

# Discussion Paper

**No. 192**

June 2016

## **Prospects for supporting regional integration effectively**

An independent analysis of the European  
Union's approach to the 11<sup>th</sup> European  
Development Fund regional programming

**by Alisa Herrero and Cecilia Gregersen**

[www.ecdpm.org/dp192](http://www.ecdpm.org/dp192)

# Prospects for supporting regional integration effectively

An independent analysis of the European Union's approach to the 11<sup>th</sup> European Development Fund regional programming

Alisa Herrero and Cecilia Gregersen

June 2016

---

## Key messages

Regional integration is one of the cornerstones of the EU's development and international cooperation policy and is an area where the EU is seen as having a real added value and know-how in its cooperation with African, Caribbean and Pacific countries.

Learning from the past was one of the key drivers behind the EU's new approach to supporting regional cooperation in the 11th European Development Fund programming process. Innovations introduced were mostly geared to addressing aid management problems, but it is unclear how and whether they will maximise impact on regional integration.

The EU adopted a prescriptive and normative programming approach, which excluded relevant ACP actors throughout critical stages of the process. This approach is difficult to reconcile with the principles of ownership and co-management underpinning the Cotonou Partnership Agreement.

To effectively support regional integration in the future, the EC systems, incentives and capacities guiding programming need to be geared towards producing higher impact rather than higher disbursement rates. This will require, among others, ensuring that future programming is informed by a more sophisticated analysis of what drives or hinders regional integration in the different regions, countries, and sectors.

---



## Table of Contents

Acknowledgements .....	vi
Acronyms .....	vii
Executive Summary .....	viii
About this study .....	viii
Implications for future EU support for regional integration .....	xii
Pointers for the future .....	xiii
1. Introduction .....	1
1.1. Study rationale and objectives .....	3
1.2. Methodology .....	3
1.3. Structure of this paper .....	4
2. Regional cooperation and support for regional integration in EU development policy and the ACP-EU partnership.....	5
2.1. Regional integration in EU development policy.....	5
2.2. Regional integration and cooperation in ACP-EU relations .....	7
2.3. A brief look at regional integration in the ACP regions.....	8
2.4. Changes in priorities in EDF support for regional integration .....	11
2.5. Chapter findings in a nutshell .....	14
3. The new approach to supporting regional integration in the 11 <sup>th</sup> EDF: will it deliver better results?.....	15
3.1. The contextual dynamics influencing the 11 <sup>th</sup> EDF programming.....	15
3.2. ‘Learning from the past’: a key driver in 11 <sup>th</sup> EDF approach to regional programming.....	18
3.3. Major innovations in regional cooperation contained in the 11 <sup>th</sup> EDF .....	22
3.4. Will these innovations deliver more regional integration? .....	25
3.5. Chapter findings in a nutshell .....	37
4. 11 <sup>th</sup> EDF regional programming: where does the money go?.....	41
4.1. Geographic distribution of regional funds.....	42
4.2. Sector concentration in regional programming .....	42
4.3. Regional economic integration for regional cooperation .....	45
4.4. Support for the environment and regional natural resource management and for combating climate change .....	45
4.5. Support for governance, peace and security at regional level .....	45
4.6. Support for capacity development in relation to DMRO secretariats .....	46
4.7. Chapter findings in a nutshell .....	48
5. 11 <sup>th</sup> EDF regional programming: a partnership between equals? .....	49
5.1. The 11 <sup>th</sup> EDF’s new approach to regional cooperation: ‘made in Europe’? .....	49
5.2. No shared vision on the principle of direct access .....	52

5.3.	EU interference in African RECs ‘politics’: a legitimate or unreasonable operational concern? 53	
5.4.	Do regional actors have sufficient weight in EU blending activities? .....	55
5.5.	Has the 11 <sup>th</sup> EDF regional programming been hijacked by EU priorities? .....	56
5.6.	Who owns the 11th EDF regional cooperation? A critical perspective on alignment and participation .....	58
5.7.	Chapter findings in a nutshell .....	60
6.	EU interinstitutional dynamics and key drivers of the choice of sectors .....	62
6.1.	A ‘comprehensive and political’ versus a ‘classical developmental’ approach to regional cooperation .....	62
6.2.	Complementarity: a key driver in the choice of sectors .....	64
6.3.	No formal process for member state participation in the field .....	65
6.4.	Chapter findings in a nutshell .....	66
7.	Conclusions and pointers for the future .....	67
	Conclusion 1: The EU takes its past failures seriously .....	67
	Conclusion 2: The 11 <sup>th</sup> EDF innovations may not necessarily result in more and better regional integration .....	67
	Conclusion 3: The EU finds it difficult to honour its commitment to ownership and an ACP-EU partnership of equals .....	70
	Conclusion 4: A prescriptive programming approach prevented close alignment with the political and economic realities in the various regions .....	71
	Conclusion 5: The EU’s ambitions for support for regional integration may need be to be revisited .....	72
	Bibliography .....	73
	Annex I: List of interviews .....	79
	Annex II: Breakdown of regional envelopes .....	80
	(in € millions) .....	80
	Annex III: DG DEVCO’s analysis of blending across sectors (global) .....	83
	Annex IV: An overview of the objectives of the regional economic integration sector across the EDF regional programmes .....	84
	Annex V: Specific objectives related to support to climate change, the environment and natural resource management .....	86
	Annex VI: Specific objectives related to support to governance, peace and security at regional level .....	87
	Annex VII: Overview of the sector allocations of the Intra-ACP MIP 2014-2020 (in € millions) .....	88
	Annex VIII: Overview of the sector allocations of the Pan-African Programme 2014-2020 (in € millions) ...	89
	Annex IX: Complementarities between instruments .....	90

## List of Boxes

Box 1	The risky and complex nature of financing transnational infrastructure development .....	32
Box 2	Overlapping membership of Africa's RECs .....	33
Box 3	A brief history of the Inter-Regional Coordination Committee .....	54

## List of Figures

Figure 1	Aggregate regional funding and size of envelopes dedicated to regional economic integration	11
Figure 2	Commitments to projects with a regional focus in ACP countries in the 8 <sup>th</sup> and 9 <sup>th</sup> EDFs.....	13
Figure 3	The 11 <sup>th</sup> EDF blending framework.....	30
Figure 4	Breakdown of allocations in the 11 <sup>th</sup> EDF .....	41
Figure 5	Geographic distribution of funds per region (in € million).....	42
Figure 6	Sectoral allocations of 11 <sup>th</sup> EDF RIPs .....	43
Figure 7	Sectoral distribution of 11 <sup>th</sup> EDF funds across ACP regional programmes .....	44

## List of Tables

Table 1	11 <sup>th</sup> EDF regional allocations for Africa, the Caribbean and the Pacific.....	2
Table 2	Rationale for increase in funding of regional envelopes.....	14
Table 3	Strategic EU objectives and key operational innovations in the 11 <sup>th</sup> EDF .....	24
Table 4	Ensuring blending effectiveness and related key operational changes .....	31
Table 5	Responsibilities of regional and national EUDs in the regional programming process .....	36
Table 6	Funding allocations to institutional capacity-building in the 11 <sup>th</sup> EDF regional programmes .....	47
Table 7	Changes in the timeline and text of the regional programming steps .....	51

## List of Diagrams

Diagram 1	Key findings of ECDPM research on the political economy of regional integration in Africa ..	21
Diagram 2	Questions to guide an in-depth understanding of the context and conditions for regional integration and how international development partners can support this process.....	40

## Acknowledgements

In addition to receiving structural support from ECDPM's institutional partners, i.e. Austria, Belgium, Denmark, Finland, Ireland, Luxembourg, the Netherlands, Portugal, Sweden and Switzerland, this research and publication have also benefited from funding from the UK Department for International Development (DFID).

The authors would like to express their gratitude to all those who agreed to be interviewed for the purpose of this study: the ACP Secretariat, DMROs' representatives, NAOs, DG DEVCO and EEAS staff, EU delegations, EU member state representatives and independent consultants. Thank you for sharing your time and insights so generously with us.

Special thanks go to our ECDPM colleagues San Bilal, Damien Helly, James Mackie, Andrew Sherriff and Jan Vanheukelom for their stimulating peer review and the wealth of knowledge that they shared with us. Credit also goes to Yaseena van't Hoff for her infographic support and to Tony Parr, who edited this paper.

Alisa Herrero is the lead author and research coordinator of this study. The views expressed are exclusively those of the authors and should not be attributed to any other person or institution.

ECDPM welcomes feedback on this paper, which may be addressed to the authors:

**Alisa Herrero** ([ahc\(at\)ecdpm.org](mailto:ahc(at)ecdpm.org)) and **Cecilia Gregersen** ([cg\(at\)ecdpm.org](mailto:cg(at)ecdpm.org))

## Acronyms

ACP	African Caribbean and Pacific
AEC	African Economic Community
CARIFORUM	Caribbean Forum
CEEAC	Communauté Économique des États de l'Afrique Centrale
COMESA	Common Market for Eastern and Southern Africa
CFSP	Common Foreign and Security Policy
DG DEVCO	Directorate-General for Development and Cooperation (Europeaid)
DMRO	Duly Mandated Regional Organisation
EC	European Commission
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EEAS	European External Action Service
EIB	European Investment Bank
EPA	Economic Partnership Agreement
EA-SA-IO	Eastern Africa, Southern Africa and the Indian Ocean
EU	European Union
EUBEC	EU Platform for Blending in External Cooperation
EUDE	European Union Delegation
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
IGAD	Intergovernmental Authority on Development
IO	Indian Ocean
IOC	Indian Ocean Commission
NAO	National Authorising Officer
NEPAD	New Partnership for Africa's Development
NIP	National Indicative Programme
OAU	Organization of African Unity
ODA	Official Development Assistance
OCT	Overseas Countries and Territories
PFM	Public Finance Management
RAO	Regional Authorising Officer
REC	Regional Economic Community
RO	Regional Organisation
RIP	Regional Indicative Programme
SADC	Southern African Development Community
TCF	Technical Cooperation Facilities
UK	United Kingdom



## Executive Summary

### About this study

This study follows on from and complements ECDPM's analysis of the 11<sup>th</sup> European Development Fund (EDF) national programming experience published in September 2015.<sup>1</sup> The 11<sup>th</sup> EDF regional programmes are the European Union's (EU) main instruments for supporting regional integration in the Africa, Caribbean and Pacific (ACP) region. By reviewing the EU's regional programming process, this study sets out to reveal how the EU and its ACP partners approached the challenges of supporting regional integration.

The aims of this study are to:

1. understand the key drivers behind the EU's new approach to and support for regional cooperation, as devised for the 11<sup>th</sup> EDF;
2. provide a critical insight into the main innovations and the prospects for delivering better results in regional integration;
3. shed light on the EU-ACP partnership throughout the process, with a particular focus on how aid and development effectiveness principles were translated into practice;
4. explore how EU interinstitutional relations played out in the 11<sup>th</sup> EDF regional programming process;
5. reflect on what the findings mean for the EU, at a time when it is defining a global strategy for its common foreign and security policy (CFSP), and the European Consensus on Development.

To this end, we:

- mapped programming allocations and priorities under the 11<sup>th</sup> EDF regional programming documents;
- analysed key EU policy documents and programming orientations;
- gathered different actor perspectives by interviewing informed stakeholders at EU headquarters (i.e. the European Commission's Directorate-General for International Cooperation and Development (DG DEVCO) and the European External Action Service (EEAS)) and EU delegations, as well as national authorising officers, duly mandated regional organisations (DMROs) and EU member states;
- incorporated lessons from recent evidence-based research on the political economy of regional integration and implications for donor support.

By no means should this study be regarded as an evaluation of the 11<sup>th</sup> EDF regional programming process. It is the authors' intention that this analysis should feed constructively into reflections on the future of EU support for regional integration in a post-Cotonou era and as the European Consensus for Development is reviewed. It is important to bear in mind that the **real drivers of regional integration are regional and national actors, not any external actor**, so our findings and pointers for the future are intended to help the EU play a more effective role, while fully accepting that this will be of a limited nature.

---

<sup>1</sup> Herrero et al (2015).

## Our main findings

### ***The EU has taken its past failures seriously***

The 11<sup>th</sup> EDF regional programming process was heavily influenced by several critical appraisals of the EU's approach to supporting regional integration. Several reports<sup>2</sup> identified constraints outside the direct control of the European Commission, such as delays in negotiating Economic Partnership Agreements (EPAs), a lack of managerial capacity among regional organisations (ROs), overlapping memberships, and a lack of progress in implementing regional agendas at a national level. The reports also pointed to various management problems at the EC (such as a lack of a strategic vision, a lack of appropriate governance structures for managing regional cooperation, weak coordination of national and regional programming, and weak monitoring systems).

Under increasing pressure to deliver better results and show value for money, the EU worked to ensure that the key recommendations made in these reports were effectively adopted. The EU's approach to regional cooperation in the 11<sup>th</sup> EDF was overhauled in the programming orientations.

Several key innovations were introduced, demonstrating the European Commission's (EC) determination to implement the main recommendations made by the European Court of Auditors, the EU Platform for Blending in External Cooperation, and in the 10<sup>th</sup> EDF mid-term review (MTR) and EC evaluations of regional programmes. These included:

- sharpening the focus on the key priorities identified in the Cotonou Partnership Agreement (i.e. peace and security, economic regional integration and global challenges) and the EU Agenda for Change (i.e. blending);
- diversifying the range of implementing actors, thereby enabling national authorities and regional organisations other than the DMROs to directly access EDF regional funds;
- increasing the envelopes dedicated to regional blending facilities;
- establishing an umbrella Regional Indicative Programme (RIP) for the Southern Africa, Eastern Africa and Indian Ocean regions (EA-SA-IO);
- setting up regional steering committees to create space for multi-stakeholder policy dialogue, clarify the division of roles between all actors, and give DMROs a central role in overseeing EU support for regional integration;
- incorporating targeted capacity development support for DMROs;
- strengthening the capacity of EU delegations to deal with regional integration.

### ***This emphasis on 'learning from the past' led to potentially positive innovations***

Introducing the principle of direct access could bring about a 'paradigm shift' in regional cooperation and external support for regional integration. It would mean moving away from a top-down approach geared to supporting regional organisations and expecting results to trickle down, towards a bottom-up approach in which regional integration is galvanised by national strategies and programmes.<sup>3</sup> Although this may lead to the partial renationalisation of regional aid envelopes and to the dilution of the coordinating role played by the Regional Economic Communities (RECs) vis-à-vis the EU, it explicitly recognises that regional cooperation processes can be initiated and driven by actors other than regional organisations. It also acknowledges the serious risks posed by the RECs' heavy dependence on donor funding.

---

<sup>2</sup> See notably European Court of Auditors (2009); European Commission (2011a), and Mamaty (2012).

<sup>3</sup> Soderbaum (2016).

The diversification of implementing partners releases DMROs from time- and capacity-consuming tasks, allowing them to focus on their political role and their core mandates of coordination, guidance and supervision. The use of direct management, together with a significant amount of funds channelled through blending facilities, could also improve disbursement rates. The creation of regional steering committees made up of relevant stakeholders could potentially improve the efficiency of EDF programming, formulation and delivery. Finally, the EU has taken steps to improve the EU delegations' capacity to deal with regional cooperation, notably by clarifying the roles and responsibilities of national and regional delegations and improving coordination between them.

***The 11<sup>th</sup> EDF regional programming is in line with the fundamentals of the Cotonou Partnership Agreement and the EU's development policy embodied in the Agenda for Change***

Regional economic integration receives 59% of the regional aid envelope, 70% of which goes to blending (of grants and loans). Other objectives pursued under this heading include strengthening regional trade and business-enabling environments, EPA implementation and capacity-building, and boosting private-sector participation.

Climate change, resilience, environment, food security and natural resource management receive 20% of regional funds. This is in line with the EU's overall commitment of spending at least 20% of its budget on climate-related activities.

Governance and peace and security are allocated 15% of the regional funds. The remaining funds go to technical cooperation facilities and non-focal areas. This should be seen in the broader context of complementarity between instruments and funding streams, as a result of which the African Peace Facility receives 25% of the intra-ACP envelope.

***The 11<sup>th</sup> EDF regional programming process was heavily dominated by the EU***

The approach to regional integration in the 11<sup>th</sup> EDF was prepared unilaterally by the EU and its member states, with very little involvement on the part of DMROs, let alone other ACP actors. In particular, the principle of direct access generated great unrest among DMROs, who perceived it as a threat to their leadership. The EU tried to create a positive narrative, notably by stressing the central role that DMROs would play in the new regional steering committees overseeing EU regional cooperation and focusing on their core mandates. The EU insisted that there should be just one single RIP for the entire EA-SA-IO region, despite objections from Eastern African and Indian Ocean representatives.

Just as the regional programming came to an end, EU leaders decided unilaterally to create an EU Emergency Trust Fund for Africa, with a strong focus on migration. This new fund drew massively from EDF resources, including RIPs. DMROs had little room for manoeuvre to resist this. As a result, they have now lost control of programming, management and spending of those RIP funds that have been pooled with the new Emergency Trust Fund.

***DG DEVCO had the upper hand***

Interaction between the EEAS and DG DEVCO in the 11<sup>th</sup> EDF regional programming process was generally smooth, although the two institutions disagreed as to how to approach sector concentration and programming priorities. The EEAS was in favour of taking a more comprehensive approach, with a sharper focus on political sectors, in line with the EU's regional strategies and the Common Foreign and Security

Policy (CFSP) whereas DG DEVCO pushed for more emphasis on blending, and on preventing any sector overlap between national and regional programming. DG DEVCO prevailed, in part due to the EEAS's weaker capacity for dealing with regional cooperation and the fact that it did not enjoy as much high-level political support to enforce its views as DG DEVCO did.

### ***Relatively limited role for EU member states***

Although the EU member states were involved in drafting the programming orientations, their engagement at field level was fairly limited compared to the national programming process. Member state participation and consultation took different forms, including regular exchanges on the ground, and the organisation of regional programming seminars and technical workshops at EU delegations and at HQ in Brussels. This relatively limited role is due in part to the absence of a formal process for EU member state participation (such as that already existing for national programming, accompanied by joint programming efforts), and in part to the lack of (or limited) capacity for and expertise in regional cooperation and regional integration in most EU member states. That said, we did find evidence that member states engage more often through the EDF Committee, and regularly ask the EC to provide more information on progress in EU regional cooperation.

### ***The 11<sup>th</sup> EDF innovations may not necessarily result in more and better regional integration***

The new approach to regional cooperation under the 11<sup>th</sup> EDF would appear to offer generic solutions to generic problems, rather than being a tailored approach in response to the different national, regional and sectoral political economy dynamics that influence regional integration. The absence of a clear theory of change and a mechanism for benchmarking regional integration would seem to be major weaknesses, with clear implications for the ability to measure and capture results. As a further point, five-year cooperation cycles are likely to be too short for producing results in regional integration.

Direct access may not deliver results in terms of the domestication of regional integration agendas, unless it is underpinned by a solid political economy analysis of the national incentives for pursuing regional cooperation, and unless the regional dimension of regional challenges is acknowledged and addressed.

Steering committees, which focus largely on formal institutions and aid-management issues, are unlikely to generate the high-level political action that is required to push the regional integration agenda forward and are probably not the right tool for enabling the EU to identify opportunities for supporting more flexible, informal, regional arrangements with a strong potential to drive regional integration processes forward.

Blending may be a far more risky and complex enterprise, requiring the EU to take serious account of the drivers of and barriers to transnational infrastructure development, particularly during the project planning stage. The new EDF blending framework may not necessarily broaden the scope for increased ownership of blending operations by beneficiary countries, given the limited space available to national and regional actors for leading the implementation of blending projects. The African Development Bank is the only regional financial institution that qualifies as a lead financier. There are also concerns about the EC's ability to manage blending in a 'politically savvy' way.

A single RIP for the EA-SA-IO region will not necessarily lead to a deeper political dialogue on regional integration among different ROs. This is because countries may continue to see benefits in pursuing their national interests through different regional configurations and overlapping memberships. Also, the cross-

regional envelope may not deliver the expected results, particularly given its strong fragmentation as a result of EU priorities.

Although all the RIPs appear to be closely aligned with regional strategies, development plans and treaties, there are many reasons why alignment and ownership cannot be taken at face value. Regional strategies and policies that enjoy strong support from donors are not necessarily backed by strong support at national level, nor by regional institutions to ensure their effective implementation. Regional organisations' over-reliance on donor funding may result in their producing strategic plans that reflect donor preferences rather than domestic or regional priorities.

Despite efforts to improve the capacity of EU delegations (EUDs) to deal with regional cooperation, our research suggests that these efforts have not been enough, particularly in the current context of budget constraints. Many EUDs outsource analysis, programming, formulation and actor consultation to external consultants, thereby disengaging from their key role in facilitating regional integration. The incentives for rapid disbursement outweigh the incentives for investing in analysis, high-quality policy dialogue and political facilitation, which offer greater scope for building a firm basis for results.

### **Implications for future EU support for regional integration**

The EU is redefining its global foreign and security strategy, and rethinking the role played by development policy in this. There is also recently the decision to revise the European Consensus on Development. The EU needs to ensure that its development policy is fully integrated with its external action and is in line with the 2030 Agenda for Sustainable Development and EU commitments on climate change, thus ensuring coherence between domestic and external policies. Given the importance of the EU as a political and financial sponsor of regional integration, these developments will also indicate the extent to which the EU is planning to continue to prioritise this area in the future. The above requirements will have to be met regardless of which scenario emerges as the preferred candidate for the future of the Cotonou Partnership Agreement post-2020.

EU support for regional cooperation and integration are likely to remain important building blocks in the EU's future foreign and security policy toolkit. The EU has long-standing relations with many regional organisations across the world, spanning a wide range of policy areas, including trade, security, and global public goods. While expectations about the role played by the EU as a global actor are running high, the EU faces growing pressure to deliver better results and value for money. The EU will need to demonstrate its added value and cannot afford to be complacent in this regard or not to continue to learn lessons as to how it can do better.

The EU's ambitions for support for regional integration may need to be revisited in terms of what is feasible. Account will need to be taken of the influence of structural factors, based on a sophisticated understanding of where political traction lies and the potential capacity of technical and political actors to form coalitions and drive regional agendas, at national and regional levels. The EU will also need to match its ambitions with the lower capacity levels resulting from staffing cuts.

A uniform approach to EU support for regional integration in all ACP regions may be useful, but if the EU is committed to an evidence-based development policy and to results-oriented programming, it will need to invest many more resources in understanding the real political economy of regional integration in the various regions and sectors, and how this affects EU support programmes. This means no longer pointing to a 'lack of political will' and 'capacity constraints' as easy explanations, but rather exploring ways of tailoring support to the idiosyncrasies of different regions, sectors and sub-sectors.

The EU will need to pursue a respectful dialogue and ensure ownership. Ensuring ownership should go beyond simply aligning support with RO strategies, regional policies and treaties, which are often sponsored by donors, but lack the backing of member states and other stakeholders. The required transformation will entail revisiting and adapting the systems, incentives and capacities that are deployed to deliver support for regional cooperation, ensuring that they are geared to producing a higher impact rather than higher disbursement rates.

### Pointers for the future

This study contains several pointers that can help EU policy-makers and practitioners refine the EU's approach to regional cooperation and its support for regional integration in future programming processes in a post-Cotonou era:

- a. **Adopt a qualitative approach to human resource management at DG DEVCO**, so that EC staff have an incentive to nurture their specialist expertise, to analyse where political traction lies, to conduct a policy dialogue that goes beyond aid management issues, to broker engagement among different types of regional and national actors, and to facilitate collective action. This will require skills, capacities and incentives that go beyond effective programme management for rapid disbursement.
- b. **Move away from a top-down, EU-only led approach to sector definition.** While it is legitimate for the EU to pursue its own interests and define its own policy priorities, future sector choices and allocations need to be better tailored to the specificities of different regions. Only then can the EU offer support that is realistic and targeted at promising change coalitions, beyond formal actors and processes, at national and regional levels, in the public sector, the private sector and civil society.
- c. **Adopt a more comprehensive, 'multi-level approach' to programming.** This entails placing subsidiarity at the centre of programming decisions, beyond a mutually exclusive understanding of regional and national sectors, so that the EU can support the domestication of regional integration agendas at the national programming level, in accordance with clear national interests. It also requires making an effort to better harmonise national and regional programming processes.
- d. **Strengthen the application of the direct access principle.** Direct access will not deliver better results in the domestication of regional integration agendas unless the identification, formulation and implementation of actions is grounded on a political economy analysis of regional integration in the country in question, and on the specificities of the sector dynamics. Direct access could also be extended to a group of countries within one region, recognising informal coalitions (not necessarily controlled by the RECs), and without imposing an EU-driven agenda. The EU will also need to carefully assess the role that hegemony can play in driving or blocking regional processes and how this affects direct access.
- e. **Adopt a more politically savvy approach to blending.** Invest in the costly phase of project planning by assessing and addressing the multiple challenges and risks related to financing transnational infrastructure development, including financial, technical, regulatory and governance challenges. Ensure that the decision-making process for the EDF dedicated blending framework:
  - i. takes sufficient account of the potential opposing interests that may emerge both within and between countries in the regions;

- ii. ensures that investment decisions are made with sufficient buy-in from regional policy-makers, national governments and other actors, including the private sector.
- f. **Lower expectations of what steering committees can deliver.** Steering committees are likely to focus on aid management issues and to be dominated by donor-recipient logic. This means that they are very unlikely to trigger a high-level political dialogue on regional integration. The EU may need to explore creative ways of engaging, beyond formal players in formal processes. A failure to do so may lead to missed opportunities for supporting regional cooperation and change coalitions in a more politically savvy, realistic way.
- g. **Strengthen support for the monitoring and evaluation of regional integration.** The EU will need to refine its theory of change on support for regional integration in different regions, sub-regions and sectors, and clarify how results will be captured and measured, beyond outputs and activity reporting. As a further point, five-year cooperation cycles are likely to be too short for producing results in regional integration.
- h. **Invest in becoming a knowledge broker on support for regional integration.** This can come about only if the EU prioritises the funding of knowledge production and strengthens the feedback loop between the field and headquarters. For instance, the EU could capitalise on the wealth of information it has collected through its five-pillar and seven-pillar assessments (the findings of which have never been made public), and which, with a little bit of reformatting, could provide a solid, evidence-based and comparable analytical framework for external support for the institutional reform of regional organisations. This could help to refine the EU approach to capacity-building for DMRO secretariats, and also generate interesting insights for a potential benchmarking exercise on regional integration.

# 1. Introduction

Regionalism has proven to be a resilient, structure-imparting global phenomenon. Interactions between and within regions, and interest in interregionalism have grown not just in the political and policy-making arenas in recent years, but also among researchers.

Since the Maastricht Treaty was signed in 1992, the European Union (EU) has sought to become an influential global actor projecting a normative influence and has become increasingly active in all regions of the world. The EU takes a regionalist approach within the global context of its expanding external action: the pursuit of Europe's collective international interests and of individual member states' interests increasingly drives the EU to engage both with a wider global group as well as with more focused regional groupings.

Regional integration is one of the cornerstones of the EU's development and international cooperation policy and is a key element of the EU's approach for improving the prospects for economic growth, trade and investment, for fostering peace and stability, and for improving the management of natural resources. Supporting regional integration also responds to a variety of EU external policy goals: using the EU governance model as a value to be exported, and strengthening the EU's international influence and identity in the world, without compromising the national interests of the member states. The European Commission's *“added value” contribution at regional level is relatively evident, given its institutional mandate on trade, its regional know-how (few MS have regional strategies in place) and the importance of its regional programme envelopes.*<sup>4</sup>

The EU has an inter-regional partnership with members of the African, Caribbean and Pacific (ACP) group of countries. This relationship is currently governed by the Cotonou Partnership Agreement (CPA, 2000-2020). ACP countries have a long history of commitments to and efforts at regional integration and, although progress has been achieved in all ACP regions, all the various aspirations have not been translated into effective implementation on the ground.

Regional integration and regional cooperation have been at the core of the ACP-EU partnership since the Lomé Conventions of the 1970s. The revised version of the CPA (2010) reflects the growing importance of regional integration in ACP countries and in ACP-EU cooperation, and highlights the role it can play in promoting peace and security, and economic growth and in tackling cross-border challenges. It also emphasises the continental dimension of regional integration in Africa, and recognises the African Union as a partner in EU-ACP cooperation. The EU has also developed regional strategies with the Caribbean (March 2006), the Pacific (May 2006) and Africa (through the Joint EU-Africa Strategy, December 2007).

Collectively, the EU and its institutions are the world's biggest suppliers of official development assistance (ODA), and are probably the biggest financial supporters of regional integration and regional cooperation worldwide. In 2013, they together provided €56.5 billion, representing 52% of total global ODA for that year.

Created by the Treaty of Rome in 1957, the European Development Fund (EDF) has for over 50 years been the EU's main tool for providing development aid to the ACP countries and to overseas countries and territories (OCTs). The EU is currently implementing its 11<sup>th</sup> EDF (for 2014-2020), with a budget of €30.5 billion for aid to ACP countries and OCTs, and covering both national and regional programmes. This represents 32% of the EU's total external relations budget (encompassing both the EU budget and the

---

<sup>4</sup> European Commission (2008b).



EDF). Regional programmes are the EU's main instrument for supporting regional economic integration. The EU budget dedicated to regional cooperation in ACP countries has progressively risen in the course of successive EDFs, growing from €782 million under the 8th EDF (1996-2001) to €904 million under the 9th EDF (2002-2007), €1,783 million under the 10th EDF (2008-2013) and €3,344 million under the 11th EDF (2014-2020).

The 11th EDF includes five regional indicative programmes (RIPs), across the ACP regions, as outlined in Table 1 below. The RIPs for the Caribbean, the Pacific, Central Africa and Eastern Africa, Southern Africa and the Indian Ocean (EA-SA-IO) were signed in June 2015. The RIP for the West African region was signed in July 2015.

**Table 1 11th EDF regional allocations for Africa, the Caribbean and the Pacific**

11 <sup>th</sup> EDF regional programmes		Total per regional indicative programme (in € million)	
<b>Africa</b>	Central Africa	350	2,832
	Eastern and Southern Africa and Indian Ocean (EA-SA-IO)	1,332	
	West Africa	1,150	
<b>Caribbean</b>		346	
<b>Pacific</b>		166	
<b>Total</b>		<b>3,344</b>	

Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

Decisions on the allocation of 11th EDF funds to the five regional programmes form part of a broader and more complex exercise to ensure coherence and complementarity between national, regional, intra-ACP and thematic programming in relation to the 11th EDF for 2014-2020. The 11th EDF fund allocation formula is based on a number of indicators and criteria, including size of population and degrees of fragility, vulnerability, isolation and insularity. These are calculated in accordance with a geometric model.<sup>5</sup>

However, a number of qualitative adjustments need to be made to account for some of the more political dimensions that are difficult to quantify, including the EU's interests and political priorities in the various ACP regions. As a further point, regional organisations' absorption capacity, budgets, as well as their member states' contributions, and their involvement and participation in core regional integration activities, were also considered when deciding on allocations for the regional programmes.

<sup>5</sup> Chapter 3 of Herrero et al (2015) includes a detailed discussion of the increasing differentiation and the specific indicators and criteria used for national allocations under the 11th EDF.

## 1.1. Study rationale and objectives

This study follows on from ECDPM's analysis of the 11<sup>th</sup> EDF national programming experience published in September 2015.<sup>6</sup> It aims to:

1. understand better the key drivers behind the EU's new approach to and support for regional cooperation and integration, as devised for the 11<sup>th</sup> EDF, and how EDF funds were allocated to regions and sectors;
2. provide a critical insight into the main operational innovations in the 11<sup>th</sup> EDF and assess the prospects for delivering better results in regional integration;
3. analyse the EU-ACP partnership throughout the process, with a particular focus on how aid and development effectiveness principles were translated into practice;
4. explore how EU interinstitutional relations played out in the 11<sup>th</sup> EDF regional programming process;
5. reflect on what the findings of this study mean, at a time when the EU is defining a global foreign and security strategy, and redefining the role played by EU development policy in this respect.

Our work is intended to inform decision-making by both EU and ACP actors on the implementation of the EU agenda for Change and the EU's regional programming orientations in the 11<sup>th</sup> EDF, and to identify some of the dilemmas and opportunities for achieving high impact aid during and beyond the 11<sup>th</sup> EDF.

## 1.2. Methodology

We mapped the geographic and sectoral financial allocations for the 11<sup>th</sup> EDF regional envelope, based on the information provided in the RIPs, insofar as this was publicly available at the time of writing (see Annex 2 for information on the allocations in each RIP). Based on stakeholders' experiences, we identified the key challenges and dilemmas involved in implementing the EU's regional cooperation guidelines and adopting the EU's new approach to regional cooperation. We focused on the EU-ACP partnership and EU interinstitutional dynamics in particular. More specifically we:

- performed a literature review, including European Commission (EC) policy documents and the programming guidelines for regional cooperation;
- analysed the allocation of EDF funds (geographic and sectoral) in five RIPs;
- conducted a total of 30 interviews. Of these, seven were with representatives of EU delegations (EUDs), 13 were with staff from EU headquarters (i.e. DG DEVCO and the EEAS), two were with EU member states' permanent representations, three were with National Authorising Officers (NAOs), one was with a representative of a duly mandated regional organisation (DMRO), one was with a representative of the ACP Secretariat, two were with Technical Assistants to DMROs, and one was with an independent consultant;
- reviewed the official positions of DMROs (insofar as these were publicly available) and the opinions of DMRO representatives on the 11<sup>th</sup> EDF programming process.
- incorporated lessons from recent evidence-based research on the political economy of regional integration and implications for donor support.

---

<sup>6</sup> Herrero et al (2015).

### 1.3. Structure of this paper

**Chapter 1** introduces the paper and explains its structure.

**Chapter 2** provides background information on the EU's conceptual and development policy framework for shaping its support for regional integration and regional cooperation in ACP countries. It then gives a very brief overview of how sector allocations and priorities have evolved in the European Development Funds preceding the 11<sup>th</sup> EDF.

**Chapter 3** summarises the main drivers behind European Commission's overhaul of its approach to support for regional integration and cooperation in the 11<sup>th</sup> EDF. It analyses the EU's strategic objectives, and how these translate into operational innovations in regional programming.

**Chapter 4** analyses how the EU's strategic and policy priorities as defined by the EU's development policy framework and the 11<sup>th</sup> EDF regional programming orientations are reflected by the allocation of resources, at both geographic and sectoral levels. The findings are based on an analysis of the publicly available RIPs at the time of writing.

**Chapter 5** assesses the key dynamics underpinning ACP-EU relations during the programming process, and discusses whether the regional programming was carried out in accordance with the principle of a 'partnership of equals'.

**Chapter 6** focuses on EU interinstitutional relations and how these influenced the choice of sectors. It looks at how the official mandates of the Directorate-General for International Cooperation and Development (DG DEVCO), the European External Action Service (EEAS), the EUDs and the EU member states operated in practice.

Finally, **Chapter 7** contains some concluding remarks and pointers for the future, which we think could constructively feed into current discussions on EU support for regional integration in a post-Cotonou era.

## 2. Regional cooperation and support for regional integration in EU development policy and the ACP-EU partnership

This chapter reviews the main references to regional integration and regional cooperation in key EU policy documents. The EU's conceptual and development framework shaping support for regional integration and regional cooperation in ACP countries has not changed significantly over the years. As Farrell observed, *'while other areas of foreign policy have yet to be elaborated coherently, the policy on regional integration attracted little opposition at national or European level, raising no threat to national sovereignty, or to the common interests shared by the community of states.'*<sup>7</sup> The chapter ends with a brief analysis of EDF support for regional integration and a short history of regional integration in the ACP regions.

### 2.1. Regional integration in EU development policy

Back in 1974, a meeting of the European Community Development Council adopted a **'resolution on regional integration among developing countries'**, in which it expressed its willingness to support countries engaged in regional integration and cooperation initiatives with development aid.

In the 1990s, regionalism and support for regional integration became a cornerstone of the European Community's external relations with Latin America, the Maghreb, Central and Eastern Europe, and Asia. The 1992 **Maastricht Treaty** stated that development cooperation policy should contribute to *'the smooth and gradual integration of the developing countries into the world economy'* (article 130), the rationale being that regional integration could pave the way for multilateral integration.

In 1995, the European Commission issued a Communication entitled **'European Community support for regional economic integration efforts among developing countries'**, which outlined its conceptual framework for supporting regional integration. It identified three main areas for development cooperation support:

- capacity-building and institutional strengthening at regional and national levels;
- direct support for the private sector to maximise the opportunities resulting from regional integration;
- in some regions, particularly in sub-Saharan Africa, support for governments committed to implementing regional integration measures.<sup>8</sup>

In 2000, the European Commission and the European Council issued a **joint statement on the European Community's development policy**. This affirmed that regional integration and cooperation should facilitate integration into the world economy, conflict resolution and the resolution of cross-border problems, notably in the fields of environment and natural resource management.<sup>9</sup>

In 2001, the European Commission published a **Communication on conflict prevention**, which stated that *'the EU model can serve as an example for other regions in encouraging states to reduce political tension, to increase economic interdependence and to create greater mutual trust between countries.'*<sup>10</sup>

---

<sup>7</sup> Farrell (2009).

<sup>8</sup> European Commission (1995).

<sup>9</sup> The European Council and the European Commission (2000).

<sup>10</sup> European Commission (2001).

The EC argued that regional interaction with the EU could potentially encourage greater cooperation among countries and act as a stabilising factor within and between countries.

The **European Consensus on Development**, signed by the EU member states, the European Council, the European Commission and the European Parliament in 2005, identified regional economic integration as one of the nine key priorities for Community action. It committed the EU to supporting a strengthened role for the regional and sub-regional organisations in enhancing international peace and security, including their capacity to coordinate donor support in the area of conflict prevention. It also recognised the EU's comparative advantage in supporting partner countries in trade and regional integration, with a priority on '*capacity-building to design and effectively implement sound trade and integration policies, as well as support for the private sector to take advantage of new trading opportunities*'.<sup>11</sup> The document also committed the EU to supporting regional economic communities in the field of infrastructure, to encouraging regional and sub-regional cooperation on water management issues, and to assisting regional organisations' efforts to strengthen early-warning systems, democratic governance and institutional capacity-building.

In 2008, the European Commission published a **Communication on regional integration for development in ACP countries**. This defined regional integration and cooperation as '*the process of overcoming, by common accord, political, physical, economic and social barriers that divide countries from their neighbours, and of collaborating in the management of shared resources and regional commons*'.<sup>12</sup> The Communication outlined three main objectives of regional integration - largely in line with the objectives of the CPA – and summarised these as follows:

- **Political stability:** This is a prerequisite for economic development. Regional organisations are playing an increasingly vital role in defusing conflicts within and between countries and in promoting human rights. Regional integration also helps to build trust, increase understanding between groups and deepen interdependence.
- **Economic development:** In larger, more harmonised markets, the free movement of goods, services, capital and people generates economies of scale and stimulates investment, thus spurring economic growth and increasing South-South trade. The right mix of gradually increasing regional and extra-regional competition and of measured protection allows for a smooth integration into the global trading system and makes regional integration a vehicle for growth and faster poverty reduction.
- **Regional public goods:** Cooperation between neighbouring countries is the only way to address transnational challenges such as food security, the exploitation of natural resources, biodiversity, climate change and disease and pest control. This regional dimension needs to be complemented by larger-scale cooperation commensurate with the scale of the challenge. Public repositories of scientifically validated information are valuable public goods in the context of addressing global and regional challenges.

---

<sup>11</sup> European Commission (2006).

<sup>12</sup> European Commission (2008a) p. 3.

The Communication also identified the multiple and long-standing regional integration challenges affecting the ACP regions.<sup>13</sup> These included:

- a lack of ownership and institutional capacity at regional and national level;
- a need to overcome the fragmentation of regional markets;
- insufficient economic diversification;
- inefficient infrastructural interconnections;
- a need for more effective regional policies to address common challenges in support of sustainability.

In 2011, the EU published its **Agenda for Change**. Building on the European Consensus on Development, the Agenda for Change refined the EU strategy for delivering high-impact aid and provided guidance on aid programming choices for 2014-2020. Deeper regional integration was recognised as a key vector for sustainable and inclusive growth. In line with this, the EC advocated EU support for '*regional and continental integration efforts (including South-South initiatives) through partners' policies in areas such as markets, infrastructure and cross-border cooperation on water, energy and security*', together with continued support for tackling competitiveness gaps in the framework of the '*EU's Aid for Trade activities, Economic Partnership Agreements and other free trade agreements with developing regions*'.<sup>14</sup> The Agenda for Change also committed the EU to developing blending mechanisms to boost financial resources for development.

## 2.2. Regional integration and cooperation in ACP-EU relations

Regional cooperation was a key component of ACP-EU relations under the Second Yaoundé Convention of 1969, which made clear that regional organisations could be beneficiaries of European Community aid.

Signed in 1975, the **Lomé Convention I** committed the European Community to providing effective assistance to the ACP states to enable them to attain their own objectives in the fields of regional and inter-regional cooperation. Successive Lomé Conventions (signed in 1979, 1984 and 1989) continued to focus on the acceleration of economic cooperation among ACP regions and on promoting inter-regional trade by removing obstacles to economic integration. Regional cooperation and technical and financial assistance encompassed an increasingly wide range of sectors including trade, market integration, industrialisation, transport and communications, energy, agriculture, fisheries, research and technology, education and training, tourism, health, cultural and social cooperation, and the strengthening of organisations set up by the ACP states to promote regional cooperation and integration.

The 1984 **Lomé Convention III** clarified the definition of regional operations and was intended to improve contact with and consultation among the regional organisations. It identified as one of its objectives the need to strengthen the ACP states' collective self-reliance by providing '*support for their efforts to organise themselves into regional groupings and to step up their cooperation at regional and inter-regional levels*'.<sup>15</sup>

The **Lomé IV** (1990-2000) recognised the importance of regional economic integration, as well as the role of regional organisations duly mandated by the ACP states, in the planning and implementation of regional programmes.<sup>16</sup>

<sup>13</sup> European Commission (2008a).

<sup>14</sup> European Commission (2011b) p. 8.

<sup>15</sup> See Lomé Convention III, accessible at <http://aei.pitt.edu/37200/>

<sup>16</sup> See Archive of European Integration on EU-ACP relations, at: <http://aei.pitt.edu/view/eusubjects/conventions.html>

Finally, the **Cotonou Partnership Agreement** (CPA), signed in 2000 for a period of 20 years, recognised regional integration as an essential step in the broader integration of ACP countries in the world economy. Article 1 of the CPA stipulates that '*regional and sub-regional integration processes which foster the integration of the ACP countries into the world economy in terms of trade and private investment shall be encouraged and supported.*'<sup>17</sup> The CPA introduced a major innovation, replacing the non-reciprocal trade preferences granted to ACP countries under the Lomé Conventions, by WTO-compatible Economic Partnership Agreements (EPAs), to be negotiated with regional groupings of ACP countries. The idea was that this move would limit the number of agreements and help to sustain regional integration efforts.<sup>18</sup>

The 2010 revision of the CPA emphasised the importance of regional integration and included additional wording on the continental level and cooperation with the AU: '*Particular emphasis shall be put on regional integration, including at continental level.*' (CPA, Article 2, fundamental principles) and '*The dialogue in this context [on peace and stability] shall fully involve the relevant ACP regional organisations and the African Union, where appropriate*'<sup>19</sup> (CPA, Article 8, political dialogue).

### 2.3. A brief look at regional integration in the ACP regions

The EU has not supported regional integration in the ACP countries in a void. ACP countries also have a long history of commitments to and efforts at regional integration, and most regions have moved a long way in liberalising regional tariffs.<sup>20</sup> While it would go beyond the scope of this paper to undertake a thorough analysis of the history of regional integration in the ACP, it is clear from the paragraphs below that, despite the progress achieved, deep challenges remain across regions and subregions.

In **Africa**, regional political integration has been an integral part of the broader aspiration of African continental integration ever since the inception of the Organisation of African Unity (OAU) in 1963 and the subsequent establishment of the African Union (AU) in 2001. The 1991 Abuja Treaty (signed by all the members of the OAU) formally established the regional economic communities (RECs) as building blocks for the eventual creation of a single pan-African arrangement, the African Economic Community (AEC). It also called for the adoption of a single currency by 2023. Since then, overlapping institutions have been established within each of the five regional spaces identified by the Abuja Treaty (i.e. Northern Africa, Eastern Africa, Western Africa, Central Africa and Southern Africa).

Over the decades, the ideal of creating of more closely integrated African continent has been reflected by a number of efforts at several levels and in various areas. The launch of the New Partnership for African Development (NEPAD) in 2001 renewed the drive to provide essential regional public goods and promote intra-African trade and investment. The AU sought to improve cooperation with the RECs, both when it decided in 2006 to rationalise coordination and harmonise the activities of the RECs and when it issued its 2008 Protocol on Relations between the AU and the RECs.<sup>21</sup> The AU has formally recognised only eight RECs as the building blocks of African integration.<sup>22</sup>

---

<sup>17</sup> The Cotonou Agreement.

<sup>18</sup> See ECDPM (2001).

<sup>19</sup> The Cotonou Agreement.

<sup>20</sup> ODI (2008).

<sup>21</sup> See Bond & ECDPM (2010).

<sup>22</sup> These are the Community of Sahel-Saharan States (CENSAD), the Common Market for Eastern and Southern Africa (COMESA), the East Africa Community (EAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Intergovernmental Authority on Development (IGAD), the Southern African Development Community (SADC), and the Arab Maghreb Union (AMU).

Interregional coordination is on the rise. COMESA, EAC and SADC held their first tripartite summit in October 2008, at which the respective heads of state agreed to establish a free trade area (FTA) covering all their member states, a commitment that has fuelled the interest of African governments in establishing a continental FTA.<sup>23</sup> The Tripartite Free Trade Area agreement was finally signed in June 2015. However, a second phase of negotiations will still be required to resolve a number of outstanding issues<sup>24</sup>, the potential benefits will not be delivered overnight and whether South Africa will become a party to the agreement remains to be seen.<sup>25</sup> Despite the persistent issue of overlapping membership of African RECs, African countries have agreed on Minimum Integration Programmes (MIPs) that identify a small number of areas of high-priority regional and continental concern. Recent ECDPM research on the political economy of regional integration in Africa found that, important though the AU and the RECs are, they do not necessarily fully serve the purpose they claim to serve. Although capacity weaknesses are part of the problem, there are more complex underlying political economy features, including long-run structural factors, institutional dynamics and short-term critical factors that further or hinder regional cooperation. The evidence suggests that the implementation of agreed regional policies or commitments is seldom a priority, and that there is great variance in implementation between different sectors and policy areas.<sup>26</sup>

In the **Caribbean**, the CARICOM, established in 1973, is the main focus of regional integration. CARICOM's objectives are:

- economic integration (i.e. a common market in goods);
- functional cooperation (in education, health and several other areas);
- foreign policy coordination;
- (since 2007) cooperation in security.<sup>27</sup>

In 1989, CARICOM heads of government (HoG) declared their intention to create a single market and economy (CSME). This was officially inaugurated in 2006 and the single economy is scheduled for completion in 2015. In 1992, the CARICOM members plus the Dominican Republic, Haiti, Suriname and Cuba created the CARIFORUM, whose mandate is to manage and coordinate policy dialogue between the region and the EU, coordinate the allocation of resources and manage the implementation of regional EDF funds. However, research by the UWI Institute of International Relations (IIR) pointed to a *'region burdened by a lack of vision, weak implementation of decisions, mistrust, poor leadership and institutional decline'* and the *'apparent institutional stagnation within many of the organs of regional governance and, especially, CARICOM'*.<sup>28</sup> Yet the same study also pointed out that stakeholders simultaneously see the imperative of integration for the future of the region, with many 'existential threats' such as climate change, food security, transnational crime and governance challenges being common to all countries in the region. The CARICOM Secretariat has repeatedly been described as being in crisis and has undergone organisational and administrative reform in recent years, a process which resulted in the publication of the community's first five-year strategic plan, for 2015-2019.<sup>29</sup> Another important regional trend is the wider engagement between the Caribbean and Latin America, for example through the Community of Latin America and Caribbean states (CELAC). Established in 2010, CELAC is seen as a promising initiative for political dialogue, including at an inter-regional level.<sup>30</sup>

<sup>23</sup> See African Union Ministers of Trade, 6th Ordinary Session, November 2010.

<sup>24</sup> Andriamananjara (2015).

<sup>25</sup> Tralac (2015).

<sup>26</sup> See Vanheukelom et al (2016).

<sup>27</sup> Bishop et al (2011).

<sup>28</sup> Bishop et al (2011).

<sup>29</sup> Stoneman, Pollard and Inniss (2012); Byron (2014). See also <http://caricom.org/about-caricom/what-we-do>.

<sup>30</sup> Byron (2014), see also: [http://www.eeas.europa.eu/lac/index\\_en.htm](http://www.eeas.europa.eu/lac/index_en.htm)



There are a number of regional organisations pursuing regional cooperation in the **Pacific region**. The Pacific Islands Forum (PIF) was established in 1971 and is run by a Secretary-General, supported by a Secretariat. The PIF's main objective is to promote regional cooperation in the Pacific on economic and trade matters. During the 1970s and the 1980s, the drive for economic integration was weak, but commitment resurfaced in the 1990s in the wake of globalisation. In 2005, Pacific leaders signed a Pacific Plan aimed at strengthening regional cooperation, easing capacity constraints and boosting economic opportunities through regionalism.

The PIF's Secretary-General is the permanent Chair of the Council of Regional Organisations in the Pacific (CROP), which brings together the Forum and nine other Pacific regional organisations.<sup>31</sup> However, progress to date has been fairly shallow and slow. *'To sum up, regional integration in the Pacific continues to be an elusive goal. There are regional rivalries, not only among the sub-groups within the region, but also between ANZ [Australia and New Zealand] on one hand and the EU on the other.'*<sup>32</sup> The rivalry between the EU and ANZ has been reflected notably by their pursuit of preferential access to the Pacific Island countries, for the EU through EPA negotiations and for ANZ through a Free Trade Agreement.<sup>33</sup>

A number of other regional organisations and groupings have emerged in recent years. Some of the Pacific's largest and most economically dynamic island states have strengthened their cooperation on climate change and security through the Melanesian Spearhead Group and the Polynesian Leaders Group, which was formed in 2012.<sup>34</sup> Also, the parties to the Nauru Agreement on tuna fishing, a key economic sector, are increasingly driving the dynamics of regional fisheries. Although long regarded as the region's strongest political body, the PIF has been shaken by the absence of its host country Fiji, following its suspension in 2009 for failing to hold elections.<sup>35</sup> The creation of a Pacific Islands Development Forum in 2013 was also viewed as a significant challenge to the PIF. Tarte (2014) argues that many of these new regional dynamics in the Pacific are driven by a growing discontent with the established regional order, with Pacific island states making more and more use of alternative frameworks to tackle the challenges facing them.

---

<sup>31</sup> The Pacific Forum Fisheries Agency, the Pacific Islands Development Programme, the Secretariat for the Pacific Community, the South Pacific Applied Geoscience Commission, the South Pacific Regional Environment Programme, the South Pacific Tourism Organisation, the University of the South Pacific, the South Pacific Board for Educational Assessment and the Fiji School of Medicine.

<sup>32</sup> Jayaraman (2013), p. 120.

<sup>33</sup> Jayaraman (2013).

<sup>34</sup> Tarte (2014).

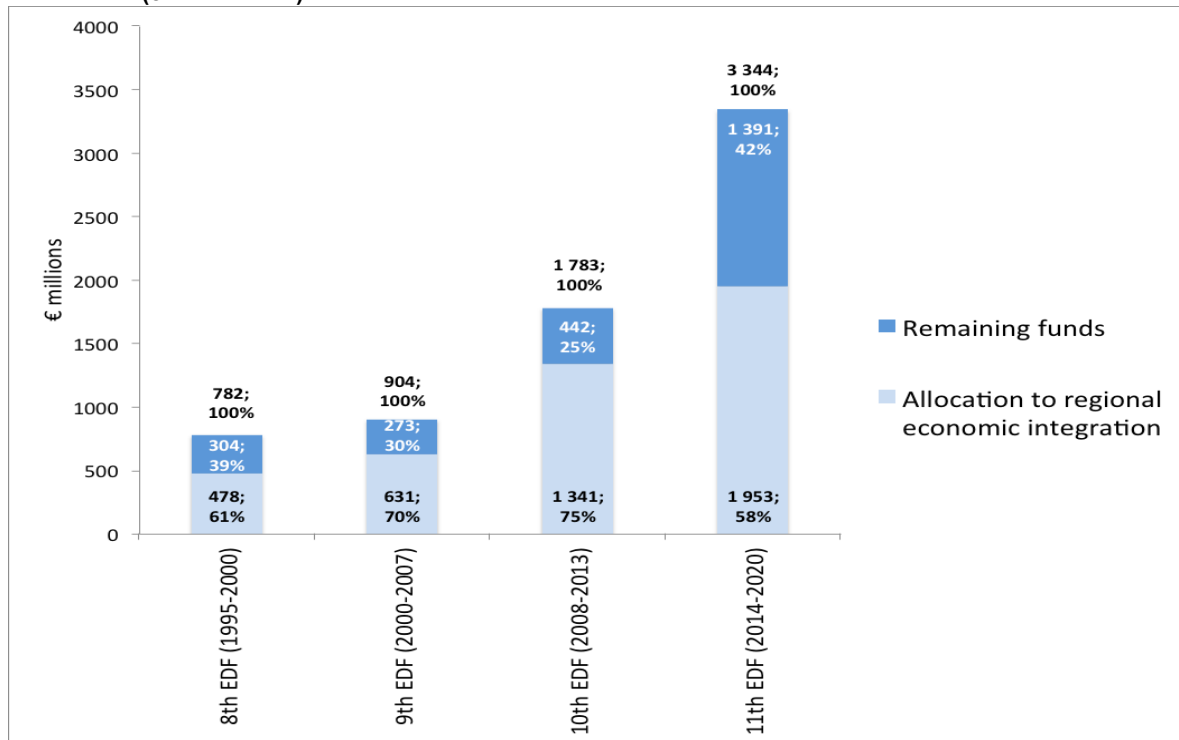
<sup>35</sup> Tarte (2014).

## 2.4. Changes in priorities in EDF support for regional integration

The 11<sup>th</sup> EDF marks a transition to supporting the ‘domestication’ of regional agendas at a national level. Although capacity-building for regional organisations remains a key focus, the new governance structure of the RIPs is intended to direct more funds through actors other than the DMRO Secretariats (also acting as Regional Authorising Officers).<sup>36</sup> In other words, the aim is now to support national administrations and other regional organisations and actors who did not previously receive support through the RIPs to implement regional agendas at the national level. There has also been a surge in the use of blending, which consequently absorbs a big share of the regional envelopes.

It would be beyond the scope of this paper to undertake a comparative analysis of previous programming exercises. However, the changes in funding and priority sector allocations over successive EDFs does provide certain insights into the approach followed in the 11<sup>th</sup> EDF. A historical analysis shows that EDF funds dedicated to supporting regional integration and cooperation doubled in size from the 9<sup>th</sup> to the 10<sup>th</sup> EDF and again from the 10<sup>th</sup> to 11<sup>th</sup> EDF (Figure 1). This upward trend continued in the 11<sup>th</sup> EDF.

**Figure 1 Aggregate regional funding and size of envelopes dedicated to regional economic integration (8<sup>th</sup> - 11<sup>th</sup> EDF)**



Source: IOB (2012) and own calculations for the 11<sup>th</sup> EDF.

Interestingly, Figure 1 also shows that support for regional economic integration has always absorbed the majority of regional funds and that, although funding for sectors other than regional economic integration

<sup>36</sup> The duly mandated regional organisations (DMROs) mandated by ACP countries to elaborate and finalise the 11<sup>th</sup> EDF RIPs are as follows: (i) for the EA-SA-IO region, the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Intergovernmental Authority on Development (IGAD), the Indian Ocean Commission (IOC), and the Southern Africa Development Community (SADC); (ii) for the West Africa Region: the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (UEMOA); (iii) for the Central Africa region: the Economic Community of Central African States (ECCAS) and the Central African Economic and Monetary Community (CEMAC); (iv) for the Caribbean region, the Caribbean Forum for ACP States (CARIFORUM); and (v) for the Pacific region, the Pacific Islands Forum Secretariat (PIFS).

(in the remaining funds category) has varied over time, it increased sharply under the 11<sup>th</sup> EDF. These figures need to be viewed in the wider context of external support for regional integration, involving interventions by a relatively small number of actors, i.e. the World Bank, the African Development Bank (AfDB), and, among bilateral donors, the UK, Germany, France, US, Sweden and Japan.<sup>37</sup> The EU carries significant financial weight among the latter.

EDF regional sector denominations have changed over time and have in the past included such things as 'business development' and 'good regional governance', thus making it difficult to make a direct comparison with the sectoral analysis of the 11<sup>th</sup> EDF presented in chapter 4. However, aggregate sectoral trends are a good indication of what has been prioritised in the past.

Figure 2 shows that, in the past, infrastructure featured as a big recipient of European Commission support for regional cooperation. It is a sector that has clearly been downsized at national level in the 11<sup>th</sup> EDF,<sup>38</sup> while the majority of funds are aggregated in the rather vaguely defined sector of 'sustainable development'.

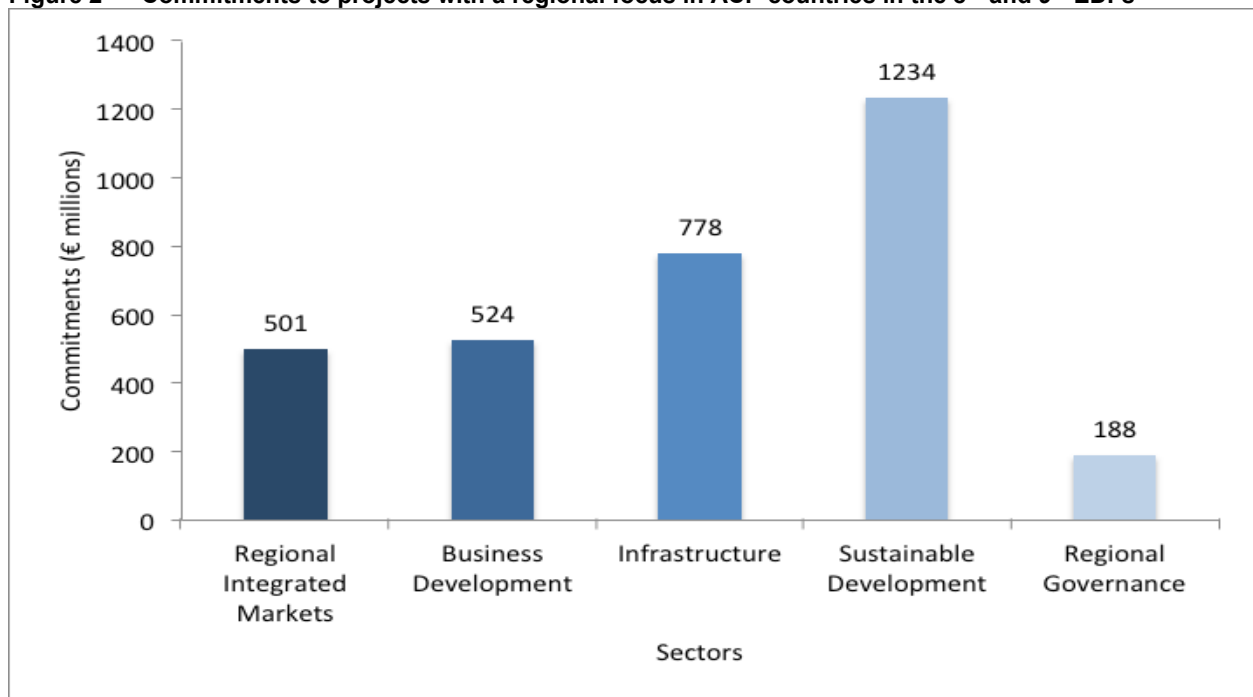
Under the 11<sup>th</sup> EDF, an effort has been made to define sectors more clearly, in accordance with the sector concentration policy outlined by the Agenda for Change. As a result, there are now sectors such as 'natural resource management' (defined quite broadly, as it includes food and nutrition security, wildlife conservation, coastal and marine conservation, and more), as well as 'peace and security' (with a special emphasis on border controls, crime, electoral support, etc). Sector allocations in the 11<sup>th</sup> EDF are presented and defined in more detail in chapter 4.

---

<sup>37</sup> In 2012, the French Ministry of Foreign Affairs published an interesting study on support for regional integration and the implications for development partners. This contains some interesting figures on the budgets mobilised by different donors, and their respective priority sectors. According to the French study, the World Bank's envelope dedicated to regional cooperation was USD 1.8 billion under IDA15 (2007-2011), representing less than 1% of total IDA funds, and directing around 80% to Africa. In terms of sector allocation, 70% of the World Bank's regional envelope goes to supporting the infrastructure sector (46% is allocated to energy, and 26% to transport) and regulatory frameworks, with a maximum of 10% of the envelope going to regional organisations (under IDA15). The African Development Bank spent USD 1.4 billion on regional projects, with 70% of funds coming from the regional envelope. As regards DFID, regional programmes account for around 10% of financial support allocated to Africa and represented a value of GBP 232 million between 2008 and 2011. This budget was allocated to the following priority sectors: regional economic integration (trade), African regional organisations, and climate change. The World Bank, the AfDB and KfW operate mainly through loans. DFID works mainly through the African Union, UNECA, the AfDB, and the RECs. GIZ, a German donor, operates at a continental level, and has contacts with a wide variety of regional organisations in Africa. According to Soderbaum and Brolin (2016), Sweden disbursed SEK 3,088 million in regional development cooperation between 2010 and 2014, primarily through interventions classified under peace and security, environment and climate and economic integration (63% of disbursements).

<sup>38</sup> Herrero et al (2015).

**Figure 2 Commitments to projects with a regional focus in ACP countries in the 8<sup>th</sup> and 9<sup>th</sup> EDFs**



Source: Authors' own calculation based on data obtained from European Commission (2008c).<sup>39</sup>

Although regional integration remains a recurring feature of EU development policy and ACP-EU relations, many of our interviewees claimed that the focus of EU regional cooperation and funding allocation has changed over time. Some of them said that, until the 9<sup>th</sup> EDF, the focus was mainly on technical assistance for capacity-building and institution-building at regional organisations.<sup>40</sup>

It was felt that the 10<sup>th</sup> EDF (2008-2013) placed a greater emphasis on the political aspect of regional cooperation, adding a new dimension to it in the form of Economic Partnership Agreements (EPAs) and regional 'aid for trade' packages. Andris Piebalgs, the former EU Commissioner for Development, said that, 'under the 10<sup>th</sup> EDF, the Regional Indicative Programmes have taken on a new meaning with the negotiation of the EPAs and the strengthening of the political mandates of African regional organisations. This context has justified the doubling of the regional integration allocation in comparison with the 9<sup>th</sup> EDF. The bulk of the envelope (75%) has gone to supporting ACP countries' efforts to boost regional economic integration.'<sup>41</sup>

The 10<sup>th</sup> EDF also placed more emphasis on support for regional mechanisms for fostering peace and stability, especially in Africa, where regional programmes were seen to be able to support the then new African Peace and Security Architecture (APSA).<sup>42</sup>

During the 10<sup>th</sup> EDF, the use of blending was limited to the infrastructure sector and regional programmes. Our analysis shows that blending is used in the 11<sup>th</sup> EDF across a wider range of sectors, particularly at a national level.<sup>43</sup> While the EU Platform for Blending in External Cooperation (EUBEC) has called for the

<sup>39</sup> Covers multi-country, regional and national programmes between 1996-2007.

<sup>40</sup> Interview with EUD official, January 2015.

<sup>41</sup> Piebalgs (2012).

<sup>42</sup> European Commission (2008).

<sup>43</sup> See Table 19 in Herrero et al (2015) p. 109 for a list of sectors in which blending is envisaged (based on a sample of 57 NIPs). Only two social sectors were identified with blending opportunities: water and sanitation on the Cook Islands and employment in the Dominican Republic.

targeting of sectors such as agriculture and the social sector,<sup>44</sup> the EC itself has published figures indicating that EC aid is still largely dominated by infrastructure at global level. This is a result both of a strategic choice and of the fact that large amounts of funding are required for infrastructure projects.<sup>45</sup>

The use of blending in the energy sector has grown exponentially under the 11<sup>th</sup> EDF programmes (notably in national programming). Up to €400 million has been earmarked for spending on energy and transport in West Africa with the aid of blending, although the regional pipeline for blending projects has '*a more precise list in transport than in energy*'.<sup>46</sup>

**Table 2 Rationale for increase in funding of regional envelopes**

EDF	Main driver for increase in regional envelope
9 <sup>th</sup>	Build capacity and institutions.
10 <sup>th</sup>	Support, accompany and compensate for EPAs + regional 'aid for trade' packages. Strengthen political mandates of African ROs. Support African peace and security architecture (APSA).
11 <sup>th</sup>	Increase the use of blending. Direct access (domestication, support DMROs in their core mandate, improve disbursement rates).

## 2.5. Chapter findings in a nutshell

Regional integration lies at the heart of the EU's external relations and development and international cooperation policies. It is promoted and supported as means of improving political stability, fostering economic development, alleviating poverty and addressing transnational and global challenges. The EU is one of the main donors providing support for regional cooperation and regional integration, along with other multilateral donors such as the World Bank and the African Development Bank, and a few EU member states (notably the UK, France and Germany) and other bilaterals such as the US and Japan.

The conceptual framework underpinning the EU's support for regional integration and regional cooperation has not changed significantly over the years and has been a recurring element in EU-ACP relations since the 1970s. The CPA recognised regional integration as an essential step in the broader integration of the ACP countries in the world economy and identified it as an objective of the Partnership. There has been a big increase in the funds allocated to regional integration since the 8<sup>th</sup> EDF, from €782 million to €3,344 million in the 11<sup>th</sup> EDF. Most funds have been allocated to supporting regional economic integration, with an upsurge in the 10<sup>th</sup> EDF in the wake of EPA negotiations. While funding to other sectors has also increased with subsequent EDFs, infrastructure has always featured as a priority area in EU regional cooperation, and support for regional peace and security efforts has also increased since the 10<sup>th</sup> EDF.

The 11<sup>th</sup> EDF regional programming marks a transition to supporting the 'domestication' of regional agendas at a national level. It is innovative in that it allows actors other than DMROs to access regional funds, hence reducing the volume of funds channelled directly through DMROs. It also marks a dramatic increase in the use of blending facilities.

The EU does not support regional integration in the ACP group of countries in a void. The ACP countries and regions have a long history of commitments to and efforts to pursue regional integration. Although most regions have moved a long way, big challenges remain.

<sup>44</sup> European Commission (2014).

<sup>45</sup> See DEVCO figure in Annex III.

<sup>46</sup> Interview with EC officials, 16 January 2016.

### 3. The new approach to supporting regional integration in the 11<sup>th</sup> EDF: will it deliver better results?

This chapter contains a brief analysis of the context in which the 11<sup>th</sup> EDF programming took place. It then explores in more detail how pressure to deliver results in the face of mounting budgetary constraints has created powerful incentives for taking serious account of critical appraisals of past approaches. The chapter concludes by examining how the EU's key strategic objectives have translated into operational innovations, and critically discusses the EU's new approach to regional cooperation.

#### 3.1. The contextual dynamics influencing the 11<sup>th</sup> EDF programming

The 11<sup>th</sup> EDF programming process took place in a rapidly changing and highly challenging context, in both political and policy terms. The paragraphs below sketch the main trends influencing the process:

##### ***Globalisation and regionalisation of EU external action***

The pursuit of Europe's collective international interests and those of individual member states is increasingly compelling the EU to engage with both a wider global group and more focused regional groupings than the ACP group. Such an approach reflects a broader trend in EU foreign policy to respond to fiercer competition from Brazil, Russia, India, China and South Africa. While the EU continues to promote a global approach to international cooperation worldwide, it also pursues a regionalised approach to EU external action, notably by:

- adopting sub-regional geographic strategies to address global foreign policy, security, trade and development concerns in the various ACP regions (e.g. the Joint Africa-EU Strategy);
- signing strategic partnerships with neighbouring countries, emerging economies and countries with geostrategic importance;
- defining security-induced EU foreign policy regional strategies in Africa (in the Sahel, the Great Lakes, the Gulf of Guinea and the Horn of Africa).

These regional strategies are at the core of the EU's political priorities and interests, and address the security-development nexus in the region. Although they lack operational funding, they have informed the creation of new instruments (i.e. Trust Funds). The downside has been a proliferation of overlapping and possibly competing EU policy frameworks, which inevitably lead to inefficiencies, higher transaction costs, and reduced coherence of EU external action.<sup>47</sup>

##### ***The validity of the EU's regional integration model is being called more and more into question***

The EU is perceived as a model by many regions, with the notable example of the AU, whose institutional set-up mimics the EU. However, the regionalism of today is seen as open and intersecting, where global and regional interdependence consists of much more than trade and economics, and also encompasses issues such as the environment, health, food safety, human rights and social media.<sup>48</sup> Many discussions of regional integration make references to the EU experience: if not always perceived as the ultimate model, it is at least commonly referred to as the chief example and a likely benchmark.<sup>49</sup> While the evidence shows that EU interregionalism has helped to foster the EU's interests and project its influence beyond its borders,

<sup>47</sup> Adapted from Bossuyt et al (2016).

<sup>48</sup> Telo, Fawcett and Ponjaert (2015).

<sup>49</sup> Bilal (2007).

its value-driven approach to supporting regional integration has also attracted criticism, including for its rigid, normative, 'one-size-fits-all' approach, resulting in unworkable institutions or imitations of EU-like stages of integration.<sup>50</sup> The EU's pioneering role in regional integration has been severely shaken by the recent economic, financial, political and social crisis,<sup>51</sup> and the deepening conflicts and crises beyond the EU's immediate borders, to the east and south. Some observers regard Europe as being on the brink of collapse, with EU member states unable to muster a coordinated response to the influx of refugees, to join diplomatic efforts to address the crises in Ukraine and Syria, to counter the rise of populists and eurosceptics, and to cope with the United Kingdom's referendum on whether to remain in or leave the EU.<sup>52</sup>

### ***Foreign policy 'comes home'***

*'The growing focus on internal affairs and crisis-related 'navel-gazing' by politicians in various [EU] member states is influencing countries' strategies and interactions with their European counterparts and non-EU partners, as well as the Union's voice and leverage abroad'.<sup>53</sup>* The interdependence of international and domestic politics in the EU is increasingly seen as a key factor shaping the design of EU external action and the debates surrounding it.<sup>54</sup> The boundaries between local, national, EU and international action have evidently been blurred in a wide range of cross-cutting policy fields, from European integration and trade to migration.<sup>55</sup> In particular, Europe's 2015 political crisis over refugees and migration has been highlighted as a case in which domestic politics and public opinion in the EU member states have ultimately led to the absence of a coordinated EU approach to the crisis.<sup>56</sup> EU self-interest and domestic politics were in clear evidence at the EU-Africa Valletta Summit in November 2015, as the EU based its negotiating position on tying financial support to the (still unresolved) question of readmission. The principle of ownership and co-management underpinning the EU-ACP partnership<sup>57</sup> was also significantly eroded, notably by the creation of the EU Emergency Trust Fund for Africa, which drew massively from the EDF funds, including from several RIPs,<sup>58</sup> leaving DMROs de facto out of the Trust Fund's decision-making structure.<sup>59</sup>

### ***A changing policy context for EU development aid programming***

The 11<sup>th</sup> EDF was negotiated at a time of austerity. Just as the Lisbon Treaty entered into force in December 2009, the EU was hit by an unprecedented economic, financial, political and social crisis. EU leaders agreed on a net reduction of 3.4% in the EU budget, capped at 1% of GNI. This reduction represented a total of €960 billion (all envelopes included) for the 2014-2020 programming period.

Under mounting pressure to do more with less and show value for money, the European Commission announced a new development cooperation policy in October 2011. This was designed to maximise the impact of EU aid by making it more efficient and effective, more targeted and result-oriented. Known as the Agenda for Change, it introduced a number of innovations in EU development aid:

<sup>50</sup> Telo, Fawcett and Ponjaert (2015).

<sup>51</sup> Cameron (2010).

<sup>52</sup> Balfour et al (2016).

<sup>53</sup> Balfour et al (2016), p.3.

<sup>54</sup> ETTG (2016).

<sup>55</sup> Balfour et al (2016).

<sup>56</sup> Balfour et al (2016); Knoll, Faure and Gavas (2016).

<sup>57</sup> Knoll (2015a).

<sup>58</sup> Knoll (2015b).

<sup>59</sup> Hauck, Knoll, and Herrero (2015).

- target aid at those countries where the needs are greatest, by taking a differentiated approach to aid allocation;
- focus on two key priority areas: governance, democracy and human rights on the one hand; and sustainable and inclusive growth on the other;
- concentrate cooperation on a maximum of three sectors.<sup>60</sup>

### ***A new global context for aid and international cooperation***

The Global Partnership for Effective Development Cooperation was signed in Busan in November 2011. The Busan Global Partnership document recognised the importance of tackling regional challenges to eradicate world poverty and the fact that *'regional organisations can and should play an important role in supporting implementation at the country level, and in linking country priorities with global efforts'*.<sup>61</sup> It also recognised the need for development countries to increasingly integrate, both regionally and globally, by creating economies of scale that would help them compete better on the global market. The agreement marked a transition from a narrow focus on aid to a broader notion of development effectiveness, grounded on a set of principles and differential commitments for achieving the following goals:

- ownership of development priorities;
- focus on results;
- inclusive development partnerships;
- transparency, coordination and mutual accountability, including at a regional level.

It is interesting to note that the revised 2010 version of the CPA already made an explicit commitment to ownership, alignment, donor coordination and harmonisation, managing for development results and mutual accountability.

### ***A new institutional structure for EU external action and development cooperation***

The entry into force of the Lisbon Treaty also created a legal basis for the European External Action Service (EEAS) and its network of EU Delegations (EUDs). This required changes in the programming and management of external action financial instruments, as well as a thorough revision of the programming instructions for the 2014-2020 period. The EEAS and DG DEVCO share a responsibility for strategic programming. They both prepare Commission decisions on country and regional financial allocations and ensure co-leadership in the programming process, although DG DEVCO takes the lead in thematic and regional programming. The EEAS is responsible for a strategic vision and for ensuring interinstitutional coordination of EU external action. EUDs are also to play a more prominent role, by drafting a proposal for an EU response strategy, based on an assessment of the overall political situation and the existing national and regional development plans.<sup>62</sup>

### ***Greater pressure to 'do more with less' and to 'manage for results'***

As the EU's economic and financial crisis unfolded, EU institutions found themselves under mounting pressure to deliver more results with fewer resources. An interinstitutional agreement on budgetary discipline and sound financial management imposed a progressive 5% reduction in staffing levels on all EU institutions, by 2017. Against this backdrop, DG DEVCO launched a strategy for improving the efficiency of

<sup>60</sup> Adapted from Herrero et al (2015).

<sup>61</sup> Busan Partnership (2011).

<sup>62</sup> Adapted from Herrero et al (2015).



EUDs, by optimising the use of staff and implementing modalities. This led to some degree of redistribution of staff and workloads over EUDs, and to a recommendation to increase the size of contracts and outsource content work where EUDs lacked either the expertise or the staff for particular projects. In addition, DG DEVCO revamped its results framework to raise the visibility of EU aid and to make it easier to show 'value for money' to EU taxpayers.

### 3.2. 'Learning from the past': a key driver in 11<sup>th</sup> EDF approach to regional programming

The regional programming orientations for the 11<sup>th</sup> EDF stated that *'the EU, ACP States and their regional organisations must learn from the 10<sup>th</sup> EDF experience: more can be done with EU funding, and better. There is a clear need to draw lessons from the past and outline the best way forward.'*<sup>63</sup>

As there has been a big rise in pressure to show value for money over the past decade, critical reports on how EU money is spent have become increasingly influential. A case in point is the Court of Auditors' special report entitled 'Effectiveness of EDF support for regional economic integration in East Africa and West Africa', which concluded that EDF support for regional economic integration had so far been only partially effective.<sup>64</sup> In 2011, the EC published a 'Staff Working Paper on the Performance review for the 10<sup>th</sup> EDF',<sup>65</sup> which largely validated the assessment of the Court of Auditors and reported slow disbursement rates and alarming implementation delays:

*'Between the 9<sup>th</sup> and 10<sup>th</sup> EDFs, regional financial envelopes have been significantly increased and, at the same time, programme implementation increasingly centralised with the relevant regional organisations. Despite some progress, the technical and managerial capacity of the regional organisations has not kept up with these further responsibilities. In a number of cases, the regional decision-making process is rather slow and cumbersome, thus delaying implementation. To remedy such issues and to enhance ownership by regional organisations, 'contribution agreements' were encouraged more systematically.'*<sup>66</sup>

Several of the problems identified by these documents fell outside of the direct control of the European Commission:

- **delays in EPA negotiations** and **difficulties in anticipating the priorities** for the regional integration process and in preparing the EPA implementation phase;
- **lack of management capacity among regional organisations** and limited absorption capacity (particularly in West Africa and East Africa);
- **insufficient coherence between regional and national activities** as member states linger over the implementation of regional integration agreements between regional organisations;
- multiple and **overlapping regional organisations with similar mandates**, leading to the duplication of responsibilities in serving the same constituencies (despite progress in streamlining and harmonisation by the African Union and some Regional Economic Communities (RECs); and

<sup>63</sup> European Commission (2013).

<sup>64</sup> European Court of Auditors (2009).

<sup>65</sup> European Commission (2011a).

<sup>66</sup> European Commission (2011a).

- **long-standing challenges to regional economic integration**, despite the progress achieved. These include:
  - i. the limited incorporation of regional law into national law and adherence to integration requirements;
  - ii. the persistence of barriers to the free flow of goods, services, and people across borders;
  - iii. the overlooking or misunderstanding of the principle of subsidiarity between the regional and national levels;
  - iv. the absence of effective mechanisms for organising, implementing, directing, monitoring and revising the integration process, at both national and regional levels.

Other problems identified, notably in the European Court of Auditors report, were directly linked to how the European Commission managed its support for regional integration. These included:

- RIP focal areas were too broad and there were no clearly identified actions or priorities. As a result the RIPs were seen to be vague and without a clear strategic vision;
- Lack of appropriate governance structures for managing regional cooperation, leading to unstructured dialogue between the stakeholders concerned, leading to weak coordination between EDF regional and national programmes;
- EU Delegations' weak capacity to manage regional cooperation programmes;
- Inadequate coordination between Delegations with a regional and national mandate, and
- Weak monitoring and reporting systems for regional programmes.

A number of EU member states had also been critical of the European Commission's approach to regional cooperation. Our interviewees claimed that a report published by the French Ministry of Foreign Affairs on 'Support for regional integration in Africa: what implications for donors?'<sup>67</sup> had great influence on the EU and the EEAS in particular. The report urged donors to:

- improve the coherence between national and regional programmes when identifying and implementing programmes;
- improve alignment with RO strategies, so as to improve ownership;
- encourage and support cooperation mechanisms between ROs and joint initiatives;
- strengthen support for RO capacity;
- encourage collaboration among actors, based on the principle of subsidiarity;
- support social and economic cohesion at a regional level;
- support cross-border cooperation;
- use regional systems to manage regional aid.

These documents made clear that aid management considerations, based on a fairly generic analysis of regional integration challenges, heavily influenced the EU's approach to 'learning from the past'. They contained short-cut explanations of the implementation gap, which was said to be due to capacity constraints and political will, rather than a more refined analysis of the political economy dynamics underpinning regional integration in the different regions<sup>68</sup>, the broader set of interacting structural, institutional and agency variables, and domestic political and economic power relations.

<sup>67</sup> Mamaty et al (2012).

<sup>68</sup> See, for instance, the World Bank's 2007 evaluation report on multi-country programmes entitled 'The development potential of regional programmes', according to which the effectiveness of regional development programmes

Drawing on a political economy analysis resulting from academic research and from policy and practice-oriented studies, the ECDPM has proposed a five-lens framework that can help to open the black boxes of 'lack of political will' and 'capacity constraints':<sup>69</sup>

1. **Structural factors** relating to contextual aspects such as history, geography or certain deeply ingrained economic characteristics.
2. **Formal and informal institutions.** The 'rules of the game' are crucial for understanding how economic growth, political competition, social development and policies affecting the nature of regional integration. While formal institutions tend to capture the eye, in reality they thrive on less visible beliefs, norms and cultural mechanisms, or informal institutions or practices. To obtain a fuller picture of how institutions function, we have to understand the relationship between formal and informal institutions.
3. **Actors, political elites and agency.** Different actors pursue different interests and are influenced by different formal and informal institutional arrangements and incentives. Structural and institutional contexts interact with key actors, affecting policy choices, interests and behaviours, and create incentives for collective action that either foster or hinder development.
4. **Sector characteristics, (regional) public goods and governance implications.** Every sector or sub-sector has differing technical and governance characteristics, with varying political implications. For those national and regional public goods that are vital to regional integration, such as infrastructure and regulatory frameworks, reformers - and their external supporters - will benefit from a more granular understanding of the technocratic and political features in a particular sub-sector, as these shape the political opportunities for reform and development outcomes.
5. **External factors influencing the political economy context.** There are two types of external drivers that may affect domestic political economy and regional processes. First, there are exogenous drivers such as climate change, the changing nature of markets and consumer behaviour, and global and regional trends in production and transport. Second, donors' engagement with national public authorities and multiple formal regional institutions also influences regional policy agendas. As the aid landscape changes, so old aid modalities (such as financial aid transfers, technical assistance, policy dialogue and policy conditionalities) give way to a broader set of financing mechanisms (such as blending).

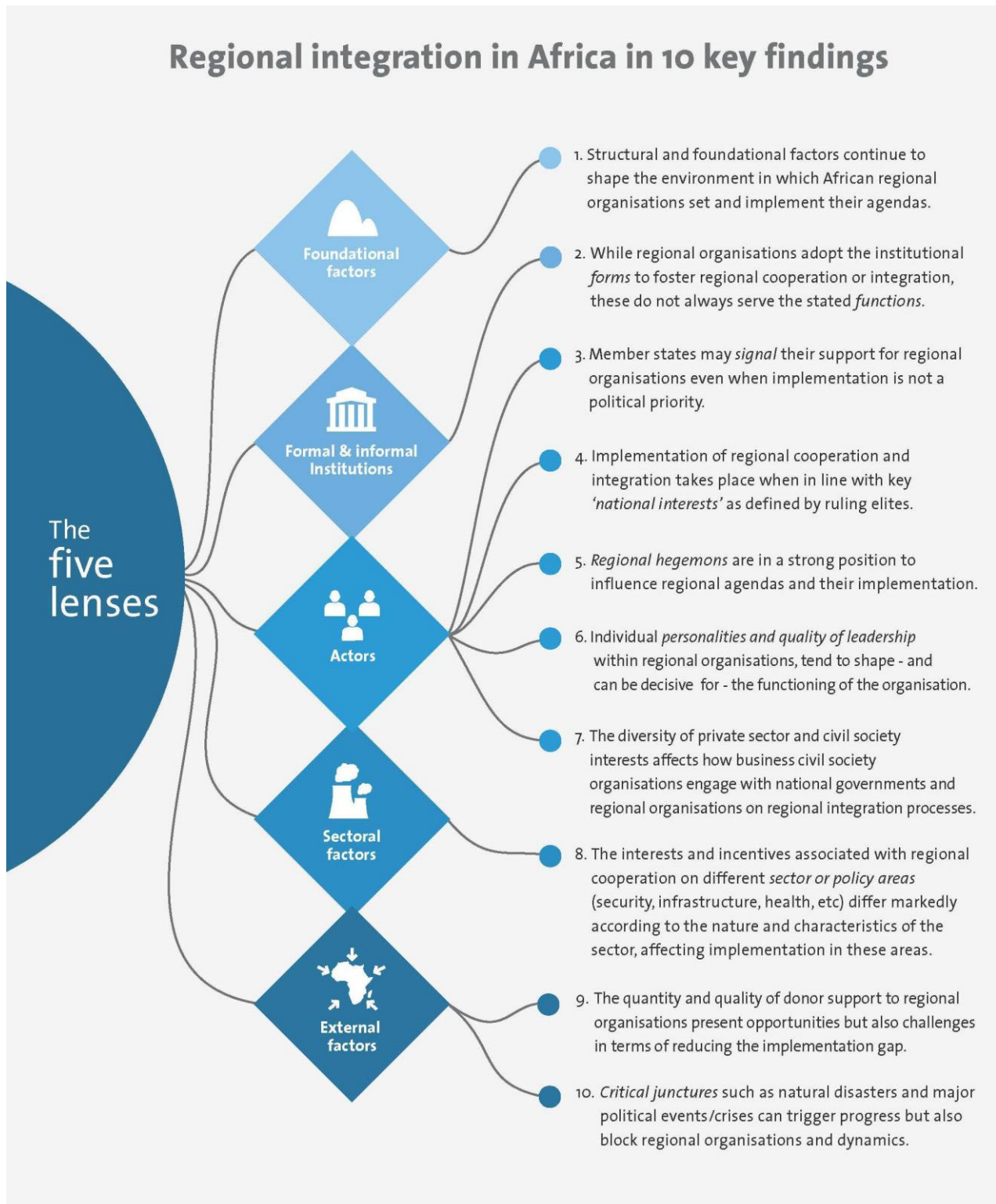
The diagram below summarises, in ten key features, the findings of the ECDPM study on the current political economy of regional integration in Africa. The study examines what motivates regional organisations to take regional cooperation forward, and the factors leading to implementation gaps. The findings are applicable to other regions, and can help identify types of partnerships, coalitions and policies that are conducive to regional cooperation and integration.

---

depends on five key design factors: (i) strong country commitment; (ii) whether the scope of objectives are matched with national and regional capacities; (iii) a clear delineation and coordination of the roles played by national and regional institutions; (iv) accountable governance arrangements; and (v) planning for sustainability, at both national and regional levels. See also Soderbaum and Brolin (2016).

<sup>69</sup> Adapted from Byiers, Vanheukelom, and Kingombe (2015).

Diagram 1 Key findings of ECDPM research on the political economy of regional integration in Africa



Source: ECDPM (2016) Drivers and constraints to regional integration in Africa - the political economy of regional organisations, <http://www.ecdpm.org/peria>

### 3.3. Major innovations in regional cooperation contained in the 11<sup>th</sup> EDF

Andris Piebalgs, the former European Commissioner for Development, summarised the new approach as follows:

*'On the one hand, our intention is to continue supporting regional organisations by addressing their core agenda and mandate more directly and by jointly identifying a few key sectors in which we can make a difference together. On the other hand, we feel the need to complement this support by tackling obstacles to regional integration at their very roots: this will involve providing African member states with the incentive to play a larger role at regional level and to implement their regional commitments while also ensuring that regional programmes are implemented by the most efficient stakeholders.'*<sup>70</sup>

A careful reading of the regional programming orientations and guiding EU policy documents allows us to identify the **EU's strategic objectives** for support for regional integration under the 11<sup>th</sup> EDF.<sup>71</sup> These are:

1. achieve high-impact aid through **sector concentration**;
2. contribute to the **implementation of regional strategies at a national level**;
3. **strengthen the regional organisations' political role**;
4. maintain allocations for regional cooperation while **improving disbursement rates**;
5. **leverage private investment** to support regional cooperation and integration actions;
6. improve the **governance** of RIPs.

We then analysed how these objectives translated into **key (operational) innovations** in the new EU approach to regional cooperation and support for regional integration:

#### ***'Go back to fundamentals'***

The idea was for the 11<sup>th</sup> EDF programming to focus on the three priorities identified in the CPA, i.e. peace and security, economic regional integration and global challenges. This would help to narrow down priorities, in line with the sector concentration policy set out in the Agenda for Change. The 10<sup>th</sup> EDF mid-term outlook would also help to identify realistic options.

#### ***Diversify the choice of implementing actors by direct access***

This would allow funding national and/or multi-country actions with specific regional dimensions<sup>72</sup> and ensure that implementation takes place at the most efficient level. As a result, actors other than RO Secretariats, such as national authorities and other ACP regional actors, may assume the role of regional authorising officer (RAO) and be financially responsible for managing the funding and implementation of EDF regional programmes.

<sup>70</sup> Piebalgs (2012).

<sup>71</sup> Table analysis based on information contained in the 2014-2020 regional programming orientations, the Court of Auditors' 2009 report on regional programming in East and West Africa, 10<sup>th</sup> EDF performance review, as well as interviews.

<sup>72</sup> In the case of the EA-SA-IO RIP, two thirds of the support for the region will probably be delivered to national governments committed to undertaking the necessary reforms to achieve progress in regional integration.

On the one hand, this would allow DMROs to focus on their role as coordinators, guides and supervisors of regional integration processes, instead of being overwhelmed by EDF programme management tasks. On the other hand, direct access would facilitate the 'domestication' of regional strategies at a national level. Moreover, RIPs would then also include aid-for-trade activities at a national level.

### ***Targeted capacity development support for regional organisations***

This means that RIPs would include a few key actions for supporting REC capacity development in implementing their core mandate of coordination, guidance and supervision.

### ***Increase the envelopes dedicated to EU regional blending facilities in the RIPs***

This would intensify cooperation with regional investment banks, and would allow the EU/ACP partners to leverage them to leverage private funds to support vital infrastructure investments with a potential for supporting regional cooperation and integration.

### ***A new governance mechanism***

This would take the form of 'regional steering committees', clarifying the division of roles between all actors involved, i.e. DMROs, Regional Authorising Officers (RAOs), National Authorising Officers (NAOs), regional EUDs, national EUDs and other regional bodies. Steering Committee are to be co-chaired by the EU and the DMROs, whose political role would be strengthened by providing them with comprehensive information on the EU's support for regional integration and cooperation.

The purpose of the steering committees is to:

- ensure ownership of the new approach by all actors;
- create a mechanism for concerted action and the effective mobilisation of EU and ACP stakeholders;
- create a space for policy dialogue to monitor regional integration and the implementation of projects financed by RIPs;
- boost the coordination role of DMROs over the implementation of EU regional funds.

Table 3 below outlines the key strategic objectives which were translated into key operational innovations during the 11<sup>th</sup> EDF regional programming process. The left-hand column lists the objectives identified by guiding EU policy documents and in our interviews. These include:

**Table 3 Strategic EU objectives and key operational innovations in the 11<sup>th</sup> EDF**

Strategic EU objectives	Key operational innovations in 11 <sup>th</sup> EDF
<p><b>High-impact aid</b> thanks to sector concentration.<sup>73</sup></p>	<p><b>Go back to the fundamentals</b>, with a focus on the three priorities identified in the CPA, i.e. peace and security, economic regional integration, and global challenges.</p> <p><b>Narrow down priorities</b>, based on mid-term outlook and realistic options, to <b>concentrate support under RIPs</b>.</p>
<p><b>Subsidiarity principle</b> as a <i>sine qua non</i> for an effective and meaningful process of cooperation and regional integration.<sup>74</sup></p> <p>Contribute to the <b>implementation of regional strategies at national level</b>.</p>	<p><b>Diversify choice of implementing actors (through direct access)</b> to promote regional integration at national and regional levels.</p> <p>RIPs to include operations at national level, i.e. national and multi-country activities with a specific regional dimension.</p> <p>Aid for trade at national level.</p>
<p><b>Strengthen the political role played by DMROs</b> by</p> <ul style="list-style-type: none"> <li>• providing them with comprehensive information on support for regional integration and cooperation; and</li> <li>• allowing DMROs more time for performing their core functions of coordination, guidance and supervision.</li> </ul>	<p><b>Targeted capacity development support of DMROs:</b></p> <p>RIPs to include a few key activities aimed at developing the capacity of RECs to pursue their core mandate.</p>
<p><b>Maintain allocations to regional cooperation.</b></p> <p><b>Leverage investment</b> to support regional cooperation and integration, <b>vital infrastructure</b> investments at national or regional level and private-sector development.</p> <p>Intensify cooperation with regional investment banks.</p>	<p>Increase envelopes allocated to <b>EU regional blending facilities</b> in RIPs.</p>
<p><b>Improve governance of RIPs</b>, in order to:</p> <ul style="list-style-type: none"> <li>• ensure ownership of the new approach by all actors;</li> <li>• create a mechanism for concerted action and the effective mobilisation of EU and ACP stakeholders;</li> <li>• create a space for policy dialogue to monitor regional integration and the implementation of projects financed by RIPs;</li> <li>• boost the coordination role of DMROs over the implementation of EU regional funds.</li> </ul>	<p><b>Establish a new governance mechanism</b>, i.e. a regional steering committee co-chaired by the EU and DMROs.</p> <p><b>Clarify the division of responsibilities</b> among all the actors involved, i.e. DMROs, RAOs, NAOs, regional EUDs, national EUDs, and other regional bodies.</p>

Source: European Commission 2008a, European Commission 2011b, European Commission 2013, Interview material 2015 & 2016.

<sup>73</sup> In accordance with the EU Agenda for Change (2011b).

<sup>74</sup> Programming orientations and COM (from 2008a).

### 3.4. Will these innovations deliver more regional integration?

Our analysis suggests that the key innovations introduced were intended primarily to address aid management problems and improve disbursement rates. It is unclear whether and how these innovations – if indeed implemented in practice – will produce better results in terms of regional integration.

#### ***The first innovation: direct access***

Direct access enables other actors, such as national authorities and regional organisations other than the DMROs, to access regional funds. This inevitably results in a reduction in the volume of EDF regional funds that are channelled directly through DMRO Secretariats.

Diversifying the choice of implementing partners paves the way towards more flexible institutional solutions,<sup>75</sup> and opens avenues for supporting the domestication of regional integration policies at a national level. This is achieved by embracing *'a bottom-up approach, in which development in the region and/or regional cooperation/integration is built or strengthened through national strategies and programmes, instead of the current top-down approach, which consists of supporting AU, RECs and ROs and other regional projects to yield national benefits (...) offer[ing] a new solution to the current disjunction between regional and the national assistance.'*<sup>76</sup>

There is ample evidence that transnational and regional cooperation processes can be initiated and driven by organisations other than regional organisations, and that regional development cooperation *'that is not well integrated into national agendas or locally owned is usually unsustainable and even likely to fail'*.<sup>77</sup> This could be illustrative of a *'paradigm shift in the way support for regionalism is understood, (...) associated with the importance of improving the link between national commitment and benefits in the process of regional cooperation.'*<sup>78</sup>

There is also an aid management rationale for the principle of direct access: releasing RECs (with their weak absorption capacity) from time-consuming and capacity-consuming programme management duties, potentially also improving donor disbursement rates. This approach was tested after the 10<sup>th</sup> EDF mid-term review (MTR), and apparently yielded encouraging results in terms of commitment rates.

As a further point, reducing the volume of funds channelled through RECs may potentially redress the RECs' heavy dependence on donor funding, which brings with it the risk of agenda inflation. There is substantial evidence that allocating large sums of money to REC capacity development has not yielded the expected results and indeed may have even caused harm:

- by imposing high reporting costs that overburden the RECs' already limited capacities;
- by distorting the governance and accountability relations between an REC and its members. For example, it may disincentivise member states from taking an active interest in the governance of an REC, including its financial and managerial sustainability, and feed the *per diems* culture among REC staff;

---

<sup>75</sup> Soderbaum and Brolin (2016).

<sup>76</sup> Soderbaum and Brolin (2016).

<sup>77</sup> Soderbaum and Brolin (2016).

<sup>78</sup> Soderbaum and Brolin (2016).



- by reducing the RECs' autonomy to target resources where the need is greatest, unless it is in line with donor interests and often with earmarked funding plans, leading to missed opportunities to support bottom-up regional dynamics.<sup>79</sup>

### ***Will direct access promote domestication effectively?***

Many questions remain about the practical application of the principle of direct access. How much money can be accessed by NAOs? Are NAOs in a position to promote the domestication of regional strategies in different line ministries, by ensuring that regional development cooperation is well integrated into national agendas, and takes national interests into account?

All this may vary greatly from one region to another, from one country to another, and from one sector to another. *'This huge diversity of political economy contexts calls for a much more down-to-earth and tailored approach to promoting regional integration dynamics.'*<sup>80</sup>

Applying the principle of direct access across the board may not deliver results with regard to the domestication of the regional integration agenda, unless a robust political economy analysis of the *'national incentives for cooperation and issues of national ownership in the context of regional development cooperation'*<sup>81</sup> feeds the formulation, identification and implementation of projects. As Soderbaum and Brolin pointed out:

*'Selecting appropriate recipients/partners and successfully implementing strategies requires an in-depth knowledge of the particular context and the region's political economy. If a strategic plan is developed that fails to take into consideration structural factors, the regional context, aid modalities and the relevance of different delivery channels, regional cooperation may be unsustainable, ineffective and irrelevant. Adequate understanding of the political economy may also help donors secure commitment from concerned (...) governments, implementing partners and other stakeholders.'*<sup>82</sup>

Where RECs are weak and do not have the strong political support of their members, the principle of direct access may risk further undermining the very regional institutions that the EU is trying to support. By strengthening member states in their domestication, the cross-country or regional dimension of the regional challenges may remain unaddressed (although this will depend very much on the sector specifics and the nature of the regional challenge).

### ***The second innovation: steering committees***

To a certain extent, the steering committees may be seen as the EU's reciprocation for DMROs managing significantly lower budgets. The EU's new approach to regional cooperation recognises the crucial role played by DMROs in monitoring regional integration and implementing EDF-funded projects. The steering committees are designed to encourage multi-stakeholder dialogue and consultation on regional cooperation and integration (of DMROs, NAOs, regional and bilateral EUDs and other regional bodies) and hence to promote the ownership of regional programmes. This will potentially benefit the efficiency of EDF programming, formulation and delivery, and should also strengthen the link between the DMROs and the

<sup>79</sup> See Vanheukelom et al (2016); Vanheukelom and Bertelsmann-Scott (2016); Woolfrey (2016); and Byiers (2016).

<sup>80</sup> Bossuyt (2016).

<sup>81</sup> Soderbaum and Brolin (2016).

<sup>82</sup> Soderbaum and Brolin (2016).

NAOs. The assumption is that this will create a greater buy-in from ACP national authorities in regional cooperation and regional integration processes.

***Will steering committees ensure better ownership and give an impetus to regional integration?***

However, it is unclear how and whether steering committees can produce more ownership and better results in regional integration. As Soderbaum and Brolin pointed out, *'creating ownership with regional development cooperation programmes has proven to be more difficult than with traditional country-based development cooperation.'*<sup>83</sup> Regional development cooperation programmes are already in an easier league than 'regional integration support programmes'.

There are a number of questions that need answering in this connection. First, is the mechanism of steering committees not overly oriented towards formal institutions such as DMROs, NAOs and other regional bodies? The ECDPM's work on the political economy of regional integration suggests that the focus of efforts to promote regional cooperation should not be directed exclusively at institutions. *'Member states are active across a wide array of formal and not-so-formal regional organisations and initiatives and tend to view such organisations and initiatives in very instrumental terms (...) Focusing exclusively on the institutions risks missing out on the opportunities that other, potentially more flexible, regional arrangements could provide for facilitating mutually beneficial regional cooperation.'*<sup>84</sup>

Second, will steering committees automatically lead to greater ownership of regional programmes? Although DMROs are generally recognised as playing a key role, many of them are still highly dependent on donor funding,<sup>85</sup> and may be influenced by donor priorities. Also, as one of our interviewees pointed out, RECs do not operate in accordance with the subsidiarity principle: *'There is no issue which can be dealt by a REC without a mandate from the member states (...) and most political leaders will do things only if there is political ambition at the national level.'*<sup>86</sup>

Third, how will the EU deal with the wide disparities in power among different REC member states? National actors may also have different capacities to access EDF regional funds through direct access, and may pursue different interests, with hegemon (or swing states) such as South Africa, Kenya and Nigeria dominating regional agendas and their implementation.<sup>87</sup> Also, although NAOs have been invited to sit on the steering committees, they may not necessarily have a 'strong country voice'<sup>88</sup> on a country's commitment to regional integration, they may not have sufficient capacity, competence and accountability to represent national interests,<sup>89</sup> and they may even operate as gatekeepers.<sup>90</sup>

Finally, our study has collected evidence that the current dialogues taking place in the steering committees do not go beyond aid management issues. The question is, therefore: how can steering committees

<sup>83</sup> Soderbaum and Brolin (2016).

<sup>84</sup> Woolfrey (2016).

<sup>85</sup> According to Woolfrey (2016), donors contributed approximately 79% of the COMESA budget in 2013. The statement made by the SADC Executive Secretary Dr Stergomona Lawrence on 24 July 2013 ([www.sadc.int/news-events/news/reduce-dependence-donor-fundingsadc-urged](http://www.sadc.int/news-events/news/reduce-dependence-donor-fundingsadc-urged)) similarly indicates that donor funding accounts for 79% of the SADC budget.

<sup>86</sup> Interview with independent consultant, 7 October 2015.

<sup>87</sup> According to Mathieson (2015), the Kenyan government is able to exert disproportionate influence over other member states in the EAC region and hence influence the regional agenda. This was illustrated by Kenya's success in launching the Northern Corridor Countries Initiative (led by Kenya, Uganda and Rwanda) in the face of strong resistance from Tanzania.

<sup>88</sup> World Bank, quoted by Soderbaum and Brolin (2016).

<sup>89</sup> See Soderbaum and Brolin (2016).

<sup>90</sup> See Bossuyt et al (2016).

(through annual meetings) effectively produce the political action that is required to push the regional integration agenda forward and allow the EU to identify opportunities and prepare the ground by supporting change coalitions?<sup>91</sup>

### ***The third innovation: blending loans and grants***

Blending has gained traction since 2008 as an ‘innovative financing modality’ for obtaining financial, non-financial and policy leverage in the EU’s development cooperation and foreign policy efforts. The Agenda for Change recognises blending as an important vehicle for leveraging additional resources and increasing the impact of EU aid. Blending is envisaged to play a big role in 11<sup>th</sup> EDF national and regional programmes.<sup>92</sup> Working more closely with regional and other investment banks may also form part of the EU’s strategy of diversifying the range of implementing partners, and hopefully raising disbursement rates.

Our analysis shows that 40% of the funds allocated to the five regional programmes are assumed to blend loans and grants. This confirms that blending has indeed become mainstreamed as an implementation modality (see more in chapter 4).

The regional programming guidelines dedicate a full section to the use of blending in regional programmes and state that ‘*the RIP will specify in which priority areas and for which specific objectives resources will be reserved for blending operations.*’<sup>93</sup>

The idea is that the EU’s blending strategy should be adapted to the specificities of different regions. According to one of our interviewees, while there are some regions that are ‘*of course much easier to work in [...] we [DG DEVCO] also push the financial institutions to go where they don’t want!*’<sup>94</sup> That means operating in less developed and weaker regions than they otherwise would. Blending can be adapted in terms of both the loan/grant ratio and the sectors and types of projects at which it is targeted. For example, in Central Africa and other fragile regions and theatres of conflict, blending can target micro-finance projects and have relatively large grant components compared with major infrastructure or energy projects in other areas.<sup>95</sup> In the Pacific region, the EUD is faced with the problem that certain countries have a clear policy against loans, which makes blending of loans and grants impossible.<sup>96</sup> The blending facility for the Pacific has therefore been adapted to provide blended loans and grants in those countries where this is possible, and ‘grant-grant’ facilities (with grants leveraged by matching grants from other sources) in those countries where ‘regular’ blending is not possible.

The use of blending in the 11<sup>th</sup> EDF programming was informed by various reviews of the EU’s first experiences with blending operations:

1. **The mid-term evaluation of the European Commission’s first blending facility**, the EU-Africa Infrastructure Trust Fund, was published in 2012.<sup>97</sup> It concluded that, overall, the Fund was delivering valuable results. However, a number of critical points were raised, notably that the objectives were too broad and did not sufficiently show the ‘flow of inputs, outputs, outcomes and impacts’. Further recommendations included:

<sup>91</sup> Vanheukelom and Bertelsmann-Scott (2016).

<sup>92</sup> The initial findings of the ECDPM’s study of the 11<sup>th</sup> EDF national programming suggest that blending is the modality of choice, with over 40% of the NIPs sampled citing its use. See Herrero et al (2015).

<sup>93</sup> European Commission (2013).

<sup>94</sup> Interview with EC officials, 15 January 2016.

<sup>95</sup> Interview with EC officials, 15 January 2016.

<sup>96</sup> Interview with EUD official, 4 February 2016.

<sup>97</sup> Ernst and Young (2012).

- i. improvement in the bodies managing the facility, in particular the steering committee,
  - ii. more formalised and frequent interaction between EUDs and regional organisations;
  - iii. formalising better mechanisms for coordinating regional and national projects.
2. Also in 2012, the **EU Platform for Blending in External Cooperation (EUBEC)** was set up to review the range of existing blending mechanisms and develop a common framework for measuring their impact.<sup>98</sup> The EUBEC was mandated to produce recommendations and guidance on how to blend public and private resources for increasing the impact of EU development cooperation using existing blending and financial instruments in time for the implementation of the EU's 2014-2020 budget. Building on the work performed by the platform, a new blending governance framework was devised to enhance blending effectiveness (see Box 3).
3. In 2014, the **European Court of Auditors published a special report** on 'the effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies'. This concluded that, while blending had generally effective, there was still insufficient evidence to prove that decisions to award grants were justified in terms of added value.<sup>99</sup>

In practice, the European Commission introduced the following two key operational innovations in relation to blending in the 11<sup>th</sup> EDF programming:

First, it launched a **dedicated African Investment Facility** to progressively replace the EU-Africa Infrastructure Trust Fund.<sup>100</sup> The Caribbean Investment Facility (launched in 2012) and the Investment Facility for the Pacific (launched in 2012) also feature more prominently in the 11<sup>th</sup> EDF regional programmes.<sup>101</sup> The creation of three aligned blending facilities across the ACP regions was intended to foster their integration into the Commission's existing programming and implementation structures, as well as to extend the coverage of blending beyond the infrastructure sector. The three facilities are also now managed by the Commission, whereas the EU-Africa Infrastructure Trust Fund is managed by the EIB.

Second, and in line with a recommendation made by the EUBEC, the European Commission created an **EDF dedicated blending framework to manage the three regional facilities** (see Figure 3). The aim is to streamline and simplify the decision-making process and make it more efficient. Decision-making is based on a two-level structure consisting of:

- a. **boards** chaired by the Commission, including the EEAS and EU member states as voting members, and FIs as observers;
- b. **technical meetings** to assess project proposals. These are chaired by the Commission (involving relevant DGs as appropriate) with the participation of the EEAS and FIs. These meetings discuss the pipelines and assess projects pending submission to the board.

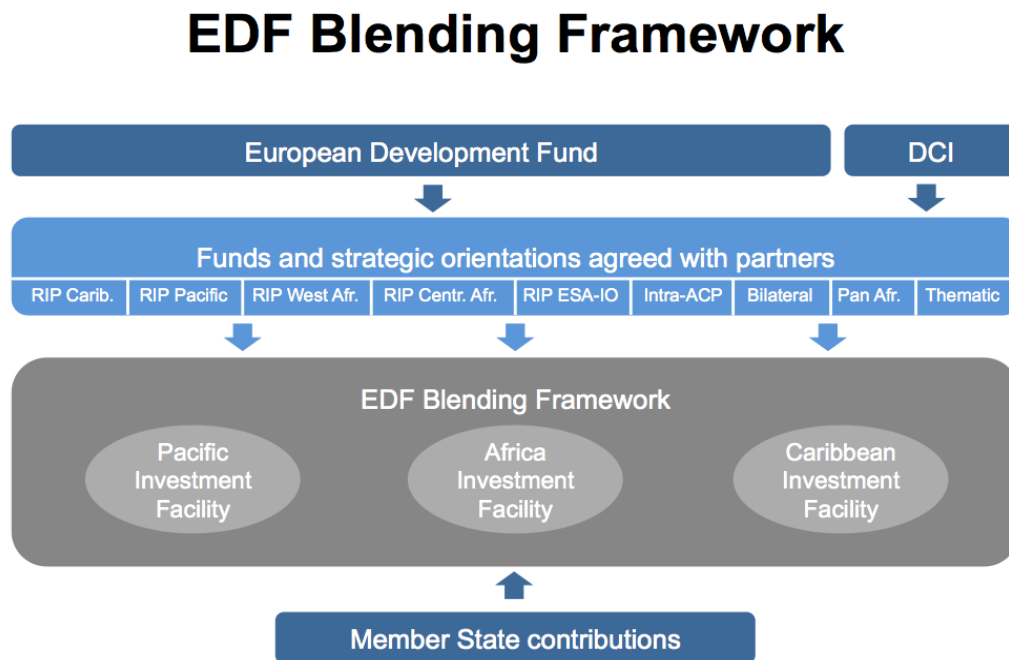
<sup>98</sup> The platform is composed of a Policy Group and a number of Technical Groups. The Policy Group consists of the EU member states, the EEAS and the European Commission, with the European Parliament holding invitee status. The Technical Groups consist of the EC, the EEAS, financial institutions and a number of EU member states. The platform has arranged a limited number of meetings with CSOs and private representatives. See the European Commission (2014).

<sup>99</sup> European Court of Auditors (2014).

<sup>100</sup> European Commission (2015b).

<sup>101</sup> The EU regional blending facilities, which are managed by the EC, differ from the ACP Investment Facility (IF) managed by the European Investment Bank (EIB). The latter provides loans, equity, guarantees, interest rate subsidies and technical assistance to projects in ACP countries. The IF is a sustainable, revolving fund financed from the EDF.

Figure 3 The 11<sup>th</sup> EDF blending framework



Source: Adapted from DG DEVCO (2015).

The DG DEVCO blending experts interviewed for this study claimed that the new governance structure for the 11<sup>th</sup> EDF regional programmes, together with the overall blending framework, would ensure that blending was embedded into existing EDF processes. The new structure would represent a ‘translation’ of the regular EU screening requirements and safeguards, while respecting the overarching principle of DMRO leadership, based on regional development plans, strategies and treaties.

The DMROs would be informed about and consulted on the pipeline of investment proposals in their respective Investment Facility. Such consultations would feed into the action document discussed and approved by the EDF Committee. The interviewees said that the endorsement of the pipeline of blending projects by the regional blending steering committees would guarantee a project’s regional dimension and allow the regional organisations to ‘decide if this [project in the pipeline] is a project that deserves their support’.<sup>102</sup> Each specific project financed by the Facilities would be discussed with the beneficiary country and region. While this procedure would in theory involve ROs in decision-making, it is the board that undertakes the final appraisal of projects, which therefore ultimately rests on the EU side of the partnership. Furthermore, the principle of direct access in the new RIP governance structure is designed to include actors other than DMROs and may therefore alter the role played by the ROs in identifying regional blending projects. The responsible lead financial institution may also be called upon to provide information to the regional steering committee when needed.

<sup>102</sup> Interview with EC officials, January 2016.

**Table 4 Ensuring blending effectiveness and related key operational changes**

Objectives to enhance blending effectiveness	Key operational changes
<p><b>Harmonising and enhancing transparency</b> Improvements needed in terms of monitoring and reporting systems.</p>	<p><b>Creating an overarching EDF blending framework</b> covering investment facilities for A, C and P.</p>
<p><b>Improving effectiveness</b> in meeting policy objectives, in full alignment with priorities defined in the programming process.</p> <p>Ensure more formalised and frequent interaction with EU delegations and regional organisations.</p> <p>Formalise better <b>coordination mechanisms</b> between regional and national level projects.</p>	<p><b>Strategic orientations to be set regionally</b> and reflected in the programming documents with increased involvement of partner countries and regional organisations.</p> <p>Each regional programme's <b>steering committee discusses and approves</b> the pipeline for blending projects.</p> <p><b>A delegation agreement</b> is signed with lead Financial Institutions with strong involvement of relevant national/regional authorities and EU Delegations. For example, a '<b>letter of conformity</b>' from the relevant Head of Delegation is required before a project is presented for approval at the blending facility board level.</p>
<p><b>Simplifying and streamlining</b> while keeping flexibility.</p>	<p><b>Simplified decision making process</b> in a two-level structure with Boards and Technical meetings.</p> <p><b>Annual action programmes</b> will make specific commitments from the RIPs, including further details on priorities and orientations.</p>
<p><b>Adapting</b> to the new <b>Financial Regulations</b>.</p>	<p>Blending activities organised according to the 2014-2020 MFF financing instruments.</p> <p>In total, the Commission has established <b>four blending 'frameworks'</b> that are organised according to the financing instruments, i.e. for the EDF, ENI, DCI, and IPA.</p>

Source: European Court of Auditors (2014), European Commission (2014) and interviews.

The European Investment Bank (EIB) may contribute to the regional programmes in the form of operations financed from the ACP Investment Facility and/or from its own resources, including through the EU blending facilities, in accordance with articles 3 and 4 of the CPA's Financial Protocol. Yet the real added value of the European Commission as an additional source of this type of funding remains unclear to some, as was also noted in the 2014 European Court of Auditors report on blending.<sup>103</sup> In the light of other studies, which have found that little attention is devoted to combining the EIB's ACP Investment Facility operations with donor support from the Commission,<sup>104</sup> there is not only scope for, but also a need for more synergies between blending projects and other forms of finance and investment on the part of the EU institutions and EU member states.

While the EDF blending framework foresees collaboration and formal good cooperation between the EIB and the Commission, underlying tensions and rivalries have also emerged between the two institutions and their activities under the EDF blending framework and the ACP Investment Facility respectively. These revolve around the ability to adequately follow EU development policy across the largely heterogeneous ACP countries. Such tensions also relate to political economy and power dynamics between the institutions and the differences in the weight attached to financial and development objectives and considerations.<sup>105</sup>

<sup>103</sup> European Court of Auditors (2014).

<sup>104</sup> Bilal and Grosse-Puppendahl (forthcoming).

<sup>105</sup> Bilal and Grosse-Puppendahl (forthcoming).

### ***Is blending a well-adapted implementation modality?***

Trends in global trade and changes in development finance and investments have bolstered the demand for infrastructure development. The vastly increased financial flows and commitments to Africa's infrastructure may obscure some of the key obstacles to delivery. Official development finance investment, which was a dominant source of infrastructure financing in Africa in the 1990s, has grown strongly since 2007 and now represents 35% of external financing. External private funding of infrastructure is reported by the Infrastructure Consortium for Africa (ICA) to account for just 8.8% of aggregate funding (including domestic funding) or 16% of total external funding. The UN Summit on Financing for Development held in Addis Ababa in July 2015 emphasised the need to leverage more private financing. Yet a one-sided emphasis on money flows, financial commitments and financing gaps in Africa misses certain essential points about the drivers of and barriers to infrastructure development, and paints too rosy a picture about money waiting to be spent.<sup>106</sup>

Recent ECDPM research on the political economy of regional organisations has pointed to the complex structural, institutional and sector-specific challenges surrounding transnational infrastructure development. Merely aligning with the continental agenda of the AU's Programme for Infrastructure Development in Africa (PIDA) will not suffice if the EU is to overcome the biggest hurdles (see box 1).

#### **Box 1 The risky and complex nature of financing transnational infrastructure development**

A major study by the World Bank, the African Development Bank and donors draws attention to the combined need for investments in soft and hard infrastructure development, as a host of institutional and policy challenges hamper domestic resource mobilisation and frighten off the private sector. Indeed, a closer look at the sector characteristics of transnational infrastructure development reveals the political, governance and technical challenges that need to be overcome, and the risks that need to be addressed.

**Financial challenges.** Beyond the issue of volume, these include the difficulty of getting participating countries to agree on how to share the risks, costs and benefits, and to implement agreements. One specific problem is the difficulty of calculating future costs and revenues in long-term, cross-country projects.

**Technical challenges.** These include the difficulty of aligning the different technical standards applied in different countries. A telling example is the rail gauge differences between African countries. These tend to vary according to the coloniser that originally developed the country's infrastructure.

**Regulatory challenges.** These include the need to create regulatory and enforcement agreements. Even if such agreements are in place, there is still the problem of implementation. In multi-country settings, this often requires effective regional organisations and the presence of institutions for monitoring, stimulating, nudging and enforcing compliance.

**Governance-related challenges** can be hard to overcome when they relate to unaligned national agendas, with diverging degrees of political, technical and financial support. So country ownership is an important condition, but even when country commitment to a particular infrastructure programme is demonstrated at the beginning of the programme cycle, it may evolve due to changes in government. In fact, the need to manage the risk of political changes is inherent to infrastructure projects, which usually take a long time to mature, sometimes spanning several electoral cycles.

With donor support, the AU has identified 54 priority infrastructure projects which both the EIB and the EU have accepted. Yet despite this stamp of approval, only a few of the projects are bankable as the multiple challenges and risks related to their implementation remain insufficiently assessed and addressed. This underlines the scarcity of donor and other funding for the costly phase of project preparation, as was highlighted by a survey of Project Preparation Facilities in Africa (Infrastructure Consortium for Africa, 2014).

*Source: Adapted from Vanheukelom (2016).*

<sup>106</sup> Vanheukelom (2016).

Another question is whether DG DEVCO is well enough equipped to manage blending facilities of such a financial magnitude. Blending is still regarded as relatively new, so the EC *'had to organise a lot of training to explain [...] we had to invest a lot of time [...] in the beginning it was difficult. Many people didn't know what blending was and how to put it into context.'*<sup>107</sup> An EUD official warned that the delegation in question did not have the necessary blending expertise, noting that the *'unfamiliar and unwieldy nature of the blending approach'*<sup>108</sup> would be one of the key challenges in implementing the RIP. A new manual on blending has been prepared, for distribution to all EUDs. Blending experts at DG DEVCO see training and awareness-raising on blending as a modality as part of their core business. However, to some stakeholders, the 11<sup>th</sup> EDF blending framework is yet another HQ-directed process aimed at increasing disbursement rates.

Finally, it is legitimate to question whether blending investments are profitable and will benefit the population (and the poorest of the poor), and whether the private sector will be willing to invest in risky environments without the EU compensating any kind of loss. Furthermore, and as one of our EEAS interviewees: *'How will we make sure that EU financing of loans will not result in a new cycle of debt?'*<sup>109</sup>

### ***The fourth innovation: a single RIP for the EA-SA-IO region***

Another innovation introduced by the 11<sup>th</sup> EDF regional programming was bringing the East Africa, Southern Africa and Indian Ocean (EA-SA-IO) regions, previously split under two separate RIPs, under one and the same umbrella.

#### **Box 2 Overlapping membership of Africa's RECs**

Although the East Africa Community (EAC) is a common market, four of its member states belong to the Common Market for Eastern and Southern Africa (COMESA) and one member state belongs to the Southern African Development Community (SADC). Five SADC member states are members of the Southern African Customs Union (SACU).

COMESA and SADC have seven members in common that are not members of a customs union. Of the 26 countries in COMESA, EAC and SADC, 17 are either in a customs union and negotiating an alternative customs union, or are negotiating two separate customs unions. Kenya and Uganda are both members of the EAC, to which South Sudan and Somalia have applied to join, while Kenya is also a member of CEN-SAD, together with Sudan, Djibouti, Somalia and Eritrea.

The agreement establishing the Intergovernmental Authority on Development (IGAD) states that the IGAD will support the goal of COMESA integration. All IGAD members except Somalia and South Sudan are also members of COMESA, though Ethiopia has yet to accede to the COMESA Free Trade Area, and Uganda is still in the process of implementation. While the economic interests of Kenya and Uganda are rising in other IGAD countries (for instance, through the Lamu Port South Sudan Ethiopia Transport - LAPSSET), their main interest in IGAD membership lies in security, as both Kenya and Uganda have military interests in Somalia, while both Ethiopia and Djibouti are affected by the conflict in South Sudan. Djibouti, Sudan and Somalia are also members of the 22-strong Arab League, with Eritrea holding observer status. Sudan, South Sudan, Uganda and Kenya are also members of the International Conference on the Great Lakes Region.

*Source: UNECA (2012, 2013); Byiers (2016).*

<sup>107</sup> Interview with DG DEVCO officials, 15 January 2016.

<sup>108</sup> Survey response, December 2015.

<sup>109</sup> Interview with EEAS representative, 23 October 2015.



The EA-SA-IO RIP contains a special feature compared with other RIPs, i.e. a cross-regional envelope through which the EU supports a limited number of initiatives in the EA-SA-IO regions that are strategically important to the objectives of the RIP, but which are not related to the exclusive mandate of any of the DMROs and address needs which go beyond their geographical configurations. The seven needs identified are:

1. peace and security in the Great Lakes region;
2. migration;
3. the maritime situation, security and safety;
4. the implementation of the EU-East and Southern Africa interim Economic Partnership Agreement;
5. transboundary water management;
6. the contribution of sustainable fisheries to the blue economy;
7. wildlife conservation.

These allocations will be programmed by joint DMRO and EU decisions.

### ***Is overlapping membership really a problem and will a single RIP solve anything?***

Overlapping membership is often cited by both European and African actors as a major impediment to greater regional integration.<sup>110</sup> It is clear that overlapping REC membership adds a layer of complexity to promoting regional integration or cooperation through one of the regional fora, particularly in a situation of distrust among some member states.<sup>111</sup> Overlapping membership suggests that countries may pursue their national interests through multiple RECs, and that national interests may be harder to pursue through a large configuration such as COMESA, creating incentives to maintain interest in IGAD's economic integration agenda.<sup>112</sup> In this sense, overlapping memberships could be perceived by some African states as a solution to the specific problems they seek to address, and to the different agendas they seek to pursue.

According to Bach, *'in the early 2000s, the RECs were still viewed by most of their member states as instruments designed to enforce territorial stability and promote regime or sovereignty consolidation. Multiple membership was in this context an asset for the conduct of club diplomacy.'*<sup>113</sup> It was not until the mid-2000s<sup>114</sup> that overlapping membership became an issue for African states, when *'pressure to define common negotiating platforms vis-à-vis the EU started building up.'*<sup>115</sup> EPA negotiations turned into *'an unprecedented stress test for both regional groupings and their members, as both were suddenly required to bring coherence and substance into stated agendas.'*<sup>116</sup>

From a donor perspective, overlapping membership increases transaction costs in setting up customs unions. The following quote from Claudia Wiedey (the former EEAS head of division for the Horn of Africa, East Africa and the Indian Ocean) is illustrative of how this works: *'We cannot finance the same initiatives from different parts. If we get a call for support for customs integration from one country, but for two*

<sup>110</sup> UNECA (2012); UNECA (2013); and Byiers (2016).

<sup>111</sup> Byiers (2016).

<sup>112</sup> Byiers (2016).

<sup>113</sup> Bach (2016) p. 104.

<sup>114</sup> In 2006, the AU Commission and the Economic Commission for Africa organised a consultative meeting on the rationalisation of the RECs for Eastern and Southern Africa in March 2006. This concluded that *'REC rationalisation means addressing the considerable constraints impinging on the RECs' ability to generate and channel a sustainable collective effort towards Africa's integration.'*

<sup>115</sup> Bach (2016), p. 99.

<sup>116</sup> Bach (2016), p. 102.

*different configurations, it is not credible for us and therefore we cannot supply finance.*<sup>117</sup> This mindset heavily influenced the EU's decision to have one single umbrella RIP for the whole SA-EA-IO region.

However, as we will see in chapter 5, bringing five RECs together under a single RIP was decided unilaterally by the EU, disregarding the concerns of Inter-Regional Coordination Committee (IRCC) members. Whether the use of a single RIP will foster a deeper political dialogue on regional integration among ROs remains to be seen. This view was confirmed by one of our EU interviewees, who said that *'there are very little incentives for RECs to talk outside EU aid meetings. Not much happens between meetings. Much of the dialogue is about EDF money.'*<sup>118</sup>

Finally, the cross-regional envelope, disconnected from DMRO mandates and responding to an EU-driven agenda, may also not deliver the expected results, particularly given the strong fragmentation of priorities.

### ***The fifth innovation: strengthening the capacity of EUDs***

The 2009 European Court of Auditors report on the regional programmes in East and West Africa pointed out that *'the Commission's Delegations have neither adequate guidelines nor sufficient capacity to deal with the preparation, implementation, reporting and coordination of regional activities'*<sup>119</sup> and that *'the larger responsibility of those Delegations managing regional as well as national activities is not reflected in their staffing capacity.'*<sup>120</sup> The European Court of Auditors consequently recommended that Delegations with a regional mandate *'define their responsibilities, set up an appropriate coordination mechanism between them and review their staff capacity.'*<sup>121</sup>

The 11<sup>th</sup> EDF programming orientations identify regional delegations as one of the pillars of the regional programming architecture, together with DMROs. They also define the responsibilities of national and regional EUDs for the management of regional cooperation, within a revamped governance structure.<sup>122</sup>

---

<sup>117</sup> Wiedey (2013).

<sup>118</sup> Interview with DG DEVCO official, 15 October 2015.

<sup>119</sup> European Court of Auditors (2009) p. 7.

<sup>120</sup> European Court of Auditors (2009) p. 23.

<sup>121</sup> European Court of Auditors (2009) p. 7.

<sup>122</sup> The EU currently has delegations with a regional mandate in Barbados, Botswana, Burkina Faso, the Central African Republic, Djibouti, Ethiopia, Fiji, Gabon, Mauritius, Nigeria, Tanzania, and Zambia.

**Table 5 Responsibilities of regional and national EUDs in the regional programming process**

Regional delegations	National delegations
<ul style="list-style-type: none"> <li>● Co-chair the regional steering committee together with the DMROs and oversee the regional cooperation process.</li> <li>● Collaborate with relevant DMROs in the drafting of the RIP.</li> <li>● Conduct policy dialogue with regional organisations, on behalf of the EC.</li> <li>● Together with DMROs, draft the identification/ action fiches to be implemented by RECs, and consolidate comments received from national EUDs.</li> <li>● Manage the TCF jointly with DMROs.</li> </ul>	<ul style="list-style-type: none"> <li>● At the request and under guidance of regional EUDs, they are involved in the preparation of RIPs.</li> <li>● Submit proposals for the implementation of direct access.</li> <li>● Once the RIP has been signed, and acting jointly with their ACP counterparts, they draft identification/action fiches for direct access actions.</li> <li>● They submit these identification/action fiches to the EC and to the relevant regional EUD, for information of the DMROs.</li> </ul>

Source: European Commission 2013.

**Are these efforts enough?**

Our research shows that the establishment of regional EUDs has not really supplied the necessary capacity for dealing with regional cooperation. According to a senior DG DEVCO official, *‘we have Delegations where I’m concerned that we don’t have the staff that will allow us to do what we want to do. (...) The complexity of the programme, plus the complexity of regional integration and staff shortages, will be a big challenge.’*<sup>123</sup>

Two EUDs (in Zambia and Mauritius) have closed their regional section, thus limiting the EU’s capacity to interact with RECs. In an attempt to operationalise the new governance arrangements, the EC has expressed a desire to redistribute the workload among delegations, by assigning specific topics to individual EUDs. However *‘these arrangements are not written down anywhere’*<sup>124</sup> and may be difficult to operationalise. Although some national EUDs are planning to appoint regional cooperation focal points, not all Heads of Delegations seem keen to take on board additional responsibilities linked to regional cooperation, as they do not necessarily have the necessary resources for these.

With the upsurge in blending facilities, the EC will also need to step up efforts to build sufficient capacity among ‘financial engineers’ across EUDs and regions. EUD participation in the identification and selection of projects for blending will depend not just on the effectiveness of the new governance structure for regional programmes, but also on whether EUDs possess the expertise and capacity needed to follow through. DG DEVCO believes that the level of expertise at the EUDs is improving across the board, and that the new governance structures come with ‘strict instructions’ to ensure that financial institutions remain in contact with EUDs. One of these instructions states, for example, that a ‘letter of conformity’ from the relevant Head of Delegation is required before a project may be presented for approval to the blending facility board. However, a DG DEVCO official also acknowledged that *‘the only problem we may have [with regional programmes] is where we don’t have delegations with an easy contact - then this is done by HQ.’*

<sup>123</sup> Interview with senior DG DEVCO official, 15 October 2015.

<sup>124</sup> Interview with EEAS representative, 4 November 2015.

EUDs are under pressure to reduce costs and optimise their workloads. Optimus, DG DEVCO's strategy for optimising the use of human resources and aid modalities,<sup>125</sup> encourages EUDs to mitigate their lack of capacity by outsourcing content work to technical experts and consultants, with the aid of framework contracts. Several regional EUDs appear to have outsourced the full programming process, starting with the identification of relevant interventions and the review of priority interventions, through the priority-setting methodology and the consultation of non-state actors to the very drafting of the RIPs. The number of calls for tender issued to support EUDs and DMROs in preparing regional programming documents<sup>126</sup> tends to suggest that 'the EU is at a loss to facilitate a regional integration process', and needs to outsource most of the work to technical assistants 'who are not part of the process.'<sup>127</sup> One of our interviewees put it as follows:

*'DG DEVCO will do this [project and programme cycle management] the way they always do things – by paying consultants. I personally think we should be doing project identification ourselves, but we will fall back on framework contracts as usual. I'm not happy with this, but there is not much the EEAS can do about it apart than following the steering committee. Implementation is in the hands of DG DEVCO. We do our best by setting up meetings and encouraging them to look at projects that are relevant to other strategies. But as always with consultants, you are entering into the unknown.'*<sup>128</sup>

The evidence suggests that, in order to be effective, donors will need to enhance the capacity of their staff to 'think and work politically' and 'do development differently' by building flexibility and adaptability into their support. This will also involve making a more sophisticated analysis of what drives and constrains regional integration, beyond the usual easy explanations of 'a lack of political will' and 'capacity constraints'.<sup>129</sup> The impact of EU aid depends largely on how well the EU is able to tailor its interventions to specific contexts. This requires the presence of operational staff at the EUDs who are able (with the right skills and incentives) to conduct a sophisticated context analysis, direct a high-quality policy dialogue, guide and facilitate complex political processes, monitor results and feed learning into programme design, and policy-making.

Diagram 2 asks the main analytical questions that could guide donors' learning and analysis of regional integration dynamics.

### 3.5. Chapter findings in a nutshell

The programming of the 11<sup>th</sup> EDF took place in a rapidly changing, challenging context characterised by the following features:

- the increasing regionalisation of EU external action;
- a crisis of legitimacy in the EU's regional integration model amidst a protracted economic, financial, political and social crisis in the EU;
- national interests exerted an exceptional degree of influence over EU foreign policy, which was reflected by the EU's inability to come up with a coordinated approach to the refugee crisis;

<sup>125</sup> See Herrero, et al. (2015) for further information.

<sup>126</sup> See the number of tenders issued to support EUDs and ROs in preparing the 11<sup>th</sup> EDF Regional Programming. The work put out to tender includes identifying and prioritising the relevant interventions, assessing the constraints placed on DMROs, assessing possible gaps and potential needs, reviewing the roles played by different actors, and identifying stakeholders.

<sup>127</sup> Interview with former senior EC official, 7 October 2015.

<sup>128</sup> Interview with EEAS representative, 4 November 2015.

<sup>129</sup> Vanheukelom et al (2016).

- a greater emphasis in EU development policy on showing value for money and doing more with less, alongside a strengthened commitment to the principles of ownership of development priorities;
- a new institutional architecture for EU external action and development cooperation.

The 11<sup>th</sup> EDF programming process was also heavily influenced by several critical appraisals of the EU's approach to supporting regional integration. These included a highly critical report published by the Court of Auditors in 2009, and the MTR of the 10<sup>th</sup> EDF published in 2011. These documents identified constraints that fell outside the EC's direct control, i.e. delays in EPA negotiations, a lack of managerial capacity among ROs, overlapping memberships, and a lack of progress in implementing regional agendas at a national level, as well as problems associated with the EC's management, i.e. the absence of a strategic vision, a lack of appropriate governance structures for managing regional cooperation, weak coordination between national and regional programming, and weak monitoring systems.

In response to these criticisms, the EU took steps to redress the shortcomings. It revamped its approach to regional cooperation and support for regional integration by introducing several important operational innovations, notably:

- a sharper focus on the key priorities identified in the CPA, i.e. peace and security, economic regional integration and global challenges;
- a wider range of implementing actors, allowing national authorities and regional organisations other than DMROs to directly access EDF regional funds;
- targeted capacity development support for DMROs;
- bigger envelopes for regional blending facilities;
- an umbrella RIP for the EA-SA-IO regions, where overlapping membership of different ROs is perceived as a major constraint on regional integration;
- the formation of regional steering committees to create space for multi-stakeholder policy dialogue, clarify the division of roles among all actors and give DMROs a central role in overseeing EU support for regional integration;
- a drive to strengthen EUD capacity.

Our analysis shows that most of these innovations are geared primarily to addressing aid management problems and improving disbursement rates. It is less clear whether and how they will produce better results in terms of regional integration. We argue that:

- **Direct access** may not deliver results in terms of the domestication of regional integration agendas, unless it is underpinned by a robust political economy analysis of the national incentives for pursuing regional cooperation, and unless the regional dimension of regional challenges is acknowledged.
- **Steering committees** may not automatically bring about more ownership, are unlikely to generate the political action required to push the regional integration agenda forward, and are probably not the right means of enabling the EU to identify opportunities and prepare the ground by supporting change coalitions.
- Leveraging private funds and **blending grants and loans** may be a far more risky and complex enterprise, requiring the EU to take serious account of the drivers of and impediments to transnational infrastructure development, particularly during the project preparation phase.

- **A single RIP for the EA-SA-IO region** will not necessarily lead to a deeper political dialogue on regional integration among ROs. This is because countries may continue to see benefits in pursuing their national interests through different regional configurations and overlapping memberships. The cross-regional envelope may also not deliver the expected results, particularly given the strong fragmentation of EU-driven priorities.
- **The efforts to strengthen the EUDs** may prove insufficient, particularly in the light of budgetary constraints and in the absence of a human resource management policy that focuses on the staff quality rather than staff numbers, and which heavily relies on technical assistants.

**Diagram 2 Questions to guide an in-depth understanding of the context and conditions for regional integration and how international development partners can support this process**



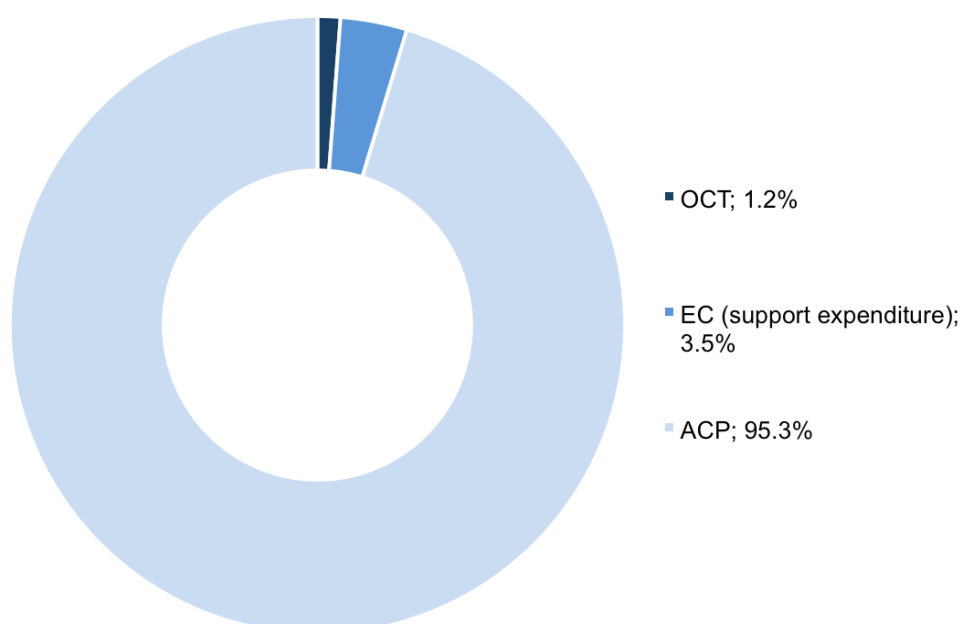
Source: ECDPM (2016) *Drivers of and constraints on regional integration in Africa - the political economy of regional organisations*, <http://www.ecdpm.org/peria>.

## 4. 11<sup>th</sup> EDF regional programming: where does the money go?

This chapter looks at the allocation of funding both at a geographic and sectoral levels. The results are based on the analysis of the five Regional Indicative Programmes (RIPs) publicly available at the time of writing. The chapter analyses how these allocations reflect the EU's strategic and policy priorities defined by the EU's development policy framework and the 11<sup>th</sup> EDF regional programming orientations.

The Internal Agreement of the European Union set a ceiling of **€30.5 billion** for the 11<sup>th</sup> EDF and determined the broad breakdown of funds allocated: 95% of the total 11<sup>th</sup> EDF, €29 billion (95.3%), goes to ACP countries through e.g. national and regional indicative programmes. The remaining funds of €364.50 million (1.2%) are allocated to the Overseas Countries and Territories (OCTs) and €1 052.50 million (3.5%) to the European Commission for support expenditure.<sup>130</sup>

**Figure 4** Breakdown of allocations in the 11<sup>th</sup> EDF



Source: own construct based on the EU Internal Agreement.

95.3% of the total 11<sup>th</sup> EDF resources allocated to the ACP States (€29 billion) is distributed as follows:

- €24.4 billion to finance national and regional indicative programmes (NIPs/RIPs), of which €3 334 million have been programmed through five regional indicative programmes (RIPs);
- €3.6 billion to finance intra-ACP and intra-regional cooperation and;
- €1.1 billion allocated to the EIB to finance the ACP Investment Facility.

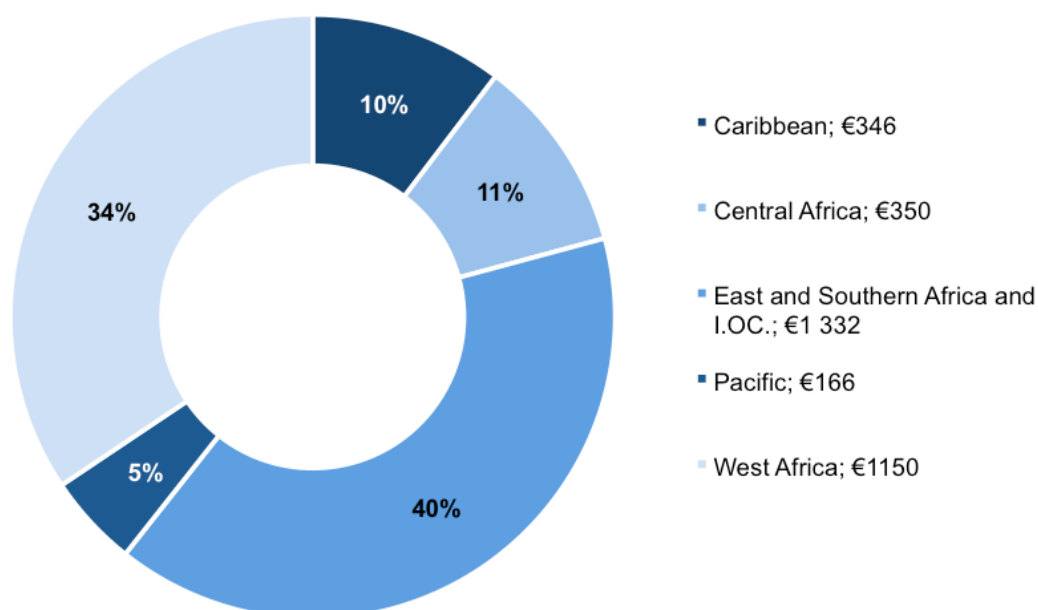
<sup>130</sup> At least €76.30 million of this support expenditure is to be allocated to the Commission for activities and measures that improve the impact of EDF programmes. See European Union (2013).



#### 4.1. Geographic distribution of regional funds

The five regional programmes amount to a total of €3,344 million. The enlarged EA-SA-IO region receives the largest allocation of €1,332 million (40% of regionally allocated funds). The next largest regional allocation goes to West Africa, which receives €1,150 million (34% of regionally allocated funds), while the Central African, the Caribbean and the Pacific regions are allocated €350 million (10%), €346 million (10.3%) and €166 million (5%) respectively.

**Figure 5 Geographic distribution of funds per region (in € million)**



Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

#### 4.2. Sector concentration in regional programming

Each of the five regional programmes have clearly identified three focal sectors, based on the principles of subsidiarity, complementarity and cost-effectiveness, and in line with the Agenda for Change, according to which, *'the EU should support regional and continental integration efforts (including South-South initiatives) through partners' policies in areas such as markets, infrastructure and cross-border cooperation on water, energy and security'*, arguing that *'regional development and integration can spur trade and investment and foster peace and stability'*.<sup>131</sup>

<sup>131</sup> European Commission (2011b).

**Figure 6 Sectoral allocations of 11<sup>th</sup> EDF RIPs**

Priority sector	Caribbean	% of RIP	Central Africa	% of RIP	ESA-IO	% of RIP	Pacific	% of RIP	West Africa	% of RIP	Total
Regional economic integration	102	29.5%	56	16.0%	234	17.6%	50	30.1%	175	15.2%	617.0
Investment Facilities/blending envisaged	135	39.0%	155	44.3%	600	45.1%	46	27.7%	400	34.8%	1336.0
Governance, peace and security and crime	44	12.7%	43	12.3%	160	12.0%	18	10.8%	250	21.7%	515.0
Climate change, resilience, food and nutrition security and natural resources and environment	61.5	17.8%	88	25.1%	167	12.5%	52	31.3%	300	26.1%	668.5
Non-focal areas/TCF	3.5	1.0%	8	2.3%	171	12.8%	-	-	25	2.2%	207.5
<b>Total</b>	<b>346</b>	<b>100.0%</b>	<b>350</b>	<b>100.0%</b>	<b>1332</b>	<b>100.0%</b>	<b>166</b>	<b>100.0%</b>	<b>1150</b>	<b>100.0%</b>	<b>3344</b>

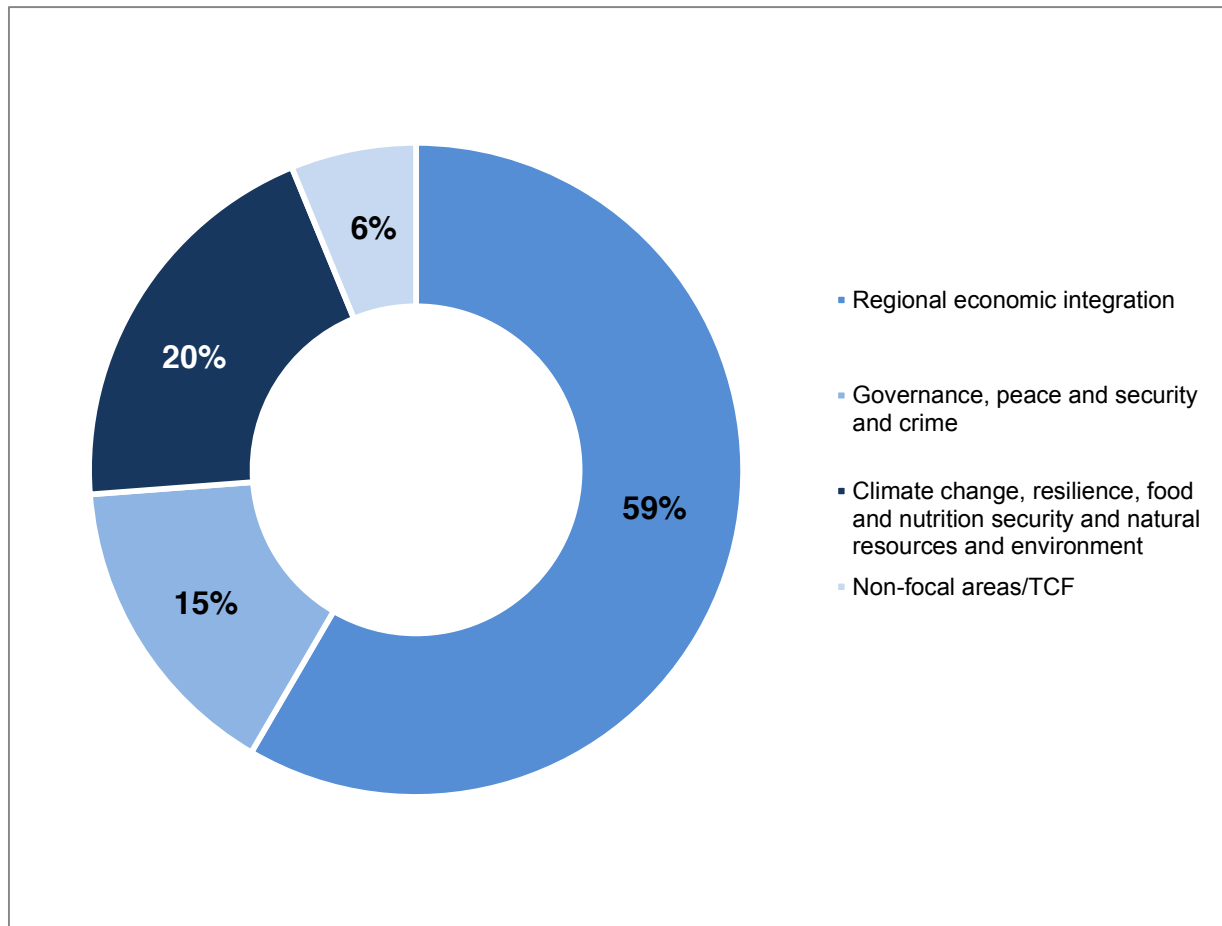
Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

Across the five RIPs, three focal sectors emerge in accordance with the ‘Cotonou fundamentals’:

1. A **regional economic integration** sector which still receives the majority of funds (59%, amounting to a total of €1,953 million). Nearly 70% of the funds within this sector amounting to €1,366 (and equivalent to 40% of the total funds) **are specifically allocated to investment facilities or are envisaged for blending activities.**
2. A broadly defined sector that encompasses **climate change, resilience, environment, food and nutrition security and natural resource management** receives 20% of the funds (€668.5 million).
3. A third **governance, peace and security** and crime sector which receives 15% of the funds (€515 million).

A further 6% (€207.5 million) are allocated to technical cooperation facilities (TCF) and non-focal areas.<sup>132</sup>

**Figure 7 Sectoral distribution of 11<sup>th</sup> EDF funds across ACP regional programmes**



Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

<sup>132</sup> The way in which focal sectors are indicated differs slightly between the RIPs, where TCF funding is e.g. included in the governance sector in the Pacific region but is outside sectors in the others. The East and Southern Africa and Indian Ocean RIP furthermore indicates that 12% of funds are being kept as a ‘reserve’ while nothing similar is stated in other RIPs.

The following sections look in more detail at what kind of activities are envisaged under the three broad sector categories.

### 4.3. Regional economic integration for regional cooperation

Regional economic integration absorbs 59% of the total regional funds, of which 30% is dedicated to specific objectives such as increased participation of the private sector in economic integration, strengthening of regional trade and business enabling environments, EPA implementation and capacity-building for ROs, and 70% to blending activities.

The three RIPs which specify objectives regarding infrastructure projects, namely the ES-SA-IO, Central Africa and West Africa RIPs, all identify blending activities. Upon closer inspection, the RIP for the Pacific region is found also to include potential infrastructure projects under the objective *'strengthening the regional trade and business enabling environment' noting funds may contribute to 'relevant economic and trade-enabling infrastructures, especially supporting private sector development'*.

### 4.4. Support for the environment and regional natural resource management and for combating climate change

20% of the 11<sup>th</sup> EDF regional envelope is allocated to the broadly denominated sector of *'climate change, resilience, environment, food and nutrition security and natural resource management'*. This is in line with the EU's overall commitment to spend at least 20% of the total EU budget on climate relevant activities.

A closer look at the specific objectives of this broad 'sector category' across the RIPs reveal that it covers activities ranging from waste management, sustainable fisheries, wildlife conservation to protection of the environment, biodiversity and tackling and adapting to climate change.

### 4.5. Support for governance, peace and security at regional level

The smallest of the three sector allocations goes to *'governance, peace and security and crime'*, representing only 15% of the 11<sup>th</sup> EDF regional funds allocation.

This amount should be seen in the wider context of complementarity between instruments. Notably, the African Peace Facility (APF)<sup>133</sup> receives support from the intra-ACP envelope, amounting to €900 million in the 11<sup>th</sup> EDF (and to 25% of the intra-ACP envelope).<sup>134</sup> The APF's direct beneficiaries are the AU, African regional organisations (including the RECs and the Regional Mechanisms for Conflict Prevention, Management and Resolution) with a mandate in Peace and Security, and relevant institutions within or related to the African Peace and Security Architecture (APSA).<sup>135</sup> The Pan-African envelope also allocates €15 million to support the design and implementation of non-military security strategies at continental and cross-regional levels, with a focus on border management and the fight against transnational crime, taking into account the relevant regional EU strategies.<sup>136</sup> In this context, regional programming will have mutually reinforcing actions with the APSA and the APF. See Annex 6 on complementarity between instruments.

<sup>133</sup> The APF was created in 2003, following a request made by the African Union Summit in Maputo. Its aim was to strengthen the financial capacity of the African institutions to foster peace and security in the continent.

<sup>134</sup> See Annex VII for an overview of the allocations of the intra-ACP programme 2014-2020.

<sup>135</sup> Hendrickson et al (2013).

<sup>136</sup> See Annex VIII for an overview of the allocations of the Pan African programme 2014-2020.

Annex IX contains an overview of the specific objectives within governance, peace and security and crime across the 11<sup>th</sup> EDF RIPs. The RIP for West Africa maintains quite broadly defined objectives to address the main threats to peace, security and stability. In the Central African RIP, the objectives are much more narrowly defined, for example to implement the CEEAC peace and security roadmap in Central Africa. While it was not specified in the objectives, interviews revealed that the West Africa RIP governance envelope was also intended to support the two EU sub-regional strategies for the Sahel and the Gulf of Guinea.

#### 4.6. Support for capacity development in relation to DMRO secretariats

The envelopes earmarked for the DMROs are specifically geared to supporting their core mandate. However, many of the activities in the priority sectors outlined above relate, more or less, to supporting key activities of the DMROs. For instance, support for EPA implementation includes activities to strengthen the DMRO secretariats' institutional capacity to advance on and implement regional strategies (often regulatory aspects) as well as their monitoring systems.

For example, one of the specific objectives under COMESA's sub-regional allocation (under priority area 'regional economic integration') is directly related to enhancing the capacity of the Secretariat (see Table 6). However, there are other operations under another specific objective that also potentially relate to supporting the COMESA secretariat, such as '*support to COMESA for the coordination of sanitary and phytosanitary risk management (including establishing an early/rapid response system for food and feed...*'<sup>137</sup>

Similarly, in the EAC sub-regional allocation, operations such as '*complete quality management systems certification processes for the EAC Secretariat, Ministries of East African Affairs and other national institutions*'<sup>138</sup> are also mentioned. However, allocations to such operations are not specified within the overall envelope for the priority area.

Capacity-building elements also appear in some of the potential activities outlined. For example, in the case of the EAC sub-regional allocations, operations foreseen under the priority area of 'peace, security and regional stability' include '*strengthening EAC electoral governance mechanisms and fora, notably by operationalising the Electoral Support Unit within the EAC Secretariat...*'<sup>139</sup> In the West Africa RIP, under the priority area of 'peace, security and regional stability', several of the sub-components identified include capacity-building for the secretariat: '*Building capacity and developing the expertise of ECOWAS' Department of Political Affairs, Peace and Security*' and '*Developing ECOWAS' efforts to strengthen stability, democracy and the rule of law*'.<sup>140</sup>

The Caribbean RIP does not contain a specific envelope for supporting capacity-building in relation to CARIFORUM, although the logical framework does identify some possible operations, which could entail support to the CARIFORUM Secretariat: support intra-CARIFORUM cooperation through improved functioning of the CARIFORUM mechanisms, including capacity-building and institutional capacity to support reinforced CARIFORUM-EU cooperation, including EPAs (under priority 1: Regional Economic Cooperation and Integration).

<sup>137</sup> See EA-SA-IO RIP p. 29.

<sup>138</sup> See EA-SA-IO RIP p. 35.

<sup>139</sup> See EA-SA-IO RIP p. 38.

<sup>140</sup> See West Africa RIP p. 17.

While the many interrelated and supporting activities may indirectly contribute to strengthening DMRO capacities, the RIPs also specifically allocate funding as institutional capacity-building to DMROs. Table 6 below gives an overview of such funding across the five RIPs, which amounts to €77 million.

As described above, other operations and activities may also support the Secretariat's functions but allocations have not yet been specified. The overview is therefore not an exhaustive list of allocations, but provides an indication of the rough amounts programmed.

**Table 6 Funding allocations to institutional capacity-building in the 11<sup>th</sup> EDF regional programmes**

RIP		Objectives	EUR (millions)	
Africa	Central Africa	Support ECCAS Secretary General in its planification capacities with regards peace and security Roadmap	13	
		Strengthening regional institutions capacities (ECCAS and CEMAC)	26	
	EA-SA-IO	Cross-regional	NA	-
		COMESA	Enhanced capacity of the COMESA Secretariat (under the regional economic integration sector)	7
		EAC	Institutional Capacity Building	5
		IGAD	Institutional Capacity Building	5
		IOC	Institutional Capacity Building	5
		SADC	Institutional Capacity Building	14
	West Africa	Institutional support for regional organisations/TCF	Not specified <sup>141</sup>	
Caribbean	Institutional capacity Building for CARIFORUM not specified	Not specified		
Pacific	Strengthening of Regional Organisations (under the Priority Area 3 Inclusive and Accountable Governance and respect for Human Rights)	2		
<b>Total</b>			<b>77</b>	

Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

<sup>141</sup> While €25 million are allocated to 'Institutional Support to regional organisations' as a non-focal sector, this includes funding to Technical Cooperation Facility activities such as funding studies and seminars and as such not the entire amount can be expected to directly support institutional capacity building.

## 4.7. Chapter findings in a nutshell

The 11<sup>th</sup> EDF amounts to a total of €30.5 billion, of which 95.3% is allocated to the ACP States. National and regional envelopes together amount to €24.4 billion, of which 13% (or €3.3 billion) have been programmed through five regional indicative programmes (RIPs). The enlarged East and Southern Africa and Indian Ocean region receives the largest allocation (40% of regionally allocated funds), followed by West Africa (34% of regionally allocated funds), the Caribbean (10.3%), Central African region (10%), and the Pacific (5%).

Each of the five RIPs clearly identifies three focal sectors, in line with the Agenda for Change and the CPA:

- Regional economic integration receives 59% of the regional envelope, of which 70% goes to blending. Other objectives include strengthening regional trade and business enabling environments, EPA implementation and capacity-building, and raising private sector participation.
- Climate change, resilience, environment, food security and natural resources management receive 20% of regional funds. This is in line with the EU's overall commitment to spend at least 20% of its budget on climate-related activities.
- Governance, peace and security are allocated 15%. The remaining funds go to technical cooperation facilities and non-focal areas. This should be seen in the wider context of complementarity between instruments, in which the African Peace Facility receives 25% of the intra-ACP envelope.

Support for capacity development at the DMRO secretariats is earmarked in almost every RIP, and is specifically geared to supporting the ROs' core mandate. In addition, other priority sectors may include activities that are also geared to supporting key DMRO activities.

## 5. 11<sup>th</sup> EDF regional programming: a partnership between equals?

This chapter focuses on the interaction between EU and ACP counterparts during the programming process, with a particular focus on how the new programming orientations were designed, how the principle of direct access was negotiated and how a single RIP for the EA-SA-IO region was established. We also discuss the implications of new blending facilities for regional actors' participation, and the use of regional EDF funds to create an EU Emergency Trust Fund on migration in Africa.

### 5.1. The 11<sup>th</sup> EDF's new approach to regional cooperation: 'made in Europe'?

We have gathered evidence that the programming orientations spelling out the new ACP-EU approach to regional cooperation were unilaterally prepared by the European Union. As one of our interviewees put it, *'it was not an open discussion process, but was very inspired by the 10<sup>th</sup> EDF lessons learnt (we need to focus and concentrate more, we need to ensure that our money will be disbursed...).'*<sup>142</sup>

EU member states were involved in the discussions quite early in the process, notably through the EU's own EDF Committee meeting in Brussels. They had the opportunity to comment on the first draft of the regional programming instructions and RIPs, even before DMROs received a copy. Some EU member states worried about the new governance structure of the regional programming, and about adding more layers of bureaucracy, but the EC and the EEAS elaborated several explanatory notes.

However, this meant that *'DMROs were presented a package, rather than being involved in discussions from the beginning'*<sup>143</sup>. A standard letter was sent to DMROs in July 2013 presenting the guidelines and regional seminars followed. A view confirmed by an EUD official: *'EU said 'we have only this proposal: you take it or you take it.'*<sup>144</sup> Not surprisingly, the EU's new approach to supporting regional integration provoked criticism from its ACP partners. The Secretary-General of COMESA published his reaction to the draft programming orientations and warned that the *'equality principle underpinning the CPA seemed to be gradually slipping'*, arguing that:

*'(...) we are told that 'EU Headquarters have conducted a first analysis of sectors, allocations and objectives that could be pursued in each region' and that 'These analyses will be submitted to ACP regional stakeholders, DMROs and NAOs, as a first basis for discussion'. I am sure that you will agree that this process already reflects an unequal partnership even before the programming process starts. It is hard to understand why the EU Commission feels it has the right or the authority to even suggest to the regions what sectors, allocations and objectives could be pursued.'*<sup>145</sup>

DG DEVCO did not contradict this analysis, but explained that *'we just put up a proposal on the split of money between sectors because they could not agree amongst themselves'*<sup>146</sup>. Having the back-up of EU member states through the EDF Committee was part of EU's negotiating position vis-à-vis its African partners. As one of our EEAS interviewees explained, *'the EDF Committee helped us to go back to the*

<sup>142</sup> Interview with EU MS representative, 4 February 2016.

<sup>143</sup> Interview with EEAS representative, 13 October 2015.

<sup>144</sup> Interview with EUD representative, January 2015.

<sup>145</sup> Ngwenya (2013).

<sup>146</sup> Interview with senior DG DEVCO official, 15 October 2015.



*RECs saying that we need to focus and ensure direct access. We could tell [the RECs] that [EU] member states would otherwise not accept the RIP.*<sup>147</sup>

Our analysis of the draft guidelines for regional programming published in July 2013 and the revised guidelines of December 2013 (see table 7 below) reveals some tweaking of the process timetable, as well as some important changes in the order and language. While in some cases the changes allowed to strengthen the joint nature of the programming exercise (see step 1), some of them actually reinforced EU's domination in decision-making (see step 4).

The EU's heavy hand was severely criticised by Jean Claude de L'Estrac, Secretary-General of the Indian Ocean Commission, who said '*we think that the approval of RIPs should first come from DMROs before submitting it to the EDF Committee. It is about ensuring that RIPs are fully in line with our development strategies and regional commitments*'.<sup>148</sup>

---

<sup>147</sup> Interview with independent consultant, 7 October 2015.

<sup>148</sup> de L'Estrac (2013).

**Table 7 Changes in the timeline and text of the regional programming steps**

Calendar	Initial plan (guidelines July 2013)	Revised plan (guidelines December 2013)
<b>Step 1</b>	September - October 2013 <i>Text:</i> Launch of the programming process in each region: Presentation in the Regional Steering Committee of the present programming orientations and EU analysis for each region and in the wider coordination platform regrouping multiple RSCs in case of a multi-RO configuration.	September - December 2013 <i>Text:</i> Launch of the programming process in each region: Presentation of the present programming orientations and EU/ACP analysis for each region.
<b>Step 2</b>	November 2013 - January 2014 <i>Text:</i> Joint analysis by EU Delegations, DMROs and their ACP member states of priorities and actions to be implemented by DMROs and other national/regional actors.	November 2013 - February 2014 <i>Text:</i> Joint analysis by EU delegations and their ACP counterparts of priorities and actions to be implemented by DMROs and other national/regional actors.
<b>Step 3</b>	February - March 2014 <i>Text:</i> Consolidation of the above contributions to be endorsed by the Regional Steering Committee (EU represented by HQ level) or the wider coordination platform in case of multi-ROs configuration.	March - May 2014 <i>Text:</i> Consolidation of the above contributions in a draft RIP to be endorsed by the Regional Steering Committee (EU represented at HQ level) + submission to EU HQs.
<b>Step 4</b>	April - June 2014 <i>Text:</i> Drafting of the RIP, formal endorsement by DMROs and their policy organs, and submission to EU HQs.	June - September 2014 <i>Text:</i> Finalisation of the RIP in EU HQs and approval by the Commission and HR/VP.
<b>Step 5</b>	July - September 2014 <i>Text:</i> Finalisation of the RIP in EU HQs with consultations of the DMROs and approval by the Commissioner and HR/VP.	June - September 2014 <i>Text:</i> The RIP is submitted to the EDF Committee. Subsequently it will be submitted to the DMROs heads for approvals.
<b>Step 6</b>	October 2014 <i>Text:</i> the RIP is endorsed by DMROs and then submitted to the EDF Committee. Subsequently it will be signed by the DMROs and the EU.	October 2014 <i>Text:</i> Commission final decision process and co-signature of the RIPs with DMROs.

Source: Guidelines (versions of July 2013 and December 2013).

## 5.2. No shared vision on the principle of direct access

Several EU interviewees reported that, although ‘breaking the monopoly’ of the RECs was a small revolution in EU’s approach, it created a lot of suspicion among DMROs, ‘*who saw direct access as if we wanted to break their sphere of influence*’<sup>149</sup> and as ‘*a direct threat to the regional integration process and to their own leadership role in programming*’<sup>150</sup>. Indeed, most DMROs disagreed fundamentally with the principle of direct access, and the issue dominated the programming process in several regions.

- The **East African community and the Indian Ocean** (speaking on behalf of the IRCC members) sharply criticised the EU’s rhetoric of REC underperformance, underpinning the principle of direct access. As Mr de L’Estrac (the IOC’s Secretary-General) said, ‘*we want RIPs to recognise the leadership role of our organisations in fostering regional integration, on behalf of our member states. Our organisations are duly mandated by the Cotonou Agreement. So it is about reminding the European Union and our own member states that could have national interests that implementing regional integration processes should remain the prerogative of our organisations.*’<sup>151</sup>
- **CARIFORUM** apparently also strongly opposed the principle of direct access (and the proposed governance structure), which led to negotiations being blocked for nearly one and a half years.
- In **West Africa and Central Africa**, direct access was apparently accepted fairly smoothly. This could be interpreted as an inability on the part of the DMROs to withstand pressure from their member states, who wanted to have direct access to RIP funds or as a way to circumvent particularly weak ROs.

The EU was well aware that the success of the new approach required the adherence of ACP regional organisations and DMROs’ member states. With this objective in mind, the EU developed a strong narrative to convince DMROs that direct access to EDF regional resources by their own member states and other regional organisations would ‘*create benefits for countries who are supposed to domesticate and implement regional commitments*’,<sup>152</sup> and would ‘*revalorise the role of DMROs, by focusing on their core mandates, putting them at the centre of regional cooperation and giving them an helicopter view on regional integration, rather than have them buried in implementation matters for which they don’t have the capacity.*’<sup>153</sup>

At the end of the process, compromises were found. In the Caribbean, CARIFORUM would retain leadership over programming, but a multi-country envelope would be included in the RIP. In the EA-SA-IO RIP, the principle of direct access was complemented by the ‘no-objection basis’, meaning that DMROs should be consulted by potential RAOs when proposing actions and retained a veto right.<sup>154</sup> In the other regions, the principle of direct access was more easily accepted.

<sup>149</sup> Interview with EEAS representative, 13 October 2015.

<sup>150</sup> Interview with senior DG DEVCO official, 15 October 2015.

<sup>151</sup> de L’Estrac (2013).

<sup>152</sup> Interview with senior DG DEVCO official, 15 October 2015.

<sup>153</sup> Interview with EEAS representative, 13 October 2015.

<sup>154</sup> ESA-IO, SADC and EU (2013).

### 5.3. EU interference in African RECs 'politics': a legitimate or unreasonable operational concern?

The CPA recognises the benefits - both economic and political - of regional integration, itself identified as an objective. It also identifies the negotiation of Economic Partnership Agreements (EPAs), to be negotiated with five African regions, as one of the main tools to support regional integration. EPAs would in theory consolidate existing regional integration initiatives by fostering the effective implementation of regional commitments on trade and promote investment. According to the CPA, ACP states should decide on the definition of what constitutes a geographical region. The CPA also stipulates that, in the case of overlapping membership of several regional organisations, the regional programming should correspond with the combined membership of these organisations.

African countries' decided to negotiate the EPAs in five different blocks, of which only two replicated existing African RECs (i.e. EAC and ECOWAS).<sup>155</sup> But since multiple membership was not allowed by the EU, African member states had to choose the negotiating group to which they would belong. It is beyond the scope of this paper to analyse in detail the impact that EPAs had on regional integration dynamics,<sup>156</sup> but according to Daniel C. Bach's analysis '*out of the five negotiating groups that existed in 2008, the EAC was the only REC that initialled a EPA with its full membership (...) Most sub-Saharan states (...) decided to break ranks with their respective RECs and opt for bilateral arrangements.*'<sup>157</sup> The result was an '*unprecedented exposure of the willingness and ability of the member-states of the RECs to adhere to their stated commitments to go beyond FTAs so as to establish Common External Tariffs and custom unions.*'<sup>158</sup> In Eastern and Southern Africa, '*the boomerang effects of overlapping membership and uneven commitment to economic integration were particularly acute;*'<sup>159</sup> in West Africa, ECOWAS appeared incapable of establishing a common platform for negotiations and divisions among member-states '*did not bode well for a regional agreement;*'<sup>160</sup> in Central Africa, the EPA process '*highlighted problems of institutional coherence that plagued all regional institutions.*'<sup>161</sup>

Not surprisingly, in a context of protracted EPA negotiations, both the 2008 European Commission Communication and the 2009 report by the European Court of Auditors identified overlapping and inconsistent integration agendas as the main obstacles to regional integration. Streamlining regional programming processes became a key priority for the EU.

ECDPM has evidence that having one single RIP for the EA-SA-IO regions was not an explicit demand from the RECs, but rather '*an initiative of the [DEVCO] geographic units, not envisaged in the guidelines.*'<sup>162</sup> Several of our interviewees concurred that the EU left little space for the RECs to discuss the idea of a single RIP amongst themselves, at their own pace. The Inter-regional Coordinating Committee's Chairman Mahboub Maalim argued that solving the overlapping membership issue '*is the best thing to do in the long run (...) but not now. It is premature.*'<sup>163</sup> In the same vein, Sindiso Ngwenya, COMESA's Secretary-General, sharply criticised the EU's approach: '*reminiscent of the heavy-handed way the Commission tried to coral African countries into arbitrary clusters which the Commission believed they should negotiate EPAs with. This clustering attempt under EPAs failed, mainly because the Commission*

<sup>155</sup> Karingi, Mevel and Valensisi (2015).

<sup>156</sup> See Bach (2016) for a detailed analysis.

<sup>157</sup> Bach (2016), p. 101.

<sup>158</sup> Bach (2016), p. 99.

<sup>159</sup> Bach (2016), p. 103.

<sup>160</sup> Bach (2016), p. 107.

<sup>161</sup> Bach (2016), p. 107.

<sup>162</sup> Interview with EEAS representative, 13 October 2015.

<sup>163</sup> Maalim (2013).

*did not think it necessary to consult with its ACP partners beforehand, and it seems that the lessons learned from this failure have not been learned.*<sup>164</sup> An EU member state representative criticised the interference argument saying that *'we cannot claim that we pushed together ROs that do not want to cooperate before; that is pushing forward a political argument that is not valid at the operational level.'*<sup>165</sup>

As explained in Box 3 below, bringing SADC on board had major repercussions for the EDF management, coordination structures and aid effectiveness dynamics.

### **Box 3 A brief history of the Inter-Regional Coordination Committee**

The Inter-Regional Coordination Committee (IRCC) was set up in 2002 to support, facilitate and coordinate the access of RECs in the Eastern and Southern Africa and Indian Ocean (ESA-IO) region to EC funding under the 9<sup>th</sup> and 10<sup>th</sup> EDFs. It was the first time such a grouping was created to coordinate funding for the ROs with overlapping memberships in the region; COMESA, EAC, IGAD and IOC. The core mandate of the IRCC was to act as a 'broker house' to identify programmes and projects to be financed under the EDF. It also had a monitoring role of implemented programmes. In support of its work, the IRCC benefited from specifically allocated EDF funds which were managed separately from the envelope for which the IRCC was responsible.

The IRCC was originally not well received by some ROs who perceived the initiative as the 'price to pay' to get access to the ESA-IO regional programme after the EC decided to combine two previously separate strategies and programmes in East Africa (including COMESA, EAC and IGAD) and the Indian Ocean (including the IOC) and requests to have separate programmes were made for the 10<sup>th</sup> EDF.<sup>166</sup> The global architecture of the programme was also viewed with a certain concern by the African Union in terms of the risk of it being seen as an attempt to promote a new sub-regional dimension for regional integration and cooperation.<sup>167</sup> SADC opted out from the ESA-IO region and from being a full member of the IRCC but was granted observer status.

A 2008 evaluation noted that the IRCC constitutes an impressive step forward, noting that despite its top down institutional set-up, the complex tasks at hand and a weak capacity to effectively support ROs in their harmonisation,<sup>168</sup> the IRCC was well appreciated. As pointed by one of our African interlocutors *'the good thing that came out (from the IRCC) was that RECs learned how to speak and work together, despite issues coming from overlapping membership. One of the big acquis was to have these organisations work together and come to common programmes.'*<sup>169</sup>

However, after more than a decade of being exclusively funded from EU resources, by 2009 the IRCC was struggling to reinvent itself and ensure its sustainability by drawing on resources from its member organisations.<sup>170</sup> A 2012 evaluation of the IRCC project under the 9<sup>th</sup> and 10<sup>th</sup> EDF's concluded that the progress of the Tripartite FTA negotiations between COMESA, EAC and SADC would pose challenges to the relevance of the IRCC in the future.<sup>171</sup>

The IRCC tried to devise an exit strategy for the 11<sup>th</sup> EDF, widening its mandate beyond EU funding and profiling itself as a pillar of aid effectiveness<sup>172</sup> arguing that a revamped IRCC should be able to coordinate and mobilise a combination of domestic or regional resources, big and traditional donors such as the EU and the emerging players Brazil, Russia, India, China and South Africa (BRICS), and being able to coordinate a number of funding instruments with an added advantage of allowing for blending of grants and interest bearing instruments (loans and other risk capital). *'The re-invented IRCC should be able to facilitate backward and forward linkages between the Africa Union and the RECs in order to realise the vision of a bigger Africa Union Customs Union in line with the provision of the Abuja treaty.'*<sup>173</sup> But in the eyes of many EU stakeholders interviewed for this study, this strategy *'lacked any real ownership.'*<sup>174</sup>

<sup>164</sup> Ngwenya (2013).

<sup>165</sup> Interview with EU member state representative, 4 February 2016.

<sup>166</sup> Great Insights (2012) and European Commission (2008b).

<sup>167</sup> European Commission (2008b).

<sup>168</sup> European Commission (2008b) p. ii.

<sup>169</sup> Interview with former TA to RO, 27 October 2015.

<sup>170</sup> Bissoonauthsing and Sibanda (2012).

<sup>171</sup> The Tripartite process building on the establishment of a Free Trade Agreement (FTA) between the members of COMESA, EAC and SADC emerged after the IRCC was set up. Originally started in 2004 by COMESA and SADC to harmonise their programmes, the first COMESA-EAC-SADC tripartite summit in 2008 was followed by the launch of negotiations in June 2011. See also Humphrey (2012).

<sup>172</sup> Bissoonauthsing (2013).

<sup>173</sup> Bissoonauthsing and Sibanda (2012).

EU's determination to streamline support to the different RECs in the region, and to include SADC, led to important tensions. The EU became increasingly critical of the IRCC to the point that funding was not renewed for the 11<sup>th</sup> EDF, arguing that '*it was never intended that the IRCC, and its secretariat would be financially sustainable outside of EDF resources.*'<sup>175</sup>

The IRCC was dismantled, and replaced by the Steering Committee. According to one of our ACP interlocutors, the IRCC did not have much of a chance to come forward as the future of interregional coordination in the 11<sup>th</sup> EDF '*the IRCC was removed and replaced by a system that has still to learn how to do coordination. With time, we'll see what is the influence of the new system, but for the time being, there is nothing to coordinate, RECs don't even talk to each other anymore.*'<sup>176</sup>

Sources: *Original interviews, Bissoonauthsing and Sibanda (2012), and Bissoonauthsing (2013).*

#### 5.4. Do regional actors have sufficient weight in EU blending activities?

There are several concerns about how the principle of ownership adapts to the practice of blending. While ACP countries recognise the relevance of EU loan-grant blending in the current context of austerity and the scale of development funding needs, they warn that '*existing loan-grant blending mechanisms do not sufficiently support the needs of the social sectors and may also entail substantial risks associated with ownership, indebtedness and opportunity cost. In order to optimise the potential of loan-grant blending, transparent procedures need to be established for using this mechanism, to ensure effective governance and ownership by the beneficiary countries.*'<sup>177</sup> As a senior DG DEVCO management representative reflected, a challenge for the Commission will be '*to ensure that what we finance through the RIP is fully supported by countries and supports their political priorities [...] The challenge will be what role do we give to the RECs in the definition of the projects, accepting the basic principle of blending that it is financial institutions that bring loans to [national] governments.*'<sup>178</sup>

The scope for increased beneficiary country ownership of blending operations may not necessarily improve with the new EDF blending framework. National and regional actors are consulted in the identification of projects to be considered for blending support, officially through their participation in steering committees. As with other EDF projects, the decision rests with the EU: the final appraisal and decision-making power of blending projects is vested in EC headquarters, in the Board of the EDF blending framework. Once projects have been approved, subsequent decisions are to be discussed with the beneficiary country or region, and thereafter presented to the EDF Blending Framework (including EUDs and EU member states). Eurodad has previously criticised the EC's blending operations for not having any formal mechanisms for civil society or affected communities to participate in the blending facilities, as well as the incentives provided for beneficiary country governments participation when they are not included in the final appraisal and decision-making procedure.<sup>179</sup> Furthermore, the space for national and regional actors to lead the implementation of blending projects remains limited.

The main 'takers' of blending are in fact the Development Finance Institutions (DFIs), which since 2013 have had to undergo the EU's new seven-pillar assessment (upgraded from four pillars from the previous EU Budget)<sup>180</sup> in order to qualify as the lead financier of a blending project, sign a contract with the EC and

<sup>174</sup> Interview with EUD staff, January 2015 and with DEVCO senior official, 15 October 2015.

<sup>175</sup> Humphrey (2012), p. 48.

<sup>176</sup> Interview with former TA to RO, 27 October 2015.

<sup>177</sup> ACP-EU Joint Parliamentary Assembly (2014).

<sup>178</sup> Interview with DEVCO official, 15 October 2015.

<sup>179</sup> Eurodad (2013).

<sup>180</sup> The financial regulation applicable to the EU budget allows 'indirect management', according to which the European Commission can entrust budget implementation tasks to countries, organisations and bodies, if these entities can guarantee an equivalent level of protection of EU interests. The EC has a decade of experience with pillar

be entrusted with the implementation of EU budget funds.<sup>181</sup> The pillars concern the internal control system, the accounting system, an independent external audit and rules and procedures for providing financing from EU funds through grants, procurement and financial instruments and sub-delegation. Despite calls for a wider participation in the blending facilities both among EU aid actors and non-European aid actors - the likelihood of regional development banks or even commercial banks to act as lead financiers is hampered by these assessment criteria, which may be too heavy for regional banks. This said, seven-pillar assessments are not a requirement for co-financiers in a consortium.

Currently, the African Development Bank (AfDB) is the only 'regional' finance institution which has passed the assessment. The AfDB consequently featured as the lead financier on approximately one sixth of the one hundred and forty projects on the pipeline for the African Investment Facility at the time of research.<sup>182</sup> Furthermore, they note that *'in the future we will increase our relationships, but we are at the moment focusing on the AfDB. Comparing our mutual knowledge and history of partnership we are more used to working with AFD than AfDB - we are investing a lot of time to working with them, It is clear that they are not used to the blending facilities.'*<sup>183</sup> However, and as noted by one of our interviewees: *'in terms of the final geography of blending and who can be part of the mix, if the regional financing institutions are excluded it will lead to problems'*.<sup>184</sup>

While Commission officials recognised the recommendations made to ensure a wider participation in blending, they also noted that *'there is a clearly a European preference stated for implementation of funding.'*<sup>185</sup> The EUBEC noted in 2014 that only five main European partners represented the bulk of operations approved in the previous blending mechanisms.<sup>186</sup>

## 5.5. Has the 11<sup>th</sup> EDF regional programming been hijacked by EU priorities?

There seems to be an increasing pressure to nuance the principle of 'co-management of funds', with the necessity to ensure accountability and show results to EU taxpayers. According to an EU Delegation senior representative interviewed for this study *'there is considerable, even enormous pressure to deliver something tangible as to what is important for Europe.'*<sup>187</sup> He argues that the focus on security and stability (and focusing on issues such as migration, trafficking, and violent extremism) actually correspond to key EU pressing priorities: *'this are basically Europe's issues, none of it really impinges on ROs priorities. But it is legitimate for the EU to say this is what we can reasonably hope to 'buy' with our aid.'*<sup>188</sup> Another senior DG DEVCO representative sees the cross-regional programming as *'an attempt from us to make RECs work together on areas that are a priority for us.'*<sup>189</sup>

There also appears to be a clear trend towards recentralising the management of EU/EDF funds, away from the principle of co-management that underpins the CPA and wider principles of ownership that are the cornerstone of the development effectiveness agenda. This trend can only be understood in the wider context of the EU's increasing determination to pursue its own interests and use ODA funds to address

---

assessments. These assessments or external audits are usually undertaken by Ernst & Young. Most regional organisations feature such pillar assessments, though their findings are not made public (see Vanheukelom, 2016).

<sup>181</sup> See [https://ec.europa.eu/europeaid/funding/about-funding-and-procedures/audit-and-control/pillar-assessments\\_en](https://ec.europa.eu/europeaid/funding/about-funding-and-procedures/audit-and-control/pillar-assessments_en)

<sup>182</sup> Interview with DG DEVCO officials, 15 January 2016.

<sup>183</sup> Interview with DG DEVCO officials, 15 January 2016.

<sup>184</sup> Interview with former TA to RO, 27 October 2015.

<sup>185</sup> Interview with DG DEVCO officials, 15 January 2016.

<sup>186</sup> European Commission (2014).

<sup>187</sup> Interview with EUD representative, 15 February 2016.

<sup>188</sup> Interview with EUD representative, 15 February 2016.

<sup>189</sup> Interview with senior DG DEVCO official, 15 October 2015.

them in a more narrow sense. A clear example is provided by the creation of the EU Emergency Trust Fund for Africa announced in November 2015, when EU and African leaders came together in Valletta to discuss shared solutions to the unprecedented refugee crisis.

The Trust Fund pooled together over €1.8 billion, drawing massively from the 11<sup>th</sup> EDF funds (including €1 billion from funds pre-earmarked for the Performance-Based Mechanism and from the 11<sup>th</sup> EDF reserves, and €395 million from the 11<sup>th</sup> EDF RIPs for West Africa, Central Africa and Eastern Africa, Southern Africa and the Indian Ocean, and NIPs in Eritrea, Ethiopia, and South Sudan).<sup>190</sup> A DG DEVCO interviewee said *'should the regional programming take place now, it is clear that migration would have been a key policy priority'*.<sup>191</sup> Another EEAS interviewee pointed out that *'there is always pressure on RIPs to fund actions that have been identified by our political masters'*.<sup>192</sup> This view was confirmed by an EU member state representative:

*'nobody says that there is no ownership, we need to keep up the mantra. But migration is the clear example of how development cooperation is now geared to EU's priorities. It is now acceptable across the political spectrum [in the EU] to link programmes on the root causes to the issue of returnees and readmission. Resources go to countries that cooperate. A genie came out of the bottle that you can't put back in.'*<sup>193</sup>

A vital question is the extent to which regional counterparts are aware of this trend to re-centralising control over EDF funds back to the EU. There is evidence that ACP stakeholders were not involved in designing this Trust Fund and that DMROs had little margin of manoeuvre to resist the European Union's decision to allocate regional EDF funds to the Africa Trust Fund.<sup>194</sup> The EU Trust Fund Constitutive Agreement foresees that regional bodies are invited as observers with no voting entitlement, allowing for less oversight and a loss of formal control by DMROs over the spending of EDF funds. Although official documents state that regional and national authorities will be consulted in order to ensure local ownership, little guidance is given on how to involve partners from the region in the management of the Trust Fund.<sup>195</sup> Such a governance arrangement raises questions as to whether it is legitimate to use EDF funds without abiding by the principle of co-management that underpins the CPA. It is interesting to note that there are also voices of discontent with this type of approach within the EU itself. One of our EEAS interviewees put it as follows: *'This is an area of disagreement between the EEAS and DG DEVCO; the EEAS feels that shifting money with only a brief discussion and without a strategic document, is taking EDF money away from the DMROs, and away from the principles of joint ownership.'*<sup>196</sup>

<sup>190</sup> Additional funds are added through the European Neighbourhood Instrument (€200 million), the Development Cooperation Instrument (€125 million), a DG HOME budget line (€20 million), from humanitarian aid and disaster preparedness (€50 million) and €10 million foreseen from the Instrument for Stability and Peace. Spain has been the first EU member state to sign up, acting as founding partner to establish the fund with a contribution of €3 million. The EC has strongly encouraged EU member states to match the €1.8 billion in funding with an additional €1.8 billion. 37 As of 13 November 2015, however, only €81.27 million had been pledged by European states, 38 and EU member states have been slow to sign up (as of mid-October 2015 only six had effectively contributed to the EUTF). Before the Valletta Summit, there had been a shortfall of €1.768 billion to the envisaged €3.6 billion. See Hauck, Knoll, and Herrero (2015).

<sup>191</sup> Interview with DEVCO official, 15 October 2015.

<sup>192</sup> Interview with EEAS representative, 23 October 2015.

<sup>193</sup> Interview with EU member state representative, 7 April 2016.

<sup>194</sup> Hauck, Knoll, and Herrero (2015).

<sup>195</sup> Hauck, Knoll, and Herrero (2015).

<sup>196</sup> Interview with EEAS representative, 4 November 2015.



## 5.6. Who owns the 11<sup>th</sup> EDF regional cooperation? A critical perspective on alignment and participation

One of our interviewees said that *'the 11<sup>th</sup> EDF offers a structure for basing programming choices on approved strategic plans and collating that with the priorities of the Agenda for Change. Programmes resonate with bringing value to each one of the parties: satisfying the priorities for the EU and at the other end, the priorities that member states consider for their RECs.'*<sup>197</sup>

All RIPs appear indeed to be closely aligned with regional strategies, development plans and treaties.<sup>198</sup> However, alignment with such documents cannot be equated with genuine ownership. It is beyond the scope of this paper to examine in detail whether these documents have a high degree of ownership by ROs and their member states. However, a number of remarks can be made calling for caution when assessing alignment and ownership in the 11<sup>th</sup> EDF regional programming process.

The ECDPM's recent research on the political economy of regional integration in Africa notes that documents that enjoy strong donor support are not necessarily backed up by strong support at national level, nor by regional institutions in a way that ensures implementation. The study of the African Union notes, for instance, that Germany's Presidency of the G8 heavily influenced the regional agenda-setting and institutional arrangements for infrastructure development, resulting in Germany paying for the elaboration of the Terms of Reference for the continental Programme for Infrastructure Development in Africa (PIDA) in 2008. The study found that *'PIDA seems to enjoy more support among donors than among AU member states, which thus far failed to finance PIDA initiatives'* and that *'member states indicated their limited involvement in the process and in providing inputs to the prioritisation (...) felt little ownership over the PIDA Priority Action Plan (...) and doubted the capacity of RECs to facilitate and represent them at the continental level.'*<sup>199</sup> The study also suggested that there was a mismatch between the PIDA priorities and the priorities set in national strategic plans and budgets, and that the secretariat of the Northern Corridor had not been involved in the preparation of the PIDA plan or even the Corridor's selection as a priority project. In general, there was little early involvement of the private sector in preparing PIDA, despite the need for major financial and other inputs from the private sector in project preparation and implementation.

Several interviewees noted that, compared to previous EDFs, most RECs are now more structured in terms of strategic and activity planning, and this has allowed greater alignment with ROs' strategic plans. Yet questions remain as to whether this automatically ensures greater ownership of RIPs:

- The multi-dimensional, holistic nature of ROs' strategic plans means that donors can still 'pick and chose', particularly in contexts where most ROs do not express their demand for support in a very selective way.<sup>200</sup>
- ROs' over-reliance on donor assistance highlights the dangers that donor preferences in terms of the policy agenda and implementation arrangements prevail over domestic or regional priorities. For instance, in the case of SADC, whose budget is 79% dependent on donor funding *'may come with the explicit pressure or the implicit incentive for the SADC to expand its agenda in line with*

<sup>197</sup> Interview with former technical assistant to RO, 27 October 2015.

<sup>198</sup> The EA-SA-IO RIP mentions alignment with the Programme for Infrastructure Development in Africa (PIDA), the ECOWAS RIP explicitly supports the strategy for the Sahel or ECOWAS strategy on maritime security in the Gulf of Guinea, the Central Africa RIP supports CEEAC's roadmap for peace and security and the COPAX protocol, the Pacific RIP makes multiple reference to the Framework to Pacific Regionalism (FPR) (list non-exhaustive).

<sup>199</sup> Vanheukelom (2016).

<sup>200</sup> Mamaty et al (2012).

*donor preferences. The SADC has already set itself an ambitious agenda, with a serious deficit in resource mobilisation among member states. It would not be feasible to undertake all of these activities with the resources that member states are willing and able to contribute to regional processes'.<sup>201</sup>*

- As long as RO management systems remain weak by international standards, donors - including the EU – will keep using their own procedures, with limited harmonisation, jeopardising the aid effectiveness agenda principle of 'using country/regional systems.'<sup>202</sup> Yet formal ROs may prioritise accountability systems to serve the interests of the biggest funders, rather than member states and other constituencies, limiting the potential for institutional strengthening and inclusiveness.<sup>203</sup>

Despite a commitment to participatory programming in the CPA, according to COMESA's Secretary-General, the programming orientations also lacked a clear method of involving all the relevant stakeholders:

*'We are informed that the duly mandated regional organisations (DMROs) plus the Regional EUDs (in close cooperation with EU headquarters) plus national authorities in the region, share the responsibility for the preparation of the draft RIP. This would mean that, for the EA-SA-IO region, there would be 4 DMROs, 4 EUDs and possibly 25+ national authorities sharing the responsibility for preparing the RIP (...) There are no guidelines for how this will actually be achieved. The ROs normally operate on the basis of consensus and no RO has more authority or voting rights than any other RO. Add to this the EUDs and the national authorities, all of whom will have their own agendas, and the outcome will be chaos.'<sup>204</sup>*

There is evidence that ACP member states (through their NAOs) played a minimal role in the regional programming process, partly due to the synchronisation problem between national and regional programming, in which EUDs gave priority to the national programming exercise, partly due to the top-down approach deployed by EU headquarters, which kept all actors, including DMROs and EUDs, at a distance. One of our ACP interviewee argued that NAOs were not sufficiently involved in developing the RIPs.<sup>205</sup> We did not find much information on the role of local authorities or civil society in programming the RIPs,<sup>206</sup> although a senior DG DEVCO official doubted that '*any REC organised consultation with civil society, and EUDs did not do it either. It is too abstract. It is easier to do at a national level.*'<sup>207</sup>

Our interviews identified some of the reasons that EU actors put forward to explain the limited role played by ACP member states in the regional programming process. The following quotes are illustrative of the pessimistic mindset of senior EU officials involved in the regional programming process. Some are more analytical than others:

*'There is no interest in regional integration in Africa at the moment.'<sup>208</sup>*

<sup>201</sup> Vanheukelom and Bertelsmann-Scott (2015).

<sup>202</sup> Mamaty et al (2012).

<sup>203</sup> Bilal and Vanheukelom (2015).

<sup>204</sup> Ngwenya (2013).

<sup>205</sup> Interview with DMRO representative, 29 October 2015.

<sup>206</sup> For example the RIP for EA-SA-IO regions states that '*in order to ensure the democratic ownership of the Regional Indicative Programme (...) civil society and local authorities from the beneficiary countries will be duly consulted during the programming, instruction, implementation and evaluation of the programme when relevant.*'

<sup>207</sup> Interview with DG DEVCO official, 15 October 2015.

<sup>208</sup> Interview with senior DG DEVCO official, 15 October 2015.

*'If you compare the level of representation of the EU member states in Brussels, you have hundreds of people participating in the EU integration process. In Abuja or Ouagadougou, there are only tiny representations (...) member states are simply not involved in the process.'*<sup>209</sup>

*'RECs are fantastically weak. (...) They are characterised by a lack of political will, recurrent postponement of summits, critical lack of ownership and capacity to implement. As a consequence the RIP (in region x) is progressing through the system surprisingly quickly - the RECs just accept the draft document without comments.'*<sup>210</sup>

*'RECs remain weak as interlocutors and partners. Most of the talking and initiatives come from our side. It is not yet an equal partnership. They don't have the knowledge and capacities that we have. It is not a dialogue between equals.'*<sup>211</sup>

The main issue stemming from these quotes seems to be the limited capacity of RECs and the limited political will of REC member states. However, the implementation gap in regional integration cannot be blamed exclusively on these twin issues. There are many more dynamics that can help or hinder formal regional integration processes, including structural factors, formal and informal institutions and rules of the game, actors, their coalitions and the incentives that influence their main interests; the specific technical and political characteristics of different sectors and sub-sectors; as well as the influence of external factors, including donors (see ECDPM's five lenses of the political economy framework, and diagram 1).

## 5.7. Chapter findings in a nutshell

The ECDPM has evidence that the 11<sup>th</sup> EDF approach to regional integration was unilaterally prepared by the EC and EU member states, with very little involvement of DMROs, sparking claims by ACP partners that the equality principle underpinning the CPA was gradually eroding. The EU dominated the programming process, in multiple ways:

- The principle of direct access generated significant unrest among DMROs, who perceived it as a threat to their leadership. The EU deployed efforts to create a positive narrative, notably by stressing the central role that DMROs would have in the new Steering Committees overseeing EU regional cooperation and focusing on their core mandates.
- The EU interfered in African politics by imposing one single RIP for the EA-SA-IO region, despite reluctance by EA-SA-IO representatives. This had severe repercussions on the coordination structures (i.e. the IRCC) in place since 2002. The new steering committee has still to prove itself better.
- The scope for increased ownership of blending operations by beneficiary countries may not necessarily improve with the new EDF blending framework, given the limited space for national and regional actors to lead the implementation of blending projects, given that only the African Development Bank is the only regional finance institution which has passed the seven-pillar assessment.

<sup>209</sup> Interview with EUD representative, 15 February 2016.

<sup>210</sup> Interview with EEAS representative, 23 October 2015.

<sup>211</sup> Interview with senior DG DEVCO official, 16 October 2015.

- The 11<sup>th</sup> EDF programming was hijacked by EU priorities at a late stage, when EU leaders decided unilaterally to create an EU Emergency Trust Fund for Africa, with a strong focus on migration, and drew massively from the EDF. DMROs had little margin of manoeuvre to resist this, and have lost control on the spending of those RIP funds that have been pooled into the Trust Fund.
- Although all RIPs appear to be well aligned to regional strategies, development plans and Treaties,<sup>212</sup> there are many reasons why alignment and ownership cannot be taken at face value. Regional strategies and policies that enjoy a strong support from donors, are not necessarily backed up by strong support at the national level, nor by regional institutions to ensure their effective implementation. Regional Organisations' over-reliance and donor funding may result in ROs strategic plans that reflect donor preferences rather than domestic or regional priorities.

Despite a commitment to multi-stakeholders' participatory programming in the CPA, the 11<sup>th</sup> EDF regional programming orientations lacked a clear means of involving all the relevant stakeholders. We have little evidence that NAOs, civil society, local authorities and the private sector had any meaningful say in the process.

---

<sup>212</sup> The EA-SA-IO RIP mentions alignment with the Programme for Infrastructure Development in Africa (PIDA). The ECOWAS RIP explicitly supports the strategy for the Sahel or ECOWAS strategy on maritime security in the Gulf of Guinea. The Central Africa RIP supports CEEAC's roadmap for peace and security, the COPAX protocol. The Pacific RIP makes multiple reference to the Framework to Pacific Regionalism (FPR). The above list is non-exhaustive.

## 6. EU interinstitutional dynamics and key drivers of the choice of sectors

On paper, the European Commission's DG DEVCO and the European External Action Service (EEAS) are co-responsible for drafting both country and regional strategy documents for the programming of external assistance (in co-operation with the relevant Commission services). Although the EEAS is responsible for inter-institutional coordination and strategy development, neither body can act without the others' consent, and both have clear reporting requirements to the European Commissioner for International Cooperation and Development. DG DEVCO is responsible for the management of EDF development funds, and the implementation and monitoring of EDF programming. The EEAS and the Commission have agreed detailed working arrangements for cooperation on instructions.<sup>213</sup>

This chapter looks at how EU institutional mandates and provisions operated in practice and influenced the programming process, in particular the choice of sectors.

### 6.1. A 'comprehensive and political' versus a 'classical developmental' approach to regional cooperation

Our research indicates that the interaction between the EEAS and DG DEVCO was generally smooth, in the sense that the EEAS did not openly challenge DG DEVCO in programming choices, unlike in the national programming exercise.<sup>214</sup> However, there is substantial evidence that DG DEVCO and the EEAS disagreed about the approach to and the final choices with regard to sector concentration in regional programming.

On the one hand, we have gathered evidence that the EEAS pursued a more political approach to regional cooperation, with emphasis on sectors such as peace and security migration, border control, that would allow to finance EU external action regional strategies. An EEAS representative asked himself whether '*regional support was just about the classical things or also about trying to keep at bay regional threats in a crisis situation?*'<sup>215</sup> On the other hand, DG DEVCO would steer more towards development issues, with a particular focus on blending and regional economic integration. As one of our interviewees put it, '*there was a constant fight between a more comprehensive approach and a narrow approach to sector concentration*' and '*EEAS wanted to do many things and not be too restrictive in the selection of sectors. We wanted broader sectors, whereas DG DEVCO was constantly trying to narrow them down.*'<sup>216</sup> This narrowing down by DG DEVCO was entirely consistent with the Commission's policy guidance on sector concentration, as defined by the Agenda for Change.

Although the Agenda for Change sets priorities and sees regional cooperation as a means to support regional integration, we find that there was little reflection on what is EU's added value in supporting regional integration in the different regions.<sup>217</sup> This suggests that the EU may not have a specific approach to adapting its regional cooperation to the different regional specificities, particularly in fragile, volatile contexts, but instead seems to deploy a one-size fits all approach. The choice of sectors was largely based on the policy priorities identified by the Agenda for Change and the 'fundamentals of Cotonou', but sector

<sup>213</sup> Herrero et al (2015).

<sup>214</sup> The ECDPM has information that former High Representative Ashton used her direct access to the Development Commissioner to intercede and accommodate strategic partners' preferences in the choice of sectors.

<sup>215</sup> Interview with EEAS representative, 4 November 2015.

<sup>216</sup> Interview with EEAS representative, 23 October 2015.

<sup>217</sup> Interview with EU MS representative, 4 February 2016.

choices at the regional and national levels were, in most cases, understood as exclusive from each other - particularly the transport sector.

Several DG DEVCO respondents thought that the EEAS made a big contribution in making RIPs more relevant in political terms, ensuring complementarity with the CSDP, noting references to the Sahel Strategy, the Strategy for the Gulf of Guinea, and for the Great Lakes, all of which *'are building blocks for the RIPs.'*<sup>218</sup> Indeed, peace and security concerns have long been an integral part of EU support for regional cooperation, long before the EEAS was created.<sup>219</sup>

Since the CPA was signed, several EU policy documents have stressed EU's regional approach to conflict prevention, notably the Communication from the Commission on Conflict Prevention issued in April 2001, which stated the EU's objective of projecting stability in supporting regional integration and in building trade links. The Commission indicated that between 2.6% and 2.8% of the national allocations under the 9<sup>th</sup> and 10<sup>th</sup> EDFs were dedicated towards peace and security.<sup>220</sup> The Evaluation of EC support to peace-building and conflict prevention, published in 2011, shows that the evolution of contracted funds over 2001-2010 from the EDF and from the EC Budget has steadily grown on a whole. However, specific funding from the EDF has actually fallen since 2004, although with a modest increase again from 2008-2010.<sup>221</sup> However, it seems that a traditional (and static) development approach prevailed over a more political (dynamic) approach to regional programming. He pointed that the regional context for which he is responsible is *'a difficult one, and fast changing (...) if programming was done now, maybe amounts would be higher, maybe a bit more attention would have been given to stability and security issues and less to economic integration.'*<sup>222</sup>

Compared to DG DEVCO, the EEAS played a more limited role. A senior DG DEVCO official said that *'the EEAS was very absent in reality, they don't have a dedicated structure for regional programming.'* This view was confirmed by a senior EEAS official: *"it's really only a tiny handful of individuals in the EEAS. It is that kind of micro-level."*<sup>223</sup> In addition to capacity, a lack of political sponsorship appears to also be a problem:

*'This is my personal drama. I am the only desk officer in the EEAS dealing with regional programming (in region x), whereas in DG DEVCO they have a team of five or six people backed up with thematic expertise. (...) There was a complete lack of interest in our higher hierarchy to take up fights with DG DEVCO. I could not pick up any fight, knowing that I would not be backed up by anybody here in the EEAS, whereas DG DEVCO people would immediately go to the Commissioner.'*<sup>224</sup>

In the eyes of an EU member state, 'the EEAS should ideally coordinate different member states and EC interests and put this in a bigger picture. In reality, the EEAS was a new player which only added a different layer.'<sup>225</sup>

<sup>218</sup> Interview with senior DG DEVCO official, 16 October 2015.

<sup>219</sup> Alexander et al (2003).

<sup>220</sup> European Commission (2011a) p. 11.

<sup>221</sup> ADE (2011) p. 7.

<sup>222</sup> Interview with senior DG DEVCO official, 16 October 2015.

<sup>223</sup> Interview with EEAS representative, 4 November 2015.

<sup>224</sup> Interview with EEAS representative, 23 October 2015.

<sup>225</sup> Interview with EU member state representative, 4 February 2016.

In many EUDs the regional programming process was kept off limits.<sup>226</sup> Several respondents reflected on the current recentralisation trend: *'the whole thing had to be centralised rather than letting it run amok. Essentially it was a process that was headed by Brussels. EUDs may have had more of a leadership role in the past.'*<sup>227</sup> An EUD official told us that *'concerning programming, it is a bit ridiculous; we have not even seen any of the RIPs (...) RIPs are all designed in Brussels, it seems.'*<sup>228</sup> Many of our EUD interviewees agreed that priority had gone to national programming.

## 6.2. Complementarity: a key driver in the choice of sectors

Ensuring complementarity between instruments was a key priority for both DG DEVCO and EEAS hierarchies during the 11<sup>th</sup> EDF programming process. We gathered substantial evidence that the EEAS dedicated considerable resources to avoiding overlaps between instruments, while DG DEVCO focused on ensuring strong compliance with the principle of sector concentration.

However, we also found evidence that ensuring complementarity was problematic in practice. The choice of sectors was mainly guided by the policy priorities identified in the Agenda for Change and the CPA, and a narrow interpretation of complementarity between national and regional programming, whereby sectors were chosen in a mutually exclusive way, i.e. support for the social sectors would be mainly covered by national programmes, while support to transport infrastructure and peace and security would be dealt with at a regional level. Excluding certain sectors from the national level generated significant frustration among national counterparts, particularly the exclusion of the transport sector. An illustrative example is given by a West African NAO interviewed for our national programming study:

*'The EU argued that infrastructure would be financed through the RIP. Yet the €600 million set aside for the RIP is far too little to cover huge projects such as the one aiming to connect Abuja, Ouagadougou and Abidjan. Our expectations were not met (...) My government would have preferred that one of the national priority sectors would have been to support the accompanying measures of EPAs, as these are currently insufficient. This would have linked national cooperation with regional integration. The EC responded that this would be tackled under the RIP for ECOWAS. But the allocation for the RIP is way below what was originally planned, so this was not possible.'*<sup>229</sup>

An EEAS representative argued that the EU *'could have interpreted complementarity in the subsidiarity sense; some actions need to be supported at different levels, like we do within the EU.'*<sup>230</sup> He regretted for example that education and health had been taken out of regional programming because they were already dealt with at a national level and pointed out that some health challenges are not only national: *'the fact that Ebola came at that time was a sad demonstration that we had been right at trying to introduce these subjects at the regional level.'*<sup>231</sup>

<sup>226</sup> Note however that, in the Caribbean and the Pacific, the process of drafting the RIP seemed to be more balanced, with a greater role played by the EUDs and the DMROs respectively. Interview with EEAS representative, 23 October 2015 and EUD representative, 4 February 2016.

<sup>227</sup> Interview with EUD official, 4 February 2016.

<sup>228</sup> Interview with EUD official, October 2015.

<sup>229</sup> Interview with NAO, 28 May 2015.

<sup>230</sup> Interview with senior EEAS representative, 23 October 2015.

<sup>231</sup> Interview with EEAS representative, 23 October 2015.

This said, it is worth noting that the intra-ACP programme has a specific section on 'global initiatives' in the health sector, which shows complementarity to regional programming.<sup>232</sup>

Although the principle of subsidiarity is recognised by the EU as a *sine qua non* for an effective and meaningful process of cooperation and regional integration, this did not translate into a tailored approach to ensuring complementarity between the regional and the national programming, according to specific sector and national/regional context dynamics. An interesting example is provided by the RIP in West Africa, which allocates €200 million to food security, despite the fact that *'in the agricultural domain, the regional trigger proved less powerful to defining a shared vision, to providing powerful incentives to member states to implement CAADP/ECOWAS plans or to challenging the predominantly national focus on policy-makers.'*<sup>233</sup>

Several interviewees criticised the lack of synergies between national and regional programmes and the fact that there was no real attempt to link regional and national priorities in the RIPs and the NIPs. The reasons given for this are mainly linked to a sequencing problem between both programming processes, with NIPs being negotiated first and RIPs retrofitted into the NIPs, and EUDs giving priority to national programming. As one of our interviewees pointed out, *'the RIP appears at the last minute and is handed down.'*<sup>234</sup>

There are also divergent opinions about complementarity between the regional programming and the EC's separate Development Cooperation Instrument's Pan-African envelope. Whereas a senior DG DEVCO official pointed out that *'there is no real overlap because most of the PanAf resources are spent or earmarked for AU activities'*<sup>235</sup>, another argued that *'this is where we failed. If we look closely at the PanAf and the RIPs there is some overlap. Do we really need all these different boxes and at what level should we address what? Take migration: we don't have a clear vision of what we address at the RECs and at the PanAf levels. The PanAf is too ambitious, and there is not enough money. We scratch the surface.'*<sup>236</sup>

### 6.3. No formal process for member state participation in the field

We previously discussed EU member state participation in the drafting of the programming orientations. In the field, the general impression is that the EEAS and DG DEVCO, and EUDs in general, did not have a particular strategy for involving member states, so *'it depended very much on the personalities and how actively they engaged member states'*<sup>237</sup> in the different regions. Member state participation and consultation took different forms, including regular exchanges on the ground, and the organisation of regional programming seminars and technical workshops, both at the EUDs and in Brussels.

Indeed, compared with the national programming exercise, EU member state participation lacks a formalised process. It is easier to align the member states' interests with those of the EC at the national cooperation level. Also, the relatively limited number of EU member states actively involved in regional cooperation and with some expertise in supporting regional integration means that most member states lack the capacity and expertise that are needed to make significant contributions to regional programming.

<sup>232</sup> The Intra-ACP programming document states that *'global health crises such as Ebola have also demonstrated the need for strengthening the implementation of international health regulations. Prevention and control of non-communicable diseases is a high concern in ACP countries and should be tackled accordingly.'* One of the expected results of the objective to *'strengthen health systems in ACP countries'* was *'preparedness and response mechanisms against epidemics such as Ebola in place, in accordance with international health regulations.'*

<sup>233</sup> See Bossuyt (2016).

<sup>234</sup> Interview with EEAS representative, 4 November 2015.

<sup>235</sup> Interview with senior DG DEVCO official, 16 October 2015.

<sup>236</sup> Interview with senior DG DEVCO official, 15 October 2015.

<sup>237</sup> Interview with EU member state representative, 7 April 2016.



As one of our interviewees pointed out, *'we don't have that many people in the field with regional capacities. We focus on bilateral relations. From a purely resources point of view, there have been cutbacks and I can understand that there is maybe not a lot of feedback. Also, the European aspect of things is not very well known among colleagues, who move from embassies to HQ without crossing the EU path.'*<sup>238</sup> Regional cooperation is perceived as an area in which the EC has an added value compared with the member states.

Some member states (Germany and France) seem in favour of a light joint programming-type of process for regional programming, while others such as the UK do not support a formally binding approach, but seem in favour of early coordination in regional programming.<sup>239</sup> Although different RIPs include a donor matrix with different donor interventions, we have not analysed the extent to which the division of labour and coordination with member states have been key drivers of EU regional programming.

EU member states' interest in regional programming seems nevertheless to be increasing in the EDF committee: *'Member states want to receive the minutes of steering committees. That's an increase in interest for sure,'*<sup>240</sup> one of our DG DEVCO interviewees reported. An EU member state representative confirmed this by saying that *'[EU member states] repeatedly ask to be informed (about regional programming but) we have not yet received reports back from steering committees.'*<sup>241</sup>

#### 6.4. Chapter findings in a nutshell

EEAS and DG DEVCO interaction in the 11<sup>th</sup> EDF regional process was generally smooth, although both institutions disagreed about the approach to sector concentration and programming priorities. The EEAS advocated a more comprehensive approach, with a stronger focus on political sectors, in line with the EU's regional strategies and the CSDP, whereas DG DEVCO pushed for a narrower approach in line with the Agenda for Change, and for higher allocations to blending. DG DEVCO prevailed. This can be explained partly by EEAS's relatively weak capacity and lack of high-level political support to enforce its views, as compared with DG DEVCO.

Although programming choices were made in order to ensure a high degree of complementarity between instruments, complementarity was interpreted in a narrow sense: the choice of sectors in national and regional programming was seen as mutually exclusive. Although the EU recognises subsidiarity as a *sine qua non* for effective and meaningful regional integration, the principle did not guide programming choices. As a result, there was a lack of synergy between national and regional programmes.

EU member states played a role in the drafting of the programming orientations, but their role in the field was fairly limited. This is explained partly by the lack of a formalised process (such as that for national programming), and partly by a lack of expertise in regional cooperation and regional integration in most EU member states. That said, we found evidence that the EDF Committee was asked to supply more information on progress in EU regional cooperation.

<sup>238</sup> Interview with EU member state representative, 7 April 2016.

<sup>239</sup> Interview with EU member state representative, 4 February 2016.

<sup>240</sup> Interview with senior DG DEVCO official, 16 October 2015.

<sup>241</sup> Interview with EU member state representative, 4 February 2016.

## 7. Conclusions and pointers for the future

The 11<sup>th</sup> EDF regional programmes are the EU's main means of supporting regional integration in the ACP countries. By reviewing the EU regional programming process, this study sets out to show how the EU and its ACP partners approached the challenge of supporting regional integration. This final chapter outlines the key findings of our research, and reflects on what they could mean when rethinking EU development cooperation policy and practice in relation to support for regional integration, particularly in a post-Cotonou context.

### **Conclusion 1: The EU takes its past failures seriously**

The European Court of Auditors, the 10<sup>th</sup> EDF MTR and the EC evaluations of regional programmes shared a sobering analysis of the limitations of the EU's approach to supporting regional integration, notably in 10<sup>th</sup> EDF. Many constraints beyond the EC's direct control were identified, including delays in EPA negotiations, a lack of management and absorption capacity among regional organisations, insufficient coherence between regional policies and national implementation, and overlapping mandates. Other problems called the EC's management of regional cooperation into question.

Under mounting pressure to deliver better results and show value for money, the EU sought to ensure the effective uptake of the key recommendations in these reports. The EU's approach to regional cooperation in the 11<sup>th</sup> EDF was overhauled in the programming orientations. Several key innovations were introduced, demonstrating the EC's determination to adopt the recommendations made by the European Court of Auditors, the 10<sup>th</sup> EDF performance review, the EU Platform for Blending in External Cooperation and EC evaluations of regional programmes.

This emphasis on 'learning from the past' led to potentially positive innovations. The principle of direct access could be illustrative of a 'paradigm shift' in regional cooperation and external support for regional integration. This shift involves moving away from a top-down approach geared to supporting regional organisations and expecting results to trickle down, towards a bottom-up approach in which regional integration is galvanised by national strategies and programmes<sup>242</sup>. Although this may lead to the partial renationalisation of regional envelopes, it recognises that regional cooperation processes can be initiated and driven by actors other than regional organisations and that the RECs' heavy dependence on donor funding entails serious risks.

The diversification of implementing partners releases DMROs from time-consuming and capacity-consuming tasks, allowing them to focus on their political role and their core mandates of coordination, guidance and supervision. The use of direct management, together with the channelling of a large amount of funds through blending facilities, could also improve both disbursement rates and aid management. The creation of steering committees bringing together relevant stakeholders can potentially improve the efficiency of EDF programming, formulation and delivery. Finally, the EU has tried to improve the EUDs' capacity to deal with regional cooperation, notably by clarifying the roles and responsibilities of national and regional Delegations and improving coordination between them.

### **Conclusion 2: The 11<sup>th</sup> EDF innovations may not necessarily result in more and better regional integration**

Most of the innovations introduced are geared to addressing aid management concerns. Whether they will lead to more and better results in regional integration is unclear.

---

<sup>242</sup> Soderbaum and Brolin (2016).

Many questions remain about the application of the principle of direct access. Some states may have a better ability to seek regional funds and may therefore benefit more from direct access than weaker states. In this context, the role of 'swing states' and how these can influence regional integration agendas also needs to be taken into account. Direct access also raises the question of NAOs' ability and capacity to ensure that regional development cooperation is closely integrated into national agendas, and to effectively liaise with different line ministries. It also means looking carefully at their potential role in pushing or blocking certain interests in regional integration agendas. This may vary greatly from one country to another, depending on the regional integration dynamics in different sectors, sub-sectors and policy areas, each country's interests and capacity to effectively engage in regional integration endeavours and the extent to which regional agendas support national interests. In short, applying the principle of direct access across the board may not deliver results in terms of the domestication of the regional integration agenda, unless a robust political economy analysis feeds the formulation, identification and implementation of actions.

Another question that arises is whether it would be smarter to support domestication by moving away from a mutually exclusive understanding of regional and national programming. This would entail supporting the regional integration agenda by means of national programming, in accordance with clear national interests, and supporting formal and informal coalitions operating at a national level. In other words, it would mean adopting a more integrated 'multi-level approach' that systematically harmonises national and regional support instead of handling them separately, and moves beyond formal structures. In the same vein, the principle of direct access to regional resources by national authorities could also have a multi-country focus. This would involve making regional funds directly accessible to a group of countries in one region without them being controlled by the RECs. This would be similar to the cross-regional envelope envisaged by the RIP for the EA-SA-IO region. However, in order to maximise impact, priorities should be defined by countries' interests rather than the EU's.

The steering committees are designed to create a new dialogue and consultation space for multiple stakeholders. In the case of the EA-SA-IO RIP, however, this structure has yet to prove itself to be more effective than the IRCC, which has coordinated four RECs over a 10-year period. There is evidence that steering committees focus mainly on aid management issues and have not yet engendered the political action that is required to push the regional integration agenda forward.<sup>243</sup> Because steering committees are organised around formal regional cooperation processes and institutions, they may not be the ideal forum for identifying opportunities for supporting more flexible, informal, regional arrangements with a potential to drive regional integration processes forward. The EU may need to explore creative ways of engaging beyond formal processes. Failure to do this may lead to missed opportunities for supporting regional cooperation and change coalitions in a more politically savvy, realistic way.

The EU's strategy for delivering high-impact aid and boosting development funding assumes that a bigger share of EU aid will be distributed by innovative financial instruments, including facilities for blending grants and loans. The 11<sup>th</sup> EDF regional envelope dedicates 40% of resources to blending activities, and the new EDF blending governance framework has been organised so as to streamline procedures in the three regional investment facilities and broaden the scope of sectors beyond infrastructure. However, some observers are sceptical as to whether this will increase the scope for regional and national actors' ownership of blending operations and their implementation, despite their participation in the development of pipeline projects through the steering committees.

---

<sup>243</sup> A senior DG DEVCO official reported that *'there are very few incentives for RECs to talk outside EU aid meetings. Not much happens between meetings, and the dialogue is mainly about EDF money.'*

Concerns were also expressed about the EC's capacity to manage blending in a savvy way that addresses and assesses the multiple challenges and risks involved in financing transnational infrastructure development, and to invest in the costly phase of project preparation. The EU will need to ensure that the decision-making process for the EDF dedicated blending framework:

1. takes sufficient account of the potential opposing interests which may emerge both within and among countries in the regions,
2. ensures that investment decisions are made with sufficient buy-in from regional policy-makers, national governments and other actors, including the private sector.<sup>244</sup>

Although blending and other steering committees will be responsible for endorsing the pipeline of blending projects, the final decision-making authority rests with the EDF blending framework board. Whether this governance structure is appropriate for brokering effective joint arrangements remains to be seen.

Our research suggests that the efforts made to improve the EUDs' capacity to deal with regional cooperation remain insufficient, particularly in the current context of budget constraints. Many EUDs outsource the analysis, programming, formulation and actors' consultation to external consultants, disengaging from their key role in facilitating regional integration. It is the ECDPM's conviction that the success of the EU's approach to regional cooperation will depend on its ability to match ambitions with capacity, in a context of declining human resources. There is an urgent need for the EU (i.e. DG DEVCO and the EEAS) to adopt a qualitative approach to human resource management, in which EC staff are given incentives to nurture their thematic expertise, and can devote sufficient time to analysing the locus of political traction, conducting policy dialogue beyond aid management issues, brokering engagement among different types of regional and national actors, and facilitating collective action. This will require skills, capacities and incentives that go beyond effective programme management for rapid disbursement.

Although the EU has the potential to become a knowledge broker, this can only happen if it invests in evidence-based policy-making and knowledge production as matters of priority, and if it strengthens the feedback loop between the field and headquarters. The EU could, for instance, capitalise on the wealth of information it has collected in its five-pillar and seven-pillar assessments (the results of which have never been made public), which, with a bit of reformatting, could provide a solid evidence-based and comparable analytical framework for external support for the institutional reform of regional organisations. This could help refine EU's approach to capacity-building for DMRO secretariats and could also generate interesting insights for a benchmarking exercise on regional integration.

Finally, it is unclear how the EU will measure the impact on regional integration. Recent research indicates that most donors do not have adequate tools for monitoring and evaluating regional cooperation and integration, and find it hard to answer the question of how to report on and evaluate external support in this field. This problem is complicated by the absence of any clear information on how regional programming results should be measured, in terms of regional integration and its impact on poverty reduction, beyond by reporting outputs and activities.<sup>245</sup>

This trend also appears to apply to the 11<sup>th</sup> EDF regional programming. The absence of a clear theory of change and a means of benchmarking regional integration is a major weakness of the approach,<sup>246</sup> with

---

<sup>244</sup> See Mathisen (2016).

<sup>245</sup> See Soderbaum and Brolin (2016).

<sup>246</sup> Interview with DEVCO official, 15 October 2015.

clear implications for the way in which results are measured and captured.<sup>247</sup> Five-year cooperation cycles also appear to be too short to produce results in relation to regional integration.

### **Conclusion 3: The EU finds it difficult to honour its commitment to ownership and an ACP-EU partnership of equals**

ECDPM research on the 11<sup>th</sup> EDF programming experience at both national and regional levels shows that the EU has struggled to withstand mounting pressure to demonstrate results to EU taxpayers and to gear development cooperation towards those policies and sectors in which the EU has a clear interest, and at the same time to uphold the principles of ownership and the co-management of funds underpinning the CPA.

The ECDPM has clear evidence that the 11<sup>th</sup> EDF's new approach to regional cooperation was imposed by the EU on ACP partners, without any prior discussion (or negotiation) with relevant ACP actors. Early on in the process (i.e. in 2013), DMROs were largely excluded from the drafting of the programming orientations, the initial analysis of sectors, priority-setting and sector allocations. Most DMROs strongly opposed the principle of direct access. However, the EU left very little room to negotiate an alternative. The EC developed a positive narrative on the crucial role that RECs ought to play in monitoring and steering the regional integration process, notably by giving them a prominent role in the new governance structure. Although several concessions were made (i.e. no-objection basis in the EA-SA-IO RIP<sup>248</sup> and a multi-country envelope in the Caribbean), it is difficult to reconcile this top-down *modus operandi* with the principle of an 'equal partnership' underpinning the CPA.

The creation of an EU Emergency Trust Fund on migration - created by the EU in November 2015 and drawing massively from EDF funds, including €395 million from the RIPs and NIPs<sup>249</sup> - also illustrates the trend to recentralise the management funds away from ACP countries and regions, in accordance with the EU's pressing (internal) political priorities. ECDPM research shows that RECs had little freedom of manoeuvre in which to resist this. Although it is legitimate for Europe to want to pursue its own interests, it will need to be more truthful and frank about the core principle of partnership if it wishes to remain a credible partner committed to the principles of ownership, mutual accountability and co-management underpinning the CPA. If the EU continues simply to force through its own priorities and approaches, it should not pretend to uphold the principle of ownership.

The ECDPM recognises the problem of overlapping memberships and the existence of common policy areas between the IGAD, COMESA and the EAC in particular. This study echoes concerns about the relevance of IGAD as a basis for regional integration, particularly in the light of the tensions between IGAD's original aims, member states' interests, donor reliance and continental objectives, all of which encourage the IGAD to look like a REC and mirror comparable RECs in Africa. The EU streamlined the EA-SA-IO regional cooperation under one single RIP, on the grounds that the problem of overlapping memberships created accountability problems for the EU. However justified this claim may be, the EU appeared to show scant consideration for the dynamics among RECs and for the explicit wish of EA-SA-IO stakeholders to maintain the IRCC and hold over the issue of overlapping memberships.

<sup>247</sup> Although DG DEVCO revamped its results framework in 2015 (European Commission 2015a), the staff working document published in March 2015 specifically focuses on partner country results and does not address the use of the framework at a regional level (see Herrero, et al (2015) for more information on DG DEVCO's new results framework). However, according to some of our interviewees, the first report (due to be published in mid-2016) will analyse the results obtained by a selection of EC units and EUDs, in both thematic and regional terms.

<sup>248</sup> DMROs should be consulted by potential RAOs when proposing actions and retained a veto right.

<sup>249</sup> See Hauck, Knoll, and Herrero (2015).

The creation of a cross-regional envelope under the EA-SA-IO RIP appears to respond to EU priorities rather than to the potential for collective action by regional bodies and actors, leading to a fragmented agenda with possibly weak ownership and little traction. While a cross-regional envelope that is accessible to a group of countries without REC interference could give an impetus to regional integration, its programming needs to respond to clear country interests and dynamics.

#### **Conclusion 4: A prescriptive programming approach prevented close alignment with the political and economic realities in the various regions**

The EU does not support regional integration in a void. ACP regions have a long history of commitments to regional integration and some progress has been made, albeit slowly. The 11<sup>th</sup> EDF's new approach to regional cooperation seems to offer generic solutions to generic problems rather than a tailored approach responding to the different national and regional political economy dynamics of regional integration. While a uniform approach to EU support for regional integration may be useful, if the EU is committed to an evidence-based development policy and results-oriented programming, it will need to invest more resources in understanding the political economy of regional integration in the different regions, countries and sectors, and how this affects EU support programmes.

Our research indicates that the EEAS and DG DEVCO tend to disagree on the choice of priority sectors. Interinstitutional tensions emerged between the classical development approach spearheaded by DG DEVCO and the more comprehensive approach advocated by the EEAS, with a clearer emphasis on the EU's political interests, such as peace and security, and migration. Although RIPs appear to be closely aligned with the EU's strategic frameworks for foreign policy, there can be no doubt about the EEAS's frustration with DG DEVCO's upper hand in the final choice of sector allocations. The EEAS's relative limited role in the regional programming process is due mainly to a lack of capacity for regional cooperation and a lack of top-level political sponsorship during the regional programming process. The EEAS could maximise its added value in regional programming if it had enough capacity and political backing to offset DG DEVCO's classical development approach. EUDs, member states and ACP stakeholders, including non-state actors, reportedly also played a limited role in the 11<sup>th</sup> EDF regional programming process.

Our analysis suggests that the allocation of funds to different sectors in different regions revolved around securing a maximum allocation of EDF regional funds to the new blending facilities. There was little forward-looking analysis of evolving EU priorities such as anticipating the rise of terrorism and tackling security and migration challenges. There was also little evidence that decisions on the choice of sectors and the distribution of funds among sectors corresponded with a regionally tailored political economy analysis of the incentives and the available capacity for meaningful regional action. However, as was asserted in the ECDPM's case study of regional integration in Africa, '*sectors and sub-sectors differ in their appeal to powerful state or non-state actors, or coalitions of stakeholders. Ignoring these political economy dimensions of sector characteristics results in overambitious and poorly targeted reform agendas and in missed opportunities for coalition-building and incremental institution-building*'.<sup>250</sup> This top-down approach prevents the EU from aligning its support to the real political economy in the various regions.

There is an urgent need for the EU to invest in a deeper analysis of regional integration dynamics and the underlying power relations, incentives and interests. Only then will the EU be able to offer support that is realistic and well-targeted, tailored to the context, supportive of promising change coalitions, and which goes beyond formal actors and processes, many of which are influenced by donor interests and lack genuine support.

---

<sup>250</sup> See Vanheukelom and Bertelsmann-Scott (2016).

**Conclusion 5: The EU's ambitions for support for regional integration may need to be revisited**

The EU is redefining a global foreign policy and security policy strategy and rethinking the place of EU development policy in this. There is rising pressure to revise the European Consensus on Development and the EU will need to ensure that EU development policy is fully integrated with its external action, in line with the 2030 Agenda for Sustainable Development and EU commitments made in the global fight against climate change, ensuring coherence between domestic and external policies. Given the EU's importance as a political sponsor and financial backer of regional integration, it is likely the EU continues to prioritise the area of regional integration in its future foreign and security policy toolkit, regardless of the preferred scenario that emerges from the debate on the future of the CPA post-2020.

The EU has long-standing relations with many regional organisations across the world, spanning a wide range of policy areas including trade, security and global public goods. Although expectations are running high about the EU's role as a global actor, pressure to deliver better results and more value for money will continue to rise. The EU will need to demonstrate its added value and cannot afford to be complacent in this regard or not to continue to learn lessons about how it can do better.

The EU's ambitions for its support for regional integration may need to be revisited in terms of what is feasible, given the influence of structural factors and based on a sophisticated understanding of the locus of political traction and the potential capacity of technical and political actors to drive coalitions and regional agendas forward. It is also a matter of matching these ambitions with the EU's diminishing capacity, in a time of declining resources.

## Bibliography

- ACP-EU Joint Parliamentary Assembly. 2014. [Working document on the financing of investment and trade, including infrastructure, in ACP countries by the EU blending mechanism](#), 7 November 2014. Brussels: European Parliament.
- ADE. 2011. Thematic Evaluation of the European Commission Support to Conflict Prevention and Peace Building. Final Report by a Particip-ADE-DRN-DIE-ECDPM-ODI consortium. October 2011. [http://ec.europa.eu/dgs/fpi/documents/thematic\\_evaluation\\_of\\_ec\\_support\\_to\\_pb\\_and\\_conflict\\_prevention\\_on\\_2011\\_en.pdf](http://ec.europa.eu/dgs/fpi/documents/thematic_evaluation_of_ec_support_to_pb_and_conflict_prevention_on_2011_en.pdf)
- Alexander, L., Higazi, A., Mackie, J., Niño-Perez, and Sherriff, A. 2003. Regional approaches to conflict prevention in Africa. European support to African processes. InBrief. October 2003. <http://ecdpm.org/wp-content/uploads/2013/11/IB-4-Regional-Approaches-Conflict-Prevention-European-Support-Africa-2003.pdf>
- Andriamananjara, S. 2015. Understanding the importance of the Tripartite Free Trade Area. Brookings, June 2015. <http://www.brookings.edu/blogs/africa-in-focus/posts/2015/06/17-tripartite-free-trade-area-andriamananjara>
- Bach, D. 2016. Regionalism in Africa: Genealogies, institutions and trans-state networks. Routledge Studies in African Politics and International Relations. January 2016.
- Balfour, R., Emmanouilidis, J., Grabbe, H., Lochocki, T., Mudde, C., Schmidt, J., Fieschi, C., Hill, C., Mendras, M., Niemi, M., and Stratulat, C. 2016. Europe's troublemakers: The populist challenge to foreign policy. European Policy Centre. Brussels, February 2016. [http://www.epc.eu/documents/uploads/pub\\_6377\\_europe\\_s\\_troublemakers.pdf](http://www.epc.eu/documents/uploads/pub_6377_europe_s_troublemakers.pdf)
- Bilal, S. 2007. Is the EU a Model of Regional Integration? Risks and challenges. ECDPM background note for the ACP-EU Joint Parliamentary Assembly Committee on Political Affairs. Maastricht, September 2007. <http://ecdpm.org/wp-content/uploads/2013/11/EU-Model-Regional-Integration-Risks-Challenges-2007-.pdf>
- Bilal, S. and Grosse-Puppendahl, S. 2016 (forthcoming). The EIB's innovative role in ACP countries under Cotonou: Options beyond 2020. ECDPM report. Maastricht, 2016.
- Bilal, S., and Vanheukelom, J. 2015. Regional dynamics in Africa: High stakes for development. ECDPM Discussion Paper 174. Maastricht, 2015. <http://ecdpm.org/wp-content/uploads/DP-174-Regional-Dynamics-Africa-High-Stakes-Development-2015-ECDPM.pdf>
- Bishop, M., Girvan, N., Shaw, T., Mike, S., Kirton, R., Scobie, M., Mohammed, D., and Anatol, M. 2011. Caribbean Regional Integration: A report by the UWI Institute of International Relations. The University of the West Indies. April 2011. <http://www19.iadb.org/intal/intalcdi/PE/2011/08559.pdf>
- Bissoonauthsing, V. 2013. Scope for a re-invented IRCC? 24th IRCC Plenary Meeting of Member States, Regional Organisations and EU. Article in Capital Special Issue - Thursday November 14, 2013. [http://commissionoceanindien.org/fileadmin/resources/Partenaires/CapIRCC\\_small.pdf](http://commissionoceanindien.org/fileadmin/resources/Partenaires/CapIRCC_small.pdf)
- Bissoonauthsing, V. and Sibanda, K. 2012. Should the IRCC re-invent itself? ECDPM Great Insights article. <http://ecdpm.org/wp-content/uploads/2013/11/GREAT-Insights-1-9-Various-Recipes-for-Regional-Integration-2012.pdf>
- Bond & ECDPM. 2010. The EU and Africa: The policy context for development. November 2010. <http://ecdpm.org/wp-content/uploads/2013/11/EU-Africa-policy-context-development-BOND-ECDPM-epa-cpa.pdf>



- Bossuyt, J. 2016. Political Economy of Regional Integration in Africa: The Economic Community of West African States (ECOWAS). ECDPM. Maastricht, January 2016. <http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-ECOWAS-Report.pdf>
- Bossuyt, J., Keijzer, N., Medinilla, A., and Tollenaere, M. 2016. The future of ACP-EU relations: A political economy analysis. ECDPM Policy Management Report 21. Maastricht, January 2016. <http://ecdpm.org/publications/ecdpm-future-ACP-EU-political-economy/>
- Busan Partnership. 2011. Busan Partnership for Effective Development Co-operation. Fourth High Level Forum on Aid Effectiveness. Busan, December 2011. <http://www.oecd.org/development/effectiveness/49650173.pdf>
- Byiers, B. 2016. Political Economy of Regional Integration in Africa: Intergovernmental Authority on Development (IGAD). ECDPM. Maastricht, January 2016. <http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-IGAD-Report.pdf>
- Byiers, B., Vanheukelom, J., and Kingombe, C.K.M. (2015): A five lenses framework for analysing the political economy in regional integration, ECDPM, Discussion Paper 178. <http://ecdpm.org/publications/a-five-lenses-framework-for-analysing-the-political-economy-in-regional-integration/>
- Byron, J. 2014. Developmental Regionalism in Crisis? Rethinking CARICOM, Deepening Relations with Latin America. Caribbean Journal of International Relations and Diplomacy. Vol. 2, No. 4, December 2014. pp. 23-50. <http://libraries.sta.uwi.edu/journals/ojs/index.php/iir/article/view/509/431>
- Cameron, F. 2010. The European Union as a Model for Regional Integration. The Council of Foreign Relations Working Paper. New York, September 2010. <http://www.cfr.org/world/european-union-model-regional-integration/p22935>
- De L'Estrac, J-C. 2013. SG Commission Indian Ocean; quote translated by the authors [http://commissionoceanindien.org/fileadmin/resources/Partenaires/CapIRCC\\_small.pdf](http://commissionoceanindien.org/fileadmin/resources/Partenaires/CapIRCC_small.pdf)
- DG DEVCO. 2015. Presentation by DG DEVCO, March 2015 [http://www.africa-eu-partnership.org/sites/default/files/userfiles/celine\\_maertens\\_-\\_eu\\_blending\\_in\\_africa.pdf](http://www.africa-eu-partnership.org/sites/default/files/userfiles/celine_maertens_-_eu_blending_in_africa.pdf)
- EA-SA-IO, SADC and EU. 2013. Joint Conclusions from the consultations between the Eastern Africa - Southern Africa - Indian Ocean regional organisations, their Member States, SADC Secretariat and the European Union. Ebene, 14 November 2013. [http://commissionoceanindien.org/fileadmin/resources/Partenaires/Joint\\_Conclusions\\_ROs\\_-\\_MS-SO\\_-\\_EU\\_Meeting\\_14\\_November\\_2013\\_Ver\\_6\\_CLEAN.pdf](http://commissionoceanindien.org/fileadmin/resources/Partenaires/Joint_Conclusions_ROs_-_MS-SO_-_EU_Meeting_14_November_2013_Ver_6_CLEAN.pdf)
- ETTg. 2016. The future of EU External Action: Towards integrated policy responses for global sustainable development? Report of a high-level conference. Berlin, 1-2 March 2016. <http://www.ettg.eu/2016/04/report-ettg-high-level-conference-on.html>
- Ernst and Young. 2012. [Mid-Term evaluation of EU-Africa Infrastructure Trust Fund](#). Final Report.
- ECDPM. 2000. Cotonou Infokit., Maastricht, ECDPM.
- Eurodad. 2013. A dangerous blend? The EU's agenda to 'blend' public development finance with private finance. European Network on Debt and Development. Brussels, 3- August 2013. <http://eurodad.org/files/pdf/527b70ce2ab2d.pdf>
- European Commission. 1995. European Community support for regional economic integration efforts among developing countries. Communication from the Commission. COM(95) 219 final. Brussels, 16 June 1995. <http://aei.pitt.edu/4328/1/4328.pdf>
- European Commission. 2001. Communication from the Commission on Conflict Prevention. COM (2001) 211 final. Brussels, April 2001. [http://eeas.europa.eu/cfsp/crisis\\_management/docs/com2001\\_211\\_en.pdf](http://eeas.europa.eu/cfsp/crisis_management/docs/com2001_211_en.pdf)

- European Commission. 2006. The European Consensus on Development. Brussels, June 2006. [https://ec.europa.eu/europeaid/sites/devco/files/publication-the-european-consensus-on-development-200606\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/publication-the-european-consensus-on-development-200606_en.pdf)
- European Commission. 2008a. Regional integration for development in ACP countries. Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the regions. COM (2008) 604 final/2. Brussels, 6 October 2008. <http://ec.europa.eu/transparency/regdoc/rep/1/2008/EN/1-2008-604-EN-F2-1.Pdf>
- European Commission. 2008b. Evaluation of the Commission's support to the region of Eastern and Southern Africa and the Indian Ocean: Regional level Evaluation. Final Report, Volume 1. Brussels, December 2008. [http://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/reports/2008/1257\\_vol1\\_en.pdf](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2008/1257_vol1_en.pdf)
- European Commission. 2008c. Commission Staff Working Document accompanying the Communication on regional Integration for Development in ACP Countries. SEC(2008) 2538. Brussels, October 2008. [http://aei.pitt.edu/37944/1/SEC\\_\(2008\)\\_2539.pdf](http://aei.pitt.edu/37944/1/SEC_(2008)_2539.pdf)
- European Commission. 2011a. 10<sup>th</sup> EDF performance review. Commission Staff Working Paper. SEC(2011) 1055 final. Brussels, 8 September 2011. <http://edz.bib.uni-mannheim.de/edz/pdf/sek/2011/sek-2011-1055-en.pdf>
- European Commission. 2011b. Increasing the impact of EU Development Policy: An Agenda for Change. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions. SEC(2011) 1172 final. Brussels, 2011. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011DC0637>
- European Commission. 2013. 11<sup>th</sup> DF regional programming orientations, December 2013, Ref Ares (2014)116957-20/01/2014.
- European Commission. 2014. Report from the Commission to the Council and the European Parliament on the activities of the EUBEC since its establishment until end July 2014. COM (2014) 733 final. December 2014, Brussels. <http://ec.europa.eu/transparency/regexpert/index.cfm?do=groupDetail.groupDetailDoc&id=19084&no=1>
- European Commission. 2015a. Launching the EU International Cooperation and Development Results Framework. Commission Staff Working Document. SWD (2015) 80 final. Brussels, March 2015. [https://ec.europa.eu/europeaid/sites/devco/files/swd-2015-80-f1-staff-working-paper-v3-p1-805238\\_en\\_0.pdf](https://ec.europa.eu/europeaid/sites/devco/files/swd-2015-80-f1-staff-working-paper-v3-p1-805238_en_0.pdf)
- European Commission. 2015b. Action Document for the creation of the Africa Investment Facility. Annex of the Commission Decision on the individual measure "creation of an Africa Investment Facility" under the 11<sup>th</sup> European Development Fund. Brussels, 2015. [https://ec.europa.eu/europeaid/sites/devco/files/ad-afif-2015\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/ad-afif-2015_en.pdf)
- The European Council and the European Commission. 2000. Development policy of the European Community. Statement by the Council and the Commission of 20 November 2000 on the European Community's development policy, based on the communication from the Commission to the Council and the European Parliament of 26 April 2000 on the same subject. Brussels, 20 November 2000. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Ar12001>
- European Court of Auditors. 2009. Effectiveness of EDF support for regional economic integration in East Africa and West Africa. Special Report No18. Luxembourg, 2009. [http://www.eca.europa.eu/Lists/ECADocuments/SR09\\_18/SR09\\_18\\_EN.PDF](http://www.eca.europa.eu/Lists/ECADocuments/SR09_18/SR09_18_EN.PDF)
- European Court of Auditors. 2014. Special Report: The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies. Luxembourg, 2014. [http://www.eca.europa.eu/Lists/ECADocuments/SR14\\_16/SR14\\_16\\_EN.pdf](http://www.eca.europa.eu/Lists/ECADocuments/SR14_16/SR14_16_EN.pdf)

- European Union. 2013. Internal Agreement of the 11<sup>th</sup> EDF. (L210). Brussels: European Union. [https://ec.europa.eu/europeaid/internal-agreement-11th-edf\\_en](https://ec.europa.eu/europeaid/internal-agreement-11th-edf_en)
- Farrell, M. 2009. EU policy towards other regions: Policy learning in the external promotion of regional integration. *Journal of European Public Policy*. 16:8. pp. 1165-1184.
- Foster, V., and Briceño-Garmandia C. 2010. Africa's Infrastructure. A Time for Transformation. Washington: AFD and the World Bank. [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2009/12/10/000333037\\_20091210012143/Rendered/PDF/521020PUB0EPI1101Official0Use0Only1.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2009/12/10/000333037_20091210012143/Rendered/PDF/521020PUB0EPI1101Official0Use0Only1.pdf)
- Great Insights. 2012. Various Recipes for Regional Integration. Volume 1, Issue 9. ECDPM. <http://ecdpm.org/wp-content/uploads/2013/11/GREAT-Insights-1-9-Variou-Recipes-for-Regional-Integration-2012.pdf>
- Hauck, Knoll, and Herrero. 2015. EU Trust Funds - Shaping more comprehensive external action? ECDPM Briefing Note 81. Maastricht, 20 November 2015. [www.ecdpm.org/bn81](http://www.ecdpm.org/bn81)
- Hendrickson, D., Ball, N., Olonisakin, F., Morillon, V., and Cadji, A-L. 2013. African Peace Facility Evaluation - Part 2: Reviewing the overall implementation of the APF as an instrument for African efforts to manage conflicts on the continent. Final Report. October 2013. [http://www.africa-eu-partnership.org/sites/default/files/documents/apf\\_evaluation\\_final\\_report.pdf](http://www.africa-eu-partnership.org/sites/default/files/documents/apf_evaluation_final_report.pdf)
- Herrero, A., Knoll, A., Gregersen, C. and Kokolo, W. 2015. Implementing the Agenda for Change: An independent analysis of the 11<sup>th</sup> EDF national programming. ECDPM Discussion Paper 180. Maastricht, September 2015. [www.ecdpm.org/dp180](http://www.ecdpm.org/dp180)
- Humphrey, M. 2012. Evaluation of the 9<sup>th</sup> and 10<sup>th</sup> IRCC Support Project. Lot 10: EuropAid. Final Report.
- IOB. 2012. IOB - The Netherlands and the European Development Fund - Principles and practices. Evaluation of Dutch involvement in EU development Cooperation (1998-2012). The Hague, March 2013. <https://www.government.nl/documents/reports/2013/03/01/iob-the-netherlands-and-the-european-development-fund-principles-and-practices-evaluation-of-dutch-involvement-in-eu-developmen>
- Jayaraman, T. 2013. Regional Integration in the Pacific. In: Fanta, E., Shaw, T., and Tong, V. (eds.) 2013. Comparative Regionalisms for Development in the 21st Century: Insights from the Global South. Routledge.
- Karingi, S., Mevel, S., and Valensisi, G. 2015. The EPAs and Africa's regional integration. Bridges Africa, Volume 4 - Number 6. Geneva, June 2015. <http://www.ictsd.org/bridges-news/bridges-africa/news/the-epas-and-africa%E2%80%99s-regional-integration>
- Knoll, A. 2015a. #VallettaSummit Part 1: A bond or a knot between Europe and Africa? ECDPM Talking Points blog. Maastricht, November 2015. <http://ecdpm.org/talking-points/valletta-summit-europe-africa-migration-part-one/>
- Knoll, A. 2015b. #VallettaSummit Part 2: The EU's new Trust Fund for Africa. ECDPM Talking Points blog. Maastricht, November 2015. <http://ecdpm.org/talking-points/valletta-migration-trust-fund-part-2-two/>
- Knoll, A., Faure, R. and Gavas, M. 2016. Challenges to a comprehensive and integrated EU migration and asylum policy. *The Broker*, February 2016. <http://www.thebrokeronline.eu/Blogs/Inclusive-Economy-Europe/Challenges-to-a-comprehensive-and-integrated-EU-migration-and-asylum-policy#prettyPhoto>
- Maalim, M. 2013. Africa in a position to take decisions. Interview with Mr. Maalim in: [http://commissionoceanindien.org/fileadmin/resources/Partenaires/CapIRCC\\_small.pdf](http://commissionoceanindien.org/fileadmin/resources/Partenaires/CapIRCC_small.pdf)
- Mamaty, I., Salmon, J-M., Dioulo, J-M., Biolley, T., and Angelo, L. 2012. L'Appui a l'integration regionale en Afrique: Quels enjeux pour les partenaires au developpement? Direction Generale de la mondialisation, du developpement et des partenariats, Ministere des Affaires Etrangeres. June 2012. [http://www.diplomatie.gouv.fr/fr/IMG/pdf/Integration\\_Afrique\\_BD\\_cle0edb4e.pdf](http://www.diplomatie.gouv.fr/fr/IMG/pdf/Integration_Afrique_BD_cle0edb4e.pdf)

- Mathieson, C. 2016. Political Economy of Regional Integration in Africa: The East African Community (EAC). ECDPM. Maastricht, January 2016. <http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-EAC-Report.pdf>
- Ngwenya, S. 2013. Comments on EDF11 Regional Programming Orientations in Draft dated 26th July 2013. TradeMark Southern Africa: Accessed on 4 April 2016: <http://www.trademarksa.org/publications/comments-european-development-fund-edf11-regional-programming-orientations-sindiso-ngwe>
- ODI. 2008. Regional Integration in African, Caribbean and Pacific countries: A review of the literature. September 2008. [https://ec.europa.eu/europeaid/sites/devco/files/study-regional-integration-africa-caribbean-pacific-countries-200809\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/study-regional-integration-africa-caribbean-pacific-countries-200809_en.pdf)
- Piebalgs, A. 2012. EU support for regional integration and regional economic communities in Africa in light of the upcoming 11<sup>th</sup> EDF. Great insights, volume 1, issue 9. Maastricht, November 2012. <http://ecdpm.org/great-insights/recipes-regional-integration/eu-support-regional-integration-regional-economic-communities-africa-light-upcoming-11th-edf/>
- Soderbaum, F., and Brolin. T. 2016. Funding regional cooperation and integration in Africa from outside - what works and why? Final manuscript version 15 April 2016, Rapport 2016, EBA, Sweden. [http://cris.unu.edu/sites/cris.unu.edu/files/Support\\_to\\_regional\\_cooperation\\_-\\_May\\_2016.pdf](http://cris.unu.edu/sites/cris.unu.edu/files/Support_to_regional_cooperation_-_May_2016.pdf)
- Stoneman, R., Pollard, J. D., Inniss, H. 2012. Turning Around CARICOM: Proposals to Restructure the Secretariat. Final Report. January 2012. <http://www.caricom.org/Restructuring%20the%20Secretariat%20-%20Landell%20Mills%20Final%20Report.pdf>
- Tarte, S. 2014. Regionalism and Changing Regional Order in the Pacific Islands. Asia & the Pacific Policy Studies. Volume 1, Issue 2, pages 312–324, May 2014. <http://onlinelibrary.wiley.com/doi/10.1002/app5.27/epdf>
- Telo, M. 2015. Three Reasons for Reasserting the Autonomy of a Regionalist and Interregionalist Research Agenda. In Telo, M and Fawcett, L. and Ponjaert, F. (eds). 2015. Interregionalism and the European Union: A Post-Revisionist Approach to Europe's Place in a Changing World Routledge. New York, 2015.
- Telo, M., and Fawcett, L., and Ponjaert, F. (eds). 2015. Interregionalism and the European Union: A Post-Revisionist Approach to Europe's Place in a Changing World Routledge. New York, 2015.
- The Cotonou Agreement and multiannual financial framework 2014-2020. Brussels, 23 June 2000. [http://www.europarl.europa.eu/intcoop/acp/03\\_01/pdf/mn3012634\\_en.pdf](http://www.europarl.europa.eu/intcoop/acp/03_01/pdf/mn3012634_en.pdf)
- Tralac. 2015. The Tripartite FTA: Technical Features, Potential and Implementation. Tralac Discussion. June 2015. <http://www.tralac.org/discussions/article/7568-the-tripartite-fta-technical-features-potential-and-implementation.html>
- UNECA. 2012. Assessing Regional Integration in Africa V Towards an African Continental Free Trade Area. [http://www.uneca.org/sites/default/files/PublicationFiles/aria5\\_print\\_uneca\\_fin\\_20\\_july\\_1.pdf](http://www.uneca.org/sites/default/files/PublicationFiles/aria5_print_uneca_fin_20_july_1.pdf)
- UNECA. 2013. Harmonizing Policies to Transform the Trading Environment Assessing Regional Integration in Africa VI. [http://www.uneca.org/sites/default/files/PublicationFiles/aria\\_vi\\_english\\_full.pdf](http://www.uneca.org/sites/default/files/PublicationFiles/aria_vi_english_full.pdf)
- Vanheukelom, J. 2016. The political economy of regional integration in Africa. The African Union Report. ECDPM. Maastricht, January 2016. <http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-African-Union-Report.pdf>
- Vanheukelom, J. and Bertelsmann-Scott. T. 2016. Political Economy of Regional Integration in Africa: The Southern African Development Community (SADC). ECDPM. Maastricht, January 2016.

<http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-SADC-Report.pdf>

Vanheukelom, J., Byiers, B., Bilal, S., and Woolfrey, S. 2016. Political Economy of Regional Integration in Africa: What drives and constrains regional organisations? Synthesis Report. ECDPM. Maastricht, January 2016. <http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-Synthesis-Report.pdf>

Wiedey, C. 2013. EU Head of Division, Horn of Africa, East Africa and Indian Ocean “Africa must adapt to a changing world” in [http://commissionoceanindien.org/fileadmin/resources/Partenaires/CapIRCC\\_small.pdf](http://commissionoceanindien.org/fileadmin/resources/Partenaires/CapIRCC_small.pdf)

Woolfrey, S. 2016. Political Economy of Regional Integration in Africa: Common Market for Eastern and Southern Africa. ECDPM. Maastricht, January 2016. <http://ecdpm.org/wp-content/uploads/ECDPM-2016-Political-Economy-Regional-Integration-Africa-COMESA-Report.pdf>

## Annex I: List of interviews

Organisation	Location	Service	Subtotal	Total
EU headquarters	Brussels	DG-DEVCO	8	13
	Brussels	EEAS	5	
ACP headquarters	Brussels	ACP Secretariat	1	1
EUDs	Fiji		1	7
	Burkina Faso		1	
	Zambia		3	
	Botswana		1	
	Ethiopia		1	
ACP country NAOs and DMRO representatives	Ethiopia		1	4
	Ivory Coast		1	
	Tanzania		1	
	Brussels		1	
EU Member States	Brussels		2	2
Others	Brussels	Independent consultants	3	3
<b>TOTAL</b>				<b>30</b>

## Annex II: Breakdown of regional envelopes (in € millions)<sup>251</sup>

11 <sup>th</sup> EDF RIP allocation Caribbean	Total	Share
<i>Priority Area 1: Regional Economic Cooperation and Integration</i>	102	29.5%
Caribbean Investment Facility*	135	39.0%
<i>Priority Area 2: Climate change, disaster management, environment and sustainable energy</i>	61.5	17.8%
<i>Priority Area 3: Crime and security</i>	44	12.7%
Technical Cooperation Facility	3.5	1.0%
<b>Total</b>	<b>346</b>	<b>100.0%</b>

11 <sup>th</sup> EDF RIP allocation in the Pacific region	Sub-total	Total	Share
<i>Priority Area 1: Regional Economic Integration</i>	-	50	30.1%
Specific objective 1.1: Strengthening the regional trade and business enabling environment	30	-	-
Specific objective 1.2: Increased participation of the private sector in economic integration	20	-	-
Support to regional investments*	-	46	27.7%
<i>Priority Area 2: Sustainable management of natural resources and the environment and management of waste</i>	-	52	31.3%
Specific objective 2.1: Improved benefits from management of oceanic and coastal nature	35	-	-
Specific objective 2.2: Improved benefits from management of waste	17	-	-
<i>Priority Area 3: Inclusive and Accountable Governance and respect for Human Rights</i>	-	18	10.8%
Specific objective 3.1: Transparent and effective policies and PFM, data and statistics	6	-	-
Specific objective 3.2: Promote and protect human rights for all and progress in gender equality and civil society engagement in governance practices	7	-	-
Specific objective 3.3: Support of regional organisations in relation to 11 <sup>th</sup> EDF implementation	2	-	-
Technical Cooperation Facility	3	-	-
<b>Total</b>	<b>169</b>	<b>166</b>	<b>100.0%</b>

<sup>251</sup> Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

11 <sup>th</sup> EDF RIP allocations Central Africa	Sub-total	Total	Share
<i>Priorité 1: Intégration politique et coopération en matière de paix et de sécurité</i>	-	43	12.3%
Specific objective 1.1. Réalisation de la feuille de route paix et sécurité de la CEEAC	13	-	-
Specific objective 1.2: Réduction des facteurs structurels d'instabilité dans la région	30	-	-
<i>Priorité 2: Intégration économique et commerciale (incluant les infrastructures économiques)</i>	-	211	60.3%
Specific objective 2.1: Renforcement des capacités des institutions régionales pour assurer la construction d'un marché régional intégrée et la mise en oeuvre des mesures d'accompagnement de l'APE	26	-	-
Specific objective 2.2. Renforcement des capacités des administrations nationales pour transposer sur le plan national, et rendre effectives les décisions prises en tant au niveau régional que multilatéral pour stimuler le commerce et consolider les marchés	30	-	-
Specific objective 2.3: Amélioration du fonctionnement et de l'interconnexion des réseaux d'infrastructures économiques régionales*	155	-	-
<i>Priorité 3: Gestion durable des ressources naturelles et de la biodiversité</i>	-	88	25.1%
Specific objective 3.1: Une gestion plus durable des ressources naturelles	28	-	-
Specific objective 3.2: Une préservation plus efficace de la biodiversité et des écosystèmes fragiles	60	-	-
Appuis aux ordonnateurs régionaux/TCF	-	8	2.3%
<b>Total</b>	<b>342</b>	<b>350</b>	<b>100.0%</b>

West Africa 11 <sup>th</sup> EDF RIP allocations	Sub-total	Total	Share
<i>Priority Area 1: Peace, security and regional stability</i>	-	250	21.7%
Specific objective 1.1. Strengthening mechanisms to promote and maintain peace and stability and post-crisis operations	50	-	-
Specific objective 1.2: Support for regional initiatives to address the main threats to peace, security and stability	200	-	-
<i>Priority Area 2: Regional economic integration and support for trade</i>	-	575	50.0%
Specific objective 2.1: Establishment of an integrated regional economic area	50	-	-
Specific objective 2.2: Supporting private sector competitiveness	125	-	-
Specific objective 2.3 Support for the transport sector	200	-	-
Specific objective 2.4 Support for the energy sector	200	-	-
<i>Priority Area 3: Resilience, food and nutrition security and natural resources</i>	-	300	26.1%
Specific objective 3.1: Resilience and food and nutrition security	200	-	-
Specific objective 3.2: Protection of the environment, biodiversity, and tackling and adapting to climate change	-	-	-
Institutional support to regional organisations/TCF	-	25	2.2%
<b>Total</b>	<b>1025</b>	<b>1150</b>	<b>100.0%</b>



ESA-IO 11 <sup>th</sup> EDF RIP allocations	COMESA	EAC	IGAD	IOC	SADC	Sub totals	Total	Share
<b>Sub-regional envelopes</b>							<b>450</b>	<b>33.78%</b>
Initial allocation	85	85	80	50	90	390	-	-
Reserves	-	-	-	-	-	60	-	-
Peace, Security and Regional Stability	-	15	40	5	15	75	-	-
Regional Economic Integration	85	45	10	7	47	194	-	-
Regional Natural Resource Management	-	20	25	33	9	87	-	-
Institutional Capacity Building	-	5	5	5	19	34	-	-
<b>Infrastructure Envelope</b>						-	<b>600</b>	<b>45.05%</b>
Infrastructure Network Investment						525	-	-
Governance reforms						40	-	-
Capacity building						35	-	-
<b>Cross-regional Envelope</b>						-	<b>205</b>	<b>15.39%</b>
Peace, Security and Regional Stability						85	-	-
Great Lakes						30	-	-
Migration						25	-	-
Maritime Security						30	-	-
Regional Economic Integration						40	-	-
EPA implementation						40	-	-
Regional Natural Resource Management						80	-	-
Transboundary Water Management						20	-	-
Sustainable Fisheries						30	-	-
Wildlife Conservation						30	-	-
<b>TCF</b>						-	<b>15</b>	<b>1.13%</b>
<b>Reserve</b>						-	<b>62</b>	<b>4.65%</b>
<b>Total</b>						-	<b>1332</b>	<b>100.00%</b>

## Annex III: DG DEVCO's analysis of blending across sectors (global)<sup>252</sup>



<sup>252</sup> Source: DG DEVCO (2015).

## Annex IV: An overview of the objectives of the regional economic integration sector across the EDF regional programmes<sup>253</sup>

RIPs		Specific objectives within the regional economic integration category
Africa	Central Africa	<p><b>Strengthen capacities of regional organisations</b> to ensure the creation of an integrated regional market and <b>implementation of EPAs accompanying measures</b>.</p> <p>Strengthen capacity of national administrations to transpose at the national level and to implement decisions taken at regional and multilateral levels to <b>stimulate trade and consolidate markets</b>.</p> <p>Improve the functioning and the interconnectedness of <b>regional economic infrastructure networks*</b>.</p>
	Cross-regional	<p>Implementation of the EU-East and Southern Africa interim <b>EPA</b>.</p> <p>Enhance <b>institutional capacity</b> of DMROs.</p> <p>Deliver at <b>national level trade-related assistance and support to private sector</b>.</p> <p>Improved connectivity and efficiency and resilience of <b>regional infrastructure networks*</b>.</p> <p>Improve the <b>strategic and regulatory framework</b> of regional infrastructure networks.</p>
	COMESA	<p><b>Reduced cost of cross-border trade</b> through removal of internal barriers in line with Tripartite agreements.</p> <p><b>Increased private sector participation</b> in regional and global value chains, through improved investment/business climate and enhanced competitiveness and productive/innovation capacity.</p>
	ESA-IO	<p><b>Enhanced capacity</b> of the COMESA Secretariat and member states, including the private sector, to deepen regional integration.</p>
	EAC	<p>Foster the <b>implementation of the EAC Common Market</b> as well as monitoring the Customs Union and Common Market Protocols.</p> <p>Develop EAC <b>industries</b> and <b>private sector</b>, and facilitate <b>trade</b>.</p>
	IGAD	<p>Reduce barriers to <b>free movement of persons</b> in the IGAD region.</p>
	IOC	<p><b>Competitiveness and business facilitation</b>.</p>
	SADC	<p>Support for the consolidation of the <b>SADC FTA</b> and <b>Implementation of the SADC-EU EPA</b>.</p> <p>Support towards <b>industrialisation</b> and the <b>productive sectors</b>.</p> <p>Support to intra-SADC investment and FDI through improving the <b>business and investment environment</b>.</p>
	West Africa	<p>Establishment of an integrated <b>regional economic area</b>;</p> <p>Supporting <b>private sector competitiveness</b>;</p>

<sup>253</sup> Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

	Support for the <b>transport</b> sector*; Support for the <b>energy</b> sector*.
<b>Caribbean</b>	Strengthen Caribbean regional cooperation and integration processes; Support <b>inclusive and sustainable private sector development, investment facilitation and external trade capacity</b> ; Support reinforced CARIFORUM-EU cooperation including <b>EPA implementation</b> ; Caribbean Investment Facility*.
<b>Pacific</b>	Strengthening the regional <b>trade and business enabling environment</b> ; Increased <b>participation of the private sector</b> in economic integration; Support to <b>regional investments</b> *.

*\*Indicative objectives where blending activities are envisaged*

## Annex V: Specific objectives related to support to climate change, the environment and natural resource management<sup>254</sup>

RIP		Specific objectives within climate change, environment and natural resource management	
Africa	Central Africa	<b>Sustainable natural resource management;</b> Effective <b>preservation of biodiversity</b> and <b>fragile ecosystems</b> .	
	ESA-IO	Cross-regional	Improve <b>drought resilience</b> at regional level; Support <b>natural resources management</b> of regional importance (water management, biodiversity, wildlife conservation, sustainable agriculture, sustainable fisheries, sustainable mineral resources management...).
		COMESA	Not applied
		EAC	Support the integrated management and development of the shared <b>water and fishery</b> resources of the Lake Victoria Basin.
		IGAD	Enhance <b>resilience</b> of (agro-) pastoralist populations; Promote <b>sustainable ecosystem rehabilitation</b> and management of natural resources.
		IOC	Address specific <b>vulnerabilities of island states</b> - climate change and disaster risk management; Regional <b>Food Security</b> Programme.
		SADC	Operationalise SADC's Regional Agricultural Policy to contribute to achieving <b>sustainable food and nutrition security</b> in order to achieve sustainable access to safe, adequate and affordable food.
	West Africa	Resilience and <b>food and nutrition security;</b> Protection of the <b>environment, biodiversity</b> , and tackling and adapting to <b>climate change</b> .	
Caribbean		Promotion of <b>energy efficiency</b> and development and use of <b>renewable energy;</b> Support regional capacity for the <b>suitable use of natural resources;</b> Improve regional <b>resilience</b> to impacts of climate change and natural disasters affecting sustained economic and social development.	
Pacific		Improved benefits from management of <b>oceanic and coastal nature;</b> Improved benefits from <b>management of waste</b> .	

<sup>254</sup> Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

## Annex VI: Specific objectives related to support to governance, peace and security at regional level<sup>255</sup>

RIP		Specific objectives within the governance, peace and security and crime sector	
Africa	Central Africa	Implement the Economic Community of Central African States (CEEAC) 's <b>road map on peace and security</b> ; Reduce the <b>structural factors of instability</b> in the region.	
	ESA-IO	Cross-regional	Support <b>capacity development of DMROs</b> to strengthen their role as political/peace and security pillars in the region; Support <b>election observation</b> and <b>conflict mediation</b> ; Support regional projects promoting <b>democratisation, good governance, rule of law and human rights</b> ; Support regional projects addressing <b>cross border issues</b> such as refugees, migration flows, human trafficking and smuggling, radicalisation and terrorism, maritime security and border management.
		COMESA	Not applied.
		EAC	Promote <b>democratic governance</b> in the EAC region in line with the EAC protocol on good governance and the African Charter on Democracy, Elections and Governance; <b>Combat terrorism, cross-border and transnational organised crime</b> (including human trafficking, migrant smuggling, as well as trafficking of small arms and light weapons, wildlife and narcotics) in the EAC region.
		IGAD	Strengthen <b>conflict early warning and response</b> mechanism; Improve <b>mediation and preventive diplomacy</b> ; Counter existing, evolving and emerging <b>trans-national security threats</b> .
		IOC	Enhance <b>political stability and democratic governance</b> in the IOC region; Promote <b>interests of island states</b> .
		SADC	Strengthen the <b>infrastructure for peace, security and regional stability</b> ; Promote <b>regional stability</b> through increased respect for rule of law and enhance public security across the SADC region.
		West Africa	Strengthening mechanisms to promote and maintain <b>peace and stability and post-crisis operations</b> ; Support for regional initiatives to address the main threats to peace, security and stability.
Caribbean		<b>Crime prevention</b> , risk reduction and enhancement of restorative justice; Enhance <b>citizen and border security</b> ; Increasing <b>compliance</b> with international norms on <b>financial crimes, terrorism, financing and corruption</b> .	
Pacific		Transparent and effective policies and <b>PFM, data and statistics</b> ; Promote and protect human rights for all and progress in <b>gender equality</b> and <b>civil society engagement</b> in governance practices; Support of regional organisations in relation to 11 <sup>th</sup> EDF implementation.	

<sup>255</sup> Source: 11<sup>th</sup> EDF Regional Indicative Programmes.

## Annex VII: Overview of the sector allocations of the Intra-ACP MIP 2014-2020 (in € millions)<sup>256</sup>

Envelope/sector	Total	Percentage
Human and social development	1 165	32%
Climate change, resilience building and the environment	475	13%
Support to private sector development and investment	600	17%
African Peace Facility	900	25%
Institutional support	215.5	6%
Reserve	234.5	7%
<b>Total</b>	<b>3 590</b>	<b>100%</b>

<sup>256</sup> Source: Intra-ACP MIP 2014-2020

## Annex VIII: Overview of the sector allocations of the Pan-African Programme 2014-2020 (in € millions)<sup>257</sup>

Envelope/sector	Total	Percentage
Peace and Security	15	4%
Democracy, Good Governance and Human Rights	45	11%
Human Development	90	22%
Inclusive and Sustainable Development and Growth and Continental Integration	210	51%
Global cross-cutting issues	55	13%
<b>Total</b>	<b>415</b>	<b>100%</b>

<sup>257</sup> Source: Pan-African Programme 2014-2020



## Annex IX: Complementarities between instruments<sup>258</sup>

Sector	Pan-African	Intra-ACP
<b>Peace and security</b>	Support the design and implementation of non-military security strategies at continental and cross-regional levels (with a focus on border management and fight against transnational crime), taking into account relevant global and regional EU strategies (Sahel, Gulf, Maritime...).	The 11 <sup>th</sup> EDF intra-ACP strategy will provide support to the African Peace Facility.  Regional programming will have mutually reinforcing actions with APSA and APF.
<b>Democracy, Good Governance and Human rights</b>	Cross-regional and continental exchanges of best practices and experiences among Election Management Bodies and AU  RIP for Central Africa foresees some electoral assistance.	<i>Intra-ACP support does not specify objectives within this area.</i>
<b>Human development - mobility and migration</b>	Close complementarity should be encouraged to promote synergies with 11 <sup>th</sup> EDF RIPs (Eastern, Central and Southern Africa and Western Indian Ocean Region, and West Africa). One of the indicators is the number of African countries and RECs implementing continental policy frameworks on migration and mobility.	The 11 <sup>th</sup> EDF intra-ACP strategy will support major global initiatives related to health and education and also specific ACP programmes in the field of health, education - including technical and vocational education and training - research and culture. They will take into account the 2030 Agenda.
<b>Sustainable and inclusive development and growth and continental integration</b>	Particular synergies will be sought with regional programmes in support of regional economic integration in the various regions (cf. Tripartite in ESA, Second block in West and Central Africa, and the Maghreb region in North Africa).  Within the component “statistics and economic analysis”, complementarity will be sought with possible actions under the EDF RIPs.  Within the component on “Infrastructure”: contribution of Pan-Af to the funding of continental infrastructures will mobilise up to 30% of funds, in order to reflect African priorities expressed in the PIDA - coordination with blending operations funded under RIPs.	The June 2014 ACP-EU Council of Ministers in Nairobi adopted a joint cooperation framework for private sector development support in ACP countries, outlining the priorities at intra-ACP level:  - support business-friendly national and regional policies;  - strengthen production capacities by providing micro-level support to the private sector and supporting key intermediary organisations;  - improve access to responsible and sustainable micro-finance services;  - increase access to finance for small and medium enterprises and catalyse private investments through blending operations.  In support of these priorities, the EU and ACP Group will establish an ACP-EU platform for lesson-sharing, dissemination of good practices, and dialogue with the private sector across ACP regions.
<b>Global and cross-cutting issues (cf. climate change and environment).</b>	National and regional programmes will concentrate on supporting the management of natural resources, maintaining fragile ecosystems and improving drought resilience at national/regional level.	Part of the Intra-ACP programme is dedicated to addressing climate change, resilience building and environment in the ACP regions. Specific objectives are related to ACP engagement in international negotiations and implementation of commitments as well as support to e.g.

<sup>258</sup> Source: Pan African Programme and Intra-ACP MIP 2014-2020

	<p>Sustainable management of natural resources, with a specific support given to help AU develop continental and cross-regional strategies.</p>	<p>strengthening ACP regional climate centres. The Intra-ACP programme notes that “due attention will be given to the issue of complementarity, in particular with national, regional, thematic and pan-African strategies. While ensuring complementarity, due consideration will also be given to the unique characteristics and vulnerabilities of the LDCs and SIDS to ensure that these particularly vulnerable countries are able to meet their sustainable development targets.”</p>
--	---	---



### **About ECDPM**

ECDPM was established in 1986 as an independent foundation to improve European cooperation with the group of African, Caribbean and Pacific countries (ACP). Its main goal today is to broker effective partnerships between the European Union and the developing world, especially Africa. ECDPM promotes inclusive forms of development and cooperates with public and private sector organisations to better manage international relations. It also supports the reform of policies and institutions in both Europe and the developing world. One of ECDPM's key strengths is its extensive network of relations in developing countries, including emerging economies. Among its partners are multilateral institutions, international centres of excellence and a broad range of state and non-state organisations.

### **Thematic priorities**

ECDPM organises its work around four themes:

- Reconciling values and interests in the external action of the EU and other international players
- Promoting economic governance and trade for inclusive and sustainable growth
- Supporting societal dynamics of change related to democracy and governance in developing countries, particularly Africa
- Addressing food security as a global public good through information and support to regional integration, markets and agriculture

### **Approach**

ECDPM is a “think and do tank”. It links policies and practice using a mix of roles and methods. ECDPM organises and facilitates policy dialogues, provides tailor-made analysis and advice, participates in South-North networks and does policy-oriented research with partners from the South.

ECDPM also assists with the implementation of policies and has a strong track record in evaluating policy impact. ECDPM's activities are largely designed to support institutions in the developing world to define their own agendas. ECDPM brings a frank and independent perspective to its activities, entering partnerships with an open mind and a clear focus on results.

For more information please visit [www.ecdpm.org](http://www.ecdpm.org)

### **ECDPM Discussion Papers**

ECDPM Discussion Papers present initial findings of work-in-progress at the Centre to facilitate meaningful and substantive exchange on key policy questions. The aim is to stimulate broader reflection and informed debate on EU external action, with a focus on relations with countries in the South.

**In addition to structural support by ECDPM's institutional partners Austria, Belgium, Denmark, Finland, Ireland, Luxembourg, The Netherlands, Portugal, Sweden, and Switzerland, this publication also benefits from funding from the Department for International Development (DFID), United Kingdom.**

ISSN 1571-7577

European Centre for Development  
Policy Management

*ecdpm*

#### **HEAD OFFICE SIÈGE**

Onze Lieve Vrouweplein 21  
6211 HE Maastricht  
The Netherlands *Pays Bas*  
Tel +31 (0)43 350 29 00  
Fax +31 (0)43 350 29 02

#### **BRUSSELS OFFICE BUREAU DE BRUXELLES**

Rue Archimède 5  
1000 Brussels *Bruxelles*  
Belgium *Belgique*  
Tel +32 (0)2 237 43 10  
Fax +32 (0)2 237 43 19

[info@ecdpm.org](mailto:info@ecdpm.org)  
[www.ecdpm.org](http://www.ecdpm.org)  
KvK 41077447