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*The opinions expressed in this document represent the authors' point of view,
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Cover pictures:

EU, Regional Integration

EU, Critical Maritime Routes Programme in the Indian Ocean

Eric Buhl-Nielsen, Mauritius, The harvest from six hours of fishing

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List of acronyms and abbreviations

AfDB	African Development Bank
ACP	African, Caribbean and Pacific Group of States
AMISOM	African Union Mission in Somalia
APF	African Peace Facility
APSA	African Peace and Security Architecture
AU	African Union
AUC	African Union Community
AU-IBAR	African Union Inter-African Bureau for Animal Resources
BMP	Biology Management Programme
CBC	COMESA Business Council
CEPGL	Communauté économique des Pays des Grands Lacs
CFTA	Continental Free Trade Area
CMISBM	Coastal, Marine and Island Specific Biodiversity management
COMESA	Common Market for Eastern and Southern Africa
CSO	Civil society organisation
CVE	Common Vulnerability and Exposure
DBSA	Development Bank of Southern Africa
DEVCO	European Commission Directorate-General for International Cooperation and Development
DFID	Department For International Development (UK's Development Agency)
DG	Directorate General
DMRO	Duly Mandated Regional Organisation
DRC	Democratic Republic of Congo
EA	Eastern Africa
EABC	East Africa Business Council
EAC	East African Community
EAMR	External Assistance Management Report
EA-SA-IO	Eastern Africa Southern Africa Indian Ocean
EC	European Commission
ECCAS	Economic Community of Central African States
ECDPM	European Centre for Development Policy Management
EDF	European Development Fund
EEAS	European External Action Service
EIDHR	European Instrument for Democracy and Human Rights
EPA	Economic Partnership Agreement
EQ	Evaluation Question
ESA	Eastern and Southern Africa
EU	European Union
EUD	European Union Delegation
EUSR	EU Special Representatives
FTA	Free Trade Area or Free Trade Agreement

GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German agency for international cooperation)
HLG	High Level Group
HQ	Headquarters/head office
ICGLR	International Conference on the Great Lakes Region
IcSP/IfS	The Instrument contributing to Stability and Peace
ICT	Information and Communication Technologies
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
IO	Indian Ocean
IOC	Indian Ocean Commission
IOTC	Indian Ocean Tuna Commission
IRCC	Inter-Regional Coordinating Committee
ISS	Institute for Security Studies
JAES	Joint Africa-EU Strategy
JC	Judgement Criteria
LDC	Least Developed Countries
MASE	Regional Maritime Security Programme
MCS	Monitoring, control and surveillance
MIP	Multiannual Indicative Programme
MS	Member State
MSME	Micro and Small and Medium Enterprises
MTR	Midterm Review
NGO	Non-Governmental Organization
NIP	National Indicative Programme
NRM	Natural Resources Management
NTB	Non-Tariff Barriers
ODA	Official Development Assistance
OECD/DAC	Organisation for Economic Cooperation and Development – Development Assistance Committee
PCD	Policy Coherence for Development
PIDA	Programme for Infrastructure Development in Africa
PMR	Progress Monitoring Report
PPDF	Project Preparation Development Fund
PRSP	Plan Regional Surveillance des Pêches (also Poverty Reduction Strategic Plans - UN)
PSD	Public Sector Development
REC	Regional Economic Community
REIS	Regional Economic Integration Support programme (SADC)
RIIP	Regional Integration Implementation Plan
RIP	Regional Indicative Plan
RISDP	Regional Indicative Strategic Development Plan
RISM	Regional Integration Support Mechanism
RISP	Regional Integration Strategy Paper
RO	Regional Organisation
ROM	Results-Oriented Monitoring
RPIHSSP	Regional Political Integration and Human Security Support Programme

RSP	Regional Strategy Paper
SA	Southern Africa
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADC/ICP	SADC International Cooperating Partners
SMEs	Small and medium-sized enterprises
SPS	Sanitary and phytosanitary
SWIO	South Western Indian Ocean
SWIOFC	South West Indian Ocean Fisheries Commission
TBT	Technical Barriers to Trade
TF	Trade Facilitation
TFTA	Tripartite Free Trade Area
TMEA	Trade Mark East Africa
TRF	Trade-Related Facility
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNECA	United Nations Economic Commission for Africa
US	United States
USAID	United States Agency for International Development
WCO	World Customs Organisation
WTO	World Trade Organisation
WWF	World Wide Fund

Executive Summary

Purpose, context and scope of the evaluation

This evaluation of the EU's cooperation with the Eastern Africa, Southern Africa and the Indian Ocean region (EA-SA-IO) aims to:

- Provide an overall and independent assessment of the past and current cooperation.
- Identify lessons learned and make recommendations to inform current and future cooperation strategy and delivery.

The context and scope of the evaluation includes EU support through the EDF 10 and 11 Regional Indicative Programmes (RIPs) during 2008-2015, taking into account the Economic Partnership Agreements (EPAs), the cooperation framework and other official commitments. Geographically, the scope is the five EA-SA-IO Duly Mandated Regional Organisations (DMROs) (COMESA, EAC, IGAD, IOC, and SADC), and their 25 Member States eligible for EDF support. Total EU funding allocated through the RIPs exceeds € 2.6 billion.

Methodology and challenges

The evaluation is based on the methodological guidelines developed by the European Commission's Directorate-General for International Cooperation and Development (DG DEVCO), in particular the Evaluation Unit. It was conducted in four main phases during June 2016-July 2017: inception, desk, field and synthesis. The evaluation was managed by the Evaluation Unit, incorporating all relevant EU services in a Reference Group that oversaw the process. Eight evaluation questions were formulated in a structured process based on analysis of EU policy frameworks and reconstruction of the EU's intended intervention logic related to regional cooperation in EA-SA-IO. An inventory of EU support for regional cooperation was prepared and evaluation questions, judgement criteria and indicators were defined to guide data collection and analysis. Field visits were made to 10 countries including those hosting DMROs. The evaluation used a combination of tools and techniques for primary and secondary data collection, including an online survey of 27 EU delegations and a number of other stakeholders, analysis of regional and country strategy papers, literature review, meta-analysis of evaluations/audits, and interviews with stakeholders. The stakeholders consulted included beneficiaries and users of the interventions, implementing organisations, national partners, EU delegations, International Finance Institutions, the EC and civil society organisations.

The main challenges related firstly to the wide scope of intervention across 25 countries, five DMROs and three priority areas (regional economic integration, peace and security, natural resources management) and secondly to the fact that many of the EDF 11 interventions, which reflected the new strategy of cooperation following a mid-term review (2011) were not yet implemented.

Conclusions

EU support to the EA-SA-IO region has been carried out in a highly complex and challenging context that has been further complicated by the absence of an African-led rationalisation of the regional architecture. (Conclusion 1) This dynamic context has placed great demands on both EUDs and DMROs, in terms of managing risk on the one hand, and

finding the right degree of flexibility to respond to change on the other. The absence of an African-led rationalisation of the regional architecture has made it difficult to anchor interventions in a stable longer-term vision.

The underlying assumptions and political economy affecting the progress of regional integration and the likely effectiveness of external support were not fully examined or challenged (Conclusion 2). A deeper political economy analysis was not available to challenge and test core assumptions and other factors influencing regional integration, e.g. 1) the linkage between DMRO goals and priorities and the member states' actual priorities and needs; 2) the gap between member states' rhetoric about ambitious regional integration and their actual commitment in practice; 3) the compliance and incentive environment at both DMRO and member state level; 4) the involvement of civil society and the private sector in advocacy, priority setting and programme design; 5) the balance of interests between weaker and stronger member states; and 6) historical and identity-based conflicts and divisions that cut across national and regional boundaries.

EU regional support under EDF 10 and 11 was aligned and relevant to the regional integration agenda, but partners' commitment and capacity were overestimated (Conclusion 3). This led to overambitious allocations and timeframes, and contributed to EDF 10's underperformance. The ambitious plans of the DMROs and member states have not been matched by their capacity and commitment in practice. While EU support was implemented in good faith, carefully planned and undertaken in close consultation with partners, risks of harmful effects existed in terms of over-supporting DMROs, creating dependency, and overloading the regional agenda with project activities. These effects were recognised in the EDF 10 midterm review and addressed in the follow-up to that review, as well as in the new modalities of EDF 11. The revisions stopped short of introducing the radically new approach that might have been indicated if in-depth needs assessments, organisational and strategic analyses, and consultations had been performed, including at the Pan-African level.

The EDF 11 adjustments and approach heeded lessons from the past and generally headed in the right direction; however, weaknesses have emerged that have implications for potential programme impact and sustainability (Conclusion 4). The EDF 11 RIP recognised the need for a strong dual regional/national approach and for a stronger private sector role, and responded to the recommendations of earlier evaluations and the midterm reviews. However, in some areas there was a tendency to try to solve too many problems at once. In addition, the proliferation of EU instruments and programmes across the region has caused confusion. The sequence of completing most national programmes (NIPs) before the regional programme (RIPs) diluted the desired NIP/RIP interaction. The tightening of NIP focal areas shifted most trade and private sector development activities to the RIP – which has complicated regional/national coordination and in some cases worked against the application of subsidiarity, particularly in activities related to private sector development and sustainable capacity building.

EU regional cooperation had clear value added, although its potential was far from fulfilled (Conclusion 5). The EU regional cooperation in EA-SA-IO had clear value added compared to its other cooperation (global, country) and to other development partners, including EU member states. It provided more stable and sizeable funding; was less project-based overall; brought to bear a range of modalities and management modes, on top of structured political and policy dialogue, within the framework of policy coherence for development and a comprehensive approach to development, peace and security. Moreover, the EU was in a good position to harmonise its interventions with EU member states, being guided by a common political agenda; and it brought the EU integration experience.

Dialogue focused on disbursement rather than on strategic and operational matters (Conclusion 6). Dialogue between the EU and the DMROs has mainly focused on the implementation of the EU cooperation programme – focusing more on management of EU assistance and increasing the level of disbursement than on strategic matters. Political dialogue tended to focus on establishing good relations rather than raising contentious issues. Strategically, this could well have been the right approach. But it meant that an opportunity was lost to discuss the assumptions and the persistent gaps in member state domestication of regional agreements. The combination of political and policy dialogue was not brought to a high-enough level to realise the diplomatic and political opportunities foreseen by the EEAS as a result of the scale of the programme.

Important results were obtained in all priority areas, although progress towards reaching objectives and level of sustainability varies (Conclusion 7). The results highlighted in this section were of a regional nature and contributed to overall EU objectives in the areas of regional economic integration, peace and security, and natural resource management. These examples and the detailed findings in the report underscore the potential of EU regional support to deliver results in areas where national and continental processes cannot. The combination of support to the three priority areas also demonstrated allocative efficiency in the EDF 10 and 11 RIPs. Important results achieved with a clear contribution from EU regional programmes included:

- Regional economic integration: trade - improvements and tangible results were observed in trade facilitation, sanitary and phytosanitary measures, technical regulations and regional standards, non-tariff barriers, competition policy, trade finance and macro-economic management including for example the support provided to the SADC Integrated Regional Electronic Settlement System (SIRESS, 2013), adopted by banks in nine countries.
- Regional economic integration: infrastructure - support was provided to both hard and soft infrastructure interventions, which ensured well-balanced interventions. For example, EU support to infrastructure development along transport corridors in East Africa contributed to improved trade facilitation in the EAC.
- Democracy, peace and security - EU regional cooperation contributed to enhancing capacity for credible elections, early warning and response, and peace support operations. For example, in IGAD, the adoption of a Protocol on Democracy, Governance, and Elections; Election Code of Conduct; and Guidelines for Election Observers; election observation missions in South Sudan, Sudan, Uganda and Djibouti
- Natural resources management - EU support contributed to improving NRM governance and management, especially in relation to fisheries, for example managing regionally important natural resources (e.g. by promoting joint patrolling of fisheries) within IOC.

Member state compliance and domestication of regional agreements are a driving factor in achieving regional integration objectives, but progress has been disappointing (Conclusion 8). Systems for monitoring and enforcing member state compliance in the EA-SA-IO region have not been effective, and overall progress has been weak. Issues influencing the pace of domestication include political leadership, the ‘demand’ for regional integration from the private sector, the clarity and simplicity of the obligations, and sectoral/interest group sensitivities, among others. It remains to be seen if EDF 11’s stronger focus on a dual-pronged regional/national approach will help to address this issue more comprehensively

The efficiency of the DMROs and the efficiency of EU support to regional integration were low (Conclusion 9). Although results have been achieved, resources were not used as efficiently as they could have been. Generally, the funds allocated for infrastructure have been relatively efficiently used, taking advantage of the tried and tested procedures of blending. However, the

resources have not been as efficiently used for other areas of regional economic integration, peace and security and natural resource management. The key factors are: i) DMRO capacity to absorb and manage the funds; and ii) the internal rules and procedures of the EU, which the implementing agencies have not found easy to use. These factors were realised by all involved, and both budget support and contribution agreements have been used where relevant to increase efficiency, although they were not able to address the challenges for all situations. Contribution agreements (through COMESA and later also with SADC) have shown that they can have a potentially important and constructive effect, although not without challenges. This is because the DMROs' own systems were not necessarily agile or well implemented in practice, and national partners (countries ineligible for budget support) were obliged to use unfamiliar DMRO systems.

There was policy coherence with other EU actions and with the actions of EU member states and other development partners, but at the operational level synergies varied, with some instances of duplication (Conclusion 10). In the absence of African efforts to rationalise the regional architecture and delineate the core functions for the DMROs, the EU had a tendency to contribute to too many regional organisations/initiatives with too many membership overlaps, doing too many things in isolation. For example, Burundi and Rwanda belong to COMESA, EAC, ECCAS, ICGLR and CEPGL, all supported by EU at some stage, and all these organisations/initiatives are active in peace and security. Nevertheless, the efforts and approaches of Policy Coherence for Development (PCD) have been broadly successful: no significant policy inconsistency was found across the EDF 10 and 11 RIPs. However, on the operational front, synchronisation and synergies with other EU instruments and policies varied for both EDF 10 and EDF 11. Where analysis was done of the challenges facing regional integration it was often not widely shared (e.g. six separate assessments of IGAD's managerial and financial management capacities were carried out in 2016 by different actors).

Despite years of institutional strengthening, DMRO sustainability remains fragile (Conclusion 11). Despite much support for institutional strengthening, the DMROs' *raison d'être* and sustainability are still fragile. The challenge lies as much with member states and donors as with the DMROs themselves. The regional and continental context has moved on, yet DMRO institutional set-ups have not adapted adequately to changing times and expectations. Member state funding is not sufficient to ensure DMROs' sustainability in their present form. Institutional memory is thin, given the large turnover and preponderance of donor-funded project staff, even in some core functions. Stakeholders at all levels expressed the opinion that rationalisation was necessary, with more focus on DMRO functions that are in line with their core mandates of harmonising policies, implementing Council decisions, monitoring domestication by member states and providing secretariat support services.

The attention given to crosscutting issues, including gender, was uneven (Conclusion 12). Crosscutting issues were covered at the programming level and by some of the interventions (e.g. the support for cross border trade paid specific attention to improving the conditions for women traders). But the attention was not even. For peace and security, except for SADC, gender issues were not central in regionally funded project documents on democracy, peace and security; and they were not central in implementation and reporting either. This contrasts with EU actions outside of RIP-funded projects, and indeed outside of EDF projects, which often have an important gender dimension. Environmental sustainability was significantly mainstreamed into the support for infrastructure development. The evaluation team did not come across any significant negative environmental impacts emanating from the regional support to EA-SA-IO.

Recommendations

The core recommendations are set out below. The proposed actions and responsible parties are further outlined in the main report.

Recommendation #1 - Further develop regional partnerships beyond the DMROs in areas where such collaboration can potentially achieve regional goals more effectively. In areas that go beyond the DMRO role of facilitating regional solutions and where the DMROs are not the natural partners, applying the subsidiarity principle and entrusting implementation to specialist regional organisations has shown to be effective (e.g. regional power pools, corridor authorities, AFRITAC).

Recommendation #2 – Focus support to DMROs on core business and on reducing external dependency. Support to activities beyond the DMROs' core role tends to dilute their *raison d'être* and sustainability. DMROs will be stronger when their programmes and donor support refocus on their core business i.e. promoting the right policy settings and offering the regional solutions and support to underpin them. Developing and publicising exit strategies for all programmes will focus attention and encourage action on sustainability issues.

Recommendation #3 - Strengthen regional/national coherence making better use of current and new analysis in order to improve the impact of regional interventions. Coherence can be improved by better defining the divisions between and regional and national programming, and addressing weaknesses in EUD-to-EUD communications and coordination mechanisms. This should be supported by analysis on political economy to help further focus on the areas of assistance that are likely to yield results.

Recommendation #4 - Engage more actively with non-state actors in future phases of regional support. Non-state actors, particularly the private sector, are important drivers for regional integration. The additionality of EU's contribution has been high when engaging with non-state actors.

Recommendation #5 - Sharpen the political and policy dialogue. The EU's overall strategic interest in regional integration is not sufficiently operationalised at the level of political or policy dialogue and can seem ambiguous to external parties.

Recommendation #6 - Strengthen the reporting and results focus. The focus in EDF 10 was on monitoring disbursements rather than results, and although the EDF 11 results framework is stronger than that of EDF 10, there is a risk that the practice may continue.

Recommendation #7 - Support an African-led rationalisation of the regional architecture and DMROs' mandates. Regional integration and the effectiveness of EU support for regional integration is hindered by overlapping DMRO memberships and concurrent initiatives related to the African Union, regional and continental trade and other agreements, and EPAs. There are opportunities to streamline the regional integration architecture and bring mandates closer to member state aspirations and level of commitment, but it is

vital that this be an African-led initiative.