Understanding COMESA and the East African Power Pool

Incentive-based institutional reform?

By Elke Verhaeghe and Sean Woolfrey*

This background paper is part of a series on the Political Economy Dynamics of Regional Organisations (PEDRO) and builds on an earlier paper conducted under the Political Economy of Regional Integration in Africa (PERIA) project. It was prepared in March 2017. In line with ECDPM's mission to inform and facilitate EU-Africa policy dialogue, and financed by the Federal Ministry for Economic Cooperation and Development, BMZ, the studies analyse key policy areas of seventeen regional organisations in Sub-Saharan Africa. In doing so they address three broad questions: What is the political traction of the organisations around different policy areas? What are the key member state interests in the regional agenda? What are the areas with most future traction for regional organisations to promote cooperation and integration around specific areas? The studies aim to advance thinking on how regional policies play out in practice, and ways to promote politically feasible and adaptive approaches to regional cooperation and integration. Further information can be found at www.ecdpm.org/pedro.

* Author contact: Sean Woolfrey (sw@ecdpm.org), Elke Verhaeghe (ev@ecdpm.org). Project team leader: Bruce Byiers (bby@ecdpm.org).

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1. Introduction

The Common Market for Eastern and Southern Africa (COMESA) was created in 1994, replacing the preferential trade area (PTA) initiated in 1981. Negotiated shortly after the collapse of the East African Community in 1977, the PTA aimed to promote the "collective self-reliance" of the newly independent states of Southern and Eastern Africa through an integrated regional market (Hall, 1987). COMESA was an important further step towards the creation of an economic community. Today, COMESA is comprised of 19 member states[1] and constitutes the second largest of the eight Regional Economic Communities (RECs) officially recognised as building blocks for African integration (behind the largely dysfunctional CEN-SAD).

This study focuses on COMESA as an institution and on two specific thematic areas of integration and cooperation within COMESA: trade and energy.[2] Promoting increased trade and economic integration in eastern and southern Africa has from its inception been COMESA's main priority. As such, it is the prime sector through which to assess the traction of COMESA. Energy, on the other hand, is vital for the region's competitiveness. Despite being rich in potential electric power generation capacity, Sub-Saharan Africa is severely short of electricity, rendering its industries uncompetitive and slowing annual GDP growth by between one and three percentage points (McKinsey & Company, 2015). This clear rationale for regional cooperation in the field of energy makes it particularly suitable for assessing regional traction.

The paper addresses three main questions. The first section investigates the political traction of COMESA, focusing in particular on the areas of trade and energy. In doing so, it will provide a first assessment of COMESA as an institution. A second section highlights the main incentives and interests that influence member states (dis-)engagement in COMESA and its regional agenda. A third section then defines the areas with most traction for regional cooperation, by highlighting the key areas and conduits for regional action.

2. On assessing the political traction of COMESA?

2.1 Foundational factors

In contrast to certain other RECs, COMESA emerged from earlier initiatives that explicitly focused on promoting regional integration through the removal of trade barriers, and trade-led market integration has remained the main focus since then. COMESA's genesis can be traced back to the preferential trade area (PTA) initiated in 1981[3], which had the ultimate goal of creating an economic community. Given the small size and under-developed nature of national economies in the region, and in light of the recent collapse of the East African Community (EAC), the PTA sought to establish an integrated regional market. The PTA was especially pushed for by the United Nations Economic Commission for Africa (UNECA), who aimed to promote economic cooperation and intra-regional trade, generate economies of scale and spur economic (and social) development through a strategy of 'collective self reliance' that built on the import-substituting industrialisation strategies that were prevalent in countries in the region at the time (Hall, 1987).

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[1] Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, the Seychelles, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

[2] This study draws on a larger study carried out for the ECDPM PERIA project on the *Political Economy of Regional Integration in Africa*. For more information see http://www.ecdpm.org/peria. Three criteria informed the selection of the themes: 1) policy relevance; 2) research feasibility; and 3) insightfulness of the evidence, findings and storylines (i.e. do these tell a political economy story?)

[3] The PTA had 15 member states, including Burundi, Comoros, Djibouti, Ethiopia, Lesotho, Kenya, Malawi, Mauritius, Rwanda, Somalia, Swaziland, Uganda, Zambia, Zimbabwe; with Tanzania joining in 1985 (Hall, 1987).

The PTA Treaty envisaged the transformation of the PTA into a common market as an important step towards the creation of an economic community. To this end, the PTA Treaty was replaced by the Treaty establishing COMESA, which was signed in November 1993, and ratified in December 1994. The establishment of the PTA and its transformation into COMESA was consistent with broader continental objectives of using RECs as the building blocks of an African Economic Community, as envisaged in the Organisation of African Unity's Lagos Plan of Action and Final Act of Lagos. Though COMESA now overlaps with several other RECs, at the time SADCC was still mainly a development cooperation platform of frontline states, the EAC had not yet been re-launched, while IGAD was only starting out as a REC with a wier mandate in 1994 with the explicitly aim of align its trade policies with COMESA integration.

2.2. COMESA structure, agenda and agenda implementation

The supreme policy organ of COMESA is the Authority of Heads of State and Government (Authority), which is responsible for general policy direction and performance overview. Decisions of the Authority are meant to be binding on COMESA member states and other COMESA organs. The Council of Ministers (Council) is responsible for policy-making, monitoring and reviewing the functioning of COMESA and has the power to make regulations, directives and decisions that are binding on member states. The Intergovernmental Committee is responsible for the development of specific programmes and action plans in all fields of cooperation except finance and monetary cooperation.

Overall coordination and support to the policy organs is provided by the COMESA Secretariat (Secretariat), which is based in Lusaka, Zambia, and is headed by a Secretary-General appointed by the Authority. In principle, the Secretariat is responsible for, among other things, monitoring the implementation by member states of the provisions of the COMESA Treaty and the regulations, directives and decisions of the Council. COMESA has also established a number of specialised institutions including the Court of Justice (Court), which is intended to adjudicate upon disputes between member states, between member states and the Council and between member states and legal and natural persons resident in a member state.

Though building on a trade-focused PTA, the COMESA Treaty, which sets the agenda for COMESA, provides for cooperation in a number of areas, including, inter alia: transport and communications; industrial development; energy; health; science and technology; agriculture and rural development; tourism; and peace and security, though the fulfilment of this broad COMESA mandate is regarded as a long-term goal (COMESA Secretariat, 2013). For the period 2016-2020, COMESA has, amongst others, prioritized market integration, investment, blue economy, economic infrastructure and industrialization (COMESA, 2016).

COMESA's approach to regional economic integration aims to progress linearly from a preferential trade agreement, to a free trade area (FTA), a customs union, a common market, a monetary union and, eventually, to a full economic community, the different levels of integration identified by Balassa (1967). The COMESA FTA, which covers all goods traded between participating states, entered into force in 2000 with the initial participation of nine of its 19 member states. Currently, 16 member states have implemented the FTA.[4]

The COMESA Customs Union, which is still in the process of being established, was launched in 2009. COMESA also planned for the establishment of a common market by 2015, a monetary union by 2018 and the creation, by 2025, of a unified trade and investment area in which tariffs, non-tariff barriers and other impediments to the intra-regional movement of goods, services, capital and people will be significantly reduced, if not completely abolished. To complement this economic integration

[4] Eritrea, Ethiopia and Swaziland do not participate in the FTA. 16 countries now in COMESA Free Trade Area (3 May 2016).

agenda, COMESA has developed a suite of trade facilitation programmes and programmes to support the region's supply side capacity.

Despite this focus on trade, COMESA also plays a role in regional energy through the East African Power Pool (EAPP), a specialised COMESA institution responsible for facilitating the pooling of electric power resources so as to provide increased access to affordable, sustainable and reliable electricity. By creating a more robust regional power grid and power market, regional power pools have the potential to lower operating costs, lower capital costs and improved power system reliability and enhanced security of supply (AfDB, 2013). The EAPP was established in 2005 by seven eastern African countries[5] and was adopted as a specialised COMESA institution in 2006. Nonetheless, the EAPP remains completely autonomous. As such, COMESA is not significantly involved in the implementation of the EAPP agenda. Instead, COMESA's main role vis-à-vis the EAPP is to provide a level of oversight and 'political cover' and to provide the EAPP with more political clout. In addition to this role, COMESA has also acted as a financial intermediary between donors and the EAPP, by disbursing funding to the EAPP through the COMESA Secretariat. The EAPP has devoted its resources primarily to preparing regulatory frameworks and building technical capacity for regional electric power trading.

Although COMESA member states have made some progress in implementing regionally agreed instruments and protocols, notably with regard to the COMESA FTA, this has not fully reflected the timelines and commitments made by COMESA policy organs (COMESA, 2010). For example, member states have not yet taken the steps necessary for the establishment of the COMESA Customs Union, which was to be established by 2012. COMESA policy instruments are not being consistently implemented by member states through domestic laws and through policy instruments and action plans that operationalise their regional commitments within their domestic legal, economic and political systems (COMESA Secretariat, 2013).

Likewise, the EAPP has not yet generated significant progress on the realisation of its core mandate to bring about an integrated regional electric power market. While some concrete outputs have been achieved, including the development of an EAPP/EAC Regional Power System Master Plan,[6] the establishment of the Independent Regulatory Board and the initiation of testing of a short term day-ahead market, some crucial operational and harmonisation systems have not yet been developed (AfDB, 2013). Problems at the national level relate to incoherent strategies and member state agendas, as well as to the tendency of member states to address issues of power interconnection bi- or trilaterally, instead of through the EAPP. This situation has led to concern among some donors that the EAPP is not in a position to add significant value to ongoing generation projects, interconnections or their policy environments, and could in fact represent an obstacle to progress through these projects.[7]

2.3. Structural and institutional drivers and blockers

When judged against its own target of becoming a customs union by 2012, COMESA appears to be failing to achieve its regional integration objectives. Structural, historical, geographical and economic factors influence the development and implementation of COMESA's regional integration agenda. The sheer size and heterogeneous nature of COMESA's membership creates obstacles to the effective implementation of COMESA's regional integration agenda. The diverse array of development levels,

[5] The founding member states include Burundi, Democratic Republic of Congo (DRC), Egypt, Ethiopia, Kenya, Rwanda and Sudan. Tanzania, Libya and Uganda joined the EAPP in March 2010, February 2011 and December 2012 respectively.

[6] The Regional Power System Master Plan identifies interconnection and generation projects for development in the EAPP region and establishes a common Grid Code for EAPP member states.

[7] For instance, if it was to create or appropriate project approval authority for itself.

geographic circumstances, resource endowments, political settlements and national interests represented in COMESA limit COMESA's coherence as a regional bloc, making regional collective action and the identification of common priorities more difficult.

The COMESA agendas are also limited by sector specific structural factors. In the case of trade, historically low levels of economic complementarity and interdependence among COMESA member states limit the potential for trade-led economic integration. As illustrated in Table 1, COMESA member states trade primarily with actors outside the region. Consequently, intra-regional imports constitute roughly five percent of the total imports, while intra-regional exports account for about 11 percent. In comparison, in the Southern African Development Community, these numbers fluctuate around 20 percent and 24 percent respectively (ITC TradeMap data). In the area of energy cooperation, underinvestment in national generating capacity in most of Sub-Saharan Africa has resulted in a demand for electricity that greatly exceeds the supply (IMF, 2013). This lack of generating capacity means there is currently little excess capacity to export under the EAPP, adding to its poor performance.

Table 1: COMESA trading partners

Top 5 supplying markets for COMESA imports	Top 5 importing markets for COMESA exports
1. India	1. South Africa
2. South-Africa	2. USA
3. USA	3. India
4. Turkey	4. France
5. Russia	5. UK

Source: ITC TradeMap data

Institutional factors relate to financial and technical constraints. The COMESA Secretariat, for instance, is limited in its role as a facilitator by a lack of administrative capacity (COMESA, 2010). Some divisions and units at the Secretariat are understaffed and have to rely on short-term contracting and the hiring of external consultants, which impacts negatively on the Secretariat's ability to build institutional capacity and institutional memory. The EAPP faces similar challenges. In spite of capacity building activities (such as training workshops and study tours), institutional capacity remains constrained due to a lack of staff. Additionally, the EAPP is hindered by a lack of strategic direction, unrealistic targets, inadequate budgeting and financial management practices and a lack of communication between its institutional organs.

COMESA's institutional set-up is inherently member state-driven, as the decision-making policy organs of COMESA are comprised of officials or representatives of member states. That means that beyond the capacity and finance constraints cited above, there is also a question about its accepted authority to drive the regional agenda. Until very recently a number of COMESA member states lacked dedicated COMESA focal ministries or interministerial coordinating committees (Ethiopia, for instance, only established its committee in 2014). Although such institutional structures now exist in all COMESA member states (even if not all fully operational as yet), their work on transposition and implementation is hampered by inadequate coordination, irregular and poor attendance of meetings and a lack of budgetary support (COMESA Secretariat, 2013).

An even greater obstacle to the implementation of COMESA's agenda is the disconnect between formal institutions and prevailing norms. While formal institutions such as the COMESA Court of Justice have been set up within COMESA to promote the enforcement of COMESA agreements, this mechanism is underutilised in practice, largely because of shared norms among COMESA member states against using dispute settlement procedures against one another. In some cases, however, institutions have managed to alter practices by reforming the regional incentive environment. In this respect, the Regional Integration Support Mechanism (RISM) appears to have helped stimulate the transposition[8] and implementation of regional commitments by providing member states with financial compensations for adjustment costs (see box 1).

Box 1: The power of incentive-based institutional reform: the case of RISM

When member states transpose and implement regional commitments, the inherent adjustment to new trade structures and procedures can entail significant direct and indirect costs. To overcome this potential blockage to implementation of regional commitments, the COMESA Adjustment Facility (CAF) addresses the adjustment challenges associated with the transposition and implementation of regional programmes. A Contribution Agreement was concluded between the EU and COMESA in 2007, under the 9th European Development Fund (EDF), to operationalise the CAF as the Regional Integration Support Mechanism (RISM), with total funding of €78m.

RISM serves as an ex-post compensation mechanism to support member states that transpose and implement regional programmes. Disbursements under RISM are predicated on a formula based on the preparation of a Regional Integration Implementation Programme and progress is measured against a Performance Assessment Framework detailed in the Performance Monitoring Report. By partially financing the adjustment costs associated with transposition and implementation, RISM offers an additional incentive for transposition and implementation. The requirement of performance assessment also provides a de facto incentive for better reporting and monitoring on the implementation of COMESA commitments.

Although RISM is still a relatively new programme and is not immune to criticism, it has been credited with a number of achievements. According to an evaluation of RISM undertaken in 2014, RISM has incentivised member states to speed up efforts to address regional integration commitments. Hence, despite the fact that the financial incentives involved are not significant, RISM has incentivised accelerated transposition and implementation. Assessment of targeted commitments in Regional Integration Implementation Programme submissions also shows that RISM has provided at least some impetus for member states to address commitments that had not previously been addressed. Through RISM, steps have also been taken to increase ownership at the national level and coherence between the national and regional levels. Efforts have been made under RISM to integrate regional objectives in national strategies and policies and to enhance coordination, planning and information exchange on regional issues within member states. Finally, RISM has provided member states with a platform to improve their own monitoring of – and reporting on – transposition and implementation progress. The Performance Monitoring Reports that member states must submit in order to benefit from RISM disbursements are structured in line with the country progress reports that member states are obliged to submit to Council annually. The COMESA Secretariat has noted an improvement in the submission of these progress reports and has attributed this at least partly to RISM.

In conclusion, the RISM has contributed to influence domestic incentives within COMESA member state governments. It seems that the key benefit of RISM in promoting transposition and implementation is not the finance and technical support it provides, but rather the focus it puts on commitments that have been undertaken by member states and on the challenges inherent in the transposition and implementation of these commitments, including the reporting and monitoring dimension.

Sources: International Economics (2014); COMESA Secretariat (2013).

2.4 External drivers and blockers

In spite of the apparent success of RISM, COMESA's reliance on support received from the EU and other donors to fund its programmes and human resources raises concerns about ownership of its agenda**.** It is widely suggested, for example, that COMESA actively seeks to adopt or expand programmes and staffing in areas where donors are willing to provide financial support, suggesting that donor interests are influencing COMESA's agenda. In the case of energy, insufficient donor coordination in the past (possibly due to different views on appropriate timelines for and approaches to the creation of regional power pools), coupled with a willingness by donors to devote significant

[8] Transposition is the process whereby regional decisions and agreements are made legally binding in member states.

funds to capacity building, may have contributed to the current relatively unambitious role of the EAPP as an official convener of meetings, training and workshops, rather than taking an active lead in the development of an integrated regional power market.

In addition, COMESA reliance on donor support has potentially negative implications for the sustainability of its various programmes. This fact was illustrated by the termination of DFID's TradeMark Southern Africa programme, which, despite not being a COMESA institution, was responsible for managing a number of trade-related projects within the COMESA region, and was an important driver of the COMESA-EAC-SADC Tripartite process. Finally, donor support may also disincentivise member states to provide financial support to COMESA as the latter are able to free ride on the COMESA programmes already supported by donors. This in turn may weaken member state ownership of regional integration and cooperation through COMESA.

Overlaps between COMESA and other regional initiatives also create difficulties in terms of coherence and raise questions on regional leadership. For example, some COMESA member states are also members of the EAC which relaunched integration efforts among Kenya, Tanzania and Uganda in 1999 (with Rwanda and Burundi joining in 2007). While EAC integration could be seen as a step towards COMESA integration in the long run, divided attentions in the context of limited institutional capacity within member state governments may also impede progress on the COMESA agenda and lead to so-called 'regime-shopping', discussed below.

Similarly, some EAPP member states engage on regional energy cooperation through other regional organisations such as the Nile Basin Initiative-related Nile Equatorial Lakes Subsidiary Action Programme (NELSAP) or Energie des Grands Lacs (EGL). While there would appear to be a good rationale for the EAPP to take a leadership role on regional energy cooperation in eastern Africa, the EAPP does not seem to be particularly interested in such an agenda and has not pursued a strategic approach to cooperation with other regional entities dealing with energy. The upshot is that work relevant to regional electric power trade in eastern Africa is spread across a number of organisations and initiatives, with insufficient coordination, creating the potential for efforts to be duplicated and for resources to be used sub-optimally.

The impact of private sector and civil society actors on COMESA's regional integration agenda is found to be relatively minimal. There is some evidence of effective private sector engagement with COMESA, especially through the COMESA Business Council (CBC), but overall, the private sector in COMESA is still weakly organised at the regional level and private sector engagement on regional issues tends to take place through national channels. Furthermore, such engagement tends to be issue-, country- or industry specific, and as a result, it is difficult to identify a regional private sector position in COMESA. The same can be said of civil society engagement with COMESA, which has been characterised as piecemeal.

3. On the political interests of member states

Despite rhetoric to the contrary, COMESA member states do not appear to prioritise regional integration and cooperation through COMESA and COMESA institutions. COMESA member states regularly appear unable or unwilling to push COMESA decisions through their domestic legislative and/or planning and budgeting processes. Furthermore, they appear somewhat disinterested in engaging with COMESA to prioritise certain issues such as gender. Additionally, member states provide relatively little financial support to COMESA and its institutions, resulting in limited institutional capacity and an over-reliance on donor funding.

The lack of member state engagement is due to various factors, including limited incentives, the lack of sanctioning mechanisms for non-implementation to complement the RISM, and the absence of a champion among member countries. At the national level, COMESA member state governments seek to respond to the interests of their domestic constituencies (national elites, private sector actors, etc.) which comprise diverse interests, and may not be united in supporting faster and deeper trade and economic integration through COMESA (indeed many actors at the national level with the power to influence government action may in fact actively oppose the implementation of specific regional commitments). Furthermore, COMESA member state governments know that they are unlikely to face sanction for noncompliance with regional decisions and agreements. The underutilisation of sanctioning mechanisms such as the Court of Justice (see 2.3 Structural and institutional factors) reflects the importance that COMESA member states place on solidarity and the fact that participation in regional organisations is used by many of these states to enhance their own political legitimacy. Finally, there is no clear hegemonic power in the COMESA region that is able to effectively drive regional integration. Donors have to some degree tried to fill this gap, giving rise to questions on national ownership.

As referred to above, COMESA member states also seek to address their national interests through multiple regional organisations and processes. All of COMESA member states are members of at least one other regional integration arrangement, and no fewer than nine belong to two or more additional regional integration arrangements. Though the activity of each varies across organisations (CEN-SAD is relatively inactive) and across different regional agenda items (e.g. IGAD makes explicit mention of aligning with COMESA on trade), the overlaps nonetheless mean that the attention if not the allegiance of Member States is somewhat divided.

In Burundi, for example, the two high level government platforms for engagement on regional integration issues are chaired by the dedicated EAC Ministry and as such focus largely on EAC issues, while only the Ministry of Trade deals with COMESA issues (also reflecting the sense that COMESA is a trade organisation only). Likewise, some EAPP member states engage on regional energy cooperation and trade through other power trading initiatives, including bi- and trilateral arrangements and are exploring possibilities for the establishment of power pools specific to the EAC and Great Lakes countries, thus limiting the added value of the EAPP.

This suggests that, in line with their diverse array of interests and circumstances, COMESA member states participate in COMESA and its associated institutions in order to pursue particular strategic interests, rather than out of a desire to promote region building and foster a regional identity, and that they are more than happy to engage in other arrangements on issues which they believe to be better addressed there. Ethiopia, for example, is rich in hydro-power and engages actively in the EAPP, as it seeks to become a significant energy exporter. But at the same time, the country is wary of joining the COMESA FTA given the effects this might have on its domestic industries. By contrast, Mauritius, a relatively more developed island state, does not participate in the EAPP and has little interest in certain elements of the regional trade facilitation agenda (e.g. axle load regulations), yet is keen to see progress on other areas of the COMESA agenda pertaining to the regional business environment. Gathii (2011) points also to the way that Kenya has used its COMESA membership to resist the dumping of sugar and wheat exports, which it could not have realised through the EAC trade remedy regime (Gathii, 2011). As such, multiple REC membership is not an accident but indeed was envisaged from the beginning, offering flexibility and adaptability, allowing countries to “retain their sovereignty and accrue benefits from multiple regimes otherwise not available through sole memberships” (Gathii, 2011).

In the case of trade and economic integration, RISM has provided an incentive for COMESA member states to pay greater attention to and better report on the transposition and implementation of COMESA commitments. The experience of Zambia shows how a COMESA member state can use an adjustment support mechanism such as RISM to pursue national policy objectives: to develop the country’s national manufacturing base, the Zambian government has taken advantage of the opportunity provided by the project support modality of RISM disbursement to develop a project to build trade-related capacity in the Zambian leather industry. In this way, Zambia is able to use support for regional integration to boost productive capacity in Zambia, which, in theory, should also assist the country to benefit more from the trade opportunities provided through COMESA's regional integration agenda.

With regards to energy, it is not clear exactly how committed the region's governments are in practice to closer electric power integration and power pooling through the EAPP. Notably, no single EAPP member state appears to be driving electric power integration at the regional level. EAPP member states also appear to pursue different interests through their participation in the EAPP. Ethiopia, arguably the single most dominant EAPP member state, has a strong interest in exporting its future electric power surpluses to its neighbours. Central to Ethiopia's position is the Grand Ethiopian Renaissance Dam (GERD) currently under construction on the Blue Nile, which, due to the sheer volume of its reservoir, is certain to cause dramatic shifts in regional power relations (see PEDRO study on the Nile Basin Initiative). Accordingly, Ethiopia seems determined to exercise control over the transmission and prices of power traded in East Africa by centralising EAPP functions and institutions in Addis Ababa. The perceived dominance of the EAPP by Ethiopia has generated tensions between member states, leading to reduced trust and mutual confidence within the EAPP, two important elements for the success of any regional power pool.

Other member states with notable strategic interests in the EAPP include Kenya and Egypt. Kenya has historically relied on imports of electric power from Uganda, but has dramatically decreased its reliance on these imports through the recent development of its geothermal energy resources (Otuki, 2015). In light of this development, Kenya views the EAPP as an important mechanism for facilitating exports of future excess electric power capacity and for exploiting economic opportunities relating to the transportation of electric power over transmission lines (wheeling) in the region. It appears, however, less forceful than Ethiopia in pursuing its interests through the EAPP. Egypt, on the other hand, is viewed by some as a 'blocker' of the EAPP agenda, and as having an interest in ensuring that the development of hydropower resources in the Nile Basin is limited. The recent diplomatic dispute involving Egypt and Ethiopia concerning the latter's construction of the GERD (see PEDRO study on the Nile Basin Initiative) highlights Egyptian fears over the impact of increased hydropower development in the Nile Basin on the country's water security, and its political influence in the region (Nader, 2015).

4. On the areas with most traction for regional cooperation

This analysis suggests that the diversity of interests represented in COMESA's membership and the apparent lack of member state commitment to supporting and/or driving regional organisations, institutions and processes have been significant factors behind the slow and uneven implementation of COMESA's regional integration agenda. Based on the implementation record of the regional commitments by COMESA member states and the level of donor dependency, the argument could be made that many COMESA programmes owe their continued existence largely to donor support. It is sometimes further argued that this support has allowed COMESA member states to free ride on donor-sponsored regional public goods.

On a more positive note, regional cooperation is taking place in eastern and southern Africa, if not always within the context of formal COMESA institutions. Furthermore, progress on COMESA's integration agenda has been made where regional institutions and processes have been aligned with specific national interests. For instance, the RISM has been able to improve monitoring and reporting of transposition and implementation by member states, because it provided financial incentives to member states, which they are able to use for specific national objectives. Aligning such interests more broadly nevertheless remains a challenge.

Two important implications can be drawn from this analysis. First, in order to be effective, formal institutions and processes established to promote regional cooperation and/or integration within COMESA need to work with the national interests of COMESA member states and/or to shift the incentive environment these member states operate in towards being more conducive to regional cooperation. Formal mechanisms to promote regional integration and cooperation in COMESA are unlikely to be successful unless COMESA member states genuinely believe such action to be in their national interests.

Second, the focus of efforts to promote regional cooperation within COMESA should not fall exclusively on COMESA institutions. COMESA 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, preferring to engage in whichever fora offers the best means for achieving an intended objective. Focusing exclusively on COMESA institutions risks missing out on the opportunities that other, potentially more flexible, regional arrangements could provide for, facilitating mutually beneficial regional cooperation.

RISM provides an illustration of a mechanism that has been established to alter the incentive environment for transposition and implementation faced by COMESA member states, both by attempting to use monitoring and evaluation as a means to change behavior by member states and by providing direct financial incentives for better member state reporting on progress with regard to transposition and implementation of COMESA decisions and agreements. While RISM faces a number of challenges, including a complete dependence on EU funding that raises questions about its sustainability, the programme has facilitated modest improvements in the level of coordination around monitoring of and reporting on transposition and implementation by COMESA member states. It has also provided incentives for COMESA member states to take greater ownership of adjustment support, as Zambia has done by using the support it has received under RISM to promote its national industrial policy goals through dedicated projects in the leather sector.

This suggests that while COMESA's trade and economic integration agenda will continue to be influenced by a wide range of often complex and hard to change factors at the national and regional level (economic structures, geography, institutional capabilities, etc.) as well as the interests and actions of various actors at the national level (national elites, government ministries, private sector lobbies, etc.), there does appear to be scope at the regional level for establishing institutions that alter the incentive environment for COMESA member states with regard to transposition and implementation. This in turn could have a positive effect in terms of promoting COMESA's trade and economic integration agenda.

In the area of energy, the COMESA region is characterised by abundant, but underdeveloped and unevenly distributed energy resources, inadequate electric power generation and transmission infrastructure, low electrification rates and high electricity costs. Given the importance of sufficient, affordable and reliable electricity for economic growth, and the potential gains from power pooling, there is a strong economic rationale for the development of an integrated electric power market in eastern Africa. This would also provide support to COMESA's trade and investment agenda by boosting the competitiveness of the region's firms and creating a more conducive environment for investment in the region's energy sector and industries. As the above analysis has shown, however, a number of factors have hampered EAPP efforts to deliver an integrated regional power market in eastern Africa within the timeframes it has set itself.

Ultimately, the EAPP is a relatively young organisation that may yet overcome its various institutional shortcomings. It is clear, however, that, despite its specialised, functional nature and focused agenda, EAPP does not appear to receive full member state commitment. Regional cooperation on electric power generation and exchange is currently taking place in eastern Africa, but in many cases this is happening outside of the EAPP. Questions have been raised regarding the ability of the EAPP to add value to these ongoing efforts and to leverage them for the creation of a truly integrated regional power market. While donors appear keen to support the EAPP in this endeavour (provided the organisation sorts out its internal management issues), such an approach will only materialise if it is in line with what the EAPP member states actually want.

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