



POLITICAL ECONOMY DYNAMICS OF REGIONAL ORGANISATIONS IN AFRICA

PEDRO

***The NEPAD Agency: How to translate vision into practice?*¹**

This paper sets out to better inform stakeholders about why the New Partnership for Africa's Development (NEPAD) Agency operates as it does, highlighting the African Peer Review Mechanism (APRM) and the case of NEPAD support for fisheries in Guinea. It concludes with implications for support.

Political traction, member states interests and potential

The decision by 54 African government leaders to establish NEPAD in 2001 both reflected and projected a sense of optimism about "halting the marginalisation of Africa". There was hope that NEPAD would help embody a new partnership among countries on the continent, and between the continent and the international community. The "new" aspect was the broad effort to promote an African renaissance, initiated and owned by African member states, focused on bringing about sustainable development, good governance and democratisation.

The NEPAD initiative called upon the international community to support renewed aid efforts, debt cancellation, investments and trade regimes that support Africa's economic transformation. This coincided with a large-scale institutional overhaul of the African Organisation of Unity, transforming it into a modern *African Union*.

Two major African 'swing states' - South Africa and Nigeria - gave direction to both processes, in alliance with other member states. In the case of NEPAD, three other member states - Senegal, Algeria and Egypt - were at the core of the NEPAD governance system, with support from the then Organisation of African Unity. Although there was convergence among these drivers on high-end objectives, there were also divergences on priorities and strategies. Moreover, deep political, economic and socio-cultural differences among African countries persisted, often tied up with foundational and historical factors that remained major stumbling blocks for regional cooperation. These differences translated into weak ownership of the gradually expanding NEPAD agenda, manifested through disappointingly low of implementation at national level.

Originally, NEPAD was kept outside the AU structures, with headquarters based in Midrand, South Africa. But as the political traction from its initial promoters waned - partly due to internal differences and the end of term of champions such as South Africa's President Mbeki and Nigeria's President Obasanjo - NEPAD faced pressures to

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become a specialised agency of the African Union. Initial traction was further undermined by a lack of any major breakthrough in partnerships with the international community, be it around increasing aid volumes, improving quality of partnerships, initiating developmental trade agreements, or expanding external investments in infrastructure.

Donor responses in all these areas were mixed. Though there have been improvements in some aspects, on the whole these interventions did not sufficiently alter the incentive environment in support of NEPAD's development and governance objectives. Overall, donors remained - and still remain - cautious about NEPAD's promises of contributing to democracy, good governance and development.

The integration of the *NEPAD Secretariat* into the AU in 2010 did not substantially alter the degree of dependency on external funders of the newly created NEPAD Planning and Coordinating Agency, or *NEPAD Agency*. The AU provides a yearly financial contribution to NEPAD, but there is no substantial mobilisation of African own finances for the NEPAD Agency. As a result, donors continue to play a fundamental role in financing of programmes, of technical assistance and of contractual personnel. In doing so, donors continue to shape - and partially overload - the NEPAD agenda, with a continued risk of hampering a stronger sense of ownership among African member states.

Over time, the roles and agendas of the NEPAD Secretariat and Agency have grown in importance and scope. However, in his 2017 report on further institutional reforms of the AU, Rwanda's President Kagame recommends that "NEPAD should be fully integrated in the Commission". The report states that planning and resource mobilisation happen independently from one another with parallel reporting lines to the apex body of the AU and permanent representatives in Addis Ababa. So, there is a stronger political push than in the early days behind a stronger integration of NEPAD in the AU.

The first NEPAD programme - the African Peer Review Mechanism (APRM) - was marked by the strong steer of the early political promoters, especially President Mbeki. This innovative mechanism to promote good governance and democratisation on the continent received external applause and some measure of internal support. A number of countries signed up to the principles and engaged in the peer review process, creating in many cases first-time opportunities for dialogues and consultations between state and non-state actors based on assessments or studies of different governance challenges in member states. But the initial expectations and ambitions of profound political change through African-driven peer reviews were based on over-optimistic assumptions about the soft power of peer pressure. The Kenya case illustrated both the limits, in terms of changing political governance systems, but also the potential for creating conduits for multi-stakeholder dialogue and diagnostics on governance.

In contrast, NEPAD Agency support to fisheries governance reforms in Guinea gives an example of political traction at the highest level in one AU member country. The NEPAD Agency managed to adapt its various roles, interpret its mandates and modulate its support to the incentive environment and to the interests of multiple stakeholders. Through a range of actions, it contributed to help pilot and kickstart a process that generated sufficient country level buy-in for effective fisheries governance reforms to overcome some of the most pressing binding constraints to re-gaining access to its most important fisheries market, the European Union. It also enabled Guinea to play a more prominent role on behalf of the continent on the global scene in the efforts at fighting illegal fishing, and to demonstrate the value of an approach that can be replicated elsewhere.

These two cases seem to further illustrate that political traction is more likely behind some aspects of the diversified NEPAD agenda when the level of ambition is attuned to the incentive environment of the respective country and its orientation is in line with the political interests of ruling elites. However, it also raises questions about the kind of policy areas where a continental agency can and should focus its attention given its mission and added value.

Implications for support

1. Future engagement with the NEPAD Agency should take account of proven challenges by aiming at:

- Strengthening the agency's institutional capabilities for it to overcome the weak ownership and lack of traction with national, regional and continental actors.
- Avoiding overloading the agency's agenda by aligning behind programmes with domestic political traction or that matter most to its key stakeholders.
- Contributing to the agency's efforts at prioritisation - potentially as the AU's development agency - while being conscious of the concerns about the competition for resources with other regional and continental organisations, as the Kagame report highlighted.

2. Pan African development rhetoric and high-end aspirations should not be confused with what is technically and politically feasible. Support to the NEPAD Agency will be more effective when its levels of ambitions and approaches are adapted to the dominant incentive environment:

- While the African Peer Review Mechanism has so far failed to alter the domestic incentive environment to help transform political and economic governance systems, it has been a conduit for state and non-state stakeholders to engage around particular governance problems, and over time may provide further opportunities to explore solutions.
- The agency's effective support to fisheries governance in Guinea highlights the need for programmes to be aligned with the incentive environment of a specific context, as well as the potential demonstration effect in a broader continental setting once successful
- It also highlights the importance of combining technical and measured financial support when traction is strong.

3. Given the high degree of dependency of the NEPAD Agency on the finance of multiple donors, they need to step up their collective action by:

- Harmonising their efforts behind a shared understanding of their potential to strengthen the agency's institutional capabilities.
- Prioritising and modulating their support for Agency efforts and programmes that strengthen accountability to key African stakeholders and improve domestically anchored cross-country, regional and continental cooperation.
- Dividing labour among donors accordingly.

Behind the formal structures of regional organisations is a messy world of regional power and politics. This messiness is often difficult to capture in the language of development cooperation and institutional development. Working with regional organisations and their programmes therefore implies engaging with complex, multi-level power and interest dynamics.

PEDRO, the Political Economy Dynamics of Regional Organisations, is an ECDPM project that looks at the politics behind regional organisations, and the structural factors, institutions and incentives that ultimately define the way in which countries and different stakeholders engage at a regional level. PEDRO covers 17 African regional organisations and 11 policy areas. For each of these, ECDPM has applied a political economy approach to help understand the dynamics and their effects in different regions and policy areas.

The studies are framed around three key questions: the first relates to the political traction of the regional organisation as this helps assess whether the regional organisation has enabled regional decision making and if it has contributed to implementation. The second focuses on the member state interests in engaging with the regional organisation, especially the more resourceful and powerful ones (the so-called 'swing states'). The third looks at the areas with most traction where regional and national level interests seem to be most aligned for regional outcomes.

The reports aim to present information and insights that can help regional stakeholders navigate the obstacles and better respond to reform opportunities. Rather than providing specific operational recommendations, the political economy approach encourages more reality-based discussions among practitioners and reformers about feasible ways to address regional challenges. It is hoped that this may help tailor the ambitions and approaches of donors and reformers and help identify ways to support national or regional champions or coalitions to take regional cooperation and integration forward.