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#### **Mainstreaming Regional Integration (RI) into National Development Plans and Programmes: Issues Paper**

##### **Summary**

Despite evidences pointing to the benefits of RI, the success of the SADC as well as that of the other RECs in achieving their objectives has been less than satisfactory as measured by the small magnitude of the intra-regional trade. Various reasons are suggested as causes for the lack of progress in regional integration efforts in Africa. Major reasons being the “lack of a strong and sustained political commitment on the list of factors hindering the progress of economic integration in Africa (Alemayehu and Haile, 2002) associated with the unwillingness of governments to: (i) surrender sovereignty of macroeconomic policy making to a regional authority; (ii) face potential consumption costs that may arise by importing from a high cost member country; (iii) accept unequal distribution of gains and losses that may follow an integration agreement, and (iv) discontinue existing economic ties with non-members.

To some extent, the slow progress in regional integration illustrates the lack of strategic measures to directly help to shape policies, plans and decisions to mainstream RI commitment in the case of the SADC. Our observation is that RI will be much deeper if countries are able to adopt appropriate measures and strategies including more forward-looking national positions that go beyond mere signing of protocols to actual implementation of programmes based on clear timeframes and budget lines. Towards this end, mainstreaming is proposed as a strategy for enhancing response and attention to the goals of RI and should involve legislation, policy development, planning, resource allocation, research, advocacy/dialogue, implementation and monitoring programmes and projects.

The ICE is requested to provide its perspectives on mainstreaming as a strategy for effective regional integration and to give practical guidance on how to take this forward.





## **Background**

1. The Economic Commission for Africa Southern Africa Office (ECA-SA) has been involved in a number of events shaping the orientation and modus operandi of the Southern African Development Community (SADC). This includes among others, actions to translate SADC's Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan of the Organ on Politics, Defence and Security (SIPO) providing a framework for deepening regional integration. The RISDP identifies key elements and broad targets for economic integration, while SIPO addresses the broader development agenda and priorities to substantially enhance the regional integration process. Following the adoption of RISDP and SIPO, SADC has consistently called on all partners to align their policies and programmes with the RISDP and SIPO, and for intervention in areas that directly contribute to their implementation.

2. In this respect, the ECA-SA Multi-year programme with SADC includes activity towards establishing a structured approach for the alignment of national policies and programmes to these regional integration blue prints. This Issues Paper is meant to flag off broad discussions on the need for Member States to mainstream regional integration objectives into national development plans and decision-making processes as a way of domesticating regional development initiatives. The process calls for well structured institutional, administrative and legal machinery geared to support the mainstreaming process on an on-going and sustained basis.

### **I. Mainstreaming RI into National Development Plans: Contextual Perspectives, Institutional and Capacity Challenges**

#### **Contextual Perspectives**

3. Regional integration initiatives in Africa have a long history, dating back to the establishment of the South African Customs Union (SACU) in 1910 and the East African Community (EAC) in 1919. Since then a number of development perspectives addressing Africa's development prospects including the 1980 Lagos Plan of Action and the Final Act of Lagos laid emphasis on the integration of African economies as important criteria for accelerated development. Likewise a number of regional economic communities have been formed across the continent, particularly since the 1970s (Alemayehu and Haile, 2002). Today there is no country in Southern Africa that is not a member of at least one regional economic group.

4. The benefits of regional integration in the SADC are fully acknowledged and well documented but still to be realized in the sub-region. Regional integration can contribute to economic development in the sub-region in several ways among them by i) encouraging Member States to pool resources for huge regional investments, ii) by empowering citizens with the knowledge, capacity and seamless opportunities to do business within and across borders for wealth creation, and iii) by enlarging the array of policy options and solutions available to the policy processes in the sub-region. In turn this will lead to better approaches to maximise the value of economic and social cooperation to improve development outcomes in the sub-region.

5. As rightly observed by the former ECA Executive Secretary, His Excellency Dr. K.Y. Amoako in his keynote speech at the 22<sup>nd</sup> Session of the Heads of State and Government for the Economic Community for West African States (ECOWAS): *“Here in Africa, as we strengthen sub-regional institutions, we will also need to take politically difficult steps, which only the brave leadership of national governments can assure. But those steps are necessary to give explicit recognition to the fact that genuine and rational regional integration-- and the inevitable process of globalisation-- are political processes. They entail ceding some elements of sovereignty.*

6. *As such, nations must prepare to understand and be able to reconcile national objectives with the broader regional benefits. In this context, it is clear that while regional integration is a useful tool for growth, it cannot paper over inadequate national preparation. Nor for that matter, can economic integration paper over political issues between states. But it can enhance mutual interests, which can put troubling political issues in a broader perspective”<sup>1</sup>.*

7. Thus there is no doubt that integration remains a key strategy for Africa to transform itself from a continent of mainly least developed and developing countries to a strong united bloc of developed nations and a global force. The need for integration in Africa is unquestionable and indeed strategic in terms of protecting Africa’s interests (ARIA III, 2008). When countries are driven by a regional integration agenda to achieve cooperation in fiscal, monetary, commercial, and trade policies among other imperatives, the gains accruing to such countries tend to be vast and dynamic. But for these envisaged gains to be realised there is need for countries cooperating in a regional integration arrangement to have a clear framework anchored on well functioning legal, administrative and institutional mechanisms.

8. Furthermore, the effect of the global economic and financial crisis, with its perceived negative consequences on national economies has the potential to derail Member States’ efforts to implement regional commitments and therefore creating a greater sense of urgency. Barely twenty months ago, the global financial crisis was unforeseen and yet within a short period of time, it has like a Tsunami, reversed hard earned economic and social gains of many economies in the world. It further threatens to undermine the process of regional integration particularly in Southern Africa where development is strongly correlated with export trade. Growth rates have plummeted resulting in declining national incomes and thus making it difficult for governments to realize their economic and social objectives.

9. It is a fact that mainstreaming of RI objectives into national plans has financial implications and therefore the global recession induced by the credit crunch is likely to retard the pace of implementation of country commitments to regional agreements. However, the global financial crisis has acted as a wake up call on the need and importance for the SADC to speed up the process of regional integration. A strong economic bloc would act as a buffer to the weaker economies especially against monumental shocks such as the current global recession.

10. Current donor funding and other forms of support to the SADC are too high and Member States’ participation in the SADC processes is relatively donor-driven. There is lack of political

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<sup>1</sup> [http://www.uneca.org/eca\\_resources/speeches/amoako/99/120999speech\\_kyamoako\\_ecowas.htm](http://www.uneca.org/eca_resources/speeches/amoako/99/120999speech_kyamoako_ecowas.htm)

will to raise the funding contributions borne by SADC member countries and thus leading to over-donor dependence in the region.

11. By August 2008, twelve (12) of the fourteen (15) SADC Member States had established an FTA<sup>2</sup> providing opportunities for countries' realisation of the benefits of integration. The SADC FTA creates a regional market worth US\$360 billion with a total population of 170 million and includes economies growing by up to 7% a year<sup>3</sup>. Angola and Congo DR are set to join the FTA adding a further US\$71 billion and 77 million people to the SADC market. Therefore the sub-region clearly understands the potential that regional integration offers in terms of widening investment scope, increasing trade opportunities between and among Member States as well facilitating the free movement of persons and other factors of production. This is attested by the various protocols/initiatives that Member States have already signed to take the agenda forward.

12. In terms of realizing a full FTA some of the main challenges confronting the SADC Member States including among others the lack of harmonization between and among sectoral policies which makes monitoring and evaluation of programmes problematic and a general mismatch between regional policies and national policies. This situation is further compounded by a lack of enforcement mechanisms to compel Member States to comply with official regional mandates and obligations and the absence of mandatory, transparent, accountable and predictable mechanisms for monitoring and enforcement of regional standards on integration at the SADC level.

## **II. Institutional challenges**

13. While the political intentions of regional governments to implement regional integration are clear, there is however a plethora of endogenous conditions and challenges that need to be addressed. For instance, many countries are still grappling with weak institutional set ups that make domestication of regional policies a Herculean task! There are also weak linkages between regional policies and national plans and this situation culminates into poor mainstreaming of regional objectives at national level.

14. A number of countries have no dedicated ministries or departments responsible for coordinating regional integration issues. This situation manifests itself in poor or little coordination of regional integration policies and programmes. It also tends to push up transaction costs between and among government agencies and departments charged with regional integration as they have to deal with several institutions working on similar agendas. There is therefore need to borrow "best practices" from those countries such as Mauritius and more recently Zimbabwe that have ministries fully dedicated to regional integration taking into account the merits and demerits of whichever model is adopted and put in place.

15. There is inadequate internationalization of agreed integration objectives at national level. Very few parliaments in the regions have a strong regional integration portfolio. During the

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<sup>2</sup> Angola, DR Congo and Malawi have not yet signed up to the FTA arrangement

<sup>3</sup> (See <http://www.sadc.int/fta> )

Regional Parliamentary-Civil Society Conference on Trade and Integration held in 2007, parliamentarians highlighted the fact that they are kept in the dark on issues relating to trade and regional integration (Saurombe, 2009).

16. Parliamentary role in SADC processes cannot be overemphasized. Parliaments need a legal basis to monitor regional integration; they should be sufficiently and accurately informed on government policies and be afforded an opportunity to question relevant ministers and negotiators on matters of regional integration.

17. There is generally lack of a broad-based understanding and support for regional integration in the sub-region. Participation of the private sector and civil society in the integration agenda is recognized, but inadequate. It is also noted that the extent of informal trade in the region has always been underestimated. This can be a resource that can be exploited for the better understanding of the need for regional integration.

18. The negative impact of HIV and AIDS on the human resource—a critical component in driving and mainstreaming the regional integration agenda can not be underestimated. In addition, a number of qualified personnel in government ministries and departments have left for the well-paying private sector thus leaving government programmes leanly staffed.

### **III. Capacity challenges**

19. In order to mainstream regional integration into national programming, there is a strong need for capacity building both at national and sub-regional levels. This should include not only support to countries in terms of designing and implementing modernisation and/or diversification strategies but also in assessing potential revenue losses resulting from trade liberalisation, and appropriate tax and fiscal reforms to secure more sustainable sources of revenues.

20. When reforms at the legislative, regulatory, administrative levels to implement the commitments towards regional integration at national level have been identified, financial support to their implementation can be included as part of support to governance. This should be complementary to regional capacity building measures and respond to clearly identified national needs.

21. Trade-related technical assistance to the private sector should build on existing trade-related assistance programmes and introduce new opportunities towards boosting the commercial capacities of the private sector.

22. Strengthening the level of implementation and preparation of the country to regional integration commitments will require enhanced technical capacities of ministries and administrations, enactment or foreseeable enactment of legislative reforms, and strengthened capacity of the private sector and civil society to participate in the open dialogue with other relevant stakeholders.

23. At the sub-regional level, particular attention should be given to the capacity of the SADC Secretariat in mainstreaming regional integration at country level and accelerate protocols' implementation processes.

#### **IV. Mainstreaming RI into National Plans: What it is and what it takes**

24. SADC Member States consider regional integration process as key to their effective participation in the global economy and the new development paradigm. But the benefits of this process depend very much on the effectiveness of the “mainstreaming” of the regional integration agenda into national development plans as defined in the RISDP and SIPO. The process of mainstreaming refers to the systematic *integrating of* the objectives and related initiatives of the regional integration (RI) as well as the process of *creating the ownership* of the agenda into the overall national development plans, poverty reduction strategies and in the society in order to attain the “popular legitimacy” necessary for the success of regional integration.

25. Mainstreaming also involves translating strategies into commitments backed by explicit targets, fully costed with monitorable indicators of inputs, outputs, and outcomes, and articulating them in a sustained and effective manner in the medium term expenditure frameworks and national budgets (Akong, N.C., 2007). The process of mainstreaming should therefore put a high premium on robust reporting of inputs, outputs and outcomes indicators of policy actions in coherent forms and formats usable for monitoring, evaluation and advocacy for strengthening the mainstreaming of RI in the national plans. More broadly, the concept of mainstreaming RI initiatives should contribute ultimately to economic growth, poverty alleviation and overall socio-economic development.

26. Regionalism in Southern Africa has been driven from above by public sector organizations and has lacked the support and involvement of the private sector and the general public. SADC Secretariat's lack of power, authority and resources required for facilitating regional integration; the sector coordinating units' highly uneven capacity to pursue and implement policies at national level and the limited capacity to mobilize the region's own resources and resultant over-dependence on external financial resources (Van Niekerk, and Moreira, 2002) have led to failures in terms of realizing the full potential of regional integration in the subregion.

27. The “mainstreaming” process has two interrelated components. The institutional one which concerns the ratification of agreed protocols, setting up of the institutions for the management of the regional integration agenda, the translation of integration goals in national plans, the implementation of agreed programs, and the harmonization and unification of national legal systems. National plans provide the mechanism for translating the RI objectives into concrete policy priorities and most importantly, linking these to the countries' budgets, and setting targets and indicators for progress monitoring.

28. The second component refers to the process of domestication of the regional integration agenda, which means introducing “a certain way of thinking and acting into the mainstream and to let it develop into a natural behaviour in order to penetrate and lead to change of mentality in

the mainstream". The regional perspective should be integrated in all areas, programs and activities of the national institutions in such a way that it should no longer be considered an issue reserved to high level committees (Head of State, Ministers, Senior officials) but should become part of the national concern in the society, institutions and a duty to all the community and its citizens.

29. Thus mainstreaming SADC regional integration agenda into national development plans is not merely including the SADC issues in documents to satisfy a mandate, but actually considering what SADC regional integration agenda issues are, prioritizing them, formulating, implementing and monitoring adequate policies and structural reforms needed, and setting up core institutional responsibilities. Regional integration initiatives do require a large degree of public management and implementation at the national level. Without an absolute commitment to implementation at the national level, there can be little progress at the sub-regional level. In order for the process to enjoy a wide buy-in from society it has to be all inclusive. Deliberate efforts have to be made to ensure that the private sector, business community, non-state actors (NSAs), and other stakeholders are brought on board.

30. To the extent that implementation of the treaties requires the understanding, conviction, and confidence of the private sector, an active involvement of this sector in particular and the general public at large is crucial. Country level studies in SADC show that the participation of the private sector is hampered by lack of government resources to ensure full participation, and when some resources are secured, the participation is limited at the level of the chamber of commerce officials. Moreover, lack of adequate knowledge to use existing information at the level of private sector associations is also noted as major problem.

31. Establishing specific government entities that would promote and administer economic integration at a country level (as some countries in Western Africa like Burkina Faso, Senegal, Ghana, and Nigeria and few others- have done) would also not only show commitment of countries (Alemayehu and Haile, 2002) but also enhance the effectiveness of implementing the treaties at national levels

32. An inclusive public-private dialogue on regional integration at national level will raise the awareness of the participants and make recommendations on appropriate national responses to the opportunities and challenges for the private sector and the civil society arising from the regional integration process and expedite the mainstreaming process.

## **V. Some suggestions to RI Mainstreaming**

33. Notwithstanding the cited challenges, there is need to consolidate the gains that have already been achieved through clear outputs and benchmarks for regional integration. In addition, efforts should be made to define strategies for systematic and gradual realisation of RI objectives by Member States in their own national plans. Progress on RI yardsticks can be assessed by ascertaining the extent to which the goals and objectives of regional integration are mainstreamed in the national development plans and policy documents; progress towards the RI itself; progress relative to other regional economic communities (RECs); and the likelihood of

the final stage of integration being reached in the agreed timeframe. Success will also be partly due to the mainstreaming of the RI into national plans supported by, for example public finance reforms; economic structure diversification; increasing rates of growth to the MDG recommended threshold of between 7% and 9%; increasing the capacity for intra regional trade and developing supporting infrastructure. This would require the adoption of strategic actions embracing the following:

- a. Policies and programmes essential for RI mainstreaming are identified at a national level;
- b. Institutional processes are established within government and stakeholder communities to ensure broader participation in the RI process;
- c. Role of Governments, CSOs and other stakeholders in the RI process is identified and strengthened;
- d. Inclusion of RI in national development plans, programmes, projects and policies undertaken;
- e. Strengthened capacity within relevant government ministries and other institutions to integrate RI into budget decision-making, sector strategies and implementation programmes is realised;
- f. Strengthened capacity in governments to include RI sustainability into their strategies is achieved;
- g. Wider involvement of stakeholders in making the case for the importance of RI mainstreaming to growth and poverty alleviation is attained;
- h. Ministerial entry point coordinating issues related to regional integration at country level is identified and strengthened.

## **VI. An initiative in mainstreaming RI**

34. Mozambique working in conjunction with the ECA-SA recently hosted an international Conference on mainstreaming regional integration into its national plans. The international Conference was part of the wider initiative of the Faculty of Law, at the Eduardo Mondlane University (UEM) to facilitate and develop capacity building towards the implementation of the SADC regional integration process in Mozambique, with the aim of drawing more benefits for Mozambique. The conference's main objectives were among others:

- a. to serve as a forum and a platform for open dialogue and discussion on the SADC regional integration process, basically to raise crucial concern among the Mozambican society and academia;
- b. to facilitate the identification of the role and contribution of higher education and training institutions in raising awareness, dissemination of information and the implementation of SADC regional integration policies;
- c. to achieve increased awareness on issues related to regional integration and SADC law and to impact the Mozambican society at all levels;
- d. to facilitate practical strategies for knowledge development, research, database creation and publication of relevant materials.

35. At the end of the Conference, the following expected results were achieved:

- a. the identification of approaches to facilitate the capacity building and outreach initiative developed by the Faculty;
- b. to launch an Academic Partnership Network for SADC regional integration, dedicated to research and teaching, publication, knowledge development and sharing on issues of regional integration;
- c. to create a regional documentation and reference centre which would facilitate knowledge development, research, exchanges and dissemination of materials between member institutions.

36. Using Mozambique as a case study this paper strongly recommends the need to explore the possibilities of replicating this country experience to the rest of the sub-region taking into account unique country requirements and different policy landscapes. Certainly Mozambique provides an entry point for the rest of the countries in the sub-region to begin to align their policies, practices and institutional arrangements to respond to the needs of regional integration by deliberately mainstreaming it into their national plans.

37. Therefore deliberate support should be marshalled to enhance capacity within the sub-region to develop and implement the mainstreaming of RI across economic and social sectors; to facilitate the exchange of experiences and lessons learned among countries and also to facilitate country-country exchanges. In addition, efforts should be made to identify stepping stones for the sub-region that encourage effective mainstreaming of RI planning at national levels.

## **VII. ECA's role in mainstreaming RI in national development plans and programme**

38. Mainstreaming RI in development plans and programmes falls within the ECA's mandate of harnessing regional resources for Africa's development and constitutes providing advisory services and technical assistance. Developing frameworks for the harmonization of policies in support of the regional integration of sector policies in the SADC region had been the main thrust of our effort to mainstream RI in development plans and programmes. This included among others ongoing work in the area of mining, energy, gender etc with a view to assisting countries to align their national policies to the regional requirements.

39. The process of mainstreaming RI in national development plans and programmes need to be strengthened through the adoption of a comprehensive approach addressing issues such as:

- a. **Processes to national policy alignment-** Need to establish a link and encourage alignment between the regional and national development plans i.e., policies, strategies and programmes. The case for mainstreaming RI into national plans cannot be made without rigorous analysis and empirical evidence of development impact. Promote and support the prioritization of RI for development in all national plans across the sub-region.
- b. **National commitment to infrastructure development-** there should be harmonisation of infrastructure standards and policies across the sub-region to foster physical integration. In addition, governments need to prioritise their

budgetary allocations and spending to cater for the provision and maintenance of infrastructure.

- c. **Resource mobilisation in support of RI-** SADC mobilization of own resources for deeper integration enhance stakeholder participation and ownership at national level, external assistance being seen as supplementary to own resources.
- d. **National ownership of the RI** process including awareness raising, mobilising the participation of the private sector and CSOs, evaluating the impact of regional integration on policy with a view to providing the most useful information for improving on-going and future integration processes. There is need to develop and promote common set of RI indicators and benchmarks within the SADC to be disseminated among governments, private sector, business and civil society and other stakeholders for easy monitoring of progress. There is also need to promote open dialogue on regional integration bringing together the public sector, the formal and informal business community, the civil society organisations and the public in general at national level.
- e. **Use of ICT as tool for mainstreaming-** Need to develop regional e-strategies to be coordinated by SADC for information exchange flow on the mainstreaming of RI into national plans.
- f. **Institutional response** - there is need to put in place administrative and legal instruments to quicken the pace of mainstreaming regional integration objectives into national plans and decision-making processes in our own countries. Member States need to bring issues related to regional integration in the parliamentary discourse in the short term and increase the information transmission to parliamentarians who will in turn share it with their constituencies and provide valuable feedback.
- g. **Capacity building and strengthening-** capacity building is a necessary prerequisite for achieving RI through active involvement and participation of different stakeholders in mainstreaming RI at national level. Capacity building should be all embracing to cover financial, human and institutional needs in order to increase policy uptake and implementation of programmes.
- h. **Building partnership to deepen RI:** SADC needs to form strategic alliances and partnerships with various stakeholders including the international donor community, regional development banks, governments, private sector, civil society, etc to drive the process of regional integration. These partnerships can be at national, sub-regional and global levels. At the local level, creating and strengthening existing partnerships has the potential to pull efforts together and therefore create new opportunities for increased capacity within and among Member States to undertake large development programmes effectively and efficiently.

### **VIII. Conclusion**

40. The need for mainstreaming RI into national plans cannot be overemphasised. It is one important yardstick to measure national commitment towards domestication of regional policies and obligations. Heads of State and senior government leaders have to be commended through SADC for adopting the FTA in August 2008. This was a bold and significant step towards promoting deeper forms of regional integration without which there can be no collective economic and social development in the sub-region. This momentum has to be maintained if the benefits of integration are to filter down to the rest of the region. However, even more important is the need to translate what was agreed at the regional level into national policies, strategies and programmes by systematically mainstreaming the RI process. The ECA-SA could play a catalytic and facilitatory role in this process by helping to build the capacities of Member States to increase their ability to implement regional policies and programmes.

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