

# Overview

The Africa Capacity Report (ACR) and its supporting indicators offer inputs for decisions on what to finance to develop capacity. Most countries are doing well on their policy environments and having processes in place to implement policies. Countries are doing less well on achieving development results and least on capacity development outcomes.

The Report and its indicators also point to the regulatory and institutional reforms needed to better support public–private partnerships in capacity investment and building—and to the investments needed to further strengthen public administration. And they spotlight the importance of political will to enhance social inclusion and development.

Each Report showcases an annual theme of key importance to Africa's development agenda. This year the focus is on the capacity imperatives for regional integration, a core mandate of the ACBF, and on the capacities of the regional economic communities (RECs). The Report outlines what is needed to strengthen the RECs. Integrate capacity building in wider efforts to achieve sustainable development. Assure adequate administrative and financial resources. Emphasize the retention and use of skills, not just their acquisition. And monitor and evaluate all efforts to develop capacity.

The capacity dimensions and imperatives for regional integration are crucial today as countries, RECs, specialized regional institutions, and regional development organizations, are developing strategic regional frameworks and building capacity to pursue regional integration across the continent. The ACBF's many regionally oriented interventions help move the regional integration agenda forward by strengthening the RECs as platforms for harmonizing policy and enhancing trade among member countries.

## Highlights of the Africa Capacity Indicators 2014

**Results are generally satisfactory.** The Africa Capacity Index ranges from 22.4 (Central African Republic) to 73.1 (Morocco) (table 1).

**Table 1: The 2014 Africa Capacity Index**

Country	2014 ACI values	Country	2014 ACI values
Benin	55.2	Côte d'Ivoire	45.8
Burkina Faso	56.8	Djibouti	49.9
Burundi	50.9	Egypt	53.8
Cabo Verde	64.9	Ethiopia	49.0
Cameroon	49.2	Gabon	40.1
Central African Republic	22.4	Gambia (the)	63.5
Chad	44.8	Ghana	54.8
Comoros	31.6	Guinea	45.3
Democratic Republic of Congo	50.3	Guinea Bissau	37.4
Congo (Republic of)	40.4	Kenya	55.3

Source: ACI database 2014.

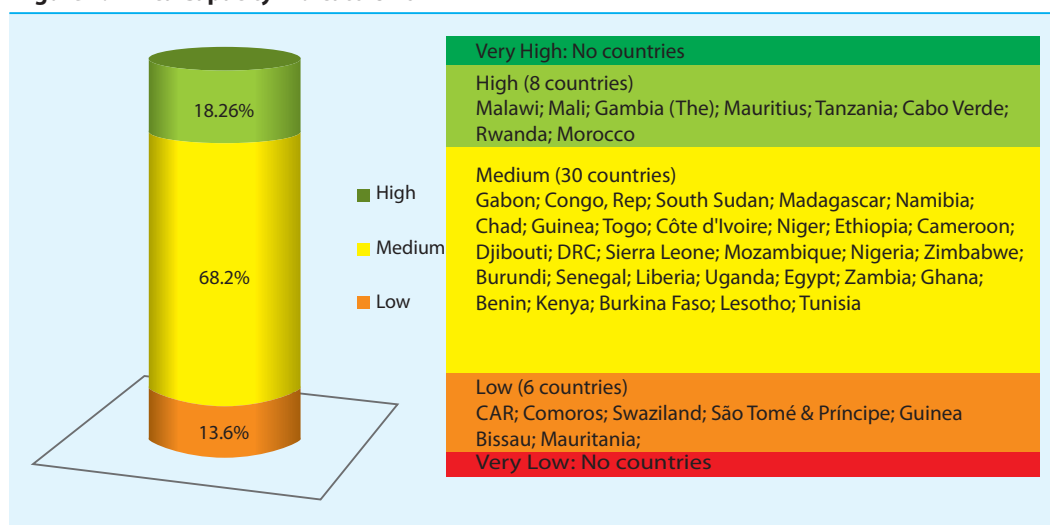
Country	2014 ACI values	Country	2014 ACI values
Lesotho	57.9	Rwanda	68.3
Liberia	51.3	São Tomé and Príncipe	32.3
Madagascar	43.1	Senegal	51.3
Malawi	60.1	Sierra Leone	50.8
Mali	60.8	South Sudan	41.6
Mauritania	39.8	Swaziland	32.0
Mauritius	64.0	Tanzania	64.4
Morocco	73.1	Togo	45.5
Mozambique	50.8	Tunisia	58.6
Namibia	44.8	Uganda	53.4
Niger	46.6	Zambia	54.7
Nigeria	40.0	Zimbabwe	50.9

Source: ACI database 2014.

**No countries are at the extremes of capacity (Very Low or Very High).** It is encouraging that eight countries are in the High category, and that no countries are Very Low (figure 1). However, countries still have to make more effort to break into the coveted Very High bracket.

**The bulk of countries have Medium capacity.** Of the 44 countries surveyed, 30 fall in the Medium bracket, 8 in High, and 6 in Low. It is encouraging that more countries are in the High bracket and that none are in the Very Low. Countries in the Medium and Low brackets now have to strive to break into the High and Very High brackets.

Figure 1: Africa Capacity Indicators 2014



Source: ACI database 2014.

Analysis by cluster presents a pattern that has not greatly changed from year to year (table 2). The policy environment is the strongest, and the capacity development outcomes the weakest (ACBF 2011; 2012; 2013).

**Table 2 : Countries by 2014 ACI bracket and by cluster (percent)**

Level	Policy environment	Process for implementation	Develop results at country level	Capacity development outcomes
Very High	90.9	40.9	6.8	0.0
High	9.1	40.9	36.4	0.0
Medium	0.0	18.2	36.4	15.9
Low	0.0	0.0	15.9	70.5
Very Low	0.0	0.0	4.5	13.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: ACI database 2014.

On the policy environment, all countries are ranked High or Very High (91 percent Very High). Impressive implementation processes are also evident, with around 81 percent of countries High or Very High. The environment is therefore conducive for capacity development.

Yet countries do not appear about to achieve development results: 20.4 percent ranked Low or Very Low on development results at the country level, and a paltry 6.8 percent are ranked Very High. But the real challenge remains capacity development outcomes: 84.1 percent of countries are in the Very Low and Low brackets.

Overall scores have been improving. In 2013, 11 percent of countries were in the Very Low capacity bracket, but none this year. And 18.2 percent of countries are in the High category, up from 4.5 percent last year. More encouraging is that the majority of countries were classified as Low capacity in 2013, but the majority this year have Medium capacity.

Achievements on the thematic indices are generally encouraging. More than 50 percent of countries are High or Very High on four main thematic indices. They have done well on gender equality and social inclusion, where no country has Low or Very Low scores, and with Medium scores for only 2.3 percent of countries. But more effort is needed on policy

choices for capacity development, where no country has a Very High score.

Countries thus need to focus more on capacity development outcomes in their strategies and policies, particularly on carrying out regular capacity profiling and capacity needs assessments (which require greater resources for capacity development initiatives). The technical assistance and interventions of the ACBF is highly relevant here. Improving capacity development outcomes can also be linked to the capacity needs of the RECs, which expressed as top priorities their individual, institutional, and organizational capacities.

### Challenges of regional integration

Regional integration has an enduring appeal for Africa as the right strategy for overcoming the constraints of high fragmentation, small domestic markets, and growing transnational threats. But Africa's portfolio of regional economic communities has a bewildering array of sizes and types. Many of them have overlapping membership. Of Africa's 54 countries, only five belong to just one REC, while three belong to four, and the numbers of members vary widely. The knock-on effects hurt Africa's ability to negotiate as an equal with, say, the BRICS (Brazil, Russia, India, China, and South Africa), or the European

Union (EU) over its economic partnership agreements (EPAs).

These arrangements have not been very effective, and they have so far failed to propel the continent's economic transformation. Why? The multiplicity of constraints including inadequate political will and commitment to the process. The high incidence of conflicts and political instability. The poor design and sequencing, along with slow implementation, inadequate funding, and the exclusion of key stakeholders.

In contrast, the EU, the Association of South-East Asian Nations (ASEAN), the North American Free Trade Agreement countries, and some frontier RECs have demonstrated how geographic regions can create conditions for shared growth and prosperity by removing barriers to commerce, harmonizing regulatory norms, opening labor markets, and developing common infrastructure. But for the most part, African integration has focused on import tariffs. Tackling services and such behind-the-border issues as investment, competition policy, and government procurement has proven contentious.

Deeper integration could improve Africa's regional cooperation because border measures are likely to represent only a minor constraint to regional trade in Africa, compared with structural economic shortcomings such as the lack of infrastructure, institutional framework, skills, and economic diversification. These supply-side constraints could be addressed in part by a regional integration agenda that includes services, investment, competition policy, and other behind-the-border issues. In short, a deep integration agenda could address supply-side constraints more effectively than an agenda almost exclusively on border measures.

Despite fundamental problems in the design of the type of integration, there is widespread support for integration in Africa. The reality is that regional integration is not a choice for Africa—it is a must. Building bigger, more integrated subregional markets deeply embedded in the global economy is one of the most urgent tasks for Africa to sustain its recent economic performance.

At the moment, the capacity to implement regional cooperation and integration is grossly inadequate. Previous capacity building approaches have not produced the requisite capacities to develop the RECs. This dearth threatens the RECs' ability to achieve their goals. Many protocols have been signed but remain unimplemented, due to ineffective and inadequate implementation capacity. In some RECs where capacity exists, it is neither optimally used nor sufficiently nurtured.

### **Global reordering: the BRICS**

Africa presents a new frontier of economic opportunities and hosts some of the fastest-growing economies in the world, attracting global partners such as the BRICS and other emerging economies such as Turkey, India, Mexico, Brazil, and Indonesia (TIMBI), all of which see Africa as helping resolve global challenges. The BRICS countries particularly offer huge opportunities for financing development in Africa on an equal and win-win basis. Such a partnership also presents an opportunity to foster regional integration in Africa, either through AU leadership or exchanges with the RECs.

To benefit from the partnership, the AU and the RECs need to maximize the backward–forward processing linkages of their commodity sectors. Doing so will enhance trade and foreign direct investment, and ease the transfer of capacity and technology to

Africa. The BRICS are heavy African investors and their potential, at least in the short term, appears huge. The BRICS' share in Africa's foreign direct investment stock and flows topped 14 and 25 percent respectively in 2010. This trend is likely to continue.

The role of South Africa in the SADC region illustrates the type of partnership African RECs could build with the BRICS. It is playing a key role in consolidating the free trade area of SADC members. It is also encouraging negotiations on the Tripartite Agreement between members of SADC, COMESA, and EAC, creating an integrated market of 26 member states and a combined population of nearly 600 million people and a GDP of some \$1 trillion.

The partnership with emerging entities such as the BRICS and TIMBI countries can enhance regional integration and benefit the continent if African regional bodies, including RECs, can rectify the capacity deficits that hinder the continent's ability to manage relations with its partners—whether new—or traditional.

### **Capacity to negotiate global partnerships**

The EU has traditionally been Africa's most important trade, investment, and development partner. Trade with the EU was governed by a series of Lomé Conventions, which granted African countries (excluding South Africa) unilateral preferential access to EU markets. The EU and African countries subsequently concluded the Cotonou Agreement, paving the way for the WTO-compatible EPAs in 2000.

Yet EPAs are controversial, and their impacts uncertain. They may bring benefits to Africa, such as cheaper imports and greater exports and competitiveness. But they also risk diverting trade, complicating further the spaghetti bowl of trade arrangements, narrowing policy space, creating fiscal losses in countries that rely heavily on trade taxes,

and eroding the fragile industrial base. They may also work against continental integration. All these factors do not seem to have tarnished their allure, however, given RECs' attempts to negotiate them.

Although EPAs were negotiated with seven different ACP regions (four in Africa), only two—EAC and ECOWAS—covered the full membership of the RECs and so could negotiate as a bloc. The rest, because of overlapping membership of countries in different RECs or a lack of interest from some of their members, could at best represent subsets of their configurations, with onerous implications for how the EPAs affect the RECs' agendas.

Negotiating the EPAs posed a serious challenge for the ACP countries due to their limited capacity in almost all relevant fields. Most of these states, particularly the poorest, had little capacity in trade policy formulation, evaluation, or implementation, or in research and analysis or consultation. They also had to deal with a shortage of skilled trade negotiators, nationally and regionally. Their financial means were usually scant. And even then the scarce resources had to be divided between the EPA talks and parallel regional integration talks, WTO negotiations, and bilateral negotiations.

Weak institutions were also often a problem, hindering much needed intragovernmental coordination, a clear division of roles, and political independence and stability. This slowed or stalled negotiations. And Africa's inability to identify and defend its interests underlined the need to strengthen the continent's regional economic institutions and capacities. There is nothing to suggest that this fundamental flaw has been corrected or receiving adequate attention since the negotiations began.

Still, for some RECs perseverance has paid off. The ECOWAS's negotiations were based on its own regional integration initiative, and on July 10, 2014, the West Africa EPA negotiating group became the first African region to officially conclude and endorse a regional EPA with the EU. Following suit was the SADC–EPA of the Southern African region, signed on July 22, 2014.

Clearly, Africa needs to pursue a deeper integration agenda that includes services, investment, competition policy, and other behind-the-border issues. The RECs need to rationalize themselves, such that each state can concentrate on the one grouping that matters most to it. They also need to sharply boost their capacity—to manage complex agreements with vastly greater resources.

### Major areas of capacity and other needs for the RECs

The RECs are at different stages of integration (table 3). As they move from one stage of integration to another, they need to strengthen

staff capacity to adapt to that higher stage. EAC, for instance, is now moving to its third pillar, monetary union. Indeed, EAC Heads of States and Government signed the Monetary Union Protocol on November 30, 2013. This calls for a paradigm shift in the institution's organization and operation, and that of partner states. Consequently, there is great demand for additional resources (capital, human) at regional and partner-state levels.

Among the surveyed RECs, EAC has shown the best performance over the stages of regional integration. It has fully achieved a free trade agreement and customs union, made good progress on a common market and monetary union, and is preparing for economic and political union. ECOWAS, too, has made relatively good progress, especially on its free trade agreement, customs union, and monetary union. RECs such as UMA and the ECCAS, though active on the ground, are only just preparing for a free trade agreement and have yet to start any of the other stages.

**Table 3: Status of surveyed African RECs through the stages of regional integration**

	Free trade agreement	Customs union	Common market	Economic union	Monetary union	Political union
UMA	In preparation	Not yet started	Not yet started	Not yet started	Not yet started	Not yet started
CEPGL	In preparation	Not yet started	Not yet started	Not yet started	Not yet started	Not yet started
COMESA	Fully achieved	Good progress	In preparation	Not yet started	In preparation	Not yet started
EAC	Fully achieved	Fully achieved	Good progress	In preparation	Good progress	In preparation
ECCAS	In preparation	Not yet started	Not yet started	Not yet started	Not yet started	Not yet started
ECOWAS	Fully achieved	Good progress	Not yet started	In preparation	Good progress	Not yet started
IOC	In preparation	Not yet started	Not yet started	Not yet started	Not yet started	Not yet started
MRU	Good progress	Good progress	Not yet started	Not yet started	Not yet started	Not yet started
SADC	Fully achieved	In preparation	Not yet started	Not yet started	Not yet started	Not yet started

Source: ACI database 2014.

The RECs surveyed show many similarities:

- *Staff complement.* The organogram of each REC indicates the required number of personnel needed to execute its mandate. But RECs expressed concern about a lack of funds to recruit the staff needed, and about staff skills development and training.
- *Sources of funding.* Most of the member/partner states fall short of making the necessary contribution to REC operations, compelling development partners to consistently contribute 40–60 percent of the budget. UMA stands apart, fully funded by member States.
- *Activities.* The activities of RECs are developed by the secretariat or commission and implemented by the member/partner states. The RECs indicated a need to strengthen links between the secretariats and member/partner states and to boost the skills of those entities. Indeed, one deputy secretary general commented during discussions with the ACBF survey team: “If you strengthen the capacity of the Secretariat without strengthening that of the member States, then it is of no use.”
- *Conflict management.* Most of the RECs have been immersed in conflict resolution. UMA and ECCAS have practically suspended trade negotiations. SADC has been heavily involved in Madagascar. And ECOWAS recently resolved a number of conflicts, assisted by bilateral partners in Mali. These pressing matters could not be planned for.
- *Knowledge sharing.* RECs are making

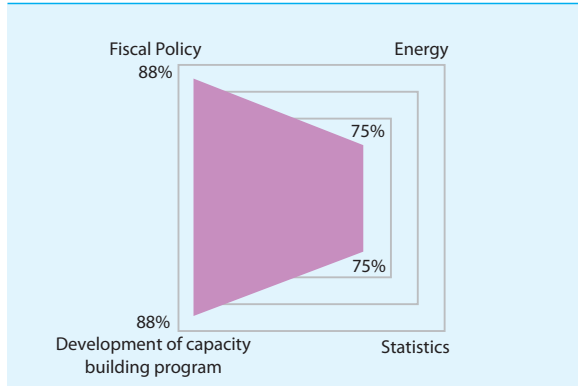
efforts to share knowledge and experience. For example, EAC is collaborating with UEMOA on monetary integration, and there have been high-level meetings and technical cooperation. UMA and ECOWAS are interacting on environmental issues. And SADC, EAC, and COMESA have technical teams for human resource management. They need to be strengthened.

- *Research.* The RECs need to establish or strengthen research to inform the integration process. ECOWAS has set up the Economic Policy Research Unit with ACBF support, and SADC recruited senior personnel to start the process. UMA and EAC do not have a research unit.
- *M&E.* All RECs recognize that M&E is important for consolidating gain and guiding future plans and programs. M&E departments have developed elaborate user-friendly web-based monitoring systems, especially for secretariat activities—though the “E” remains weak.
- *Innovative ideas.* There are efforts under way to set up a well-trained team of experts to peer-review data and information provided by member/partner states.

### Capacity priorities for RECs

The surveyed RECs were asked to assess their capacity needs: Very Low; Low; Medium; High; Very High; No need for capacity. Here we look at the priorities assessed as High or Very High by at least 75 percent of the RECs.

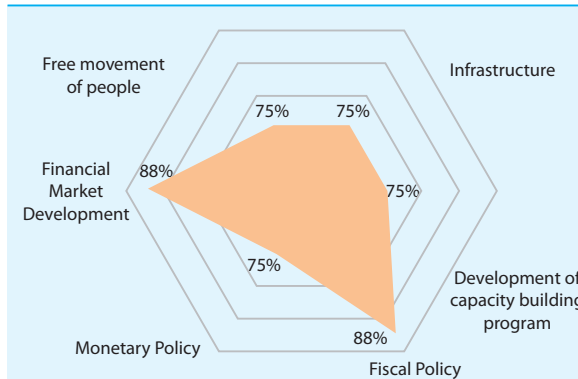
**Figure 2: Institutional capacity needs**



Source: Africa Capacity Indicators database 2014.

Fiscal policy and development of capacity building programs are top priorities for institutional capacity. Of the surveyed RECs, eight affirmed that fiscal policy and development of capacity building programs are essential. And seven stated that energy and statistics are areas where they need institutional capacity building (figure 2).

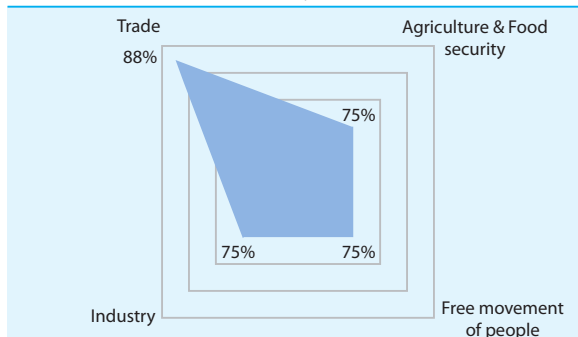
**Figure 3: Organizational capacity needs**



Source: Africa Capacity Indicators database 2014.

On organizational capacity needs, 88 percent of the RECs stated that fiscal policy and financial market development are their first priorities. Development of capacity building programs, infrastructure, and free movement of people are the second set of priorities expressed by 75 percent of the RECs (figure 3).

**Figure 4: Individual capacity needs**



Source: Africa Capacity Indicators database 2014.

On the need for individual capacity building, trade is considered the most important area by 88 percent of the RECs. In addition, 75 percent affirmed that they need it in agriculture and food security, industry, and free movement of people (figure 4).



So, what is needed? Assessing the capacity of RECs should be a continuing exercise conducted at regular intervals, and not a one-off event, to ensure that the RECs are working in concert with other stakeholders. And because regional integration and cooperation are knowledge intensive, requiring careful policy analysis, Africa's think tanks and universities should be structured to conduct research and offer advice—they have the capability to focus on issues in depth and over time.

### **Institutional and legal frameworks**

The RECs, with their ultimate goal of economic and fiscal harmonization, can draw inspiration from the EU, at least in their visions for the longer term.

The EU has a de facto constitution that defines how member states and institutions interrelate and how power is shared among supranational, national, and local parties. For example, the EU operates to ensure separation of powers among its institutions, and it has a system of legislation and adjudication for EU bodies and citizens, including parliamentarians elected by citizens. This pattern makes the EU operate like a very large confederal country that has some capacity to enforce its will through national governments. But because the EU does not enjoy the power to coerce, administer, or tax, its member states tend to dominate the relationship between citizens and the EU, and substantial areas of governance are in the hands of those governments.

In contrast, although African RECs have treaties that let the countries dominate the relationship with the RECs, member states lack the minimum enforcement capacity that the EU has. For example, the European Commission's proposals must receive approval from the Council of Ministers, assented to by EU parliamentarians, after

which they are reflected in national laws by national parliaments, and then implemented by national bureaucracies. Domestic and European courts are involved in adjudication. This process (at times cumbersome) not only creates awareness of the integration process but also ensures profound participation by all stakeholders, in ways analogous to national policymaking.

The African RECs do not, however, have this supranational–national integration policy structure. The organs of integration are rarely formed and functional, or citizens are unaware of their relationship, including rights and obligations vis-à-vis the region.

The differences in country readiness to join particular initiatives in African RECs are associated with the way their decisions are reached. Most African REC treaties stipulate that decisions should be by consensus rather than by simple or qualified majority vote (which the EU generally follows). The latter mechanism enables wide political participation through national and local discussions, leading to national positions on issues. While this consensus method does not preclude discussions at various political levels, decisions are mostly anchored on the procedures of national bureaucracies, which sometimes do not allow for optimal disclosure, often grounded in the natural secrecy of government decision making.

While EU supranational–national decision making is naturally longer and more tedious, and so tends to be rigid and resistant to basic reform, the EU tolerates internal diversity and compromises (a “multispeed Europe”). Some internal flexibility is permitted to countries ready to embark on initiatives such as the single currency or Schengen visa arrangements, while others can join later. Such flexibility is also found in ECOWAS, where eight francophone countries ready to embark

on a single currency adopted the CFA franc for trade internally and among themselves under UEMOA, which accounts for most of the recorded intra-ECOWAS trade.

A function of the huge discrepancy in funding between the EU and African RECs, the inadequacies of these RECs' human resource capacity are major factors in the low achievement of their integration projects, resulting in overly long deadlines, missed dates, costs overruns, and even missing objectives and ideas. The EU, it must be remembered, has about 30,000 staff, about two-fifths of whom are involved in policy design, implementation, and M&E. These three elements are discouraged in African RECs by their underdeveloped ICT infrastructure and databases, inadequate staff-needs analysis and strategic planning, staff mismatches and workloads, and limited autonomy of their secretariats.

These obstacles are partly attributable to poor financing systems among the RECs that lead to unpaid arrears among member States. Their financing (apart from COMESA and ECOWAS) comes largely from membership contributions, which may be curtailed after a national economic catastrophe. They are fashioned after the EU model where EU funds represent transfers from national governments rather than from direct or indirect taxes. This funding method limits fiscal expansion and undermines human resource development. A funding mechanism that combines national contributions with independent revenues, such as import levies, would go a long way to helping African RECs become financially independent.

### **Progress in African regional integration projects**

Myriad regional integration projects established in the African RECs aim to ensure that each region achieves economic and

sociopolitical cooperation arrangements on time. These projects cover such areas as trade in goods and services, free movement of persons, tourism, industry, investment promotion, agriculture and food security, and peace and security. Key programs have associated projects either planned or at different stages of implementation.

An important aspect of economic integration among all RECs is to guarantee the free movement of capital, people, and goods and services, through a number of projects in the elimination of tariff and nontariff barriers, trade facilitation (such as one-stop border posts), competition and investment promotion policies, and infrastructure development in energy and transport. Some of these projects appear to be yielding positive results, given the increased intraregional trade, though this is only a start, especially in the lagging RECs—UMA, CEN-SAD, IGAD, and ECCAS.

EAC is the most advanced, launching its common market in 2010. COMESA, SADC, and ECOWAS are mid-level performers: the first two launched customs unions in 2009 and 2013, and ECOWAS plans to launch its own on January 1, 2015. While common markets and customs unions address tariff reductions mainly, nontariff barriers face traders of African RECs, and many of them have thus subscribed to eliminating them. For example, ECOWAS has set up a complaints desk to monitor nontariff barriers, and COMESA-EAC-SADC has instituted an internet-based monitoring mechanism.

To facilitate trade, one-stop border posts (OSBPs) have been built by five RECs—COMESA, EAC, ECCAS, ECOWAS, and SADC—to reduce delays due to border procedures by clearing traders' merchandise at only one point. OSBPs can be built on the border, on each territory, or on the

territory of one country. The Chirundu (Zambia–Zimbabwe) and Noepe–Elubo (Ghana–Côte d'Ivoire) OSBPs are built on each territory, while the Sème–Krake (Benin–Nigeria) OSBP is being built on the territory of the country (Benin).

Though detailed engineering designs were prepared for five OSBPs—Noepe (Ghana–Togo); Sème–Krake (Nigeria–Benin); Malanville (Benin–Niger); Paga (Ghana–Burkina Faso); and Kouramalé (Mali–Guinea)—only the first three received funding. ECOWAS–UEMOA is securing more funds for OSBPs, while the European Development Fund is financing OSBPs in East Africa. Clearance based on simultaneous or single-window inspection requires modalities for cooperation and coordination, as well as for procedural harmonization, equipment standardization, and common operating methods, which are usually contained in bilateral agreements that provide the institutional and organizational entities for the clearance system. So, joint border operations committees, comprising the two countries' public agents and chaired by a customs agent, are responsible for day-to-day operations of OSBPs.

Progress on movement of people is mixed among RECs: UMA, EAC, and ECOWAS are doing quite well, but CEN-SAD, COMESA, ECCAS, IGAD, and SADC less so. All RECs suffer from poor road transport infrastructure, often related to numerous security road blocks.

All of the RECs are, however, haunted by inadequate road transport infrastructure related to numerous security road blocks. Excessive roadblocks or checkpoints create delays, facilitate opportunities for bribes, and increase the cost of goods to consumers. And the ill treatment of those transiting can lead to violence.

Along three major corridors in West Africa, bribes are declining, but the number of checkpoints has remained almost constant. Delays have lessened along the Tema–Ouagadougou Corridor but have worsened along the Lomé–Ouagadougou Corridor.

### Lessons for RECs

Based on the differences in REC capacities, the following imperatives stand out for capacity building.

*Take a long-term perspective.* Capacity development is a long-term process. It can be promoted through a combination of shorter term results driven from the outside and more sustainable, longer-term ones driven from the inside. It requires sticking with the process even under difficult circumstances.

*Adopt an integrated and holistic approach to capacity building.* All dimensions of capacity need attention—the individual, the institution, and the overall policy framework. Inadequate emphasis at system level may diminish the impact of efforts at institutional and individual levels. A proper balance, therefore, needs to be established between all three, closely inter-linked, levels. This is also an admonition not to undertake one-time, ad hoc activities.

*Integrate capacity building in wider efforts to achieve sustainable development.* Capacity is very fluid and has multiple uses. Any strategy to address capacity building must therefore recognize that developing capacities for regional integration is closely related to, and must be integrated with, initiatives to enhance capacities for broader sustainable development and structural transformation of Africa in general.

*Capacity building must be demand-driven.* The design of interventions to nurture capacity must be results-oriented and focus on “capac-

ity for what and whom.” The underlying principle should be clear about who will benefit from the capacity building, and the design of the activities must reflect the needs of the beneficiaries. Donor practices can, at best, facilitate and, at worst, hamper the emergence of national capacity.

*Assure adequate resources (both administrative and financial).* There must be enough resources (human and material) for all capacity building, which ideally should be incorporated in the budget. It is also essential to monitor expenditures against budgets. Many capacity building initiatives have stalled or failed to meet their objectives due to a lack of resources.

*Emphasize skill retention and use, not simply acquisition.* African countries face serious impediments to long-term capacity building with growing emigration of scarce skilled nationals. Long-term efforts must consider incentive structures for skill retention and their impact; otherwise, further efforts may have little or no sustainable impact.

*Accommodate the dynamic nature of capacity development.* Capacity building is a dynamic process with many facets. Existing potential may not be used because it does not reside in the institution that is charged with the respective responsibility, or individual expertise may not be used because of organizational deficiencies. Capacity has to be used to avoid obsolescence through continuous use and short-term courses, workshops, seminars, and other training services. Existing capacity has to be adjusted or converted to deal with new problems. New capacity has to be created through formal training programs. And capacity has to be accepted and improved by subsequent generations.

*Monitor and evaluate capacity development efforts.* Given that capacity building is not static but a dynamic and iterative process, M&E with appropriate benchmarks and indicators are essential for learning-by-doing and adaptive management. Players should from time to time revisit operational principles, strategic elements, tools, and methodologies.

*Adopt a learning-by-doing approach.* Capacity development efforts should be supported by a variety of tools and methodologies anchored on a learning-by-doing approach. These could range from the more traditional (workshops, in-service technical training) to those offering greater scope methodologically and institutionally (networking, horizontal exchanges and cooperation, multi-stakeholder project steering committees, sharing of project management responsibilities, internships, South–South cooperation, issue-based scientific networks).

*Focus on institution building.* There are two main problems with focusing on individuals or training. First, individuals move on, so normal career progression can dilute impact. Second, individual knowledge, skills, and attitudes, while obviously important, may not result in permanent change if there are systematic organizational bottlenecks. That is why good capacity building practice typically includes multiple activities that complement and reinforce each other with opportunities to address problems as they arise.

*Ensure coordination.* Successful capacity building depends on good coordination with the flexibility to fine-tune plans and priorities as conditions change.

\*\*\*\*\*

In sum: African RECs are falling behind on their development goals, raising doubts about their approaches to encouraging regional trade and regional integration. Worse, as most regional integration agreements have done little to promote intraregional trade, questions about the relevance of their linear integration models (goods integration initially, fiscal integration ultimately) also arise.

The obstacles facing Africa call for a more inclusive approach to economic integration, ameliorating the supply-side constraints so far inhibiting efficient production. What is therefore needed is a deep regional integration agenda that can confront behind-the-border issues and open markets in services.

But a major constraint on African RECs is the paucity of human capital, caused by and manifest in a host of issues: low numerical skills paucity; lack of regular on-the-job training; inadequate staff incentives; underdeveloped ICT; too little staff-needs analysis and strategic planning; staff mismatches and workloads; and limited secretariat autonomy.

And so Africa's RECs need to strengthen their capacities to exploit the new opportunities offered by the post-2015 development agenda, by economic partnership agreements, by stronger relations with the BRICS, and by Agenda 2063.