ecdpm Making policies work

IGAD: High-level summitry and pragmatism in a region of persistent turbulence[1]

This paper sets out to better inform stakeholders about why the Intergovernmental Authority for Development (IGAD) and national level stakeholders operate as they do in the two specific areas of economic integration and conflict. It concludes with implications for support.[2]

Political traction, member states interests and potential

Created in 1986 as the Intergovernmental Authority on Drought and Development (IGADD),[3] the original IGADD had a relatively narrow agenda, focusing primarily on combating drought and desertification. In 1994, shortly after the accession of Eritrea, the organisation was re-launched as the Intergovernmental Authority for Development (IGAD). As reflected in the new name, its mandate was widened beyond drought issues, while its agenda further expanded in the 2000s with the African Union's formal recognition of IGAD as one of the eight Regional Economic Communities (RECs).

This recognition further cemented IGAD's role as a key African regional organisation, especially as a 'building block' of the African Peace and Security Architecture (APSA). Peace and security is one of three main pillars of work of IGAD. It hosts one of Africa's most elaborate Conflict Early Warning Systems and is recognised for its role in conflict mediation, particularly the Sudan Comprehensive Peace Agreement in 2005 and subsequent referendum. In this regard, IGAD has managed to play an important role in fostering political compromises and balancing interests among dominant regional players. Conflict resolution and management is the main area where IGAD has managed to build on a common drive among member countries to address the high and direct political costs of spillovers from cross-border conflicts.

Yet, the IGAD efforts have been necessarily reactive and ad hoc, due mainly to shifting national interests, regional alliances and enmities. The interventions and decisions of IGAD are driven by the Summit of Heads of State, so by national government leaders and their narrow national interests. This, in turn, may undermine the credibility of IGAD processes.

---

[1] Based on a March 2017 Background Paper by ECDPM, available at www.ecdpm.org/pedro/backgroundpapers. The Policy Brief and Background Paper were prepared under the BMZ-financed project on the *Political Economy Dynamics of Regional Organisations (PEDRO)*. This paper builds on an earlier paper conducted under the PERIA project.
Author: Bruce Byiers (bby@ecdpm.org). Project team leader: Bruce Byiers.
[2] Two other PEDRO papers relating to IGAD deal with food security and governance.
[3] Djibouti, Ethiopia, Somalia, Sudan, Uganda, and Kenya were the member states of the original IGADD

Steps to further institutionalise the peace and security architecture are seen as potentially undermining the freedom of the national governments. Consequently, the more 'informal' or 'ad-hoc' approach currently employed is perceived by many as the most appropriate at present, while providing a potential for more institutionalised regional integration in the long-run.

Though trade and market integration are also key IGAD objectives, in contrast to conflict mediation, there has been limited progress in these areas. While economic integration is taking place in the IGAD region, institutionally this is mostly not related to IGAD efforts and is on the basis of bilateral agreements, usually led by Ethiopia, while economically it is largely a result of informal trade. For multilateral trade integration, IGAD members tend to turn to the Community of East and Southern Africa (COMESA) or the Eastern African Community (EAC), with the role of IGAD limited to supporting the COMESA agenda.

IGAD may have more traction in fields that reflect member state geopolitical interests, such as the development of cross-border transport, electricity, oil and water infrastructures. With Ethiopia establishing bilateral agreements covering these areas with nearly all IGAD members, there appears to be a growing economic interdependence in the region. Infrastructure related projects - such as the Lamu Port South Sudan Ethiopia Transport (LAPSSET) Corridor - represent sub-regional approaches to economic integration that may encourage trade in the long-run. While the IGAD involvement in these transnational infrastructure projects is limited, it might build on them to carve out a stronger trade facilitation role in the future.

Economic integration has received little collective demand from private sector actors, partly due to the limited interests of Ethiopian stakeholders. Nonetheless, IGAD members appear interested in Ethiopian markets when Ethiopia is ready. Institutional arrangements aimed at engaging private sector and civil society actors around the IGAD agenda are relatively weak, and private sector actors that could drive the agenda forward are poorly organised. Meanwhile, the numerous informal cross-border traders may be more interested in remaining outside formal regional channels than in implementing formal regional commitments.

Ethiopia is therefore pivotal to policy choice and implementation by IGAD. Bordering all other IGAD members except Uganda, Ethiopia has much to gain and lose through its regional relations. In addition, it has long been the only country to fully pay its member state contributions, giving it a role of emerging regional hegemon or swing state. Ethiopia hosts all peace and security related institutions, has chaired the IGAD secretariat since 2008, and has played a key role in mediation efforts around the conflict between Sudan and South Sudan. As such, Ethiopia has been seen as both a driving force in some fields, but also as a constraint to IGAD integration in the economic domain. To illustrate, the IGAD trade and economic integration agenda is increasingly shaped by Ethiopia's developmental strategy of slow and controlled economic opening focused on national industries, with little scope for regional exchange.

On an institutional level, IGAD looks like a Regional Economic Community, but in practice functions through *ad hoc* processes, with frequent, personalised involvement of Heads of State, and few systematic, institutionalised approaches to regional common interests. Yet, one of the cited strengths of IGAD is precisely its flexibility to organise summits at short notice, which is crucial in a volatile context.

Inherent to IGAD is also the proliferation of so-called Specialised Institutions, each hosted by a different IGAD member. While these have been criticised as inefficient and dispersed, they also have the potential to carry political weight in their respective thematic areas and can be seen as raising member state ownership of the IGAD agenda.

From its inception, both IGADD and IGAD have been heavily funded and influenced by donor finance. While playing an important role in realising the IGAD programmes, reliance on donor finance creates heavy transaction costs and reduces autonomy for the IGAD Secretariat to prioritise its own areas of cooperation. Further, donor finance is seen to be partly to blame for IGAD's relatively weak institutions.

Implications for support

1. Support IGAD in its role as a Summit-led organisation, which provides an important, neutral forum for leaders to deal with issues of urgency, particularly around peace and security challenges

- One of IGAD's strengths is its ability to call Summits of Heads of State at relatively short notice, allowing discussions to take place on sensitive issues among conflicting states.
- Even though this role and strength are currently not matched by deeper institutionalisation to support implementation of decisions taken, it is important to build on both.
- But support must be more realistic in its expectations of 'institution building'. Beyond peace and security, many policy areas are still aspirational agendas where ambitions of external partners for implementation should also be modest.

2. Address specific regional 'problems' through the specialised institutions of IGAD

- Beyond the concentration of power at the Summit level, IGAD is also a region-wide network of specialised institutions on areas relating to resilience, livestock, local conflict monitoring etc.
- This aspect of IGAD reflects a more dispersed, autonomous sub-component of IGAD's work. It offers opportunities for donors to work on more narrowly defined sectoral issues where there is a regional mandate and ostensibly local ownership, particularly from host countries.
- Engagement with these organisations should nonetheless be based on a) clear regional value-addition (as opposed to a collection of national strategies), b) identified champions within them who are capable of driving agendas, and c) linking more practical implementation objectives to longer-run regional goals.

3. Design support programmes to 'go with the grain' by adapting to the reality that Ethiopian interests are fundamental to regional dynamics

- The study points to the central position - geographically, historically, politically and economically - to IGAD. Its policy approach and interests are therefore fundamental in regional relations.
- The overall ambitions in supporting IGAD policy processes must take into account whether or not these ambitions are in line with Ethiopian interests.
- When policies are against Ethiopian interests, as for example in the current discussion on an IGAD Free Trade Area, this may require a need to await more propitious conditions. Discussions and interests alter with economic developments in Ethiopia, with Ethiopian policy-makers primarily concerned about the Ethiopian private sector becoming more competitive.

4. Work with the IGAD Secretariat to identify and promote 'regionalisation' of current bilateral relations, particularly around economic infrastructure

- Numerous bilateral initiatives involving Ethiopia are being undertaken around transport, water and energy infrastructures, as well as trade agreements.
- Framed in the context of IGAD, the existing interest from Ethiopia may be used as a basis to promote economic integration and formalisation of informal trade flows, within realistic ambitions.
- A better understanding of the political economy of narrower sectors such as the transport sector is important for identifying where further 'traction' may exist for iterative and adaptive support towards economic integration on the ground.
- This also implies a better analysis of specific member state interests in working with IGAD before jointly targeting support to IGAD and to country-level institutions.

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.