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REFORMING WEST AFRICA'S INTEGRATED GOVERNMENTAL ORGANISATIONS

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REFORMING WEST AFRICA'S INTERGOVERNMENTAL ORGANISATIONS

The reform of West Africa's intergovernmental organisations (IGOs) was one of the major concerns expressed at GMAP's (Groupe Ministériel d'Animation et de Proposition) most recent meetings. The proliferation of these organisations in the region, whose number varies widely depending on the definition used, but is generally estimated at over 40, is a sign of the political enthusiasm for regional cooperation since independence, but also of a collective inability to run such organisations effectively. Political leaders in the region have been aware of the need to streamline IGOs for some time. In 1983, this need was expressed within ECOWAS, and reasonably well-known studies were conducted in 1986 and 1987. In 1991, the Summit of ECOWAS Heads of State requested a new study and a major report was submitted by the African Institute for Economic Development and Planning (IDEP) in 1997¹. This theme also comes up, often explicitly, in the abundant literature on regional integration published by African organisations, multilateral institutions and bilateral development partners. It has also been widely discussed in the work of the Club du Sahel as part of *Cooperation 21*².

This paper does not aim to summarise these sources, but to suggest ideas, most of which have already been developed elsewhere. For most of the issues, relevant documentation and studies exist and proposals have already been formulated. However, it would be overly simplistic to conclude that the only element lacking is genuine political will. Institutional and organisational factors, financial constraints and the large number of stakeholders, aid agencies and external partners in general, can make it difficult to implement apparently simple measures.

This paper uses the classification of IGOs established in the IDEP study. It thus distinguishes between: organisations seeking economic integration, and their financial and monetary sub-units; sectoral, technical and functional organisations; and sub-regional territorial organisations. Attention will also be given to organisations with a direct or indirect economic goal, since economic liberalisation and the withdrawal of the State from certain productive activities and services inevitably affects the validity, role and operation of certain IGOs. The involvement of external partners, particularly aid agencies, will also be examined.

Organisations seeking economic integration

The regional integration of the countries of West Africa has been on the agenda since independence. Despite the political, economic and monetary diversity of colonial and post-colonial situations in the various countries³, a consensus began to form in the mid-1960s, which was confirmed in 1975 with the founding of ECOWAS, a recognition that the area covered by the organisation was

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1. *Etude sur la rationalisation des organisations intergouvernementales de l'Afrique de l'Ouest*, Jeggan C. Senghor, IDEP, Dakar, 1997.
 2. *Les politiques des agences d'aide en matière de coopération et d'intégration régionales en Afrique de l'Ouest*, J. Coste, J. Egg, J. Igue and L. Liagre, OECD-Club du Sahel, 1997.
 3. And which is still present in the institutional structure. Although it did not have a strictly economic goal, the "Conseil de l'Entente", founded in 1959, developed the financial mechanisms to finance regional projects, a guarantee fund and the "Communauté économique du bétail et de la viande" (CEBV). The "Union douanière d'Afrique de l'Ouest" (UDAO) (1959) and the "Union monétaire ouest-africaine" (UMOA) (1962) are part of WAEMU's genealogy. The Mano River Union was formed in 1967. Differences in colonial and post-colonial history, language, culture and economic traditions have implications and are sometimes a source of tension. However, new trends in the region, such as the change in the international context, should reduce the impact of these differences.

appropriate for regional economic integration. Despite limited progress in terms of concrete action, this goal has not been called into question. Instead, it was clearly reconfirmed in 1991 by the Declaration of Heads of State designating it as the only economic community in West Africa for regional integration and achievement of the objectives of an African economic community, and by the Abuja Treaty. In 1994, the long-postponed rescue of the franc zone with the devaluation of the CFA franc was accompanied by the creation of WAEMU. Broadly supported and even instigated from outside, this organisation was not, in fact, completely new, but a restructured, revitalised form of WAEC⁴.

Because WAEMU ran counter to the objectives sought by ECOWAS, its founding could have provoked a negative reaction from the other countries in the region. Instead, the new organisation soon found itself in a contradictory situation: on the one hand, it made rapid progress on the institutional front (tax and customs harmonisation, convergence of economic policy, legal area, financial institutions); while, on the other hand, the potential for trade development between member countries remained limited. As a result, the interest of politicians and economic operators for ECOWAS remained unchallenged, while they could not help but notice the stability guaranteed by WAEMU.

The recent trends in Nigeria, where economic and financial stabilisation have clearly begun, have enhanced the context for a revitalisation of ECOWAS. Until recently, monetary policy, pricing policy and the customs system in Nigeria seriously distorted trade with the other countries of the region. Although not all the problems have been resolved, decrease in inflation, liberalisation of the exchange system and the lowering of customs barriers are positive developments.

To be translated into action, the ambitions for ECOWAS clearly reasserted by all its members, will have to be accompanied by changes to its structural organisation and to its relations with governments and with the other intergovernmental organisations of the region. A number of observations and suggestions, while they are not exhaustive, have already been formulated⁵ and can be an appropriate basis for discussion.

- The human and technical capacities of the secretariat, its organisation and the management of human resources should be reviewed in relation to the objectives assigned to it.
- The institution's lack of credibility largely results from the gap between its declared ambitions, the decisions taken and particularly their translation into action. This could be due to the fact that governments are mainly involved at a political level. The senior technical representatives from the relevant ministries (primarily economy and finance) should be more involved to assess the impact and feasibility of actions upstream and to assist politicians in negotiating terms and conditions of implementation with their partners⁶. The senior technical representatives also play a fundamental role in ensuring implementation in each country, which can require consultation with the secretariat and with their counterparts in the other member countries.
- A more intense technical dialogue should also be developed with the WAEMU Commission. Some issues can be treated as part of convergence between WAEMU and the other countries,

4. WAEC was founded in 1973 on the basis of UDAO and UDEAO (1966). WAEMU, which took over WAEC's Secretariat, is based in Ouagadougou.

5. See in particular: *Identification Study for Reinforcing the Capacity of the ECOWAS Secretariat*, M. Davenport, 2000. For a European Union support project.

6. A bitterly negotiated but effectively applied decision is better than declarations of principles that translate poorly into action. While the European Union is the result of strong political will in terms of principles, its concrete formation was achieved through years of intense bargaining.

while some instruments already developed by WAEMU could serve as models for ECOWAS⁷.

- Relations between ECOWAS and the other IGOs in the sub-region should be clarified. The idea that the other organisations should be “subordinate” to ECOWAS has been expressed⁸. This is certainly appropriate for the institutions that deal with issues closely linked to the functions of ECOWAS. However, it is certainly not desirable for ECOWAS to be involved in every sector of activity. Moreover, particularly for organisations that only involve a small number of partner countries, the principle of subsidiarity should be applied.

Sectoral organisations

There is a large number of these organisations, which vary considerably in size. Some have a pan-African scope or involve a much larger number of countries than ECOWAS, while others only cover some of the countries in the ECOWAS area. Whether larger or smaller than ECOWAS, they should not be excluded from discussions, especially as practically no sectoral organisation corresponds exactly to the ECOWAS area.

The task assigned to these organisations is to pool resources so as to provide services common to several countries in a region. These services are underpinned by different logics:

- Pooling of resources. This involves seeking economies of scale or providing a public service that individual countries would not be able to offer alone. Examples include specialised educational institutions, research centres and meteorological and air traffic control services.
- Seeking solutions to common problems. This occurs when it is not realistic to envisage solutions within a national framework only. This is the case, for example, of many organisations working in health (controlling endemic diseases), agriculture (eradication of insect and bird pests) and the environment.
- Consultation and coordination. This is case of organisations involved in a number of agricultural branches (e.g. groundnuts, rice, cattle) and certain services (e.g. transport, energy, telecommunications).
- Some IGOs (some of which have either been disbanded or have changed status) operate de jure or de facto as industrial or commercial companies in industry (e.g. CIMAO cement plant), transport (e.g. ex-RAN, Air Afrique) and financial services.

As a general but not blanket rule, these IGOs suffer from various problems:

- Either because of lack of funds or indifference, member states often neglect to pay a portion of the contributions that they undertook to make. As a result, many of these IGOs do not have necessary resources to accomplish their mandates. In some cases, external contributions can compensate for the shortfall, but at the price of perverse effects, which will be discussed later.

7. Especially as the two institutions are in a position to benefit from technical support from the same external partners.

8. This idea is expressed subtly in the 1997 IDEP study.

- Sometimes the member states do not exercise enough authority. Some IGOs have thus developed their own agendas and moved away from the objectives that were assigned to them, although this has not been clearly validated by their constituent governments.
- Experience has shown that it can be extremely difficult to disband IGOs that are contested because of poor performance or because the context that had justified their founding has changed. There are many reasons for this, such as the prestige of the host countries, staff and financial problems.
- At the same time, new IGOs are being founded without proper cost-benefit analyses or an examination of alternatives (such as extending the mandate of an existing organisation).

These considerations should not cast doubt on the value of IGOs for the countries of the region, but show that an overhaul of the IGOs system in West Africa is needed - an observation that, as we have seen above, is far from new. The management and implementation of this exercise needs to be carefully thought out, even if strong contributions have already been made. The following observations should be taken into account:

- Is ECOWAS a relevant forum for approaching the issue? The answer would appear to be positive, for two reasons: first, it is a sufficiently broad grouping for the exercise to be relevant; secondly, the IGOs aim to contribute in various ways to regional integration, for which ECOWAS is the framework. However, the IGOs cannot be made to fit the “Procrustean bed” of the ECOWAS area. Some will only ever interest some of the countries in the area, while others will continue lasting and beneficial cooperation with countries outside the area.
- A comprehensive discussion of IGOs is needed, although there will be no blanket solution to the problems raised. A sectoral approach making it possible *i)* to assess needs, *ii)* to evaluate current responses of these IGOs with regards to these needs, and *iii)* to propose a new architecture for the system, would be more appropriate. For each sector, national analyses should be conducted, while ECOWAS, with appropriate external support, could be responsible for a more comprehensive analysis. In several sectors, the United Nations specialised agencies should be involved, especially as in some cases their regional offices are providers of complementary and even competing services.
- Overall consistency is necessary. At the level of individual governments, authority over the various IGOs is generally the responsibility of the relevant technical minister. During this exercise and perhaps beyond it, the departments in charge of integration and finances could be involved.
- The involvement of the ECOWAS Secretariat in such a process should be carefully planned. It could act as a “host forum” without being technically involved in the sectors outside its competence. Similarly, in the future, ECOWAS should only maintain functional or organisational links with IGOs whose areas of competence are related to its own mandate.
- Unless it remains on paper, a reform of the IGOs will involve costs, stemming from closures, technical consolidation and changes to some IGOs’ areas of intervention, etc. These costs should logically be considered as an “investment” by the governments concerned, but they will need to find resources to fund this investment. Following the reform, they should clearly commit to honouring their contributions. This problem should be envisaged within an overall framework with the development partners.

Territorial sub-regional organisations

The objective of these organisations is either to promote the development of a particular geographical area, common to several countries, or to develop a common natural resource, usually water. Their mandates vary. Some of these IGOs are fora for consultation, programming and coordination of operations conducted by the different governments involved. Others act as contractors/operators of large infrastructure (irrigation systems, rice processing plants, hydroelectric dams). Still others have supported the implementation of infrastructure without being involved in its operation. Several observations can be made about this type of IGO:

- These IGOs are geographically and institutionally the most distant from ECOWAS. Under the principle of subsidiarity, the links between them and ECOWAS should therefore be the weakest.
- IGOs with a direct economic activity have already undergone major changes as part of structural adjustment and sectoral programmes. Industrial and commercial activities have been or will be privatised or separated from institutional entities.
- Until now, even if civil society, particularly farmers' organisations, has been involved in some of these organisations, the implications of decentralisation now need to be fully taken into account. The participation of local authorities in the governing bodies should be organised.
- Until now, the main role of these IGOs has been developing natural resources. A new logic of cross-government territorial co-operation could develop within the framework of cross-border economic basins⁹. Local authorities would be involved in priority and the institutional conditions enabling their implementation efficiently and at low cost should be imagined.

The economic functions of Intergovernmental Organisations

Most IGOs involved directly or indirectly in economic sectors were founded at a time when direct State intervention in the economy was substantial. The wave of liberalisation and, for many countries in the region, structural adjustment programmes have radically changed this situation. This inevitably has implications for many organisations to which governments have delegated economic functions.

- Some IGOs with industrial or service activities have been disbanded; others could be privatised; and those that remain will be increasingly subject to private-sector-style standards of organisation and operation.
- The role of these IGOs in the promotion of major structural investment on a regional scale will have to continue and even be strengthened, with regards to needs. However, this role will involve less and less programming and coordination of public investments, except in some sectors such as roads. Future investments, such as in energy and telecommunications, will be increasingly made in a private-sector context with less direct involvement of governments. In contrast, new regulatory functions incumbent on governments will have to be partly delegated to supranational bodies. Although these considerations cannot be fully developed here, they will need to be taken into account in the missions and organisation of IGOs.

9. See in particular: *Can decentralisation breathe fresh life into integration and regional co-operation between Sahelian and coastal countries?* OECD-Club du Sahel. [SAH/GMAP(2000)14].

- In the past, some sub-units of regional organisations have, with varying degrees of success, performed financial functions (investment and guarantee funds) or missions related to international payments¹⁰. In the future, many of these functions will be carried out by the private banking system¹¹. The public financial instruments to be maintained should be managed by a small number of institutions with a high level of technical expertise.
- Some organisations are connected to sectors from which governments, once strongly present, have largely withdrawn. While they still have a role to play, their operation should involve more private-sector professionals, unless private regional professional organisations or regional federations of associations represent a better alternative for the sectors concerned.

External partners and Intergovernmental Organisations

The theme of integration has become popular with the region's external partners. Of the multilateral institutions, the World Bank has recently joined the European Union, which has offered support for a number of years already. Many bilateral agencies now include a regional dimension in their strategic intervention visions. Regional organisations with an integration goal are receiving more attention and can count on substantial support, in particular for capacity-building.

For many, the risk that more fluid trade could cause wide regional disparities poses the problem of compensation, both cyclical/temporary and structural. This responsibility falls chiefly on national governments, but if external partners are convinced of the viability of such a system, they may well support it by allocating specific resources or reallocating existing resources.

Development partners have been present for a long time in many IGOs of the region and they will need to be involved in the reform process. Members' contribution has been raised as an issue. In many cases, donors provide most of the financing, often on a programme basis. This has led to a number of worthy achievements, but also to abuse. As financing is subject to the execution of programmes in the interest of external partners, in some cases they have acted as prime contractor instead of the national governments. This occurred all the more easily as their technical capacity to manage and implement programmes was often greater than that of the technical ministries that were supposed to be in charge.

External partners will inevitably be associated in the reform of the IGOs. Some ground rules are required:

- Beneficiary ownership of the IGOs and the operations financed in different countries should be strengthened. The external partners should therefore resist the temptation to consider some organisations as service providers catering principally to their requests.

10. This paper will not examine the currency issue. The WAEMU countries have a common currency, which is often a source of tension with their neighbours. The member states of ECOWAS have also set the objective of a single currency. A single currency is certainly a powerful instrument for integration. However, a well-organised, effective banking sector at international level is necessary for transactions to be processed efficiently. From an institutional point of view, France's entry into the euro area means that it is no longer possible for new countries to join the franc zone without the express agreement of its European partners.

While the option of a single currency has been agreed, the real problem will be to design a monetary policy from the various possible options and to examine whether monetary cooperation with Europe is desirable, possible and in what form.

11. Despite its limited success, Ecobank has been a valuable experience. However, the interconnection of banking networks is still far from being achieved.

- In return, the governments should honour their financial commitments and provide sufficient human resources to ensure proper management and monitoring of the IGOs.
- On these two points, clear reciprocal commitments, from both governments and external partners, should accompany the reform of these organisations. On these terms, the external partners could be requested to participate in the financing of the necessary restructuring.

Draft proposals for GMAP action

The foregoing sections gave a brief overview of the problems encountered by intergovernmental organisations in West Africa. The draft proposals below make no claim to be comprehensive, but do take account of the nature of the GMAP, whose members are heads of a variety of ministries and who can, once they have discussed together at the international level, alert their countries' authorities to problems and initiate open dialogue with development partners.

These proposals concern intergovernmental organisations with a technical remit¹² for which the GMAP could:

1. Commission a quick technical and financial assessment of the main sectors, especially agriculture/environment, health and education. This assessment would *i)* estimate the services provided by these IGOs (especially the matter of how close relations are between national technical services and the corresponding IGOs), make a preliminary assessment of the IGOs' relevance and identify any duplication of effort between them; *ii)* evaluate the cost of these services for governments and development partners (making a single country case study by way of demonstration, as a first step); *iii)* make a quick cartographical analysis of the relevant geographical areas for addressing technical problems; *iv)* for each sector, draw up a draft rationalisation plan.
2. On the basis of this work, raise governments' awareness so that they *i)* organise their supervision of the IGOs in a more efficient and harmonised way, *ii)* specify in greater detail the services they expect of the IGOs and *iii)* improve interactions between these national services and the IGOs.
3. Start negotiating with development partners who support the IGOs, to reach agreement with them on some clear ground rules, as outlined in the previous section.

This process should rapidly lead to proposals for each sector, based not on institutional or political presuppositions but on an analysis of needs and a cost-benefit approach to services provided. It should make it possible to decide, as required, on closure of IGOs or institutional mergers, redistribution of some tasks among existing institutions or revision of their geographical scope. It should also make it possible to assess the costs this reorganisation would entail and prepare for any negotiations with development partners to get them to help cover these costs.

12. Organisations concerned with economic integration involving specific ministries and the relevant structures within the region's two main organisations should probably be considered in a different context. Sub-regional organisations covering only some countries of the region must be considered case by case, although here too the general principles discussed by the GMAP may stimulate the debate.