information exchange systems design and bills of quantities

- Implementation of electronic information exchange system, including installation of LANs, WANs, Intranet, Internet, and other communication systems

**Output.** Fully operational electronic information exchange system linking the EAC headquarters and relevant ministries/departments in the partner states.

**Estimated Costs:** US\$ 170,000

#### **12.8.8 Video Conferencing System (4 Stations)**

Four video conferencing sites will be established, one in each capital and one at the EAC headquarters, Arusha. Video conferencing is a state-of-the-art method of holding virtual real-time meetings in a cost-effective and efficient manner. Video conferencing system will enable urgent meetings to be called at very short notice since it doesn't require participants to travel long distances in order to attend such a meeting.

Video conferencing systems will also reduce travel costs from the EAC and partner states annual budgets since a number of meetings will be held using this system.

Meetings with development partners can also be held much easier and quicker using video conferencing. This will enable holding of frequent consultations with our development partners since they won't be required to travel long distances from Europe, Asia, or America to East Africa.

Training sessions in various fields/topics can also be conducted using video conferencing facility. Training programs will be obtained from Global Development Learning Centers, which already exist in the East African capitals.

Three main benefits of using Video Conferencing System are:

**Video conferencing increases productivity.** When used effectively, video conferencing has a dramatic effect on the way people do business and the productivity gains they can derive. So, how are these improvements achieved? Today, video conferencing systems transcend the simple "talking heads" on a screen. The ability to easily share any type of information has added another dynamic to video communications, often previously not even possible in a local meeting.

**Video conferencing saves money.** Although productivity increases are the most valuable, an additional tangible effect of using video is that you start saving substantial money due to reduced travel. In today's environment, where many employees are concerned with the safety and time-related issues with travelling, video conferencing will benefit the organization in ways we would never have imagined.



**Video conferencing saves time.** Video conferencing can be used to achieve significant benefits beyond increased productivity and reduced costs. Notable examples are reduction of “downtime” and increased “quality of life” for travelling personnel, and shortening hiring cycles for key employees.

**Estimated costs:** US\$45,000 x 4 = US\$180,000

#### **12.8.9 VSAT/Internet Communications System for EAC Headquarters (Including 2 Years of 512 Kbps – Bandwidth Charges)**

A number of communication systems at EAC will depend on availability of a reliable and fast Internet connection. Considerable size of bandwidth will be needed for transmitting information, both data and voice over the Internet.

Reliable Internet connection will enable running of various e-services such as website hosting, voice over IP (VoIP), VPN, video conferencing, etc.

**Estimated costs:** US\$78,000

#### **12.8.10 Computers and Other Office Equipment**

These include:

- 2 Servers
- 15 Desktop computers (including Court of Justice)
- 4 Line printers
- 15 Desktop printers (including Court of Justice)
- 25 Laptop computers for all professionals (including Court of Justice)
- 4 LCD, Multimedia Projectors
- Fiber-optic cabling
- 2 Heavy duty photocopiers
- 5 Scanners with ADF (including Court of Justice)
- 15 Computer furniture
- 2 Security hardware devices

**Estimated costs:** US\$225,000

#### **Software systems.**

- Software automation system for the Court
- Website design and hosting for the Court

**Estimated costs:** US\$60,000

**Training**

- Network administrators and systems analyst
- Various in-house operational software/automation systems training, including TRIM, SUN, PC-AXIS, and ADLIB
- New networking systems including CISCO, new Windows operating systems, and security systems
- Communication systems, including VoIP, VSAT
- Various database systems to be deployed
- Estimated costs (System Administrators): US\$25,000

**Users.** IT skills training:

- MS Windows
- MS Office suite
- E-mail & Internet

**Estimated costs (Users):** US\$50,000

**Total Estimated Costs Training: US\$75,000**

**ICT Systems for new EAC headquarters building.** Estimated Costs: To be determined later.

**Additional staff for IT department**

- 1 IT officer for East African Court of Justice
- 1 IT officer for East African Legislative Assembly
- 1 Hardware technician for the Secretariat
- 1 Communications specialist for the Secretariat

**12.9 Conference Coordination Section****12.9.1 Capacity Building, Training Needs, and Provision of Equipment**

**Introduction.** One of the main functions of the EAC Secretariat is effective facilitation of EAC meetings/conference and other activities throughout the EAC calendar year. In recognition of this important function of the Community, the post of Conference Co-coordinator was established in February 2004 and was subsequently filled.

The major role of the Conference Co-coordinator is to ensure effective co-ordination of all EAC meetings and conferences under the following specific duties and responsibilities:

- Initiate and develop conference policy guidelines and administrative procedures
- Coordinate, prepare, and organize EAC conferences, meetings, workshops, and seminars
- Coordinate preparation and distribution of relevant documentation and associated reports
- In liaison with the relevant officers, handle all administrative procedures for preparing, organizing, and convening the said conferences, meetings, etc.
- Note emerging issues from discussions during conferences, workshops and meetings, and follow up with relevant parties/authorities
- In liaison with the Information/Technology Officer, ensure that the audio system facilities and other equipment are in good working condition and well maintained
- Promote a positive culture and image for the EAC

Other unspecified duties handled by the Conference Unit include providing logistic support for the official trips of all EAC beneficiaries, including members of staff. This includes flight reservation and ticketing and protocol services, as newly approved by the Council of Ministers.

At the moment, the Conference Co-coordinator is running the specified duties of this section single-handedly. Given the fast rate of the Community's expansion, however, it is necessary to strengthen the capacity of this section by providing adequate personnel, addressing training needs, and providing adequate equipment and machines.

### **12.9.2 Personnel**

In order to establish the Conference and Protocol Section on a firm foundation, it is necessary to assign staff, both at professional and non-professional, exclusively to the section, to assist the Conference Co-coordinator in running the day-to-day activities. In this regard, besides the newly approved post of Protocol Officer, the section urgently requires the services of at least one more professional staff, a secretary/clerical assistant and a messenger, for a start.

With this complement of staff in place, the section will be able to perform effectively without necessarily relying on the "pool" service for a more effective service delivery.

**Budget Estimate for Increased Personnel**

S/N	Item	Estimated Cost (per year)
1	2 Professional Staff	US\$25,000
2	1 Secretary	US\$13,000
3	1 Messenger	US\$4,000
	Total	US\$67,000

**Training.** Provision of training in modern techniques and methodologies of conducting meetings/conferences, right from the preparatory stage to the conclusion of the activity is needed.

Since learning is a continuous process, the training needs may be identified progressively, which would include exposure to other international and regional organizations, for exchange of views and experience in modern techniques and methodologies organizing meetings, conference, etc.

For example, a two-week attachment to such international and regional bodies that have bilateral relationship with EAC, including the African Union, COMESA, the Commonwealth Secretariat, the European Union, the United Nations, etc., would provide good opportunity for the EAC Secretariat to compare and contrast its current techniques and methodologies in organizing meetings, conference, and so on, with that of other international and regional bodies.

Provision should be made for four weeks training program in a year, split up in two sessions, each lasting a period of two to three weeks, spaced out at a six-month interval.

**Budget Estimate, Training**

S/N	Item		Estimated Cost (per year)
1	Professional Staff	US\$4,000 x 2 x 3 (2 training programs a year)	US\$24,000
2	Secretary	US\$3,000 x 1 (1 training program a year)	US\$3,000
3	Messenger	US\$1,500 x 1 (1 training program a year)	US\$1,500
	Total		US\$28,500

**Office accommodation.** The increase in personnel proposed above presupposes the need for more office accommodation and equipment to cope with the increased demand as the Community progressively expands.

In this respect, two offices will be required to accommodate the two professional staff; one office for the secretary and messenger and a reception room where delegates may converge on arrival and be handed their meeting documents. For effective service delivery, the above offices need to be well furnished and equipped.

**Budget Estimate, Increased Office Accommodation**

S/N	Item		Estimated Cost (per year)
<b>Office Furniture</b>			
1	Working Desks	US\$300 x 5	US\$1,500
2	Computer Desks	US\$200 x 2	US\$400
3	Office Chairs	US\$90 x 4	US\$360
4	Pivot Chairs	US\$170 x 2	US\$340
5	Visitors' Chairs	US\$90 x 6	US\$360
6	Cabinets	US\$160 x 5	US\$800
7	Shelves	US\$160 x 5	US\$800
	Total		US\$4,560
<b>Office Accommodation</b>			
8	Office Accommodation Rental	US\$200 x 4 x 12	US\$9,600

**General equipment and machines.** As a newly established section, the Conference Section is ill-equipped. It is badly in need of:

- A fax machine
- A photocopying machine
- An instant “Name Badge” printing machine (complete with passport photograph) for instant preparation of delegates’ badges

**Video teleconferencing equipment.**

**Cordless phones, single side band (SSB).** Used with the aid of “VHF” equipment—for communicating within a given perimeter for easy coordination during meetings, conferences, etc.

**Video display unit.** At the reception center that constantly runs educative tapes/documentaries on EAC, aimed at educating the visitors and delegates on what EAC is all about; including display of the Community’s daily activities.

**LCD display equipment.** For instant display of information on screen during special announcements at noisy meetings or during noisy interruptions.

**Public address system.** Currently hired whenever needed.

**Video recording equipment.**

**Closed circuit television camera (CCTV).** To be placed at strategic locations (Security Office, Conference Unit, etc.) for close monitoring of the meeting in order to enhance effective facilitation and as a security measure.

**Budget Estimate, Office Equipment and Machines**

S/N	Item		Estimated Cost
<b>Office Machines and Equipment</b>			
1	Computer Hardware and Accessories	US\$4500 x 3	US\$13,500
2	Printers	US\$1000 x 3	US\$3,000
3	Fax Machine	US\$200 x 1	US\$200
4	Telephones	Taken care of by the ITO Section	
5	Photocopying Machine	US\$7000 x 1	US\$7,000
6	Heavy Duty Label Printing Machine (for Instant Name Badge and Passport Photo Production)	US\$2000 x 2	US\$4,000
7	Video Tele-Conferencing Equipment	Taken care of by the ITO Section	
8	Cordless Phones (SSB)	Taken care of by the ITO Section	
9	Video Display Unit (Digital)	US\$3000 x 2	US\$6,000
10	*LCD Display Equipment and Connectivity	US\$1000 x 2	US\$2,000
11	Public Address System	US\$3000 x 2	US\$6,000
12	*Video Recording Equipment, with Camera and Storage facility	US\$5000 x 2	US\$10,000
	Total		US\$45,700

*Notes:* \*To await the Secretariat's relocation to its permanent location in order to effect permanent installation of the wiring and connectivity.

Equipment/machine list compiled in consultation with the Systems Analyst.

### **12.9.3 Quality of EAC Library and Information Center Infrastructure**

**Introduction.** The Treaty establishing the East African Community and the EAC Development Strategy emphasizes the importance of information as a resource and a tool for development. Given the mandate of the Secretariat, a significant proportion of the Secretariat's work involves assisting in formulation and implementation of projects and programs. Professional staff and consultants involved in the work need information and data to perform their functions. The library plays a central role as a provider of information to the Secretariat and Council, as well the consultants, researchers, and the general public for policy harmonization, decision-making and for strategic networking with the stakeholders both within East Africa and beyond.

### **12.9.4 Background to the Establishment of EAC Library**

Shortly after its establishment, the EAC began to focus on the need to strengthen its information and communications systems in order to enhance the capacity of the Commission to deliver its cooperation programs. In re-

sponse to its request, the UK's Department for International Development (DfID) offered to fund the EACs Information and Communication Systems Support Project. This funding assistance also made it possible to establish the library and documentation center, among other components. The library became operational in May 1999 when the basic library infrastructure were installed.

### **12.9.5 Development of Information Sources**

Currently, the library is developing the following collections: Reference collection; partner states' official publications; regional and international organizations' publications; former East African Community publications; periodicals, including professional journals; EAC internal documentation and publications; general textbooks; newspaper articles; audio-visual collection; and Internet sources.

The library has adopted three methods of acquisition, namely, purchase, gifts and exchange. A number of publications have been acquired through purchase and subscription since 1998. Furthermore, the library is developing two kinds of information sources, namely documentary and non-documentary.

Documents are received as gifts/donations from various institutions from partner states and abroad. Reports form the bulk of such documents.

#### ***The library***

- Subscribes to a total of 25 journals and five magazines
- Subscribes to relevant Internet/online sources of information such as customs and trade databases to complement the library collection by providing up-date information
- Has a total collection of 2,200 publications

The library has developed the following databases:

- Directory of information sources in partner states, and regional and international bodies, with direct links to their e-mail and websites
- EAC reports database
- EAC library catalogue
- EAC contact database
- A database on Lake Victoria Basin is under construction and development

**Users.** The library serves various categories of users, beginning with the staff of the Secretariat. Other users include officials from member states, the private sector, potential investors, consultants on various studies, researchers, the international community, and, to a limited extent, the general public.



**Information dissemination and marketing.** The library has put considerable efforts into the design of information products and services, and in distributing them effectively.

**Library web page.** The library web page is in its final stages of design and construction and will be hosted within the EAC home page. When operational, the page will market and disseminate information about the EAC library and enhance the networking and sharing of resources between the partner states and other regional and international organizations.

**The EAC deposit/contract libraries.** A total of 17 libraries from partner states selected from different categories of libraries serve as EAC's deposit libraries. These include university libraries, government libraries, private/public libraries, national/deposit libraries, and parliamentary libraries.

**Exchange of official publications between partner states.** The EAC Librarian coordinates the exchange program of official policy documents to enable partner states, share relevant information on budgets, tax proposals, trade, economic performance, and for exchange of policy documents.

Drawing support from the annual budget and the development partners, the library publishes the EAC reports to meet the growing demand for information on the Community and to facilitate implementation of policies and decisions by the relevant authorities in partner states.

**Financial resources.** The Information and Communications project provided the initial capital for establishing the library. The cost of running the library includes capital expenditure for furniture and equipment and recurrent expenditure for acquisition of books, subscription to periodicals, binding, surveys, etc.

The EAC provides for a recurrent expenditure of US\$23,000 for books, journals and Internet subscription in the annual budget, as well as US\$15,000 for printing and publishing.

**Space requirements.** There is a serious space limitation in the library. The spaces earmarked for the reference shelf, reading room, and computer room are far too small to accommodate resources, users, and working space.

**Human resources.** The efficiency and effectiveness of the library depend largely on the professional competence of the staff as well as on the working environment and the facilities available to do the work. The library currently has only one profession staff and one support staff.

**New plans.** There are plans, however, to turn the library into a WTO center, which means it will host databases and publications and disseminate information throughout the region. The library will also host the EAC health net database.

### **12.9.6 Areas in Need of Support**

**Human resource.** As the Community is growing, more organs, units, and staff come on board. Also, the library is expected to develop, update, and maintain more databases because the demand for information is growing both within and outside the region. To achieve all these requires strengthening the human resource capacity of the library. Thus, the library requires the services of three professional staff and two support staff immediately to enable it carry out the above functions and provide timely information.

**Staff training and development.** The library needs support to train its staff to upgrade their skills and knowledge and make them efficient. Such programs may include professional seminars and conferences, study visits, and attachments/internships.

The staff would benefit from study visits to regional organizations (such as COMESA, SADC, ECOWAS, and EU) to learn and share experiences with librarians in similar organizations, as well as make contacts with officers in charge of information, publications, and different library desks. Moreover, the courses can take the form of short courses, ranging from one to three months and covering such issues as:

- Developing and managing digital content and internet resources
- Desktop publishing and design
- IT control and security program
- Legal aspects of managing digital resources
- Database systems design and management

The training could also take the form of long-term course of study, leading to the award of PhD in Information Management for the librarian and a bachelors degree for the library assistant.

**Equipment.** To perform creditably in the functions listed above, the library requires at least the following office equipment:

- Five desktop computers for the users to access the library's databases
- Two laptops for editing the publications
- A heavy-duty scanner
- Computer furniture

## **12.10 Budget Section**

### **12.10.1 Capacity Needs**

The mandate of the Budget Section is to administer and manage all budget issues of the Community, including budget preparation and monitoring. Its functions are to:

- Coordinate all the sections and organs of the community in budget preparation
- Implement the budget
- Participate in the development of investment policies for the EAC
- Provide advice on budget management issues

**Training needs and tools.** To fulfill the above mandate, the Section considers the following training areas as essential:

- |   |            |
|---|------------|
| • Public expenditure and budget management<br>(including medium-term expenditure framework) | US\$9,400  |
| • Donor financing procedures  | US\$5600   |
| • Developing financing proposals  | US\$5200   |
| • Budget management package   | US\$25,000 |

## **12.11 Administrative Division**

### **12.11.1 Mandate**

The Administrative Division oversees the general administration, transport management, procurement, protocol, and all other administrative functions, including security.

### **12.11.2 Capacity-Building Needs**

**Office space.** The EAC Secretariat is currently facing a very critical shortage of office space to accommodate its new staff and those that will be recruited in the near future. Even some of the staff who are already on board are not properly accommodated. As a temporary measure, and while waiting for the new EAC headquarters to be completed, the Secretariat has decided to rehabilitate the two existing buildings on the land allocated for the building of the EAC Corporate Headquarters.

Once the two buildings are rehabilitated, they will accommodate the Directorate of Customs and Trade, the Lake Victoria Basin Commission (in the interim), and the new staff who are to be recruited soon.

On this basis, the administration requested for funds in the 2005 budget but due to budget constraints the amount allocated was very small (US\$30,000). In view of this, the administration is requesting the ACBF to assist in rehabilitating the said buildings so that some of the existing and new staff could be accommodated for the next three years before moving into the new headquarters. The estimated amount for this work is US\$100,000.

***Strengthening the security systems.*** As part of capacity building in terms of facilities, the Administration again pointed out a need to strengthen its security facilities. In this respect, It intends to procure the following equipment in order to improve on its security facilities:

Installation of automatic door control system	US\$20,000
Procurement of security communication equipment	US\$15,000
Total	US\$35,000

## **12.12 Capacity-Building Needs for the Human Resources Management and Development Under the NEPAD Initiative**

### ***12.12.1 Introduction***

The basic function of the Human Resource Management and Development Division is to build up an effective and efficient human resource management function for the Community. It does this by formulating human resources policies, such as implementing policies, advising management on procedures, and practices relating to recruitment, selection, development, and exit of staff. It also implements policies relating to staff welfare, the terms and conditions of service, and supervises the secretaries.

It is important, therefore, to help the staff to keep a sharp focus on organizational goals and objectives, find constructive solutions to challenges, and create a positive and successful working environment that will enable them to realize their fullest potentials.

### ***12.12.2 Human Resource Needs of the Division***

Although the number of staff in the Community has risen to about 100, spread across the three organs, that is, the Secretariat, the Court, and the Assembly, the Human Resource Division has had only one official to manage their affairs in the last three years.

In January 2005, a new organizational structure was approved which raised the hope of recruiting more staff, but this has not materialized. In recognition of the challenges in the division, the Community had identified

one additional staff for immediate recruitment in the 2005/2006 fiscal year, but it seems the idea has been shelved, at least for now.

The division, therefore, strongly recommends that one additional officer be taken on board to strengthen the capacity of EAC to respond to human resource issues in a timely manner. It is also recommended that a Senior Human Resource Officer be recruited since that position has been established in the new structure. It is finally recommended that future recruitment phases maintain gender balance in all senior administrative and technical levels in the Community.

### ***12.12.3 Staff Training/Development Needs***

The Secretariat had already proposed the funding of staff development in the 2005/2006 financial year. It is recommended that some of the training needs identified in that proposal be accommodated under this arrangement. The required training will be largely in the form of short-term courses or attachments to other similar regional/international organizations to enable the staff to exchange ideas and experiences with their counterparts. It should be emphasized that future training will seek to correct the existing gender imbalances. The following is the comprehensive training plan developed for funding support.

## The East African Community Capacity Gap and Resource Requirements

Organ/Dept/Section	Mandate	Capacity Gap Stated	Support Requested	Remark(s)
<b>1. East African Court of Justice</b>	<p>Established under article 9 of the Treaty for the Establishment of the East African Community. The mission of the court is the following:</p> <ul style="list-style-type: none"> <li>• Adhere to law in the interpretation and application of, and compliance with, the treaty.</li> <li>• Adjudicate and determine disputes arising under the treaty.</li> <li>• Enhance the observance and upholding of human rights through good governance and democratic institutions in the region.</li> <li>• Exercise jurisdiction to hear and determine disputes between the EAC and its employees arising from the terms and conditions of employment.</li> <li>• Conduct arbitral jurisdiction to hear and determine any matter arising from an arbitration contract or agreement which confers such jurisdiction to which the Community or any of its institutions is a party; and disputes between partner states regarding the treaty or commercial contract or agreement conferring jurisdiction on the court.</li> </ul>	<p><b>Human Resources</b> Staff emoluments per annum  Office equipment attendant thereto</p> <p><b>Training and Attachments</b> Judges: on ICT and Kiswahili  Various staffers to various institutions</p> <p><b>Equipment and Materials</b> Library ICT (see ITO budget)</p> <p><b>Subtotal 1. (EA Court)</b></p>	<p>US\$273,155  US\$48,555  US\$111,600  US\$33,480  US\$7,080  <b>US\$473,870</b></p>	
<b>2. Public Relations</b>	<p>The overall goal of the EAC Information and Public Relations Office is effective dissemination of information about, and promotion of positive image of, the EAC.</p>	<ul style="list-style-type: none"> <li>• Establishment of a Press Centre</li> <li>• Desktop publishing equipment</li> <li>• Press conferences, briefings, workshops, seminars, and publicity</li> <li>• TV/radio programs sponsorship</li> </ul>	<p>US\$30,000 US\$15,000 US\$70,000 US\$70,000</p>	

(continues)

## The East African Community Capacity Gap and Resource Requirements (cont.)

Organ/Dept/Section	Mandate	Capacity Gap Stated	Support Requested	Remark(s)
<b>2. Public Relations</b> (cont.)	<p>Established under article 9 of the Treaty for the Establishment of the East African Community. The mission of the court is the following:</p> <ul style="list-style-type: none"> <li>• Adhere to law in the interpretation and application of, and compliance with, the treaty.</li> <li>• AdjudicatKey result areas: <ul style="list-style-type: none"> <li>• Widespread awareness of the EAC</li> <li>• Positive image of the EAC</li> <li>• Popular support and involvement of East Africans in the regional integration process</li> <li>• Development of partnership with the international community</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Launching the EAC Media Award</li> <li>• Outdoor advertising: billboards, banners, posters, etc</li> <li>• Trade fairs/exhibitions</li> <li>• Outreach: Contacts with the media, the civil society, and development partners</li> </ul>	<p>US\$45,000  US\$70,000  US\$30,000  US\$70,000</p>	
		<b>Subtotal 2. (Public Relations)</b>	<b>US\$400,000</b>	
<b>3. Infrastructure</b>	<ul style="list-style-type: none"> <li>• The Infrastructure Department is responsible for initiating and harmonizing policies and projects in the following sectors: <ul style="list-style-type: none"> <li>• Infrastructure development (e.g. EAC HQ construction)</li> <li>• Surface transport (roads and railways)</li> <li>• Meteorology</li> <li>• Communications/ICT (telecommunications, postal, IT, broadcasting, e-applications)</li> <li>• Civil aviation</li> </ul> </li> </ul>	<p><b>Transport:</b></p> <ul style="list-style-type: none"> <li>• Preparation of EA Railways Master Plan and implementation of the plan</li> <li>• Harmonization of road safety regulations</li> <li>• Workshops &amp; seminars on regional integration</li> <li>• Capacity building of EAC &amp; partner states officials in procurement, financial management, governance</li> <li>• Program coordination and monitoring of the EA road network project</li> </ul>	<p>US\$300,000  US\$100,000  US\$60,000  US\$100,000  US\$140,000</p>	

- Maritime transport

**Communications:**

Strategy for Lake Victoria Basin

- Training the personnel of partner states responsible for overseeing the maritime communications on the lake for postal safety

US\$90,000

- Introduction of e-post services: development of harmonized approach & supporting legal framework.

US\$100,000

EASSy Project

- Training for EAC staff on fiber-optics network planning at USTI Broadcasting

US\$5,000

- Development of a Migration Plan: Analog—Digital for the broadcasting industry in the region

US\$150,000

- Support in the engagement of broadcasting expert at EAC for four years e-Strategy.

US\$120,000

- Harmonization of regulatory regimes

US\$150,000

- Harmonization of cyber laws, & legal & regulatory frameworks (e-commerce that would cover e-posts, e-government)

US\$200,000

Outreach

- Workshops and seminars to disseminate information on various efforts at regional integration

US\$60,000

Training

- Capacity building of EAC's & partner states' officials in e-government, e-commerce, e-procurement, e-parliament, e-justice.

US\$150,000

**Subtotal 3. (Infrastructure)**

**US\$1,725,000**

(continues)



## The East African Community Capacity Gap and Resource Requirements (cont.)

Organ/Dept/Section	Mandate	Capacity Gap Stated	Support Requested	Remark(s)
<b>5. Internal Audit</b>	The section is responsible for ensuring efficient utilization of EAC resources; and to carry out value-for-money audit.	<p><b>Training:</b></p> <ul style="list-style-type: none"> <li>• Sun system: Auditing training aimed at skills enhancement in UK or South Africa</li> <li>• Prevention, analysis, and detection of corporate fraud at ESAMI</li> <li>• Valu- for-money audit course at ESAMI</li> <li>• Managing the internal audit function by UK crown agents</li> </ul> <p><b>Networking:</b></p> <ul style="list-style-type: none"> <li>• With auditors-general of partner states and other RECs</li> </ul> <p><b>Hardware and Software:</b></p> <ul style="list-style-type: none"> <li>• Auditing software (Team Mate)</li> <li>• Data analysis tool ACL</li> <li>• Laptop computer</li> </ul>	<p>US\$5,000</p> <p>US\$4,800</p> <p>US\$4,000</p> <p>US\$5,000</p> <p>US\$6,000</p> <p>US\$15,000</p> <p>US\$10,000</p> <p>US\$3,000</p>	
<b>6. Information Technology (ICT)</b>	EAC Information Technology Department has the mandate to develop corporate management information and communication systems, coordinate and provide support to all ICT systems and data administration. The department is also responsible for improving the integration of technology into the business of the organization, develop	<p><b>Subtotal 5. ( Internal Audit)</b></p> <p>Electronic information exchange system linking EAC HQ and relevant ministries in the partner states</p> <p><b>Video Conferencing System</b> 4 Stations (EAC HQ &amp; partner states) @ US\$45,000</p> <p><b>VSAT/Internet Communications System</b> for EAC HQ (including twoyears – 512Kbps bandwidth charges)</p>	<p><b>US\$52,800</b></p> <p>US\$170,000</p> <p>US\$180,000</p> <p>US\$78,000</p>	

standards and policies, develop communication strategies on information technology, and provide in-house expertise and consultation. Currently, the EAC IT Department also provides support to the East African Legislative Assembly and East African Court of Justice.

<b>Computers and Other Office Equipment:</b>	US\$225,000
2 servers	
15 desktop computers (including Court of Justice)	
4 line printers	
15 desktop printers (including Court of Justice)	
25 laptop computers for all professionals (including Court of Justice)	
4 LCD – multimedia projectors	
Fiber-optic cabling	
2 heavy-duty photocopiers	
5 scanners with ADF (including Court of Justice)	
15 computer furniture units	
2 security hardware devices	
<b>Software Systems:</b>	US\$60,000
Software automation system for the court	
Website design and hosting for the court	
<b>Training:</b>	
Network administrators and systems analyst	US\$25,000
Users in IT skills	US\$50,000
MS Windows	
MS Office suite	
E-mail & Internet	
<b>Subtotal 6. (Information Technology)</b>	<b>US\$788,000</b>

(continues)

## The East African Community Capacity Gap and Resource Requirements (cont.)

Organ/Dept/Section	Mandate	Capacity Gap Stated	Support Requested	Remark(s)
<b>7. Conferencing</b>	<p>The major role of the conference coordinator is to ensure effective coordination of all EAC meetings and conferences. The following specific duties and responsibilities are these:</p> <ul style="list-style-type: none"> <li>• Initiate and develop conference policy guidelines and administrative procedures;</li> <li>• Coordinate, prepare, and organize EAC conference, meetings, workshops, and seminars;</li> <li>• Coordinate, prepare, and distribute relevant documentation and associated reports;</li> <li>• In liaison with the relevant officers, handle all administrative procedures regarding the preparation, organizing and convening of the said conferences, meetings, etc.;</li> <li>• Note emerging issues from discussions during conferences, workshops and meetings and follow up with relevant parties/authorities;</li> <li>• In liaison with the IT officer, ensure that the audio system facilities and other equipment are in good working condition</li> <li>• Promote a positive culture and image of the EAC</li> </ul>	<p><b>Personnel</b></p> <p>2 professional staffers US\$25,000 p.a.            1 secretary US\$13,000 p.a.            1 messenger US\$4,000 p.a.</p> <p><b>Training</b></p> <p>3 professional staffers US\$4,000 x 2            Secretary US\$3,000 x 1            Messenger US\$1,500 x 1</p> <p><b>Office Machines and Equipment</b></p> <p>Computers US\$4500 x 3            Printers US\$1000 x 3            Fax machine US\$200x1            Photocopying machine US\$7000 x 1            Heavy-duty label-printing machine (for instant name badge and passport photo production) US\$2000 x 2            Video display unit digital US\$3000 x 2            LCD connectivity US\$1000 x 2            Public-address system US\$3000 x 2            Video recorder US\$5000 x 2 (camera and storage facility)</p> <p><b>Subtotal 7. (Conferencing)</b></p>	<p>US\$50,000            US\$13,000            US\$4,000</p> <p>US\$24,000            US\$3,000            US\$1,500</p> <p>US\$13,500            US\$3,000            US\$200            US\$7,000</p> <p>US\$4,000            US\$6,000            US\$2,000            US\$6,000            US\$10,000</p> <p><b>US\$147,200</b></p>	

- Other duties include provision of logistic support on official travel of all EAC beneficiaries

**Library and Documentation**

To establish, develop, and manage a computerized Library and Documentation Center for the Secretariat and to provide relevant information to assist the Council in fulfilling its mandate

**Human Resource/Staffing**

- 3 professional staffers US\$338,220
- 37,580@ p. a. x 3 years
- 2 support staffers
- 20610@ p. a. x 3 years US\$123,660

**Training:**

- Professional conferences and seminars US\$10,000
- Study visits US\$15,000
- Short courses US\$50,000
- Long-term study US\$45,000

**Equipments:**

- 5 desktop PCs for users US\$10,000
- Laptops US\$10,000
- Heavy-duty scanner US\$8,000
- Computer furniture US\$3,000
- 2 printers US\$1,000

**Subtotal (Library)**

**US\$613,880**

**Budget Productive Sectors**

*What is needed in this area is the capacity to interpret decisions and prepare technical profiles for bankable projects. Also needed is the capacity to monitor and evaluate the performance of the projects. Additional capacity could be provided in the form of short-term basis or engaging technical experts on secondment basis. Several policies, strategies, and plans have been developed and need adequate capacity to implement which is currently missing.*

### The East African Community Capacity Gap and Resource Requirements (cont.)

Organ/Dept/Section	Mandate	Capacity Gap Stated	Support Requested	Remark(s)
<b>(I) Agriculture</b>	<ul style="list-style-type: none"> <li>• The overall objective of cooperation on the agricultural sector is to ensure achievement in food security and rational agricultural production within the region.</li> <li>• Partner states are putting in place a scheme for rationalization of agricultural production with the view to promoting complementarity and specialization.</li> <li>• Relying on a wider regional market is preferable because of production variability and hence price variation is lower at regional level. However, a free-market system has its inherent risks associated with market failures. Partner states will counter such risks through the following:               <ul style="list-style-type: none"> <li>- Improving intraregional policy and investment coordination to ensure that policy in one country does not affect the regional flow of food commodities;</li> <li>- Conducting agricultural policy analysis, research and training to improve the efficiency of the various policies proposed for the sector.</li> </ul> </li> </ul>	Project preparation, monitoring, and evaluation	US\$120,000	

## (2) Energy

As a country continues to develop, its energy consumption levels also increase. Its provision in sufficient quantities and quality directly impacts on the growth performance and development of the economy. Consequently, developing countries like Kenya, Uganda, and Tanzania need to strive to increase their energy supply base if they are to achieve accelerated economic development.

Basically the availability of energy in adequate amounts and appropriate mixes has a proportionally greater direct impact on the performance of the nonagricultural sector.

In addition to being an important input in the various production sectors of the economy, energy is a significant source of revenues for any government mainly through various indirect taxes, duties, and levies imposed on petroleum fuels and electricity and through income taxes paid annually by energy firms.

In the East Africa region, there has been cooperation in the energy sector for many years. However, the scale needs to be enhanced, strengthened, and diversified; this is indeed the objective and spirit of the E.A.C.

The E.A.C Council has endorsed implementation by partner states and the secretariat, cooperation activities, and programs in the areas of regional energy supply harmonization and research. Considerable work has been done in a number of identified areas including the preparation of program for the development of a Regional Energy Master Plan.

The Regional Energy Master Plan will include the following main areas of cooperation: East African Power Master Plan, New and Renewable Sources of Energy, and fossil fuels

Project preparation, implementation, monitoring, and evaluation  
US\$200,000

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### The East African Community Capacity Gap and Resource Requirements (cont.)

Organ/Dept/Section	Mandate	Capacity Gap Stated	Support Requested	Remark(s)
<b>(3) Tourism and Wildlife Management</b>	<p>The focus of cooperation in this sector is to develop a collective and co-coordinated approach to the promotion and marketing of quality tourism into and within the community; and develop a collective and co-coordinated policy for the conservation and sustainable utilization of wildlife and other tourist sites in the EAC.</p> <p>The following achievements were recorded in 2004:</p> <ul style="list-style-type: none"> <li>• Preparation and overall tourism marketing plan and strategy</li> <li>• Creation of an East African Tourism Council;</li> <li>• Preparation of criteria for the classification of hotels, restaurants, and other tourist facilities and standard guidelines for the development of non-graded establishments.</li> </ul>	<p>Project preparation, implementation, monitoring and evaluation; promotion of East Africa as a single tourist destination</p>	<p>US\$300,000</p>	

**(4) Environment and Natural Resources**

This sector is responsible for all matters relating to environment in the widest sense of the subject and natural resources in terms of management and conservation of the shared ecosystems, as well as the protection of shared aquatic and terrestrial resources.

For effectively making operational the activities of the Committee on Environment and Natural Resources, four working groups (WGs) have been formed. The WGs cover four areas: terrestrial ecosystems; aquatic ecosystems; pollution issues; and policy, legal, and institutional issues.

The following achievements were made during in 2004:

- The development of Regional Guidelines for Environmental Impact Assessment of Shared Ecosystems
- Commencement of the preparation of an EAC Protocol on Environmental Management and Natural Resources
- Harmonization of mineral policies and mining legislation and program for mountain ecosystems
- Development of water vision, water policy and an integrated water resources development strategy

Implementation of project profiles, monitoring, and evaluation.

US\$180,000

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## **12.13 EAC Secretariat Staff Training/Development Plan, 2005–2008**

### **12.13.1 Introduction**

As the EAC concludes the fourth year of its operation as a community, it faces enormous challenges, especially the need to present itself as the best option available to promote social, economic, and political development of the East African region. In addition, the individuals entrusted with the responsibility of handling the challenging task of transforming this region into a viable REC expect to acquire new knowledge, skills and experience with which to increase their competence and face the tasks ahead of them.

There is, therefore, a need to for the following:

- Provide training and development programs that meet the needs of both the individual and the organization
- Enhance the existing skills and deploy a range of ideas and skills that will lead to genuine improvements in output
- Participate in exchange programs with relevant regional and international organizations to widen experience, exchange views, and learn from those who have the knowledge and experience we desire
- Keep up to date with the ever-changing world (prepare and equip the EAC staff to face the challenges posed by both regional and global dynamics)
- Provide more positive support and motivation to the EAC staff

Training is a worthwhile investment. The EAC cannot shy away from the responsibility of developing its human resources. It can only get the best if it invests its best and consciously promotes gender balance.

The following are the priority training needs for 2005–2008 for the staff of the EAC Secretariat.

Training/Development Needs	Training Required and for Whom	Possible Training Institution	Estimated Cost	Remark(s)
<b>OFFICE OF THE SECRETARY GENERAL</b>				
Skills enhancement: parliamentary procedures	Parliamentary procedures (including preparation of bills) (counsel to the community)	RIPA, INTERNATIONAL 2005/2006;	US\$8,000	As an Ex-officio member of the Legislative Assembly, the Officer's capacity in parliamentary procedures (e.g. preparation of Council Bills) need to be enhanced.
Skills Development: Judicial and Legislative Skills	Translating Policy into Legislation (Counsel to the Community)	RIPA, INTERNATIONAL 2006/2007; (3-13 May 2006)	US\$8,000	This training will enable the Officer develop an understanding of the analytical skills required to convert policy into legislation and appreciate the way in which legislation needs to be drafted and structured.
Skills Enhancement: Enhancement of knowledge and skills in key sectors of development law	Development Lawyers Course (Legal Officer)	Rome, Italy 2006/2007; (23 February-30 April 2006)	US\$6,000	This course is designed to improve on-the-job performance in respect of skills in advising, negotiating, drafting, researching, planning, reviewing legal documents monitoring performance and alternative dispute resolution. It is also important for those involved in developing legal framework, framing of policies or drafting and /or negotiation of international contracts, treaties and agreements.

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Training/Development Needs	Training Required and for Whom	Possible Training Institution	Estimated Cost	Remark(s)
<b>OFFICE OF THE SECRETARY GENERAL</b>				
Skills Development: Policy Analysis	Parliamentary procedures Policy Analysis, Formulation and Management (Administrative Aide)	ESAMI Mombasa, Kenya 2006/2007 (5-16 September 2006)	US\$5,000	As advisor to the Secretary General, the Officer needs to be equipped with knowledge and skills for techniques of policy analysis, identifying relevant information, and techniques for policy argument and debate.
Skills Enhancement: Computer Skills	Computer Skills (Secretary)	Modern Management Institute, Nairobi; 2006/2007	US\$2,000	Upgrade of computer skills for the individual staff.
<b>OFFICE OF THE DEPUTY-SECRETARY GENERAL (FINANCE AND ADMINISTRATION)</b>				
Skills Development: Virtual Libraries	Virtual Libraries (Librarian) (Library Assistant)	ESAMI 2005/2006; 2006/2007	US\$4,500 US\$4,500	Need to equip the Library staff with skills needed in how to manage the virtual library, manipulate search engines for relevant information, information repackaging, and design and manage web pages and customized databases.
Management of documentation services and processing information	Management of documentation services in Organizations (Library Assistant)	Kenya School of Professional Studies – Nairobi 2007/08	US\$3,000	The Library Assistant assists in collecting, compiling and organizing the EAC documentation. He requires some formal training to process information in

Attachment to/Exchange of Experiences with other regional/international organizations	Facilitation and Handling of Conferences and Meetings (Conference Co-coordinator)	2 Weeks attachments at: (i) COMESA Lusaka, Zambia 2005/2006; (ii) Commonwealth Secretariat; 2006/2007	US\$5,500	This is aimed at enhancing individual capacity (skills and knowledge) in facilitating conferences and meetings. The Officer will be exposed to modern conference facilities and organizational methodologies.
Skills Enhancement: Financial Management	Financial Management of Donor Funded Projects (Accountant)	ESAMI Pretoria, South Africa Aug.-Sept. 2006/2007	US\$6,000	This program targets Senior Officers who are directly or otherwise concerned with how externally acquired financial and other resources are put to use to optimize intended objectives. The EAC, being a major recipient of development partner funds, will greatly benefit from it.
Skills Enhancement: Public Expenditure Management	Best Practices in Public Expenditure Management (Accounts Assistant)	ESAMI, Lusaka, Zambia 2-27 May/June; 2005/2006	US\$5,000	There is need to strengthen the skills of the Accounts Assistants in these areas to enable them shoulder the increasing responsibilities in the Accounts Section.
Skills and Knowledge Enhancement	Financial Planning and Control (Accounts Assistant)	ESAMI; Windhoek, Namibia 2006/2007	US\$6,000	There is need to strengthen the capacity of the Accounts Section to handle increased responsibility as the activities of the Community expand.

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Training/Development Needs	Training Required and for Whom	Possible Training Institution	Estimated Cost	Remark(s)
Strengthening the internal audit function	Visit to a Regional Organization (COMESA)	COMESA; 2006/2007	US\$6,000	Need to be acquainted with internal auditing function of other regional organizations.
	Visit the Auditors-General (Partner states) (Internal Auditor)	2005/2006 Offices of the Auditors-General (Kampala, Nairobi and Dar es Salaam)	US\$4000	There is also need to visit the Auditors General so as to acquaint the Officer with the audit processes and procedures in the Partner states. This will help improve the internal audit function of the Community.
Skills Development: Job Analysis and Job Evaluation	Job Analysis and Evaluation (Human Resource Officer)	Institute for International Research, Dubai, UAE	US\$5,000	Need for the Officer to develop job analysis and evaluation skills for the Organization to keep up-to-date with modern HR management issues.
		2005/2006 (October 2005)		
Skills Enhancement: HR Planning	Strategic Human Resource Planning	ESAMI; Mbabane Swaziland	US\$5,500	Need to enhance the Officer's information gathering and analysis skills, techniques and methods for effective HR planning.
		2006/2007; (June 2006)		
Skills Development: Human Resource Management	Managing Intellectual Capital: The Human Resource Challenge	ESAMI; Mombasa, Kenya	US\$6,300	The course will enable the Officer responsible HRM at the Community to plan EAC investment in, and maintenance of, human capital; empower the organization for appropriate "harvesting" of in-house intellectual capacity and make
		2007/2008 (July 2007)		

more effective use of intellectual capital in today's increasingly mobile and flexible HR investments.

<p>Skills Development: Secretarial Skills</p>	<p>Basic Management Development Program for Executive Assistants (1 Secretary)</p> <p>Advanced Management Development Program for Executive Assistants (2 Secretaries)</p> <p>Computer Program for Executive Assistants (1 Secretary)</p>	<p>ESAMI; Mombasa, Kenya 2005/2006; June/July 2005)</p> <p>ESAMI 2006/2007</p> <p>2007/2008</p> <p>2006/2007</p>	<p>US\$6,000</p> <p>US\$6,500</p> <p>US\$6,500</p> <p>US\$6,500</p>	<p>Need to upgrade the skills of the Secretarial Staff to enable them cope with increasing responsibilities as numbers and volume of work increase.</p> <p>Secretarial Staff to be equipped with practical managerial and administrative skills to enable them carry out their duties more efficiently.</p> <p>Need to impart advanced knowledge, skills and techniques of information technology tools relevant to modern office practice.</p>
<p>Performance Improvement: Stores Management</p>	<p>Supply and Chain Management (Stores Clerk)</p>	<p>ESAMI; ARUSHA 2006/2007</p>	<p>US\$4,000</p>	<p>As EAC expands, there is need to assist the Officer improve on his stores management and administration skills. This is a skills-enhancement strategy given the increasing workload and responsibility in the stores section.</p>

Training/Development Needs	Training Required and for Whom	Possible Training Institution	Estimated Cost	Remark(s)
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**OFFICE OF THE DEPUTY-SECRETARY GENERAL (PROJECTS AND PROGRAMS)**

Skills Enhancement: Environmental Management	Environmental Audit Program Economist (S)	ESAMI; Windhoek, Namibia 2005/2006; (5–30 September, 2005)	US\$5,500	There is need to enhance the Officer's skills in the environment field as he coordinates environmental issues at EAC. This will equip the Officer with the relevant knowledge and skills as he liaises with the different stakeholders on environmental issues affecting the region.
Skills Development: Monitoring and Evaluation	Monitoring and Evaluation of Health Programs (Health Coordinator)	AMREF International Training Centre; Nairobi, Kenya 2006/2007; 11–29 July 2005	US\$5,000	The program will provide the Officer with an in-depth understanding of the practical knowledge and skills relevant for effective monitoring and evaluation of health programs/projects and development of regional M&E systems.

Skills Enhancement: Mainstreaming Gender Concerns	Mainstreaming Gender Concerns in Development Planning and Project Management  Economist (SS)	ESAMI: Mombasa, Kenya 2005/2006 1–19 August 2005	US\$5,500	The program is aimed at strengthening the individual's capacity for gender analysis skills using several tools and strengthening practical skills in mainstreaming gender in management, policy analysis, project planning, implementation and evaluation.
Skills Enhancement: Handling of Meetings and Report Writing	Handling Meetings and Writing Reports (All EAC Professional Staff)	ESAMI 2005/2006 (two-days workshop) July 2005	US\$20,000	To enhance professional Staff's capacity to facilitating meetings and write reports.

**Proposed Budget Total: US\$190,800**

2005/2006 – US\$98,000

2006/2007 – US\$77,000

2007/2008 – US\$15,800

NB: The cost estimates include:

1. Tuition
2. Course materials/field trips
3. Consultancy fees (where appropriate)
4. Travel costs
5. Allowances





# 13

## Survey of the Capacity Needs of the Economic Community of Central African States (ECCAS)

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### 13.1 Executive Summary

Established in 1983 within the framework of the AEC, ECCAS has the overall goal of creating a common market for Central African states. For well over a decade, seven out of its eleven member states experienced military conflicts and civil strife. Between 1992 and 1997, the ECCAS experienced economic decline, deteriorating social conditions, and political instability. Consequently all efforts at regional cooperation and integration at that time came to a grinding halt.

In 1998, the Heads of States of ECCAS member countries relaunched the regional integration plan to provide the necessary dynamic to regional integration efforts. They gave the ECCAS Secretariat a more focused mandate that included seeking to develop physical, economic, and monetary integration of the subregion. Others were to enhance the region's capacity to maintain peace, security, and stability, as well as develop its capacity for analysis, policy interventions, entrepreneurial initiatives, communication, and collective negotiation. The establishment of NEPAD gave ECCAS the additional mandate to implement NEPAD's program of action in Central Africa. Above all, ECCAS took on the additional responsibility of coordinating the subregion's strategies for achieving the Millennium Development Goals (MDGs).

But for ECCAS to remain relevant, its new mandate would urgently require it to redefine its vision and mission of regional development, regional integration, and poverty reduction by identifying clearly what it wants to be in the future and how to get there.

ECCAS can be characterized not only as a region rife with military conflicts and social strife, but also one defined by very weak institutional and organizational capacity. Although it was established in 1983, its member states did not sign a free-trade area agreement until 2004. Even then, the agreement is not likely to come into force until 2006. This indecision partly reflects the member states' lack of political will to surrender part of their

respective national sovereignty to the supranational regional body, and partly because states in conflict tend to be inherently weak and indecisive.

Therefore, ECCAS is characterized further by the absence of comprehensive strategic plans, financial programming, and coherence in its annual regional plans. Not surprisingly, interregional trade stands only at around 2 percent of its total trade volume. Similarly, due to pervasive conflicts, ECCAS has failed to mobilize the necessary resources to execute its mandate. It is necessary, therefore, to make it operational to implement the free trade area agreement and embark on “quick-win regional projects” that will promote popular support for regional integration.

Despite the ongoing and soon-to-start donor-funded capacity-building programs, ECCAS has yet to create the minimum of organizational prerequisites to implement regional integration projects. This REC lacks a critical mass of competent staff members (both professional and support) to drive the regional integration plan. It is certain that the proposed NEPAD regional projects will further compound this labor shortage. The Community needs to build a formidable work force in-house; provide the staff with the necessary infrastructure; institutionalize professional training and skills upgrading; promote research, knowledge sharing, and networking; and set up a performance-based management system.

To mobilize resources necessary for regional integration, ECCAS may consider setting up a unit to deal exclusively with resource mobilization and engage consultants to study and recommend various modalities for raising funds.

ECCAS staffs need to create quality time in their busy schedules to rank and sequence their capacity needs as detailed in this study and to determine their cost implications.

## **13.2 Introduction**

### **13.2.1 Background to Central Africa**

Member states of ECCAS are located in the Central African subregion. The subregion covers about 6,666,842 square miles and includes Angola, Burundi, Cameroon, the Central African Republic (CAR), Gabon, Republic of Congo, Democratic Republic of Congo (DRC), Equatorial Guinea, Rwanda, São Tomé and Príncipe, and Chad. The region had a population estimated at 107 million in 2003, equivalent to 12 percent of the continental total, with an average annual population growth of 3.1 percent. About 70 percent of the population lives in the rural areas. In 2002, its gross domestic product was estimated at US\$38 billion, equivalent to US\$355 per capita in 2003 as against the continental average of US\$761.

The ECCAS subregion is characterized by a diversity of climates: tropical humidity and equatorial climatic features are found in the majority of

countries, as well as Sudanese-Sahelian and Sahelian Sahara climates in other countries. This in turn naturally leads to a diversity of agricultural ecology.

Six of the eleven ECCAS states—Cameroon, CAR, Chad, Congo, Gabon, and Equatorial Guinea—belong to the Central African Economic and Monetary Community (CEMAC), which is part of the CFAF zone. Three countries—Burundi, Rwanda, and DRC—are members of the Common Market of Eastern and Southern Africa (COMESA). Finally, Burundi and Rwanda have recently applied for membership in the East African Community (EAC). It will be argued later that membership by states in multiple communities tends either to duplicate each other's activities or to fail to deal with seemingly mundane issues that are nonetheless critical to the success of regional integration, believing that another REC is taking care of them. In the process, either resources are wasted or opportunities are missed, neither of which is desirable.

### **13.2.2 Economic Characteristics of ECCAS**

The Central African subregion has 2.5 million square kilometres of forest, which represents about four-fifth of Africa's forests. The subregion is also rich in mineral deposits. Angola, Cameroon, the CAR, the DRC, the Republic of Congo, Gabon, Equatorial Guinea, São Tomé and Príncipe, and Chad all have important deposits of various minerals as well as oil reserves. The DRC has great export potential in minerals, including copper, cobalt, and diamonds. The hydroelectric potential of Central Africa is so considerable that the subregion can supply electricity to the whole of Africa. In short, the region has very good economic prospects.

Despite the considerable natural-resource potential, this subregion is still one of the most underdeveloped in Africa. Military and civil conflicts, most notably in the Great Lakes region, have long prevented Central Africa from fully exploiting its abundant natural resources and rich agricultural lands. According to the 2004 African Development Report, Central Africa's contribution to the continental gross domestic product (CGDP) was only 5.8 percent in 2003. Cameroon is by far the largest economy in the subregion with a share of 32.2 percent of CGDP in 2003.

ECCAS economies predominantly produce and export a wide range of low-value primary agricultural commodities and minerals. The former includes cassava, yams, coffee, cocoa, palm oil, cotton, peanuts, and timber. These commodities are extremely vulnerable to volatility in commodity prices, declining global demand, and the substitution of new materials for traditional commodities. The minerals include oil, copper, diamonds, and aluminum. All these are mainly produced by large transnational corporations (TNCs), which tend to leave behind limited revenues to the host economies.

All ECCAS member countries, except Equatorial Guinea and São Tomé and Príncipe, are members of the WTO. This means they are committed to multilateral trade liberalization and must grant most-favored-nation treat-

ment to all their trading partners. At a subregional level, however, there is generally very weak economic complementarity in goods, services, and factors of production among partner states, resulting in extremely low interregional trade. As mentioned earlier, the share of interregional trade in the total trade stood at only 2 percent by 2004.

Economic growth in Central Africa accelerated from 1.8 percent in 1998–2001 to 5.5 percent in 2002, fuelled by partial postwar economic recovery in the DRC and oil development in Equatorial Guinea and Chad. The gross investment-to-GDP ratio for the subregion as a whole averaged 21.1 percent in 2002, with Chad securing the highest investment rate in the subregion that year. Inflation in Central Africa averaged 4.3 percent in 2002, down from 5.4 percent in 1998–2001.

### **13.2.3 ECCAS Politics and Security**

As earlier indicated, ECCAS is characterized by widespread military conflicts that play themselves out against the backdrop of deep poverty, illiteracy, and weak systems of governance. Undermined by unfavorable terms of trade, indebtedness, and administrative failures, most ECCAS states have not responded adequately to the critical needs of their citizens. In the extreme cases, insecurity in some countries has been reflected in traumatic episodes of genocide in Rwanda, state collapses in the DRC and Burundi, and numerous coup d'états in Congo, Chad, Equatorial Guinea, Burundi, and Rwanda. As is well known, extreme cases of state collapse are products of long-term degenerative politics marked by a loss of control by the relevant state over its economic and political space.

Almost a decade of civil war in Burundi, for example, destroyed much of its administrative capacity, basic infrastructure, and its nascent manufacturing base. Economic growth in the DRC turned positive in 2002 in response to some partial resolution of its civil war, ending six years of continuous economic and social decline during the war.

A few countries in Central Africa that have had relative political stability also experienced a relatively prolonged period of economic growth and prosperity. Gabon and Cameroon, for example, recorded annual per capita incomes in 2002 estimated at US\$4,220 and US\$830 respectively. The latter has managed to diversify its economy outside the oil sector. The UNDP Human Development Report for 2004 classified Gabon, Equatorial Guinea, and São Tomé and Príncipe among countries with medium human development indicators. The other countries in the subregion have not fared well. Seven of the eleven members of ECCAS were involved either in prolonged armed conflicts or in costly postconflict reconciliation and reconstruction. The resulting instability and insecurity caused by armed conflicts prevented most of the population in ECCAS countries from devoting their full efforts to economic and social development, leading to increased poverty in the re-

gion. In fact, their average human development indicators are among the lowest in the world. The same UNDP report classified Niger, Burundi, the CAR, and Chad as being among the bottom twenty countries with the lowest human development indicators.

The weak social and economic indicators of the countries in the ECCAS region are compounded by the high prevalence of HIV/AIDS. In 2002, the average prevalence rate varied between 5 and 14.8 percent in ECCAS countries. This HIV/AIDS prevalence rate has been increasing rapidly among the population aged between twenty-five and twenty-nine years. The civil wars and social strife that enveloped the region have also created conditions for the rapid spread of the pandemic. Pervasive cases of rape against women, girls, and boys accelerated the spread of the disease among the population. The economic and social consequences of the HIV/AIDS pandemic has been a considerable increase in the number of orphans, a reduction in the life expectancy at birth by five to ten years, and, above all, a negative impact on the region's human capacity.

#### ***13.2.4 ECCAS: Mandate, Structure, and Existing Capacity***

***Background Information.*** ECCAS was formally established in 1983 within the framework of the Abuja Treaty, which sought the establishment of the AEC. The Abuja Treaty called on all regions of the continent to form RECs to serve as pillars of implementation of economic integration in their respective regions. In this regard, ECCAS was established as the pillar of economic integration in Central Africa. It has the overall goal of establishing a common market of Central African states by promoting harmonious and sustainable development in all areas of social and economic activity.

According to article 4, subarticle 4.1 of the treaty establishing ECCAS, its main objectives are to promote and strengthen harmonious cooperation and balanced, self-sustained development in all fields of economic and social activity, particularly in industry, transport, and communications. Others include energy, agriculture, natural resources, trade customs, monetary and financial matters, human resources, trade, tourism, education, further training, culture, and science and technology. The list also includes movement of persons in order to achieve collective self-reliance, raising the standard of living of its peoples, increasing and maintaining economic stability, fostering close and peaceful relations among member states, and contributing to the progress and development of Africa. The treaty enjoins member states to gradually move from the Free Trade Area arrangement to a customs union by 1997.

***Early Formative Years of ECCAS.*** Early in its formative years, the ECCAS Secretariat spent most of its time and efforts commissioning prefeasibility

studies on how to implement the regional integration mandate. As indicated earlier, however, because of persistent armed conflicts and instability among most of its member states, ECCAS experienced a period of decline during which its cooperation and integration activities came to grinding halt (between 1992 and 1997). Severe conflicts tended to destroy much more than human lives: they displaced large numbers of people and destroyed buildings, ports, roads, railways, communications, and power stations. Conflicts also short-circuited the very rules and norms that keep human interactions constructive and predictable. These conflicts often targeted organizations and individuals who administered regional integration rules and wiped out most of the positive forms of social capital. More often than not, violent conflicts had the effect of switching behavior from an equilibrium, in which there is expectation of honesty and stability, to one that is corrupt and unstable. In this narrow sense, therefore, postconflict reconstruction and integration in the ECCAS subregion should be, first, an institutional challenge to restore the basic social capital within countries and within the subregion.

During this period of inactivity, the organizational environment of the ECCAS Secretariat slowly decayed and failed to meet even its payroll obligations to its professional and support staff. As a result, the total staff complement was drastically reduced from 82 employees to the current 36.

***ECCAS Relunched.*** As armed conflicts in the subregion partially abated around 1998, the Council of Heads of State and Government of ECCAS relaunched the regional integration plan in order to reinvigorate the organization. By virtue of this new imperative, the ECCAS General Secretariat got five specific additional mandates: (1) development and human integration; (2) development of physical, economic, and monetary integration; (3) development of capacity to maintain peace, security, and stability; (4) development of capacity for analysis, intervention, and entrepreneurship initiatives; and (5) communication and collective negotiation.

ECCAS's new mandate inevitably called for a rebuilding and strengthening of the institutional, organizational, and material capacities of the secretariat. It is against this background that the FAO, AfDB, EU, and ACBF have in recent years offered additional support to build and strengthen its capacity.

As some of these capacity-building efforts took off, NEPAD proposed and adopted in May 2002 a STAP. Bridging the infrastructure gap has been identified as an important element in promoting regional integration. It is almost a truism that there can be no meaningful development without trade and that there can be no trade without adequate and reliable infrastructure. The proposed infrastructure projects cover five sectors: energy, transport, telecommunications, information and communications technology, and water resource management. Each REC identified its priority STAP regional projects for implementation. The following are ECCAS's priority projects:

- Study on the Great Inga Integration-Bearing Project
- Cooperative Development of Operational Safety and Continuing Airworthiness Program (COSCAP)
- Subregional Energy Interconnection Master Plan
- Support to African Organizations in the Telecommunications and ICT Sectors
- Study on the feasibility of the development of Port of Mayumba
- Study on the feasibility of the road from Doussala to Brazzaville
- Project on the Road from Fougamou to Doussala
- Study on the feasibility of the road/rail bridge over the Congo River between Brazzaville and Kinshasa and on the extension of railways from Kinshasa to Ilebo
- Renovation of transport infrastructure in Angola and the DRC
- Support to water management in Central Africa
- MARINA project and RE-DOWE Tourist Platform
- Transport facilitation on roads from Doula to Bangui and from Doula to N'Djamena
- Study on the feasibility of the Ouesso-Souanke-Sangmelima truck road
- Project on the extension of the railway line from Franceville to Leketi

The STAP is to be complemented by more comprehensive medium- and long-term action programs, which are currently in the initial stages of development.

**Terms of Reference for the Survey.** To build and strengthen the capacity of the RECs to implement NEPAD's priority projects and execute their own core mandates, the ACBF, on behalf of the African Union Commission (AUC) and the NEPAD Secretariat, commissioned this study. Its goal is to identify the existing capacity gaps and determine the institutional and human capacity requirements of RECs for effective and efficient implementation of their primary mandate, with a particular focus on the STAP. The objectives of the survey were:

- Express a professional opinion on the nature, as well as the continuing relevance and effectiveness of the visions, missions, mandates, and objectives of the RECs, and ascertain institutional reforms that may be required to provide necessary motivation for their effective performance
- Assess the present institutional and human capacity of the RECs vis-à-vis their current visions, missions, mandates, and objectives, but more specifically as it relates to the needs of NEPAD's priority programs in the five sectors. Consequently the survey was to seek to provide a capacity profile and an estimate of the capacity gaps for each of the RECs.
- Determine for each of the RECs generic capacity requirements and those specific to their mandate and NEPAD's priority programs



- Map out ongoing projects, those in the pipeline or recently completed, support for capacity building in each of the RECs, their areas of focus, and the extent to which they are likely to close some of the capacity gaps
- Review databases or rolodex of consultants used by each REC in order to ascertain access to, and quality of, skills and competences that are not readily within reach of the RECs
- Based on the above, develop an action plan for building and strengthening the capacity of the RECs in line with the identified capacity gaps; propose institutional reforms for effective utilization and retention of capacity; and make recommendations for linking RECs to knowledge resources that could place high-level capacity at their disposal

**Methodology and scope.** The major instruments for collecting survey data were fourfold. First, we reviewed the literature made available to us by the ECCAS Secretariat. Second, we administered a structured interview on some key officials of the Secretariat. Third, we used a focus group-discussion technique to solicit ideas and information from a large group of ECCAS professionals. Finally, the mission used a physical observation technique to assess ITC infrastructure, office space provision, and the size and quality of the library collection.

Although fully aware of the subjective nature of interviews and the need for caution in processing the information obtained, the consultants had a strong conviction that interviews together with group discussion would generate rich information about stakeholders' experiences, perceptions, and frustrations on ECCAS's capacity status, gaps, order of priority, sequencing, and the cost implications.

Owing to limitations imposed by time and resources, the consultants managed to collect survey data for only three days. The first day was used to complete housekeeping chores. On the fifth day, we presented preliminary findings to the ECCAS Secretariat. It was later agreed that the Secretariat needed more time to reflect on the findings and would send detailed comments on the draft later.

### **13.2.5 ECCAS: Analysis of Existing Capacity Gaps**

As noted above, ECCAS is characterized by extremely weak institutional and human capacity and this bottleneck is bound to adversely impact on its ability to execute its current and gradually increasing NEPAD action programs. Overall, the institutional and organizational capacity of the ECCAS General Secretariat is too skeletal to execute its mandate efficiently, effectively, and sustainably. Let us examine this matter in detail.

***Institutional capacity gaps.*** Although ECCAS was formally established in 1983, member states failed to negotiate and sign a free-trade area (FTA) agreement as the first initial regional integration instrument until 1 July 2004. Even after formally signing the agreement, the FTA was not likely to come into force until 2006. This indecision is perhaps a clear reflection not only of a weak political will among member states to cede some of their national sovereignty to a supranational regional authority, but, most important, because nations that are constantly engulfed in intrastate conflicts tend to be institutionally fragile and indecisive. They remain embroiled in managing chronic political instability and insecurity while paying negligible attention to important national development issues, let alone regional integration.

As noted earlier, between 1992 and 1998, seven of the ECCAS member states were going through either military conflicts (Burundi, Republic of Congo, CAR, Chad, and Equatorial Guinea) or were involved in costly partial postconflict reconstruction phases (Angola, Rwanda, and DRC). The hands of the remaining relatively stable countries (Cameroon and Gabon) remained literally tied. Thus the pervasive conflict in ECCAS was a huge hindrance to any attempts at economic development of the region. (The EU capacity-building initiatives under the auspices of the ECCAS's Peace and Security Department will go a long way in identifying the causes of the conflict in the subregion and proposing appropriate measures to address them.) Under those inauspicious conditions ECCAS remained only in name. The new mandate would urgently require ECCAS to redefine its vision and mission of regional development, regional integration, and poverty reduction by identifying clearly what it wants to be and how it should go about it in the future.

Not surprisingly, in the absence of a redefined vision and mission or enhanced organizational capacity the interregional trade in the ECCAS region stood at a miserable level of less than 2 percent by 2004. Worse still, key member countries in the community such as Chad, the CAR, and Equatorial Guinea have absolutely no internal rail links. The free movement of goods, services, and people remains only an alien, abstract idea. The implementation of the NEPAD STAP for infrastructure will presumably seek to bridge this gap.

Formalized networking initiatives with other RECs to share information, experience, and best practices about regional cooperation and integration are few and far apart. Under the NEPAD leadership, robust inter-RECs networks will have to be institutionalized, promoted, and strengthened to encourage members to share knowledge and networks and disseminate best practices, values, and standards.

However, even after the relaunch of ECCAS in 1998 a dynamic tempo has yet to catch on in this Community. In the absence of a critical mass of a regular professional staff and financial resources, ECCAS has failed to de-

velop short-, medium-, or long-term strategic plans as well as the requisite financial programming and management. It has only managed to develop a temporary organization chart that needs to be seriously reviewed to adapt it to its expanded vision, mission, objectives, and development challenges, as well as provide an enabling internal environment for the implementation of its mandate. The current ECCAS organogram, for example, has three thinly spread departments: Human Resources, Projects and Budget Department; Human Integration, Peace and Security Department; and Physical, Economic and Monetary Integration Department. At the time of the survey, only two poorly resourced departments were in operation (i.e., Human Integration, Peace and Security; and Physical, Economic and Monetary Integration). Moreover, ECCAS has neither employee job descriptions, job classifications, or manuals on procedures. In the absence of these important operational instruments, ECCAS simply continues to grope in the dark. The anticipated alignment among its vision, mission, and mandate, on the one hand, and capacity, on the other, remains unacceptably unsatisfactory. We hope that the ongoing AfDB support will go a long way in addressing these and similar concerns.

As noted earlier, due to pervasive conflicts, instability, and lack of strategic plans, programs, and projects, as well as a skeletal secretariat, most investors tended to shy away from ECCAS. This is largely because foreign and domestic investors and risk-rating agencies tend to define countries in conflict—as well as neighboring ones—as very risky investment sites. Understandably, some donor agencies have been eager to provide every support to ECCAS's better organized, relatively stable sister organization, CEMAC, which parades five of the eleven member states of ECCAS. In recent months, for example, the World Bank just completed an institutional audit of CEMAC, which will determine its priority areas of support. The EU and France also completed institutional assessment surveys of CEMAC's peace and security needs. Regrettably, ECCAS has until very recently continued to be left behind in every conceivable aspect of regional cooperation and integration. In our view this should not be the case. ECCAS is expected to play a pivotal geopolitical role in the continental integration drive because this region is at the very crossroads of the cardinal points of the compass. The results of this survey, therefore, should be taken seriously and with great urgency.

Similarly, deeply mired in various military conflicts and social instability, ECCAS failed to mobilize the necessary intraregional resources to execute any laudable integration program. Most of the member states remained in huge arrears in the payment of their statutory contributions. As a result, ECCAS continued to fall short of basic resources not only for recruiting and retaining the right caliber of human resources, but also was chronically unable to secure even the limited financial contributions pledged by its members. For the fiscal year 2002/2003, for example, the total budget of ECCAS was estimated at CFAF 2 billion. Although only 60 percent of the budget was actually disbursed by members, ECCAS's overall work program for that year was implemented up to only 20 percent. This is yet another clear

manifestation of an extremely weak absorptive capacity of this organization.

In order to resolve its huge resources bottleneck, the ECCAS Secretariat has recently begun to initiate limited but disjointed attempts to approach potential development partners to support its activities. At the time of the survey, the AfDB had already launched a project identification mission to determine the nature of the support to be provided to it. This support seeks to build the institutional capacity of ECCAS through financing the services of a consulting firm that will undertake a review of the current temporary organization chart; this is to formulate a new chart that reflects the current mandate, mission, and objectives of the organization, as well as develop job description, job classification, and related personnel manuals. The AfDB also did it through the provision of short-term consultants, for up to twelve months, to undertake specific assignments (e.g., to establish an accounting system, project development and management, fiscal and customs matters; establish basic statistics; undertake studies on gender; provide expertise on combating drug trafficking; provide expertise on infrastructure; and establish a documentation center).

In relation to all this, some time last year the ECCAS Secretariat approached the ACBF for resources to strengthen its institutional and human capacity. This project is worth about US\$2.3 million for four years. It is an intervention that seeks to build and strengthen ECCAS's institutional and human capacity so as to spur regional cooperation and integration and poverty reduction in the Central African region. It is also to promote regional stability and good governance and to enable it to participate effectively in the global economy. The ACBF will support four experts who will undertake critical studies and train their counterparts.

Again, some time last year, the EU donated about 5 million euros to ECCAS as part of the EU's Ninth Regional Indicative Program. These resources were earmarked to build capacities in peace and security. It has facilitated the hiring of a consultant to prepare an outline on the policy of conflict prevention and the hiring of three political analysts and two technical assistants. These few and internally uncoordinated capacity-building initiatives are only a drop in the sea that is ECCAS's galloping capacity deficits. The need to hire a critical mass of permanent professional staffers can hardly be overemphasized.

Perhaps more importantly, in 2003, the Council of Heads of State and Government of ECCAS member countries adopted a revolutionary decision for an autonomous mechanism to finance regional integration. The decision calls for an annual imposition of a tax of 0.4 percent on all imports from non-ECCAS member countries and an automatic deduction of the said contributions from their accounts at the central banks. The decision has come to be known as "the Community Levy for Integration [CLI]." It has been widely applauded from different quarters as the best mechanism for garnering the resources needed by ECCAS to establish a balance between its resource base and the regional integration mandate.

To implement the decision, each member state is required to sign tripartite conventions (ECCAS Secretary-General/Governor of Central Bank/Minister of Finance). At the time of the survey, five member states, Congo, Gabon, CAR, São Tomé and Príncipe, and Chad, had signed the convention. It was to come into force in early 2006.

Not surprisingly, some new development partners have used the signing of these conventions, especially the one on the CLI, as a singular indicator of measuring the political will of the member states and as one of the principal bases for disbursing promised funding. Now the AfDB and the EU require that the CLI-related conventions be signed before the disbursement of the promised funds.<sup>1</sup> The ACBF may consider borrowing a leaf from these development partners as one of the means for inducing compliance among its partners.

According to ECCAS's initial estimates, the CLI annual contributions will amount to about US\$40 million. If paid fully and on time, these sums will go a long way in promoting the collective self-reliance and economic recovery. They will also minimize the chronic structural resource constraints from which it has been suffering. The entire staff complement would then be filled and regularly retrained, internal operational procedure manuals would then be developed and enforced, competitive remuneration schemes and incentive packages would be adopted, basic office infrastructure would be put in place, and long- and medium-term plans would be drawn up and effectively implemented. In short, at least in the immediate and short term, the basic institutional and organizational bottlenecks of ECCAS are likely to be resolved.

ECCAS currently has two office buildings: the first one is an old building that was offered by the government of Gabon to house the ECCAS Peace and Security Council (COPAX). This was important in that it helps to make operational its Rapid Alert Mechanism (MARC). The second building is a previous residential house that was acquired by the organization to house the Secretariat. Until the CLI resources became available, only marginal efforts were undertaken to transform both buildings into modern functional offices.

Yet some initial aggressive but limited measures were taken to improve

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<sup>1</sup>In fact, the AfDB imposed additional conditions on the first disbursements of its promised funds. These include the appointment of the Deputy Secretary-General of ECCAS in charge of the third Department of Physical, Economic, and Monetary Integration; the signing and application by at least six member states of the CLI agreements and the payment of outstanding arrears; and the signing and application by all member states of these agreements by December 2005. If all these conditions are not fulfilled, the AfDB will suspend the payment of the funds earmarked for ECCAS capacity development.

the working environment at ECCAS. For example, employees no longer had to go to private Internet cafés to send and receive official mail. Furthermore, all of the 17 professional staff members have been trained in basic computer applications. In addition, some financial, administrative, and accounting operations were gradually computerized. Currently ECCAS has a total of 23 PCs, 23 printers, 2 photocopier machines, and 2 laptops. All computers are connected to the Internet (with 512 bandwidth). ECCAS has a website ([www.ceeac-ecas.org](http://www.ceeac-ecas.org)). It also has an e-mail address ([ceeac.orgsr@inet.ga](mailto:ceeac.orgsr@inet.ga)). Despite these encouraging moves, ECCAS has neither a relevant database nor a library facility, and it does not contribute to relevant e-journals and reports. In fact, ECCAS professionals hardly participate in the world of knowledge production, exchange, and distribution. This sorry situation is unacceptable and should be changed immediately.

**Organizational capacity gaps.** Despite completed, ongoing, and the soon-to-start donor-supported capacity-building projects, ECCAS has yet to create the minimum organizational prerequisite to implement its expanding regional integration mandate effectively, efficiently, and sustainably. As noted earlier, due to the pervasive insecurity in the Central African subregion, it was reported that eight out of seventeen professionals spend most of their time in conflict management-related activities. These activities include shuttle diplomacy by eminent persons to defuse conflicts before they degenerate into violence and massive destruction; conflict management; and post-conflict reconciliation and reconstruction.

At the time of the survey, the following observations were made on some of the most critical organizational gaps in ECCAS:

- ECCAS suffers from a chronic shortage of competent staff members (both professional and nonprofessional) to drive the regional integration. In fact, the proposed NEPAD projects will inevitably compound the already precarious staffing levels. As pointed out earlier, ECCAS has a staff complement of 36 employees of whom seventeen are classified as professionals,<sup>2</sup> four are long-term consultants (all men), and fifteen are classified as support personnel

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<sup>2</sup>They include 1 Secretary-General, 2 Assistant Secretaries-General, 1 director of cabinet, 1 cabinet advisor, and 12 professionals. Of these two hold PhDs, 12 master's degrees and 3 have various advanced military training. Moreover, there are 2 economists, 2 political scientists (1 with advanced agricultural training), 1 engineer, 1 lawyer, 1 communications expert, 1 trade law specialist, and 1 international economist. Finally, all professionals speak French, two speak English and French, and six speak French and Portuguese.

(different genders).<sup>3</sup> The Secretary General and two Deputy Secretaries-General are usually political appointees. The professional staff are recruited via a national quota system but based on a competitive mechanism. In both cases, there is no stipulated provision for gender representation. The support staff are recruited on a competitive basis at a national level. No mention is made about gender balancing in the recruitment process.

- It was further revealed during interviews, that without considering the proposed NEPAD projects, ECCAS would need a minimum of 96 employees, of whom 77 would be professionals of complementary skill configuration and gender mix, as well as 19 support staff. It is also envisaged that all professional categories would be supplied with the necessary equipment for research, communications, and networking. It was also revealed that ECCAS would need to recruit short- and medium-term consultants drawn largely from regional universities and research and consultancy institutes to execute occasional nonroutine tasks related to the various NEPAD projects.<sup>4</sup>
- The ECCAS Secretariat will require creating the position of NEPAD Focal Point in the Office of the Executive Secretary. Given that the ECCAS and NEPAD programs are congruent, the actual execution of the ECCAS/NEPAD programs will be carried out by member states with the support of the relevant departments in the Secretariat. The appointment of the NEPAD Focal Point in the Office of the Executive Secretary will send a clear signal to the Secretariat staff and to the member states that ECCAS considers NEPAD projects a top priority, as endorsed by the Heads of State.
- As pointed out earlier, all professional staff members have recently been supplied with modern computers, laptops, and basic computer accessories. They have acquired basic computer skills and are increasingly using Internet services for communications and occasional research activities. However, given the acute shortage of their staff complement, ECCAS professionals have neither the time nor luxury to undertake the necessary research, professional skills upgrading, or networking with other RECs and other stakeholders. It is our conviction

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<sup>3</sup>They include 7 secretaries, 1 photocopy machine operator, 1 accounts clerk, 3 messengers, and 3 guards.

<sup>4</sup>It was emphasized repeatedly that a critical mass of complementary professional staff would be able to effectively implement its strategic plans, evaluate its own internal needs, monitor consultants, collect and analyze data on regional projects, promote communication with regional and extra-regional stakeholders (e.g., AU, UN, NEPAD, AfDB, EU-ACP), and network with universities and research centers.



tion that ECCAS needs to be supported to provide specialized training for the professional staff and management training for all managers.

- We observed that the salaries and benefits of the professional staff were generally favorable even though they could be a lot better. They were not competitive with those of similar RECs. Members of the support staff did not enjoy adequate benefits, if any at all. It is important that as the CLI comes into force, salaries and benefits for all employees should be revisited. Fair and competitive employee incentives and remuneration packages create a climate conducive to hard work and efficiency, and induces retention.

**Financial autonomy gaps.** As currently constituted, and despite the adoption of the CLI, ECCAS lacks the capacity to mobilize and absorb financial resources from the private sector and development agencies. This gap is manifested by the following inadequacies:

- Overdependence on limited member states' contributions and donor grants
- Inability to coordinate and harmonize donor-driven capacity-building initiatives
- Inability to sustain donor-funded projects
- Inability to fully absorb funds made available

### **13.2.6 ECCAS Capacity Needs and Cost Implications**

On the whole, there has been a growing political commitment by the ECCAS leadership to reenergize the community. As noted above, among the major steps taken in this direction were the relaunch of ECCAS, the recognition that it was lagging behind all other RECs in the integration and the introduction of the CLI to address its chronic financial handicap. Furthermore, the Community recognized the central role it was to play in implementing the MDGs and NEPAD priority projects, as well as several other development initiatives launched in recent years. Further still, there has been an increasing interest shown by bilateral and multilateral donor agencies in supporting various ECCAS development initiatives. Finally, there is the AU's official designation of ECCAS as the pillar in Central Africa on which integration will be built. ECCAS should seize these reassuring windows of opportunity to achieve the dream of regional integration, accelerated economic growth, sustainable development, and democratic governance. However, ECCAS will need assistance over the next three to four years to create and strengthen its capacity to manage NEPAD projects as well as to reinforce its own programs. The cost implications of all these activities, however, have yet to be determined.

For ECCAS to meet its new challenges and to become a performing institution, it will need to take a number of actions to consolidate its internal



structure; strengthen the Office of the Executive Secretary in order to better define the institution's corporate strategy, business plan, and corporate priorities, and to align its programs with those of NEPAD; immediately fill critical professional staff positions; and develop an efficient information system, which requires equipment and new software. Others are to enhance ECCAS communication capacity with the civil society and private sector on the regional content and implementation of NEPAD; develop more transparent and streamlined administrative and financial procedures; and revise staff incentive schemes and staff evaluation systems. More specifically, the following actions will have to be taken.

First, ECCAS would want to establish immediately a position of the NEPAD Focal Point. The functions of the focal point are as follows:

- Harmonizing NEPAD and ECCAS programs and coordinate their implementation
- Monitoring activities of the NEPAD national focal points
- Participating in technical NEPAD meetings with the NEPAD Secretariat and lead agencies
- Identifying resources of the NEPAD programs in close collaboration with ECCAS Finance Department

The cost of establishing and running the NEPAD Focal Point for three years, including allowances, support, and travel, however, have yet to be determined.

Second, the ECCAS Secretariat has an extremely weak human capacity base. Its present organogram is too thinly spread to support the execution of the growing mandate of the organization. Its ability to meet its current mandate and to execute NEPAD projects will be severely compromised. There is an urgent need to mobilize resources to strengthen its capacity to manage the NEPAD program and reinforce its other programs. This will require hiring a consultant to determine the immediate and short-term human resource needs, prioritization, and their cost implications. The ensuing recruitment process and retention should, as far as possible, adhere to the time-bound gender-balancing targets. However, the cost implications of undertaking the above tasks have yet to be determined.

Third, an efficient and effective ECCAS Secretariat will also require an institutionalized professional retraining and skills upgrading for its entire professional staff. It will also be important to develop repositories of knowledge acquired in order to ensure institutional memory. It is recommended, therefore, that the ECCAS Secretariat mobilize resources for hiring a consultant who will advise on various employee training and skill upgrading programs as well as their cost implications. However, the cost implications for undertaking staff training are yet to be determined.

Fourth, a dynamic REC Secretariat ought to be a permanent learning institution. Without information, knowledge, and adequate competences in development issues at national, subregional, and regional levels, ECCAS cannot effectively exercise its influence on the social economic integration of the region. In this regard, all of ECCAS's professional staff should be encouraged to participate in institutionalized knowledge production, distribution, exchange, and networking. Relatedly, there is need for the ECCAS to build strategic partnership with relevant universities, research institutes, and think-tanks from which to pool the necessary expertise and knowledge resources. It is recommended, therefore, that the ECCAS Secretariat mobilize resources for hiring a consultant who will determine the requisite databases to be designed and the cost implications. Again, the cost implications for hiring the services of such a consultant have yet to be determined.

Fifth, the integration process in the ECCAS subregion has to be perceived, undertaken, and/or seen to be a participatory development. The African people and their grassroots organizations must fully participate in the decision-making process. It is hereby recommended that efforts be made to mobilize resources for hiring a consultant to undertake studies that will identify organic structures that would assist in mainstreaming the participation of grassroots organizations in ECCAS deliberations, policies, programs, budgets, decision-making processes, and cost implications. Once again, the cost implications for the participation of grassroots organizations in ECCAS activities have yet to be determined.

Sixth, a dynamic organization usually provides clear and unambiguous organizational systems to ensure the implementation of its mission. Some of these systems include management information systems, control systems, and reward/penalty systems. Such systems provide an objective yardstick for performance scoring of employees and tend to motivate employees to contribute to the best of their abilities, as well as helping the employer to reward the best and punish the indolent. There is an urgent need, therefore, to mobilize resources for hiring a consultant who will advise on the management systems to be developed and implemented as well as the cost implications. Again, the cost implications for hiring the services of such a consultant have yet to be determined.

Finally, the survey amply revealed that ECCAS has a very weak resource mobilization and absorptive capacity. The weak financial position shows in the capacity gap manifested by chronic prevalence of arrears in member's dues, overdependence on limited members' contributions, and uncoordinated donor support. The weak absorptive capacity gap also manifests itself in the inability to fully execute planned activities. To mobilize the resources necessary for regional integration, ECCAS should find the means to hire a consultant to do the following:

- Advise on institutional mechanisms for dealing with resource mobilization matters
- Study and recommend various modalities of resource mobilization strategies.

Once again, the cost implications for the above services are yet to be determined.

### ***13.2.7 Recommendations***

The study has documented deep capacity weaknesses both institutionally and organizationally within ECCAS. Some of these weaknesses require immediate attention, while others can be addressed later. However, ECCAS has to create quality time to rank and sequence the capacity needs identified by this study as well as to determine the cost implications.

# 14

## Survey of the Capacity Needs of the Economic Community of West African States (ECOWAS)

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### 14.1 Executive Summary

ECOWAS was established in 1975 with the primary objective of promoting cooperation and achieving market integration. ECOWAS has internalized NEPAD/AU programs and projects as the most appropriate instrument for the promotion of rapid and sustainable regional socio-economic development. Its performance as a REC in implementing the projects has been satisfactory. However, the ECOWAS Secretariat is hampered in its implementation of regional projects by a lack of supranational authority.

Equally important, since member states are the ultimate implementers, their political will and capacity are as critical if not more critical than that of the Secretariat for the success of the projects, including those of NEPAD/AU.

The ECOWAS Secretariat, at top management and in professional cadres, does not have the critical mass of staff or the minimum human capacity required to run its programs or implement its growing mandate effectively. Because of this, it relies on donor support to hire consultants to fill part of the human capacity gaps. It does not have well-developed databases of the expertise available in the region's universities, research institutions and consultancy firms. Furthermore, the Community has no planned training programs to update the skills of its staff. The conditions of service are not good enough to compel increased productivity and efficiency.

The ECOWAS ICT infrastructure and databases are still relatively underdeveloped. The administrative and financial support systems have not been upgraded or modernized to enable the organization to meet the challenges of its expanded mandate for greater mobilization and a more efficient management of resources. These bottlenecks have limited its capacity to absorb committed resources. This difficulty has led ECOWAS to establish a pool fund. The Community is also constrained by inadequate equipment and fiscal facilities to implement regional integration programs and projects.

In order to respond to the immediate needs and address the short-term capacity needs of the Community, there is a need to:

- Build administrative and financial management and resource mobilization systems
- Establish a financial management reporting system
- Build an effective mechanism for collecting ECOWAS funds, especially the Community levies
- Establish a strong and adequate staff analysis and strategic planning mechanism
- Establish a multidiscipline division to prepare regional infrastructure project proposals
- Establish networks and databases of experts from regional academic and research institutions in areas that are critical to the implementation of NEPAD/AU projects

## **14.2 Introduction**

ECOWAS was established in 1975 with the primary objective of promoting cooperation and achieving market integration in West Africa. The REC currently comprises of fifteen member states: Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo. Eight of ECOWAS members—Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo—constitute the subregional grouping of UEMOA. In population, ECOWAS is the largest REC in Africa. With the exception of Nigeria, which is an oil-producing country, the economies of the ECOWAS member states are heavily dependent on agriculture. A major characteristic of the ECOWAS region is poor interconnectivity of member states, which has been due largely to the underdevelopment of regional infrastructure. This has had adverse implications for the objective of market integration.

## **14.3 Current Mandate of ECOWAS**

Over the years, the initial market integration mandate of ECOWAS has been expanded to deepen regional integration and meet new developmental challenges. While market integration remains a core element of the expanded mandate, its other key programs include peace and security, infrastructure development, and monetary integration. The ECOWAS Treaty was revised in 1993 to reflect the new mandate. The implementation of a number of new development initiatives, such as the NEPAD, MDGs, and regional PRSP, constitutes part of the expanded mandate of the REC.

#### 14.4 ECOWAS NEPAD STAP Projects

ECOWAS has internalized NEPAD program as the most appropriate instrument for the promotion of regional integration and the achievement of rapid and sustainable socio-economic development. Reiterating its commitment to the objectives of NEPAD, the Assembly of Heads of State and Government of ECOWAS at the Extraordinary Summit held in Yamoussoukro in May 2002, adopted a declaration and a plan of action for the implementation of NEPAD and designated ECOWAS as the coordinating and monitoring body for the implementation of the program in West Africa.

The following are the ECOWAS priority projects under NEPAD STAP:

- Energy
  - West Africa Gas Pipeline
  - West African Power Pool
- Transport
  - Railways Development
  - Road Transport Facilitation
  - Implementation of Yamoussoukro Decision (YD)
- Telecommunications
  - Infrastructure Backbone Development
  - Harmonization of Policy/Framework
- Capacity Building
  - Establishment of a Project Development and Implementation Unit (PDW)
  - Modernization of Regional Procedures and Monitoring Mechanisms (ICT)

This chapter identifies and provides an evaluation of the capacity needs of ECOWAS that should be met in the short to long term to speed up the implementation of its programs, including the NEPAD Infrastructure STAP key projects, which ECOWAS has internalized. Capacity building on a sustainable basis is critical for the achievement of the objectives of ECOWAS and attainment of regional integration and accelerated development in West Africa.

#### 14.5 ECOWAS: Program Implementation Structure and Evaluation of Existing Capacity

The Executive Secretariat is the key organ of ECOWAS whose primary role is to facilitate, coordinate, and monitor the implementation of the mandate of the REC. Unlike the Commission of the EU, the Secretariat is not endowed

with any supranational authority for implementing programs and projects. Member states are the ultimate implementers whose political will and capacity are as critical as, if not more critical than, that of the Secretariat for the success of programs and projects, including that of NEPAD.

Although the mandate of ECOWAS has expanded from its initial focus of market integration, both the size and structure of its Secretariat have not adequately reflected the growth of the mandate. The Secretariat is structured into 14 major departments: Economic Policy, Trade and Customs Policies, Human Development, Agriculture and Rural Development, Infrastructure and Industry, Community Computer Centre, Political Affairs, Defence and Security, Humanitarian Affairs, Legal Affairs, Finance, Audit, Administration, and Communication. The Secretariat has about 300 established posts, many of which were frozen for a long period. Although a recruitment exercise to fill vacant posts commenced in 2004, the Secretariat still has about 40 important posts to fill, many of which are in the professional cadres that are essential for the effective implementation of priority programs and projects.

In the top management of ECOWAS Secretariat, are the executive secretary and four deputy executive secretaries. This lean structure at the top is in sharp contrast to UEMOA, a sub-REC within ECOWAS, which focuses mainly on monetary and market integration and caters to just one linguistic group of countries in West Africa and yet has seven commissioners and a president. The ECOWAS Secretariat, both at the levels of top management and professional cadres, does not have the critical mass or the minimum number of staffers to effectively run its programs or implement its growing mandate.

ECOWAS has had to rely on donor support from some of its development partners to engage consultants to fill part of its human capacity gaps. With the internalization of the NEPAD program by ECOWAS, and the building of good relationships with partners, some of the latter have financed the recruitment of 11 NEPAD consultants in the areas of trade, transport, macro-economics, political affairs, human development, agriculture, telecommunications, private sector, NEPAD coordinator, and corporate strategic planner. Capacity-building support in the area of international trade negotiations has been provided by the ACBF.

Although consultants funded by donors have been useful for filling some capacity gaps, they have been inadequate to meet all the critical human capacity needs of ECOWAS. There are key programs that have not benefited. Moreover, heavy reliance on externally funded consultants is not sustainable in the long run and, hence, cannot be a substitute for equipping the ECOWAS Secretariat with the minimum critical level of regular and permanent staff members to implement its mandate. In recognition of this, the ECOWAS strategy is a gradual buildup of the permanent staff strength,

which includes the absorption of consultant positions into its regular budget after three years of external assistance. ECOWAS makes recourse to regional expertise to supplement the technical capacity of the Secretariat. However, there is still no well-developed database of the expertise available in regional universities, research institutions, and consultancy firms. To remedy this, a network of research think-tanks is currently being developed and coordinated for ECOWAS by CODESRIA, a research organization based in Dakar, Senegal.

The inadequacy of human capacity at the ECOWAS Secretariat has been compounded by the lack of training programs to update the skills and enhance the productivity of existing staff members, including professionals whose fields are characterized by rapid advancement of knowledge. There are staff members of the Secretariat who have not benefited from any training or skill enhancement program for over a decade. ECOWAS lacks a strategic training policy that articulates medium-term human development strategy.

The working conditions at ECOWAS are not conducive for the achievement of increased productivity and efficiency. Until salary scales were adjusted in 2004, they were frozen for a long period. The absence of an incentive-based reward system has had the effect of lowering staff morale. The provision of computers for the professional staff is only a recent development. The necessary software tools are still not available. Few of the professionals have direct telephone lines for effective networking with partners. There is also the problem of inadequate office space at the Secretariat, which has been a factor in the slow process of filling existing vacancies. A temporary solution has been found in the leasing of an office block elsewhere in Abuja.

A major problem with ICT infrastructure and database development in ECOWAS has been keeping to the scheduled implementation of the blueprint for ECOWAS computerization. As a result, the organization has been under pressure to acquire servers for special needs and provide ad hoc IT solutions that have become unwieldy over time. There is a need to adhere to the planned comprehensive approach to connectivity and database development and to develop database blueprints for various sectors such as trade, education, energy, and health. The Department of Community Computer Centre, which currently has four principal program officers and two program officers on its regular staff—a rather top-heavy structure—does not have adequate human capacity to implement this ICT development agenda. Recruitment of short-term contract personnel to fill capacity gaps has not provided a durable solution to the problem.

The administrative and financial support systems have constituted a major area of capacity constraint for ECOWAS. These systems are being upgraded or modernized under a short-term institutional capacity-building program with the assistance of the ECOWAS development partners. It is to



enable the organization meet the challenge of its expanded mandate for greater mobilization and more efficient management of resources.

Since 2002 when the ECOWAS Assembly of Heads of State and Government committed itself to the implementation of NEPAD, the REC has been holding annual meetings with donors at which the latter identify the programs and projects they wish to fund in the ECOWAS action plans. Thematic donor groups, which are expected to meet once a quarter, have been set up for peace and security, infrastructure, trade, and institutional capacity building. Through these efforts and as a result of the perceived success of ECOWAS in the area of conflict resolution, the UN system (including the FAO, UNIDO, and UNIDCP), the World Bank, AfDB, ACBF, EU, and such bilateral donors as Canada, France, the UK, and the United States, have committed themselves to providing financial resources to support capacity building for the implementation of ECOWAS programs and projects.

From 2001 to mid-2005, ECOWAS has been able to secure financial commitments to the tune of US\$472 million to implement projects in peace-keeping, capacity building, energy, telecommunications, transport, trade, and early warning systems. However, bottlenecks in ECOWAS support systems (administrative and financial) have limited its capacity to absorb the committed resources. The REC has difficulty meeting the different and complicated procedures and requirements of donors for fund disbursement, monitoring, and reporting. This difficulty has led ECOWAS to propose the idea of a pool fund, which will be administered by a common set of procedures and requirements. So far, only three donors—the Canadian International Development Agency, DfID of the UK, and the government of France—have agreed to participate in the proposed pool fund to the tune of just US\$4.1 million dollars.

The deficiencies in the ECOWAS administrative and financial management and resource mobilization systems, which are being remedied for a more effective and efficient implementation of programs and projects, include the following:

- Absence of standard procurement and recruitment procedures in the Secretariat
- Limited interactions and communication among departments and program managers due to lack of interdepartmental communication in the Secretariat
- Absence of financial management systems such as a fixed asset management manual for the control and the taking of inventory of fixed assets
- Lack of a regulation-driven financial reporting system
- Absence of a well-developed facility/mechanism for financing regional cross-country projects, especially the NEPAD infrastructure projects

- Inadequacy of the machinery for mobilizing external resources for the implementation of programs and projects: two uncoordinated and understaffed units, one located in the Economic Policy Department and the other in the Finance Department, are currently responsible for such resource mobilization
- Absence of an effective mechanism for collecting and managing ECOWAS own resources, especially the recently introduced CLI

Apart from the deficiencies in the administrative and financial management systems, there are some other institutional capacity gaps in the ECOWAS Secretariat, which have limited its effectiveness. ECOWAS does not have a strong and adequately staffed and equipped policy research and strategic planning division to prepare, monitor, and evaluate the implementation of a coherent and integrated overall medium-term strategic/business plan for the Community. Also absent from the ECOWAS structure, in spite of the REC's emphasis on infrastructure projects, is a strong division that is capable of preparing infrastructure master plans, and developing and preparing infrastructure project ideas to the level that they become bankable and attractive for funding. Although a 3 million euro NEPAD Project Preparation and Study Facility has been created by the AfDB and DBSA for the preparation of studies and the assessment of the feasibility of NEPAD projects, limited use of this facility has been made by the RECs, in part because the AfDB that is managing the facility does not have an adequate staff to make it effectively operational.

Given that member states are the real implementers of regional integration programs and projects, the building of capacity at the national levels is as crucial as the strengthening of the capacity of the Secretariat for the attainment of the objectives of ECOWAS. In ECOWAS, as well as in many other RECs, member states are lukewarm to the regional integration agenda. For example, the ECOWAS countries are slow in ratifying protocols and conventions, or ensuring their application. Member states, including the various stakeholders therein, need to be assisted and sensitized to internalize and implement regional programs and projects. In ECOWAS, the key institutional framework for achieving this objective is the national focal points/national coordinating committees (NCCs). Connectivity between these points and the ECOWAS Secretariat is currently inadequate. Many of the NCCs are poorly equipped (lacking basic equipment such as computers, printers, etc.) and inadequately staffed. Their linkages with the ECOWAS Secretariat and stakeholders in their respective countries have not been sufficiently strong. These capacity constraints have limited the effectiveness of the national focal points as instruments for promoting and implementing the ECOWAS regional integration agenda.

#### **14.6 The Capacity Needs of ECOWAS: Human and Institutional Dimensions**

The expanded mandate of ECOWAS remains relevant. Effective implementation of this mandate is crucial not only for improving the living conditions of the peoples of West Africa, but also for attaining the broader objectives of African integration and development, as set out in the Constitutive Act of the African Union and the NEPAD foundation document. The analysis in the preceding section reveals some significant gaps in the capacity of ECOWAS to implement its programs and projects.

While ECOWAS has been relatively successful and has served as a model for other RECs in some areas, such as the free movement of persons and conflict prevention and resolution, its performance in other critical areas has not been as commendable. A good example of the latter is the limited progress made in the implementation of the ECOWAS trade liberalization scheme. The original mandate of the REC, as noted earlier, was to achieve market integration in West Africa through the promotion of free intra-regional trade. In pursuance of this objective, a trade liberalization scheme, expected to be fully implemented by 2000, was launched in 1990. As of now, nearly five years after the deadline set for the completion of the scheme, little progress has been made toward its achievement of a free trade area. Significant tariff and nontariff barriers still impede the flow of intra-ECOWAS trade, which is currently at a relatively low level of about 11 to 13 percent.

On the implementation of the NEPAD STAP projects, which constitutes a key component of the expanded mandate of ECOWAS, progress has also been slow. The major exception to this assessment of poor performance is the West African Gas Pipeline, where significant progress has been made toward solving the main commercial and contractual issues, following which a Regional Gas Regulatory Body has been established. Also, the Department of Agriculture and Rural Development has collaborated with stakeholders, such as UEMOA, the Africa Rice Center (WARDA), and the International Institute of Tropical Agriculture (IITA) to develop a regional agricultural policy and medium-term plan of action as a tool to implement NEPAD agricultural projects in West Africa.

While it is to be expected that the implementation of huge regional physical infrastructure projects such as in the NEPAD STAP would take time (the period between feasibility and implementation being sometimes longer than five years), the implementation of the software components of the projects (e.g., the preparation of feasibility studies and the establishment of the institutional and regulatory framework for the coordination and mobilization of stakeholders) should not take that long. That it has been so in the case of ECOWAS can be attributed largely to the gaps in the capacity of the REC.

The capacity needs of ECOWAS that must be met, if it is to effectively and efficiently implement its mandate and achieve its objectives, can be classified into three major groups: institutional, human, and equipment and other physical facilities. They can also be grouped into short-, medium- and long term.

#### **14.6.1 Institutional Capacity Needs**

There is an urgent need for the institutional transformation and restructuring of the ECOWAS Secretariat. This is being addressed through the establishment of the following:

- A strong and adequately staffed Policy Analysis and Strategic Planning Unit to serve as a think-tank and provide technical and advisory support in policy formulation, undertake some high-quality policy research in-house, and prepare an integrated medium-, long-term strategic plan for the Secretariat. This unit could serve as the overall focal point for the coordination, monitoring, and assessment of the implementation of the REC's mandate
- A strong multidisciplinary unit to prepare regional infrastructure project proposals and undertake (with the support of outside consultants where necessary) technical feasibility studies, with a view to taking project proposals to a level that they become bankable and attractive for funding and implementation
- A Treasury Unit in the Department of Finance to be manned by professionals with requisite qualifications and experience in accounting and finance, to improve the collection, management, and utilization of ECOWAS own resources, especially the CLI
- An integrated Resource Mobilization Unit located in the Office of the Executive Secretary or the Finance Department to serve as the focal point for cooperation with external donors
- A mechanism for financing cross-border infrastructure projects. An instrument such as the special-purpose vehicles, being proposed by COMESA, could be considered by ECOWAS
- A strong Outreach and Information Unit in the Office of the Executive Secretary, to assist the national focal points/national coordinating committees and the various departments of the Secretariat, in mobilizing the support of stakeholders in member states for the speedy and effective implementation of regional integration programs and projects

The planned creation of networks and databases of experts and regional academic and research institutions in areas that are critical to the implementation of

the programs and projects of ECOWAS should complement the establishment of the new units of Policy Analysis and Strategic Planning, and Project Development and Implementation. The conclusion of a memorandum of understanding with the ACBF to use its TAP-Nets could be part of this institutional capacity-building effort.

The strengthening of the institutional capacity of the ECOWAS Secretariat also requires improvement in the administrative and financial management systems that should include:

- The introduction of standard recruitment procedures
- A regular review of salary scales and application of an incentive-based reward system

#### ***Immediate and short term***

- Computers, including accessories and relevant software application tools for all professional staff members
- Direct telephone and fax machines for all directors of departments and heads of divisions
- Photocopying machines and multimedia projectors for all departments
- Computer accessories and applications software, photocopying machines and multimedia projectors for the Secretariats of all NCCs
- ICT equipment, including VSAT, in all member states, for the modernization of the ECOWAS Management Information System (ECOMIS) and the ECOWAS Wide Area Network (ECOWIDE)

#### ***Medium and long term***

- Direct telephone lines for all professional and senior staff members at the Secretariat
- Additional office space at the headquarters of the Secretariat

#### **14.6.2 Conclusions and the Cost Implications of Meeting ECOWAS Capacity Needs**

The goodwill that the NEPAD program has generated in the international community (as is evident in the continuous and intensified engagement of G-8 and OECD countries with African leaders and the commitment to the implementation of NEPAD), the institutional framework that ECOWAS has established for dialogue with development partners on how best to implement its NEPAD and integration programs and projects, and the current efforts of ECOWAS to generate more own resources through the introduction of the CLI all indicate that financing its capacity needs should not be a major problem for ECOWAS.

The estimated costs of meeting some of its capacity needs that have been identified in this report are as follows:

Institutional support and building of the NCCs in the 15 ECOWAS member states over the next three years	US\$5,203,500
Program on connectivity of all the member states	
National Statistical Services (Funding Gap)	US\$200,000
Modernization of ECOWAS ICT infrastructure and procedures (including ECOMIS and ECOWIDE)	US\$4,500,000
Office equipment (Finance Department)	US\$50,000
• Preparation of a Fixed Assets Management Manual and undertaking an Inventory of ECOWAS Secretariat's fixed assets	US\$200,000
• Review of ECOWAS tender rules and procurement Procedures	US\$150,000
Development of a Medium-Term Budgeting System	US\$200,000
Training of Finance/Audit Staff in financial management	US\$150,000
<b>Total</b>	<b>US\$10,653,500</b>

Capacity building for any organization must be a continuous exercise. This is particularly the case for RECs such as ECOWAS whose mandates keep changing in response to new challenges. Retention and effective utilization of existing capacity is as important as adding new capacity for the implementation of programs and projects. Many of the proposals contained in this report, such as the regular training of the existing staff, the introduction of an incentive-based reward system, the modernization of administrative and financial management systems (including a fixed-assets management manual), and the provision of a conducive working environment (including the necessary equipment) to the staff could contribute in no small measure to the effective utilization and retention of the existing capacity of ECOWAS.

#### 14.7 Sources of Information

The identification and assessment of ECOWAS's capacity-building needs have been based on information obtained from various sources. These include books and journal articles on ECOWAS, official reports and publications of ECOWAS, ECOWAS website, and response to the questionnaire prepared by the ACBF consultants on the capacity needs of ECOWAS. Others include discussions and interviews by the consultants with the deputy executive secretary, directors, and staff members of the ECOWAS Secretariat, as well as with the officials of the ACP Secretariat and EU Commission Directorate General for Development, during field missions undertaken to Abuja and Brussels.



# 15

## Survey of the Capacity Needs of the Intergovernmental Authority on Development (IGAD)

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### 15.1 Executive Summary

The Intergovernmental Authority on Development (IGAD) has a membership of seven countries (Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, and Uganda). Its current mandate, as set out in article 7 of the Agreement Establishing the Authority, includes promotion of joint development strategies and the gradual harmonization of macroeconomic policies in the social, technological, and scientific fields; the harmonization of trade, customs, transport, communications, agricultural, and natural resources policies; the promotion of programs and projects for sustainable development of natural resources and environmental protection; the development and improvement of a coordinated and complementary infrastructure, particularly in the area of transport and energy; and the promotion of peace and security.

In pursuing the rapid and sustainable development of the IGAD, the subregion has accorded high priority in its strategic plan to the implementation of NEPAD STAP projects in transport, energy, and telecommunications.

The implementation of IGAD's mandate, including its NEPAD STAP priority projects, is hindered by a variety of human, institutional, physical, and financial capacity constraints:

- Shortage of professional staff members with relevant skills and experience to implement programs and projects in all the key areas of mandate. The IGAD Secretariat has only 22 professional personnel; many programs in such key areas as health and HIV, education, tourism, accounting and auditing, political affairs, gender, legal affairs, project evaluation, and investment analysis currently have no qualified and experienced professional staffers to manage them.
- Absence of a training and human development policy and program to upgrade the skills of the existing staff



- Inadequate knowledge base as reflected by the absence of a modern library that is well stocked with up-to-date books, periodicals, and journals
- Lack of a well-staffed and equipped multidisciplinary division that can serve as a think-tank of the IGAD Secretariat for long-term strategic planning, as well as for the planning, coordination, and monitoring of the implementation of programs and projects
- Heavy dependence on donor resources—which are often unpredictable—for the funding of programs and projects
- Lack of effective mechanisms and instruments for the mobilization of resources from member states and donors and for the financing of regional programs and projects
- Weakness of IGAD focal points in member states and an absence of an IGAD program for mobilizing and sensitizing stakeholders in member states for the achievement of IGAD objectives, as well as the lack of a framework for stronger networking and sharing of experiences among stakeholders
- Absence of video conferencing and intranet facilities for linking the Secretariat with member states and other RECs with which IGAD has overlapping memberships and mandates.

The capacity needs of IGAD that require urgent attention include:

- Recruitment of the following personnel:
  - Expert in health, HIV, and social development
  - Specialist in industry and tourism
  - Legal expert
  - Gender affairs specialist
  - Professional qualified in accounting and audit
  - Macroeconomist
  - Political affairs specialist to reinforce the peace and security division
  - At least one expert in project evaluation and investment analysis
  - Resource mobilization expert
- Development of a training policy and adoption of a well-funded training program for upgrading the knowledge of IGAD staff on a continuing basis
- Establishment of a mechanism for job evaluation and staff monitoring at IGAD
- Establishment of IGAD offices in member states for the mobilization of support and the monitoring of implementation of IGAD programs and projects

- Creation of appropriate institutional framework for strategic planning, resource mobilization, and project preparation analysis monitoring and evaluation
- Enhancement of the knowledge base of IGAD
- Procurement of ICT infrastructure equipment for the enhancement of connectivity (including video conferencing with member states and other RECs)

## 15.2 Introduction

IGAD) is the successor organization to the Intergovernmental Authority on Drought and Development (IGADD) that was established in 1986 by the drought-afflicted six Eastern African countries of Djibouti, Ethiopia, Kenya, Somalia, Sudan, and Uganda. The original mandate of IGADD was to combat drought and desertification. Eritrea was admitted as the seventh member of the Authority in September 1993. All seven members of IGADD are also members of COMESA. Kenya and Uganda, in addition, belong to the EAC. The IGADD member states occupy an area of more than 520,000 square kilometers and have a total population of about 170 million people.

In 1995, IGADD was transformed into IGAD and given an expanded mandate that covers the promotion of cooperation among the member states in over 20 areas. Apart from being prone to desertification and drought, the combat of which was the initial reason for establishing IGADD, the region has also been characterized by a relatively high degree of intra- and inter-state conflicts. Like most of the other regions of Africa, poverty is high and infrastructure is underdeveloped. For example, at the current rate of rural electrification in one of the most electrified member states of the REC, a recent study indicates that it would take more than 800 years to link every household to the electric grid! To accelerate the growth and development of the member states, peace, security, and regional economic cooperation were added to the mandate of IGAD in 1996.

## 15.3 Mandate of IGAD

The key elements of the current mandate of the IGAD are set out in article 7 of the Agreement Establishing the Authority, which are aimed at meeting the development challenges of the region. These include the promotion of joint development strategies; the gradual harmonization of macroeconomic policies in the social, technological, and scientific fields; and the harmonization of policies on trade, customs, transport, communications, agriculture, and natural resources. Others are the promotion of free movement of goods, services, and peoples and the establishment of residence; the creation of an enabling environment for foreign, cross-border, and domestic

trade and investment; the achievement of regional food security; the promotion of programs and projects for the sustainable development of natural resources and environmental protection; and the development and improvement of a co-coordinated and complementary infrastructure, particularly in transport and energy. The mandate extends to the promotion of peace and stability in the IGAD subregion and the creation of mechanisms for the prevention, management, and resolution of inter- and intrastate conflicts, and the mobilization of resources for the implementation of emergency, short-, medium-, and long-term programs within the framework of subregional cooperation.

#### **15.4 NEPAD STAP Projects**

Like all the other major RECs in Africa, IGAD has accorded high priority to the implementation of the NEPAD program as a key instrument for attaining rapid and sustainable development in its subregion. The NEPAD STAP priority projects that IGAD is expected to implement, include the following:

- Transport
  - Implementation of the Yamoussoukro Decision
  - Road transport facilitation
  - Isiolo-Moyale Road
  - Ethiopia-Djibouti road corridor development
- Energy
  - IGAD Hydrological Cycle Observation System (HYCOS) project
  - Renewable energy project
- Telecommunications
  - ICT support program

The importance of these can be illustrated with the example of the Isiolo-Moyale Road. In 1996 when there was an acute shortage of maize in Kenya that had to be met through import of surplus from neighboring Ethiopia, the grain could not be transported across the border by road because the relatively short distance between Isiolo and Moyale constituted a missing link in the road network between the two countries. It had to be hauled by train to Djibouti and from there by ship to Mombasa—a long, costly, and time-consuming route. Infrastructure constraints such as this constitute major obstacles to the achievement of regional integration and economic development in IGAD.

#### **15.5 Institutional Structure of IGAD**

The key organs of IGAD are the Assembly of Heads of State and Government, the Council of Ministers, and the Secretariat. IGAD also has two major

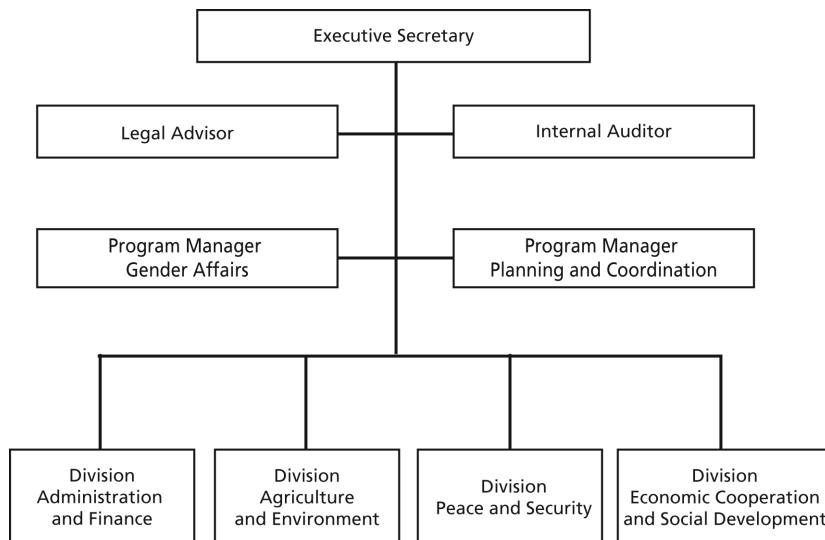
specialized organs/institutions: the Conflict Early-Warning and Response Mechanism (CEWARN) and the IGAD Climate Prediction and Applications Centre (ICPAC) located in Addis Ababa and Nairobi, respectively.

In 2002, IGAD established the IGAD Business Forum as part of the institutional framework for the effective implementation of its mandate. The forum is expected to play a major role in facilitating regional trade and in advocacy and lobbying for increased regional trade and economic integration.

The IGAD Secretariat serves as the executive body of the REC. Its major functions, as set out in article 12 of the IGAD Treaty, are to implement the decisions of the Assembly of Heads of State and Government and the Council of Ministers of IGAD, and initiate, identify, and coordinate development programs and projects. The Secretariat is currently built into three major program divisions (agriculture, rural development, and environment; economic development and cooperation; and peace and security) and an Administrative and Finance Support Division. Under each division are sections and units.

The IGAD Secretariat, located in Djibouti, has a total staff of 44: 1 (the Executive Secretary) is a council appointee, 22 are professionals, and 9 and 12 are on the general service and local staff, respectively. CEWARN has a total of 8 staffers, 5 professionals, and 3 local. Twenty of the 22 professional staff at the IGAD Secretariat possess masters or higher degree qualifications.

**Figure 15.1 Structure of the IGAD Secretariat**



This report provides an assessment of the capacity that the REC needs to implement the mandate effectively. It is based on information derived from a variety of sources, including IGAD reports and publications, the IGAD website, the response of the IGAD Secretariat to ACBF consultants' questionnaire, and the exchange of views between the top management of IGAD and ACBF consultants during the latter's mission to the REC Secretariat in July 2005.

### **15.6 IGAD's Current Program Implementation Capacity: General Observations**

The expanded mandate of IGAD remains relevant and is consistent with the vision of the Assembly of Heads of State and Government to achieve comprehensive cooperation among the member states. In the area of peace and security IGAD has recorded significant progress, although major challenges remain. The REC requires a significant level of institutional and human capacity to achieve its expanded and broad mandate, which now includes the implementation of NEPAD STAP priority projects.

The IGAD operates based on a strategic plan that is approved by its Assembly of Heads of State and Government and that covers over twenty areas of cooperation. The current Strategic Implementation Plan of the Authority covers the years 2004 to 2008. This plan, in whose elaboration the IGAD Partners Forum played an important role, has placed emphasis on the achievement of food security and environmental protection; the promotion and maintenance of peace and security and humanitarian affairs; and the achievement of economic cooperation and integration. A number of projects and programs are earmarked for implementation under each of these areas of priority. NEPAD infrastructure projects have been internalized by IGAD through incorporation into its work program. IGAD proposed to undertake a review of its current programs in 2006.

The implementation of IGAD programs and projects is dependent exclusively on the availability of resources from donors, while the running costs of the organization are wholly financed through member states' contributions. Among the development partners currently providing technical assistance and institutional capacity support to IGAD are the GTZ, EU, CIDA, and the USAID. The staff members of the authority are recruited from member states on competitive basis, while consultants are recruited through technical assistance programs.

For the size of its Secretariat staff, the headquarters of IGAD, which is currently under renovation, appears to be adequate. It will however need to be better furnished to make it an environment more conducive to work.

The success of IGAD in achieving its objectives and implementing its mandate depends critically on the ability and commitment of four key players

(the Secretariat, member states, development partners, and the AU/NEPAD) to effectively play the roles expected of them.

Although most of the professional staff of IGAD possess masters or doctoral degrees, there are many areas of needs of expertise for program implementation where qualified professionals are lacking. The IGAD Secretariat, as currently structured and staffed, does not have the minimum human capacity required to fully implement its programs and projects. Most sections and programs (e.g., legal, internal audit, political affairs, and project accounting) have a skeletal staff of only one person. Some key sections, programs, and projects have no professional staff at all.

The implementation of IGAD regional programs and projects depends exclusively on the availability of donor funding, with member states' financial contributions to the organization earmarked only for financing the running costs. In recognition of the heavy reliance of IGAD on external resources to finance its programs and projects, the agreement establishing it identifies mobilizing such resources as one of its key tasks. The importance attached to resource mobilization notwithstanding, no effective institutional mechanism or structure has been established to activate external support for the implementation of regional programs and projects. Most of the resource mobilization efforts of IGAD are undertaken ad hoc by the individual division heads and program managers. Also lacking at the IGAD Secretariat is an internal mechanism for monitoring and evaluating the implementation of programs and projects. These gaps in the institutional framework of IGAD have limited its capacity to make significant progress in the implementation of the mandate.

IGAD has no training policy for the skill development of its scanty staff; there is also no regular budget for staff training. Consequently, most current professional and support staff have never benefited from any training program.

Apart from the inadequacies of the above institutional and human capacities, the effectiveness of IGAD in implementing its programs and projects has been hindered by a number of other factors:

- Rigidity in project design and implementation
- Imposition of an excessive number of conditionalities and shifting of priorities by donors—the bulk of the mobilized resources now going into the peace and security entry point
- Attitude of some partners who, instead of helping IGAD to build its capacity, prefer to serve as implementing agencies without involving the IGAD Secretariat
- Lack of a clear division of responsibility between COMESA and IGAD as well as the competition between them
- Inadequacy of funds from member states

- Absence of a strong IGAD private-sector involvement in the implementation of regional programs and projects
- Prevalence of intra- and intercountry conflicts that limit the capacity of IGAD to mobilize external resources, including private investment, for development projects

Compared with some other RECs, IGAD has a fairly well-developed IT infrastructure. Its computer-to-staff ratio is higher than one. All the staff possess such basic computer skills as word processing, e-mail, and Internet use. Most of the professional staff is equipped with Pentium IV PCs. The staff, however, need further training in spreadsheets (Excel), database (Access), presentations (PowerPoint), and Internet searching. IGAD has only four Pentium IV laptop computers—too few to meet the mission needs of its professional staff.

IGAD's Internet connectivity consists of a leased line at 128 kbps. The authority has an official website (<http://www.igad.org>) as well as other web sites that support its other major initiatives such as CEWARN (<http://www.cewarn.org>) and the IGAD Marketing Information System (<http://www.igadmis.net>). It also has operational databases in the following functional areas: filing system, library, publications, and regional exports. IGAD has a fifty-user local area network, which includes an accounting system server, a file and print server, a mail exchange server, and a hardware-based firewall. Its internal communication system consists of Microsoft Exchange Server and Microsoft Outlook for internal documents and information exchange purposes. However, IGAD is yet to develop the infrastructure for video conferencing with its member states and other RECs. It has also not developed the capacity for networking and sharing of experiences and expertise among the different actors, which is critical for success of such key programs as in the area of food security.

The library of the IGAD Secretariat is stocked with about 4,000 books, 130 periodicals (almost 50 percent of which were provided free of charge or on an honorary basis by regional and international organizations), and IGAD publications and reports. However, no provision is made for it in the budget of the REC that will enable the library to update its stock of books and journals. The library has a database, which is in the process of being fully developed by UNESCO.

The administrative and financial procedures and systems of IGAD were recently revised with the assistance of the professional audit firm KPMG. They are still not up to international standards. IGAD does not yet have an integrated, written accounting and procurement system. There are no standard procedures for monitoring its own financial or donors' funding operations. Also lacking are the descriptions and grading of jobs that will enable IGAD to align jobs with the requirements of the programs and projects of the various pillars of the authority's mandate. In the absence of job descrip-

tions, the monitoring and evaluation of staff performance could not be done efficiently and objectively.

Among the other factors hindering the implementation of IGAD programs and projects is the members' lack of political will. Although national IGAD focal points exist to promote the implementation of regional projects, low priority continues to be attached to such projects compared with national projects. The effectiveness of the focal points, which owe no allegiance to the IGAD Secretariat, is severely hindered by high staff turnover. The poor commitment of member states to regional programs and projects is also reflected in the poor attendance of their technical experts in IGAD meetings. IGAD has the practice of allowing the ambassadors of member states to participate in the panels for recruitment of the professional staff of the authority, even though they may not have the necessary expertise. This could lead to undue politicization of the exercise and limit the ability of the IGAD Secretariat to recruit the most suitable candidates.

Article 7(i) of the agreement establishing IGAD requires the authority to promote and realize the objectives of COMESA and the AEC. The overlapping membership and duplication of mandates of IGAD and COMESA, without any clear division of responsibility between them, appear to have been partly responsible for the lack of the political will and the inability or unwillingness of the members to endow IGAD with adequate resources for building the human and institutional capacities needed for the effective implementation of its numerous programs and projects. The policy organs of IGAD have insisted on the maintenance of a limited secretariat that, in its staff numbers and skills, is inadequate for the implementation of the broad and expanding mandate.

The formal mechanisms for sharing knowledge, programs, and experiences with the AU and other RECs are inadequate. Although IGAD has a memorandum of understanding with COMESA and is a member of the Inter-Regional Coordinating Committee (IRRC) that includes COMESA, the Indian Ocean Commission, and the EAC, this has not served as a very effective instrument for the deepening the relationship among the RECs or for the establishment of a rational division of labor in the implementation of regional programs that is based on the comparative advantage and the niche of the organizations. Also, because the Protocol on Relations between the AU and the RECs was not yet operational, IGAD's linkage with the AU and the RECs has remained weak. The plan by COMESA to establish video conferencing and intranet links with its member states and other RECs could contribute to the improvement of this situation.

### **15.7 Capacity Needs of IGAD**

In the light of the foregoing analysis of the mandate and performance of the IGAD, it is obvious that there are severe capacity constraints that need to be addressed if the objectives of IGAD are to be realized.



### **15.7.1 Human Capacity Needs**

The key capacity constraints facing IGAD include the shortage of professional staff with relevant skills and experience to implement programs and projects in the three pillars of food security and environmental protection, maintenance of peace and security, and promotion of economic cooperation and integration, as well as in the support of the Division of Administration and Finance. All the key sections of the IGAD Secretariat, each of which is managing many programs, have only one professional staff. Programs in the important areas of health and HIV, education, tourism, accounting and auditing, political affairs, legal affairs, project evaluation, and investment analysis currently have no staff to manage them. The recruitment of regular professional staffers is critical for effective program delivery in these areas. Also needed in the short term is support for consultancy to undertake a review of IGAD strategy in environment, tourism, and industry and to develop a strategy for the new social sectors of health, HIV, and education.

There is also a need for IGAD to have a training and human development policy and program. Such a program would serve as an instrument for the continual upgrading of the skills of the staff to meet current and future challenges. Adequate financial resources will need to be provided annually. The knowledge base of IGAD also needs to be enhanced by maintaining a modern library that is adequately funded and well stocked with up-to-date books, periodicals, and journals. The implementation of the program for the linkage of the IGAD library with other regional documentation centers needs to be accelerated.

### **15.7.2 Institutional Capacity Needs**

IGAD needs a well-staffed multidisciplinary section that can serve as a think-tank of its secretariat for long-term strategic planning, as well as for the planning, coordination, and monitoring of the implementation of programs and projects. The Planning and Coordination Unit, which was established in 2004 and is currently manned by only one staff member, could be upgraded for this purpose and its capacity enhanced through the recruitment of additional experts with requisite knowledge and skills in project analysis and evaluation.

The research capacity of IGAD is limited by the absence of a research unit. Much of the research of the REC is met through work done by the program officers or through outsourcing to consultants. This capacity needs to be enhanced through the establishment and the strengthening of IGAD's linkage with regional universities and research institutions and organizations, such as the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASERECA), for greater utilization of available African expertise. A memorandum of understanding between IGAD and the

ACBF for greater access to the latter's TAP-NETs could be one of the instruments for attaining this objective.

A major institutional capacity gap in the structure of the IGAD Secretariat is the absence of a centralized mechanism for mobilizing resources. Although IGAD depends almost exclusively on donor funding for the implementation of its programs and projects, it does not have a resource mobilization unit that can prepare bankable project proposals and nurture linkages with external donors and funding agencies. The absence of such a unit has put the authority at a disadvantage in the competition for external resources with other RECs, especially COMESA, with which it has overlapping mandate and membership. The capacity of IGAD for the mobilization of resources is in urgent need of upgrading.

Mechanisms are required for the effective mobilization and sensitization of stakeholders in IGAD member states for the achievement of the REC's objectives. A framework for stronger networking and sharing of experiences among stakeholders also needs to be established. In addition to strengthening IGAD focal points in member states by providing equipment and staff training support, this may require the IGAD Secretariat's setting up offices in member states run by its personnel. The creation of special mechanisms for the financing of cross-border projects is another area that requires urgent attention.

### **15.7.3 Equipment Needs**

The short-term equipment needs of IGAD include the following:

- ICT infrastructure equipment for the enhancement of connectivity (including video conferencing) with member states and other RECs
- Laptop computers, computer software applications, and up-to-date journals for the professional staff of the Secretariat
- Communication and office equipment for the secretariats of the national focal points

## **15.8 Capacity Needs of IGAD: Summary and Conclusions**

In summary, the institutional, human, logistical, and equipment capacity of IGAD needs to be significantly upgraded for the effective implementation of its mandate and the realization of the objectives of the authority. Capacity needs requiring urgent attention include the following recruitment needs:

- An expert in health and HIV and social development
- A specialist in the area of industry and tourism
- A legal expert

- A professional with the requisite qualifications and experience in accounting and audit
- A macroeconomist
- A political affairs specialist to strengthen the Peace and Security Division for efficient management of programs in conflict management and resolution, good governance, and humanitarian affairs
- At least one expert in project evaluation and investment analysis
- A resource mobilization expert
- A support staff to assist in the processing and classification of documents and data entry and information retrieval in the IGAD Information and Documentation Centre

The recruitment of additional staff needs to be complemented by the development of a training policy and adoption of a training program aimed at upgrading, on a continual basis, the knowledge of IGAD staff, both professional and support. The training program needs to be adequately funded through IGAD regular budget/donor support.

In the short term, the staff of the Secretariat needs training in, for instance, project analysis and evaluation, spreadsheets (Excel), database (Access), presentations (PowerPoint), and Internet utilization.

Capacity-building and sensitization seminars on regional integration programs and projects are needed in the member states for the private sector and other stakeholders.

The institutional capacity-building needs of IGAD include:

- A system for the evaluation of jobs and the establishment of a mechanism for monitoring the performance of the staff
- The establishment in the medium- /long-term of IGAD offices in member states for mobilizing support for, and monitoring of, implementation of IGAD programs and projects
- The upgrading of the IGAD financial system to a level comparable with international standards
- The creation of appropriate institutional frameworks for strategic planning, mobilization of resources, project preparation, analysis, monitoring, and evaluation
- The enhancement of the knowledge base (including of research and information) of IGAD

The equipment needs of IGAD include ICT infrastructure equipment for the enhancement of connectivity (including video conferencing) with member states and other RECs; and laptop computers, computer software applications, and up-to-date journals for the professional staff of the Secretariat. The secretariats of the national focal points also need office and communication equipment.

Given the overlapping memberships and mandates of IGAD and COMESA, there is a need for an improvement and rationalization of the working relationship between the two RECs to achieve better synergies and to avoid unnecessary duplication of efforts in the implementation of their regional programs and projects.

### **15.9 Sources of Information**

The analysis in this chapter is based on information derived from a variety of sources, including IGAD reports and publications, the IGAD website, the response of the IGAD Secretariat to ACBF consultants' questionnaire, and the exchange of views between the top management of IGAD and ACBF consultants during the latter's mission to the Secretariat in July 2005.



# 16

## Survey of the Capacity Needs of the Southern African Development Community (SADC)

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### 16.1 Executive Summary

The Assembly of Heads of States and Government of SADC approved the restructuring of the Community at the Extraordinary Summit held in 2001. The key features of restructuring included:

- Centralization of program coordination and implementation functions within the SADC Secretariat; 21 sector-coordinating units were grouped under four new directorates.
- Establishment of SADC national committees in the member states comprising representatives from government, the private sector, and civil society
- A directive to SADC asking it to prepare a business plan for the Regional Indicative Strategic Development Plan (RISDP), supported by the German Agency for Technical Cooperation (GTZ), which Deloitte & Touche facilitated using its “Think Tools” techniques. The plan set out the activities to be undertaken supported by timelines, targets to be achieved, and indications of costs.

Such a plan positioned SADC as a major player in the implementation of NEPAD and STAP projects. SADC has taken steps to implement more of the 400 NEPAD/STAP/AU projects. Institutional and staff constraints, however, hinder the implementation of these projects.

The level of decision-making powers and the delegated autonomy for the Secretariat to operate more efficiently and effectively remains very limited. Most decisions are tied to the political structure of SADC. Coordination arrangement between the secretariat and member country departments has not been clearly spelled out.

Closely linked to issues raised under “institutional development” are the human resource challenges faced by the Secretariat, including mismatch

among available staffing, resources, and workloads in the technical functions; lack of investment in staff development to enhance management capacities; and absence of a dedicated system to support financial management and reporting activities.

In order to respond to the immediate needs and address the short-term challenges of NEPAD/AU projects, SADC capacity needs program should focus on investing heavily in technical human resources. Skills achieved through such assistance would enhance management and technical capacities in such areas as project planning development and management, monitoring and evaluation, and ICP financing and reporting procedures.

## **16.2 Overview of the Secretariat's Role and Mandate**

The current role, functions, and structure of the SADC Secretariat are the product of restructuring processes that started in 1999. This followed a meeting of the SADC Assembly of Heads of State and Government held on 8 August 1999, in Maputo, Mozambique, that directed the Council of Ministers to initiate a comprehensive review of the operations of SADC institutions. After a series of consultative meetings coordinated by a review committee of the Council of Ministers, the Heads of State and Government at the Extraordinary Summit held in Windhoek, Namibia, on 9 March 2001 approved the final report on the restructuring of SADC institutions. Key features of the restructuring included:

- Centralization of program coordination and implementation functions within the Secretariat. In this regard, the 21 sector coordinating units (SCUs) previously under the responsibility of member states and commissions have been phased out and grouped under four new directorates and the 13 units of the SADC Secretariat, supported by five satellite offices. It should be noted that there are also various SADC and Eastern and Southern Africa cross-border functional groupings, entities, or programs, which are supporting the regional integration agenda in one way or another. Although these entities have not been reviewed here, they should be viewed as part of SADC's institutional machinery for implementing its regional integration agenda.
- The establishment of SADC National Committees (SNCs) in the member states comprising representatives drawn from the government, private sector, and civil society that would mirror the role of the Secretariat.

The Extraordinary Summit also approved the preparation of the Re-

gional Indicative Strategic Development Plan (RISDP) by the Secretariat to complement restructuring and to provide a clear direction for SADC policies and programs over the long term (i.e., 15 years).

### **16.3 Establishment of SADC National Committees (SNC)**

As part of the restructuring of SADC operations, member states were, therefore, required to establish SNCs that would be responsible for national-level coordination and implementation of SADC programs.

Member states are also supposed to establish national steering committees consisting of the chairperson of the SNCs and chairpersons of the subcommittees and technical committees to take decisions on behalf of SNCs between meetings. The subcommittees and technical committees are also required to involve key stakeholders such as social and economic partners, NGOs, civil society, and workers' and employers' organizations.

### **16.4 Institutional Constraints Requiring Further Capacity-Building Interventions**

One of the key challenges the Secretariat has been facing is how to make operational its structure, recruit key staffers, and coordinate the formulation and implementation of both the RISDP and the Strategic Indicative Plan for the Organ (SIPO). The Secretariat has also been saddled with providing support toward establishing and making operational the SNCs in the member states. Added to this has been the plethora of (in excess of 400 ongoing) projects under the SADC Program of Action (SPA) approved prior to the formulation of the RISDP.

Implicit with the restructuring was the need to allocate increased responsibilities to the Secretariat for it to manage implementation of the regional development agenda as subsequently defined in the RISDP and SIPO. In practice however, the level of decision-making powers and delegated autonomy that would be necessary for the Secretariat to operate more efficiently and effectively remains very limited. In particular:

- Decision-making mechanisms that cover day-to-day program development, coordination, and implementation of the regional development agenda and operations of the Secretariat have remained tied to the political structures of SADC. In addition, more structures that are political have been introduced in the form of subcommittees to superintend affairs. This has had a number of notable effects on the Secretariat including the following:



- Very few decisions can be taken by the Secretariat without prior approval of SADC organs, such as Finance Subcommittee, Council of Ministers, and Integrated Committee of Ministers (ICM). These committees, of necessity, are then required to hold a number of meetings each year to address SADC business issues. These meetings are preceded by meetings of respective senior officials from the member states to review all agenda issues prior to the ministerial-level meetings and that of the summit.
- Insufficient coordination exists between the roles performed by the various committees and subcommittees resulting in lengthy decision-making. For example, the ICM reviews programs and work plans before tabling them before the Council of Ministers. On the other hand, the Finance Subcommittee of the Council of Ministers meets separately to review budgets and financing of operations. As a result, planned activities tabled before the ICM do not always match the resources the Finance Subcommittee devotes to them.
- A review of the records of some of the high-level meetings indicate that a number of the issues addressed relate to day-to-day operations that could effectively be dealt with by the Secretariat. Ideally, meetings of member states should focus on policy issues and progress review. In practice, however, the Secretariat is under continued pressure to organize meetings of such committees and prepare a myriad of documents, consuming time and resources that could be devoted to the development of program interventions, implementation, coordination, and progress reporting.
- Coordination arrangements needed to realign the centralization of technical functions within the Secretariat and smooth implementation of the RISDP and SIPO have not been spelled out clearly. As a result, there has not been a detailed analysis of the efficacy of current coordination arrangements and the role of policy and political decision-making levels exercised by higher organs of SADC member states.
- Member states have taken the approach of “organic, needs-driven growth” of the new reporting structure, without a road map for achieving full staff complements. In practice, however, member states have approved ambitious sets of interventions formulated in the RISDP and SIPO that require a more responsive and robust structure than what has been put in place. The members are unable to support a more rapid growth of the secretariat structure due to financial constraints. On the other hand, prior to the restructuring they met the direct and indirect costs of establishing and maintaining the SCUs. These costs have, however, never been computed to reflect the actual additional costs that the members now have to contribute in support of the Secretariat.

The current institutional framework is inherently inefficient and increases the cost of managing the common agenda of SADC. It costs too much time and resources to get time-sensitive issues approved. This could also partially account for the slow pace of implementing the current organizational structure, despite summit approval in March 2001, that is, nearly five years ago.

### **16.5 Human Resources Development**

Closely linked to issues raised above are the human resource challenges faced by the SADC Secretariat. Most notable is the mismatch between available staffing resources and workloads, especially in the technical functions. A number of critical technical functions are yet to be filled, while the Secretariat has committed itself to ambitious sets of work programs and activities required for ongoing and new RISDP/SIPO interventions.

Another compounding factor has been the nonrecognition of the need to invest in staff development programs, particularly to enhance management capacities. Most of the key staff are expected to be multiskilled, that is, able to combine various expert skills and be accomplished managers without giving them the necessary training support. As a result, all directorates and units in the Secretariat not only suffer from inadequate staffing but have also not been supported by skills development that could enhance their managerial and technical capacities. This has a telling effect in such areas as:

- Project development/planning and management
- Monitoring and evaluation
- ICP financing and reporting procedures
- Financial management for nonfinancial managers
- Managerial and supervisory effectiveness

From the present situation, it can be deduced that the RISDP and other interventions SADC is implementing are overambitious, since they expect an institutional and management framework that is beyond the ability of the member states. The lesson in this, however, is the urgent need to equip key staffers with the necessary skills to cope with job demands. Immediate interventions to strengthen human resource capacities available to the Secretariat can include the following:

- Extending existing contracts that are about to expire for at least two years for those members of staff in technical roles
- Implementing a moratorium against any further recall of seconded staff by member states for the next two years
- Deferring the implementation of the new recruitment and contract administration guidelines that impose restrictions on contract tenure

and nationalities holding positions of director and other senior offices. These new guidelines ought to be implemented over a phased period, of, say, four years.

- Reviewing critically the current conditions of service offered to staff of the Secretariat that also takes account of the cost of living in Botswana
- Seeking the support of ICPs to speed up the recruitment of technical assistants (TAs) who can fill gaps in the establishment structure
- Developing and implementing a human resources development program that is based on a critical assessment of skills possessed by the existing staff and those required in their respective roles

## **16.6 Implementation of the RISDP**

The RISDP objectives and implementation guidelines have the following provisions:

- Only programs that add value to regional integration or enhance the capacity to achieve SADC objectives to be implemented as priorities
- Broad participation and consultation to engage as many stakeholders as possible, to create ownership for the outputs, and to internalize the principles upon which the RISDP is based
- Management of programs adopting the principle of “subsidiarity,” whereby all programs and activities are undertaken at levels where they can be best handled, including the use of institutions, authorities, and agencies outside SADC structures, and, where feasible, to initiate and implement regional programs using their own generated resources. Maximum engagement of regional expertise and institutions in program management and implementation, to enhance further capacity building and local ownership also to be promoted.
- Decentralized management to ensure adoption of the participatory approach, promote ownership of outputs by beneficiaries, and facilitate integration with other initiatives at the national, regional, continental, and global levels
- To realize maximum impact and to address the development discrepancies that exist between member states, the RISDP is to be implemented, as far as possible, in the context of spatial development initiatives such as development corridors, growth triangles, growth centers, and trans-boundary conservation areas; special consideration also be given to allowing for variable geometry, where a group of member states could move faster on certain activities and the experiences learned replicated in other member states; the bottom line being in prioritizing.

- Detailed implementation plans to be drawn up for each intervention area/program, clearly spelling out the different actors, implementation and management roles, benchmarks, and sustainability

As currently set, the guidelines are too broad and general to provide clear interpretation in such situations as when broad consultations have been made and with whom, and the interpretation of “only programs that add value to regional integration, or enhance the capacity to achieve SADC objectives will be implemented as priorities.” In addition, the guidelines do not indicate what processes and procedures are to be adhered to in the actual selection of interventions that are to form RISDP interventions.

Clearly there is further need to distill current guidelines into more specific and contextual procedures that can be interpreted consistently. This is an important area where the Secretariat and SADC can benefit from further technical support, especially drawing from multilateral institutions regularly involved in programming.

#### ***16.6.1 Approved Business Plans for the RISDP***

The implementation of the RISDP has involved the preparation of one- and five-year business plans by the Secretariat with the support of GTZ, using the “Think Tools” technique facilitated by Deloitte & Touche, which used the results of this process to compile the business plan for the RISDP. These plans set out activities to be undertaken, supported by timelines, targets to be achieved, and indications of costs.

#### ***16.6.2 Management Systems Supporting Implementation of the RISDP***

The restructuring of the SADC Secretariat also called for the introduction of management systems that can support the efficient and effective implementation of the RISDP. These should be, at least, at two levels (i.e., those required for technical management of the RISDP, and the internal systems for coordination the functions of directorates and administration of the Secretariat). At present, there is no evidence of the availability and use of monitoring and evaluation tools and techniques that could guide management in the coordination of RISDP formulation and implementation activities. Second, internal management and administration processes are meshed in bureaucracy and centralized decision-making that affect efficiency and effectiveness. More specific examples of these inadequacies are given below.

- Robust information systems are not in place to capture what directorates are doing in the implementation of the RISDP and the actual portfolio

of programs and activities of SADC. Data on the size of the program is not held in a central repository for easy reference, nor are there any standards for information retrieval and management. As a result, it is very difficult for the Secretariat's management to monitor and maintain control over activities and determine priorities to guide what directorates and units should consistently focus on.

- Financial management and reporting on program activities is not supported by dedicated systems. At present, the Finance Section has responsibility for both program and Secretariat administration accounts. In their accounting operations, they use the ACCPAC accounting package that is more suitable for recording general-ledger transactions where payments and receipts are processed as in a trading environment. On the other hand, even the ACCPAC-supported package has not been fully implemented, resulting in the payroll and fixed-assets register being handled manually. This clearly stretches the capacities of the finance function, since they are required to manage a number of ICP accounts, provide regular reports acceptable to the ICPs, and carry out day-to-day processing of payments to cover staff travel and products and services consumed by the Secretariat.
- Administrative routines, especially related to decisions and financial control remain centralized with the three most senior members of the Secretariat. Given the travel commitments of this category of staff, obtaining approval and release of funds for activities is a daunting task for operatives.
- The agenda is dominated by administrative requirements for the preparation of SADC meetings involving member states and planned visits of the key Secretariat staff members with other international/regional agencies and countries for building cooperation (about 60 percent of business discussed).
  - Administrative issues of the secretariat (about 20 percent of the business discussed)
  - Issues pertaining to staffing and implementation of the new structure (about 10 percent of the business discussed)
  - Program implementation and coordination activities that are largely in the context of business plans preparation (rest of 10 percent).
- Reporting formats for both management meetings and RISDP activities that could inform the Secretariat of progress and problems in a timely and coordinated manner are not in place. This also means that it is very difficult for senior management to monitor what directorates are doing and take remedial actions where there are difficulties or performance is below expectations. In such a situation, it is very difficult to assess objectively performance of individuals and directorates/units.

More fundamentally, there is the need to review the efficacy of existing management information systems in place so as to ensure that they are sufficiently modern and relevant to the needs of SADC. Existing systems are largely inadequate for SADC and involve conventional approaches to financial management and reporting. On the other hand, the availability and use of such information is not made a key part of the role and functions of key managers in the Secretariat. At present, it would appear that little has changed in the way the Secretariat manages SADC programs. As a result, the Secretariat is not as proactive as would be expected under the centralized structure of program coordination.

## **16.7 Institutional Development of SADC**

Institutional development support has chiefly been provided by the EU, GTZ, Norway, and Department for International Development (DfID). This has covered the development of the new SADC organization structure, job evaluation of Secretariat positions under the new structure by the EU; preparation and publication of the RISDP by the EU, GTZ, Norway, and DfID; support for the establishment of SNCs by DfID; development of RISDP business plans and change management processes in the Secretariat by GTZ. In addition, the EU has been assisting in the coordination of other ICPs in order to define a new partnership framework for engaging with SADC that would also address issues of harmonization of Overseas Development Aid (ODA) delivery, management, and reporting procedures, and institutionalizing the dialogue process.

### **16.7.1 Human Resources Development and Technical Support**

Many of the efforts in this area have focused on the provision of TAs to fast-track implementation of aspects of the RISDP and the training of the regional and Secretariat staff in the technical aspects of carrying out activities in some of the thematic areas of the RISDP. As indicated above, the staffing deficiencies have led to TAs being deployed to handle day-to-day tasks, thus providing capacity (short-term interventions) rather than building capacities through skills transfer and development of management systems.

In addition, ICPs are giving greater priority to skills development in future support focusing on such areas as provision of support to develop the skills of staff in monitoring and evaluation, strategic planning, policy analysis, and ICT systems. These initiatives are, however, being planned individually by ICPs at either the secretariat-wide level or specific to directorates and, are therefore not harmonized. It is not clear whether other SADC institutions, such as SNCs, will also benefit equally. There is thus the likelihood of perpetuation, duplication, and use of different approaches to related skills development activities, thereby reducing the effectiveness of such support.

For example, Sweden, Germany, Norway, the EU, UNDP, and the World Bank are considering providing similar support but under separate arrangements with the Secretariat. In addition. Unless SADC sorts out its staffing constraints, the effectiveness of such support may not be fully optimized or will result in staff members whose skills have been developed leaving SADC for greener pastures, thus again diluting benefits to be gained.

### **16.7.2 Management Systems Development**

The ICPs are planning a number of initiatives that, unfortunately, are not coordinated. Instead, it seems they are intended to address key areas of deficiency, such as ICT systems, RISDP project preparation, and further unbundling of the RISDP. It is difficult now to establish clearly all the successful cases resulting from capacity-building interventions. A number of ICP initiatives have been directed at public and private institutions in the region without the involvement of the Secretariat or the information being provided to it for recording and monitoring purposes. Areas that appear not to have been given adequate consideration include the following:

- Development of criteria and procedures for the selection and development of interventions that should be included in the RISDP
- Establishment of benchmarks for monitoring and evaluating performance in the implementation of RISDP interventions and developments taking place in the member states for consistency and policy development
- Development of management information systems for use in the Secretariat's coordination roles and performance monitoring. More specifically, there is need to support the change management process within the Secretariat with new systems of work planning and performance monitoring and reporting that can enable enhanced managerial effectiveness.

Some of the above areas of management systems development maybe addressed under wider programs of support. It is, however, important to ensure that coordination is engendered and the interventions result in more comprehensive coverage and address all key areas of deficiencies. This will require that ICPs coordinate their efforts under a structure that enables all areas of management to be covered.

### **16.7.3 Impact of ICP Capacity-Building Efforts**

Some of the successful examples of capacity-building support in this brief review have been the overall development of the new SADC structure and formulation of the RISDP and development of business plans. It is difficult, however, to establish the tangible benefits achieved so far through the change

management processes in the Secretariat, especially since the environment, administrative routines, and management systems remain as before and the staff strength has not increased to a level that they can sustain the few noticeable changes around.

On the other hand, some of the key areas of capacity inadequacies faced by the Secretariat and member states, especially SNCs have not been fully addressed. As indicated above, the provision of TAs has largely led to supplanting capacity rather than building capacities. In addition, current efforts are not adequately coordinated among the ICPs, leading to some duplication and a measure of incoherence. Areas of priority have not been fully addressed, since ICP support has not been coordinated, while the Secretariat has not carried out the necessary analysis required to harmonize initiatives, identify priorities, and secure its own responsiveness.

One of the impediments to effective use of capacity-building resources made available by the ICP has also been the poor rate of absorption by the Secretariat, exacerbated by both staff turnover and general shortfalls of numbers that could otherwise benefit from these efforts. This has led to delays in the implementation of some of the well-thought-out capacity-building programs and, therefore, their effectiveness.

## **16.8 Line of Action**

### ***16.8.1 Likely Areas on Which to Focus the New Capacity-Building Initiatives***

The SADC Secretariat and member states require investing more robust sets of technical and human resource capacities in order to actualize the objectives defined in the common agenda and especially as set out in the RISDP and SIPO. The existing institutional arrangements and decision-making processes and pace of implementing the new organization structure both at the Secretariat and in member states indicate that they would not match with the needs for the successful and timely implementation of the RISDP and SIPO frameworks.

A review of existing and planned areas of capacity building supported by ICPs indicates that resources are available to enable SADC fast-track implementation of its programs; what is needed is prioritization, harmonization, and coordination. Based on this review, it is suggested that active consideration be given to a plan of interventions that results in the following forms of assistance.

- Use of short-term regional and international expert resources to carry out regional studies in critical areas of RISDP implementation. Such expertise should cover needs for benchmarking member states against



RISDP targets and preparation of specific programs for securing implementation of SADC protocols and needs for their supplementation or adjustment. In addition, such expertise could be used in the development of management systems and implementation manuals.

- A major thrust is needed to assist the Secretariat in developing management information systems that can enhance efficiency and effectiveness. In addition, it will be important to set up dedicated systems for managing resources allocated for program implementation activities, especially from ICPs. The expertise required will involve development and implementation of new systems and training of staffers.
- There should be support for the establishment of a more robust SADC website, including equipment and technical staffing by IT personnel. The activities of SADC need to be made more transparent and information made accessible to various users in the region among the ICPs and other external agencies. The existing platform and depth of information held does not match the needs of the RISDP and SIPO frameworks, and the Secretariat does not have the resources to upgrade and maintain these systems.

The main problem with SADC's receiving support for capacity building remains that of improving its ability to absorb assistance and gain the support of the member states through the decision-making organs. This factor presents a major risk that ICP support either may not be optimized or be withdrawn where it is slow to respond or where political considerations continue to dominate the activities of key Secretariat staff members. In addition, the Secretariat needs to quickly resolve its staffing problems and make the SNCs in member states functional. A key priority in the future capacity-building initiatives should, therefore, include resolving roles and decision-making mechanisms and processes of SADC. As a necessary condition, member states should be included in the dialogue processes that result in the resolution of bottlenecks to effective functioning of the Secretariat and SNCs.

# Survey of the Capacity Needs of Union Economique et Monétaire Ouest Africaine (UEMOA)

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## 17.1 Executive Summary

In 1994, seven countries on the West Coast of Africa came together to form Union Economique et Monétaire Ouest Africaine (UEMOA). The seven founding members were Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo. Its activities began in 1995, and the eighth member, Guinea Bissau, joined in 1997. The Union brings together several institutions such as the Commission, the Auditors Court, the Community Parliament, Court of Justice, and autonomous specialized agencies, among which are the Central Bank of the West African States (Banque Centrale des Etats de l'Afrique de l'Ouest, BCEAO) and the West African Development Bank (Banque Ouest Africaine de Développement, BOAD).

The Union's principal objectives are to unify their national economies, transform the Union into a growing market that is attractive to investors, strengthen member states' macroeconomic framework by harmonizing their economic policies, in particular budgetary policies, and to strengthen their common currency. UEMOA's activities focus mainly on realizing the objectives of regional integration, economic governance, and establishment of an open and competitive market. These objectives are the same as those of NEPAD. The managing, supervisory, and consultative bodies and the autonomous specialized institutions guarantee the separation of powers by drafting additional bills, drawing up regulations, establishing guidelines, taking decisions, and setting forth their recommendations.

UEMOA's staff complement stands at 236, 19 of whom are members of the different bodies while the remaining 217 are civil servants. The senior and middle-managerial cadres consist of 91 and 52 staff respectively. Nevertheless, there is still a clear shortage in skills and quantity of personnel available. It has been estimated that the Union needs 300 highly skilled staff to have a full complement that performs optimally on all program ac-

tivities. That means that with the 236 already on the nominal roll, 56 additional staff are still needed.

UEMOA's performance as a REC is "more than satisfactory." Its performance falls below an excellent rating because of capacity gaps especially in program analysis and design. But, compared with other RECs, the Union's performance is very satisfactory and all the more remarkable since it brings together several countries classified as among the poorest in the world. These are countries experiencing deep poverty because of unfavorable extra-economic conditions, poor exploitation of natural resources, and poor infrastructure. However, their material lack has brought about solidarity among them, which promotes integration.

UEMOA is clearly moving toward becoming a service provider because it is reducing the costs of transactions. This is the aim of the Community Solidarity Tax (*Prélèvement Communautaire de Solidarité*, PCS) and the Regional Economic Program (*Programme Economique Régional*, PER). It is also the rationale for scaling up UEMOA. In fact, along with COMESA and CEMAC, UEMOA is one of the three communities whose major goal is economic. However, it faces certain difficulties in positioning itself as a fully fledged REC, given the preeminence of ECOWAS. The Union still has other weaknesses to address in order to rise above its current challenges.

The steps it has taken to modernize its management, include replacing its obsolete computer systems, setting up financial and organizational audit, recruiting highly skilled staffers to fill the gap in strategic areas, and increasing staff remuneration.

In response to its capacity-building needs, UEMOA structures its program into immediate-, short-, and medium-term needs. In each of these areas, it identifies the actions to take to strengthen itself and submits them to the development partners, including the ACBF, for assistance. Some of the key areas are these:

- Capacity building in economic analysis and in project policy and design
- Capacity building for program implementation and management
- Institutional and organizational capacity building
- Encouraging more commitment and political will among leaders for regional integration, NEPAD, and PACT

The estimate submitted to ACBF comes to US\$1,155,000 for the 2005–2006 period, with US\$660,000 needed for the immediate use, US\$405,000 within a year, and US\$90,000 within two years. The needs identified do not take into account the UEMOA Commission's current efforts, particularly in recruiting permanent staff members and purchasing new equipment.

**Summary of Needs and Resources for the UEMOA Program (in US\$)**

	Total	Immediate Needs 2005	Short-Term Needs 2006	Medium-Term Needs 2007
Consultants	NA			
Advisory services and studies (53 d/m x US\$15,000)	780,000	570,000	210,000	
Monitoring and review (1 d/m x US\$15,000)	15,000		15,000	
Regional experts services (24 m/m x US\$15,000)	360,000	90,000	180,000	90,000
<b>Total</b>	<b>1,155,000</b>	<b>660,000</b>	<b>405,000</b>	<b>90,000</b>

*Note:* There is also an immediate to short-term need for missions to external partners (to be supported by UEMOA), operations (to be supported by UEMOA), permanent experts, social expenditures, equipment (to be supported by UEMOA), a language laboratory, data processing infrastructure, building and work, and building. These needs have not yet been budgeted.

**17.2 Background**

UEMOA was set up with the aim of consolidating the Union Monétaire Ouest Africaine (West African Monetary Union) (to be supported by UEMOA) and to revive the process of economic integration among its members in West Africa: Benin, Burkina Faso, Côte d’Ivoire, Mali, Niger, Senegal, and Togo. The Union treaty was signed on 10 January 1994, and the Union’s activities started in January 1995. With the admission of Guinea Bissau in May 1997 its membership grew to eight countries.

The Union is a distant heir of the former AOF, of UDEAO, and of CEAO, which was dissolved in 1994. The member countries share the CFAF as well the common Central Bank, or BCEAO.

Its mission and primary objectives are to:

- Unify the national economies in order to transform the Union into a market that is buoyant and attractive to investors
- Strengthen the macroeconomic framework of the member states by harmonizing their economic policies, in particular their budgetary policies, as well as by strengthening their common currency

UEMOA is composed of managing, supervisory, and consultative bodies, together with autonomous specialized institutions that are all currently operational:

- The Conference of Heads of State
- The Council of Ministers

- The Commission
- The Court of Justice
- The Accounting Court
- The Interparliamentary Committee (CIP)
- The Regional Consular Chamber
- BCEAO
- BOAD
- The Regional Council for Public Saving and Financial Market (Conseil Régional pour l'Épargne Publique et le Marché Financier)

All the countries are members of ECOWAS and CEN-SAD. Over the past few years, several countries, such as Côte d'Ivoire, Guinea Bissau, and Togo, have faced violent conflicts or politico-military crises. Côte d'Ivoire alone bears almost half of UEMOA's economic weight. The crises that face these countries continue to drag heavily on the zone's development and have repercussions on the crises that have shaken neighboring countries, especially Liberia and Sierra Leone.

All the countries have adopted the MDGs and are implementing poverty reduction strategies. They have drawn up agreements with the IMF within the framework of the HIPC initiative, with the exception of Côte d'Ivoire and Togo.

Despite past experience in regional cooperation and a common currency, intrazone trade represents 15.4 percent of external trade. The setting up of a customs union along with the common market in 2000 is expected to have a considerable impact on intrazone trade. Several initiatives are contributing to unifying the economic and financial policies of the zone. These include, among others, Guidelines on Public Finance SYSCOA (système comptable ouest africain); MFR, Convergence, Stability and Growth Agreement (Pacte de Convergence, de Stabilité, de Croissance) reports on multilateral surveillance, TPS, startup regulations, reforms in procurement contracts, and the Community Infrastructure and Road Action program (Programme d'action communautaire des infrastructures et du transport routiers, PACITR).

UEMOA has designed its regional economic program for the period 2004–2008 with a budget of 851.6 billion CFAF, of which 69.1 percent is for the restoration and modernization of economic infrastructure, 15.6 percent for the development and processing of natural resources, and 11.2 percent for the development of human resources. This amount is under revision and will increase to 2,743.2 billion CFAF for 2006–2010 from which 831.2 billion CFAF have been secured and 1,978.8 billion CFAF are sought.

### **17.2.1 Terms of Reference and Mission Objectives**

The terms of reference are found in Appendix 4. The objective is to identify UEMOA's capacity-building needs as far as regional economic integration is concerned. These needs span analysis, design, implementation, management,

project financing, and evaluating the advantages and costs of regional economic programs. Over and above this aspect, the mission's objective is also to assess the Union's readiness for NEPAD's regional integration projects, as well as the Commission's capacity to implement STAP, the priority infrastructure plan of action in the region.

The specific objectives are to:

- Express a professional opinion on the nature and the relevance and effectiveness of UEMOA's current vision, mission, mandate, and objective
- Provide a profile of the type of capacities currently available within UEMOA
- Identify UEMOA's needs in terms of generic and specific capacity and to advance these needs to facilitate the effective progression of the capacity-building process
- Evaluate the effectiveness of current and past capacity-building programs
- Assess the extent to which UEMOA has access to and effectively uses global, regional, and local knowledge and information
- Make appropriate recommendations for achieving a more effective contribution of stakeholders in building UEMOA's capacity

### **17.3 RECs, PACT, and UEMOA**

The creation of RECs is the result of changes in the regional blocs from 1975 that came up under the aegis of ECA. Before that time, the UN had divided Africa into regional entities for collecting data and statistical information. These entities more or less correspond to the major RECs as they exist today. The Lagos Plan of Action and the Abuja Treaty sanctioned it. The treaty aimed to create the AEC from the RECs in the long term. Other groups were established in parallel, and thus ECOWAS has coexisted with CEAO and UEMOA, creating double employment and impeding the implementation of an economic approach based on criteria for performance and capacity.

Moreover, the AU and NEPAD do not consider UEMOA a REC in its own right. They see it as a grouping of countries that are also members of ECOWAS. Perhaps the official seal on ECOWAS as the dominant body was its designation in 2001 as the main body to coordinate the implementation of NEPAD. According to the AfDB Report "Revue de l'état d'exécution du PACT-Infrastructures, Vol I, 2003," ECOWAS was the only REC whose programs were deemed to be in conformity with those of NEPAD, and to which the Heads of States of the member countries had officially given the responsibility to coordinate the implementation of NEPAD programs and conduct liaison with member states on NEPAD issues. The same report noted that the existence of groups like UEMOA constituted a "problem that tended to

hamper the implementing of PACT [Partnership for Capacity Building in Africa].” Nevertheless, the report admitted that ECOWAS should harmonize its policies and activities with those of UEMOA and thus coordinate the two programs well. This is an acknowledgement of UEMOA’s existence. But, ECOWAS’s PACT-Infrastructure seems to prevent it from considering UEMOA’s REP as one of its priorities.

Over the past forty years, sub-Saharan Africa has registered no growth rate and most nations have remained in the category of highly indebted poor countries. The RECs that were supposed to “heal Africa’s wounds” have become such burdens for the countries that they feel prompted to abandon the voluntarist and managed approach to pan-African integration in favor of a more pragmatic approach based on economic principles. The fact that the UEMOA zone has seen growth taking place over as long a period (1994–2001) as has ever been witnessed in Africa and has contributed to this.

UEMOA was only formally and directly involved in the preparatory work for the establishment of NEPAD after it had been widely admitted that regional integration and the RECs charged with implementing it had failed. Renewed interest in UEMOA’s experience led to the authorities responsible for implementing NEPAD programs to include it in the list of institutions chosen for the capacity-building needs survey. This survey was carried out following the meeting in Abuja (7–8 March 2005), which discussed ways of accelerating the implementation of PACT-Infrastructure and also examined critically the capacities of the major communities, economic groups, and other NEPAD-implementing agencies.

The obstacles to effective implementation of PACT is particularly acute in West Africa. Hence, it is necessary to establish, once and for all, principles and criteria for selecting priorities that will improve the performance of RECs and their capacity to reach quantified objectives in terms of economic efficiency, stability in the rules of play, international visibility, viability in the long term, and equity.

The criteria that NEPAD advocated and that the AfDB report on PACT established show a static approach by project and the allocation of a limited amount, known in advance, to financial grants. This approach reaches its limit very quickly from a systematic perspective, though it is an approach used by NEPAD. Moreover, it places emphasis on the process rather than on the results, on the respect of bureaucratic decisions taken within the OAU rather than on economic achievements. Furthermore, the role of the REC in achieving regional integration objectives is measured by its capacity to implement its economic programs. An African REC is only worth the value of its measurable results in reducing transaction costs, inequalities, poverty, regional disparities, geographical distance, and financial dependence of its member countries vis-à-vis external public aid.

Thus, the mission deemed it necessary to contribute to the debate on performance by establishing simple, transparent, and sound criteria for eligibility for the status of NEPAD/PACT-Infrastructure-implementing agency. It also drew a performance grid to enable better definition of the profile of the different RECs in order to better target the support to be given to these regional organizations.

At the time of the mission, UEMOA's Commission said that it was eagerly waiting for the ACBF and the steering committee for NEPAD's implementation to contribute resources to aid its improved functioning, implementation of its regional program, building capacity, analysis and coordination of regional integration policies and projects, and management skills.

In concrete terms, UEMOA anticipates that this exercise will contribute effectively to covering needs expressed about resources and skills so as to integrate better the PACT dimension into its annual program, including:

- Immediate needs identified for the next six months
- Short-term needs identified for the next ten years in conformity with the implementation of the REP and in harmony with PACT-Infrastructure
- Medium-term needs

## **17.4 UEMOA's Institutional and Organizational Framework**

### **17.4.1 Mission and Mandate**

UEMOA's vision and mission are set out in the treaty's preamble as follows:

- The pursuit of ECOWAS's objectives
- The preservation of UEMOA's advantages and the strengthening of its cohesion
- The extension of the solidarity that links the member states at the monetary level to the economic level
- The economic and social development of member states through harmonizing their legislation, unifying their external markets, and implementing common sectoral policies in the essential sectors of their economies
- The management of interdependence of economic policies and ensuring their convergence
- The conformance to the principles of an open market and competitive economy and encouraging the allocation of optimal resources;
- The transformation of UMOA into UEMOA, equipped with new skills through new transfers of sovereignty



- The strengthening of the complementarities of the production equipment and the reduction of the disparities among the levels of development between member states
- The placing of this approach into the regional integration efforts under way in Africa and calling on other West African States who share those objectives to work together

UEMOA pursues the following objectives:

- Strengthening the competition of the economic and financial activities of its member states within the framework of an open and competitive market and a rational and harmonized legal environment
- Ensuring the convergence of the economic policies and performance of member states by putting in place a multilateral surveillance procedure
- Creating an open market among the member states based on the free movement of people, goods, services, and capital, and the right of persons conducting independent business or who are in paid employment to set themselves up, all being based on a common external tariff and a common trade policy
- Coordinating national sectoral policies by taking joint action and, if need be, by implementing common policies, particularly in the following areas:
  - Human resources, national and regional development, transport and telecommunications, and environment
  - Agriculture, energy, industry, and mines
  - As far as is necessary for the proper functioning of the common market, harmonizing the legislation of member states, especially the tax regime

The main goals of UEMOA's actions are to achieve certain key targets: regional integration, economic governance, and the establishment of an open and competitive market. These objectives are similar to those of NEPAD and other RECs like CEMAC and COMESA, whose objectives are solely economic. Thus, the bodies forming the Union decided to step up their regional integration agenda through a more vigorous implementation of their economic program throughout the Union.

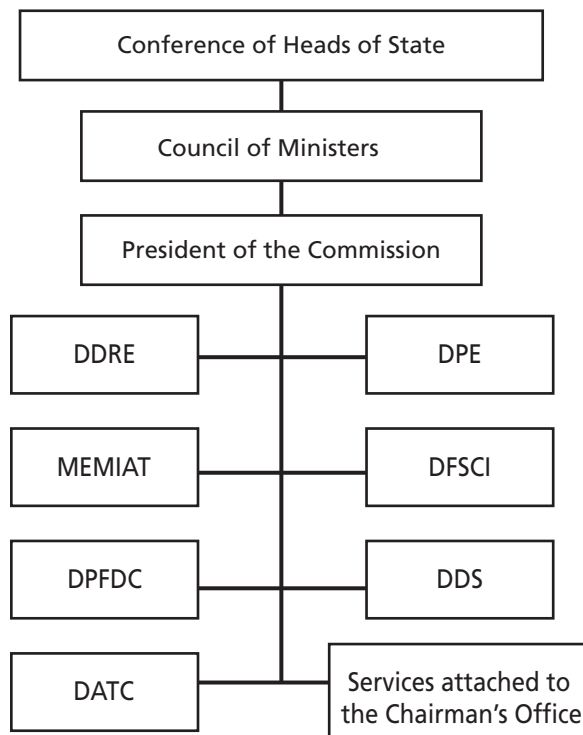
The implementation of this program will be all the more successful since UEMOA has an institutional framework that facilitates decision-making because of a reduced number of levels of intervention. Compared with other RECs, UEMOA has extensive and exclusive skills, especially in monetary policy. Also, there are the economic policy skills that UEMOA

shares with member states, in particular, multilateral surveillance. The designing of the Major Economic Policy Guidelines (Grandes Orientations de Politique Economique) and the implementation of the Convergence, Stability and Growth Agreement (Pacte de convergence, de stabilité et de croissance) further illustrate this. Moreover, UEMOA has set up a NEPAD unit cluster in conjunction with ECOWAS. This serves as a coordination mechanism in their program.

**17.4.2 Structures**

In the Commission’s organizational chart shown below, the management, supervising, and consultative bodies, together with the autonomous specialized units, ensure the separation of powers in the drafting of additional laws, rules, guidelines, decision-making, and expressions of opinion.

**Figure 17.1 UEMOA Commission: Governance Structure and Organization**



### **17.4.3 Human Resources**

UEMOA's staff complement stands at 245, of which 19 belong to the different bodies, while the remaining 226 are civil servants. Among the latter, two are men and 64 are women. The staff composition is as follows:

- Senior managers: 101
- Middle managers: 52
- Support staff: 74
- Consultants: 22 (two women and 20 men)
- Regional experts: 22 (12 of which are Africans)

Nevertheless, the personnel deficit remains considerable. The organization audit report drafted by the Commission in 2005 estimates the optimal staff complement required at 300, compared to the current 245. Under its short-term needs, it has identified 56 managers to be recruited.

The presence of resident experts and external consultants compensates for the imbalance between senior and middle-level managers in the organogram. The three areas mostly in need are in the following departments: fiscal, customs and trade policies; national and regional development, transport, communications policies; and rural development and environmental policies.

Apart from the members of the bodies appointed by the member states, other skills are recruited on a strictly professional basis. Managers who hold a PhD make up 8 percent of the senior managers. All UEMOA employees read and write French, which is also the community's working language. Two read and write Portuguese, and seven read and write English.

The competence areas are wide, though sectoral economists specializing in customs, trade, finance, and technological engineering are the most numerous. All the managers have proven experience in project management. They prepare the terms of reference, monitor consultants' work, represent UEMOA in experts' meetings, and draw up technological or evaluation reports.

Save for DATC, there is a considerable lack of specific skills required for in-depth quantitative economic analysis that can be used as a basis for elaborating and designing complex systems. This deficit is especially evident in the specialized fields of international economics, where the Commission is in great need due to the degree of integration in the region in such areas as finance, trade, business governance, and public-sector economics.

The Commission's staff is fully dedicated to achieving the community's economic objectives, a characteristic it shares with CEMAC and COMESA, and that is different from the traditional RECs like CEEAC, ECOWAS, SADC, and IGAD.

On the procedure for appointing personnel, it is necessary to distinguish members of the bodies from the others. The commissioners are appointed by the Council of Ministers and form an integral part of the UEMOA bodies. The managerial staff generally come from the member states' national administrations and are recruited following a request for applications. UEMOA strives to maintain equity in each country's representation within the Commission. However, there is no gender quota.

Remuneration policies are based on those of international organizations. UEMOA staff salaries are considerably higher than the national wage structure in the region, but they still do not compare with those of ECOWAS, BCEAO, and BOAD. And all the personnel interviewed felt the current salary scale is a disincentive.

### 17.5 Operational Processes

The Commission fulfills three main functions, which are linked to its principal policies and existing guidelines. The table below shows the functional distribution of activities within the Commission and highlights the management difficulties faced by the current institutions, functions allocated, and groupings effected.

#### Functions and Process

Functions	Areas	Policies, Programs	Departments, Institutions
Steering	Mission, mandate	Vision, values	Chairman's Office
Carrying out Union's actions	Harmonization of legislations Common policies	Economic policy:	Chairman's Office
		GOPE	DPE
		Multilateral surveillance	DPE
		Common market	DPFDC
	Sectoral policies	Free movement of people and goods	
		Trade policy,	
		Competition policy	
		Human resource development	DDS
		Transport and telecommunications policy	DATC
		Improving the environment	DDRE
Cross-cutting management actions		Agricultural policy	DDRE
		Mining and industrial policy	DEMIAT
		Budget	Office of the President
		PCS	Services attached to it
		FAIR	DFSCI

Source: UEMOA Treaty

## **17.6 Research, Documentation, and Networks**

The Commission does not have a research center or a research department in the true sense. Nevertheless, within the Department of Economic Policies there is a Department of Statistical Studies, which prepares reports on multilateral surveillance. Furthermore, within the framework of a support project, the Department of Social Development (Département du développement social, DDS) has networked the institutions of higher learning and research that can serve as a tool for managing knowledge in the end.

In the Commission, managers organize themselves individually to obtain data, information, and research results from technical partners and international meetings or regional seminars to which they are invited. The Commission has also inherited a collection of documents from CEAO.

Interactions through formal networks and structures remain limited to the region, notably with ECOWAS of which UEMOA countries are members, and with CEMAC to a lesser extent, with which UEMOA shares membership of the CFAF zone. Relationships with other RECs are at the level of the AU and NEPAD through meetings organized at continental level, such as these:

- Yamoussoukro Decision
- SSATP
- COSCA
- Social Dialogue Network (Réseau de dialogue social)

The Internet equipment's poor performance has further compounded the limited exchange of data and information within these networks.

## **17.7 Available Capacity**

The Commission is structured into seven departments in addition to the President's Office. Apart from the Department of Rural Development and the Environment (Département du développement rural et de l'Environnement, DDRE), the departments and units are housed in the same building, which was the headquarters of the former CEAO. Erected in the 1970s, the building has become cramped with limited access to local and international telephone service.

The Commission has conducted an organization audit that identified the main weaknesses in this area.

The Commission regulates all aspects of the official life of its staff, including conditions at work and financial matters. Yet there is no policy or budget for training. Therefore the Commission's efforts to improve personnel skills are severely limited.

The treaty spells out the guidelines as well as the economic and monetary policies to be implemented. The procedure for elaborating major policy guidelines provides the framework for analysis and management and replaces the strategic planning system. All respondents interviewed expressed an urgent need to set up a budgetary programming system along with a more specific and complete description of the procedures.

The Department of Economic Policies (Département des politiques économiques, DPE) has a statistical database that is updated annually. The Department of Fiscal, Customs and Commercial Policies (Département des politiques fiscales, douanières et commerciales, DPFDC) ensures the management of data on external trade. The Directory of External Trade for 1996–2002 has been finalized. A statistical directory on the Harmonized Index of Consumer Prices (Indice harmonisé des prix à la consommation, IHPC) of UEMOA for the period 1994–2001 was published in 2004.

UEMOA has its own full-fledged website ([www.uemoa.int](http://www.uemoa.int)), which is rich in information. In addition, the website [www.izf.net](http://www.izf.net) provides information on CFAF member countries and useful links in the region.

## 17.8 Ongoing Capacity-Building Program

UEMOA benefits from the support of the major donors to African countries, such as the AfDB, EU, World Bank, and the French Cooperation Agency. The grants received—to the tune of 12.4 billion CFAF per annum, divided into 90 activities—contribute to the strengthening of the community in accordance with its main strategies, which are set out below:

- Strengthening socio-economic cohesion
- Strengthening regional competitiveness
- Building a common market
- Strengthening the convergence of economic policies
- Institutional strengthening

Close to half of the funds are allocated to activities to build regional competition.

### 17.8.1 *Alignment Between the Missions and the Capacities Available in the Commission*

Alignment of the capacities available with UEMOA's mission comprises three dimensions:

- Alignment of the activities and of the organogram with the strategic objectives

- Existence of sufficient capacity to achieve strategic actions for regional integration
- Capacity for decision-making, anticipation, and rapid reaction

The following assessment can be made of these three criteria.

There is no alignment of the activities carried out with the Commission and the objectives assigned to UEMOA, which results in the following:

- Several objectives are not being taken into account in the organizational chart (monetary policy and its interactions with other policies, industrial policies to promote regional competitiveness, common market, and energy).
- Numerous posts in the organizational chart are not yet filled, including the number of divisions (all departments).

By way of the Regional Integration Aid Fund (Fonds d'aide à l'intégration régionale, FAIR), the means provided to promote equity and solidarity through compensation and integration-related projects are not sufficient. Similarly, since the internal financial capacity does not leave room for addressing strategic questions, the budget outline is drawn up on an annual basis around operating expenditure. There is no real strategic plan.

One of the difficult questions to resolve concerns the hierarchy of standards in the Union (bilateral aid, currency, or the real sector?). The question of institutional coherence between UMOA and UEMOA is lurking just beneath the surface.

### **17.8.2 Financial Autonomy**

Adequate financial autonomy presupposes the existence of the power to withdraw resources from customs revenue and allocate them to programmed activities. This has to be done in an appropriate manner, in accordance with the mechanisms for guaranteeing transparency and precision through a balance of power (parliamentary, accounting, court, observatory), competition procedures, and anonymous markets.

The treaty defines the Union's personality, the nature and origins of its resources, and the modalities for the Commission's use of the budget. The introduction of the PCS authorizes UEMOA to impose a 1 percent levy on imports from outside the CFAF zone to compensate for losses in revenue of certain countries and contribute to structural funds held by FAIR. These funds enable the financing of projects that contribute to poverty reduction. In this regard, UEMOA has a clear advantage over other RECs, even if

effective implementation of integration projects is coming up against the limits of the Commission's skills in this field and against the uncooperative behavior of some states.

To date, the Commission has not taken out a loan. It only receives grants from technical and financial partners. UEMOA has autonomous specialized institutions—BOAD, a regional stock market (Bourse régionale des valeurs mobilières, BRVM), and a central bank (BCEAO)—all functions of which are clearly defined.

The roles of the body for parliamentary and legal supervision (e.g., Court of Justice, Accounting Court, Interparliamentary Committee) as well as that of the consultative bodies (e.g., Consular Chamber), are clearly defined.

## **17.9 Performance Evaluation of UEMOA and Institutional Profile**

### ***17.9.1 Performance Grid and Rating***

Performance appraisal provides for UEMOA's institutional profile to be determined. In addition, it allows for an improved definition of the stages for its transformation into a REC that is sensitive to incentives and able to observe the principles for managing a modern and integrated organization.

The four areas for evaluation are:

#### ***Institutions***

- Performance of the institutional framework, financial, administrative, technological, and organizational performance

#### ***Analysis and design of economic programs***

- Existence, quality, and efficiency of the mechanism for analysis, forecasting, and evaluation, and for macroeconomic, financial, commercial, and technical management, and of economic program design and policy coordination; capacity to quantify the REC's contribution to reducing transaction costs, to growth, to reducing disparities, inequalities, poverty, and dependence on external public aid by improving its effectiveness.

#### ***Implementation and management***

- Performance in implementing strategic programs and regional policies as defined by AU and NEPAD



***Commitment, political will, and leadership.***

- Existence and quality of leadership, commitment, and political will at the highest level as regards regional economic integration

For each of these points, the indicator relates to the level of performance or the existence of a mechanism as well as the quality and effectiveness of its implementation. Level of performance—rated from 1 to 4, with 4 being the highest rating (that is, excellent); 3 satisfactory; 2 poor; and 1 the lowest rating, that is, unacceptable. It also provides for the existence of a mechanism and the quality and effectiveness of its implementation. Rated from 0 to 4, with 4 being the highest rating (that is, excellent); 3 satisfactory; 2 poor ; 1 unacceptable, and 0 mechanism nonexistent.

The REC's profile is determined by the weighted performance in all these areas. This profile can be raised or lowered to take account of the factors that are not always easy to capture with the rating grid with qualifications such as "very," "more than," "moderately satisfactory," and "less than." Depending on its location in one of the quadrants in the table below, the REC is qualified as follows.

***Facilitator.*** The REC's performance is poor in all the areas. It makes considerable effort to carry out activities such as meetings and consultations with uncertain results, takes on numerous mandates without the required additional means, puts forward opinions and recommendations that are often ineffective, yet they serve as a recourse for every economic crisis that rocks a given member state. In reality, it does not have any exclusive skills even if the treaty states otherwise. In terms of skills shared with member states, it has to negotiate on a case-by-case basis in order to have some room to maneuver.

***Monitor.*** The REC is successful in at least one area (analysis and design). It provides support to the regional integration process in the form of a follow-up mechanism, a periodic examination, preparing meetings of the bodies, and supplying technical assistance to national administrations that have extensive skills in economic integration. In reality, the REC does not have any exclusive skills even if the treaty states otherwise. It shares its skills with member states but must negotiate on a case-by-case basis in order to have some room to maneuver.

**Window.** The REC has realized above average success in at least two areas, that is, analysis and design, and implementing and management. It provides the stakeholders— the state, business, civil society organizations, and economic players—with opportunities, thanks to the reduction of transaction costs in the region and the economies of scale permitted by the free trade area, as well as mechanisms for correcting regional disparities, inequalities, and poverty. The REC has exclusive skills that are limited in number and extent.

**Provider.** The REC has realized above average performance in the four areas and has basic capacities and skills. Within the context of exclusive and shared skills attributed to it, the REC provides member states with solutions to problems of economic policy and development that they are unable to resolve on their own: stability, efficient resource allocation, equity, access to credit, additional financial resources, multilateral surveillance, common policies, global public property, long-term prospects, safeguarding vital interests, and so on.

The locating of the REC in one of the quadrants allows for the improved targeting of the type of support required.

<b>Profile</b>	<b>Type of capacity-building program</b>
Provider	Accompanying program for enhancing the REC’s institutions in order to set it up as a model and improve the benefit and the quality of service provision to member states.
Window	Institutional and organizational capacity building program in implementing and developing steps to be taken.
Monitor	Technical capacity building and program management (contracting)
Catalyst/Facilitator	Program to restructure and refocus activities (overall adjustment that can go as far as total transformation or dissolution)

**17.9.2 Performance of Institutional  
and Organizational Framework**

As an REC, UEMOA's performance can be measured in terms of the following criteria:

- Clarity, legibility, flexibility, and the practical nature of the body's treaties and agreements; degree of concentration of economic policy objectives: stability, efficiency, equity, and long-term viability
- Feasibility of the information system and of coordination at political and technical levels
- Presence of performance incentives in the form of attractive remuneration, rewards, programs to improve skills, and knowledge management
- Quality of infrastructure and logistical and computer resources

### Institutional and Organizational Framework

	The Facts	Rating	Aggregated
Clarity, flexibility, and practical nature of the body's treaties and agreements.	<p>The treaty clearly indicates that UEMOA's mission is to give impetus to regional integration through transforming UMOA to UEMOA. The exclusive area of concentration is regional economics.</p> <p>The institutional architecture is complete. The bodies are not yet mature (Accounting Court, Interparliamentary Committee, Court of Justice) or are a result of fusion (UMOA and UEMOA). Reflection of the hierarchy of standards within UEMOA is required.</p> <p>The organogram is not yet fully aligned to UEMOA's mission and mandate.</p>	4	
Feasibility of the information system and of coordination at political and technical levels	<p>The information system functions well despite the insufficiencies existing in logistic and communication.</p>	4	3.25
Presence of performance incentives in the form of attractive remuneration, rewards, programs to improve skills and knowledge management	<p>The remuneration system is not based on performance and is not considered attractive when compared to that of BCEAO. Skills and knowledge are still not fully exploited.</p>	2	More than Satisfactory
Quality of infrastructure and logistical and computer resources	<p>The building is cramped.</p> <p>The computer system is being upgraded.</p>	3	

*Note:* Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

### **17.9.3 Performance in Economic Analysis and Design**

As a center of analysis, evaluation, and economic management, UEMOA's performance is measured according to the following criteria:

- Existence of in-depth analysis of the economic and social situation in the zone, using quantitative models and methods, quality, precision, relevance, and effectiveness of analyses
- Existence of evaluation of the advantages and costs of regional integration programs and of dialogue with stakeholders on their distribution, quality, and ownership of the evaluation results
- Existence of mechanisms and explicit regulations for coordinating policies; quality, precision, relevance, and effectiveness of mechanisms and regulations
- Existence of training programs and capacity-building programs on policy analysis and economic management

Analysis and Design	The Facts	Rating	Aggregated
Existence of in-depth analyses of the economic and social situation in the zone using quantitative and qualitative models and methods	<p>The Commission prepares an annual report as well as reports on multilateral surveillance.</p> <p>In-depth economic analyses on the EUMOA Zone are still the preserve of other organizations, for example:</p> <p><i>Etude d'impact sur les Accords Commerciaux Régionaux by ECA;</i>  <i>IMF: WAMU, 200; Growth and Convergence in WAEMU Countries; Wane, 2004; Monetary Union in West Africa, Masson; 2001</i>  <i>Jean-Paul Azami: Poverty and Growth in the WAEMU after the 1994 Devaluation, 2003</i>  <i>BCEAO, Banque de France et de la BCEAO: Rapports annuels</i></p>	3	
Existence of evaluation of the advantages and costs of regional economic integration programs and of dialogue with stakeholders on their distribution	<p>Work on modeling and economic analysis has been carried out using tools for economic policy simulation and for short- and medium forecasts .</p> <p>Procedure for updating existing models and drafting an internal working document analyzing the impact of the appreciation of the Euro against the dollar on UEMOA economies.</p> <p>A study on the economic impact of the Ivorian crisis was done internally.</p> <p>There is no evaluation report on the impact prior to and after the 10-year existence of the REP which would allow the stakeholders to be informed on the effects on growth, on reducing poverty and inequalities, and on negotiating that would allow them to make decisions with the full knowledge of the facts.</p>	3	3.0
Existence of mechanisms and explicit regulations for coordinating policies and for benchmarking procedures, especially for international and regional negotiations	<p>The treaty clearly states the regulations for decision-making and for coordinating, in particular as regards multilateral surveillance, common policies, and sectoral policies.</p>	3	

(continues)

Analysis and Design (cont.)	The Facts	Rating	Aggregated
Existence of high-level training programs and programs to build capacity for policy analysis, for economic management, and for managing databases	<p>The inclusion of UEMOA into the framework defined by the AU and NEPAD remains an objective to be (it is still considered a sub-REC that forms an integral part of ECOWAS). UEMOA's presence in the regional integration networks is limited to a few projects. Relationships with other African RECs and with international institutions are limited because of the language barrier.</p>	3	3.0 Satisfactory
Existence of a system for research, knowledge management, and management of a digital library	<p>Continuous training of managers is done on the job through seminars and international or continental conferences. There is neither plan nor budget fully dedicated to staff training.</p> <p>The implementation of the Project d'appui au développement de l'enseignement supérieur et de la formation professionnelle (Project to Support Higher Education and Vocational Training, DDS) is currently underway.</p> <p>The Program d'appui et de développement des centres d'excellence (Program to Support and Develop Centres of Excellence) and a Program de soutien à la formation et à la recherche de l'excellence within UEMOA (Program to Support Training and Research to Achieve Excellence) are being elaborated.</p>	3	3

*Note:* Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

#### **17.9.4 Implementation and Program Management Capacity**

As an implementing agency for regional policies and programs, UEMOA can be measured based on the following criteria:

- Existence of framework documents in the form of medium-term regional economic program that reflects the priorities set by the bodies and shared by nonstate actors
- Existence of priority plans of action in the areas deemed crucial for the regional economic integration of the zone (for example PACT-infrastructures)
- Existence of mechanisms for including these programs and projects on the national and regional agendas as well as those of the external financial partners
- Existence of a financial, accounting, and legal system of norms and standards, together with a quality and reporting system to ensure adequate financing of programs, their implementation, and their appropriate management, as well as the respecting of obligations and sums owed
- Existence of internal capacity that can act as support for technical assistance and for external players (computer companies and complex contracts)



## Implementation and Management

	The Facts	Rating	Aggregated
Existence of framework documents in the form of a medium-term regional economic program reflecting the priorities set by the bodies and shared by non-state actors	<p>The strategy and objectives are defined by the treaty. They are translated into annual activity programs approved by the bodies and accompanied with an annual budget.</p> <p>The REC is available but needs more depth. To achieve this, it needs to be built onto elements of macroeconomic strategy and guidelines, and its impact needs evaluating. Financing shall be ensured with internal resources as a matter of priority.</p> <p>A document entitled Stratégie Régionale de Réduction de la Pauvreté (Regional Poverty Reduction Strategy) was drafted in conjunction with ECOWAS.</p>	4	
Existence of priority plans of action in the areas deemed crucial for regional economic integration of the zone (for example PACT-Infrastructures)	<p>UEMOA participates in continental and regional projects that are an integral part of PACT; under the heading of energy, there is the Project d'interconnexion des réseaux électriques de l'Afrique de l'Ouest (Projet WAPP: West African Power Pool); the Program Régional de Facilitation des Transports et Transit Routiers de l'Afrique de l'Ouest (Regional Program to Facilitate Road Transport and Transit);SSATP; COSCAP; Yamoussoukro Decision.</p> <p>Priority plans of action for UEMOA should be extracted from the REP and should be structured so as to take advantage of PACT.</p>	3	More than Satisfactory 3:2
Existence of mechanisms for including these programs and projects in national and regional agendas as well as those of the external financial partners	<p>Networks linking UEMOA to other NEPAD stakeholders are not well structured nor are they efficient. Thus the Union faces difficulties in establishing a foothold with other RECs, the AU, and PACT donors.</p>	2	

(continues)

### Implementation and Management (cont.)

	The Facts	Rating	Aggregated
Existence of a financial, accounting, and legal system of norms and standards, together with a quality and reporting system to ensure adequate financing of programs, their implementation, and their appropriate management, as well as the respecting of obligations and sums owed	An organizational audit was commissioned in order that the eligibility criteria for aid from donors (European Union) be met.	3	
Existence of internal capacity that can act as support for technical assistance and for external players (computer companies and complex contracts)	With 91 senior managers and 51 middle managers, UEMOA has the requisite critical mass of expertise for implementing complex and large-scale projects. Some effort to diversify remains to be made. The priority area for capacity building is the recruitment of permanent staff, regional experts, and consultants.	4	More than Satisfactory 3.2

*Note:* Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Nonexistent.

**17.9.5 Commitment, Political Will, and Leadership**

Commitment and political will at the highest level are measured by the member states' effort in delegating exclusive and shared skills to UEMOA for it to put in place the regional economic integration strategy and for it to reach the objectives of macroeconomic stabilization, resource allocation, distribution of costs, and advantages and financial viability in the zone.

**17.9.6 Overall Evaluation of UEMOA's Performance and Its Profile as a REC**

Institutions	3.25	More than satisfactory
Economic program analysis and design	3	Satisfactory
Implementation and management	3.2	More than satisfactory
Leadership, political will, and commitment	3.5	More than satisfactory
Aggregated	3.24	More than satisfactory performance

UEMOA's performance as a REC is "more than satisfactory."

This performance is not rated excellent because of weakness in, and lack of capacity for, analysis and design as well as capacity gaps in other areas. Nevertheless, it must be assessed relative to other RECs; then, certainly, it would make the "very satisfactory" grade.

The Union's performance is all the more remarkable as it brings together several countries that are classified among the poorest in the world because of unfavorable extra-economic conditions (climatic, political), poor exploitation of natural resources, and poor infrastructure. These obstacles explain why constant reference is made to solidarity between the member states, which constitutes the basis of the policy of integration.

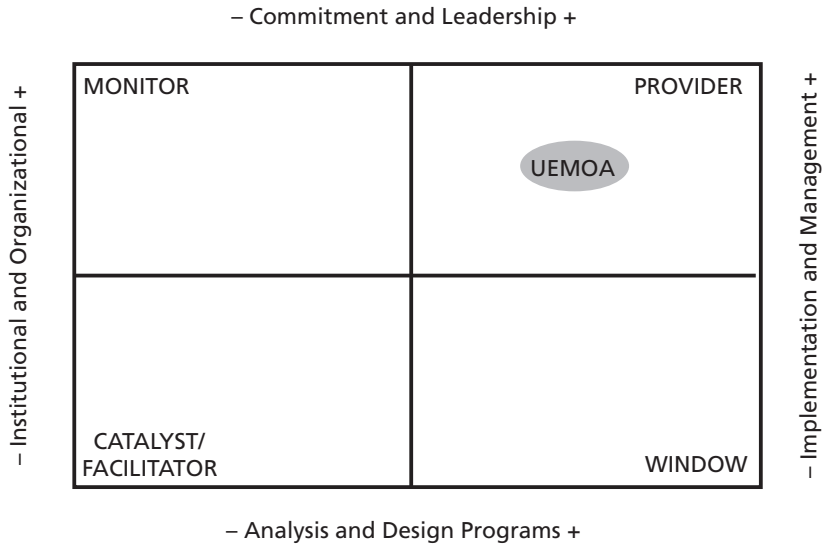
Together with COMESA and CEMAC, it is one of the three communities whose sole vocation is essentially economic. It is also the only REC that has designed a regional economic program that is integrated, smooth, backed up by figures, aligned with PACT, and designed to be initially financed by internal resources. All other RECs are pursuing a multitude of objectives that does not make economic integration clearly visible. This is important from the point of view of modernizing the RECs and the need to find a benchmark. Raising the profile of UEMOA would position the Union as a major PACT and NEPAD player, and make it a model for other RECs.

UEMOA subscribes to the principle of providing appropriate services by reducing transaction costs. This is actually the purpose of the PCS and of the REP.

Commitment, Political Will, and Leadership	The Facts	Rating	Aggregated
<p>Existence of a regional economic integration strategy designed, at the request of the Governments, and by the internal expertise available within UEMOA, and retaining this expertise through appropriate incentives; relevance, coherence and feasibility of the strategy.</p> <p>Giving up sovereignty in strategic areas.</p>	<p>The Treaty instituting UEMOA translates member states' political will for integration as:</p> <ul style="list-style-type: none"> <li>• A Monetary Union with one monetary policy and one currency;</li> <li>• Harmonization of legislation;</li> <li>• A common definition of GOPE;</li> <li>• An economic convergence program (PSCSR);</li> <li>• A multilateral surveillance procedure;</li> <li>• Common sectoral policies</li> <li>• PCS</li> <li>• REP</li> </ul>	4	
<p>Decision to implement all the approved financial mechanisms (PCS) and to fulfill the conditions agreed to with the external financial partners, the AU and NEPAD</p>	<p>Acceptance and approval of the revenue redistribution criteria drawn from the PCS through the FAIR.</p> <p>The PCS is operational. Its proceeds, paid back by the member states, were used to contribute to the Fonds de compensation des moins-values de recettes douanières (Compensation Fund for Customs Shortfalls); to FAIR; to pay into the Fonds de Réserve (Reserve Fund); to finance the Operations and Equipment Budget of the Union's bodies; to give Nigeria a loan and to pay into the Fonds Fiduciaire FAO (FAO Trust Fund) for implementing the Program Régional Spécial de Sécurité Alimentaire – PRSSA (Special Regional Program for Food Security).</p> <p>Implementation of FAIR financed are currently underway. All the member countries have benefited from these projects.</p>	4	3;5 More than Satisfactory
<p>Existence of lasting dialogue with non-State actors so as to better share UEMOA's vision.</p>	<p>Dialogue with civil society (NGOs, university institutions, liberal professions, the private sector, and the media) has been formalized through the Réseau de Dialogue Social (Social Dialogue Network).</p>	3	
<p>Decision to effectively implement the programs at national level and to respect set timeframes</p>	<p>Several important achievements noted over the first 10 years. Delay in implementing the free movement of people and goods.</p>	3	

Note: Rating guide: 4 – Excellent; 3 – Satisfactory; 2 – Poor; 1 – Unacceptable; 0 – Non-existent.

**Profile**



**17.9.7 Capacity Needs**

Since its activities began in 1999, UEMOA has gained considerable ground in the area of regional integration. It is endeavoring to make progress in numerous areas:

- Free movement of people, freedom to take up residence, and to provide services, as well as individual freedom to establish businesses
- Improved operation of the Prélèvement communautaire de solidarité (Community Solidarity Levy), which forms the structure of the Union
- Completing the regional economic program and seeking the requisite funding from the development partners
- Communication through the Union’s media to cover all sectors of economic life so as to ensure increased stability and the necessary visibility for the integration process
- Concretizing the guidelines

All the same, the Union is facing difficulty in establishing itself as a fully fledged REC, bearing in mind the pre-eminence of ECOWAS, to

which all its member states belong. Hence the strong impression among the Commission's staff that UEMOA is not directly with NEPAD and especially with PACT, and more so because ECOWAS was the organization nominated by the West African Heads of States to be the implementing framework for NEPAD.

### ***Strengths for further development***

- UEMOA devotes all of its resources to achieving regional economic integration. It constitutes the only experience of adapting and institutionalizing the Economic and Monetary Union outside of Europe.
- The Commission benefits from the confidence of external partners, the largest of whom are the EU, AfDB, and bilateral cooperation agencies (France, United States).
- Its treaty confers extensive competence to finance and implement projects and programs. Furthermore, it has a critical mass of high-level experts to accomplish these tasks. Most areas of expertise required to carry out regional projects are covered by the available personnel. But there is gender insensitivity. No woman holds a senior managerial post at the level of commissioner.
- The statutory bodies are in regular operation and reports are ready on time.
- Economic and effectiveness criteria are dominant in staff management and in infrastructure.

### ***Weaknesses identified***

The weaknesses identified are:

- Weak interaction between the Commission and NEPAD
- Poor capacity to prioritize and for strategic programming
- The dilapidated state of the building
- Limited use of NICT
- Not much interest given to human resources, languages, training, establishing networks, and knowledge management

The existing analysis and design capacity does not allow for identifying and specifying the overall stakes and challenges facing UEMOA. Strategic issues do not form part of in-depth analyses and reports to the decision-making bodies:

- The hierarchy of standard within the Union
- Progressive "dollarization" of most African countries in the ZMAO region and those in bordering the FCAF Zone

- Globalization of petroleum issues around the Gulf of Guinea and the rise in the price of petroleum and petroleum-based products
- The strategic breakthrough by the powers in favor of regional integration in West Africa (South Africa, Libya, and Morocco) and their actual regional integration strategy

The Union has made great strides in modernizing the institution's management, especially in the following areas:

- Project to refurbish and extend the office building to make it more functional
- Full replacement of the computer system is completed
- An organizational audit with a view to rationalizing the structures and making them coherent with that of the missions
- A financial audit to pursue the consolidation of transparency, sound financial management of the Union and to have greater accountability, compliance, and reliable accounts, on the one hand, and to strengthen financial execution capacity of the programs, on the other
- Planned recruitment of staff to bridge the gap in strategic areas: forecasting and planning, forward-looking management of human resources, and management of information systems
- Improvement in salaries

#### **17.9.8 Recommendations**

## To meet immediate needs

### To Strengthen Economic Analysis and Policy and Project Design Capacities

Areas	Actions	Resources Requirements
Capacity for detailed analyses and modelling	<p>To set up a Forecasting and Strategic Programming Unit within the Chairman's Office.</p> <p>This Unit should provide the Commission with capacities in the areas of economic and strategic forecasting and in specific areas in international economy and finance, international trade law and MTN, investment management, cost and benefit analysis of regional integration.</p>	<p>Two consultants to develop the unit, draw up its work schedule and financing.  <i>4 person/month (p/m):</i>  <i>Profile:</i>  <i>Foresight</i>  <i>Financial programming</i></p>
Program evaluation and dialogue capacity	<p>To conduct an economic, environmental, political and social impact assessment of infrastructure, transport, energy, water and telecommunications projects:</p> <ul style="list-style-type: none"> <li>The impact assessment will serve as a basis for the detailed feasibility study of the various REP projects and for drawing up the communication plan with financial partners</li> </ul>	<p>A specialist in environmental and societal issues:  <i>1 permanent post</i></p> <p>A team of experts to conduct the full ex ante assessment:  <i>4 experts during 3 months</i>  <i>Profile:</i>  <i>Macroeconomic,</i>  <i>Industrial economic</i>  <i>Microeconomic,</i>  <i>Economic of public finance</i></p>
Rules for policy coordination and benchmarking process	<p>To take the initiative regarding developing a transparent performance appraisal mechanism for RECs which will make it possible to improve the visibility of institutions and the sharing of experiences through quantifying efforts made in implementing regional integration projects</p> <p>To set up a specific program for trade and fund raising</p>	<p>A mission to the AU, NEPAD Executive Secretariat and other RECs to bring about a better understanding of UEMOA's objectives and achievements.  <i>15 p/m for the DFSCI</i></p> <p>A consultant specializing in international negotiation  <i>1 p/m</i></p> <p>A consultant to conduct the detailed analysis and setting up of a laboratory for English for Economics  <i>1 p/m</i></p>
High-level training and capacity building in policy analysis, economic management and database management	<p>To develop an intervention framework for external partnerships and support</p> <p>To set up a training program in policy analysis, modelling, program management, data-base management and documentation</p>	<p>A working group supported by an external consultant  <i>1 p/m</i></p> <p>1 consultant  <i>1 p/m</i></p>



## To Strengthen Implementation and Program Management Capacities

Areas	Actions	Resources Requirements
Definition of priorities and dialogue with non-governmental stakeholders	<p>To speed up the adoption of the Regional Economic Program by non-governmental stakeholders</p> <p>To involve non-governmental stakeholders in drawing up REP strategy and macroeconomic framework and in implementing DSRRP</p>	<p>A team of 8 consultants to support the DPE at country level for 2 months <i>16 p/m</i></p> <p>A specialist in economic program management responsible for monitoring of REP <i>1 permanent post for the REP</i></p>
PACT-Infrastructure for UEMO	<p>Organize a follow-up workshop on the AfDB PACT (STAP) seminar and set up a strategic monitoring unit for the implementation of PACT in the UEMOA Zone</p> <p>Prepare a document for the evaluation of PACT implementation in the zone and ways of speeding it up.</p>	<p>A working group for DPE, DATC and DFSCI to organize the workshop.</p> <p>One consultant <i>1 p/m</i></p>
Inclusion of UEMOA programs and projects on national and regional agenda and those of external financial partners	<p>To draw up a communication strategy targeting national governments, ECOWAS and external financial partners.</p>	<p>A communication specialist <i>1 permanent post for the Communication service</i></p>
Upgrading of financial, accounting and legal systems.	<p>To implement approved recommendations of the organizational audit</p>	<p>A working group for the implementation of the audit's recommendations.</p>
Quality and reporting policy.	<p>To adopt reporting standards.</p>	<p>A consultant in corporate organization and communication <i>1 p/m</i></p>

**To meet medium-term needs**

**To Strengthen Economic Analysis and Policy Design Capacities**

Areas	Actions	Resources and man-hours
Research, knowledge management, and digital library systems	To develop a knowledge management system, in order to make up the deficit in research, networking, production, and knowledge dissemination capacity. This system takes care of the digital library project and facilitates the mobilization of available knowledge within institutions such as ACBF, AfDB, and other multi-lateral institutions as well as expertise from universities and research and analysis centers in Africa through UEMOA support to Centres of Excellence in their capacity to handle themes directly linked to knowledge needs in this sphere.	A regional expert to jointly support the President's Office, DPE, and DDS 6 p/m

**Summary of needs and resource requirements (in US\$)**

	US\$	Immediate Needs	Short-Term Needs	Medium-Term Needs
	Total	2005	2006	2007
<b>Consultants' services</b>				<i>na</i>
Advisory services and studies (53 d/m x US\$15,000)	780,000	570,000	210,000	
Monitoring and Evaluation (1 d/m x US\$15,000)	15,000		15,000	
<b>Experts' services 24 d/m</b>				
Regional experts (24 x US\$15,000)	360,000	90,000	180,000	90,000
<b>Missions to external partners*</b>				<i>fn</i>
<b>Operations *</b>				<i>fn</i>
Permanent experts				
Social expenditure				<i>fn</i>
<b>Facilities*</b>				
Language laboratory				
IT installations				
<b>Building and works*</b>				Building
<b>Total</b>	<b>1,155,000</b>	<b>660,000</b>	<b>405,000</b>	<b>90,000</b>

Notes: \*to be supported by UEMOA; na: not available; fn: for noting

## To meet short-term needs

### To Strengthen Economic Analysis and Policy and Project Design Capacities

Areas	Actions	Resources Requirements
Capacity for detailed analyses and modeling	To set up a Forecasting and Strategic Programming Unit within the Chairman's Office. This Unit should provide the Commission with capacities in the areas of economic and strategic forecasting and in specific areas in international economy and finance, international trade law and MTN, investment management, cost and benefit analysis of regional integration.	Two consultants to develop the unit and to draw up its work schedule and financing. <i>4 person/month (p/m):</i> <i>Profile:</i> <i>Foresight</i> <i>Financial programming</i>
Program evaluation and dialogue capacity	To conduct an economic, environmental, political, and social impact assessment of infrastructure, transport, energy, water, and telecommunications projects. The impact assessment will serve as a basis for the detailed feasibility study of the various REP projects and for drawing up the communication plan with financial partners	A specialist in environmental and societal issues: <i>1 permanent post</i>  A team of experts to conduct the full ex ante assessment: <i>4 experts during 3 months</i> <i>Profile:</i> <i>Macroeconomic,</i> <i>Industrial economic</i> <i>Microeconomic,</i> <i>Economic of public finance</i>
Rules for policy coordination and benchmarking process	To take the initiative regarding developing a transparent performance appraisal mechanism for RECs which will make it possible to improve the visibility of institutions and the sharing of experiences through quantifying efforts made in implementing regional integration projects To set up a specific program for trade and fund raising To equip UEMOA with a Language Laboratory so as to facilitate the mastery of English by all its officers	A mission to the AU, NEPAD Executive Secretariat, and other RECs to bring about a better understanding of UEMOA's objectives and achievements <i>15 p/m for the DFSCI</i> <i>A consultant specializing in international negotiation</i> <i>1 p/m</i> A consultant to conduct the detailed analysis and setting up of a laboratory for English for Economics <i>1 p/m</i>
High-level training and capacity building in policy analysis, economic management, and database management	To develop an intervention framework for external partnerships and support To set up a training program in policy analysis, modeling, program management, database management, and documentation	A working group supported by an external consultant <i>1 p/m</i> 1 consultant <i>1 p/m</i>

## To Strengthen Implementation and Program Management Capacities

Areas	Actions	Resources Requirements
Definition of priorities and dialogue with nongovernmental stakeholders	To speed up the adoption of the regional economic program by non-governmental stakeholders To involve nongovernmental stakeholders in drawing up REP strategy and macroeconomic framework and in implementing DSRRP	A team of 8 consultants to support the DPE at country level for 2 months <i>16 p/m</i> A specialist in economic program management responsible for monitoring of REP <i>1 permanent post for the REP</i>
PACT-Infrastructure for UEMOA	Organize a follow-up workshop on the AfDB PACT (STAP) seminar and set up a strategic monitoring unit for the implementation of PACT in the UEMOA Zone Prepare a document for the evaluation of PACT implementation in the zone and ways of speeding it up.	A working group for DPE, DATC, and DFSCI to organize the workshop One consultant <i>1 p/m</i>
Inclusion of UEMOA programs and projects on national and regional agenda and those of external financial partners	To draw up a communication strategy targeting national governments, ECOWAS, and external financial partners.	A communication specialist <i>1 permanent post for the Communication service</i>
Upgrading of financial, accounting, and legal systems.	To implement approved recommendations of the organizational audit To adopt reporting standards.	A working group for the implementation of the audit's recommendations. A consultant in corporate organization and communication <i>1 p/m</i>
Quality and reporting policy.		

## To meet short-term needs

### To Strengthen Institutional and Organizational Capacities

Areas	Actions	Resources Requirements
The institutional framework	To carry out a critical assessment of UEMOA's economic and monetary governance To re-evaluate the organization chart, missions, and mandate with a view to realigning them.	A peer review mission organized in collaboration with the AU, EU, and IMF. An expert group of 3 persons 3 p/m
Performance-based remuneration and management policy	Establish a results-based performance and management annual plan Examine the possibility of introducing an incentive remuneration scheme Complete the organizational audit by mapping the skills and expertise available and update them.	An expert to assist the President's Office (Personnel Department) in drawing up an appropriate human resources management and staff recruitment plan 6 p/m Profile: Competencies management
<b>To Encourage the Political Authorities to Be More Committed and to Build Political Will</b>		
Regional economic integration strategy and encouraging adaptation.	To establish a regular consultation procedure with regional experts on the stakes of the integration of the UEMOA Zone and of ratification of economic policy guidelines.	2 experts/facilitators to support the process of identifying needs and consulting stakeholders 6 p/m
PCS collection	To design a permanent monitoring and evaluation framework for the mobilization and use of financial resources. To develop the budget strategy for each program within the context of setting up the minimum investment program.	2 experts/facilitators to assist in drawing up the vision and strategic plan 3 m/m in conjunction with the consultants responsible for setting up the Executive Forecasting Unit and the FAIR working group
Dialogue between policy-makers and nongovernmental stakeholders on UEMOA's vision	To begin dialogue between the bodies and opinion leaders on UEMOA's vision To begin drawing up the vision and the strategic plan, the medium-term expenses sliding program, and the communication plan	
Effective implementation of programs at country level and meeting deadlines	To set up a monitoring, early warning, and prevention system to detect weaknesses in the implementation of programs at country level and mitigate their effects	A monitoring, early warning, and prevention unit in each country, coordinated by the president A consultant to develop the mechanism 1 p/m

# Appendix 1

## Technical Notes:

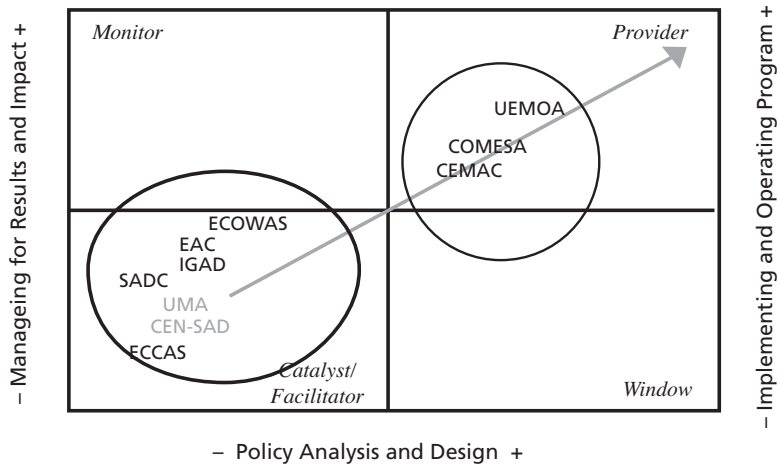
### Toward an Action Plan

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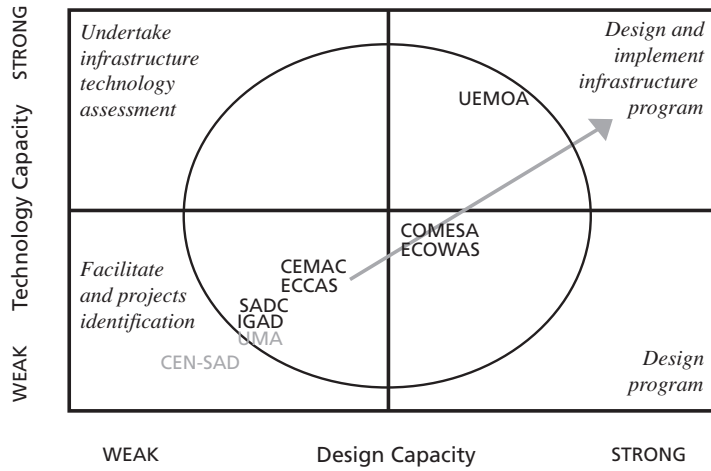
#### Overall Performance and Capacity Needs

#### Basic Capacity Needs to Achieve Core Functions

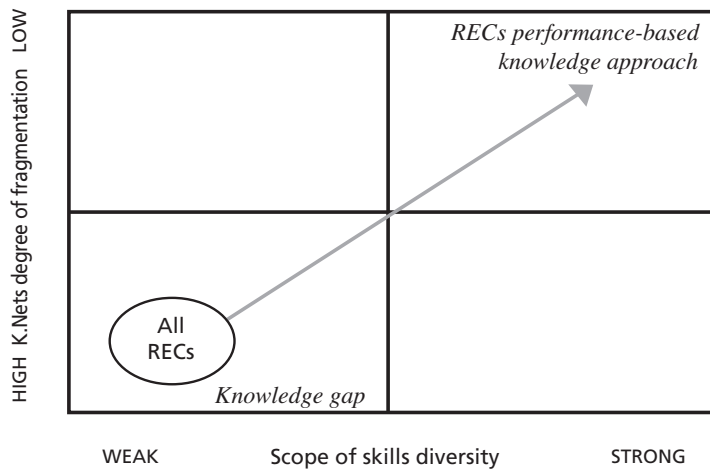
- Leadership, Trust, and Commitment +



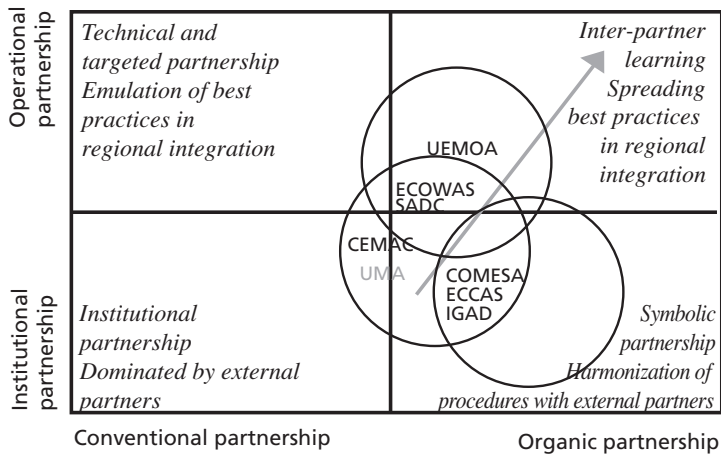
## Specific Capacity Needs to Challenge STAP Infrastructures



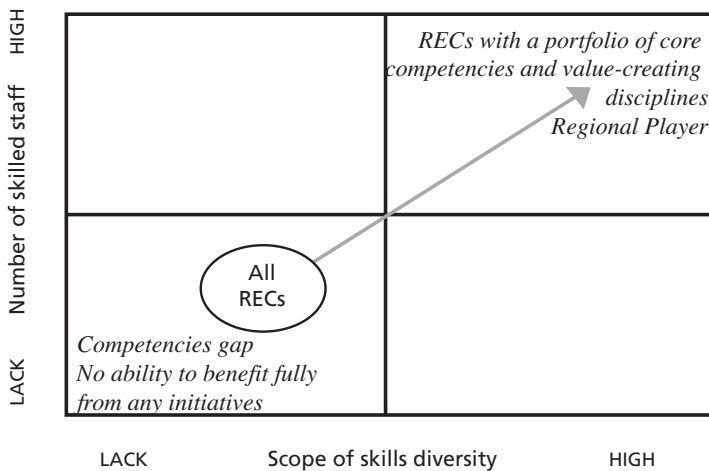
## Knowledge Base Nature of Knowledge Networks



Specific Capacities Needs for Partnering:  
Content and Dynamic of Partnership (Public and Private)



Core Competencies  
for Excellent RECs and Growing Role in Regional Integration





## Pace of Integration by RECs

Above Average		Average	
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UEMOA	6.6%	CEMAC	4.7%
ECOWAS	6.3%	CEN-SAD	4.6%
SADC	6.0%	UMA	4.2%

Close to Average		Erratic	
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EAC	3.7%	CEPGL	
IGAD	3.7%	ECCAS	
COMESA	3.6%	IOC	
		MRU SACU	

**Strategic Framework**

Needs	Focus	Goals	Eligible
Basic Capacity Needs to Achieve Core Functions	I. I.A. RECs	Improve Delivery, Outcomes and Value for Money of Programs and Projects	<i>Core Capacity Building Program</i>  <i>Target:</i> <i>All RECs</i> <i>Eligible as NEPAD Building Blocks (10)</i>
Specific Capacity Needs to close Infrastructure Gap	I.B. NEPAD/ STAP	Challenge STAP/NEPAD	
Specific Capacity Needs to Manage Partnership	I.C. Partnership	Improve Effectiveness and Relevance of Donors Interventions	
Knowledge Needs For Infrastructure And Regional Integration	II. Knowledge	Build Knowledge Base to Bridge Performance Gap	<i>Thematic and Transversal Program</i>
Core Competence Needs for Excellent RECs	III. Core Competence	Strengthen RECs Human Capital	<i>Target:</i> <i>All RECs and Quasi RECs Eligible (13)</i>

**Performance Targets**

Areas and Targets	Indicators
<b>I. CAPACITY NEEDS FOR RECs MANDATE, STAP IMPLEMENTATION AND PARTNERSHIP</b>	
A. Foresight & Policy Unit	Number of influential in-house publications on line
B. STAP-Infrastructure Unit	Benefits in scale economy
C. Financial Partnership Unit for Infrastructure Networks and Regional Integration	Number of programs supported
D. Experts Panel for Prospective Evaluation	Programs Quality and Accountability
<b>II. KNOWLEDGE NEEDS FOR INFRASTRUCTURE NETWORKS AND REGIONAL INTEGRATION</b>	
E. TransAfrican Knowledge Networks for Infrastructure and Economics (TRAK-NETs)	Number of influential in-house publications on line
F. Linguistic Exchange Program	Number of skilled staff speaking no less than two languages
G. Digital Library	Number of online consultations, density, and exchanges
<b>III. CORE COMPETENCE NEEDS FOR EXCELLENT RECs AND GROWING ROLE IN REGIONAL INTEGRATION</b>	
H. Outsourcing Program	Number of contracts, services, and functions
I. Competency Management Program	Data on training programs, rewards, and recognition
J. Development Performance Program	Number of core business functions embedded in RECs activities

**Financial Resources Needs (US\$)**

Three Axes and Ten Actions to Put RECs at the Center of STAP/NEPAD Implementation by 2010

<b>I. CAPACITY NEEDS FOR RECs MANDATE, STAP IMPLEMENTATION, AND PARTNERSHIP</b>	<b>28,560,000</b>
A. Foresight & Policy Unit	8,600,000
B. STAP-Infrastructure Unit	16,800,000
C. Financial Partnership Unit for Infrastructure Networks and Regional Integration	3,000,000
D. Experts Panel for Prospective Evaluation	160,000
<b>II. KNOWLEDGE NEEDS FOR INFRASTRUCTURE NETWORKS AND REGIONAL INTEGRATION</b>	<b>3,280,000</b>
E. TransAfrican Knowledge Networks for Infrastructure and Economics (TRAK-NETs)	2,000,000
F. Linguistic Exchange Program	680,000
G. Digital Library	600,000
<b>III. CORE COMPETENCE NEEDS FOR EXCELLENT RECs AND GROWING ROLE IN REGIONAL INTEGRATION</b>	<b>930,000</b>
H. Outsourcing Program	310,000
I. Competency Management Program	310,000
J. Development Performance Program	310,000
<b>TOTAL</b>	<b>32,770,000</b>

RIGHT NOW	SHORT TERM		MEDIUM & LONG TERM		Total
2006	2007	2008	2009	2010	
8,080,000	10,800,000	10,880,000	1,370,000	1,640,000	32,770,000

*Note:* This amount represents less than 1.6 percent of total pledge to close infrastructure gap by 2010 to and less than 0.4 percent of resources required to cover pan African projections.

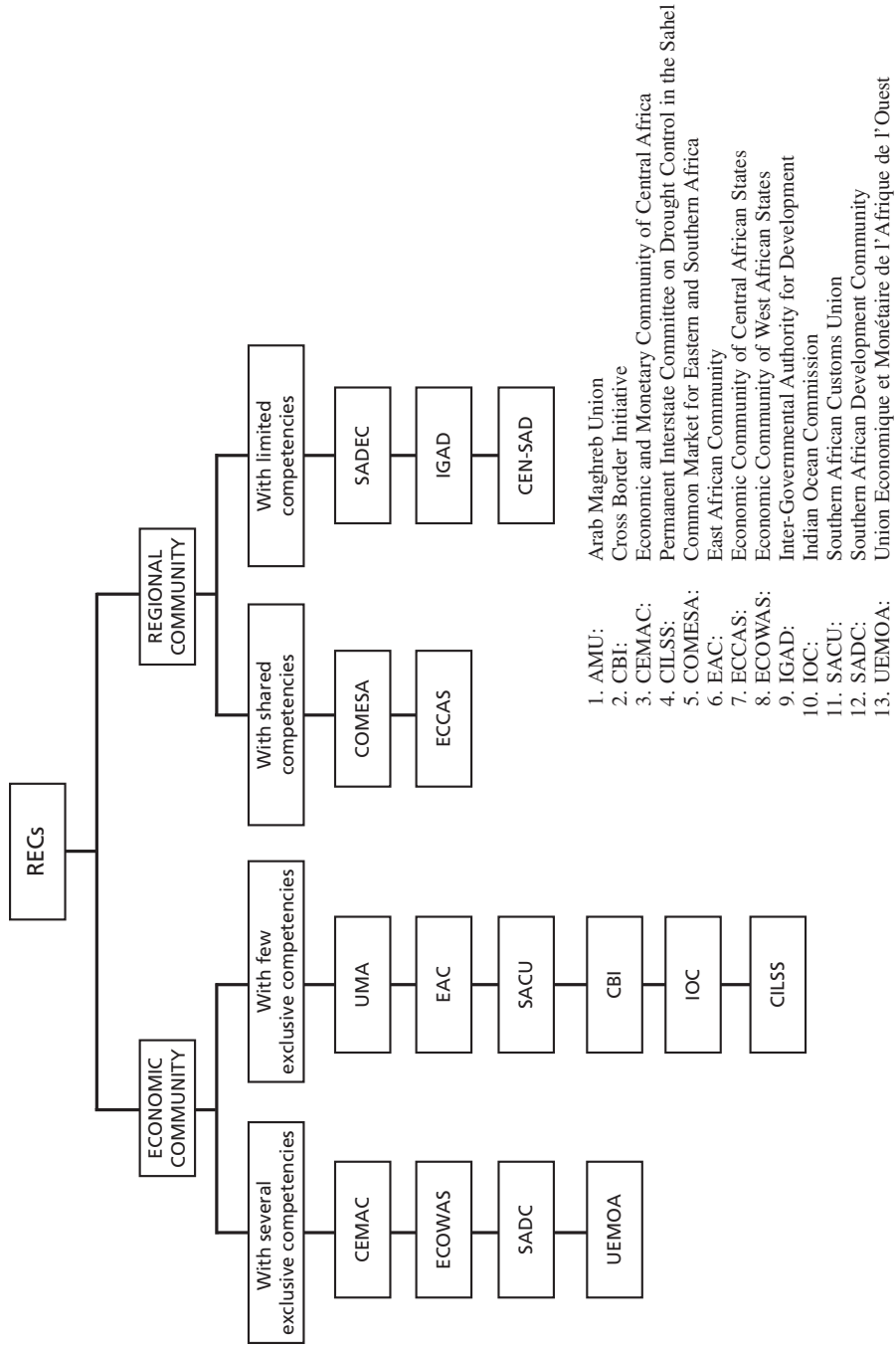
Mapping RECs: Essential Data

African RECs Mandates	TYPES OF REGIONAL ECONOMIC COMMUNITIES						
	Free Trade Zone	Free Trade Area	Customs Union	Common Market	Monetary Union	Economic Union	Political Union
Harmonized:	(Internal)	(Trade)	(Customs)	(Movement)	(Currency)	(Policy)	(Government)
UMA/AMU (1989) (5)	—	x	—	x	—	x	—
ECCAS/CEEAC (1985) (9)	—	—	—	x	x	x	—
COMESA (1994) (21)	—	x	—	x	x	x	—
ECOWAS (1975) (15)	—	—	x	x	x	x	x
IGAD (1996) (7)	—	x	x	—	—	x	—
CEN-SAD (1998) (6)	—	—	—	x	—	x	—
SADC (1992) (14)	—	x	—	x	x	x	—
AFRICAN UNION (2002) (53)	—	x	x	x	x	x	x

Source: UNECA.



## RECs, Quasi-RECs and Devolution of Competencies



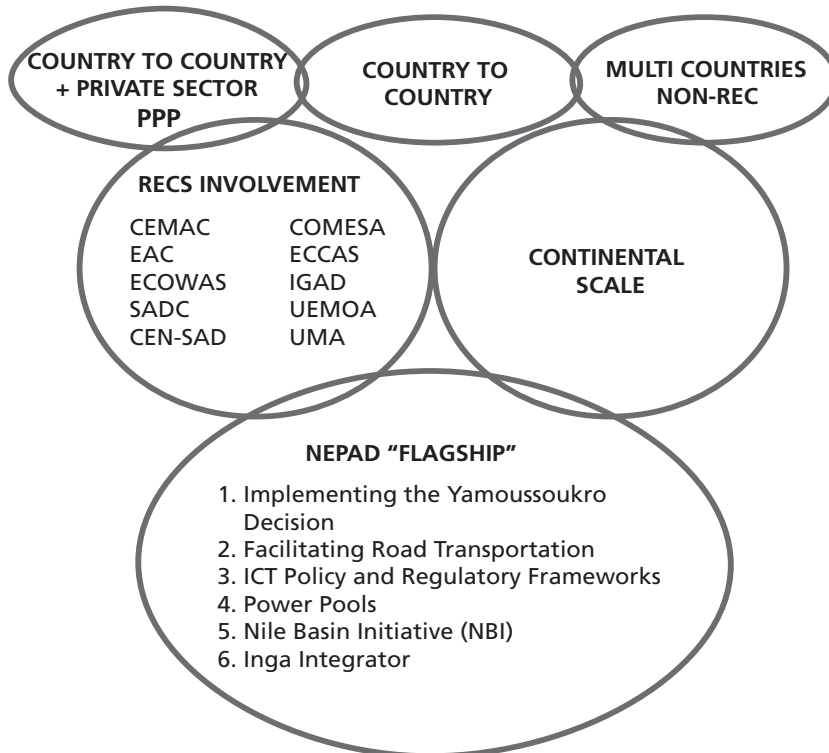
**RECs Weight**

2003 Africa	Real GDP Growth rate	GDP %	Population %
West	4.0	15.3	28.3
North	4.7	38.8	21.9
East	2.6	8.0	23.5
Austral	2.2	32.1	14.3
Central	4.4	5.8	12.0
Zone franc	3.3	10.3	13.3

**BAD STAP Intervention**

Facilitation  
 Capacity building-initiatives  
 Investment in physical and capital projects  
 Studies on future projects

**BAD/STAP Projects Classification**



## Introduction

### *The RECs' Capacity Needs Conceptual Framework*

Strengthening the RECs constitutes a major step to improve their contribution to the growth and investments infrastructure management in order to achieve the MDGs in Africa. The extent of the insufficiencies to be filled—which makes Africa lag behind the rest of the world—together with the complexity of the tasks to be done, suggests the need to widen the traditional vision of the “work of REC” and of the capacity-building requirements of the RECs in view of the mandate that confers to them the Treaty of the African Union, the NEPAD, and the Short-Term Action Plan for infrastructure (PACTI).

**Table 1 Basic Infrastructure Indicators**

Population (million)	674
% living on less than \$1 a day	46%
% urban population	36%
% urban population projected by 2030	51%
Major Access Indicators	
Electricity	
(% of population with access to network)	24%
Water	
(% of population with access to improved sources)	58%
Sanitation	
(% of population with access to improved sanitation)	36%
Roads	
(% of rural pop. Living within 2 kms of an all-season road)	34%
Teledensity	
(fixed line and mobile subscribers per 1000 people)	62

*Sources: WDI (2001, 2002, 2003); World Urbanization Prospects (2003); International Energy Agency (2002, 2004)*

The approach used in this report was to identify the basic capacities to fulfill the core functions of each regional body in conformity with their mandate. These capacities cover the principal stages of the *policy cycle*, that is, policy analysis, formulation, decision-making, implementation, and management. The performance evaluation of the RECs in each of these fields delivers the conclusions for the basic capacity needs.

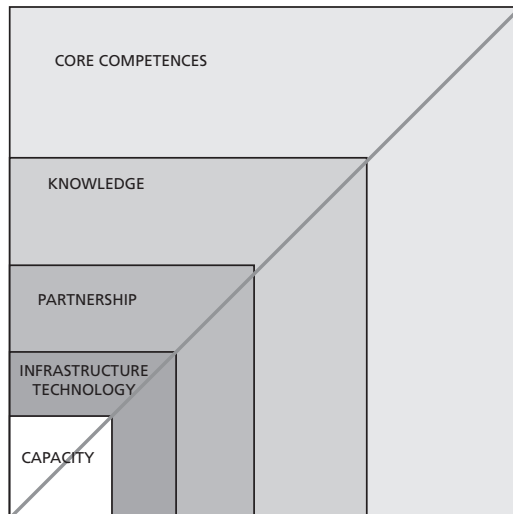
Onto these last are grafted specific capacities to implement the PACTI and NEPAD projects. These specific capacities cover the essence of the “value chain” of the infrastructure. The implementation of such complex regional projects and the mobilization of multi-partner financing requires infrastructure technology choice assessment capacities, design and industrial engineering capacities, public expenditure and procurement management capacities, service delivering, financing, operationalization, and exploitation capacities.

But this first level of capacity will not make it possible to accompany the satisfactory installation by the broad range of TransAfrican infrastructure networks and continental universal public services. *The value chain* of these networks utilizes an impressive number of actors, including regulation authorities and executing agencies, global firms, and donors. RECs with the two ends of the chains must inspire confidence to attract the financial external partners, which requires absorptive capacity of external financial flows, management capacities, and financial engineering, control, monitoring, and communication and high-level reporting.

The installation of the TransAfrican infrastructure networks on the strategic axes of the continent provides the base to carry out a growth rate of 7 percent in Africa in 2015 and one that will substantially increase intra- and inter-regional trade. RECs will be confronted with still new problems, those of macroeconomic management, management of the investment, and governance, in particular, to fight against corruption on a large scale, to reduce regional disparities and inequalities, and to slow down the brain drain. To maintain the benefits of regional integration and to strengthen them, it will be necessary to increase the economic knowledge base in fields in which the creation and the diffusion of the knowledge are carried out at a confusing speed and to transform the RECs into core competence centers, having the critical mass of skilled staff to breathe dynamism and autonomy into the whole continent.

The building process operates in a cumulative and interactive way to culminate with the constitution of excellent RECs which play a significant role in the growth of regional integration.

**Graph 1: The Dynamic Sequence of the Building Process of the RECs**





The weaknesses of RECs in these various fields are important, although of varying degree. The REC Building Process relates to basic capacities, to specific capacities, to knowledge base and to core competence. The weak performance of RECs in regional integration imposes a selective approach, by Community and group of the Community.

The following section presents the situation of RECs in each field of the analysis by reviewing key issues, strengths, and weaknesses as well as the assumptions to be retained.

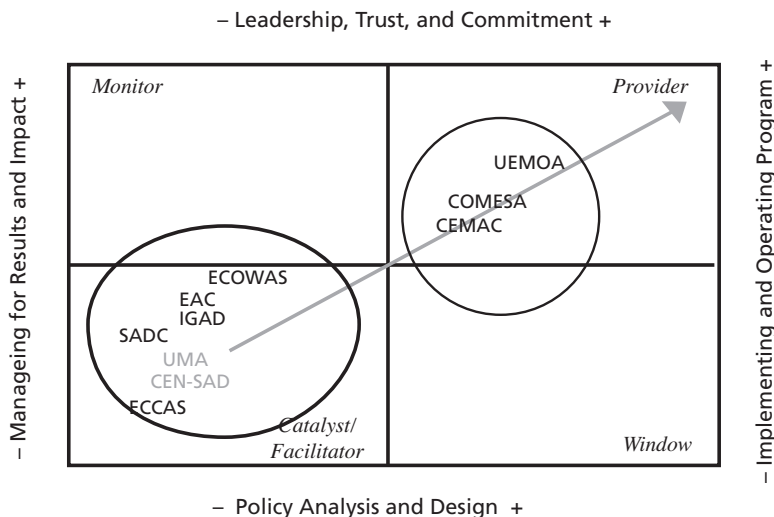
**RECs’ Need to Improve Delivery, Outcomes, and Value for Money of Programs**

**RECs’ Performance in Implementing Mandate and Core Functions**

**Key Issues, Performance, and Capacity Needs.** The following figure presents the situation of the RECs taking into consideration basic capacities necessary to carry out the major management functions and decisions implementation. Performance in delivering economic solutions is variable from one REC to the other.

It releases nevertheless a trend between a group of RECs which have capacities in at least one of the areas and others. These RECs focus on economic integration and targets customs union, free trade area, and/or the common currency (UEMOA, CEMAC, COMESA). They are especially confronted with a scaling up problem to reach new crucial stages in the life of a Community since it requires tax competences which are the nearly exclusive attribute of the States.

Basic Capacity Needs to Achieve Core Functions



The capacities for analysis, modelling, *ex ante* evaluation and economic policies formulation (macro and micro) are at the heart of the building process. The weak performance rises from the mandate often more ambitious and covering multiple areas, without however the minimum of exclusive competences to achieve them. In these RECs, the building effort will have to be dedicated especially on the level of the political decision-making and imply the political authorities trust. In certain RECs the situation is more dramatic (ECCAS, SADC, UMA, IGAD).

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### **Actions**

RECs      Immediate

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CEMAC    Build Foresight and Policy Unit to Promote Leadership for Economic and Monetary Union in Central Africa

**Areas**

- Regional economic program formulation and monitoring
- Cross-sectoral diagnostics and regional studies (oil)
- Performance based management plan
- Foresight studies
- Capacity need assessment
- Macroeconomic policy analysis, modelling, coordination and management of *ex ante* and *ex post* evaluation

COMESA

EAC

ECCAS    Build Capacity and Trust for Regional Community in Central Africa

ECOWAS    Build Capacity and Trust for Regional Community in West Africa

IGAD

SADC

UEMOA    Build Foresight and Policy Unit to Promote Leadership for Economic and Monetary Union in West Africa

**Areas**

- Foresight and joint flagship studies
- Capacity need assessment and building (trade)
- Cross-sectoral diagnostics and regional studies
- Macroeconomic policy analysis, modelling, coordination, and management
- *Ex ante* and *ex post* evaluation
- Regional economic program formulation, management and monitoring
- Performance based management plan

### Performance Grid and Rating

Performance appraisal provides for UEMOA's institutional profile to be determined. In addition, it allows for an improved definition of the stages for its transformation into a REC that is sensitive to incentives and able to observe the principles for managing a modern and integrated organization.

The four areas for evaluation are:

- **Institutions**

Performance of the institutional framework, financial, administrative, technological and organizational performance;

- **Analysis and design of economic programs**

Existence, quality and efficiency of the mechanism for analysis, forecasting and evaluation and for macroeconomic, financial, commercial and technical management, and of economic program design and policy coordination; capacity to quantify the REC's contribution to reducing transaction costs, to growth, to reducing disparities, inequalities and poverty and dependence vis-à-vis external public aid by improving its effectiveness;

- **Implementation and Management**

Performance in implementing strategic programs and regional policies as defined by AU and NEPAD;

- **Commitment and Political Will and Leadership**

Existence and quality of leadership, commitment and political will at the highest level as regards regional economic integration.

For each of these points, the indicator relates to the level of performance or the existence of a mechanism as well as the quality and effectiveness of its implementation:

- Level of performance: rated from 1 to 4, with 4 being the highest rating, that is, excellent; 3: satisfactory; 2: poor; and 1: the lowest rating, that is, unacceptable.

- Existence of a mechanism and the quality and effectiveness of its implementation: rated from 0 to 4, with 4 being the highest rating, that is, excellent; 3: satisfactory; 2: poor; 1: unacceptable; and 0: mechanism non-existent.

The **REC's profile** is determined by the weighted performance of all these areas. This profile can be raised or lowered to take account of the factors that are not always easy to capture with the rating grid with qualifications such as "very," "more than," "moderately satisfactory," "less than." Depending on its location in one of the quadrants in the table below, the REC is qualified as follows.

### Facilitator

The REC's performance is poor in all the areas. It makes considerable effort in carrying out activities, such as meetings and consultations with uncertain results; it takes on numerous mandates without the required additional means, puts forward opinions and makes recommendations that are often ineffective, yet they serve as a recourse for every economic crisis that rocks a given

*(continues)*

**Performance Grid and Rating (cont.)**

member state. In reality, it does not have any exclusive skills even if the Treaty states otherwise. In terms of skills shared with member states, it has to negotiate on a case-by-case basis in order to have some room to maneuver.

**Monitor**

The REC is successful in at least one area (analysis and design). It provides support to the regional integration process in the form of a follow-up mechanism, a periodic examination, preparing meetings of the bodies and supplying technical assistance to national administrations that have extensive skills in economic integration. In reality, the REC does not have any exclusive skills even if the Treaty states otherwise. It shares its skills with member states but must negotiate on a case-by-case basis in order to have some room to maneuver.

**Window**

The REC has realized above average success in at least two areas that is analysis and design, or implementing and management. It provides the stakeholders—the State, business, civil society organizations and economic players—with opportunities, thanks to the reduction of transaction costs in the region and the economies of scale permitted by the free trade area, as well as mechanisms for correcting regional disparities, inequalities and poverty. The REC has exclusive skills that are limited in number and extent.

**Provider**

The REC has realized above average performance in the four areas and has basic capacities and skills. Within the context of exclusive and shared skills attributed to it, the REC provides member states with solutions to problems of economic policy and development that they are unable to resolve on their own: stability, efficient resource allocation, equity, access to credit, additional financial resources, multilateral surveillance, common policies, global public property, long-term prospects, safeguarding vital interests, etc.

The locating of the REC in one of the quadrants allows for the improved targeting of the type of support required.

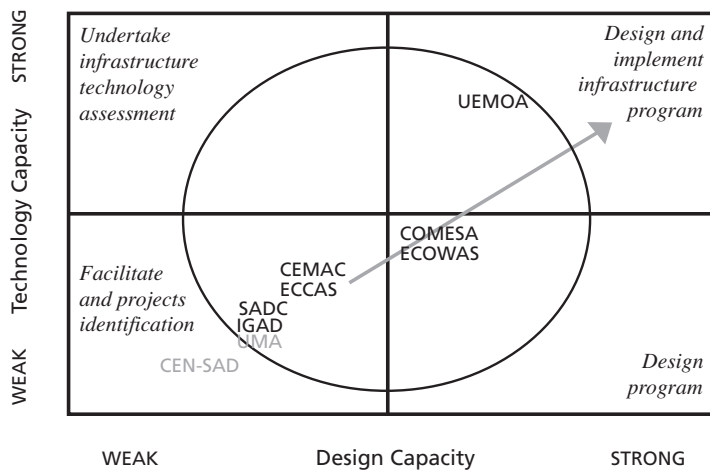
<b>Profile</b>	<b>Type of capacity building program</b>
Provider	Accompanying program for enhancing the REC’s institutions in order to set it up as a model and improve the added value and the quality of service provision to member states.
Window	Institutional and organizational capacity building program in implementing and developing steps to be taken.
Monitor	Technical capacity building and program management (contracting)
Catalyst/Facilitator	Program to restructure and refocus activities (overall adjustment that can go as far as total transformation or dissolution)

**STAP Infrastructure and Specific Capacities to Challenge Its Implementation**

**Key issues, performance, and capacity needs.** There is a wider range of performance by the RECs in implementing STAP than previously. The weak overall performance rises from the absence of specific capacities to assess the implementation conditions of regional infrastructure program.

The evaluation criteria relate to the specific capacities to design and implement infrastructure programs articulated with the NEPAD priorities. These

Specific Capacity Needs to Challenge STAP Infrastructures



are infrastructure technology assessment and the design and organization of infrastructure networks. Except for UEMOA, whose regional economic infrastructure program design is at an advanced level, all the RECs are merely to align a list of projects according to a sectoral approach. It remains, nevertheless, that the logical model of the PACTI should take account of its gaps and provide the with RECs an implementation framework. But PACT assessment of objectives, sectors, and selection criteria of the projects, and implementation and management reveals several gaps that compromise effective involvement of RECs.

The classification process for identification of interventions and projects do not make the RECs “the unit of analysis” of the STAPI implementation. They intervene as well as other continental and national players. The sec-

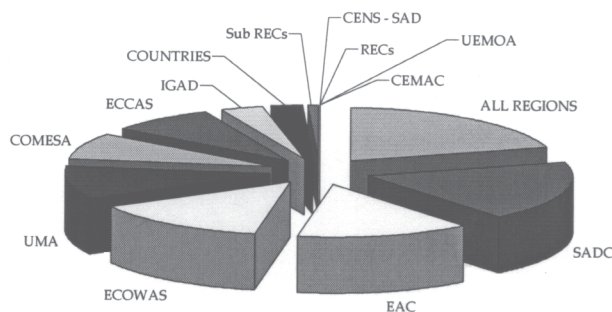
toral approach does not integrate market orientation of the project and its technological base.

The current classification is not taking into account the size and the demographic weight of the region (ECOWAS, IGAD), the economic situation (UMA, SADC), the performances carried out, or the extent of the infrastructure gap.

It does not make it possible either to utilize, on the side of the capacities, degree of maturity of the technology, design, and implementation of the regional infrastructure program.

The distribution of projects by number reveals that more than half relates to only three areas (SADC, ECOWAS, EAC), the last gathering only three countries, while about half of the total projects relate to more than one REC that it is under NEPAD flagship, continental scale, or joint RECs projects.

	Listed 2002	20 priority	10 headlight projects	Listed 2005	Of which Projects Inter RECs	Financed
All Regions				25		
SADC	26	1		22	4	
EAC	12	3		17	10	
ECOWAS	28	3	1	17	3	
UMA	11	1		12		
COMESA	15	1		10	9	
ECCAS	27	1	2	10	2	
IGAD	5	1		4	2	
Countries				3		
Sub-RECs				1		
UEMOA						
CEMAC				0		
CEN-SAD				0		
RECs		9	8	0		
Total	124	20	11	121	32	



The technology choice determines the possibility of whether to carry out basic infrastructure, which are essential for poverty reduction, whereas the intervention in synergy of RECs makes it possible to face more complex initiatives that require worldwide intervention. This is particularly the case of the TransAfrican infrastructure networks of transport and of energy transport including oil, and also the satellite network and Trans-Saharan network, which can include other areas of the world or other countries. Using this classification makes possible a clear distinction between new projects, maintenance and upgrading actions, on-going project and studies.

Orientation gone	Weak		Strong
Nature of the projects			
REC	Basic infrastructure (water, electricity, telephone, including the post office, and radio television)		Industrial infrastructure (regional transport road, rail, plane)
Multi RECs	Strategic infrastructure (Networks TransAfrican Networks Infrastructure, RTA)		Technological infrastructure of ICT
Type of infrastructure Projects	Basic Infrastructure	Industrial Infrastructure	ITC Infrastructure
New		Road transport	COMTEL
In progress	Gas pool		
Maintenance and upgrading			
To study	Inga		

The PACT is an ambitious and multidimensional program with strategic and structuring projects that require a massive intervention of the external partners. RECs should be cautious in assessing the maturity of technologies of infrastructure as well as design, engineering, and exploitation in this case. These capacities are generally modest insofar as RECs were more challenged with the implementation of subsidized projects, and not being able to access capital markets. Some of them carried out organizational and financial audits in order to obtain the adequate expenditure and procurement procedures. But the gap is still important, which confirms the weakness of

the number of projects having known a beginning of execution and also the classification and selection criteria of projects. All these questions challenge the design of the PACT which, after three years, is at its initial step. Reviews carried out highlight the problems of communication between RECs and the NEPAD.

However, the authorities should give attention to other more important problems, among which are:

- Analysis of the consequences of technological choices and potential crowding-out, locking-in, and picking-up effects
- Size and structure of the regional market of infrastructure and the position of African actors on the value chains of regional infrastructure. The absence of these actors on several segments constitutes for RECs a serious effort of identification of the failures of these actors so that they are not only short access to bids and contracts.
- Selection criteria of the projects. The current criteria still largely leave at the discretion of the donors which project to support
- Equitable treatment of RECs on the level of eligibility with the PACTI
- Axes of the TransAfrican networks as a strategic issue. The current distinction between “NEPAD flagship projects,” continental-scale projects, and the others is not likely to inform on the advantages and the costs of the distribution and the implications on the regional economic geography (costs of transactions, possible aggravation of the inequalities and the regional disparities, incidence of poverty, migrations of population, environmental impact, propagation of diseases, and pollution)
- Consideration of essential sectors, such as the post office and radio and television, which are included in basic universal service

While the current criteria may certainly help the NEPAD Executive Secretariat determine what he undertakes, it will not inform what is easy, as NEPAD is defined like a vision and a strategic plan for Africa.

All these weaknesses have consequences on the RECs’ implementing strategy. In this respect, the RECs need to be considered not only as NEPAD building blocks, but also as the “unit of analysis,” that is, the implementation of PACT around a simple distinction between RECs direct-supported projects and other indirect-supported projects (sub-REC and multi-RECs).

African firms are likely to miss the PACTI implementation if RECs are not involved at the early stages, at which critical choices will be decided on infrastructure, design, and operationalization of the projects. Even if RECs would be involved in the implementation of the PACTI, these actors would play a minor part, taking into account their weak presence in the value chains at the national, regional, and continental levels and, especially, of a lack of integration of these actors.



**Cost and Advantage Analysis of the Implementation of the PACT Infrastructures**

1 Infrastructure Service Providers	2 Heavy Materials/ Equipment Suppliers	3 Telecoms, Energy, and Grid Systems Administrators	4 Owners/Managers Infrastructure Sales
<p>Service providers differentiated according to the sector (road, rail, plane, water, electricity, data processing) and the field of intervention (design engineering, maintenance, upgrading, standardization, impact study). They generally intervene in the projects supported by the external partners.</p> <p>Their intervention within the framework of the PACT is dependant on the request of the external partners and the industrialist providers. Must carry out investments raised to integrate the market of the PACT.</p>	<p>Industrialists of infrastructure (BTP-Construction, installation of bridges, stopping, power stations, and network water supply, electricity, telecoms, and EDI).</p> <p>They are present upstream and downstream from the chain.</p> <p>The PACT represents for them an appropriateness of renewal and/or export of their materials, equipment, and systems.</p>	<p>They are in the middle of the implementation of the PACT through the economic and technological choices that they operate.</p> <p>Their approach differs according to the type of project (country to country, headlight) and the sector (transport, energy) and according to whether access to the infrastructure is or is not paying at market prices.</p> <p>They are subjected to the requirement of quality, safety, and durability.</p>	<p>Are in direct liaison with the users and the customers with whom they must explain the conditions of use of the infrastructure and solve the problems of equity in the access and equalization of the advantages and the costs between countries.</p>

**Actions**

All RECs Right Now

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CEMAC Build Infrastructure Unit to support infrastructure networks design and establishment

**Areas**

Short -Term Infrastructure Program

- Undertake technology assessment, market studies, assess value chain, design programs and project guidelines, financial audit schemes, credit scoring, incentives for regional market formation
- Design regional infrastructure program and investment priorities; markets regulation; resource revenues management program; anti-corruption program
- Assess financial sustainability of sectors,
- Undertake Fiscal studies

Public Private Partnerships (PPP)

- Design PPP program

Facilitate projects design and implementation

**Areas**

Basic infrastructure services delivery to the poor

- Develop tools for more access, quality, and eligibility

Industrial infrastructure services delivery to markets, communities, corporate bodies, and citizens

Strategic Infrastructure (TransAfrican Networks Infrastructure)

- Continental space issues and axes
- Joint assessment of infrastructure investment needs and funding

ITC Infrastructure

- Develop tools for more access, quality, and eligibility
-

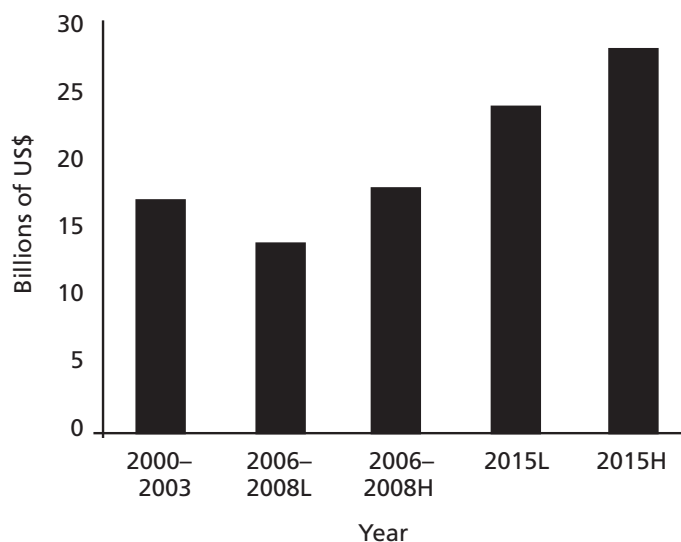
**Partnering in Capacity Building Interventions**

**Key issues, performance, and capacity needs.** Financing PACTI draws upon external resources. According various sources, Africa needs US\$25 to US\$33 billion to meet the MDGs by 2010 (IMF, UN Millennium Project, Commission for Africa, World Bank, and AfDB).

Only infrastructure and human capital to Sub-Saharan Africa range from US\$14 to US\$18 billion per year during 2006–2008, and rises to US\$24–US\$28 billion by 2015 (IMF).

Of these amounts, the share dedicated to RECs and for regional integration and capacity building is negligible. However, it conditions the possibility of absorbing the raw financial flows for regional projects. The RECs' performance in this field shows alarming weakness, insofar as none of them could approach the capital market for loan or to borrow with IFIs and IFRs.

**Additional ODA for infrastructure and human capital in SSA 2006-2015:  
Base line (L) and alterative scenario (H)**



Source: IMF

<b>TOTAL (US\$ billions) by 2020</b>	<b>75.00</b>
Infrastructure (incl. irrigation, water, sanitation, slum upgrading, transport, power)	20.00

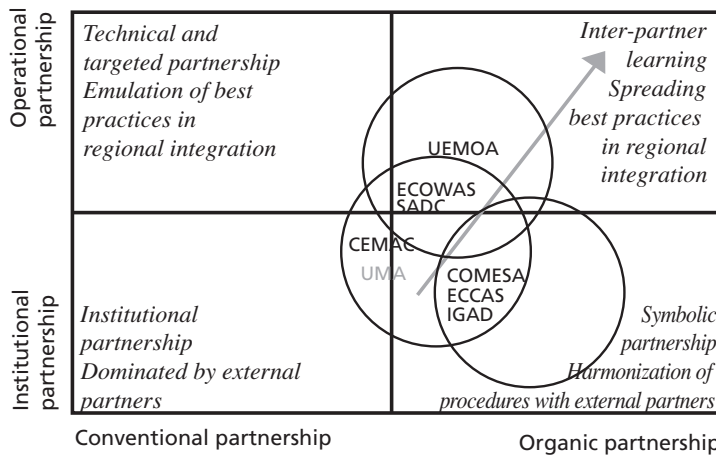
Sources: Commission for Africa Report and World Bank.

**Financial Support for Regional Infrastructure Projects (NEPAD)**

		Total Cost	AfDDB	ADF	WB
2002	7	1,249.99	243.37	1	
2003	8	336.69	156.11	6	
2004	5	133.64	120.31	4	
2005				1	
Total	20			8	195.70 13 495.10

The principal cause is not only the lack of confidence of the member states in the regional communities but especially the contents and the dynamics of the relationships between Africa with its external financial partners. In fact, the partnership becomes a purely symbolic system, since RECs are satisfied to receive subsidies from the donors and are not able to collect taxes on trade from the member states. These subsidies are granted project by project, which makes the program easier to carry out and to control.

**Specific Capacities Needs for Partnering:  
Content and Dynamic of Partnership (Public and Private)**



More and more, RECs undertake reforms of their expenditures management system in order to comply with the standards required by the external partners. But beyond these internal reforms, it is the regional system for financing infrastructure and growth that need to be restructured so as to

transform the RECs into financial actors of regional integration, thus creating the conditions for successful application of the massive surge of aid and financial flows. It will also be necessary to reform the RECs governance so as to increase, accountability, transparency, and trust to ensure monitoring and surveillance of the resource utilization.

Capacity needs are for financial engineering with the objective to mitigate risks related to massive aid, for negotiation, financial management, quality and timely reporting, and for the supplying of data.

### **Actions**

All RECs    Short Term

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Financial Partnership Unit for Infrastructure Networks and Regional Integration

#### **Areas**

- Design financial system for regional infrastructure, risk management, credit schemes for infrastructure access
- Undertake fiscal and absorptive capacity studies
- Assess networks infrastructure investment needs and finance sources

Undertake Prospective Evaluation by Experts Panel

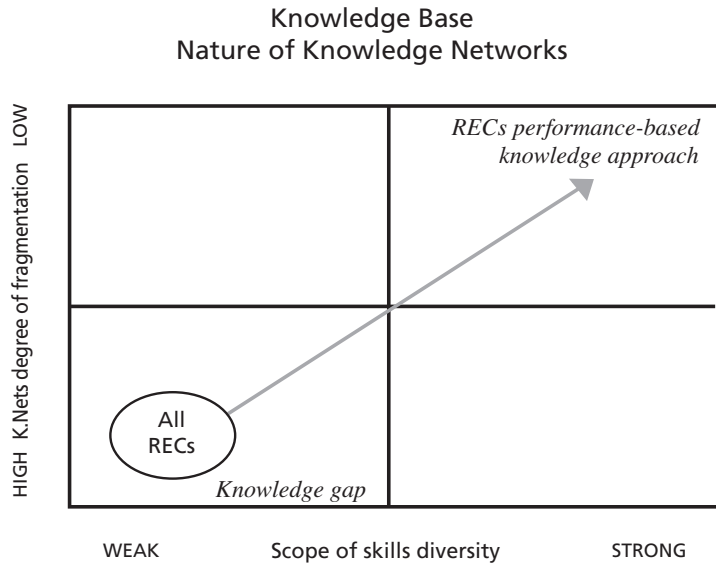
#### **Areas**

- Undertake bi-annual performance evaluation
- 

### **Knowledge Base**

**Key issues, performance, and knowledge needs.** Capacity needs to build a knowledge base relate to the mechanisms by which RECs create and manage economic resources, set up networks of analysis, and develop performance grid measurement and indicators, data banks, and software.

Available evidence indicates that without exception, all RECs are far away from best practices in this field. In the best cases, they have a library with litter frequentation. In the absence of broadband Internet, staff cannot access macroeconomic resources that provide up-to-date information and online editions of publications of world interest.



The installation of the TransAfrican infrastructure networks on the strategic axes of Africa provides the base from which to carry out a growth rate of 7 percent in Africa in 2015 and one that will substantially increase intra- and inter-regional trade. RECs will be confronted with still new problems, of macroeconomic management, investment management and governance, in particular, to fight against corruption on a large scale, to correct regional disparities, to reduce inequalities and to slow down brain drain. To maintain the benefits of the regional integration and scale up them, it will be necessary to increase the economic knowledge base in fields where the creation and the diffusion of knowledge are carried out at an extraordinary speed.

**Actions**

All RECs Medium Term

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 Build TransAfrican Knowledge Networks for NEPAD and Infrastructure Economics (TRAK-NETs)
**Areas**

- Cross-sectoral diagnostics and regional studies (oil)
- Foresight studies
- Capacity needs assessment
- Macroeconomic policy analysis, modelling, coordination and management
- Knowledge creation and management
- Knowledge-based performance approaches

Strengthen inter-RECs Linguistic Exchanges and Cooperation

**Areas**

- Language laboratory

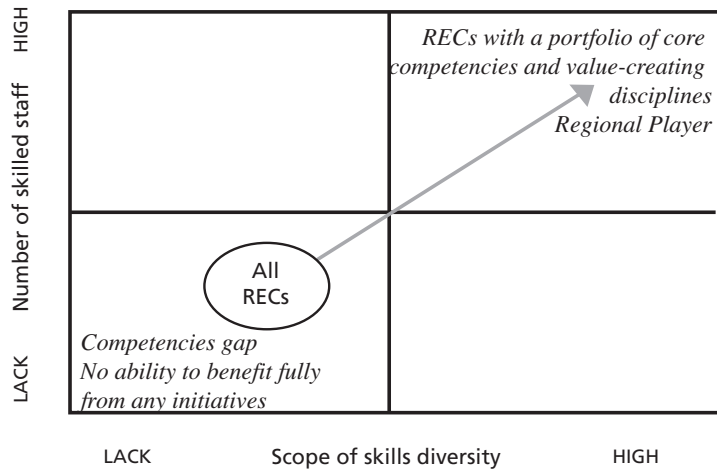
Build and Connect RECs Digital Libraries

**Core Competence**

**Key issues, performance, and core competence needs.** The performance of RECs as regards overall regional economic management is widely dependant on the quality of human resources available, particularly on opportunities to embed the value-creating disciplines and best practices that characterize excellent and high-performed organizations. The review reveals the existence of a competency gap in all RECs, which, in some cases, are unacceptable (ECCAS). The majority of the RECs' staff come from national administrations and are short of management practices, PPP, outsourcing, benchmarking, randomization, performance-based remuneration, knowledge based performance, business intelligence, web mining, CRM, timely and the quality circles, and social responsibility.

The rare networks to which they have access have a fragmented structure and significant discontinuities, such as a network of economists or policy analysts without necessary logistics. The linguistic barriers also limit the capabilities of exchange, in particular, between the Francophone RECs and the Anglophone RECs, for example when the staff of the former faces obstacles from scientific and technical production being carried out in Anglophone countries.

**Core Competencies  
for Excellent RECs and Growing Role in Regional Integration**



The highest skilled are often tempted to join the projects that offer more flexibility and incentives. This flight of competences constitutes one of the plagues that prevent the RECs from achieving their goal with their limited resources.

The building process aims at transforming the RECs into core competences having the critical mass of professionals highly qualified to breathe a new life of dynamism and autonomy into the whole the continent.

**Actions**

All RECs      Medium Term

- 
- Build outsourcing capabilities for selected functions, services, and contracts
  - Embed core business competencies onto REC activities
  - Strengthen human capital, and attract and retain skilled staff



### STAP I : Mapping Projects Performance

RECs	Sector	Projects	Achievements
			Project Technology Assessment
			Project Design
			Project Implementation
ALL REGIONS	ENERGY SECTOR	AFREC Operationalization & REC Capacity Building	
ALL REGIONS	Capacity Building (Regional) ENERGY SECTOR	Africa Energy Information System & Planning Tools	
ALL REGIONS	Capacity Building (Regional) ENERGY SECTOR	Training of Energy Experts	
ALL REGIONS	Capacity Building (Regional) ENERGY SECTOR	Policies and Strategies	
ALL REGIONS	Facilitation (Regional) ENERGY SECTOR	Energy Protocol	
ALL REGIONS	Facilitation (Regional) ENERGY SECTOR	Cooperation in new and renewable energy	
ALL REGIONS	Facilitation (Regional) ENERGY SECTOR	Cooperation in improving energy efficiency & reliability of supply	
ALL REGIONS	Facilitation (Regional) ENERGY SECTOR	Cooperation in Oil and Gas trade, refining/processing	
ALL REGIONS	Facilitation (Regional) ENERGY SECTOR	Cooperation in rural energy	
ALL REGIONS	ICT	RASCOM GIC's	
ALL REGIONS	ICT	Equipment Manufacturing	
ALL REGIONS	ICT	Global Participation	
ALL REGIONS	ICT	ICT Human Resource Dev.	
ALL REGIONS	ICT	ICT Institutions Strengthening	
ALL REGIONS	ICT	Umbrella Initiative for ICT Exploitation (e-Commerce, e-School, e-Health, e-Education, etc.)	
ALL REGIONS		Support to Other New and Existing River Basin Organizations	

ALL REGIONS ALL REGIONS	WATER SECTOR	Strengthening of the ABN Interstate Forecast Centre Study to Improve Financing Mechanism for Development of the Water Sector
ALL REGIONS	Transport Sector – Facilitation Institutional Support	Capacity building of regional associations (Transporters- rail, road and port- and service providers – C& F agents and Customs authorities) and stakeholders forums/trade facilitation committees, based on NC and West African experiences
ALL REGIONS	Transport Sector – Facilitation Institutional Support	Disseminate best practices from Northern Corridor & SADC and facilitate exchange of experiences among RECs
ALL REGIONS	Transport Sector – Aviation Institutional and physical	Support for the liberalization (consolidating gains from implementation of the YD and restructuring: (i) Regional coordination and exchange of information and best practices. (ii) Support to individual countries – regulatory capacity building & upgrading airport security. (iii) Upgrading airport infrastructure and related facilities to category I standard, initially with two main hubs per major REC (total 10)
ALL REGIONS	Transport Sector – Aviation Institutional and physical	GNSS project-implementation of test bed – installation of ground infrastructure
ALL REGIONS	Transport Sector – Aviation Studies	Joint safety oversight units – short term
ALL REGIONS	Transport Sector – Aviation Studies	Upper Airspace Control Centres (UACC)
Angola and DRC	Aviation Studies	Undertake an Aviation Infrastructure needs Assessment Study
COMESA	ICT	Comesa COMTEL
COMESA/EAC	ENERGY SECTOR STUDIES	Subregional Interconnections – East Africa
COMESA/EAC	ICT	ICT Policy Harmonization in East African region
COMESA/EAC	Transport Sector – Facilitation Institutional Support	East Africa: Implementation of a subregional overload control program in transit corridors
COMESA/EAC	Transport Sector – Facilitation Institutional Support	Implementation of one-stop border posts along North based on the experience of the Trans Kalahari & Maputo Corridors

(continues)

**STAP I : Mapping Projects Performance Cont.**

RECs	Sector	Projects	Achievements		
			Project Technology Assessment	Project Design	Project Implementation
COMESA/EAC	Transport Sector – Facilitation Institutional Support	Implementation of one-stop border posts along two other SADC corridors, based on experience of the Trans Kalahari & Maputo Corridors			
COMESA/IGAD	ENERGY SECTOR Power Systems Projects	Ethiopia-Sudan Interconnection			
COMESA/IGAD	ENERGY SECTOR GAS/OIL TRANSMISSION PROJECTS	Kenya-Uganda Oil Pipeline			
COMESA/IGAD	WATER SECTOR	Water Resource Planning and Management for the Nile Basin			
COMESA/IGAD	Transport Sector – Studies	Feasibility study of the Ethiopia-Djibouti railway and design of new container terminal in Addis Ababa, and acquisition of container handling equipment for Djibouti port			
DRC	Transport – Institutional Rehabilitation	Assessment and urgent rehabilitation of Congo river navigation: ports, navigation aids			
EAC	Transport Sector – Railways Institutional Support	Kenya Railways: Support for the restructuring through concessioning, including providing TA for strategy, formulation, regulatory capacity building and provision of transaction advisors.			
EAC	Transport Sector – Railways Institutional Support	Uganda Railways: Support for the restructuring through concessioning, including providing TA for strategy, formulation, regulatory capacity building and provision of transaction advisors.			
EAC	Transport Sector – Physical Projects	Rehabilitation of Malaba-Kampala railway (250kms), including bridges			
EAC	Transport Sector – Physical Projects	Improvement of railways infrastructure in support of concessioning of the three EAC railways			
EAC/COMESA	Transport Sector – Roads-Physical Road Corridor Projects	EAC Northern Corridor (Mombasa-Bachuma Gate)			
EAC/COMESA	Transport Sector – Roads-Physical Road Corridor Projects	EAC Northern Corridor (Sultan Hamud-Nairobi)			

EAC/COMESA	Transport Sector – Roads-Physical Road Corridor Projects	EAC Northern Corridor (Mau Summit-Kisumu-Yala)
EAC/COMESA	Transport Sector – Roads-Physical Road Corridor Projects	EAC Northern Corridor (Kigali-Gisenyi)
EAC/COMESA	Transport Sector – Roads-Physical Road Corridor Projects	EAC Northern Corridor (Dodoma-Manyoni)
EAC/COMESA	Transport Sector – Roads-Physical Road Corridor Projects	EAC Northern Corridor (Manyoni-Singida)
EAC/COMESA	Transport Sector – Roads-Physical Road Corridor Projects	EAC Northern Corridor (Nzega-Izaka)
EAC/COMESA	Transport Sector – Roads-Physical Road Corridor Projects	EAC Northern Corridor (Lusahunga-Kobero)
EAC/COMESA	Transport Sector – Road Studies	Mombasa-Nairobi-ADDIS – (Isiolo-Moyale)
EAC/COMESA	Transport Sector – Road Studies and Preparation for PPP Concession or BOT	EAC Northern Alternative Corridor – (Arusha-Namaga-Athi River)
EAC/COMESA	Transport Sector – Railways Institutional Support	EAC Northern Corridor (Mombasa-Nairobi)
EAC/COMESA	Facilitation Institutional Support	Tanzania-Zambia (TAZARA) Railways: Support for the restructuring through concessioning, including providing TA for strategy, formulation, regulatory capacity building and provision of transaction advisors.
EAC/COMESA	Transport Sector – Facilitation Institutional Support	Eastern Africa: Implementation of the observation in Road corridors for monitoring, benchmarking of performance, identifying problems and lobbying for corrective measures
ECCAS	ENERGY SECTOR STUDIES	Grand Inga Integrator
ECCAS	ENERGY SECTOR STUDIES	Subregional Interconnections – Central Africa
ECCAS	ICT	ICT Policy Harmonization in Central African region
ECCAS	Transport Sector – Road Studies	Water Resource Management in Central Africa
ECCAS	Transport Sector – Road Studies	Douala-Bangui (Garoua Boualai (Cameroun) – Boaoiro (RCA))
ECCAS	Transport Sector – Facilitation Institutional Support	Pointe Noire –Brassaville – (Pointe Noire-Dolisie-Kinkala-Brazzaville)
ECCAS	Transport Sector – Facilitation Institutional Support	Kinshasa-Brazzaville – (Road-Rail bridge)
ECCAS	Transport Sector – Facilitation Institutional Support	Central Africa: Implementation of the observation in Road corridors for monitoring, benchmarking of performance, identifying problems and lobbying for corrective measures

(continues)

**STAP I : Mapping Projects Performance Cont.**

RECs	Sector	Projects	Achievements
			Project Technology Assessment    Project Design    Project Implementation
ECCAS/SADC ECCAS/SDAC	ENERGY SECTOR STUDIES Transport Sector-Post-Conflict Road Maintenance and Reconstruction Programs	DRC-Angola-Namibia Interconnection DRC road maintenance/ rehabilitation and institutional support and coordination for program planning, procurement and implementation West Africa Power Pool (WAPP) Program	
ECOWAS	ENERGY SECTOR Power Systems Projects	West Africa Gas Pipeline (WAGP)	
ECOWAS	GAS/OIL TRANSMISSION PROJECTS		
ECOWAS	ENERGY SECTOR STUDIES	Sub-Regional Interconnections – West Africa	
ECOWAS	ICT	Ecowas Interconnection	
ECOWAS	ICT	ICT Policy Harmonization in West African region	
ECOWAS	WATER SECTOR	Action Plan for Integrated Water Resource Management in West Africa	
ECOWAS		Rural Water Supply and Sanitation Program in the Niger Basin	
ECOWAS	Transport Sector – Roads-Physical Road Corridor Projects	Trans-Sahara – Lagos-Niger Corridor (Agdes-Zinde – Nigeria Border)	
ECOWAS	Transport Sector – Roads-Physical Road Corridor Projects	Trans-Sahel – Dakar-Bamako (Kati-kati-Sarya-Senegal border)	
ECOWAS	Transport Sector – Roads-Physical Road Corridor Projects	Lome- Ouagadougou (Kate-Burkina border)	
ECOWAS	Transport Sector – Roads-Physical Road Corridor Projects	Trans Cortiere Coastal Highway – Togo-Ghana (Akatsi-Doso)	
ECOWAS	Transport Sector – Studies	Trans Cortiere Coastal Highway – Guinea-Guinea Bissau (Boke-Quebo)	
ECOWAS	Transport Sector –	Feasibility study for railways interconnection in West Africa	
ECOWAS		West Africa: Implementation of the observation in Road corridors for	

ECOWAS/EAC/ COMESA ECOWAS/ECCAS	Facilitation Institutional Support	monitoring, benchmarking of performance, identifying problems and lobbying for corrective measures
ECOWAS/UMA IGAD IGAD	Transport Sector – Facilitation Physical Transport Sector – Roads- Physical Road Corridor Projects ENERGY SECTOR STUDIES WATER SECTOR Transport Sector – Facilitation Studies	Establishment and improvement of ICDs using PPP ARRANGEMENTS Yaounde-Nigeria (Yaoundé-Mumfi- Ekok-Enugu Road)  Nigeria-Algeria Gas Pipeline Integration of IGAD-HYCOS Development of Subregional PPP strategy and facilitation for financing and managing infrastructure and transport services, based on practices in other RECs and elsewhere. Djibouti-Addis (North) - Dobi-Galafi-Yoboki
IGAD/COMESA	Transport Sector – Roads- Physical Road Corridor Projects	Djibouti-Addis – (Dire-Dawa - Djibele-Djibouti)
IGAD/COMESA Mozambique	Transport Sector – Road Studies Physical Projects	Rehabilitation of 77 kms between Cuamba and Entre Lagos along Nacala corridor within context of concessioning Mepanda Ueneua Hydropower
SADC	ENERGY SECTOR Power Systems Projects	
SADC	Power Systems Projects	Mozambique-Malawi Inter-connection
SADC	ENERGY SECTOR STUDIES	Sub-Regional Interconnections – South Africa
SADC	ICT	SADC SRII
SADC	ICT	ICT Policy of Harmonization in Southern African region
SADC	WATER SECTOR	Support for Development of National Water Sector Policies and Strategies in the SADC region Water Resource Assessment in the SADC region
SADC	Transport Sector – Road Studies and Preparation for PPP Concession or BOT	Mtwara Corridor - Unity Bridge Nacala Corridor – (Nacala Port to Malawi )
SADC	Transport Sector – Road Studies and Preparation for PPP Concession or BOT	Mtwara Corridor – (Mtwara Port-Unity Bridge-Mbamba Bay)

(continues)

**STAP I : Mapping Projects Performance Cont.**

RECs	Sector	Projects	Achievements
			Project Technology Assessment    Project Design    Project Implementation
SADC	Transport Sector – Post-Conflict Road Maintenance and Reconstruction Programs	Angola road reconstruction/rehabilitation program, institutional and project program planning and implementation support	
SADC	Transport Sector – Railways Institutional Support	Swaziland Railways: Support for the restructuring through concessioning, including providing TA for strategy, formulation, regulatory capacity building and provision of transaction advisors. Undertake needs assessment study for Angola and D R Congo for rehabilitation of the Benguela railway corridor system	
SADC	Transport Sector – Studies	Lake Malawi (Malawi, Tanzania, Mozambique) – Status and need assessment for legislation, safety, search and rescue capacity based on similar assessment underway for lake Victoria with support.	
SADC	Transport – Inland Waterways Institutional Support	Lake Tanganyika (DRC, Tanzania, Burundi, Zambia) – Status and need assessment for legislation, safety, search and rescue capacity based on similar assessment underway for lake Victoria with support.	
SADC	Transport – Study/PPP	Modernization and expansion of Mpulungu port (South of lake Tanganyika, Zambia) managed under PPP concessioning	
SADC	Transport – Study/PPP	Malawi Lake Service: vessels and port facilities (Nkhata-Bay, Chilumba& Chipoka	
SADC	Transport Sector – Facilitation Institutional Support	corridors for monitoring, benchmarking of performance, identifying problems and lobbying for corrective measures	
SADC	Transport Sector – Facilitation Institutional Support	Southern Africa: Implementation of a sub-regional overload control program in transit corridors	

SADC & EAC ASECNA Countries SADC, COMESA, ECCAS	Transport Sector – Aviation Institutional and physical ICT	Upper Airspace Control Centres (UACC) East African Submarine Cable System (EASSy)
SADC, COMESA, ECOWAS, ECCAS SADC/COMESA	ICT	Use of SAT3/WASC/SAFE
Sub-Regions	Transport Sector – Roads- Physical Road Corridor Projects Transport Sector – Railways Institutional Support	Trans Kalahari – Kazungula bridge over Zambezi river Taking stock of the experience so far and using for exchange of experiences and mitigation possible potential causes of possible future failures Algeria-Morocco-Spain Interconnection (Strengthening)
UMA	ENERGY SECTOR Power Systems Projects	Algeria-Spain Interconnection & Algeria Gas-fired Power Station
UMA	ENERGY SECTOR Power Systems Projects	Libya-Tunisia-Gas Pipeline
UMA	ENERGY SECTOR GAS/OIL TRANSMISSION PROJECTS	
UMA	ENERGY SECTOR STUDIES ICT	Sub-Regional Interconnections – North Africa ICT Policy Harmonization in North African region
UMA	WATER SECTOR	Combating Draught and desertification in the Maghreb Region Maghreb Motorway – Khemis Meliana-Boumedfa Maghreb Motorway – El Adjiba-Bordj Bou Arredj
UMA	Transport Sector – Roads- Physical Road Corridor Projects	Maghreb Motorway – (Aghadir-Marrakech)
UMA	Transport Sector – Road Studies and Preparation for PPP Concession or BOT	Maghreb Motorway – (Fes-Oujda)
UMA	Transport Sector – Road Studies and Preparation for PPP Concession or BOT	
UMA	Transport Sector – Studies Facilitation Institutional Support	Feasibility study of Trans-Maghreb railway system Northern Africa: Implementation of the observation in road corridors for monitoring, benchmarking of performance, identifying problems and lobbying for corrective measures



## Strategic Plan

### **Key Issue**

To support Africa in meeting 2015 targets, RECs needs to improve delivery, outcomes and value for money programs.

The challenge is to build a framework for regional markets and economic union completion through adequate building process.

### **Overall Capacity Needs**

Capacity needs focus on:

- Basic Capacity Building Program for each RECs' core functions
- Specific Capacity Building Program for STAP-Infrastructure and MLTSF-Partnership for MDGs achievement
- Knowledge Building Program for Development and Regional Integration
- Core Competence Building Program for Regional Integration.

### **I. Basic Capacity Needs For Core RECs' Core Functions**

#### **A Each REC**

#### **Foresight & Policy Unit**

Build capacity to design, implement, and manage large scale increasing regional economic reforms and investments and to promote leadership, committeemen and trust for economic integration

### **II. Specific Capacity Needs For STAP Infrastructure Implementation and Partnership for Regional Integration**

#### **B Implementing STAP**

#### **STAP Infrastructure Unit in each RECs**

Close Regional Infrastructure Gap and Promote Trans-African Networks Initiatives  
Infrastructure Networks Assessment

#### **C Partnering**

#### **Financial Partnership Unit in each REC**

Scale Up Financing for Regional Infrastructure Networks

#### **Panel Expert for Prospective Evaluation for all RECs**

Review Programs and Build a Knowledge-Based Performance Grid for Regional Integration and Infrastructure Networks

**III. Knowledge Needs for Infrastructure and Growth Agenda**

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**D Knowledge Base**

**TransAfrican Networks for Infrastructure and NEPAD for All RECs**

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Design-Build Knowledge Base for Regional Integration and Infrastructure Networks and Transfer to RECs

**Linguistic Exchange Program for All RECs**

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Strengthen the ability of RECs' Staff in AU working language and to exchange experience

**Digital Library for All RECs**

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Strengthen RECs' access, delivery and networks capacity to benefit from worldwide knowledge economic resources

**IV. Core Competence Needs For Excellent RECs and Growing Role in Regional Integration**

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**E Core Competence**

**Outsourcing Program for All RECs**

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Provides access to a wide range of skills through competitive outsourcing for selected business process (including contract management and performance assessment)

**Competency Management Program for each RECs**

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Embed business competencies approach onto RECs Activities

**Development Performance Program for each RECs**

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Strength RECs ability to use performance-based approach and incentive-based management of staff

**Performance Targets**

Areas and Targets	Indicators
<b>I. CAPACITY NEEDS FOR RECs MANDATE, STAP IMPLEMENTATION AND PARTNERSHIP</b>	
A. Foresight & Policy Unit	Number of influential in-house publications on line
B. STAP-Infrastructure Unit	Benefits in scale economy
C. Financial Partnership Unit for Infrastructure Networks and Regional Integration	Number of programs supported
D. Experts Panel for External Evaluation	Programs Quality and Accountability
<b>II. KNOWLEDGE NEEDS FOR INFRASTRUCTURE NETWORKS AND REGIONAL INTEGRATION</b>	
E. TransAfrican Networks for Infrastructure and NEPAD	Number of influential in-house publications on line
F. Linguistic Exchange Program	Number of skilled staff speaking no less than 2 languages
G. Digital Library	Number of on line consultations, density and exchanges
<b>III. CORE COMPETENCE NEEDS FOR EXCELLENT RECs AND GROWING ROLE IN REGIONAL INTEGRATION</b>	
H. Outsourcing Program	Number of contracts, services and functions
I. Competency Management Program	Data on training programs, rewards and recognition
J. Development Performance Program	Number of Core Business Functions embedded in RECs' activities

**Financial Resources Needs (US\$)**

Three Axes and Ten Actions to put RECs at the Center of STAP/NEPAD Implementation by 2010

<b>I. CAPACITY NEEDS FOR RECs MANDATE, STAP IMPLEMENTATION AND PARTNERSHIP</b>	<b>28,560,000</b>
A. Foresight & Policy Unit	8,600,000
B. STAP-Infrastructure Unit	16,800,000
C. Financial Partnership Unit for Infrastructure Networks and Regional Integration	3,000,000
D. Experts Panel for External Evaluation	160,000
<b>II. KNOWLEDGE NEEDS FOR INFRASTRUCTURE NETWORKS AND REGIONAL INTEGRATION</b>	<b>3,280,000</b>
E. TransAfrican Networks for Infrastructure and NEPAD	2,000,000
F. Linguistic Exchange Program	680,000
G. Digital Library	600,000
<b>III. CORE COMPETENCE NEEDS FOR EXCELLENT RECs AND GROWING ROLE IN REGIONAL INTEGRATION</b>	<b>930,000</b>
H. Outsourcing Program	310,000
I. Competency Management Program	310,000
J. Development Performance Program	310,000
<b>TOTAL</b>	<b>32,770,000</b>

RIGHT NOW	SHORT TERM		MEDIUM & LONG TERM		Total
2006	2007	2008	2009	2010	
8,080,000	10,800,000	10,880,000	1,370,000	1,640,000	32,770,000

*Note:* This amount represent less than 1.6 percent of total pledge to close infrastructure gap by 2010 to and less than 0.4 per cent of resources required to cover pan-African projections.

## Strategic Framework

Goals		Specific Objectives	
Basic Capacity Needs to Achieve Core Functions	I. A. RECs	Improve Delivery, Outcomes and Value for Money of Programs and Projects	A1 CEMAC: Build Foresight and Policy Unit to promote leadership for Economic and Monetary Union in C. Africa A2 COMESA:.... A3 EAC: A4 ECCAS: Build capacity and trust for Regional Community in Central Africa A5 ECOWAS: Build capacity and trust for Regional Community in West Africa A6 IGAD: A7 SADC: A8 UEMOA: Build Foresight and Policy Unit to promote leadership for Economic and Monetary Union in W.Africa A9 A10 ...
		Challenge STAP/NEPAD	B Build Infrastructure Unit to support infrastructure networks design and establishment Facilitate projects design and implementation
		Improve Effectiveness and Relevance of Donors Interventions	C Financial Partnership Unit for Infrastructure Networks and Regional Integratio D Undertake External Evaluation by Experts Panel
		Build Knowledge Base to Bridge Performance Gap	E Build TransAfrican Networks for Infrastructure and NEPAD for knowledge creation and management F Strengthen inter-RECs Linguistic Exchanges and Cooperation G Build and Connect RECs Digital Libraries
		Strengthen RECs Human Capital	H Build Outsourcing capabilities for selected functions, services and contracts I Embed Core Business Competencies onto RECs' Activities J Strengthen Human Capital, Attract and Retain Skilled Staff
		Strengthen RECs Human Capital	
		Strengthen RECs Human Capital	
		Strengthen RECs Human Capital	
		Strengthen RECs Human Capital	
		Strengthen RECs Human Capital	
Specific Capacity Needs to close Infrastructure Gap	I.B. NEPAD/STAP		
Specific Capacity Needs to Manage PPP	I.C. Partnership		
Knowledge Needs For Infrastructure And Regional Integration	II. Knowledge		
Core Competence Needs For Excellent RECs	III. Competencies		

**Budget Estimation by Year (2006–2010) and Area (US\$)**

RECs	Person	\$US	Duration	RIGHT NOW			SHORT TERM		MEDIUM & LONG TERM		
				2006	2007	2008	2009	2010	TOTAL		
<b>I. CAPACITY NEEDS FOR RECS MANDATE, STAP IMPLEMENTATION AND PARTNERSHIP</b>											
<b>1. Foresight &amp; Policy Unit</b>											
Coordinator	1	100,000/Y	3 Years	1,000,000	1,000,000	1,000,000	0	0	0	0	3,000,000
Experts	4	70,000/Y	3 Years	2,800,000	2,800,000	2,800,000	0	0	0	0	5,600,000
<b>2. STAP-Infrastructure Unit</b>											
Coordinator	1	100,000/Y	3 Years	2,800,000	2,800,000	2,800,000	0	0	0	0	8,400,000
Experts	4	70,000/Y	3 Years	2,800,000	2,800,000	2,800,000	0	0	0	0	8,400,000
<b>3. Financial Partnership Unit for Infrastructure Networks and Regional Integration</b>											
Coordinator	1	100,000/Y	3 Years	1,000,000	1,000,000	1,000,000	0	0	0	0	3,000,000
Consultants' Pool	2	40,000	3 Months	80,000		80,000	0	0	0	0	160,000
<b>II. KNOWLEDGE NEEDS FOR INFRASTRUCTURE NETWORKS AND REGIONAL INTEGRATION</b>											
<b>5. TransAfrican Knowledge Networks for Infrastructure and NEPAD</b>											
	40	20,000/Y	5 Years	400,000	400,000	400,000	400,000	400,000	400,000	400,000	2,000,000
<b>6. Linguistic Exchange Program</b>											
Coordinator	1	70,000	2 Years	0	0	0	0	0	0	0	280,000
Task Force	10	20,000/Y	2 Years	0	0	0	0	0	0	0	400,000
<b>7. Digital Library</b>											
Coordinator	1	100,000/Y	2 Years	0	0	0	0	0	0	0	200,000
Task Force	10	20,000/Y	2 Years	0	0	0	0	0	0	0	400,000

*I(continues)*

**Budget Estimation by Year (2006–2010) and Area (US\$) (Cont.)**

RECs	Personnel	\$US	Duration	RIGHT NOW		SHORT TERM		MEDIUM & LONG TERM		TOTAL
				2006	2007	2008	2009	2010		
<b>III. CORE COMPETENCE NEEDS FOR EXCELLENT RECS AND GROWING ROLE IN REGIONAL INTEGRATION</b>										
<b>8. Outsourcing Program</b>										
Experts/Facilitator	1	10,000/W	2 weeks	0	0	0	0	10,000	100,000	110,000
RECs Experts	20	20,000/W	2 Weeks	0	0	0	0	100,000	100,000	200,000
<b>9. Competency Management Program</b>										
Expert/Facilitator	1	10,000/W	2 weeks	0	0	0	0	10,000	100,000	110,000
RECs Experts	20	20,000/W	2 Weeks	0	0	0	0	100,000	100,000	200,000
<b>10. Development Performance Program</b>										
Expert/Facilitator	1	10,000/W	2 weeks	0	0	0	0	10,000	100,000	110,000
RECs Experts	20	20,000/W	2 Weeks	0	0	0	0	100,000	100,000	200,000
<b>TOTAL</b>				<b>8,080,000</b>	<b>10,800,000</b>	<b>10,880,000</b>	<b>1,370,000</b>	<b>1,640,000</b>	<b>32,770,000</b>	

# Appendix 2

## Technical Notes:

### Financial Management, Budgeting, Procurement, and Corporate Governance

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#### Executive Summary

- Financial management and budgetary systems are inadequate in most RECs, with planned programs being sophisticated beyond existing capacity for implementation. It is often impossible to measure objectives, statements, plans that usually cover a period of about three years to five years.
- Project-budgeting plans are not phased out into periods to allow meaningful project progress which can assist proper monitoring and implementation.
- Project activities are not planned into manageable units by putting activities into logical project group.
- Project plans write up lack important information (i.e., project team assigned to the project, records that should be kept and produced involving final checks as performance indicators).
- Planned expenditure in the projects do not always fit into the framework of funding, some of the projects have remained in the strategic development plan for over five years unfunded yet they still appear in the plan.
- Most RECs, RISPS studied go beyond the year 2015. No indication of the same funding is earmarked beyond one-year budget period.
- Contributions to RECs and RISPS, by member states are not reliable and certain. Donor funds, most of which are pledges but not committed funds, are intended for needy RISP projects.
- Project lacking systems that produce reports showing budgeted activities compared to activities are not prepared. These imports normally



provide relevant information, i.e., budget amount, actual expenditures, resources, staff, procedures, and progress.

- RECs do not have written financial management and budgetary system in form of a manual as guide for project, monetary.
- Member states, RECs and ICP's operate on difficult financial management reporting procedures and formally to monitor donor-funded projects.

### **Procurements and Contracting Policies, Procedures, and Practices**

- RECs use internally generated regulations, the Secretariat is the approving authority in most of procurement and contracting activities. Council of ministers is informed accordingly.
- The internally generated regulations and rules are most of a worker.
- Procurement policies, procedures, and practices on contracting goods and services are not formally written to all as a basis to track down misuse of funds and assets by dishonest employers and suppliers.
- Value for money for goods or services provided cannot be guaranteed in absence of rules and regulations to ensure standard and diligent supplies.

### **Corporate Governance**

- RECs' financial statements are audited by professional audit firms;
- There is no evidence to indicate whether client reports are used by other divisions and member states apart from the financial and secretarial office;
- Sanctions and penalties to be imposed on RECs which find to prepare and submit audit financial statements one not documented at RECs' level;
- Financial, accounting audit of funded projects have not been undertaken in most RECs;
- Most RECs have no internal audit department. This department is key to ensuring effectiveness and efficiency of RECs' operations, reliability of financial reporting and compliance with applicable rules and regulations in RECs.

### **Staffing**

- Most RECs are clients staffed in the accounting and financial division;
- The skills of most staff need to be improved through formal training and short-term courses.

## **Funding**

- RECs, RISP are donor-fund dependent;
- Monitoring and implementation of projects cannot be guaranteed without free financial commitment.

## **Introduction**

The significance of sound financial management, budgeting, budget control, procurement policies, procedures and practices, and corporate governance issues (e.g., accounting system and function) are key elements for the success of not only NEPAD/AU STAP infrastructure projects but also for RECs' own projects. Member states' contributions and ICPs contributions have not been forthcoming because many of them are not sure that they will get value for money for their contribution and ICPs are now insisting that the above features be put in place before development funds are released. There is a need, therefore, for RECs and member states to establish those features.

During the study these features were analyzed and evaluated to determine whether they meet the expectations of donors and management of RECs in monitoring and implementing the NEPAD/AU STAP projects.

## **Financial Management**

The objective of a financial management system in the public sector is to support management in their deployment of limited resources, with the purpose of ensuring economy and efficiency in the delivery of outputs (i.e., services and/or ensuring goods produced by organizations in terms of quantity, quality, cost, time) required to achieve desired outcomes (effectiveness) that will serve the need of the public.

Financial management embraces daily cash management as well as the formulation of medium- and long-term financial objectives, policies, and strategies in support of the operational plan of the organization. It includes the planning and control of capital expenditure, working capital management, and funding and performance decisions. It supervises the supporting financial and management accounting functions and the internal control environment, as well as supporting financial information system.

Financial management will be more effective if it has strong high-level support that is complemented by these:

- Medium-term contracts, supported by performance agreements, for permanent secretaries and other senior managers
- Clearly defined objectives and specified outputs for each department

- Clearly defined responsibility for the senior managers and managers for resources committed to outputs produced;
- Strategic planning and operational plans;
- Central regulations are reduced to the minimum and are replaced with guidelines.

Managers need to have the following:

- Flexibility in the use of resources;
- Discretion to determine cost allocations; and
- Full responsibility to determine staffing requirements and remuneration.

The following are vital:

- Risk management principles are followed;
- Incentives are created to ensure improved efficiency; and
- Nonfinancial measures for outputs in terms of quantity, quality, and timeliness are introduced and used together with financial measures in the evaluation of performance.

A sound financial management system needs to be supported by appropriate legislation, regulations, instructions, and systems. A trained and competent staff is essential, informed by an efficient management information system. There should be guidelines, manuals or instructions setting out the procedures and regulations with which public sector organizations are required to comply. These documents should be reviewed every two or three years (or when major changes have occurred) and updated accordingly.

The senior managers and managers should have useful and reliable information in order to evaluate the operations of the organization. The information system and its operators should ensure full and proper records are kept of the affairs of the public sector organization. Information system should be designed in such a way as to measure costs and the key performance indicators considered essential by the senior managers and managers in their assessment of the organization's success or failure. The accounting system that produces the financial statements needs to be integrated with other management systems (e.g., cash, budget, and treasury and debt management).

## **Budgeting**

1. Budgeting is an essential element of the financial planning, control, and evaluation processes of public-sector organizations. By its nature it is a means of allocating resources to achieving the objectives of a public sector organization. It is management tool for planning, and also a means of controlling fund to ensure that the stated objectives can be met.
2. Budgeting is most successful if it is linked to a medium-term framework (a plan that usually covers a period of about three to five years)

containing measurable statements of the objectives of the public-sector organization, policies, priorities, strategies for achieving the objectives, and a resource framework (projections or revenues and ceilings) to plan for the period. It is often impossible to achieve the objectives within one year, thus it is necessary to plan ahead to ensure the best use is made of resources.

3. Emphasis needs to be placed on identifying objectives, priorities and activities (or outputs and outcomes). The format of the budget documents should provide a clear explanation of the rationale for the proposed allocation of resources. Where possible, public feedback is taken into account in the formulation of the budget.
4. To be effective, budgeting needs to be integrated with accounting. If a similar basis of accounting is adopted for budgeting purposes and financial reporting, it will provide a framework of accounting information to provide a more rational basis for planning and controlling expenditure and for taking decisions about its financing. Cash-flow budgeting is an essential element of effective cash management, and therefore a forecast of the timing of cash inflows and outflows will always be needed.
5. Regular monitoring of actual financial performance against the budget is vital. The figures for revenue or expenditure reported against budgets should be reliable and readily available for discussion and management action, and projections revised where necessary.

### **Budgeting and Financial Management Controls**

- Managers should ensure that effective and efficient budgeting and financial management procedures are in place.
- The executive is usually responsible for sanctioning the overall budget and authorizing the executive to incur expenditures within the overall level of expenditure. The organization usually approves a budget or financial plan, within the overall approved level of expenditure, to provide authorization for the acquisition and use of financial resources, and is responsible for overseeing and monitoring the implementation of the approved budget or financial plan.
- Budgeting is an essential element of the financial planning, control, and evaluation process of organizations.
- Regular monitoring of actual financial performance against the budget is vital. The figures for revenue or expenditure reported against budgets should be reliable and readily available for discussion and management action, and projections revised where necessary.

***Procurement Policies, Procedures, and Practice***

Procurement policies, procedures, and practice are established to enhance effective governance. They clearly set up procurement policies and procedures that improve openness, integrity, and accountability of individuals within an organization.

Prudent procurement procedures prevent corporate management and staff fraud in an organization. They also facilitate detection of existence or impending malpractices i.e., fraud or corruption.

***Corporate Governance***

Corporate governance is now a prerequisite requirement to enable an organization to be accountable and be transparent in the management of its operations. This is achieved by the establishment of agreed external and internal reporting structures to provide reasonable assurance regarding the achievement of effectiveness and efficiency of operations reliability of financial reporting.

Compliance with applicable laws and regulations is necessary. External reports should be subjected to independent verification stage of external audit. Internal reports should be subjected to internal audit of the organization. Establishment of internal audit in any organization is one of the key elements of good governance.

***Accounting Functions and Systems***

Establishment of accounting functions that involve maintaining of proper records and accounting books are prerequisite to reliable and accurate financial data used during project budgeting preparation and control. Data are processed both manually and by use of electronic accounting software.

***Human Resources for Financial and Accounting Systems***

Establishment and implementation of sound financial management budgetary system procurement system, reliable reporting, and good governance, depend on pool of competent skilled personnel in these fields.

**Findings on Financial Management and Budgetary Control Systems**

***CEMAC/UEMOA***

The organizations prepare an overall budget, and the executive approves it by giving the authority to incur expenditure within the limits of the budget.

**Observations**

- There is no written financial management and budget system in use to reconcile actual expenditure against cash management to support the operations of the budget.
- The budgets are focused on one-year rather than multiyear approaches.
- They are not written down financial management systems and manuals to act as guides for monitoring and implementing projects.
- The institutions do not use a project-tracking system that enables the institution to compare budget amounts, and activities to actual amounts incurred, resources, and staff.
- The current financial and budgetary control reports are based on annual budget compared to actual budget.

**SADC**

**Comments and observations.** SADC has also prepared a five-year Integrated Strategic Plan (ISP), which follows the traditional budget philosophy. The master budget has been prepared on tabulated.

**Observations**

- The projects identified are too ambitious to the extent that the output delivered is unlikely to match the expected results required to advance regional integrated strategic development plan implementation.
- Project activities are not planned into manageable units by putting activities into logical project group.
- Project plans lack important information (i.e., project-team assigned and records to be kept plan is mixed formatting). Planning is not prepared on the basis of project goals and programs
- Budget formatting and coding is influenced by donor-fund budget because most of the funds are donor funded.
- SADC does not have a written financial management and budgeting system manual.
- Project performance reports are not always communicated to all relevant stakeholders. Most of the reports are discussed and finalized at secretariat level.
- Planned expenditure on the projects identified at the RISP does not conform to the framework provided by source of funding.
- Project plans in the RISP are not phased out into periods to allow meaningful benchmarks which can be used to monitor the project implementation.

### **COMESA**

**Comments and observations.** The institution has prepared an ISP, which covers both medium- and long-term formal operations. The same has been approved by the relevant authorities.

#### **Observations**

- The plan lacks clarity and meaning for defining recurrent and development expenditures. It is impossible to measure its objective statements without accompanying notes. The resource mobilization unit of COMESA is too understaffed to mobilize the source of funding for the planned period.
- The ISP's emphasizes sophisticated programs, which are beyond realistic capacity for implementation. It is difficult to link a plan that usually covers a period of about three years to five years.
- Most projects identified in the plan are overambitious to the extent that the output delivered is unlikely to match expected results to advance regional integrated strategic development plan implementation.

### **EAC**

**Comments and observations.** EAC has an established budget section/unit that administers and manages all budget issues of the community, including budget preparation, monitoring, and control. EAC has maintained an overall budget, which has been sanctioned by the executive authority to incur expenditures within the overall level of expenditure.

#### **Observations**

EAC has not developed an appropriate financial management and budgeting system to support management in deploying limited resources with the purpose of ensuring economy in the delivery of output in services goods in terms of quantity, quality, cost, and time.

- Planned expenditure indicated in the budgets do not conform to the framework provided by the source of funds. They are stand-alone items.
- Project budgeting plans are not phased out into periods to allow meaningful project progress reporting, which can assist proper monitoring and implementation of the project.

### **ECCAS**

**Comments and observations.** ECCAS financial management and budget

systems depend on member states' systems. The planned budget of 40 million is based on member states' pledges rather than approved commitment by the executive authority.

### **Observations**

- ECCAS does not have an approved RISP to guide the institution to carry out its mandate.
- Sound financial management budget systems and procedures which support appropriate regulations, policies and procedure system have not been developed.
- Observations were limited due to the above constraints.

### **ECOWAS**

**Comments and observations.** ECOWAS has a well-established RISP that was endorsed by the heads of states. It has been fairly well implemented.

### **Observations**

- ECOWAS does not have a sound written financial and budget system procedures that support appropriate regulations, instructions, and systems.
- Projects/activities in the RISP are not planned into manageable units by putting activities into logical project groups.
- Planned project expenditure is not matched to some of the sources of funding.

As a result, donor funds have been pooled and administered by financial and administrative procedures set out by the donor agency.

- ECOWAS lacks regulations driven financial reports system.
- ECOWAS lacks well-developed facilities/mechanisms for financing regional cross-country projects.
- The machinery for mobilizing external resources for implementing programs and projects are inadequate: two uncoordinated and understaffed units are located in the Economic Policy Department and the Financial Department are currently responsible for such resource mobilization.
- The ineffective mechanism for collecting and managing ECOWAS's own resources, especially the community levy affects the funding of ECOWAS.

### **IGAD**

**Comments and observations.** IGAD operates on the basis of the 2004–2008 strategic plans that were approved by the Assembly of Heads of State and Governments.



The implementation of IGAD programs and projects is dependent exclusively on the availability of resource from donors, while the running costs of the organization are wholly financed through member states' contributions.

- Resource mobilization is undertaken on an ad hoc basis by the individual or divisional heads and programs managers.
- IGAD does not have an integrated mechanism for monitoring and evaluating the implementations of programs and projects internally.
- Implementation of programs and projects have been hindered by a number of other factors, including these:
  - Inflexibility in projects design and implementation;
  - Imposition of too many conditionalities and shifting of priorities by donors—the bulk of the mobilized resources go into peace and security;
  - Contributions by members are not reliable and certain. IGAD member states' arrears stood at US\$ 5,674,129 for the period of six years. One of the member states owed IGAD US\$ 2,982,773 for the same period. This amounts to 52 per cent of total unpaid contributions.

#### ***Procurement Policies, Procedures, and Practice***

***Comments and observations.*** All RECs visited and studied have common rules of procurement practice. They make their procurements by referring to the internal regulations and sales that each REC has put into practice. The secretary-general approves most of requests which have been made by individual users.

#### ***Common Observations Inherent to All RECs***

- The RECs have no written approved procurement policies, regulations and procedures that govern openness, integrity, and accountability of individuals;
- Without written and approved procurement regulations and procedures there is a likelihood to misuse funds and assets by dishonest employees and suppliers;
- Value for money for goods or services provided cannot be guaranteed because there are no legislations, regulations, procedures and policies to ensure quality standards and diligent suppliers.

#### ***Corporate Governance***

All RECs do provide audited financial performance reports. Audited reports are an integral part of good corporate governance.

**Comments and observations**

- All RECs do prepare annual financial reports which are audited by professional audit firms.
- The audit reports are presented to the relevant authorities for necessary discussions and ratification;
- Most financial reports prepared contain data mainly used by financial, accounting and secretariat personnel.

**Observations**

- The published audited accounts are not used by technical divisions and member states for actions;
- There are no penalties and sanctions imposed by RECs on the officers who fail to prepare and submit financial audited accounts on time;
- An accounting, financial, and organizational audit to be eligible for donor funding has not been carried out in COMESA, ECOWAS, EAC, IGAD, or ECCAS for a long time;
- There are also delays in implementing and following up on the recommendations made for CEMAC, UMEOA, and SADC after the accounting, financial, and organization audit. The proposed recommendation places emphasis on the establishment of a financial accounting system, which allows for good-quality reporting system to ensure and funding of programs.

**Internal reporting**

**Comments and observations.** Internal audit function in most cases is established and maintained as part of the organization's framework of the internal control. The function is designed to provide a reasonable assurance regarding the achievement of effectiveness and efficiency of operations reliability of financial report and compliance with applicable laws and regulations.

- We noted that donor agencies do provide own key personnel to monitor the use of their funds.
- There is no evidence to show whether member states audit staff functions include auditing projects and programs linked to RECs.
- Most RECS do not have an established internal audit.

**Accounting Functions and Systems**

**Comments and observations.** All RECs do use both manual and electronic processing system to record transactions.

SADC, ECOWAS, COMESA, EAC, UMEOA maintain the accounting records and cash books by use of sophisticated accounting software (i.e., PASTEL and ACCPAC). IGAD still keeps its records and cash book by use of simple supplier software, which has limited accounting application.

### **Observations**

- The accounting records maintained by RECs are not aligned to the member states' accounting systems. This makes it difficult to import/export or coordinate data on any program or projects monitored by RECs on behalf of the member states.
- Accounting function in all RECS studied are non-core divisional work. Most project/program reports are only copied to accounting department;
- Project costing is hardly performed by the accounting division. Project/program expenditures are never accurately traced and recorded to ensure effective monitoring and implementation.

### **Human Resources for Financial Accounting**

**Comments and observations.** All RECS have at least one official to handle the financial and accounting functions.

- The official holds the minimum accounting qualifications.
- SADC, COMESA, EAC, UMEOA have personnel who have professional accounting knowledge and experiences.

### **Observations**

- All RECs' accounting and financial divisions are understaffed.
- The staffers do not enjoy sufficient motivation in their remuneration and training opportunities.

The staff does not have enough personnel to handle all the aspects of their functions, including these:

- Project development/planning and management
- Monitoring and evaluation of projects/programs
- ICP financing and reporting procedures
- Financial management reporting for nonfinancial managers
- Management and supervisory effectiveness

Most of the staff lack the necessary knowledge and experience to conduct detailed forensic audits and internal audits.

Most also lack the necessary techniques to conduct investigations that can lead to a value-for-money audit.

***Line of Action (Short-Term) Actions and Resources***

Line of Action (Short term)	Actions	Resources
1. Build capacity to establish an integrated budgetary system and reporting in each division to ensure adequate funding of programs, proper implementation and management.	All RECs	Consultant team to support RECs
2. Build capacity to design an implementable budgetary system which provides predictable and stable source of funding.		Consultant team to support RECs
3. Build capacity to design and implement financial and budget system and manual	All RECs	Consultant team to support RECs
4. Build capacity to design and implement an integrated accounting system to be adopted by most RECs		Consultant RECs
5. Build capacity to design, implement an integrated projects/programs tracking system.	All RECs	Consultant team T/A RECS experts
6. Build capacity to design and implement an integrated procurement policies, procedures, and practices.	All RECs	Consultant team T/A RECs experts
7. Build capacity and conduct an accounting, financial and or organizational audit to meet the conditions of eligibility for donor funding.	ECOWAS COMESA IGAD EAC ECCAS	Consultant team
8. Build capacity to train all accounting and financial staffers in all the relevant areas.	All RECs	Consultants RECs Donors



# Appendix 3

## Technical Notes:

### ICT and Knowledge Management Issues

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#### **Introduction**

Africa lags behind other continents in the possession and use of apparatus of the Information Age. RECs and member states should focus on implementing the plan of action for the way forward beyond the UN's Transport and Communications Decade adopted by the 12th Conference of African Ministers of Transport and Communications in March 2002 in Addis Ababa. Sufficient resources should be provided to implement policy reforms increase private-sector participation, build capacity for human resources and institutional development, include infrastructure development in poverty reduction strategies, and establish databases to monitor performance. Priority should be given to the completion of the NEPAD STAP projects.

The NEPAD framework has identified ICT-related projects and initiatives as ones that would speed up subregional and regional connectivity plans. Policies and strategies should be put in place principally to assist countries to deploy, harness, and exploit ICT for socio-economic development at the local, national and subregional levels; and to enable citizens to access affordable telephones, broadcasting, computers, and Internet services. For this to happen countries need to adopt concrete measures that include developing sound regulatory frameworks and building human resource capacity.

There are four main categories that help influence the effective use of ICT—management, individual, technology, and environment. The conclusions reinforce the importance of a coherent ICT strategy and supportive environment. This requires substantial investment in hardware, software, training, collegial learning support mechanisms, and an effective ICT strategy coupled with a sound ICT policy.

## Background

### **Telephone and Internet Connectivity**

In most REC communities fixed-line telephone connectivity has increased remarkably as policies on foreign investment have been liberalized. The use of mobile telephone services has also increased with great openness of markets and cross-border investments in service provision.

By the end of 2000, 25 African countries had established an independent regulatory authority for telecommunications. Only seven countries remain without mobile-telephone service.

ECOWAS and UEMOA have the highest level of telephone connectivity, followed by SADC and UMA. All have shown steady growth in integration indices for telephone connectivity. The trend has also been positive in other RECs.

SADC has the highest mobile-telephone connectivity (of the RECs surveyed), with ten subscribers per every hundred people.

Internet connectivity has increased rapidly in Africa. The key indicators for Internet connectivity are the number of Internet hosts and the number of internet users as a share of the population. Records show that in 2001 SADC had a very high number of Internet users (ECA—Assessing Regional Integration in Africa 2004).

### **Internet Penetration in Regional Economic Communities**

REC	Internet hosts	Internet users	Internet users per 10,000 people
CEMAC	467	69,000	21.8
CEN-SAD	8009	1,950,300	57.5
COMESA	19,123	1,241,300	35
EAC	4,473	210,000	23.7
ECCAS	468	75,000	7.6
ECOWAS	7,203	617,520	27.2
IGAD	3,305	209,300	12.5
SADC	254,608	2,976,000	147.1
UEMOA	5,568	410,000	57.2

*Source: ECA compiled from ITU 2001*

### **Radio and Television Broadcasting**

All transmission infrastructure of sub-regional telecommunication projects can be used for radio and television broadcasting, which generally uses hertzian transmission mode (wire or, more often, satellite transmission). This makes physical integration readily achievable. The regulatory framework for audiovisual sector has almost been fully liberalized. Cultural co-

operation programs within multilateral frameworks (such as Francophone) are promoting the exchange of radio and television programs, as is the Union and TV Corporations in Nairobi.

### **Continent-Wide Initiatives**

Several continent wide initiatives are enhancing the effectiveness of communications at the national level while promoting regional integration. Some of these include:

- The African Telecommunication Union
- The Regional African Satellite Communications Organization
- The African Information Society Initiative

**Regional African Satellite Communication Organization (RASCOM).** The aims of RASCOM are:

- Reduce high annual transit costs incurred by African Telecommunication operators on traffic that leaves Africa through foreign operators
- Establish direct telecommunication links between African countries
- Support international connectivity
- Improve and develop service links among cities in each African country
- Provide the potential for affordable national coverage of radio and television broadcasting

**African Information Society Initiative (AISI).** The aims of AISI are:

- To bridge the digital divide between Africa and the rest of the world.
- To provide a guiding framework for African countries in modernizing and interconnecting their ICT infrastructure and services.

### **Major Strengths and Weaknesses**

**Strengths.** The strongest point in most of the RECs that we visited is that they all have a very comprehensive ICT policy;

All the RECs realize the need to invest in ICT and have a good appreciation of how much that would help in knowledge management and the quest to integrate the continent.

**Weaknesses.**

- Most of the RECs visited realize that they have a huge gap in terms of ICT personnel for both their own internal ICT initiative and being



able to implement regional ICT projects. The main reasons for the lack of capacity are:

- Dynamism in the ICT industry;
  - Shortage of ICT personnel on the continent;
  - Migration of ICT staff;
  - Huge capital required to train and maintain ICT personnel.
- Most ICT equipment are imported, hence the financial resources required to implement an ICT project are quite high.

### **Best Practices in ICT and Knowledge Management**

Numerous research studies demonstrate benefits from using ICT and knowledge management. However, in general, most developing countries and the RECs in Africa remain slow in adopting ICT. We believe that understanding factors that influence ICT diffusion could provide an essential mechanism to encourage the RECs and their member states to prepare for ICT adoption. ICT use also provides opportunities to solve coordination problems associated with:

- Distance
- Language barriers
- Time differences
- Cost of communication
- Data availability
- Speed of data access
- Ease of information distribution
- Security and integrity

Projects involve many participants and stages, such as design, implementation, and maintenance, etc. During each stage, information is required to be communicated between project participants. Minimizing information re-entry and reducing missing essential information being transferred at each project stage is also enhanced by sound use of ICT. In the light of the growing interest in ICT application to prepare organizations for the future, it is necessary to pay attention adoption and diffusion of ICT knowledge to the staff.

We noted during the survey, though, that some RECs are far advanced in terms of ICT compared to others. An example of this COMESA where ICT has been fairly embraced at the REC level even though most member states need to brace up to the challenge of using the huge ICT investment they have made. ICT is very dynamic; hence organizations need to keep up with the quick changing technology. Some RECs in West Africa have a very sound ICT usage although their hardware and operating system are not up-to-date.

***Variables that Need to Be Considered  
in ICT Strategy Formulation***

***Training and learning support.***

- Sufficient time to think
- Flexibility for learning
- Work procedure support
- Enough time for training
- Technical support
- Enough quality of training
- Functionality / Ease of use ICT
- Easy-to-observe benefit of using ICT
- Trial and experiment ICT
- Mentoring Support

***Clear advantage of use.***

- Clear advantage of using ICT for coordinating teams
- Clear advantage of using ICT for communication between teams
- Clear advantage of using ICT for communication within teams
- Receive professional credibility
- Clear advantage of using ICT for decisionmaking
- Relevance to personal job

***Individual/Personal Characteristics***

- Basic skills for using ICT
- Personal confidence
- Enjoy exploring/exposure to new tools
- Personal capability to learn ICT
- Mentoring program
- Personal commitment

***Technology Characteristics***

- Functionality of ICT
- Accessibility of ICT
- Response rate of ICT
- Availability of up-to-date ICT

***Supervisor Support***

- Supervisor encouraged to use ICT
- Supervisor makes openly suggests improving on the use of ICT
- Trust with supervisor on making mistakes
- Organization supports sharing ICT experience
- Enjoy learning from others

***Open discussion environment***

- Organization openly discusses about ICT difficulty
- Person openly discusses about ICT difficulty
- Organization openly recommends improved use of ICT
- Organization commitment (resources)

***Tangible and intangible rewards***

- Receive tangible reward
- Provide tangible rewards in sharing ICT experience
- Provide intangible rewards in sharing ICT experience
- Receive intangible reward

***Colleague's help***

- Colleagues informally help on using ICT
- Colleagues formally help on using ICT

***Advantages of using new technology***

- Better than previous
- Speed and reliability of ICT
- Compatibility with previous system/ work procedures

***Negative environment***

- Feel pressured to be effective in using ICT
- Personal anxiety

***Barrier of using ICT***

- Difficult, complex, or frustrating to use ICT

Management has the role and capacity to facilitate professional development and technical support, supervisor and organizational support and create a system whereby tangible and intangible rewards are given for the level of knowledge sharing that leads to ICT users seeing benefit from their cooperation in helping to diffuse knowledge about ICT applications. The work environment has an influence through supporting open discussion of problems with getting to grips with the ICT application and/or the manner in which colleagues support and help each other.

The RECs and member states should take on board the advantages and benefits of ICT and create the work environment that supports people sharing knowledge about how to use ICT applications most effectively. Gender should always be considered in all aspects of creating the correct environment as women are always sidelined on technological matters. People can be driven to appreciate technology by ensuring that technological support is in place to help them when they need it. Moreover, the management and leadership style must also support the creation of an open work environment where people feel free to ask “dumb” questions and voice concern about technology or other problems that hinder their growth in the use of ICT. While this may appear to merely state commonsense, it is surprising how many organizations generally fail to budget sufficient resources for ICT support both in terms of help-centre and in providing a slack period to give staff the time to stop and help colleagues when requested. Finally, ICT has changed the power balance within organizations between managers and those doing knowledge work. The focus is now on empowering and enabling people, not checking and monitoring that work is done in a particular way. It is also about leadership that inspires and transforms a workplace through supporting individual and supervisor skills and abilities to share knowledge.

Policies specific to ICT diffusion and use will not, on their own, lead to stronger performance they should be part of a comprehensive set of actions to create the right conditions for growth and innovation.

### **Key Policy Recommendations**

While specific policy priorities and challenges may differ across countries, seizing the Benefits of ICT in a Digital Economy encourages RECs Secretariat and member states to adopt a comprehensive strategy. Such a strategy should continue to give attention to ICT diffusion and infrastructure development, but needs to focus more on policies that strengthen security and trust and that reduce the barriers to demand an effective use of ICT. In particular, it should facilitate realization of the potential offered by new technological developments, such as broadband. While access remains important, making better and smarter use of e-business throughout the value

chain is increasingly becoming the key challenge for reaping the benefits of ICT. The strategy should be based on a combination of actions in order to:

- Strengthen competition, by ensuring network infrastructure competition across and within different platforms, placing more emphasis on regulatory frameworks that are neutral with respect to alternative technologies and on the convergence of markets and technologies, maintaining a strong stance on competition in services, fostering competitive conditions in digital content and applications markets, and monitoring for anti-competitive behaviour. Governments should not succumb to calls to retreat from liberalization or assist the ICT industry in a way that distorts competition, and should make regulatory frameworks more effective to ensure that incumbent firms provide adequate access to their network of resources for new entrants.
- Foster a business environment for effective use of ICT. Measures should aim to reduce obstacles to organizational change within institutions, strengthen education and training systems, encourage good corporate governance, practices, facilitate and foster entrepreneurship, reform burdensome regulations and improve the functioning of labour and product markets. Harnessing the potential of innovation, as a key complementary factor to ICT use, will make an important contribution to using ICT more effectively. A sound regional ICT policy will foster regional integration. Regions like ECOWAS, for example, will need to put in place a regional ICT policy.
- Spread the benefits of ICT across the economy, by removing sector-specific regulations that affect the uptake of ICT, helping small organizations assess the opportunities of e-Business, ensuring a level playing field for all market participants in the value chain, and fostering ICT uptake for disadvantaged groups and in less developed regions in cost-effective ways without distorting market forces. Strategies for electronic government are important to help improve government efficiency and the delivery of public services, and can also help foster demand in less developed regions. Encourage use of VoIP( Voice over IP) for cheaper communication where internet access is already available and harness the use of Video conferencing to reduce the huge costs of travelling. COMESA, IGAD and EAC have projects on video conferencing that need take off. Other RECs should follow suite and implement this project that will be a foundation for subregional and regional telecommunication integration.
- Boost security and trust to enhance usage of ICT by businesses and consumers, by implementing information security guidelines, by developing a culture of security, and by strengthening cross-border

cooperation and enforcement in privacy and consumer protection. These guidelines will help when it comes to issues of e-Commerce like what COMESA, UEMOA and EAC have their vision on.

- Support member states in seizing the benefits of ICT, by using development cooperation policies to integrate ICT into national development strategies and help create the right economic, legal and institutional environment for ICT investment and use. ECOWAS has links with its member states but these need improving as the speed of access and availability is not very good. Using VSAT technology would help in this regard.
- Set up national committees of African Telecommunication regulators, network operators, and service suppliers to ensure cooperation and coordination among actors in the sector.
- Establish continent-wide Community database, which is to promote data management in RECs filtering down to the individual member states. Examples of these could be human resources and projects databases. IGAD, for example, requires a system that is able to measure performances. RECs need to cooperate in many ways and a database that details available human resources could prove very useful in efficient use of available African expertise.
- Harmonize tariff principles and reduce the cost of telecommunication. Cross-border communication is very expensive thus limiting cross border business which will help Africa achieve the zeal to integrate.
- Create subregional projects such as the RASCOM and SAT-3 to strengthen connectivity within a REC and between RECs and the rest of the world.
- Encourage member states to reduce tax and duties on ICT equipment and accessories, internet connections and access charges.
- Enhance capacity at the RECs' level and member states' levels to be able to deal with:
  - ICT policy
  - Internal knowledge management
  - Application evaluation
  - System audit and security.
  - ICT strategic planning.
- Provide priority to small ICT projects with bigger and immediate developmental impact, e.g., tele-centres instead of mega-projects requiring huge investment.
- Encourage application uniformity across the RECs, e.g., financial, budgeting and project management systems, web sites. A lot of RECs have working systems in place. An evaluation process needs to be done to determine the most effective tools, in terms of applications that work

well in a REC and recommendations can be made for other RECs to use these already productive tested tools. CEMAC for example needs to invest heavily in ICT, i.e., both hardware and software.

- Equip all RECs with websites, intranets between RECs and extranets for an effective knowledge management initiative. With websites available, it then becomes easy to use VPNs to access each other's intranets with the appropriate access rights.
- Ensure the updating or acquisition of ICT equipment for almost all the RECs, with the exception of UEMOA where new ICT equipment is being installed.

# Appendix 4

## Survey Instruments: Terms of Reference

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### Introduction

At its 12th Summit in Algiers in November 2004, the Heads of State and Government Implementation Committee (HSGIC) of the New Partnership for Africa's Development (NEPAD) expressed the need to speed up the implementation of NEPAD priority projects. It further endorsed the call for a two-day workshop of NEPAD Steering Committee, the Chairman of the African Union (AU) Commission, all the Regional Economic Communities (RECs), the African Development Bank (AfDB), the African Capacity Building Foundation (ACBF), and other development partners. In response to this call, the chairman of the HSGIC, President Olusegun Obasanjo of Nigeria, convened a workshop on 7-8 March 2005 to discuss mechanisms for speeding up implementation of the priority projects.

The workshop specifically focused on mechanisms for enhancing the capacity of the RECs and speeding up implementation of NEPAD Infrastructure Short-Term Action Plan (STAP) projects. As part of the outcome of this workshop, it was agreed that the NEPAD Secretariat and ACBF should prepare suitable terms of reference for a capacity needs assessment survey that the foundation would conduct on behalf of the AU Commission and NEPAD Secretariat.

It is in this context that these terms of reference were developed to guide the Regional Economic Communities (RECs) capacity needs assessment exercise. This exercise is vital for the RECs to be adequately capacitated to perform their roles as the principal implementing agencies for the NEPAD initiative.

Indeed, the ability of the RECs to lead Africa's regional cooperation and integration process with respectable outcomes requires them to deliver



effectively in the area of regional infrastructure development, boost the value of Africa's trade and significantly spur growth in intraregional trade. For all this to happen, the continent must rise and provide a robust response to its capacity needs. The path to this response is the essence of the capacity needs assessment survey for which these terms of reference have been developed.

## **The Survey**

### ***Aim and Objectives***

In order to strengthen the capacity of the RECs for the implementation of NEPAD's priority programs and activities relating to their primary mandates, the ACBF, on behalf of the AU Commission and NEPAD Secretariat, conducted a survey to assess the capacity needs of selected African RECs. The aim of the survey is to identify the existing capacity gaps and to determine the institutional and human capacity requirements of the RECs for the effective and efficient implementation of their primary mandates, with particular focus on the priority programs, which are largely in five sectors; energy, transport, telecommunications, information and communications technology, and water resource management. To this end, the survey sought to ascertain the adequacy and quality of existing level of institutional and human capacity in each of the selected RECs, determine the gaps in the capacity requirements of each of the sectors, and propose an action plan for meeting these requirements over the immediate, short, and much longer term. The capacity needs consist of general to specific requirements. Thus, all RECs do not necessarily have the same set of specific capacity requirements.

The specific objectives of the survey are to perform the following:

1. Assess the present institutional and human capacity of the RECs vis-à-vis their current visions, missions, mandates and objectives, but more specifically as it relates to the needs of NEPAD's priority programs in five sectors. Consequently, the survey will provide a capacity profile and estimate of the capacity gaps for each of the RECs;
2. Determine, for each of the RECs, generic capacity requirements and those specific to their mandates and NEPAD's priority program.
3. Map all ongoing pipeline or recently completed support for capacity building in each of the RECs, their areas of focus, and the extent to which they are likely to close some of the capacity gaps.
4. Review databases or rolodex of consultants used by each REC in order to ascertain access to, and quality of, skills and competencies that are not readily available within each of the RECs.

5. Based on items 1 through 4, develop an action plan for the building and strengthening of the capacity of the RECs in line with the identified capacity gaps, propose institutional reforms for effective use and retention of capacity, and put forward recommendations for linking up RECs to knowledge resources that could place high-level capacity at their disposal

### **Scope of the Survey**

The survey was to cover the following eight RECs and sub-RECs that have been assigned responsibilities in the implementation of NEPAD Infrastructure Short-Term Action Plan Projects:

- The Common Market for Eastern and Southern Africa (COMESA) with 21 members: Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe. HQ: Lusaka, Zambia; The Economic Union of Central African States (ECCAS)— 11 members: Angola, Burundi, Cameroon, Central African Republic, Chad, Congo Brazzaville, Democratic Republic of Congo, Equatorial Guinea, Gabon, Rwanda, São Tomé Príncipe. HQ: Libreville, Gabon;
- The Economic Community of West African States (ECOWAS) —15 members,: Benin Republic, Burkina Faso, Cape Verde, Côte d'Ivoire, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, The Gambia, and Togo. HQ: Abuja, Nigeria;
- The Southern African Development Community (SADC)—14 members: Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe. HQ: Gaborone, Botswana;
- Intergovernmental Authority for Development (IGAD)—seven members: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, and Uganda. HQ: Djibouti;
- The West African Economic and Monetary Union/Union Économique et Monétaire Ouest Africaine (UEMOA)—eight members: Benin Republic, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo. HQ: Ouagadougou, Burkina Faso;
- The Central African Economic and Monetary Community (CEMAC)—five member: Cameroon, Gabon, Equatorial Guinea, Central African Republic, and Chad. HQ: Bangui, Central African Republic;
- The East African Community (EAC)—five members, namely, Kenya, Tanzania, Uganda, Rwanda, and Burundi. HQ: Arusha, Tanzania.

The survey was to examine the continuing relevance and effectiveness of the visions, missions, mandates, and objectives of the RECs and sub-RECs with a view to proposing direction for possible reforms, where applicable. As regards the capacity needs of the RECs, which are the main focus of the survey, considerable attention was to be paid to capacity requirements that will drive the design, implementation, and management of operational programs, as well as support systems, processes, and procedures (e.g., financial, administrative, legal) of the RECs, including knowledge and information management systems. The capacity gaps were to be examined at four levels, namely, institutional (organizational—extent to which existing capacity is used; responsiveness of organizational structure; quality and quantity of operational facilities; operating systems, processes and procedures; incentive systems; and financial resources for operation); human (level of basic education and training, professional skills, and core competencies); knowledge-related capacity needs (extent of substantive knowledge of each of the sectors, level of understanding of quality and international standards that products and services are expected to meet in each sector, and access to global information and knowledge on developments in each sector); and the environment in which the RECs operate (e.g., quality of institutional leadership, degree of susceptibility to political instability and violent conflicts, effects of conflicts-induced migration and the attendant development problems).

Thus, the survey was to review each REC's capacity status and carry out analyses that would do the following:

- Express a professional opinion on the nature, as well as the continuing relevance and effectiveness of the visions, missions, mandates, and objectives of the RECs, and ascertain institutional reforms that may be required to provide necessary motivation for effective performance of the RECs;
- Provide a profile of the type of capacities currently available in the RECs (by basic occupational, generic, and specialized skills distribution) and the desired level and mix of capacity;
- Define both the generic and specific capacity needs of each REC and prioritize these needs in order to facilitate effective sequencing in the capacity-building process;
- Assess the effectiveness of past and ongoing capacity-building programs for strengthening performance of the RECs and implications for interventions planned as a follow-up to this survey;
- Assess the extent to which the RECs have access to, and the capacity to make effective use of, global, regional, and local knowledge and information for the implementation of the priority programs as well as their mandates;

- Make appropriate recommendations with respect to strategies and instruments by which the AU Commission, NEPAD Secretariat, the foundation and other stakeholders can effectively contribute to the building and strengthening of the capacities required by the RECS for the effective implementation of their mandates and NEPAD's priority programs.

### **Expected Output**

The survey was to produce a detailed Capacity Needs Assessment Report that would present recommendations that would provide a sound basis for the design and implementation of a capacity-building program targeting reforms, interventions, strategies and instruments for enhancing the effectiveness of the RECs. Specifically, it was to provide key recommendations on the following:

- Immediate short-, medium-, and long-term responses to the identified priority capacity needs of the RECs, together with an estimate of funding requirements and indications of possible funding sources/mechanisms;
- The generic and specific capacity needs, as well as strategies for more effective utilization of existing capacity within the RECs (especially through the practice of performance-based management systems);
- Proposals for enhancing the effectiveness of ongoing and future interventions in RECs' capacity needs to ensure that the identified capacity gaps are adequately addressed;
- Strategies for drawing on knowledge resources within institutions such as the AfDB), UNECA, ACBF, European Commission, World Bank, such knowledge networks as ACBF technical advisory panels and networks (TAP-NETs), and African professionals in the diaspora;
- Guides to mainstreaming capacity building, skills retention, and effective utilization of professionals in the RECs.

To be annexed to the report is a detailed action plan and timetable outlining specific capacity-building activities that would need to be undertaken over the immediate short to the long term. These activities would include specific skills and institution-building projects; institutional reform programs; partnership programs; collaborative programs across the RECs; database development and other knowledge sharing activities, among others. The action plan was expected to include performance measurement and monitoring systems and time frames for direct progress reports to the HSGIC as well as a preliminary costing of the future Capacity Building Program for the RECs and sub-RECs.

The Capacity Needs Assessment Report was to be submitted to the AU Commission, NEPAD Secretariat, and the Secretariats of the RECs and ACBF.

### ***Methodology***

The conduct of the survey was to be fully participatory, in a spirit of ownership and leadership of the entire process by the AU Commission, NEPAD Secretariat, the RECs and all other participating stakeholders, including African civil society and private sector players. The survey was to be conducted through field visits that would involve the administration of survey instruments, focus group meetings to be facilitated by the RECs (each REC was expected to designate a team as a focal point for this exercise), and interviews (the exercise was to benefit from access to senior officials concerned with RECs' activities and issues on the continent's integration efforts (e.g., Heads of State, ministers, chief executive officers of the RECs, captains of industry, trade groups, civil society organizations, women associations). There were to be missions to the secretariats of all nine RECs; selected member countries of these RECs; African national and regional offices of multilateral, bilateral, and other development agencies such as the AfDB, EC, UNDP, World Bank, UNECA, embassies/high commissions, as well as resident missions of other development agencies offering capacity-building and program support to the RECs. The exercise was also to include an extensive review of literature, data and information relating to the RECs operations, capacity, performance, and constraints; and a rigorous analytical framework for data analysis.

A team of seven consultants all of whom were to visit the first REC (COMESA) to pretest the survey instruments was to carry out the survey. Thereafter, they were to be constituted into subteams of two who would then undertake the field visits to all the other seven RECs and sub-RECs.

Prior to the commencement of the fieldwork by the consultants, the foundation circulated these terms of reference among all the stakeholders to elicit comments, share ideas, and agree on the objectives, focus, scope, and timelines of the survey. Roundtables were to be held by the consultants with institutional stakeholders, where possible, to facilitate collective consultation and cross-fertilization of ideas. It was envisaged that a roundtable with interested bilateral and multilateral donors could be held during the field visits in Addis Ababa. A workshop was to be held to discuss the draft report of the exercise and reach a consensus among stakeholders on programs, strategies, and responsibilities in the implementation of the recommendations that would have been endorsed.

### ***Duration***

The survey was to be conducted over the period of May 30–August 19, 2005. An interim report was to be submitted to the foundation and all the other

stakeholders (AU Commission, NEPAD Secretariat, and the RECs) by July 29, 2005. The tasks involved in the study were to consist of the following:

- Review of documentation and finalization of survey instruments (May 30–June 5)
- Planning of missions (May 30–June 3)
- Administration of survey instruments,
- Meeting with RECs' focus groups,
- Interviews and roundtables (June 6–July 8)
  - Analysis of data, preparation of interim and final reports:
  - Interim Report (July 9–29)
  - Workshop on Interim Report (August 19)
  - Final Report (August 30)

### **Survey Team**

A team of six consultants composed as follows was to conduct the survey:

- A macroeconomist with a good knowledge of issues in regional integration
- An international economist
- An institutional/organizational development specialist
- An expert in project/matrix management, with special expertise in major transnational infrastructure projects
- A financial management and procurement specialist
- An information technology and systems development specialist

The team was led by the macroeconomist who was expected to have strong conceptual, analytical, and writing skills. All members of the team were expected to hold recognized university degrees in their respective disciplines and demonstrate expertise in matters relating to the visions, missions, mandates, objectives, operations, performance, and constraints of Africa's regional economic communities, as well as a track record of professional experience in their respective fields. The UNECA was to be invited to second at least one of its staff with expertise in regional integrations issues. The Knowledge Management and Program Support Department of the African Capacity Building Foundation coordinated the survey.



# Appendix 5

## Survey Instruments: Questionnaire

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### **Respondents:**

#### **Executive Secretariats of Regional Economic Communities**

- I. Name of Regional or Sub-Regional Economic Community:
- II. Current Number of Member States:  
In each of the sub-heads following particularly in Sections IV–IX, kindly indicate at end of each set of questions (by additional comments) how you think your NEPAD obligations especially under the newly agreed NEPAD STAP priority projects would affect your answers, in relation to needed capacity enhancement.
- III. Human Resource Base:
  - a) Current Staff Size:
    - If your organization had its way, what would be the ‘optimal staff size’?
    - If your organization had its way, what would be the optimal professional staff skills mix?
    - What would you consider as the Optimal Deployment of Staff across the core Departments or Agencies?
  - b) Composition of Staff:
    - Professional Staff
    - Support Staff
    - Gender Composition of Staff
    - Consultants, including Gender Composition
  - c) Current number of long-term (6 months) resident experts:  
Of which: Africans  
Non-Africans
  - d) Levels of Formal Education:
    - Number of Doctorate Degree Holders
    - Number with Master’s Degrees



- Number with Bachelor's Degrees (BA/BSc)
- Number with High School Diplomas or lower
- Number with Professional Qualifications
- e) Language Proficiency:
  - Number of staff fluent in English
  - Number of staff fluent in French
  - Number of staff fluent in Portuguese
  - Number of staff fluent in both English and French/ Portuguese.
- f) Fields of expertise/specialization:
  - Economics (macro and micro-economics)
  - Public Finance (Tax/Tariffs and revenue; public sector economics)
  - Political Science (conflict management, peace and security)
  - Agriculture
  - Education
  - Environment
  - Gender Issues
  - Governance
  - Institutional Development
  - Health
  - Industry and Energy
  - Information Technology and Software and Computer Applications
  - Systems Design
  - International Finance and Banking
  - Financial Engineering
  - Project/Matrix Management
  - Project and Investment Analysis
  - Trade Policy Development, Trade and Investment Promotion
  - Transport and Communications
  - Resource Mobilization and Donor Policies
  - Public/ Private Partnerships in Infrastructure Projects
  - Others (please specify)
- g) Number of staff with expertise in investment analysis (project and cost-benefit analysis), project planning and project ex-ante and ex-post evaluation:
- h) Number of staff with expertise in international economics and international finance:
- i) Number of staff with expertise in international trade laws and trade negotiations:
- j) Allocation of staff time between conflict management and economic integration matters:
  - Percentage of time senior staff allocate to:

- Conflict management
- Economic integration
- Percentage of time professional staff allocate to:
  - Conflict management
  - Economic integration
- k) Mode of appointment of staff:
  - Political appointment (e.g. elected/designated by member Governments, national quota, etc.)
  - Secondment by governments and multilateral organizations
  - Competitive, professional appointment, (with no national quotas).
  - Gender quota
- l) Compensation:
  - Salary levels
  - Fringe benefits
  - Degree of attractiveness/competitiveness
  - Benchmark/Comparator organization(s)
- IV. In-house Research Capacity
  - a) Existence or absence of a research and documentation Unit
  - b) Number of full-time researchers
  - c) Number of part-time researchers
  - d) Quality of output
  - e) Degree of institutional reliance on the Research Unit, if there is any
- V. Quality of Library and Information Centre Infrastructure
  - a) Size of annual budget allocation to Library and Information Centre
  - b) Number of collections
  - c) Number of subscribed journals
  - d) Number of subscribed magazines
  - e) Number of book and journal gifts
- VI. Institutionalized Networking Activities with other RECs
  - a) Formal mechanisms for sharing knowledge, experiences and best practices with other RECs
  - b) Informal mechanisms for sharing knowledge, experiences and best practices
  - c) Extent of use of Internet resources, including web sites of other RECs for research and report production.
- VII. Institutional Capacity Needs:
  - a) Number of core departments in organizational structure
  - b) Adequacy and quality of operational infrastructure and facilities
  - c) Adequacy, effectiveness and efficiency of existing operating systems, processes and procedures with respect to operational programs, administrative and financial management—are reforms needed to enhance systems, processes and procedures?

- d) Are programs driven by a strategic planning process and/or annual business plans?
  - e) Are there performance improvement plans for departments or systems, processes and procedures?
  - f) Do performance targets, annual work plans or provisions in contracts drive staff performance and compensation?
  - g) Information Technology Penetration:
    - Number of staff with computer literacy
    - Number of PCs
    - Number of laptops
    - Internet connectivity: Yes/No – If yes, provide information as to bandwidth/speed, nature of connectivity (Radio Wireless Link, V-sat, Direct Satellite Connection, etc.), quality of Service from Internet Service Provider (ISP), etc.
    - Website address
    - Official e-mail address
    - Availability of Intranet
    - Percentage of internal communication via electronic means
    - Percentage of external communication via electronic means
    - Operational Databases:
      - Number of Databases and Frequency of Update
      - Functional Areas of Databases
- VIII. Interventions in Capacity Building:
- a) Current and Past Technical Assistance/Capacity building Programs:
    - Focus and objective of Program(s)
    - Cost of Program(s)
    - Sources of Funding of Program(s)
  - b) Cumulative amount of external financing received for technical assistance and/or capacity building:
    - Of which: Grants
    - Loans
  - c) Training budget (over the past three calendar years):
    - Absolute Amount (USD)
    - As a Proportion of Administrative Budget
  - d) Areas of training attended by professional staff over the past three calendar years:
  - e) Core areas of capacity needs over the medium term of 3-5 years:
- IX. Alignment between Missions and Available Capacity:
- Extent of alignment or misalignment/mismatch between REC's mission and available capacity
- X. Extent of Financial Autonomy:

- Percentage share of paid-in contributions over the past 3-5 years
- Percentage share of external financing in annual budget
- Percentage of regional financing in total budget
- Ability to contract loans



# Appendix 6:

## Draft Work Program

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### **Regional Economic Communities' Capacity Needs Assessment Survey**

1. Preparation of Terms of Reference (TORs)  
April 16–May 12, 2005  
TORs to be prepared by ACBF with inputs from the team of consultants
2. Dispatch of TORs to AU Commission, NEPAD Secretariat, RECs and other stakeholders  
May 16–18, 2005  
Dispatch to be done by ACBF
3. Collation of comments from AU Commission, NEPAD Secretariat, RECs and other stakeholders and finalization of TORs  
May 23–27, 2005  
Comments to be collated and reflected in revised TORs by ACBF and the team of consultants
4. Planning of Missions by the team of consultants  
May 30–June 3, 2005  
Missions to be planned by ACBF Secretariat jointly with REC Secretariats and the consultants. This will involve travel, accommodation, visas, appointments, etc.
5. Mission by the team of consultants to COMESA  
June 6–10, 2005  
This will be a joint mission by the team of 8 consultants to launch the exercise and pre-test the survey instruments.
6. Missions to the other RECs and stakeholders  
June 15–July 8, 2005  
Missions to be conducted by a team of two consultants each.
7. Preparation of Draft Report of Capacity Needs Assessment: Draft Interim Report-  
July 9–29, 2005  
Report to be prepared by the team of consultants  
  
August 29  
Draft Final Report
8. Organization of Stakeholders' Workshop  
August 19, 2005  
The purpose of the workshop is to bring all stakeholders (AU Commission, NEPAD Secretariat, the RECs, AfDB, UNECA, the World Bank, UNDP, ACBF among others) together to discuss the Interim Report and propose implementation strategies, responsibilities and timetable for the RECs' Capacity Building Program.



# Index

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- Abuja Treaty (1991), 66, 69, 72  
AEC Treaty, 28  
Africa Commission, 28  
African Alternative Framework to the Structural Adjustment Program for Socio-Economic Recovery and Transformation (AAF-SAP), 25  
African Capacity Building Foundation (ACBF): CEMAC, 5, 102, 106; CEN-SAD, 7; ECCAS, 265, 266; gender issues, 4; IGAD, 290, 295; UEMOA, 16, 312  
African Charter for Popular Participation (ACPP), 25  
African Development Bank (AfDB): African Union, 24, 75; CEN-SAD, 139–140, 161; ECA and, collaboration between, 24; roles, need for a mutual understanding of, 88, 89–90; Short-Term Action Plan, NEPAD: overview of RECs performance, 33, 34; Short-Term Action Plan, NEPAD: review of projects, 42–45, 51, 54; UEMOA, 323 *See also* Short-Term Action Plan *listings*  
African Development Report (2004), 257  
African Economic Community (AEC), 66, 88  
African Peer Review Mechanism (APRM), 27, 76  
African Union (AU): African Development Bank, 24, 75; CEN-SAD and, relations between, 137–139; challenges of African integration, 22–23, 29–31; competing or complementing institutions/programs, 20–21; Constitutive Act, 26, 66, 68; documents guiding the three, 65; financing the strategic plan, 76–79; gender issues, 94–95, 163; harmonizing/rationalizing the RECs, 69–72; institutional cacophony, 66–67; integration, the process of political, 72–73; international partners, 75–76; introduction, 65–66; member states and, relations between, 2–3, 67–69; NEPAD and, relations between, 73–74, 82–83; Organization of African Unity transformed into, 1; rationalization, 3; RECs and, relations between, 22–23, 293; roles, need for a mutual understanding of, 89–90; Short-Term Action Plan, NEPAD: capacity challenges, 63; Sirte Declaration (1999), 135; UN Economic Commission for Africa's commitment to goals of, 24; weaknesses, 79 *See also* New Partnership for Africa's Development  
*Africa Policy E-Journal*, 95  
Agreement for the Establishment of the Permanent Tripartite Commission for East African Cooperation (1993), 202  
Agricultural issues, 28–29, 242, 280, 294  
AIDS (acquired immune deficiency syndrome), 259



- Algeria, 6, 133  
 Angola, 8, 185, 186, 256  
 Association for Strengthening  
 Agricultural Research in Eastern and  
 Central Africa (ASERECA), 294  
 Aviation and NEPAD Short-Term  
 Action Plans, 46–47, 210
- Banque de développement des États de  
 l'Afrique Centrale (BDEAC), 104  
 Benin, 137, 274, 311, 313  
 Bouteflika, Abdelaziz, 82  
 Burkina Faso, 135, 274, 311, 313  
 Burundi, 8, 185, 186, 256–259
- Cameroon, 4, 101, 103, 256–258  
 Canada, 59  
 Canadian International Development  
 Agency, 278  
 Capacity constraints and NEPAD:  
 action areas, key priority, 85; African  
 Union's perspective, 82; implement-  
 ing NEPAD's programs, the structure  
 for, 86; introduction, 81–82; justifi-  
 cation for NEPAD, 83; objectives/  
 principles, NEPAD's primary, 84;  
 origins of NEPAD, 83; outcomes  
 of NEPAD, immediate desired, 85;  
 priorities, NEPAD's, 84–85; program  
 of action, 84; Secretariat, perspective  
 of NEPAD, 83–86
- Capacity needs of the RECs: CEMAC,  
 4–5; CEN-SAD, 6–7; challenges of  
 African integration, 22; COMESA, 7–  
 8; EAC, 8–9; ECCAS, 9; ECOWAS,  
 11–12; gender issues, 96; IGAD,  
 12–13; SADC, 14–15; UEMOA,  
 15–16 *See also* Resource mobiliza-  
 tion; Short-Term Action Plan  
*listings; individual RECs*
- Cape Verde, 274  
 CEMAC. *See* Communauté Economique  
 et Monétaire des États de l'Afrique  
 Centrale  
 CEN-SAD. *See* Communauté des États  
 Sahélo Sahariens  
 Central African Economic and  
 Monetary Commission (CEMAC).  
*See* Communauté Economique et  
 Monétaire des États de l'Afrique  
 Centrale  
 Central African Economic Union  
 (UEAC), 4  
 Central African Monetary Union  
 (UMAC), 4  
 Central African Republic (CAR), 4,  
 101, 103, 256, 257, 259  
 Chad, 4, 101, 103, 135, 256–259  
 Challenges of African integration:  
 African Union, status of the, 22–23,  
 29–31; capacity needs related to  
 clearly defined roles, 22; collabo-  
 ration, evidence of informal, 24–25;  
 competing or complementing  
 institutions/programs, 20–21;  
 conflicting mandates from common  
 legal entities, 23–24; introduction,  
 19–20; opinions/attitudes, conver-  
 gence of, 27–28; past, what are the  
 lessons from the, 25–27; resource  
 mobilization, 28–29  
 CODESRIA, 277  
 Collaboration/coordination, need for  
 more effective institutional, 50–51,  
 54  
 COMESA. *See* Common Market for  
 Eastern and Southern Africa  
 Common Market, 158  
 Common Market for Eastern and  
 Southern Africa (COMESA):  
 background analysis and general  
 observations, 188–189; capacity  
 needs, 195–200; COMESA Treaty,  
 112, 191–192; conflict prevention/  
 resolution/management, 193;  
 Consolidated Implementation Plan  
 of 2005, 191; ECCAS, members also  
 in, 257; e-Comesa proposal, 190;  
 economic, major goal is, 5, 102, 109,  
 312, 318; e-Market Place Proposal,  
 191; gender issues, 194, 199;  
 information and communications  
 technology, 189–190, 197–198;  
 information sources, 199–200;  
 Infrastructure Division, 197;  
 institutional structure, 187–188;  
 investment promotion and Private-  
 Sector Development Division, 198;  
 large membership, 186; Legal and  
 Institutional Matters Division,  
 193–194, 198–199; mandate of, 186;  
 Peace and Security Division, 199;

- performance evaluation, 37; Planning Division, Strategic, 196–197; RECs and African Union, relationship with, 293, 297; resource mobilization, 8, 186, 193, 199; Secretariat, 185, 187–188, 191–193, 195–196; Short-Term Action Plan, NEPAD: capacity challenges, 63; Short-Term Action Plan, NEPAD: review of projects, 41, 186–187, 191; summary, executive, 7–8, 185–186; trade facilitation measures, 188–189, 197; video conference solutions, 190–191
- Communauté des États Sahélo-Sahariens (CEN-SAD): action plan, 170–173, 183; African Capacity Building Foundation, 7; African Development Bank, 139–140, 161; African Union and, relations between, 137–139; aligning the capacities of CEN-SAD with its mission, 144; analysis and design capacity, 150–151; budgets, 135, 168–169; capacity building, areas of, 162–163; CEMAC, member countries also in, 103; challenges, major, 155–158; drought and aridity, 155; economic analysis and design, 174–178, 181–182; financial autonomy, 144–145; gender issues, 163–166; governance and structures, 141–144; growth in membership, 154–155; human resources management/development, 142–143; impact management, building capacities for result-based and, 179; information sources and expectations for, 139–140; institutional and organizational framework, 140; leadership and trust, 180; Libya, 137–138; management of, operational institutions responsible for, 137; origins of, 135, 137; recommendations for, 166–167; research/documentation and network, 143; resource management and value chain, 158–161; Short-Term Action Plan, NEPAD: review of projects, 41–42, 138–139; strengths, 161; summary, executive, 6–7, 133–135, 184; terms of reference and objectives of the mission, 138; UEMOA, members also in, 314; weaknesses, 161–162; website for, 143–144
- Communauté Economique et Monétaire des États de l’Afrique Centrale (CEMAC): African Capacity Building Foundation, 5, 102, 106; alignment between the missions and Secretariat, 113; background, 102–104; CEMAC Treaty, 112; CEN-SAD, members also in, 103; ECCAS, members also in, 103, 106, 257, 264; economic, major goal is, 102, 312, 318; economic analysis/policy design mechanism, performance of, 117, 119, 125, 145–146; education levels, 130; financial autonomy, 113–114, 193; human resources management/development, 130; implementation and management capacity of complex programs, 117, 120, 126, 146, 148, 152; information sources and expectations for, 106–107; institutional/organizational framework performance, 116–118, 127; mandate, mission and, 104–105, 107–108; oil production, 103, 123; operational processes, 110; performance evaluation and institutional profile, 114–123, 145–154; political will/commitment/trust/leadership, 121–122, 128, 148, 153; recommendations for, 125–129; research/documentation/networks, 111; resource mobilization, 129; Secretariat, 108, 111–113; Short-Term Action Plan, NEPAD: review of projects, 105–106; skills and incentives, 130–131; strengths, 123, 124; structures, organizational, 108–110; summary, executive, 4–5, 101–102; support of external partners, 112–113; taxes and customs, 104, 114; trade, 103–104; training policy and budget, 112; weaknesses, 123, 124; web presence, 112
- Communauté financière africaine (CFA) franc, 103, 105, 106, 314
- Community Parliament, 4
- Comoros, 8, 185, 186
- COMTEL, 41

- Conference on Security, Development and Cooperation in Africa (CSSDCA), 25
- Conferecing, EAC, 223–231, 240–241
- Congo, Democratic Republic of, 4, 8, 185, 186, 256, 258
- Congo, Republic of, 101, 256–258
- Convention for the Elimination of all forms of Discrimination against Women (CEDAW), 3, 93
- Convention on the Security of the Gulf of Guinea, 103
- Cooperation Treaty (1977), 201
- Cooperative Development of Operational System and Continuing Airworthiness Program (COSCAP), 111
- Côte d'Ivoire, 274, 311, 313
- Court of Justice, East African, 4, 203–206, 235
- Customs and Economic Union of Central Africa (UDEAC), 103
- Decision-making processes of RECs, 48–49
- Deloitte & Touche, 299
- Democratic Republic of Congo (DRC), 4, 8, 185, 186, 256, 258
- Department of International Development (DfID), 307
- Dine, Sams, 104
- Djibouti, 8, 12, 137, 185, 186, 285, 287
- Drought and aridity, 6, 155
- EAC. *See* East African Community
- East African Community (EAC):  
 Administrative Division, 232–233;  
 African Development Bank, 24;  
 agriculture, 242; audit function, internal, 216, 238; background, 202–203; computers and other office equipment, 222, 226–228, 231; conferencing, 223–231, 240–241; cost implications, capacity needs and, 215; Court of Justice, 203–206, 235; ECCAS, members also in, 257; energy issues, 241; environment/natural resources, 245; funding requirements to meet capacity gaps, 212; human resources management/development, 204, 224–228, 233–246; implementation structure, 209–210; information and communications technology, 217–220, 238–239; Infrastructure Department, 209, 236–237; Internet connection, 222; library and information center infrastructure/documentation, 228–231, 241; performance evaluation, 37; personnel, increase in, 224–228; public relations, 207–209, 235–236; recommendations for, 272; records management, 213–216; Secretariat, 211, 246–254; security systems, strengthening the, 233; Short-Term Action Plan, NEPAD: review of projects, 40; summary, executive, 8–9, 201–202; support, areas in need of, 231; tourism and wildlife management, 244; training and development, 204–206, 214, 223, 225, 232, 234, 246–254; video conferencing, 221–222
- ECCAS. *See* Economic Community of Central African States
- Economic Community of Central African States (ECCAS): African Capacity Building Foundation, 265, 266; analysis of existing capacity gaps, 262–269; CEMAC, members also in, 103, 106, 257, 264; Central Africa, background to, 256–257; COMESA, members also in, 257; Community Levy for Integration, 265–266, 269; cost implications, capacity needs and, 269–272; EAC, members also in, 257; economic characteristics, 257–258; financial autonomy gaps, 269; formative years of, 259–260; institutional capacity gaps, 263–267; mandate/structure/existing capacity, 259–262; organizational capacity gaps, 267–269; performance evaluation, 37; politics and security, 258; Short-Term Action Plan, NEPAD: review of projects, 41; social/economic indicators of members, weak, 259; summary, executive, 9–11, 255–256; terms of reference of the survey, 261–262; trade, 257–258

- Economic Community of West African States (ECOWAS): cost implications, capacity needs and, 282–283; implementation structure and evaluation of existing capacity, 275–279; information and communications technology, 273, 277; information sources, 283; institutional capacity needs, 281–282; mandate, current, 274; performance evaluation, 37; Short-Term Action Plan, NEPAD: review of projects, 39; summary, executive, 8, 11–12, 273–274; trade, 280; UEMOA, members also in, 274, 314; weaknesses, 278–279
- ECOWAS. *See* Economic Community of West African States
- Egypt, 8, 137, 185, 186
- Energy and NEPAD Short-Term Action Plans: EAC, 241; ECOWAS, 275; IGAD, 288; Short-Term Action Plan, NEPAD: review of projects, 39–40, 45
- Environment/natural resources and EAC, 245
- Environment Programme (UNEP), 112
- Equatorial Guinea, 4, 101, 103, 256–258
- Eritrea, 8, 12, 137, 185, 186, 285
- Ethiopia, 6, 8, 12, 133, 185, 186, 285, 287
- European Monetary Union (EMU), 5
- European Union (EU), 33, 35–36, 55, 308
- Food and Agriculture Organization (FAO), 143
- Franc, Communauté financière africaine (CFA), 103, 105, 106, 314
- France, 278
- Free Trade Area Project, 158
- French Equatorial Africa (AEF), 103
- Gabon, 4, 101, 103, 256, 258
- Gambia, 137, 274
- Gender dimension/issues: African Union, 94–95, 163; capacity needs in RECs, 96; CEN-SAD, 163–166; COMESA, 194, 199; introduction, 93–95; policies addressing, lack of, 95–97; summary of study, executive, 3–4
- German Agency for Technical Cooperation (GTZ), 14, 299, 307
- Germany, 308
- Ghaddafi, Muammar, 35, 133, 161
- Ghana, 137, 274
- Gleneagles G-8 summit, 28
- Guinea, 274
- Guinea Bissau, 137, 274, 313
- Harmonization, 69–72
- HIV (human immunodeficiency virus), 259
- Human resources management/development: CEMAC, 130; CEN-SAD, 142–143; EAC, 204, 224–228, 233–246; IGAD, 294, 296; SADC, 303–304, 307–308; UEMOA, 320–321
- IGAD. *See* Intergovernmental Authority on Development
- Information and Communications Technology (ICT): COMESA, 187, 189–190, 197–198; EAC, 217–220, 238–239; ECOWAS, 273, 277; IGAD, 296; NEPAD, capacity constraints and, 84; Short-Term Action Plan, NEPAD: review of projects, 41, 45–46
- Infrastructure sector, 33–34 *See also* Capacity listings; Short-Term listings 20/20 Initiative, 25
- Intergovernmental Authority on Development (IGAD): administrative/financial procedures/systems, 292; African Capacity Building Foundation, 290, 295; equipment needs, 295, 296; human capacity needs, 294; implementation capacity, 290–293; information and communications technology, 294, 296; information sources, 297; institutional capacity needs, 294–295; institutional structure of, 282–290; Intergovernmental Authority on Drought/Development turns into, 287; library of the, 292; mandate of, 287–288; performance evaluation, 37; political will, lack of,

- 293; recommendations for, 295–297; RECs and African Union, relationship with, 293, 297; Secretariat, 289–291, 296; Short-Term Action Plan, NEPAD: review of projects, 39–40; summary, executive, 12–13, 285–287; weaknesses, 286–287
- Intergovernmental Authority on Drought and Development (IGADD), 287
- Intergovernmental Organizations (IGOs), 2, 67
- International Bank for Reconstruction and Development (IBRD), 113
- International cooperating partners (ICPs), 21, 75–76, 304–309
- International Women's Year (1975), 93
- Ivory Coast, 137
- Kenya, 8, 12, 185, 186, 201, 285, 287
- KPMG, 292
- Labor, need for a clear division of, 87–91
- Lagos Plan of Action/Final Act of Lagos (1980), 25
- Liberia, 137, 274
- Libraries: EAC, 228–231, 241; IGAD, 292
- Libya, 6, 8, 133, 135, 137–138, 185, 186
- Longwe, Sara H., 95
- Madagascar, 8, 185, 186
- Malawi, 186
- Mali, 135, 164, 274, 311, 313
- Mandates, the poor streamlining of, 23–24 *See also individual RECs*
- Maritime transport and NEPAD Short-Term Action Plans, 47, 211, 237
- Mauritania, 6, 133, 137, 164
- Mauritius, 8, 185, 186
- Mawarire, Bruce, 104
- Mbeki, Tabo, 82
- Meteorology and NEPAD Short-Term Action Plans, 211
- Millennium African Program (MAP), 82
- Millennium Development Goals (MDGs), 10, 28, 94, 103, 314
- Minimum integration program (MIP), 70
- Monrovia Strategy (1979), 25
- Morocco, 137
- Mozambique, 8, 185
- Namibia, 8, 185
- NEPAD. *See* New Partnership for Africa's Development
- New Partnership for Africa's Development (NEPAD): African Union and, relations between, 73–74, 82–83; competing or complementing institutions/programs, 20–21; ECCAS, the new mandate of, 10; emergence of, 1; gender issues, 95–96; Heads of State and Government Implementation Committee, 55, 86; Infrastructure Project Preparation Facility, 59; infrastructure sector, challenges facing, 34 *See also* Capacity *listings*; Short-Term Action Plan *listings*; *individual RECs*
- Niger, 135, 163, 259, 274, 311, 313
- Nigeria, 137, 274
- Norway, 308
- Obasanjo, Olusegun, 82
- Oil production, 103, 123
- Organization for Economic Cooperation and Development (OECD), 28–29
- Organization of African Unity (OAU), 1, 3, 25–26
- Partnership for Capacity Building in Africa (PACT), 316–317
- Political will: CEMAC, 121–122, 128, 148, 153; IGAD, 293; Short-Term Action Plan, NEPAD: review of projects, 49, 52; UEMOA, 326, 336–337
- Poverty Reduction and Growth Facility (PRGF), 103
- Preferential Trade Area for Eastern and Southern Africa (PTA), 7–8, 185
- Private-sector participation and NEPAD Short-Term Action Plan, 47–48
- Project development and implementation units (PDIUs), 53
- Public relations and the EAC, 207–209, 235–236

- Railways and NEPAD Short-Term Action Plan, 47
- Rationalization, 3, 67, 69–72
- REC. *See* Regional Economic Communities
- Regional African Satellite Communication Organization (RASCOM), 42, 44
- Regional Economic Communities (RECs), 2–3, 30–31, 105–106 *See also* Capacity listings; Challenges of African integration; Short-Term Action Plan listings; *individual RECs*
- Regional Indicative Strategic Development Plan (RISDP), 14, 299–302, 304–307
- Regional Integration Aid Fund, 324
- Republic of Congo, 101, 256–258
- Resource mobilization: African Union, 76–79; CEMAC, 113–114, 129, 193; CEN-SAD, 135, 144–145, 158–161, 168–169; challenges of African integration, 28–29; COMESA, 8, 186, 193, 199; competing or complementing institutions/programs, 21; EAC, 202, 212; ECCAS, 11, 269; ECOWAS, 278–279; European Union, 35–36; roles, need for a mutual understanding of, 88; SADC, 14; Short-Term Action Plan, NEPAD: capacity challenges, 63–64; Short-Term Action Plan, NEPAD: review of projects, 44, 50, 52, 53; UEMOA, 324–325, 345 *See also* Capacity listings
- Revised Framework of Principles for the Implementation of the New International Economic Order in Africa (1975–1977), 25
- Rwanda, 8, 185, 186, 256, 258
- SADC. *See* Southern Africa Development Community
- Sahel-Saharan states. *See* Communauté des États Sahélo-Sahariens
- São Tomé and Príncipe, 256, 257
- Senegal, 137, 274, 311, 313
- Seychelles, 8, 185, 186
- Short-Term Action Plan (STAP), NEPAD: capacity challenges: African Development Bank, 59–60; African Union, 63; clarity on NEPAD and key stakeholders, lack of, 57–58; countries and RECs, linkages between, 60–61; financial/technical capacity in the RECs, poor, 63–64; four major challenges, 55; future/medium-term plans, as a prelude to, 55–61; overlapping responsibilities, 61–63; RECs and NEPAD, relations between, 58–59 *See also individual RECs*
- Short-Term Action Plan (STAP), NEPAD: overview of RECs performance: African Development Bank, 33, 34; introduction, 33; project types, evaluation by, 36; purpose of infrastructure program, 33–35; RECs, evaluation of performance by, 37; sectors, evaluation by, 36–37; subsidiarity and dependence on donor funding, impact of, 35–36. *See also individual RECs*
- Short-Term Action Plan (STAP), NEPAD: review of projects: achievements from 2002–2005, 42–45; African Development Bank, 42–45, 51, 54; CEMAC, 105–106; CEN-SAD, 41–42, 138–139; COMESA, 41, 186–187, 191; constraints to program implementation, 48–54; EAC, 40; ECCAS, 41; ECOWAS, 39; IGAD, 39–40; implementation, mixed performance in program, 45–47; information and communications technology, 41, 45–46; priority projects, REC, 39–42; private-sector participation, 47–48; Regional African Satellite Communication Organization, 42; resource mobilization, 44, 50, 52, 53; SADC, 40 *See also individual RECs*
- Sierra Leone, 137, 274
- Sirte Declaration (1999), 135
- Social Dialogue Network, 111
- Somalia, 12, 285, 287
- Southern Africa Development Community (SADC): focus areas for new capacity-building initiatives, 309–310; human resources development, 303–304, 307–308;

- institutional constraints, 301–303;  
institutional development of,  
308–309; international cooperating  
partners, 304–309; management  
systems development, 308; National  
Committees, 300, 301; performance  
evaluation, 37; Regional Indicative  
Strategic Development Plan, 299,  
302, 304–307; Secretariat, 300–301;  
Short-Term Action Plan, NEPAD:  
capacity challenges, 63; Short-Term  
Action Plan, NEPAD: review of  
projects, 40; Strategic Indicative  
Plan for the Organ, 301, 302;  
summary, executive, 14–15, 299–300  
Southern Africa Power Pool (SAPP), 45  
STAP. *See* Short-Term Action Plan  
*listings*  
Strategic Framework. *See* African  
Union  
Strategic Indicative Plan for the Organ  
(SIPO), 301, 302  
Sub-Saharan Transport Program  
(SSATP), 111  
Subsidiarity principle, 35  
Sudan, 8, 12, 135, 185, 186, 285, 287  
Swaziland, 8, 185, 186  
Sweden, 308  
Tanzania, 8, 201  
Telecommunications and NEPAD  
Short-Term Action Plans: EAC, 211,  
212; ECOWAS, 275; IGAD, 288;  
Short-Term Action Plan, NEPAD:  
review of projects, 39, 40  
Togo, 274, 311, 313  
Tourism/wildlife management, EAC  
and, 244  
Trade: CEMAC, 103–104; COMESA,  
188–189, 197; ECCAS, 257–258;  
ECOWAS, 280; Free Trade Project,  
158; Preferential Trade Area for  
Eastern and Southern Africa, 7–8,  
185; UEMOA, 314; World Trade  
Organization, 257–258  
Training and development: CEMAC,  
112; EAC, 204–206, 214, 223, 225,  
232, 234, 246–254  
Transport and NEPAD Short-Term  
Action Plans: COMESA, 187; EAC,  
210–212, 236–237; ECOWAS, 275;  
IGAD, 288; Short-Term Action Plan,  
NEPAD: review of projects, 39–42,  
46–47  
Tunisia, 137  
UEMOA. *See* Union Economique et  
Monétaire Ouest Africaine  
Uganda, 8, 12, 185, 186, 201, 285, 287  
Union du Maghreb Arabe (UMA), 2,  
37, 45  
Union Economique et Monétaire Ouest  
Africaine (UEMOA): African  
Capacity Building Foundation, 16,  
312; African Development Bank,  
323; alignment between the missions  
and capacities available, 323–324;  
capacity needs, 339–340; CEN-SAD,  
members also in, 314; economic,  
major goal is, 5, 109, 312, 318;  
economic analysis/design, 325,  
330–332; ECOWAS, members also  
in, 274, 314; financial autonomy,  
324–325; governance structure and  
organization, 319; human resources,  
320–321; implementation and  
management, 325, 333–335;  
institutional and organizational  
framework, 317–321, 328–329;  
managing/supervisory/consultative  
bodies, 313–314; mission and  
primary objectives, 313, 317–319;  
operational processes, 321; Partner-  
ship for Capacity Building in Africa,  
316–317; performance evaluation of,  
325–329; political will/leadership/  
commitment, 326, 336–337; rec-  
ommendations for, 341–345; RECs,  
the creation of, 315; research/  
documentation and networks, 322;  
strengths, 340; summary, executive,  
15–16, 311–313; terms of reference  
and mission objectives, 314–315;  
trade, 314; weaknesses, 322,  
340–341; website for, 323  
United Kingdom, 278  
United Nations Development  
Programme (UNDP), 308  
United Nations Economic Commis-  
sion for Africa (ECA): African



- Development Bank and, collaboration between, 24; African Union, 21, 75; Revised Framework of Principles for the Implementation of the New International Economic Order in Africa (1975–1977), 25; roles, need for a mutual understanding of, 88, 89–90; Short-Term Action Plan, NEPAD: capacity challenges, 60
- United Nations' organizations, informal collaboration and, 24
- Universal Declaration of Human Rights, 93
- Value chain, resource management and, 158–161
- Video conferencing, EAC and, 221–222
- Wade, Abdoulaye, 82
- Water and NEPAD Short-Term Action Plan, 41, 187
- West African Economic and Monetary Union (WAEMU), 102
- West African Gas Pipeline (WAGP), 44, 45
- West African Power Pool (WAPP), 45
- Western initiatives for Africa, debates on, 28
- World Bank, 33, 55, 308
- World Conference on Women (1995), 93
- World Trade Organization (WTO), 257–258
- Yamoussoukro Decision, 41, 111, 187
- Zambia, 8, 185, 186
- Zimbabwe, 8, 185, 186



## About the Book

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Capacity constraints have been a major hindrance in the design and implementation of various development policies and programs in Africa, a continent still grappling with pervasive poverty and underdevelopment. Since the 1960s, Africa has never been short of noble intents and strategies for sustainable growth and development. These underlie the establishment and subsequent transformation of the Organization of African Unity (OAU) into the African Union (AU), the development of the Regional Economic Communities (RECs) as the building blocks for Africa's integration, and recently the emergence of the New Partnership for Africa's Development (NEPAD) as a special program of the AU. What has been lacking up until now is the political will, commitment and capacity to translate intentions and resolutions into concrete programs at all levels, followed by effective implementation to achieve desired development results. This publication examines one aspect of the constraint at the level of the RECs. It is the outcome of a study undertaken by the Knowledge Management Department of the African Capacity Building Foundation (ACBF) at the behest of NEPAD Heads of State and Government Implementation Committee.

The book delves deep into the institutional, human and financial dimensions of the capacity constraints affecting the ability of the RECs to implement NEPAD's Short-Term Action Plan (STAP) projects and other related programs. The study, which is based on a detailed analysis of the needs of nine RECs, examines the scale and scope of their capacity deficits. The findings point to serious institutional constraints that are capable of rendering any capacity enhancement exercise ineffective, if not attended to. The publication also calls on the RECs to demonstrate commitment to the goals and objectives of the AU and the implementation of NEPAD projects. It highlights the need to streamline the coordination mechanisms between the AU and the RECs; rationalize the mandates and legal frameworks of the continent's RECs; create synergies in place of rivalries between Anglophone and Francophone African countries; and introduce innovative instruments to mobilize resources to finance the development and implementation of regional development projects and programs. The publication cautions that failure to take effective measures to find credible and lasting solutions to RECs capacity needs will have serious implications for the continent's integration and development agenda.