

# Inadequate Coordination at the Continental Level

In the 15 years since the Abuja Treaty was signed African countries have introduced numerous initiatives in regional integration without coordinating them at the continental level. Integration outcomes clearly show that the continental blueprints for integration have served only as loose frameworks—not as rule-based points of reference—for the regional integration agenda. Coordinating mechanisms with a legal basis—essential in enforcing standards and commitments to integration at all levels—are lacking. And this has led to overlapping memberships and ineffective coordination and harmonization of programmes among the regional economic communities.

## The need for coordination

Continental coordination of integration in Africa is essential for an optimal outcome and should be seen as a collective good. Three major arguments can be made in favour of coordination:

- Economic interactions create strong interest in coordination.
- Coordination leads to maximum welfare.
- Coordination institutions become collective goods.

According to Horne and Masson (1988), coordination leads countries to choose economic policies that maximize their collective welfare by exploiting interactions between their economies. Cooper (1985) distinguishes several types of interaction, some very relevant to coordination of integration in Africa. First is the structural interaction that results from transmitting external shocks between countries. Two countries may face the same kind of external shock because they produce goods that face similar international conditions. Countries would thus have a common interest in coordinating their policies, at least in the concerned sectors. Second is corresponding objectives. Whether a country realizes a particular objective may depend on whether the same or related objective is achieved in another country. So countries would coordinate because they have an interest in their neighbour's success. Third is strategic interaction—when one country defines its policy according to the strategy of another country. In Africa a significant number of interactions are at the continental level. Geographical proximity and similarities in terms of development,

economic specialization, and constraints mean that coordinated regional integration at the continental level is an optimal choice.

The second compelling argument in favour of coordination is founded on game theory, which suggests that cooperation leads to a Pareto optimum, with maximum creation of welfare. Equilibrium with a dominant player, as in the case of Stackelberg equilibrium or in a noncooperative equilibrium such as a Nash equilibrium, brings less economic welfare to all players. Thus coordination is necessary.

*Given the dispersed, fragmented, antagonistic, and sometimes stagnant nature of Africa's multiple integration paths, coordination appears to be essential for achieving the Abuja goals*

The third argument is that institutions in favour of coordination act as collective goods (Kindleberger 1986). By coordinating, the institutions bring positive externalities to all members. In the integration context, the more member countries, the bigger the global gain in welfare. And particularly significant is that four of the five international public goods identified by Kindleberger relate directly to regional integration: common monetary institutions, common trade exchange systems, common financial rules, and cooperation and coordination systems.

Given the dispersed, fragmented, antagonistic, and sometimes stagnant nature of Africa's multiple integration paths, coordination appears to be essential for achieving the Abuja goals. This is the theoretical and practical basis for the current institutional arrangements on coordination.

## The current state of coordination

The Abuja Treaty's paragraphs 1 and 3 of article 88 lay out the protocol on relations between the African Economic Community and the regional economic communities. Adopted on February 28, 1998, it has been signed by the Common Market for Eastern and Southern Africa, Community of Sahel-Saharan States, Economic Community of Central African States, Economic Community of West African States, Inter-Governmental Authority on Development, and Southern African Development Community. Its objectives, as stated in article 3, are to:

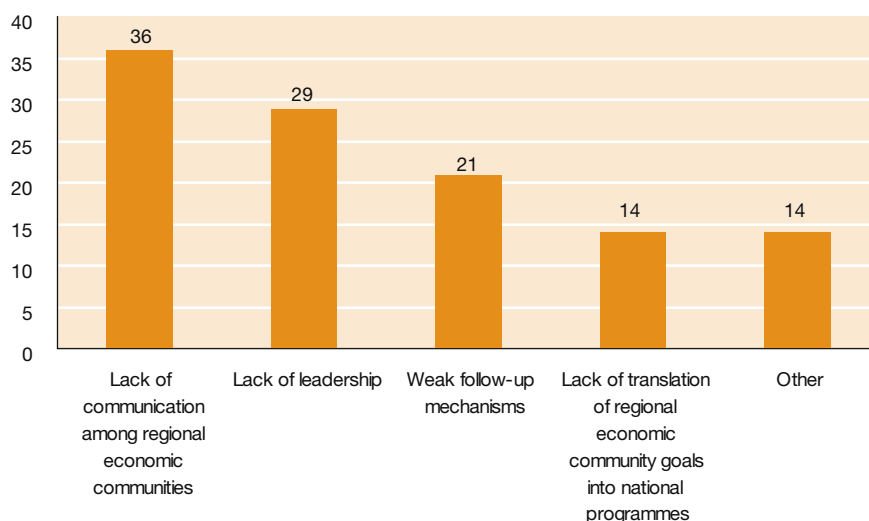
- Strengthen existing regional economic communities in accordance with the provisions of the protocol, the African Economic Community, and regional economic community treaties.
- Promote coordination and harmonization of policies, measures, programmes, and activities of regional economic communities to ensure the implementation of stages one through four of article 6.
- Develop closer coordination among the regional economic communities.
- Provide an institutional framework to manage the relations between the regional economic communities and the African Union.

To achieve these objectives, the protocol provides a coordination framework with clear coordination organs, two key committees: the Committee of Secretariat Officials and the Committee on Coordination. The Committee of Secretariat Officials' main responsibilities are to prepare the groundwork for the Committee on Coordination, to monitor the harmonization of regional economic community activities, and to promote mutual assistance between regional economic communities. The Committee on Coordination comprises the African Union Commission Chairperson, chief executives of the regional economic communities, the executive secretary of the United Nations Economic Commission for Africa, and the president of the African Development Bank; it is vested with the responsibility for determining the policy orientation of the protocol's implementation, coordinating macroeconomic policies, monitoring the progress towards the goals in article 6 of the Abuja Treaty, and deciding how to implement the decisions and directives of the Summit of Heads of State. An institutionalized framework involving secretariat officials provides sustained technical support. And the regional economic communities are in turn expected to align their treaties and legal instruments with the provisions in the protocol and to explicitly incorporate a provision into their treaties stating that the African Economic Community will be realized through their eventual merger.

**Almost a third of regional economic communities attribute their lack of coordination to lack of leadership**

So clearly coordination mechanisms exist, but they have been ineffective. Almost a third of regional economic communities attribute their lack of coordination to lack of leadership (figure 5.1). The protocol between the regional economic communities and the continental institutions is supposed to provide this leadership. And more

**Figure 5.1**  
**Factors attributed to lack of coordination at the regional economic community level (%)**



Source: Economic Commission for Africa, *Assessing Regional Integration in Africa Survey*

than a third of regional economic communities cited lack of communication among communities, which the protocol is expected to ensure. Implicit in these results is the regional economic communities' expectation that leadership will come from somewhere other than among themselves. This is a clear justification for activating and strengthening the institutions and mechanisms in the protocol between the African Union and the regional economic communities.

***The African Economic Community is to take a leadership role and the regional economic communities are to be the substantive organs for realizing the Abuja Treaty's objectives***

The protocol also provides a management scheme for cooperating on and coordinating the activities of the African Economic Community and regional economic communities. The African Economic Community is to take a leadership role and the regional economic communities are to be the substantive organs for realizing the Abuja Treaty's objectives. The regional economic communities will be the first-line coordinators of programmes for member countries, and the African Economic Community will provide support and monitor activities to ensure harmonization of measures and timetables at the continental level. After the regional economic communities have achieved a customs union and a common market, they will merge to form the African Common Market, and the full-fledged African Economic Community intervention will follow. The African Economic Community will take the lead on dealing with member countries, and the functions and structures of the regional economic communities will be revised to serve as its implementation arms. This entire process is expected to take 25 years.

The Constitutive Act of the African Union, adopted July 11, 2000, supersedes contrary provisions of the Abuja Treaty. At the continental level African Union member countries will concentrate on providing guidelines for regional economic communities to articulate their policies and on harmonizing regional economic community sector policies with the aim of formulating continental ones. Detailed implementation activities are left to the regional economic communities.

On June 24, 2004, the African Union's Committee on Coordination adopted a protocol on relations with the regional economic communities that will enter into force once the African Union and the chief executives of at least three regional economic communities sign it. This protocol will replace the one on relations between the African Economic Community and the regional economic communities. There are three major innovations in the new protocol. First, the two coordination committees will meet annually. Second, the African Union will be able to sanction regional economic communities or member countries that do not comply with its directives. Third, a dispute resolution mechanism is included. The new protocol's capacity to achieve the coordination goals needs to be evaluated based on what the regional economic communities have identified as the strengths and weaknesses of the current protocol.

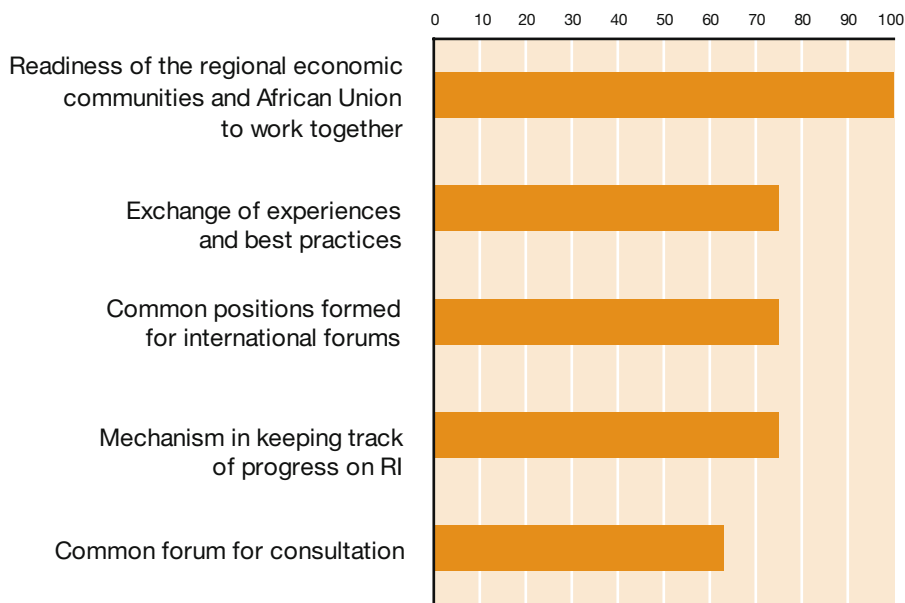
## Strengths and weaknesses of the current protocol

According to most of the regional economic communities, the main strength of the protocol is its existence (figure 5.2). This is a clear indication that the regional economic communities recognize the need for coordination mechanisms. But it is less clear whether they are ready to accept coordination mechanisms with built-in disciplines. The protocol offers forums for consultation and exchange of experiences and best practices, as well as a place to develop common positions for other international forums. And it is a mechanism for keeping track of regional integration, especially regional economic communities' progress towards African Economic Community.

The main weakness of the protocol is lack of financial resources to implement policies (figure 5.3). With no permanent staff working to ensure coordinated regional integration, the continental coordination mechanism seems particularly weak. Most integration policies and topics require constant follow-up by people with specific skills and experiences. This raises serious concerns over the African Union's ability to manage regional integration. Even though article 12 of the protocol contains

**Figure 5.2**

**Main strengths of the protocol on relations between the African Economic Community and the regional economic communities (%)**



Source: Economic Commission for Africa, *Assessing Regional Integration in Africa Survey*

provisions for financial assistance to regional economic communities, funding is clearly less than what is required. One implication of these findings is the regional economic communities' tacit acceptance of the subsidiarity principle with respect to coordinating institutions at the continental level.

**More than 80% of the regional economic communities feel that benchmarks for monitoring progress could help ensure that coordination objectives are met**

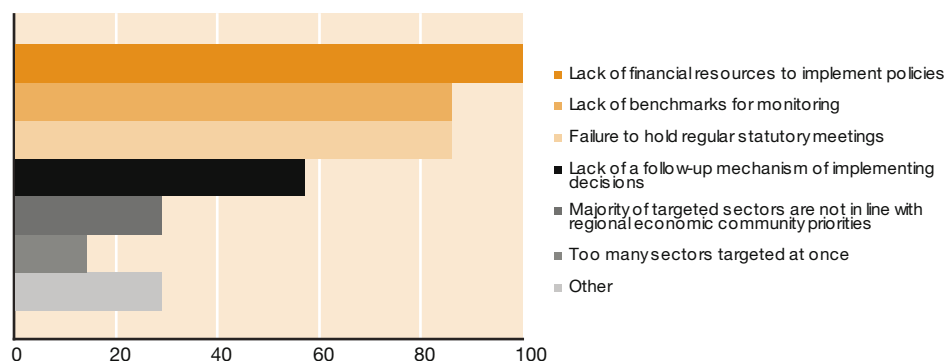
The other main weaknesses in the existing protocol also have little to do with the view that there is no place for continental coordination. More than 80% of the regional economic communities feel that benchmarks for monitoring progress could help ensure that coordination objectives are met. Lack of regular statutory meetings are also seen by most regional economic communities as weaknesses in the protocol. And insufficient attendance at the meetings that are held is an issue. Over 1998–2003 the Committee on Coordination met only three times. The Committee of Secretariat Officials met five times, but not all the regional economic communities attended. The lack of attendance cuts across all the regional economic communities irrespective of size or location.

Other weaknesses of the Committee of Secretariat Officials and Committee on Coordination's work include:

- Little exchange on the progress of coordination or harmonization of policies and programmes at the country, regional economic community, continental, and sectoral levels. Discussions barely focus on progress or measures taken to coordinate or harmonize sectoral policies and programmes in the sectors agreed on in the Abuja Treaty or the Constitutive Act of the African Union, especially agriculture, industry, infrastructure, trade, and money and finance—some of

**Figure 5.3**

**Main weaknesses of the protocol on the relations between the African Economic Community and regional economic communities (%)**



Source: Economic Commission for Africa, *Assessing Regional Integration in Africa Survey*

the most important areas for regional integration. The agenda does not address improving delivery service but concentrates on administrative changes.

- No sharing of best practices of coordination and harmonization among regional economic communities and between the African Economic Community and regional economic communities.
- Lack of agreed definitions of coordination, harmonization, and specific sectors needing coordination and harmonization. The meetings are spent defining instead of reviewing progress in implementation.
- Lack of formally established focal points among the regional economic communities and between the African Union and each regional economic community. This results in inadequate information exchange.
- Recurring discussions on the same issues that have not been implemented. Timeframes to implement specific activities in each field and indicators to establish the extent of progress are lacking. The minutes of the meetings do not highlight immediate actions to be taken and reviewed at the next meeting.
- No monitoring tool to incorporate milestones of when specific activities should be undertaken, how much has been achieved, obstacles, and budget requirements. No matrix of implementation shows each regional economic community's performance by sector.
- Poor attendance by chief executives at Committee on Coordination meetings. The lack of an annual date to hold meetings diminishes the importance and seriousness of the meeting and makes it difficult for chief executives to put it on their calendars.

The biggest weakness, however, may be the lack of means to facilitate continental coordination. There is ample knowledge of how to make the protocol more effective with appropriate support and implicit and explicit acceptance of the principle of subsidiarity. These weaknesses must be addressed for coordination to succeed and for the African Economic Community to be realized.

### **Suboptimal results**

The best indicators for measuring the results of convergence between the integration programmes of regional economic communities and the African Economic Community are the goals embodied in the respective treaties and the pace of the integration programmes.

On the first indicator, unity of purpose among regional economic communities and the African Economic Community is so harmonious that the convergence of goals borders on unanimity. The constitution or reconstitution of some regional economic communities and their realignment after the 1991 Abuja Treaty further attest to this. But complete uniformity cannot be expected because of differences in historical origin, level of development, cooperation and integration priorities, resource endowment, geographic location, state of peace and security, severity of environmental issues, and the existing scope of integration.

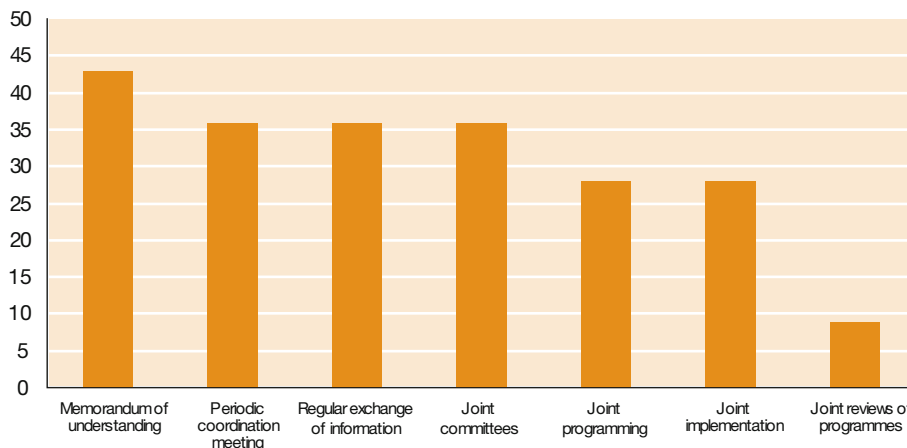
**Coordination and harmonization between regional economic communities is most common in West and East Africa and in infrastructure, energy, trade, and money**

On the second indicator, the progress of integration programmes varies widely by regional economic community. Use of coordination mechanisms is very limited. About 40% of regional economic communities in the same region use memorandums of understanding, and less than 20% conduct joint reviews of programmes (figure 5.4). Survey evidence indicates that coordination and harmonization between regional economic communities is most common in West and East Africa and in infrastructure, energy, trade, and money. Even West and East Africa are still mostly in the early stages of coordinating programmes and sharing best practices. Regions coordinating together include West and East Africa, West and Southern Africa, and East and Southern Africa.

The mechanisms in place for coordination between regional economic communities are not rules-based or legally binding. Although some instruments that govern interactions between regional economic communities are binding, including protocols, the coordination mechanisms in figure 5.4 are not.

Coordination or harmonization of sectoral policies and programmes among regional economic communities has been inadequate, with only 4 sectors of 14 in the Abuja Treaty having coordinated or harmonized policies and programmes. This is mainly because regional economic communities are still trying to coordinate or harmonize their members' policies. Implementation of agreed policies has also been difficult because so many effective and achievable national action plans, national working groups, national and regional institutions, and regional review working groups are required.

**Figure 5.4**  
*Coordination mechanisms used by regional economic communities in the same region (%)*



**Source:** Economic Commission for Africa, *Assessing Regional Integration in Africa Survey*

No coordinated or harmonized policies and programmes exist in industry, environment, integration legislation, human resources, housing, health, tourism, science and technology, or cultural and social affairs. And the coordination efforts that regional economic communities have made have not led to the desired results. Even in important activities such as trade and market integration—a major objective of the Abuja Treaty—coordination takes place in only a third of regional economic communities (figure 5.5). And macroeconomic policy convergence and monetary and financial integration—crucial tasks for the African Economic Community to be realized—are coordinated in even less.

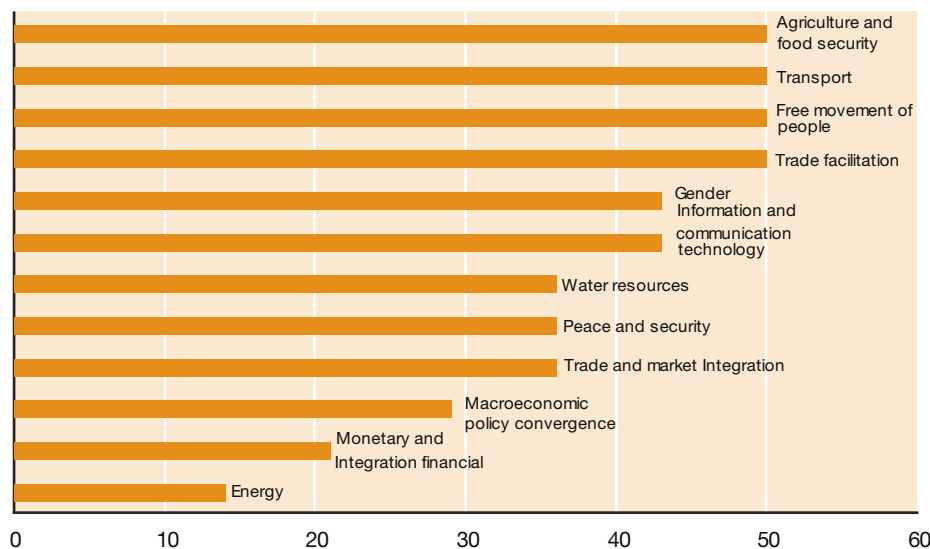
*Even in important activities such as trade and market integration coordination takes place in only a third of regional economic communities*

There are examples of successful coordination at the continental level, most notably in the transport sector. The Trans-African Highway cuts across all regional economic communities, with individual countries and regional economic communities implementing highway programmes with the support of the African Development Bank, African Union, and United Nations Economic Commission for Africa. Some 75% of the highway’s missing links have been fixed. And the Yamoussoukro Decision adopted in 2000 by African heads of state to liberalize and improve air transport is another example of a continental initiative, although it has run into some problems, likely thanks to lack of means and weak institutional arrangements at the continental level.

Other examples of continental integration initiatives in transport are the African Maritime Transport Charter and the Union of African Railways Master Plan.

**Figure 5.5**

*Share of regional economic communities coordinating, by programme (%)*



**Source:** Economic Commission for Africa, *Assessing Regional Integration in Africa Survey*

### Box 5.1

#### *Implementing the Comprehensive Africa Agricultural Development Programme*

The Comprehensive Africa Agricultural Development Programme (CAADP) is a NEPAD initiative that provides a framework to revitalize agriculture and rural development and achieve food security. To do so, the programme's initiatives cover four main tasks:

- Extending the area under sustainable land management and reliable water control systems.
- Improving rural infrastructure and trade-related capacities for market access.
- Increasing food supply, reducing hunger, and improving responses to food emergency crises.
- Improving agricultural research, technology dissemination, and adoption.
- The targets for the programme are in line with those of the Millennium Development Goals and other development initiatives.
- Attaining an average annual growth rate of 6% in agriculture.
- Developing dynamic domestic and regional agricultural markets.
- Becoming a net exporter of agricultural products by improving market access and integrating farmers in the market economy.
- Achieving a more equitable distribution of income.
- Increasing involvement in agricultural science and technology development.
- Using better natural resource management techniques.

The regional economic communities and their member countries have developed a roadmap for the programmes' implementation. Actionable initiatives have also been developed to prepare national investment projects and to plan for long-term financial assistance. Rules and procedures for country- and regional-level projects, in-country resource mobilization, funding by development partners, coordination and governance, and programme evaluation will also be agreed on to ensure coordination within and between regional economic communities.

**Source:** NEPAD 2005.

Adopted in 1993, the charter provides a framework for harmonizing maritime activities, but has not been fully implemented. The 25-year master plan for railway development, adopted at the heads of state and government summit in Liberia in 1978, contains 18 projects to complete the missing links within and between countries and between different regional economic communities. But of the 26,000 kilometres in railway lines proposed in the plan, only 15,000 kilometres were included in the United Nations First Decade for Transport and Communications (1978–88).

Despite lacking full implementation, the transport initiatives are actually success stories for the regional economic communities because coordination has moved forward. This is likely to be hastened with the Sub-Saharan Africa Transport Project, which gives the regional economic communities a crucial role in advancing and

implementing its decisions and projects. But progress in most other programmes has been negligible. The poor performance because of lack of coordination is worsened by the regional economic communities' failure to take full advantage of the New Partnership for Africa's Development (NEPAD), a framework within the African Union that could improve the effectiveness of coordination.

One area that is showing vigorous activity across regional economic communities and that needs strong coordination mechanisms at the continental level to succeed is agriculture and food security. The United Nations Economic Commission for Africa survey found that only half of regional economic communities were coordinating activities in agriculture and food security. This is likely to change under a NEPAD initiative spearheaded by multilateral institutions, including the United Nations (box 5.1).

***The success of the coordination mechanisms thus depends largely on whether the regional economic communities and individual countries' visions are similar to the Abuja Treaty's***

## Making continental coordination effective

Unlike the European integration process, which has evolved through successive enlargements of the initial integration space, African integration is based on convergence. This has been justified by several arguments. First, a one-time integration of the 53 African countries is impossible. Second, African countries are very diverse politically, economically, and environmentally. Third, several regional and subregional institutions have legal and operational precedence over continental integration. The success of the coordination mechanisms thus depends largely on whether the regional economic communities and individual countries' visions are similar to the Abuja Treaty's.

Success also depends on what authority the regional economic communities are prepared to cede to the African Union. They appear willing to accept the principle of subsidiarity as long as the superior institution does not have authority to impose sanctions, even when countries deviate from the common goal. Only 22% of regional economic communities support the idea of sanctions, but all were in favour of sensitization.

The overlapping memberships of the regional economic communities and the associated inefficiencies and costs show, however, that visions for integration are not shared. If there were no ambiguity in vision, the many regional economic communities that exist today might not have been created in the first place—or they would have stronger coordination mechanisms with the ones in place. Lack of sanctions at the continental level facilitated the multiplication of regional economic communities. Thus binding rules to enforce the Abuja Treaty might be necessary for a successful rationalization process. The overlapping memberships and multiplicity of regional economic communities also point to a lack of enthusiasm among African countries for rationalizing the regional economic community architecture and bring into ques-

tion whether African countries want to share their future together as one economic entity. Thus, discipline and sanctions in the integration coordination mechanisms, especially at the continental level, must be supported.

If the African Economic Community continues to limit itself to policy issues, the regional economic communities will have to coordinate the technical and substantive matters requiring member countries' participation. This will be cost effective and result in a higher value added by using existing systems, programmes, materials, human resources, and institutions at the regional economic community level. It also minimizes possible overlaps and communication problems. The African Economic Community must in turn develop rational sector protocols that make rationalization legally binding and ensure that regional economic communities adopt them.

In addition to the African Economic Community's sector protocols, a clear division of work is needed among the institutions that manage the African Economic Community: the African Development Bank, the Organization of African Unity, the United Nations Development Programme, and the regional economic communities. These institutions have made substantial contributions at the national and regional levels, but their joint effort is not transparent and for all practical purposes the effective implementation of the protocol on relations between the African Economic Community and the regional economic communities has not been realized.

The advent of the Constitutive Act of the African Union and NEPAD has rekindled Africa's resolve on economic integration. The institutional framework for integration and the responsibilities of the African Union and the regional economic communities must be rationalized to reflect new realities. The protocol on relations between the continental and regional bodies must be revised and the joint secretariat revitalized with clear definition of responsibilities.

### **Strengthening coordination mechanisms**

Africa's integration plans suffer from ambiguity and difficulties of coordination at the continental level. The lack of rationalization suggests that the African Economic Community was not supported at the regional or national levels. Fourteen years after the Abuja Treaty was signed Africa still seems far from establishing a free trade area, the third stage of integration laid out in the treaty, in the next 10 years. But there is room for a faster pace towards integration with rationalization. Rationalization would be more successful with more coordination. Existing frameworks—between different regional economic communities and between the regional economic communities and the African Union—are good foundations that must be strengthened. Indeed, the challenge in the context of rationalization is how to make existing mechanisms work.

All the regional economic communities see coordination meetings as a panacea (figure 5.6). They also support the idea of fixed annual coordination meetings that

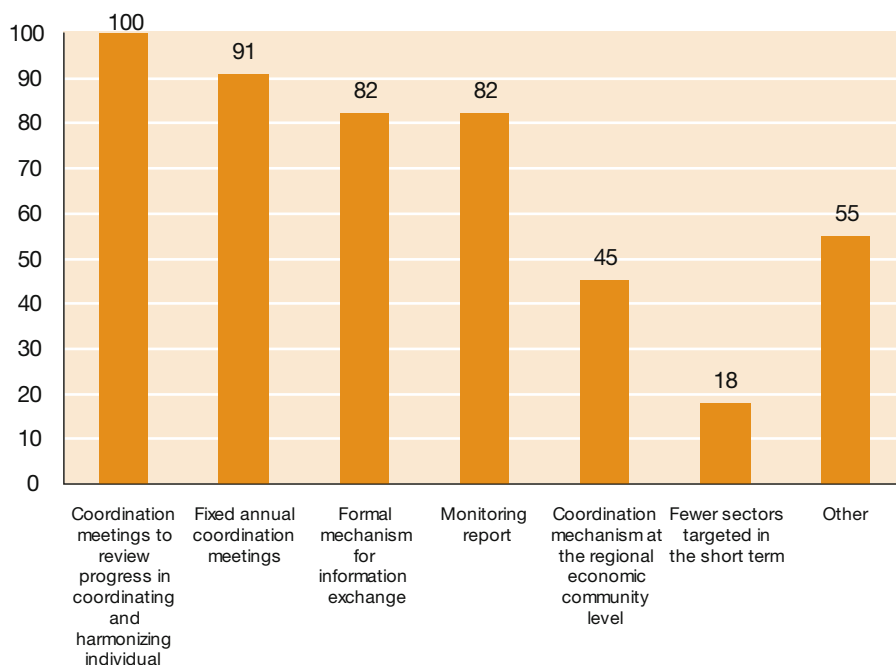
are forums for reviewing progress in coordination and harmonization of individual sectors. A monitoring report and a formal mechanism for information exchange also received support. But it is unclear how useful they would be if sanctions were not allowed for regional economic communities that deviate from the agreed path to continental integration.

One regional economic community suggested that the African Union develop sectoral harmonization programmes after taking stock of what has been achieved by each regional economic community sector by sector. While this might appear as reasonable and objective, the focus on the African Union developing a programme to facilitate exchange of experience among regional economic communities rather than giving it authority to sanction communities that are diverging from the optimal route towards the Abuja Treaty goals may also indicate a desire to preserve autonomy at the regional economic community level.

Another regional economic community claimed a genuine interest and focus on economic cooperation programmes and argued that African Union staff and other resources allocation should reflect the priority of the African Union's economic mandate.

**Figure 5.6**

**Support for actions to strengthen the African Union's coordination role**



**Source:** Economic Commission for Africa, *Assessing Regional Integration in Africa Survey*

*Only 30% of the regional economic communities expect financial assistance from the African Union*

A third, smaller regional economic community advocates a middle position with more focus on political commitment. And two other smaller regional economic communities support more structured coordination between the African Union and the regional economic communities: better circulation of information and more cooperation between the African Union secretariat and member countries. They also preferred a formal secretariat to handle matters between the regional economic communities and the African Union. This is similar to the protocol of relations, but it would be endowed with enough resources to make it operational and effective.

### **Providing financial resources**

The regional economic communities find the lack of financial resources to be the main shortcoming to the effectiveness of coordination mechanisms. Limited financial resources pose obstacles to the implementation of policies, measures, and programmes of regional economic communities. The protocol has provisions for financial assistance to the regional economic communities and to promote human capacity, but the regional economic communities have found this assistance below their expectations.

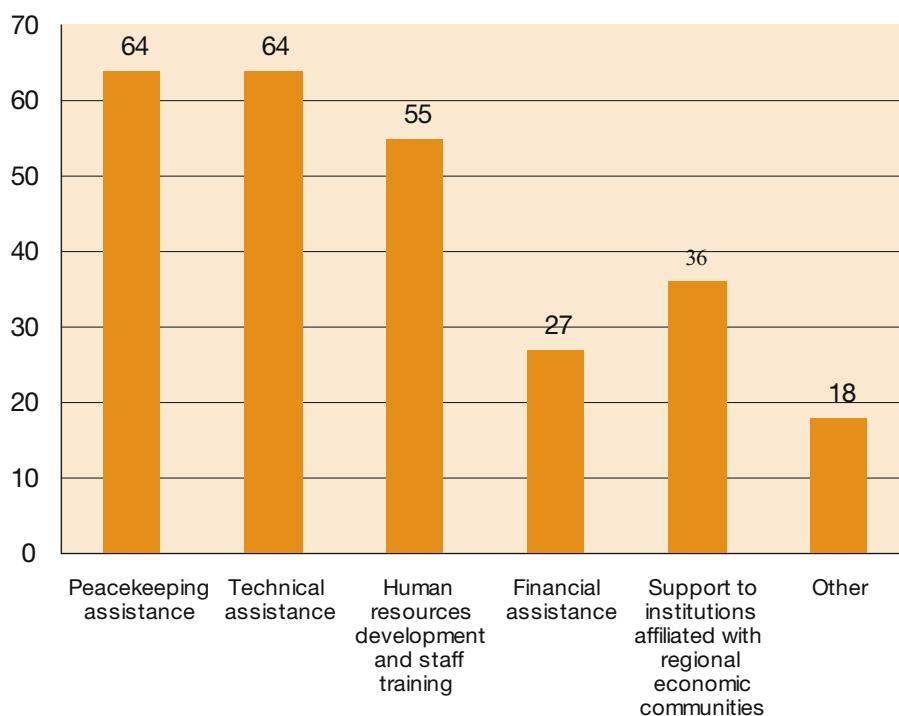
Still, only 30% of the regional economic communities expect financial assistance from the African Union (figure 5.7)—surprising, especially given that financing constraints are a major weakness in current coordination mechanisms. But financial support may be implicit in 60% of regional economic communities' expectation of technical assistance, which could also be included in the expectation to coordinate regional economic community activities and programmes to move towards the African Economic Community. Peacekeeping efforts also emerged as an area where a majority of regional economic communities expect support. Peace and security programmes are already common in many regional economic communities, so support from the African Union would inevitably aid coordination and harmonization.

The regional economic communities' dissatisfaction with the assistance that they are receiving may help explain the implicit desire to remain autonomous in most integration programmes. Only 40% of regional economic communities feel that the African Union is providing technical and peacekeeping assistance in the best way possible—and only 20% feel that way about financial assistance.

Two approaches to improve the African Union's ability to offer financial resources have the support of a majority of the regional economic communities (figure 5.8): levying continental taxes in the form of a community levy and having a coordinated approach for mobilizing donor resources through coordinated projects. A third approach, which receives support from only 22% of regional economic communities, is sanctions on diverging member countries. The level of support for a community levy is quite low compared with the willingness of member countries to finance regional economic communities. This has three possible explanations. First, member countries may be identifying with the integration objectives of the regional

**Figure 5.7**

*Assistance expected from the African Union by the regional economic communities*



*Source: Economic Commission for Africa, Assessing Regional Integration in Africa Survey*

economic communities more than the role of the African Union in integration activities. Second, few member countries may be politically committed to African integration; thus few wish to pay the cost directly. Third, the financing burden from overlapping memberships may negate the commitment and focus at the continental level required to strengthen continental institutions and instruments.

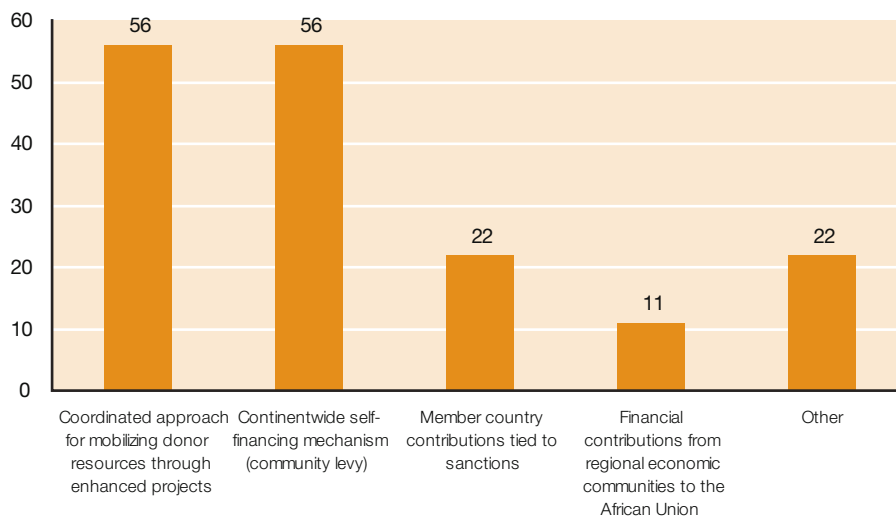
### **Exchanging information**

Formal mechanisms for exchanging information also emerged as important in strengthening the African Union's coordination role. The lack of follow-up mechanisms on agreed policies and the failure to hold statutory meetings are important corollaries. Information exchange must be exploited to enhance continental coordination. A starting point is the regional economic communities' views on how often information exchanges should take place and the current methods of exchanging information between regional economic communities and the African Union.

Some 60% of the regional economic communities support exchanging information more than once a quarter. And an unsurprising 70% indicated that they exchange

**Figure 5.8**

**Ways to improve the African Union's ability to offer regional economic communities financial assistance (%)**



**Source:** Economic Commission for Africa, *Assessing Regional Integration in Africa Survey*

information by mail, probably because it is the most cost-effective means. But better means are also used: periodic reports in 50% of regional economic communities and coordination meetings that address substantive coordination issues in detail in 60%. Given how critical information is to the African Union's work on coordination, it is noteworthy that the African Union does not receive more effective input because of a lack of coordination meetings and progress reports from 40% of the regional economic communities. The communities, probably conscious of costs, still favour electronic exchange of information, but other means—such as mandatory exchange of reports, visits by the African Union, establishment of coordination offices in regional economic communities and the African Union, and intercommunity and African Union meetings—were also supported by most regional economic communities.

### **Ensuring optimal territoriality**

Every field of economic policy has its own optimal territoriality. Monetary policy, for instance, is best handled at the regional level because monetary union requires economic convergence. Some sectors—including transport, telecommunication, peacekeeping, and disease eradication—seem to be better managed at the continental level. The African Union's recent peacekeeping successes reveal how much Africa can gain by managing some policies at the continental level.

In the same way, economic convergence in the context of African integration is a mixed process of institutional and economic convergence that calls for continental management of economic policies, in contrast to Europe, where the strategy was

based on economic convergence leading to institutional enlargement. Economic convergence will not be a natural process in Africa because of differences in development, the lack of exchange among African countries, and the weight of external partners such as European Union, and without coordination of regional policies at the continental level the integration process will fail.

Suffice it to add that optimal territoriality of coordinating regional integration in the continent should be seen in the context of the African Union as a transnational rather than supranational instrument so that the African Union will be better able to institutionalize disciplines without being seen as a hegemony.

## Conclusion

The evidence in this chapter points towards continental coordination as the best way to revitalize the regional integration process and by extension Africa's ultimate integration. Many projects at the regional level that have been blocked by national rivalries or lack of local skills could be moved forward simply through political legitimacy from a continental mandate and better organization. Furthermore, regional integration will gain significant credibility under the authority of a centralized system. The negotiations on economic partnership agreements and the World Trade Organization show that African unity is strong in negotiations and capable of defending the continent's common interests. Lack of credibility has been a major source of inefficiency in public interventions.<sup>1</sup> Countries and citizens must believe in regional integration or it will not succeed. Drawing on this support, the African Union can push strongly for continental coordination.

The vision for an integrated continent as outlined in the Abuja Treaty remains alive, but it suffers from a lack of coordination. Coordination initiatives come across as half-hearted because they are selective, with an implicit desire to sustain autonomy. But integration can succeed only if coordination is carried out at the continental level. There is a strong case for a protocol on relations between the African Union and the regional economic communities that requires the African Union to coordinate regional economic community activities. The coordination role of the African Union needs to be strengthened. In particular, a stronger role is required to overcome the regional economic communities' tendency to undermine rationalization by seeking autonomy, which results in a suboptimal African integration process. Sanctions should be introduced, and the African Union must be able to point out the conflicts on visions and schemes that persist in current integration architecture. Regional economic community participation in NEPAD's programmes is also necessary for achieving the Abuja Treaty's goals.

The Abuja Treaty and NEPAD specify similar sectors to be coordinated and harmonized, which can be used to select the order of coordination or harmonization. Also

needed: an effective way to monitor and facilitate coordination and harmonization. Implementation must be assessed at the country, regional economic community, and sectoral levels. To reduce expenses and ensure meaningful implementation, sectoral integration can be tackled in three stages: agriculture, industry, infrastructure, trade, money, finance, and peace and security first; energy, environment, integration legislation, human resources, health and water, science and technology, and gender second; and development, housing, tourism, and cultural and social affairs third. A holistic approach should be used, with sectoral experts from each regional economic community and the African Union meeting to harmonize their programmes and policies followed by sectoral experts from each member country meeting. They could also use the Internet, disseminate best practices, undertake studies, and organize other forums to facilitate the coordination and harmonization of individual sectoral policies and programmes.

## Notes

1. Kydland and Prescott (1977) pioneered the subfield of economics related to credibility.

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