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External Influences on Regional Integration in West Africa: The Role of Third Parties

Introduction

To be successful and meaningful, regional economic integration must first and foremost be driven by domestic forces. This is true also for West Africa. Nonetheless, regional integration does not happen in a vacuum. Numerous factors, ranging from historical and geopolitical to economic and ideological factors influence this process. Among these are the external partners to the regional grouping.

In the case of West Africa, former colonial powers, and more broadly the European Union (EU), have had a key impact on the contours, structure, content and dynamics of West African integration. But they are not the only ones. For instance, other African countries/regions and the African Union (AU) have also had an influence. So have some international organizations. Increasingly, emerging players may play a role as well, among others.

The aim of this paper is to briefly sketch some of the key influences of third parties to the regional integration processes in West Africa. In this context, particular attention is given to the European influence on West Africa, positive or not, which is then put in perspective with other influences. Section 2 looks at the influence of the European Union as a role model and source of inspiration for integration objectives and institutional setting, whereas Section 3 highlights the European support, notably in terms of development assistance, to West African integration. Section 4, 5 and 6 sketch the roles of other international partners, the pan-African dynamics and emerging players, respectively. Section 7 reflects on the ambitions of the economic partnership agreements promoted by the European Union, as a comprehensive set of reforms dynamics for integration, and how it can backfire. Finally, Section 8 concludes by stressing the primary role of endogenous dynamics in West African regional integration, which can at best only be accompanied by third parties, not more.

The European Influence

The experience of the European integration has been widely perceived as not just an example, but also a model for regional integration. Indeed, in view of its long history, broad scope, further deepening and successive enlargements, the European Union has been perceived as the symbol of regional integration. And while replication is never an objective, the EU is often referred to as a possible aspiration, or at least point of reference, notably in terms of its institutional setting and policy coverage. In this sense, the EU has strongly influenced the recent integration process in West Africa.

Consider first the institutional setting. The West African Economic and Monetary Union (UEMOA) and the Economic Community of West African States (ECOWAS) have adopted some of the norms, legal provisions, institutions and policies similar to those of the EU. This development can be traced back from the colonial past of this region and its cultural, political and economic close ties with France. Like in Europe, West African economic integration is perceived as a tool to pursue deeper forms of integration with broader objectives.

UEMOA and ECOWAS have some of the key characteristics along the lines of the EU institutional setting (see Annex 1): a regional Commission, Council (Heads of States and Ministers), regional Parliamentary Assembly, regional Court of Justice, complemented by a Court of Auditors in UEMOA, an Economic and Social Council/Committee, a regional central bank and development bank. It is also worth pointing that the UEMOA Treaty is inspired by the Maastricht Treaty.

This is not to say that the European and West African institutions are exactly the same. Their powers and functioning differ, as does their level of integration. However, the closer integration between ECOWAS and UEMOA, which are in the process of forming a common customs union and monetary union, also calls for an adaptation and further strengthening of their institutions, which are inspired by the EU experience.

One should stress the key role of France, and now the EU, in the monetary union of UEMOA. The establishment of the Franc CFA zone is the direct result of the will to keep the monetary tie with France following the independence of many former French colonies. Similarly, the creation of the UEMOA is linked to a 50% devaluation of the West Africa CFA Franc. With the creation of the Euro, the CFA Franc is no longer solely tied to the French Treasury and its French Franc, but to the European Central Bank and the Euro.

One of the European influences on West African integration results thus from its historical ties with the region, its geographical proximity and its cultural, economic and political connections and the attractiveness of the European model of integration. This may thus partly explain the strong emphasis on institutional and deep economic integration in the West African agenda of regional integration, as opposed to a more ad hoc or pragmatic approach to economic integration focused on effectively lowering barriers to integration and improving infrastructure ties, as somewhat pursued in Asia for instance.

EU Support to West Africa

The European Union strongly believes in the merits of regional integration, including as a tool for development. According to the European Commission (EC), regional integration among developing countries, if carried out in a transparent and open manner (i.e. open regionalism), contributes to their integration in the world economy and plays a key role in conflict prevention and peace consolidation (European Commission, 1995, 2002). Therefore, the EU, “in light of its experience and of the instruments at its disposal”, provides support to developing countries in their regional initiative (Council of the European Union and European Commission, 2000).

The European Parliament also shares the view of the European Commission and Council on the important role that regional integration and free trade agreements can play “in the establishment of a more equitable world trade system” and therefore fully support and encourage regional integration among developing countries (European Parliament, 2002, p.14).

This support to regional integration initiatives takes various forms. It is part a political support on the principles of regional integration. That is, the EU should embrace and facilitate open regional integration initiatives among developing countries, which are perceived as a complement to multilateral trade integration. In this context, the EU is also willing to share its experience on regional integration matters with developing countries, acknowledging that each region has its specificities.

This is exactly what the EU is doing for West Africa. The EC has used Economic Partnership Agreement (EPA) as one of the main trade tools to support regional integration (see Section 4). Besides this ‘political support’ and experience sharing, the EU has also committed a sizeable share of its development aid and technical assistance to regional support, which is one of the six priority areas of its development assistance.

The European Commission support to West Africa focuses on priority areas such as building regional markets, including on services and investment, facilitating business development by improving the regulatory environment, strengthening productive capacities, and encouraging the mobilization of capital; connecting regional infrastructure networks (notably through the Infrastructure Trust Fund); contributing to improve food security, notably by supporting the ECOWAS Common Agricultural Policy (ECOWAP) and the Comprehensive Africa Agricultural Development Programme (CAADP); strengthening regional institutions by providing technical assistance and capacity building programmes as well as by improving national institutional capacities; improving regional governance and cooperation for peace and security, including in efforts to address terrorism, piracy, organized crime, drug trafficking and human trafficking, as well as by supporting efforts (notably by the AU and the United Nations) in peace consolidation and post-conflict reconstruction; and developing regional policies for sustainable development, especially with regards to the common management of natural resources, migration and social cohesion.

Regarding financial assistance, the 10th European Development Fund (EDF), which covers the period 2008-2013, currently constitutes the primary instrument of EU support to regional integration in West Africa. The regional funds thus received have the overall objectives to promote regional integration as a means to reduce poverty, promote economic growth, and favour peace and security. In West Africa, €597 million has been committed to the Regional Indicative Programme (RIP). As illustrated in Table 1, out of these, €418 million been allocated to the specific objective of ‘deepening regional integration, strengthening competitiveness and implementing the EPA (see Table 2 for a specific articulation of these objectives); the rest is dedicated to improve good governance and regional stability and to finance other programmes such as environment and support to non-state actors.

Table 1: Regional Indicative Programme for West Africa, 2008-13

Type of support	**Amount (€m)**
Focal sector I: Deepening of regional integration, strengthening of competitiveness and implementation of the EPA	418
Focal sector II: Consolidation of good governance and regional stability	119
Other programmes (that could include support to non state actors)	60
Total	597

Source: European Union, 2008. *European Community – West Africa. Regional Strategy Paper and Regional Indicative Programme 2008 – 2013.* [pdf] Available at <http://ec.europa.eu/development/icenter/repository/Scanned_r10_rsp_2007-2013_en.pdf>

The respective National Indicative Programmes (NIPs) for West African countries under the 10th EDF also allocate €247 million for support in the areas of trade-related assistance and €1.067 billion for infrastructure, which to a large extent also contributes to foster regional integration.

Table 2: Focal Sector 1 of the RIP for West Africa, 2008-2013

Global objective	Deepening of regional integration, strengthening of competitiveness and implementation of the EPA
Specific objectives	Support the region in: a) Continuing the regional integration process through the implementation of reforms to come to a common market and the consolidation of macro economic stability a) Assure the effective implementation of the EPA by profiting fully of the expected positive effects and minimizing possible adjustment costs b) Strengthen the competitiveness of productive sectors and the network of regional infrastructure
Expected results	The expected results of the RIP are the following: a) customs union under ECOWAS created b) intra-community trade increased c) common market strengthened d) EPA being implemented e) export capacities of the region strengthened f) food security improved g) fiscal reforms implemented and fiscal effects of the EPA compensated h) knowledge of challenges for regional integration in key productive sectors strengthened a) management of regional road infrastructure improved
Intervention areas	The main intervention areas for the focal area are a) Deepening of regional integration b) Food security c) EPA programmes for development and improvement of competitiveness d) Continuing support to regional policy of inter-connectivity and strengthening of infrastructure e) Institutional support to economic governance

Source: European Union, 2008. *European Community – West Africa. Regional Strategy Paper and Regional Indicative Programme 2008 – 2013*, see Table 1

In addition to these instruments, there are also a number of EU-wide Institutions and Initiatives that might potentially provide support to the PAPED in coming years, most notably as the European Investment Bank (EIB) and the EU Africa Infrastructure Fund. The EIB for example manages the Investment Facility established under the Cotonou Partnership Agreement. For the period 2008-13, €1.5 billion are available. This is in addition to the significant level of funds still available from the EDF9 tranche (which was originally set at €2 billion), as well as an additional €2 billion which it can lend to ACP countries from its own resources. The EU Infrastructure Fund includes contributions from the European Commission and EU member states.

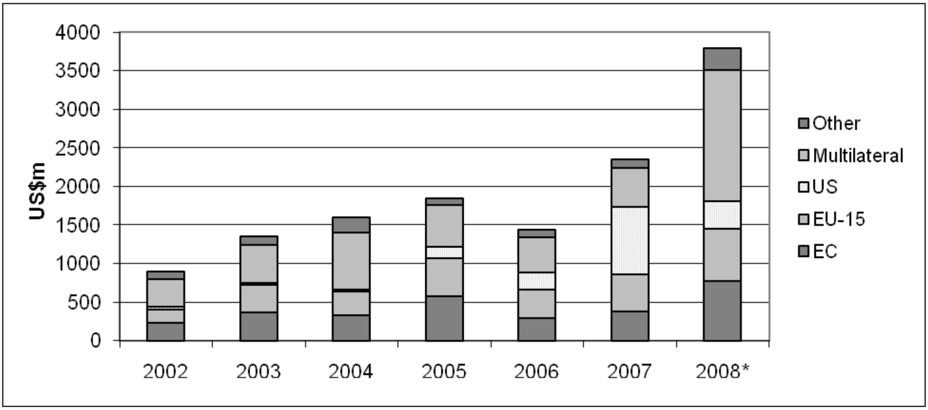
There is also direct support by EU member states through their bilateral development cooperation programmes, particularly at the national level in partner countries in West Africa, but increasingly also at the regional level, in support of regional institutions (e.g. ECOWAS and UEMOA) and programmes (e.g. ECOWAP – the ECOWAS Agricultural Policy).

International Support to West African Integration

It is important to recognize that if Europe is a major source of financial support to regional integration in West Africa, it is by far not the only one. Data are notoriously difficult to obtain on regional aid. The most comprehensive source of information however can most probably be found by focusing on aid for trade (AfT), an important dimension of economic integration. As a result of recent commitments and increased attention to AfT amongst donors, levels of resources devoted to trade-related projects have witnessed significant increases in recent years. As illustrated in Figure 1, AfT flows to West Africa have increased significantly from US$889m in 2002, to US$3,789m in 2008 (an average nominal growth rate of more than 23 per cent per annum). Over the same period, AfT from the EU (EC and Member States) to West Africa has more than tripled in nominal dollar terms, from US$400m to US$1448. It is also worth noting that the largest increases have taken place in 2007 and 2008, as the 2005 AfT initiative began to be implemented in earnest.

Multilateral Institutions and Facilities, such as the World Bank, the African Development Bank and UN agencies, as well as the Enhanced Integrated Framework have delivered substantial assistance to West African countries. Their role has been predominant not only in terms of financial assistance, but also technical assistance, policy advice and knowledge partners.

Figure 1: Aid for Trade to West Africa, 2002-2008



Source: OECD-DAC, 2010: *QWIDS Query Wizard for International Development Statistics, Aid for Trade Activities*. Amounts are for commitments, in current US$; amounts for 2008 are based on provisional data.

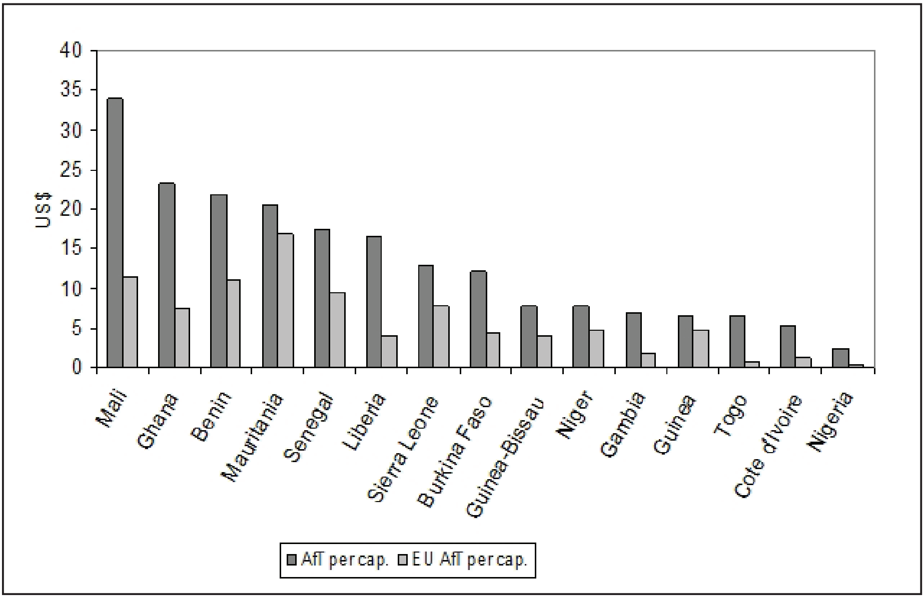
Interestingly, the bulk of the assistance to economic integration is taking place at the national level, not the regional one. As a result, some West African countries have received proportionally greater support for economic integration than others.

Considering the AfT per capita, Figure 2 helps identify possible ‘Aid for Trade orphans’ (e.g. Cote d’Ivoire, Gambia and Togo) that receive much less AfT on average when compared to more favoured countries (e.g. Benin, Mali, Mauritania and Senegal). This calls for a greater attention by all donors to the support provided to regional integration and a greater coherence between domestic agenda, at the national and regional levels, and the support received.

The African Dimension

The regional integration process in West Africa cannot be fully appreciated if taken in isolation. Instead, it is part of a broader African dynamics to integration. Besides the historical dimension and somewhat arbitrary national borders resulting from its colonial past, West Africa is part and parcel of the pan-African integration process. This is true in terms of dynamics as well as institutional setting.

Figure 2: Aid for Trade 'Darlings' and 'Orphans' in West Africa, 2008



Note: Data are provisional; EU = 15 EU members of the DAC
Source: OECD (AfT data), IMF (population and GDP), author's calculations.

In this respect, the African Union is playing an increasingly important role. The AU has recognized only 8 regional economic communities (RECs) as building blocs to the pan-African integration. Among them figures ECOWAS. But UEMOA, the still more deeply integrated region, is not included. The rationale is not to deny the achievements of UEMOA. On the contrary, the principle adopted is one favouring the deeper integration of West Africa under the ECOWAS umbrella but building on UEMOA's achievements.

Pan-African integration remains an ambitious and somewhat distant programme. But recent developments have contributed to pave the way to concrete progress. The two AU Summit of Head of States in 2012 have put 'boosting intra-Africa trade" on top of the agenda. The objective is to fast-track the move towards greater effective integration, making concrete steps to significantly reduce barriers and various impediments to trade among African nations, within and among RECs. While the setting of the Continental Free Trade Agreement (CFTA) by 2017 is unlikely to be achieved in time, it marks a clear indication of renewed political will to keep regional integration high on the agenda.

In this context, the dynamics of the Tripartite Free Trade Agreement (TFTA) among the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC), may have a significant bearing on West African integration as well. Launched by the Heads of States of the three RECs in Kampala in 2008, the TFTA has three pillars: market integration, infrastructure development, and industrialization.

The potential influence on West Africa is twofold. First, the TFTA perceived at the pan-African level has a key pillar to the CFTA. West Africa has been keen since to be perceived as the other main pillar of the AU integration process, building on its UEMOA-ECOWAS integration axis and its deep integration agenda. There may thus be a sense of emulation between West Africa and the CFTA, as well as sharing of experience. The AU may thus become a more dynamic forum for interaction among the RECs. The second possible influence may be to broaden the focus from the removal of trade barriers and the establishment of common external tariffs, to the effective integration agenda, with greater attention paid to the development of cross-border infrastructures and enhanced productive capacity, notably by fostering regional value chains. This might be translated again in West Africa by greater attention to regional programme implementation as a key complement to institutional and policy integration.

The Role of Emerging Players

The rising influence of emerging economies such as China, Brazil, India and others is also strongly felt in West Africa. In considering the role of such emerging players in the integration process of West Africa, two key characteristics must be kept in mind. First, emerging players are not donors, and though some traditional donors like to refer to them as ‘emerging donors’, they do not see themselves as such. Instead, South-South cooperation is the dominant framework of reference, for which aid has little relevance. Considering aid flows and traditional development cooperation frameworks, as done is Section 3 and 4 for instance, would be strongly misleading. Second, most emerging players have engaged in South-South cooperation in a bilateral way, country-to-country relations, so far somewhat neglecting the regional dimension of cooperation. The main exception of course is the pan-African engagement of China and India for instance, in arenas such as the Forum on China-Africa Cooperation (FOCAC), the India-Africa Summits and India-Africa Business Council. But these remain mainly umbrella frameworks under which bilateral cooperation is further developed.

It should therefore come as no surprise that emerging players do not yet feature high in their engagement with regional integration initiatives, including in West Africa. Recent trends among emerging players do suggest however that African integration processes may be given more attention in a near future. This will mainly depend on the cohesion of regional groupings and the will of their members to engage emerging players on a regional platform as well, and not only in a bilateral way.

In West Africa, there are signs that this may slowly happen. For instance, on October 2012, China signed an agreement with ECOWAS for cooperation in infrastructure development, trade and investment. The agreement aims at encouraging business cooperation, promoting exchange of information and training on regional and international trade, and stipulating investment in agriculture, forestry, fishery, manufacturing, construction and financial sector.[1] But one of the key features of such agreement is to stimulate infrastructure development, as part of the US$20 billion credit line offered to Africa at the last FOCAC Summit. This could include Chinese support to the trans-West African coastal highway stretching from Dakar to Lagos. More generally, infrastructure financing in West Africa has been stimulated by the Chinese investment in extractive resources and the need to develop appropriate infrastructure, notably in rail transport. Political and economic interests of China in West Africa seem to be well aligned.

This is apparently also the case of other emerging players, such as India and Brazil. India has privileged economic relations and business ties, which are reflected in the Memorandum of Understanding it signed with ECOWAS in May

1 See ECOWAS Press Release No 289/2012, 25 October 2012.

2011 for instance. This covers strengthening of cooperation in areas such as banking, food and agro-business, as well as in metallurgical, mechanical, energy, textile, leather, transport, communication, electronic and biotechnology industries.[2] The increasing intensity of the relationship between West Africa and India has also been visible in the Indian support to the highly sensitive Cotton initiative in West Africa (notably for the Cotton-4 countries Benin, Burkina Faso, Chad and Mali), as well as through the development of regional business fairs.

Similarly, Brazil and ECOWAS have launched common initiatives to enhance their cooperation on poverty, food security, environment, renewable energy, capacity building and political dialogue[3], though in practice efforts have concentrated on agriculture.

While the regional cooperation of emerging countries in West Africa remains in its infancy, it is mainly up to ECOWAS/UEMOA and their member countries to more forcefully engage with emerging partners on a regional basis, should they wish so.

The EPA and West Africa Integration: Make it or Break it

One of the most ambitious agendas to strengthen West African integration rests with the EU however, and the prospect of concluding a regional economic partnership agreement between ECOWAS and the EU. Paradoxically, however, it may also turn out to be one of the greatest threats to West African integration process.

EPA rationale

Following the provisions contained in the Cotonou Agreement, the African, Caribbean and Pacific (ACP) States and the EU officially launched negotiations on economic partnership agreements (EPAs) on 27 September 2002. After one year of initial negotiations at an all-ACP level, each of the main ACP regional groupings initiated bi-regional EPA negotiations with EU: Central Africa

2 See ECOWAS Press release No 065/2011, 9 May 2011.

3 See ECOWAS Press Release No.105/2010, 3 July 2010.

(CEMAC-plus) and West Africa (ECOWAS-plus) in October 2003, East and Southern Africa (COMESA) in February 2004, the Caribbean (CARIFORUM) in May 2004, Southern Africa (SADC-minus) in July 2004, and Pacific in September 2004.

The purpose of the negotiations with West Africa, as with other regional ACP groupings, has been to establish reciprocal free trade areas that aim to be first and foremost development-oriented, which should build on and foster the regional integration process of the region and facilitate their integration into the world economy. The negotiations were due to be completed by the end of 2007 for EPAs to enter into force by 2008.

The EPAs, as proposed by the European Commission, should be essentially enhanced, development-oriented free trade areas (FTAs). They were initially intended to cover not only trade in goods and agricultural products, but also in services, and address tariff, non-tariff and technical barriers to trade. Other trade-related areas should also be covered, including by increased cooperation between the EU and the ACP, such as competition, protection of intellectual property rights, standardisation and certification, sanitary and phytosanitary (SPS) measures, investment, trade and environment, trade and labour standards, consumer policy regulation and consumer health protection, food security, public procurement, etc.

A basic principle of EPAs contained in the Cotonou Agreement is that they should build on and reinforce the regional integration process of the ACP. According to the European Commission, by building on larger well-integrated regional markets, regional EPAs should contribute to foster the integration of the ACP in the world economy, provide for economies of scale, stimulate investment and contribute to lock in the necessary trade reforms.

The principle advocated by the European Commission is that economic integration at the regional level with the EU should reinforce the respective integration process of regional groupings. It should enhance the benefits from regional integration among developing countries, in the form of enhanced trade and investment flows for instance, from Europe and within the developing regions. This should provide stronger incentives to the members of regional groupings to commit to the objectives of the region (and not opt out from a grouping which is tied to the EU). This regional partnership with the EU should hence help to increase the credibility of regional integration processes, in particular in Africa. In this respect, the EU should also be perceived as an 'external guarantor' to avoid economic and integration policy reversal and create a lock-in effect through co-operation with the EU and possible bi-regional agreement (Lee, 2003).

For West Africa, the EPA should thus mainly offer the prospect of consolidation of the economic integration process within and between UEMOA and ECOWAS. The partnership with Europe should also offer parallel accompanying development support to facilitate the adjustment process during the EPA implementation and strengthen the capacity of the West African countries and regions to take full advantage of the new development opportunities that the EPA should provide.

The reality check

Perhaps with few exceptions, the EPA agenda has not generated the enthusiasm for effective development partnership it was meant to stimulate, not least in West Africa.

West Africa, like many other ACP regional groupings, has encountered some difficulties in having to speak with one voice during the negotiations with the EU. This was to be expected from a region which had never engaged in free trade negotiations with a third party such as the EU, on such a broad array of issues. Besides, tensions emerged, mainly during the early phase of the negotiations, between the UEMOA, which as a customs union with a common external policy, considered itself more advanced and homogenous in its negotiation positions than the broader, less integrated ECOWAS framework, which was only a free trade area where member countries retain full sovereignty in the determination of the external trade policy. A common position by an FTA like ECOWAS requires therefore a strong, well-developed coordination process among the member countries. Political will has often been insufficient, both at the national and regional level. Conflicting interests have generated tensions within the region. Weak institutional capacity, at domestic as well as UEMOA/ECOWAS levels, has also at times prevented West Africa to effectively defend the interests of its members during the negotiations with the EU.

The European Commission has also further contributed to exacerbate some of the regional tensions. This had already started in 2002-2003, when the EU

Trade Commissioner Lamy invited UEMOA representative to informally talk to him before the start of the formal regional negotiations. At that time, UEMOA was claiming to be ready to engage with the EU on an EPA, and complained about the lack of engagement of its other ECOWAS partners and more generally ACP countries. Later on, in 2007, the EU Trade Commissioner also fingered pointed Nigeria for its lack of engagement in the negotiations, calling it “the elephant in the room” preventing progress.

But the EPA negotiations also contributed to put a greater emphasis on the regional agenda, including in West African countries and organisations. During the early phase of the regional EPA negotiations, particular attention was given during the negotiation sessions to the review of the regional integration process in West Africa. In addition, the pressure to reach regional positions on all EPA issues has contributed to elevate the profile of the regional dimension on the political agenda of West Africa. Hence, the EPA negotiation process has played a stimulus role to foster the attention to the regional integration and sharpen the regional agenda of West Africa, if only to provide a coherent front in the EPA context.

Yet, the conclusion of interim EPAs has had a very detrimental impact on the regional cohesion of many ACP groupings, and in particular in West Africa.

To date, only 37 ACP countries have concluded some type of agreement and only 25 have confirmed their commitment by signing an agreement, (15 of which are Caribbean).

In West Africa, only Ivory Coast and Ghana have concluded an interim EPA by the end of 2007, only to preserve their access to the EU market as the Lomé-type/Cotonou unilateral preferential trade regime expired at the end of 2007. Indeed, by October 2007, the West Africa region informed the EU that in view of the numerous issues still to be negotiated under the EPA, it would not be in a position to conclude an agreement by the end of the year. This was of little consequence for most West African countries. Indeed, out of the 16 countries in the West Africa grouping (15 ECOWAS plus Mauritania), 13 were Least Developed Countries (LDCs) at the time – Cape Verde has since graduated out of the LDC group. Under the Everything But Arms (EBA) initiative of the EU, as part of its Generalised System of Preferences (GSP), all LDCs exports are granted duty-free and quota-free market access to the EU. The end of the Cotonou preferences on 1 January 2008 therefore did not translate into a loss of preferences for these 13 countries. On the contrary, Ivory Coast, Ghana and Nigeria are non-LDCs, and as such could only benefit from the GSP as of 2008 in the absence of an EPA. The resulting loss of preferences was of little value for oil-rich Nigeria, which therefore sided with the rest of the region. However, for Ivory Coast and Ghana, the loss of preferences would have had a significant impact on their economy, notably due to the high dependence on cocoa and banana exports to the EU preferences, not covered by the EU GSP. As a result, Ivory Coast and Ghana hurried to conclude on a country basis individual interim EPAs, which also effectively grant duty-and quota-free status to all their exports.

Needless to say, this has been the source of serious tensions within West Africa. Ivory Coast was chairing the region at the time. Ivory Coast and Ghana were blamed for undermining the regional solidarity. At the same time, Ivory Coast and Ghana complained about the lack of support of the two regional organisations, UEMOA and ECOWAS, which did not help them in finding a solution and conclude a more appropriate EPA. So, instead of consolidating regionalism in West Africa, the interim EPAs are a splinter in the economic integration process.

Ivory Coast signed its interim EPA on 26 November 2008, which was duly notified a few days later to the World Trade Organization (WTO). In contrast, Ghana only initialised its interim EPA at the end of the negotiations in December 2007, but has never signed it. It is worth noting that Ivory Coast has not yet initiated the ratification process of its agreement and none of them has started implementing their interim EPAs. Concluding an interim EPA has thus allowed both countries to keep the EU market open to their exports, without having conceded to start offering some reciprocity yet.

In parallel, negotiations towards a final regional EPA have continued since 2008 with all West African countries. Progress has been slow, but the European Commission remains hopeful of reaching a conclusion soon. There is indeed a new sense of optimism among some EPA negotiators, not least in the European Commission, which could mean that the conclusion of some EPAs is in sight, notably in West Africa and EAC. This would be a welcome outcome, provided it would reflect key interests of all parties. Indeed, should the region not be able to reach a common position on EPA, it would seriously disrupt the economic integration process in West Africa. Not only could ECOWAS not become an effective custom union, but the UEMOA common external tariff would also become meaningless, as all imports from the EU would transit via Ivory Coast and Ghana to reach the West African market. So while a regional ECOWAS-EU EPA would be desirable, many uncertainties remain, and the disappointing experience of protracted negotiations definitely call for caution.

The development dimension

Linked to the regional integration dimension, another fundamental concern for West Africa and the ACP in general has been the development dimension of the EPAs, or at times the perceived lack of it. The commitment to development-oriented EPAs, agreed upon by all the parties to the Cotonou Agreement, has been reiterated on numerous occasions by the key EU institutions (European Commission, European Parliament and the EU Council and its member states), ACP institutions (ACP Council), and West African and pan-Africa groupings (African Union, ECOWAS, UEMOA) and countries, as well as joint ACP-EU institutions (Council, Joint Parliamentary Assembly).

This development dimension can be articulated along three distinct but closely linked axes:

(1) EPA commitments to liberalise trade and establish clear rules for the promotion of a better business environment, taking into account the exclusions and transition periods available to ACP countries for tariff liberalisation and for implementation of other parts of the agreement, and flexibilities in areas such as safeguards and infant industry protection;
(2) the accompanying policies and reforms to institutions and structures that are necessary to take advantage of the new trading opportunities, and
(3) the provision of appropriate development support to cover adjustment costs, carry out reforms and implement the agreement.

Within this framework, the Parties also recognise the clear need for the provision of development assistance to build capacity, and implement the EPAs and accompanying reforms. The EU is committed to provide EPA-related development assistance as part of the Aid for Trade initiative, through the European Development Fund and other EU institutions' and member states' sources, as discussed in Section 3. However, West Africa has called for larger and more comprehensive explicit binding commitments from the EU in the framework of the EPA.

The PAPED/EPADP

It is in this context that the West Africa EPA Development Programme (EPADP/PAPED) originated. The PAPED is a West-African initiative, which has been elaborated by and for the region through a broad participatory approach led by the ECOWAS and UEMOA Commissions at both the regional and national levels. It intends to provide a framework to the request by the EU to identify the development cooperation needs resulting from an EPA.

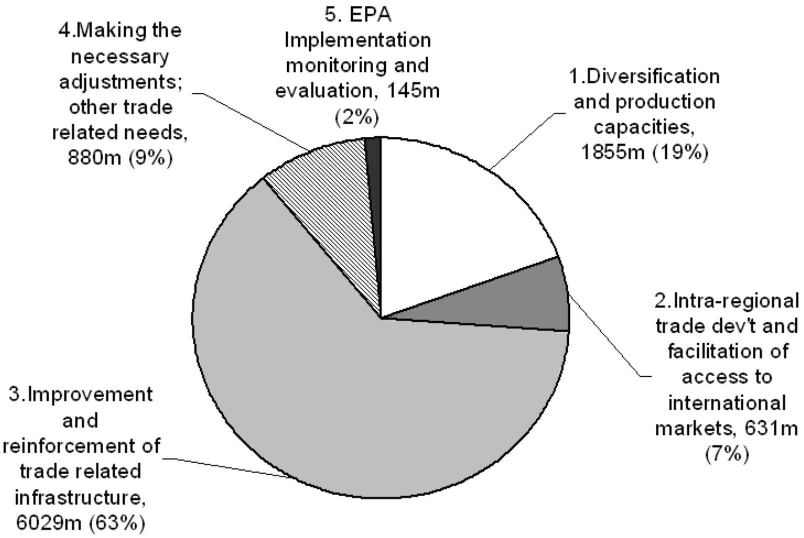
In terms of structure, the PAPED justifies the need for EPA accompanying measures, related to regional integration, on two grounds: to reap the benefits and to mitigate the negative impacts of the EPA. The PAPED consists of 5 ‘axes’ for which EPA development support is needed, which are broken down further into different ‘components’ describing areas for programmatic support. Specific projects are elaborated at the national level through the definition of ‘National Operating Plans’ and an overall financing cost for each component for the initial five-year timeframe has been provided within the PAPED itself.

A breakdown of these costs by PAPED axis is shown in Figure 3.

In 2010, the total estimated cost of the PAPED, as presented in the overall regional framework, was €9.54billion over an initial period of five years. Two thirds of this amount is currently earmarked for trade-related infrastructure, such as rehabilitation of energy, road and telecommunications networks.

It should be stressed here that many elements of the PAPED embody goals with much broader relevance than the strict context of EPAs. The PAPED sets out a common regional vision – shared by the two regional organisations ECOWAS and UEMOA – of economic integration both within West Africa and with the wider world. As such, the PAPED may serve as a useful technical tool and an invitation for all donors, EU and non-EU, to engage in a more effective and coherent approach to addressing the trade-related and economic integration needs of the region in general.

Figure 3: Estimated Cost of Programmes by PAPED Axis (in Euro)



Source: PAPED

The EU has responded positively to the PAPED initiative. In its Conclusions on EPA Development Programme (PAPED) of 10 May 2010, the Council of the European Union agreed to "increase its total aid for trade in coherence with the gradual increase in overall development aid towards the established 2015 target and in response to needs prioritized by partner countries". This is also in line with the joint Aid for Trade Strategy adopted by the EU in 2007. This commitment will be implemented through a range of existing channels at the EU level and through the bilateral programmes of the EU Member States, as well as through the contributions to the region via multilateral agencies, such as the World Bank, the African Development Bank (AfDB) and United Nations (UN) bodies. Besides reiterating commitments on aid for trade and aid effectiveness, the EU estimates that (i) "funds available for PAPED-related activities from all of its financing instruments over the next five years amount to at least 6.5bn Euros", while (ii) "total aid for trade to West Africa from all donors can be projected to exceed 12bn US dollars in the same period".

However, while the EU highlights the availability of resources to support the PAPED, the Council Conclusion falls short of meaningful new funding commitments. The potential of the EU response to the PAPED therefore lies in its operationalisation.

The challenge ahead involves putting the Programme into operation, through the work of the West African countries, regional organisations, and donors, in order to exploit its potential added value as a strategic framework for AfT to West Africa.

To do so requires coherence between the PAPED and other regional and national strategic frameworks. As a tool designed, inter alia, to enhance the economic integration of the region, the PAPED sits alongside other important regional integration frameworks in West Africa, most notably the Regional Economic Programme of the UEMOA, the Community Development Programme of ECOWAS, Peace and Security initiatives and key sector policies (such as in energy and the ECOWAP in agriculture), as well as national development strategies. Effective mechanisms to ensure continuing coherence and coordination of the frameworks' implementation will be key to their success.

Ultimately, the merit of the PAPED and the EU support of it will depend on the political will and capacity of both West Africa and the EU to effectively translate principles and good intentions into coherent and coordinated actions.

The New EU Deadline: Amending MAR1528

The European Commission announced on 30 September 2011 that countries that have concluded an Economic Partnership Agreement, but not taken the necessary steps to initiate its ratification, would no longer benefit from the EPA market access to Europe as from 1 January 2014. While the Council endorsed the EC proposal, the European Parliament then voted in favour of a 2016 deadline instead. Following a trialogue between the European Commission, the Council and the European Parliament, October 2014 has been set as a compromise, to match the end of the current Commission.

The EC Market Access Regulation (MAR) 1528 of 1 January 2008 provides duty free quota and free market access for African Caribbean and Pacific (ACP) countries that have concluded an EPA. The Regulation requires countries to initiate the ratification process of the Agreement within a “reasonable period of time”. As it currently stands, the MAR is a temporary, unilateral instrument of the EU to ensure that, pending the implementation of the agreement by ACP countries, there would be no trade disruption.

The message sent by the EU is clear: if countries like Ivory Coast and Ghana want to continue to benefit from EPA market access, either they have to sign and start the ratification of their existing EPA or conclude a new regional EPA. For others, either they will fall under one of the schemes of the new GSP (i.e. Everything but Arms for LDCs, Standard GSP or GSP Plus) or they will have no preferences (as might be the case for Botswana and Namibia).

The intention of the EU is also clear: set a new deadline to provide a new impetus towards the conclusion of final EPAs, wherever possible, at the regional level. Replacing interim EPAs by regional final EPAs would certainly be a better outcome. The threat of removing EPA market access has the parallel advantage of seeking compliance with the WTO obligations should some countries be tempted to maintain the *status quo*.

As a result, it should be expected that some countries, somewhat like in 2007, will think harder about whether to conclude an EPA or not. Some countries might be pressured to sign and start ratification, and ultimately implement, of an EPA that might not really fulfil their ambitions and interests in terms of content, timing and geographical configuration, by fear of market disruption, in particular if they risk loosing preferential access to the EU. However, others might simply walk out. If no common position can be found at the regional level, the EPAs could seriously disrupt any regional integration effort. Indeed, how can Ivory Coast and Ghana each have a bilateral free trade agreement with the EU, opening their domestic market to European products, while their West African partners, with whom they form a customs union, keep protecting their market from the EU? As already mentioned above, in practice, EU goods would flood the whole regional market via these two countries, rendering the West African customs union and further integration process totally ineffective. This scenario is not unique to West Africa; but it would have particularly detrimental consequences for that region.

However, 2014 is not 2007. The world has changed and this time the response might be different. The financial crisis invited itself to the dance, Africa has gained a lot more confidence in its economic prospects and the increasing importance of “emerging” partners has brought in a new geopolitical dynamism, de facto reducing the leverage of the EU. If a suitable agreement cannot be reach, expect some West African countries to walk out of the negotiations table. Whether the regional solidarity and common position will ultimately be maintained remains to be seen.

Conclusion

The regional integration process of West Africa is first and foremost an endogenous process, owned by West African countries and the regional institution setting they have designed to this end. Overreliance on external partners can only undermine this ownership. West Africa must thus keep their regional destiny in their own hands.

In doing so, however, they can usefully engage with third parties in a constructive way to best accompany their own integration process. Europeans have played an important role in this respect, as a source of inspiration as well as a source of support to regional dynamics in West Africa. But the dominant role played by Europe, as a model as well as aid dependency, may have also contributed to some of the problems faced by the integration process in West Africa. The arguably well-intended economic partnership agreements have already contributed to strain the relationship among West African countries and may ultimately lead to a break up of the economic integration process in ECOWAS and UEMOA, should West African countries fail to reach a common position at the regional level.

In this respect, multilateral and international support to regional initiatives may appear less constraining. So does the increasing engagement of emerging players such as China, India and Brazil, but also Turkey, South Korea, Indonesia, etc., who could become more active partners of West African integration. And the pan-African integration process may offer new opportunities for a multi-speed, yet more coherent integration of the Continent and West Africa.

Ultimately, it should be for West Africa to determine the terms of engagement with third parties in its integration process. Domestic and regional ownership, as well as clear political leadership, will be key in this endeavour.

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