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Monitoring regional economic integration in practice

Monitoring approaches applied in Regional Economic Communities (RECs)

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Acronyms

ACP	African, Caribbean, and Pacific Group of States
AEC	Asian Economic Community
AfT	Aid for Trade
AIMO	ASEAN Integration Monitoring Office
ASEAN	Association of Southeast Asian Nations
AIMR	ASEAN Integration Monitoring Report
AusAID	Australian Agency for International Development
BMZ	German Federal Ministry for Economic Cooperation and Development
CET	Common External Tariff
COMESA	Common Market for Eastern and Southern Africa
CSME	CARICOM Single Market and Economy
DAC	Development Assistance Committee (OECD)
EAC	East African Community
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EPA	Economic partnership agreement
FTA	Free trade agreement / Free trade area
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, German Agency for International Cooperation
IMF	International Monetary Fund
MEACS	Ministries of EAC Affairs in the Partner States (EAC)
MERCOSUR	Mercado Común del Sur – Southern common market
MRE	Monitoring, Reporting and Evaluation (System)
MS	Member State
MTR	Mid Term Review
OECD	Organisation for Economic Co-operation and Development
RTA	Regional trade agreements
SAARC	South Asian Association of Regional Cooperation
SADC	Southern African Development Community
SIA	Sustainability Impact Assessment
FIP	SADC Protocol on Finance and Investment
TP	SADC Trade Protocol
SAFTA	South Asian Free Trade Area
SEE	South Eastern European
SME	Small and medium-sized enterprises
TDC	Trade and Development Committee – CARIFORUM-EU EPA
UNCTAD	United Nations Conference on Trade and Development
WB	The World Bank
WTO	World Trade Organization

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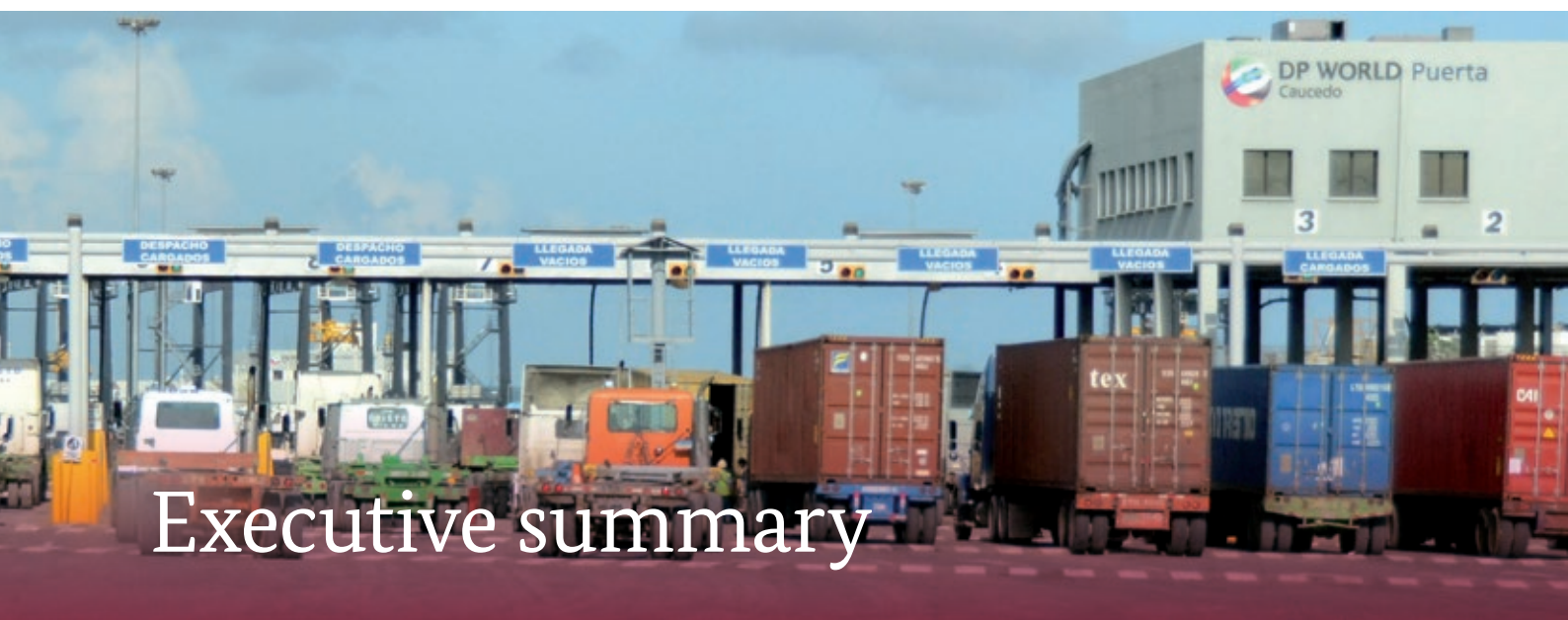
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Since the 1980s the world has witnessed an increase in regionalism resulting in an increasing number of regional trading blocs and the establishment of regional economic communities (REC).

Regional economic integration is believed to bring a number of benefits. Amongst them ranges economic growth through trade in larger markets which is believed to result in prosperity for the population and is considered to positively influence stability. With a growing number of RECs and regional free trade agreements (RTAs), the question arises, whether regional economic integration has been achieved and whether the assumed benefits hold true.

The objective of the paper is not to assess regional economic integration achieved in RECs, but rather to establish an overview of currently existing monitoring and evaluation approaches and systems within a number of RECs worldwide to measure the progress and attainment of regional economic integration (REI).

Therefore, research questions of this paper relate to what kind of approaches and instruments are applied for monitoring and evaluation of REI in RECs? What type of information do these gather and which structures are involved?

The target group of the paper commissioned by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), is development practitioners, academia, members of RECs and parties with interest in the topic.

Its results are based on interviews and consultations with development practitioners, REC representatives and extensive secondary research.

The paper departs from the **assumption** that regular and structured monitoring and evaluation (at both compliance and outcome level) has the potential to advance the depth of regional economic integration.

The RECs researched¹ have been chosen based on a number of criteria, mainly relating to the wish to cover different regions of the world, access to information (thus practitioners in the field) and interest in specific cases, e.g. the CARIFORUM-EU EPA as a comprehensive regional trade agreement with relation to a REC (CARICOM).

All RECs have been analysed with a unified format, focusing on the approach chosen, the system and instruments applied, structures involved and communication and use of monitoring results.

1 Association of Southeast Asian Nations – ASEAN, CARICOM and the CARIFORUM-EU EPA, Central European Free Trade Agreement – CEFTA, Common Market for Eastern and Southern Africa – COMESA, East African Community – EAC, Economic Community of West African States – ECOWAS, The European Union – EU, South Asian Association of Regional Cooperation – SAARC, Southern African Development Community – SADC. MERCOSUR has reported no system as of yet and is thus not included in the detailed descriptions. Consult the detailed description of the systems and approaches in Chapter 2 of this paper.

Main results from the analysis of M&E systems

Although instruments and depth of information gathered vary across systems, structured and regular monitoring approaches exist in the majority of the RECs researched and seek to inform policy- and decision-makers (e.g. the Heads of States Summit and/or the Council of Ministers). The systems in place use information from both the national level, thus member states, and the regional level, collected and/or processed by regional structures, such as (M&E units in) the Secretariat / Commission.

The focus of monitoring throughout the systems researched is mainly set on *de jure* compliance with obligations from protocols and/or implementation of regional strategic (development) plans and related work programs. Some apply related indicators.

Compliance-oriented scorecards are applied in ASEAN, EAC and the EU. These scorecards are, however, mainly included as an example of a very advanced system of a REC with deeper regional economic integration.

Comprehensive web-based management information systems (MIS) have been established in the EU, CEFTA and the EAC (EAMS). The application of MIS in COMESA is yet to be fully established. Outcome monitoring is reflected in indicators of some of the MIS, mainly in CEFTA and EAC-EAMS.

Reports to inform the decision-making structures of RECs are drawn by the majority of RECs and are generally linked to the meeting cycle of the relevant bodies. However, due to inaccessibility of the majority of these reports it was not possible to assess, whether the reports also cover challenges for REI throughout. Similarly, it was unfortunately not possible to establish the actual depth of discussion of the monitoring information at the decision-making bodies of the RECs and/or the corrective measures and decisions taken based on the monitoring results as part of the research conducted.

Monitoring and evaluation is throughout the RECs mainly managed, processed and analysed by the respective REC Secretariat / Commission and in most cases by an M&E unit, or by Monitoring Focal Points. Focal Points at national level and sector-related committees further assist the gathering of monitoring information at member state level. The research has revealed that in the majority of the RECs,

human and financial resources are inadequate to the tasks they have to perform and monitoring focal points are often designated in addition to their overall jobs and tasks.

Control of monitoring information is a challenge; only SADC has established a dual verification process of information submitted by member states as part of the Finance and Investment Protocol (FIP) monitoring.

Evaluation has emerged as the weakest link in the analysis. The vast majority of the M&E systems does not define the regularity and even less define the scope and specific objective(s) of evaluation in relation to REI. In the existing M&E policies or handbooks evaluation is rather integrated as evaluation to be conducted externally of specific programs but not of the REI agenda overall.

In general, development partners have supported the establishment of M&E systems in the RECs researched for this paper. Participatory development of the system involving a variety of stakeholders, also in the development of indicators, has been identified as an important element to increase ownership. It is furthermore regarded to support sustainability as well as the application and use of the system.

Key recommendations

RECs should take the following recommendations into account to make M&E systems for REI more effective:

- **The design of the systems** should take into account existing (human and financial) capacities and/or include organisational development and capacity development measures. It should further strive for integrated monitoring systems, including IT-based solutions and/or MIS.
- **Implementation and steering** of the systems requires (clarification of) institutional and individual capacities and related capacity development. This includes training of staff in the management of the system, and outcome orientation.
- **Communication of M&E results** to policy and decision makers is paramount. Monitoring information should be made publicly available and also inform businesses.
- **Regional communities of practice** on M&E can further advance the application and use of systems.



Introduction

Since the 1980s the world has witnessed an increase in regionalism, a process in which states agree to cooperate in a number of areas, including the economy, politics, security, diplomacy, culture and social issues. This has led to an increasing number of regional trading blocs and the establishment of regional economic communities (REC). It is based on the general belief that regional integration is a *'beneficial tool for bringing more stability and prosperity to a region'* (van Langenhove and de Lombaerde 2007: 380).

Even though the overall agenda of RECs comprises several, if not all components mentioned above, economic integration and trade are two important components. They are central to most regional integration processes and RECs strive to create trading blocs, free trade areas, customs unions and even common markets and monetary (and political) unions.

The overall growing number of regional trade agreements (RTA), amounting to 406 RTAs in force as of 7 April 2015¹, also indicates that trade liberalisation is increasingly organised regionally – as opposed to multilateral trade liberalisation coordinated by the World Trade Organization (WTO), which is often perceived to progress slowly (de Lombaerde and van Langenhove 2005).

Perceived potential benefits of regional economic integration and (regional) trade liberalisation are, amongst others: economic growth within a region through facilitation of trade in goods and services, the creation of common, thus larger, joint markets for trade and investment, stabilisation of food markets, reduced consumer prices – and the potential to ultimately increase employment and (social) development.

1 WTO website, accessed 5 July 2015. These 406 RTAs in force are counted separately for goods, services and accession. They include bilateral and plurilateral FTAs across regions, between RECs and other countries or countries from a certain REC with another country. The list of RTAs can be accessed under <http://rtais.wto.org/UI/PublicAllRTAList.aspx>.

The question arises, however, whether these perceived benefits and objectives of RECs, which include, amongst others, ‘*accelerated economic growth*’ (ASEAN), ‘*improved standards of living and work*’ (CARICOM), ‘*deepened economic cooperation for their mutual benefit*’ (EAC), ‘*... raised living standards... maintain and increase economic stability*’ (ECOWAS), are actually achieved.

As RECs advance in their efforts to implement the commitments agreed amongst the member states, stakeholders, amongst them the private sector, development partners² and academia, are increasingly interested in whether and how progress on regional economic integration is actually measured across the different communities.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, specifically the Sector Project *Trade Policy, Promotion of Trade and Investment* has hence commissioned this paper on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Overall, GIZ on behalf of BMZ provides support to regional economic integration worldwide through a wide range of programs.

The **objective** of the paper is to provide an overview of currently existing monitoring and evaluation approaches and systems within a number of RECs worldwide to measure the progress and attainment of **regional economic integration** as the general aim of RECs.

The integration agenda and depth of RECs differ. However, regional economic integration in most RECs importantly includes but usually stretches well beyond trade agreements and related areas of trade such as rules of origin or the elimination of tariffs, customs and non-tariff barriers. It includes obligations of member states in relation to harmonization of rules and regulations in various areas (depending on the protocols in place), areas to promote the business environment, finance and investment, and also addresses relevant framework conditions for integration: institutional structures, cooperation and communication.

The focus is hence set on the objective and actual functioning of the monitoring systems in place, their instruments and structures for monitoring. At the centre of the research is therefore the practical application of monitoring as a process delivering information for practitioners and policy-makers as well as the general public, including the private sector, on the progress and depth of the regional economic integration realised.³

The paper consequently does not offer a theoretical and in-depth discussion on all suitable types of monitoring systems and/or types of indicators to measure regional economic integration⁴. Even more, departing from the realisation that RECs differ in their scope, structures and processes, this paper does not intend to state a preference for certain monitoring models or systems. It nonetheless discusses important issues and prerequisites around M&E of regional economic integration in RECs, herewith arguing for several quality criteria for meaningful M&E.

The paper is **targeted** at development practitioners, academia, members of RECs and parties with interest in the topic. It is also anticipated to foster dialogue on the issue of monitoring and evaluation in RECs and related development partner support based on the insights gathered and conclusions drawn.

An important **assumption** of the paper is that regular and structured monitoring and evaluation (at both compliance and outcome level) has the potential to importantly advance the relevance and depth of regional economic integration as it informs on successes and deficits in relation to strategy and implementation. It thus enables steering through corrective measures for implementation issues and economic policies at the same time.

2 The term ‘*development partners*’ is used interchangeably for the term ‘*donors*’ in this paper, stressing partnership as part of development assistance and technical assistance provided.

3 It is important to stress that the paper does not cover the overall monitoring systems that might be in place as part of RECs but focuses on the area of economic integration, which in most RECs is related to FTAs put in place as a first step to arrive at customs unions, economic and monetary unions etc. Thus, the monitoring systems focus on various aspects, e.g. (harmonisation of) relevant legislation, trade and non-trade barriers, financial regulations, to arrive at regional economic integration.

4 Consult de Lombaerde and van Langenhove 2005, de Lombaerde et al 2008 and Walkenhorst 2013 for more on this topic.

In order to establish the overview on approaches and systems in place, the underlying **main questions** explored in relation to the RECs analysed are:

- Is regional economic integration monitored and evaluated regularly and in a structured approach?
- What type of information is collected (compliance and/or outcome information)?
- Which instruments are used to collect such information?
- Who is involved (national, regional level, structures)?
- Is the information discussed, shared and used for steering, adjustments and/or learning?
- Which major challenges can be identified with regard to M&E of REI in RECs?

Methodology. To answer these questions a mixed approach of consultation, interviews and requests for further input to gather primary data and information and a review of relevant secondary sources has been applied. 11 interviews were conducted and numerous further consultations were sought with either practitioners involved in advisory services to the RECs, e.g. as part of development cooperation programs of GIZ, officials from the European Commission or representatives from the RECs described.⁵ Both the sector project and the author would like to acknowledge and emphasise the particular importance of the interview partners for this paper – as it focuses on monitoring in practice and many systems are still under (re)development. It is thus important to state that this paper and the overview it provides would not have been possible without the valuable time, extensive and repeated input and guidance they have rendered.

Information and insights from the interviews have largely informed the description of the monitoring approaches and systems in section 2, enriched by relevant secondary sources such as papers and other available information. The factsheets, presented in the Annex, are drawn based on the information gathered.

⁵ A list of persons consulted can be found in the Annex. The interviews were based on a unified format, resembling a qualitative questionnaire, which was shared with the interviewees beforehand. All interviewees have also reviewed the text for factual accuracy.

Choice of RECs. The focus of this paper is set on regional economic integration happening in RECs – which in most instances go much further than economic integration through trade and include free trade agreements as part of the integration project. The Central European Free Trade Agreement (CEFTA), in the sense of a broader definition, still constitutes a REC, as it creates a regional economic area. The paper, however, also examines monitoring of a comprehensive RTA pursued by the EU and a regional grouping: the CARIFORUM-EU. The European Partnership Agreement (EPA), covers broader areas than just liberalization of trade and furthermore follows the development objectives of CARICOM as a REC. CARIFORUM is also institutionally interlinked with CARICOM, covering almost the identical membership as the REC.

Overall, the examples represented in this paper⁶ have been chosen based on:

- a) the wish to represent different world regions;
- b) existing contacts and entry points through GIZ support programs within RECs⁷;
- c) interest in specific cases and their monitoring approaches, e.g. the CARIFORUM-EU EPA as the most advanced and comprehensive regional EPA between the European Union as a single market and members of a regional grouping.

The selection – or omission of REI-initiatives or RECs – is therefore not a statement about the level of importance or performance of a REC but rather related to limitations of the research in terms of time and resources.

⁶ MERCOSUR was also consulted in the framework of this publication. The Statistics Unit of the MERCOSUR Secretariat however responded to the request for information that the unit is currently forming its team and hopes to establish a M&E system in the future, underlining its importance.

⁷ The rationale behind this is that GIZ programs can on the one hand facilitate relevant contacts and on the other hand provide information on related processes often not put into writing. Additionally, programs implementing measures jointly with RECs can provide further insights in the actual functioning or suitability of approaches.

Structure of the paper. The first chapter discusses why monitoring and evaluating regional economic integration within the respective communities is important. It explains differences in the level of monitoring (types of monitoring), instruments for monitoring, institutional requirements, and the role of evaluation. It further discusses important quality criteria.

These characteristics of M&E are subsequently considered in the detailed description of the specific approaches and systems of the RECs researched in chapter 2, following a unified format.

Chapter 3 draws conclusions from the systems analysed, highlighting similarities, differences and challenges observed. It further builds on the observations made and provides reflections on emerging key issues relating to monitoring and evaluation of regional economic integration in regional economic communities. Based on these insights, it provides overall recommendations for M&E systems in RECs with a strong focus on issues to be taken up by development partners when supporting M&E efforts in RECs.



Monitoring and evaluation of regional economic integration

The following section establishes the purpose and importance of monitoring of regional economic integration (REI) in regional economic communities (RECs) and presents different types of monitoring. It examines differences between compliance and outcome monitoring and the insights monitoring information should render. The complementing role of evaluation to monitoring is introduced and discussed. The section closes with the establishment of several quality criteria relevant for monitoring economic integration in RECs.

1.1 Monitoring

Monitoring within the context of development cooperation is defined by the OECD DAC as ‘a continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an on-going development intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds.’ (OECD DAC 2002)

Whereas this definition is largely focused on development interventions, such as time-bound projects or programs with indicator-based planning frameworks, monitoring is likewise applicable in continuous processes, such as regional economic integration. RECs state objectives – in most cases ultimately aiming at increased (economic) development – and plan for the achievement of those objectives. Even though planning and implementation instruments applied differ across RECs in their approaches and depth, they still provide the basis for monitoring a continuous process.

Ideally, planning and monitoring is thus interlinked: monitoring provides information on achievements and/or shortfalls against planned and agreed targets and/or indicators. Information from monitoring (and evaluation) on implementation, outcomes (and impact) is vital to gain insight into the progress made in implementing the REC and the status and depth of the regional (economic) integration realised. Both monitoring and evaluation are important to identify necessary corrective actions – but cover different levels and criteria.

Monitoring information establishes transparency and a broader knowledge base for steering and management within a REC and across member states. Hence, continuous and regular monitoring is an important steering and management tool. Monitoring provides insight into areas with exceptionally fast or very slow progress, informs on achievements and/or challenges. With this, it enables implementers and decision-makers to establish and reward successes as well as to undertake the necessary corrective measures. The information can similarly foster participation and support amongst important stakeholders, e.g. the private sector and civil society. In case the information is made publicly available, it can moreover facilitate public support for the regional integration agenda.

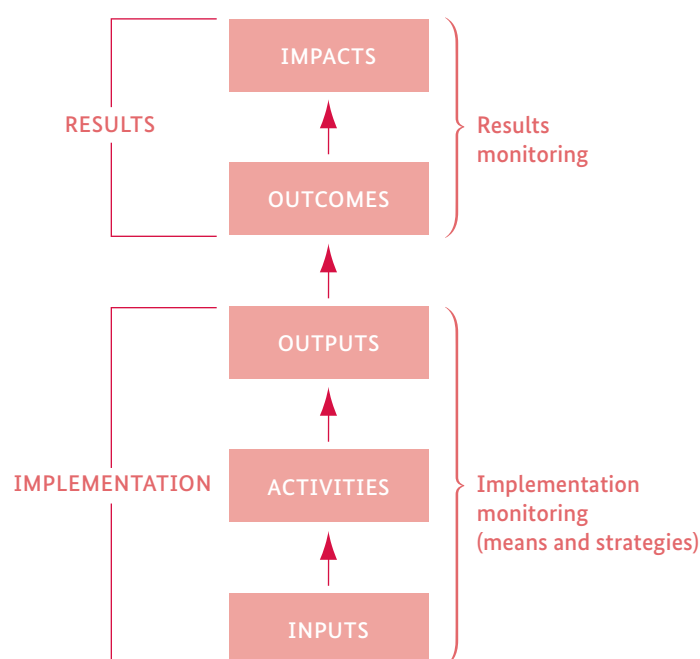
Theoretically, the importance of monitoring and increased transparency for improved implementation is undisputed. Nonetheless, in practice, increasing transparency through monitoring is often a controversial issue for member states within a REC. REC member states often lack corresponding (financial and human) resources, do not desire exposure in case of shortfalls and sometimes have differing priorities and diverging political and economic interests.

1.1.1 Types of monitoring

Monitoring can observe and record progress systematically and continuously at different levels. It can be **focused on implementation** of (e.g. annual work programs of) projects, programs, plans and/or protocols and policies, asking whether planned measures have been implemented. This includes looking at inputs, activities and outputs (see figure 1).

Monitoring, however, can go further than that and **focus on results**⁸, putting outcomes and impact into the spotlight of systematic scrutiny. Such results monitoring observes medium-term and longer-term changes and effects.

FIGURE 1: KEY TYPES OF MONITORING



Source: Morra-Imas & Rist 2009: 124

The main distinction for monitoring of regional economic integration can be drawn between **monitoring of compliance** with obligations created by protocols and treaties or by already planned measures and **monitoring of outcomes**, observing effects resulting from implementation.

COMPLIANCE MONITORING: Continuous process of collecting and analysing information on the compliance status of a regulated community.⁹

OUTCOME MONITORING / RESULTS-BASED MONITORING: Continuous process of collecting and analysing information on key indicators, and comparing actual results to expected results.¹⁰ Results-based monitoring thus tracks the entire change-process generated.¹¹

8 It is important to stress that terminology across development partners is not entirely harmonised, e.g. the EC uses the term results interchangeably with output. This paper however follows the understanding that results are allocated at change level, thus at outcome and impact level.

9 (based on (INECE n.d.)

10 (Morra-Imas and Rist 2009)

11 (GIZ 2013)

1.1.2

Compliance monitoring versus results / outcome monitoring

Compliance related to implementation in the area of regional economic integration usually refers to compliance of individual member states or signatory parties with regionally agreed harmonisation of laws, bylaws and regulations and other obligations or measures agreed upon, e.g. the removal of non-tariff barriers (NTBs).

Compliance thus has a strong implementation (and performance) focus – has what was agreed been done, is it in place? Compliance monitoring in practice mainly covers legal compliance, meaning fulfilment of legal obligations, mostly at member state level, often resulting from respective REC protocols. The process of transposition of such regulations in accordance with the obligations involves a number of activities. These produce outputs, such as a harmonised regulation itself, its enactment and proliferation and possibly also enforcement. In practice, however, legal compliance in many cases does not cover the question whether the harmonised or enacted laws are actually enforced – which, however, in the narrower sense still falls under compliance monitoring.

Outcome monitoring¹² on the other hand goes further and additionally informs on changes resulting from implementation, including compliance. It goes further than compliance by asking for effects. Outcome monitoring in general would thus answer the question, what effects a removed trade barrier has when initial compliance has been achieved and the trade barrier has been removed. Outcome monitoring hence requires more systematic observation of a number of variables and indicators.

Consequently, outcome monitoring demands a different set of instruments and/or indicators and is usually not covered by compliance-oriented scorecard approaches. Outcome indicators reflect changes and effects achieved as a consequence of compliance. Outcome indicators thus have to cover several dimensions and include qualitative aspects in addition to quantitative ones. Challenges with regard to outcome indicators lie in the difficulty to a) reflect the multiple economic but also political and institutional dimensions of REI and b) to isolate or attribute the actual effects to certain measures taken, including compliance.

The presence of indicators *per se* does not ensure outcome or results orientation, but a mix of implementation and compliance with outcome indicators and analysis and reflection does.

Indicators vary and can be formulated covering very different levels. They can be compliance or implementation oriented, if focusing on quantitative measurement of activities or outputs, e.g. measuring the number of NTBs removed or the number of laws harmonised. Outcome indicators are formulated at the level of change to be achieved, e.g., whether and how trade, export or import volumes and trade intensity, access to or number of products, capital or services has developed; or the results of changed, harmonised and liberalized (trade), emanating in changes in trade-related costs. These kinds of indicators, however, still require an in-depth analysis over time and further analysis as part of the monitoring cycle, usually during regular monitoring meetings. The results, however, should always be made available to the decision-making structures of a REC.

The difference between compliance and outcome monitoring in relation to regional economic integration can be illustrated with an example: monitoring of compliance gives indications whether measures agreed by member states to liberalise the free flow of goods and services, if covered within a REC, have been implemented. These can be either laws or bylaws that need to be harmonised or enacted, barriers or tariffs that were agreed to be removed, or other related measures. Compliance then indicates the level of achievement of the agreements in place.

While achieved implementation of agreements would indicate high or full compliance, it does not measure – and therefore not inform on – whether or in which way this has resulted, in an actual increase of intra-regional trade, usually set as one goal of removal of trade and nontrade barriers and whether this actually happened as a result of the changed laws, tariffs and trade practices. It does also not assess, whether access and practices for businesses, e.g. for export, have changed as intended. Neither does it provide information on whether these improved conditions for businesses have indeed enhanced the living conditions in the member state and REC (impact).

The example given illustrates that regional economic integration can be assessed and measured in varying depth. This also largely depends on the set objectives and strategic orientation of RECs.

¹² The term outcome is in the following used interchangeably with results, in order to avoid stating both terms each time.

1.1.3

M&E system and instruments for monitoring

There is no unified description or definition for a monitoring system. Since monitoring involves systematic and continuous observation, collection and analysis of relevant information and data, a monitoring and evaluation system defines the what, how, by whom and how often of both monitoring and evaluation.¹³ The system is often spelled out in an M&E policy, guideline or handbook, which provide the necessary transparency and guidance for all parties involved.

What is being measured?

The M&E system, more precisely the monitoring instruments required, largely depends on what needs to be measured, tracked and evaluated. The 'what' is chiefly determined by the planning and results framework, which describe what should be achieved – hence also be monitored and ultimately evaluated.

Project and programs are usually based on a result-matrix with indicators, often presented in a logical framework matrix. Strategies, plans and different protocols on trade, finances, customs etc. for RECs are likewise operationalized with their different areas in varying formats of planning matrices, often indicator-based.

The planning matrix indicators relate to and operationalize the objectives and/or strategies of the strategic plans, strategic development plans or undersigned protocols of the RECs in place. The indicators can measure impacts and outcomes, outputs, as well as levels of national and regional legal compliance; they can be purely quantitative and/or integrate qualitative aspects and most of the time present a mix of compliance, output and outcome indicators.

Matrices outlining legal commitments on harmonising laws, by-laws, rules and regulations based on signed protocols and treaties are often not indicator-based. Targets or benchmarks, setting goals to be achieved are also possible, depending on the design of the instruments applied within the monitoring system.

In case planning and results frameworks do not exist or are not suitable to establish a monitoring system, the first steps in setting up an M&E system are to determine or revise the results to be achieved as well as the areas to be monitored and to formulate indicators, targets and/or milestones.

The timeframe of indicators¹⁴, targets and/or benchmarks can vary – they can be valid over a period of years and progress is then assessed in relation to the overall goals set and with set milestones in between, or they can be annual indicators, targets or benchmarks.

How is it measured and with which instruments?

The results framework and indicators determine the complexity of the monitoring and evaluation exercise and the set of instruments that will enable monitoring, thus the observation and collection of information and data. Instruments used in M&E systems are thus ideally identified based on the specific needs of a REC. The availability of corresponding capacity, financial and human resources usually also play an important role in their selection.

Monitoring can be undertaken using and combining different **instruments**. It usually involves some kind of **database as a repository**, including Excel databases, in which information on progress is stored and, depending on the type of database, also depicted. It can also be a (web-based) **management information system (MIS)**, integrating several databases with different purposes or areas for monitoring. A MIS, though costly to develop and often complex to manage and maintain, can particularly support systems with the need to collect and integrate information from remote parties. The MIS can also be based on **progress indicators** allocated at implementation and/or results level.

Database-based **scorecards**, often including indicators, targets or milestones, are usually used for compliance-centred monitoring. Their information is frequently presented in percentages achieved against targets established, largely based on obligations from regional agreements undersigned.

13 Evaluation is however dealt with more in detail under section 1.2.

14 Overall, indicators should follow the international standard of being SMART (formulated to be specific, measureable, achievable, relevant and time-bound).

Depending on the type of indicators, compliance information or the type of trade statistics required for monitoring, **baselines** might have to be established as part of the monitoring system, so progress until a certain point in time can be measured.

Monitoring results should be regularly discussed and compiled in publicly available **monitoring reports**. Such reports provide an opportunity to add additional dimensions, e.g. discuss more qualitative outcomes, integrate an analysis of relevant national and regional trade statistics, compare developments over time, etc. They thus represent another monitoring instrument.

Information from monitoring and evaluation should be used for learning and steering of economic policy and implementation of trade- and economic measures. **Review meetings**, either specific **monitoring meetings** or **meetings of political institutional structures** of RECs, are thus important, if monitoring and evaluation results on the status of regional economic integration are to be discussed and corrective actions are to be agreed upon. The *de facto* use of collected monitoring information as part of these meetings is central in making them an additional M&E instrument.

Who does it? And how often?

Institutional structures and responsibilities for monitoring and evaluation as well as the recurrence and timing for collection, analysis and discussion of monitoring information are clearly defined and distributed within an effective M&E system (see more in the following section).

1.1.4

Institutional integration of M&E in RECs

Successful M&E systems require clear mandates and structures, staffing and resources for M&E. The following outlines important issues and prerequisites for meaningful monitoring of REI in RECs.

M&E should ideally be closely related to strategic planning, therefore the RECs' M&E structures should be linked with the planning structures. M&E within RECs needs to take place at the regional level within a structure supporting the regional integration process and close enough to the decision-making structures.

M&E responsibilities within these structures – in most cases assigned to the REC Secretariat and/or a special M&E unit – need to be clearly mandated¹⁵ and possess the relevant authority.

Monitoring instruments in RECs are to be anchored within and nurtured by both, regional and national level M&E structures. The appointment of either monitoring focal points or national level M&E structures in relevant institutions, such as Ministries, is required. These national structures are then tasked to provide the relevant and agreed data and information to the regional level, according to the protocol or guidelines established.

The independence of the regional structures within RECs (Secretariat or M&E unit) from national interests might be an advantage when compiling, validating, processing and analysing the information provided by the structures on the national level. Finally, a report or a MIS with integrated national databases, for example, should provide an overview of implementation, achievements and outcomes at both levels.

The format of presentation of the monitoring information depends on the agreements made as part of the establishment of the M&E system but it should cover both implementation / compliance and outcome information in an informative and digestible overview. It needs to serve the purpose of depicting regional progress and outcomes of REI.

¹⁵ This includes established responsibilities and a protocol, including timelines, for the collection and analysis of the relevant monitoring information.

The monitoring information needs to be provided or presented regularly to the decision-making structures of the REC, best as part of their meeting cycle, where decisions concerning REI are taken. Effective analysis and discussion of the information provided – not just ticking an agenda point or taking note that a report exists – will permit the institutional structures to use it as a steering tool and to take informed implementation and/or policy-related corrective actions.

In order to make M&E effective, implementation and outcomes of REI need to be enforced. This can involve legal dispute mechanisms in court and sanctions for slow implementation or low compliance, as well as mechanisms that allow the lodging of complaints in case of infringements. Peer pressure resulting from M&E information, however, is also a tool for enforcement within RECs, underscoring the importance for discussions of M&E results, including underlying reasons for possible slow or inadequate implementation, compliance and insufficient or even unexpected outcomes.

Both aspects of regular discussion in order to take corrective actions as well the provision of M&E information are related to transparency. In this regard it is important to bear in mind that monitoring and the provision of regular monitoring results make progress or lack of progress transparent. Since member states, however, often prioritise their national economic development, interests and processes over the overall regional agenda, monitoring and related transparency is often undesired, resulting in low priority given to effective M&E within RECs.

Other important **institutional pre-requisites** for the effective functioning of an M&E system are **adequate staffing levels with relevant capacity to perform the M&E functions** agreed upon – which will also determine the quality of the data and information available – as well as sufficient budget allocated for this task. Overall, a reasonable ratio of costs and benefits is required. However, M&E systems, especially instruments such as MIS, require investment for their development as well as capacity development for the users.

In sum, monitoring of REI in RECs should be designed to monitor the whole change process, which includes both compliance and outcomes so that it can indeed inform about outcomes of regional economic integration and guide trade and integration related policy-making.

Higher-level impact in terms of broader benefits can then be assessed as part of scheduled and regular evaluation. This, however, has to be foreseen in the M&E system from the beginning.

1.2 Evaluation

Evaluation is defined by the OECD DAC as *‘the systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability...’* (OECD DAC 2002)

Evaluation thus has a different focus and provides a different set of information than monitoring. Evaluation is periodically defined and complements monitoring, as it covers different information, such as impact and includes an assessment against criteria (e.g. the OECD DAC evaluation criteria relevance, efficiency, effectiveness, impact and sustainability).

Evaluation can be conducted ex-ante, mid-term and as a final evaluation. The timing usually determines the type of insight the evaluation provides. Like monitoring, evaluation is also relevant for steering and management and provides information for learning and corrective actions. However, questions raised and assessed as part of an evaluation are of a different nature and cover questions of what has changed and for whom, whether the design and strategy chosen are relevant and adequate, and whether planned measures have been completed and are sustainable.

When establishing an M&E system, it has to be agreed upon the kind, focus and regularity of an evaluation (or review) and upon whom will conduct it. Only in this case can the overall M&E system of the REC provide the full set of information necessary to track and steer REI overtime in accordance with the objectives set by the RECs.¹⁶

Evaluations to assess impacts of regional economic integration can for example be scheduled every five years, or be defined as shorter-term reviews (e.g. biennial). They could be related to the overall evaluation of a medium term strategic plan and/or specific protocols. Relevant indicators and fields for observation, however, also have to be determined as part of the evaluation to ensure that the impacts the REC is ultimately aiming at, as well as the benefits and/or impacts from regional economic integration, are assessed.

1.3 Quality criteria for M&E of regional economic integration in RECs

In conclusion of what has been discussed before, several criteria emerge as important for meaningful and effective M&E to measure regional economic integration.

After explaining four relevant areas for quality criteria as set out in GIZ’s M&E policy (see GIZ 2013 for more), this section develops an overview of crucial aspects that should be in place in all M&E systems.

A) Design and structure

The design and structure of an M&E system determines its effectiveness to a large extent. The following aspects are quality criteria in the area of design and structure to which M&E systems need to apply.

M&E has to follow a regular and structured approach. Hence, it should **be based on indicators**, targets and/or milestones indicating advancement in relation to what has been planned. Strategic and operational **planning and monitoring should therefore be linked**.

The design of the M&E system is to include a **relevant and realistic mix of instruments** covering compliance and outcome (impact). The choice of instruments and system should match existing human and financial capacities – or include building relevant capacities.¹⁷

¹⁶ In practice monitoring is often designed to focus on compliance and/or implementation of the means and strategies in place. Even though advisable that monitoring would be results-based and cover both implementation/compliance and results, evaluation can in this case help to narrow a gap relating to insight into regional economic integration outcomes. However, if evaluation is not scheduled for (also often the case in practice) and monitoring mainly covers compliance, the REC lacks a basis for steering, learning and orientation towards its objectives.

¹⁷ Issues that arise within M&E systems relate to collection of data from both national and regional level, the command of the data collection instruments chosen and a necessary high level of coordination. Realistic design includes reform and allocation of resources to M&E, if necessary; however, the regional REC structures and the national structures to provide the monitoring information have to be in the position to implement the M&E system (see B).

Given the specifics of RECs, it is to include information from both national and regional level and shall be designed to **inform policy making** as well as decision-makers and allow review and adjustment of economic policies, underlining the necessity for outcome monitoring as part of the M&E system.

Monitoring has to be **inbuilt into the REC meeting / reporting cycle** at all various levels (including decision-making political level) so that results are used to track progress and enable taking necessary corrective measures.

B) Implementation and steering

In order to be effective, the M&E system needs to be fully implemented and steered accordingly. This requires adequate **institutional structures** with a clear **mandate to monitor** (and undertake / oversee evaluation), including request and enforcement procedures. **Furthermore it needs to be steered** at both national and regional level. Thus, it commands clear distribution of roles and responsibilities in the M&E cycle.

Submission of information and M&E results should somehow **be enforced**. The system should thus have ‘teeth’. Besides the level of importance given to M&E, control and validation as well as follow-up on results and related decisions, the possibility for sanctions in case of non-compliance or even non-submission of information can render more pressure as an additional steering mechanism to advance implementation and results. However, an enforcement and sanction related risk is that it potentially can encourage false reporting, which could be met through functioning validation integrated in the system. Nonetheless it might contribute to an overall lack of motivation and participation in the submission of monitoring information, hampering learning and steering.

RECs and member states have to ensure relevant **capacity** within the tasked institution(s) for implementation of the M&E system. This includes **sufficient human and financial resources** as well as **relevant knowledge**.

C) Documentation and learning

M&E is not a purpose in itself but should be used for adjustments and learning in order to deepen regional economic integration. Therefore, the M&E system should foresee **regular communication and discussion of M&E results**. The communication and discussion of results is to facilitate results-based management and thus has to include all relevant political decision-making and technical levels as well as both national and regional level. In doing so, it will not only be an **effective steering and management instrument** for better regional economic integration outcomes but also **facilitate learning** within as well as between RECs.

Results from M&E should be made publicly available with regular reports and factsheets, which might differ in the level of detail from the internal monitoring discussions. This external communication of progress and results to the public should be target-group-relevant and include information relevant for the private sector to create further support for the REI agenda and attain better integration outcomes.

D) Efficiency

M&E systems to monitor REI in RECs can be cost-intensive, especially if web-based management information systems are used, as such systems have to cover both regional and member state level. While some investment is necessary, the system chosen has to be needs-based and apply an appropriate **cost-benefit ratio**. This requires considering costs of the establishment and roll-out of a system and corresponding instruments, as well as capacities required for the use and maintenance of the system and instruments. Considering cost-benefits thus includes assessing the user-friendliness and keeping systems as simple as possible. Where possible, multiple use of the information produced is to be considered, e.g. linking the M&E system to other processes, such as planning and meeting cycles, in order to increase the benefit.

The following section describes monitoring and evaluation approaches in RECs considering the aspects and quality criteria outlined.

2

Current practice of monitoring and evaluation in RECs

Interviews across RECs and extensive desk research have been used to establish the current practice of monitoring (and evaluation) of regional economic integration in RECs, which is the main aim of this paper. The following section thus provides detailed descriptions of the M&E approaches in place in the RECs consulted.

The information is presented in a uniform structure in order to provide a basis for comparison. The insights are also reflected in a matrix, which establishes the presence or absence of key features (see Annex I: Overview Matrix).

2.1 Association of Southeast Asian Nations – ASEAN

In 2003 the ASEAN member states agreed to establish the ASEAN Community¹⁸ by 2020 (Declaration of ASEAN

Concord II, Bali, Indonesia 2003). In 2007 the ASEAN Heads of State signed the Cebu Declaration (January 2013) as part of the 12th ASEAN Summit to accelerate the establishment of the ASEAN Economic Community (AEC) by 2015.

ASEAN – the facts

ESTABLISHED: August 8, 1967.

MEMBER STATES: Brunei Darussalam (1984), Cambodia (1999), Indonesia, Lao PDR (1997), Malaysia, Myanmar (1997), Philippines, Singapore, Thailand and Viet Nam (1995)

OBJECTIVES: (1) to accelerate the economic growth, social progress and cultural development in the region and (2) to promote regional peace and stability.

STATUS OF REGIONAL ECONOMIC INTEGRATION: Asian Free Trade Area (AFTA) since January 2010. Currently establishing the ASEAN Community, envisaged for 2015 (ASEAN Economic Community – AEC, ASEAN Security Community, ASEAN Socio-Cultural Community).

¹⁸ The ASEAN Community consists of three pillars, namely the ASEAN Economic Community (AEC), the ASEAN Security Community and the ASEAN Socio-Cultural Community.

ASEAN Economic Ministers agreed in 2006 at their Meeting to develop ‘a single and coherent blueprint for advancing the AEC... with clear targets and timelines for implementation of various measures...’ The AEC Blueprint was subsequently adopted with the signing of the Declaration on the AEC Blueprint in November 2007 as part of the 13th ASEAN Summit in Singapore (ASEAN 2013: 2ff). The AEC Blueprint outlines the measures and actions envisaged in the four pillars for the establishment of the AEC (see ASEAN 2008 for details).

The four pillars of the AEC

1. **Single market and production base**
 - Free flow of goods
 - Free flow of services and skilled labour
 - Free flow of investment
 - Free flow of Capital
 - Development of 12 Priority Sectors
 - Food, Agriculture and Forestry
2. **Competitive Economic Region**
 - Competition Policy
 - Consumer Protection
 - Intellectual Property Rights
 - Transport
 - Energy
 - Mineral
 - ITC
 - Taxation
 - E-commerce
3. **Equitable Economic Development**
 - SME Development
 - Initiative for ASEAN Integration
4. **Integration with the Global Economy**
 - External Economic Relations: entry into force of Free Trade Agreements

(ASEAN Secretariat 2012: 3ff)

2.1.1 Approach to monitoring and instruments applied

System for monitoring

ASEAN monitors progress of regional integration in a structured and regular approach. On the one hand, the compliance-focused **ASEAN Economic Community (AEC) Scorecard** was established to monitor the imple-

mentation of the AEC Blueprint¹⁹, thus legal compliance on the way to establish the AEC.

On the other hand, the indicator-based **ASEAN Community Progress Monitoring System (ACPMS)** was established in 2007, based on an ASEAN Baseline Report conducted in 2003 for three AEC pillars, and updated with an enhanced framework in 2012. The ACPMS in its set-up covers the AEC, the ASEAN Socio-Cultural Community (ASCC) and the ASEAN Political and Security Community (APSC). As the focus of this paper is REI, only the part for the AEC is considered in the following.

Instruments for monitoring

The 2008 **ASEAN AEC Scorecard** is considered the main monitoring instrument of ASEAN for the implementation of the Blueprint as the instrument to establish the AEC. Monitoring results are presented in four phases of each two years and have been made publicly available for phase I from 2008–2009 and phase II from 2010–2011 respectively (ASEAN Secretariat 2012).

Progress of regional economic integration in ASEAN is set out to be measured through the ACPMS. However, the last ACPMS report available is from 2012, published in 2013 (ASEAN Secretariat 2013). It was unfortunately not possible to establish as part of this paper, whether the ACPMS is currently being used.

ASEANStats produces regional statistical data in the ASEANStats database, including core trade data, parts of which are also available to the public via the ASEANStats website.²⁰ This data can be used to analyse regional economic integration and can be drawn for the ACPM report (ASEAN Secretariat 2013: 141). However, the statistical data does not appear to be integrated in a structured manner into the overall monitoring system.

Regular reports to the different ASEAN bodies as part of the ASEAN meeting cycle constitute another instrument.

19 A similar scorecard has been put in place to monitor the ASEAN Socio-Cultural Community (ASCC) Blueprint, which however is not further discussed in this paper as it focuses on regional economic integration.

20 www.asean.org/resources/2012-02-10-08-47-55/asean-statistics

What is being measured?

The AEC scorecard is a compliance tool and covers compliance with measures and actions, agreed for the four AEC pillars (see box on page 21) relevant for the community, including transposition of legal obligations. It thus monitors progress and advancement in the establishment of the Asian Economic Community (AEC) formerly envisaged to be established by 2015.

Planning (the AEC Blueprint and the AEC Strategic Schedule) and monitoring (AEC Scorecard) have been connected in the establishment of the AEC scorecard. The indicators formulated as a basis for the scorecard have consultatively been developed at member state level. Nonetheless, the type of information collected as part of the scorecard is compliance- and activity-focused. It measures the completion rate, in percent, of agreed targets within the different pillars, arriving at an overall completion rate, presented in percent for all four pillars. Status of completion is depicted for the different areas under each pillar using a traffic light system.²¹

While the AEC Scorecard provides information for ASEAN on the status of implementation of the Blueprint, it does not offer information on reasons for low scores, as they are aggregated or don't provide deeper insight into delays, often stemming from slow transposition processes. Additionally, it does not inform on performance and impacts of trade liberalization and thus has to be complemented by other measures (Basu Das 2012).

The ACPMS contains outcome indicators. Indicators to measure REI which are relevant for the AEC, relate to intra-ASEAN trade in goods and services, tariffs on intra-ASEAN imports, tariffs on extra-ASEAN imports, global competitiveness, innovativeness etc. (ASEAN Secretariat 2013: 149ff). As mentioned previously, it remains unclear whether the data is collected and discussed regularly.

Collection frequency

Information on the AEC Scorecard is collected regularly and reported to the ASEAN leaders with reports developed for the meetings of the ASEAN charter bodies and the summit abased on their meeting cycle.

A report on the AEC Scorecard, covering in total two scorecard phases 2008–09 and 2010–11, was published in 2012. (ASEAN Secretariat 2012)

Control, enforcement mechanism

Monitoring of progress as part of the Scorecard is dependent on information provided by the member states and is therefore based on a self-assessment. Since this information is made publicly available, it is often criticised that member states are politically motivated to demonstrate achievements (CARI 2013) and might thus be over-reporting.

The ASEAN Secretariat on its part has not been mandated to independently monitor or validate actual completion and neither to enforce or penalise infringement (CARI 2013). The information provided as part of the AEC Scorecard does furthermore not assess and state, whether policies, laws or measures instigated are actually enforced.

2.1.2

Structures and resources for monitoring

The ASEAN AIMO has been established on the initiative of the ASEAN Finance Ministers within the ASEAN Secretariat to 'review and monitor compliance of implementing the Blueprint' (ASEAN 2008). It is therefore at the helm of monitoring in general and the AEC Scorecard in particular.

The AIMO, however, has to undertake its monitoring functions with a very limited number of staff deemed insufficient to effectively perform its tasks. (ERIA 2012) Fortunately, the issue was recognised and staffing was raised to currently six overall staff of directors, assistant directors and senior officers (Interview GIZ).

21 The traffic light indicates green for all measures foreseen implemented, orange for more than half implemented and red for less than half of the foreseen measures implemented.

Other structural challenges in relation to monitoring relate to the dependency on submission of the relevant information by member states (ERIA 2012). The information collected is, however, activity- and output-related. The different sector groups, which are sub-groups of the Sectoral Ministerial Bodies, agree on specific deliverables, which are linked to the scorecard. Desk officers organise data collection from the different sector groups, e.g. on competition policy, as part of their meetings. The progress made is stored in a table-form and submitted to the Coordinating Council.

The overall degree of implementation and the level and depth of deliverables agreed upon always depends on the level, drive and the capacity of the respective sector group, including the level of external support, which is for example stronger for pillar 1 of the AEC than for pillar 2 (GIZ Interview).

Both AIMO and ASEANStats, AIMO's statistical unit, have been established mainly with external development partner funding, from the EC, AusAID, GIZ, WB and the IMF (CARI 2013: 13).

Since the budget of ASEAN only slightly exceeds coverage of the ASEAN Secretariats' operational costs, as mentioned in the interview conducted, the Secretariat – and consequently also its monitoring function – can be regarded as highly dependent on external support.

This comment is further supported by the fact that reports of ASEANStats and the AIMO are usually developed and published with development partner support or within the scope of development projects. AusAid (as part of a now terminated program) and the World Bank are the latest supporters of such reports.

2.1.3

Communication and use of monitoring results

Institutional structures

SUMMIT – Heads of State or Governments, highest decision-making body of ASEAN. Meetings are held bi-annually and ad-hoc or special meetings.

COORDINATING COUNCIL – comprises the Foreign Ministers. Coordinates the implementation of the ASEAN Summit Agreements. Meetings at least twice yearly.

AEC COUNCIL – Coordinates Sectoral bodies and ensures implementation of relevant decisions.

ASEAN SECTORAL MINISTERIAL BODIES – comprise the respective national sectoral ministers, which meet at regional level as implementers of the agreements in their countries.

ASEAN SECRETARIAT AND ASEAN SECRETARY

GENERAL – regional body. Coordinates, facilitates and monitors progress in the implementation of ASEAN agreements. Prepares and participates in meetings of ASEAN charter bodies. Houses the ASEAN Integration Monitoring Office (AIMO) and the subordinate statistical unit ASEANStats.

ASEAN NATIONAL SECRETARIAT – focal points at national level for the coordination of implementation of ASEAN decisions. Repositories of respective member state information.

Source: Bartels 2013: 7

Monitoring involves both, the national and the regional level: information for the AEC Scorecard is provided by the ASEAN member states to the AIMO at the ASEAN Secretariat.

The scorecard-based implementation report, consolidated by the AIMO at the ASEAN Secretariat, is submitted to the Council of Ministers and discussed at the Committee of Permanent Representatives.

The Secretary General of the ASEAN Secretariat reports progress on the AEC implementation at ministerial meetings and to the Heads of State and Government at the annual ASEAN summit.

2.1.4

Evaluation

Evaluation is not specifically mentioned and/or scheduled within the Blueprint. However, a Comprehensive Mid-Term Review (MTR), decided upon in 2009, has been commissioned to the Economic Research Institute for ASEAN and East Asia (ERIA) by the ASEAN Economic Ministers in 2011.²²

The terms of reference of the MTR, submitted to ERIA, established three main areas relevant for the review: a) implementation performance by member states in relation to AEC measures, b) outcomes and impacts or contribution to the economy and c) the way forward to accelerate the establishment of the AEC by 2015 (ERIA 2012: 1). In the MTR ERIA furthermore distinguished between outputs and outcomes within the different sectors and simulates impacts on the economy from deepening integration.

The MTR emphasised important issues and formulated recommendations in relation to progress towards the establishment of the AEC. It was unfortunately not possible to assess whether and if so, how and who has followed up on the recommendations made.

The ASEAN Integration Monitoring Report (AIMR), published in 2013 by AIMO at the ASEAN Secretariat jointly with the World Bank (WB), focuses on ASEAN policy and market integration outcomes of the AEC formation process under pillar one. The report, an output of the ASEAN Community Monitoring and Evaluation Program (AECMEP) and indicated as the start of an annual series (however, no other report has been found), seeks to complement the progress assessment on policy commitments as provided by the ERIA MTR. Its aim is to report on progress made in four AEC dimensions, namely merchandise trade, trade facilitation, services trade and investment, thus providing an update on the state of regional and global integration of ASEAN MSs to a large extent based on international data and indicators (ASEAN Integration Monitoring Office and World Bank 2013).

Research institutions and/or donors have also assessed the progress of ASEAN and its impact on regional economic integration in a number of publications, i.e. the CIMB ASEAN Research Institute (CARI) (see Dosch, 2013) and the Asian Development Bank Institute (ADBI) (see Yue Chia, 2013).

2.1.5

Conclusions and lessons learned

The focus of the current scorecard-based monitoring approach of ASEAN on the establishment of the AEC is activity- and compliance centred. It states percentages of achievement of the measures planned within the AEC Blueprint. Difficulties related to enforcing implementation targets have been observed (CARI 2013: 6).

The ASEAN scorecard as it stands does not cater for in-depth conclusions around qualitative aspects of the actual implementation or outcomes of compliance with obligations or regional economic integration. How this could be achieved has been subject of discussions at an EU-supported workshop in June 2014 in Jakarta, organised by the ASEAN Secretariat with expert input from the OECD and the Institute on Comparative Regional Integration Studies of the United Nations University (UNU-CRIS). The experts acknowledged and discussed the need for a set of **outcome-based indicators covering integration to complement the current compliance tool** (ASEAN Secretariat 2014).

The prominent but compliance-oriented AEC Scorecard measures progress on the implementation of the AEC Blueprint, thus integrates monitoring with the planning for the establishment of the AEC. Nonetheless, the monitoring components and the scorecard and the outcome-oriented ACPMS seem to be lacking overall linkage.

ERIA has, as part of the MTR, come to the conclusion that limited number of staff hampers the monitoring capacity of the AIMO at the Secretariat and that it requires overall strengthening. The latter is also recognized by the ASEAN Secretariat itself as part of issues and challenges in the latest AEC Scorecard report (ASEAN Secretariat 2012: 18). The strengthening of the staffing level at AIMO that has happened since is commendable and can certainly support monitoring efforts. Additionally, institutional strengthening of the Secretariat (including AIMO) and the different sector groups is also part of the current discussions of the post-2015 ASEAN agenda (GIZ interview).

²² ERIA is an economic policy think tank with a large research institutional network associated throughout Asia. It undertakes research, works on deepening economic integration and development in general and provides policy recommendations. ERIA in Jakarta, Indonesia was established as an international organization through a formal agreement of the Leaders present at the 3rd East Asia Summit in 2007 with the aim to support economic integration in East Asia (including ASEAN countries).

ERIA furthermore calls for the establishment of a supplementary analytical monitoring system with the support of research and academic institutions. ERIA argues, that monitoring information should not only cover, e.g. counting the implementation of Non-Tariff Measures (NTMs) but also cover NTB effects and use this information to provide guidance on how to address such effects. This supplementing information could be obtained from other resources, i.e. further analytical and research reports (ERIA 2012: 46f) and would increase transparency.

The current scorecard is based on the AEC blueprint and the commitments made towards the establishment of the AEC foreseen for 2015. The full establishment of the AEC might require some additional efforts in the coming months as it is lagging behind the initial plans in some areas. The overall ASEAN post-2015 agenda and the related (strategic) direction is currently being discussed and determined. Insights from these discussions can also inform the re-design and establishment of a monitoring system for the post-2015 agenda. From what has so far transpired from the on-going discussions, the new system might also include a scorecard mechanism (GIZ Interview). What it might cover and focus on has not yet been decided including the question of compliance and/or outcome orientation.

Relating to evaluation, a final review, drawing lessons learned from the process of the actual establishment of the AEC would be beneficial. Such an evaluation can take a deeper look at obstacles and underlying reasons for the latter in deepening economic integration and the depth of economic regional integration and economic outcomes and impacts achieved. It should as well serve as a basis for regular and scheduled reviews focusing on the actual functioning and outcomes and impacts from the AEC established. These should regularly examine the development of the economy, growth and social and economic welfare at business and household level in the region due to the regional economic integration further into the existence of the AEC.

2.2 CARICOM and the CARIFORUM-EU European Partnership Agreement (EPA)

CARICOM – the facts

ESTABLISHED: Put in place with the Caribbean Community Treaty in July 1973, came into effect in August 1973 with Barbados, Guyana, Jamaica and Trinidad & Tobago. Other members joined subsequently. Nine additional Protocols amended the original treaty to include the CARICOM Single Market and Economy. The Revised Treaty of Chaguaramas was signed in 2001.

MEMBER STATES (15): Antigua & Barbuda, The Bahamas (1983), Barbados, Belize, Dominica, Grenada, Guayana, Haiti (2002), Jamaica, Montserrat, St. Kitts & Nevis, Saint Lucia, St. Vincent & the Grenadines, Suriname (1995), Trinidad & Tobago.

ASSOCIATE MEMBERS: Anguilla (1999), Bermuda (2003), British Virgin Islands (1991), Cayman Islands (2002), Turks and Caicos Islands (1991).

OBJECTIVES: (a) improved standards of living and work; (b) full employment of labour and other factors of production; (c) accelerated, co-ordinated and sustained economic development and convergence; (d) expansion of trade and economic relations with third States; (e) enhanced levels of international competitiveness; (f) organisation for increased production and productivity; (g) the achievement of a greater measure of economic leverage and effectiveness of Member States in dealing with third States, groups of States and entities of any description; (h) enhanced co-ordination of Member States' foreign and [foreign] economic policies; and (i) enhanced functional co-operation. (CARICOM website)

STATUS OF REGIONAL ECONOMIC INTEGRATION: Since 2006 in the process of establishing the CARICOM Single Market and Economy (CSME, excluding The Bahamas), originally envisaged to be in place in 2015, but not completed.²³

In the context of a wider reform process, CARICOM has developed a strategic plan 2015–2019, supported by the Department for International Development (DFID) of the United Kingdom.²⁴

²³ J.F. Hornbeck analyses the *lingering challenges to deeper integration* in the establishment of the CSME. These include a high reliance on tariff revenue, hindering full commitment to the CET; a strong resistance to relinquishing national decision-making authority to a regional institution; diverse priorities among countries with export sectors heavily concentrated in either tourism, agriculture, or energy; incongruent macroeconomic policies; and divergent performance in trade and economic growth. (Hornbeck 2008: 10)

²⁴ The plan can be accessed under <http://caricom.org/jsp/secretariat/caribbean-community-strategic-plan.jsp>.

According to information provided by members of the CARICOM Secretariat, the latter is currently developing a Community Monitoring and Evaluation Framework as a first step to the establishment of the Community M&E System based on the strategic plan.

The strategic plan applies a results-based management approach, underlines the importance for a strong M&E system and outlines monitoring, evaluation and reporting as fundamental for proper strategic management in the Community.

It foresees a monitoring system linking planning (the strategic plan) with monitoring, and includes reporting from national and regional level. Within the plan, key output and outcome indicators are proposed, allowing monitoring of compliance (e.g. rate of harmonization, rate of implementation of the CSME) as well as outcomes and further effects of economic integration, such as, among others, the percentage of regional trade to total trade, the growth of new businesses, the ease of doing business (see CARICOM 2014: 122). Consequently, if established as foreseen in the plan, the M&E system will provide information on the implementation of the plan (performance and compliance) and outcomes of regional (economic) integration.

Regular reporting, based on the monitoring (including situational/ outlook reports), is to be used at the meetings of the Heads of Government and the Councils. The annual Community Report, coordinated by the CARICOM Secretariat, is to be based on targets agreed within the plan (see CARICOM 2014: 99f).

Simultaneously to these processes within CARICOM, the CARIFORUM Directorate in the Headquarter of the CARICOM Secretariat is currently accelerating steps to establish a joint monitoring system for the CARIFORUM-EU European Partnership Agreement (EPA) with the support from GIZ (see more in the next section). Future research conducted in the field of monitoring of regional economic integration will hence have to assess both systems. It is, however, desirable that the systems will be harmonised to the highest extent possible in order to avoid duplication and thus overstretching of already limited capacities, financial and human resources within the institutional structures.

The CARIFORUM-EU EPA

Economic Partnership Agreements (EPA) promote trade between African, Caribbean and Pacific (ACP) regions and the EU and date back to the signing of the Cotonou Agreement in 2000.

Background EPA

EPAs are large and comprehensive trade and development partnerships. The agreements are reciprocal free trade agreements, eliminating barriers, thus, opening EU markets for the ACP regions immediately but give the region 15 (up to 25) years of opening time to EU imports. They include development components, mainly in the area of cooperation and development assistance (through the European Development Fund (EDF) and Aid for Trade-Initiatives) for implementation of the EPA.²⁵

The CARIFORUM-EU EPA is included in this paper for several reasons: firstly, the 15 CARIFORUM-EU EPA participating states include all CARICOM member states with the exception of Montserrat, but include the Dominican Republic. Secondly, the CARIFORUM-EU EPA and the CARICOM Single Market and Economy (CSME) are in many aspects complementary and hence both support regional economic integration in the grouping.²⁶ Thirdly, the CARIFORUM-EU EPA implementation structures are intertwined with the CARICOM structures. For example, the Secretary General of CARICOM is the Secretary General of CARIFORUM and the CARIFORUM Directorate is included in the CARICOM Secretariat (see 2.2.2 for more).

Additionally, the CARIFORUM-EU (CF-EU) EPA is currently the most advanced EPA, in force since 2008. It covers trade in the widest sense, e.g. trade in goods and services as well as rules and regulations that might hinder trade in other areas, such as competition, innovation and intellectual property, public procurement and standards (European Commission (EC) 2012: 5).

25 EPAs and their positive impact however, even if previously assessed through Sustainability Impact Assessments (SIA), are debated. The long negotiation processes of the EPAs in Africa are results of resistances in the countries of the respective regions. One critique expressed by the ACP heads of states is that the EPAs undermine the regional integration efforts in Africa. See European Parliament 2014 for more on positions around the EPAs and EPA negotiations. A detailed discussion is unfortunately beyond the scope of this paper.

26 Additionally, the CARIFORUM states have in the agreement committed to granting each other the same preferences as to the EU, herewith deepening regional economic integration. The EU furthermore supports a program to consolidate the CARICOM CSME (European Commission (EC) 2012: 6). The CARIFORUM-EU EPA Agreement also states the desire of those undersigning to be 'facilitating the implementation of the CARICOM Development Vision'. (EC and CARIFORUM 2008)

CARIFORUM – the facts

ESTABLISHED: In place since October 1992 as a subgroup of the ACP states.

MEMBER STATES (15): Antigua & Barbuda, Belize, The Bahamas, Barbados, Dominica, Dominican Republic, Grenada, Guayana, Haiti, Jamaica, St. Kitts & Nevis, Saint Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago.

OBJECTIVES: (1) To manage and coordinate policy dialogue between the Caribbean Region and the European Union; and (2) To promote integration and cooperation in the Caribbean.²⁷

STATUS OF REGIONAL ECONOMIC INTEGRATION: CARIFORUM-EU EPA (signed and in place since October 15, 2008).

2.2.1

Approach to monitoring and instruments applied

No joint monitoring system of the CARIFORUM-EU EPA (CF-EU EPA), signed in 2008, is in place yet. However, based on a number of developments, the first steps towards such a system are currently underway (see more in the following and under 2.2.4).

Selectively, monitoring within CARIFORUM happens at project level, i.e. by development partners, AfT-initiatives, the EDF, trade promotion and/or associations but it does not come together in a system with specified instruments and processes enabling monitoring of the implementation of the EPA overall. Regular and structured monitoring of the implementation of the CARIFORUM-EU EPA, compliance with set obligations as well as outcomes of regional economic integration from the EPA based on a system is thus not in place.²⁸

On 16 July 2015, ministers from the EU and CARIFORUM have held the first Joint Council meeting after the joint five-year-review of the EPA conducted in 2014 in Georgetown, Guyana. As part of the meeting, *‘the two Sides agreed that immediate attention should be paid to the continuous monitoring of the EPA, as provided for in Article 5. In this vein, the two Sides also agreed to develop a joint monitoring system in sufficient time to inform future reviews of the Agreement and to provide the support required to facilitate the development of the monitoring system.’* (Joint press release, paragraph 4, Council of the EU 2015) Both sides have furthermore started discussing the follow-up in this regard after the meeting in Georgetown (Input EC).

Prior to these developments, the CF-EU EPA has been reviewed in 2014 as part of a comprehensive review foreseen within the EPA agreement every five years. The review *Monitoring the implementation and results of the CARIFORUM-EU EPA agreement* had the task to *‘identify economic (and social and institutional) results in key categories relevant to the Agreement’* (Singh 2014: 5) and provided recommendations on implementation deficits identified. The absence of an agreed joint monitoring system features prominently amongst the deficits identified in the mentioned review.

The CARIFORUM-EU EPA does not prescribe the establishment of a (specific) monitoring system *per se*, but responsibility to monitor the implementation of the agreement is stipulated in Article 5, Monitoring: *‘The Parties undertake to monitor continuously the operation of the Agreement through their respective participative processes and institutions, as well as those set up under this Agreement, in order to ensure that the objectives of the Agreement are realised, the Agreement is properly implemented and the benefits for men, women, young people and children deriving from their Partnership are maximised’* (EPA Agreement 2008).

The need for a monitoring system had been discussed within the Trade and Development Committee (TDC),²⁹ before the review, but no systematic joint monitoring and evaluation framework, neither at outcome nor compliance level, had been established and/or agreed upon as part of the CARIFORUM-EU EPA.

27 Source: www.caricom.org. A detailed list of objectives of the CARICOM community can be found under www.caricom.org/jsp/community/objectives.jsp?menu=community

28 The following section has importantly benefited from interviews conducted with staff at the DG Trade of the EC as well as interviews conducted with and further input provided by staff from the GIZ EPA implementation Support Project CARIFORUM.

29 The TDC is a body with supervision function for implementation of the CARIFORUM-EU EPA, active since its inaugural meeting in June 2011.

System and instruments for monitoring

No joint harmonised monitoring system and no specific harmonised measuring instruments such as indicators, scorecard and corresponding databases – neither to measure compliance with the agreement nor outcomes – are in place.

In a harmonised monitoring system, implementation plans or action plans of the EPA implementation units at national level as a tool to monitor EPA-related compliance, which might include outcome-indicators, could assist in a) linking planning and monitoring and b) measuring progress related to implementation of the agreement at national level. The latter information could then be translated into progress at regional level overall. A recent survey undertaken by the GIZ EPA implementation support project has shown that only very few national EPA Implementation Units (EIU) actually have such plans or implementation matrices. Out of 12 countries, which have replied, only 4 countries (Antigua and Barbuda, Barbados, St. Lucia and St. Vincent and the Grenadines) have developed them; additionally only two of those include progress indicators. The focus of the current matrices is set on compliance of obligations stemming from the EPA agreement. The countries themselves largely assess the quality of the existing monitoring system as inadequate – with the exception of St. Lucia and St. Vincent and the Grenadines, the latter interestingly despite the fact of lacking progress indicators.³⁰

It will have to be discussed and agreed upon based on the overall envisaged focus of the monitoring system, how to ensure that both compliance and outcome is included in these plans and thus also measured.

Trade statistics, a prerequisite to measure regional economic integration and changes, are collected at national level, however not in a harmonised approach. As a consequence, relevant trade-related statistics are either not available and/or not comparable at regional level, impeding an appropriate monitoring baseline to be used as a benchmark for monitoring of regional economic integration.

What is being measured?

Issues relevant to implementation and challenges encountered are discussed as part of the institutional structures of the EPA (as foreseen in the agreement, Art. 2-27 to 2-32, see below). Part of the agenda of meetings of the Trade and Development Committee (TDC) is usually the level of ratification and the implementation of the EPA agreement, thus assessing compliance based on national statistics and information on legislation passed available, even if not against set benchmarks or indicators. Actions on the issues identified are reportedly discussed as part of the meeting and documented jointly with respective recommendations (Interview EC / GIZ input).

Collection frequency

The mentioned instruments do not exist in all countries and, in the absence of a joint monitoring system, data is not collected and processed jointly or based on an integrated system. However, progress in the implementation of the EPA agreement is discussed at the annual meetings of the TDC. This suggests annual use and some kind of collection of available information, even if not measured against indicators or based on specifically collected data.

Control, enforcement mechanism

Based on the absence of a harmonised monitoring system, a control or enforcement-mechanism does not exist. Recommendations made and decisions taken at the TDC are usually discussed and followed up (Interview EC), however, member states are not sanctioned for non-compliance and information on compliance or performance is not made publicly available throughout CARIFORUM.

³⁰ Information based on survey results provided by staff of the GIZ EPA Implementation Support Project.

2.2.2

Structures and resources for monitoring

Institutional structures

JOINT CARIFORUM-EU COUNCIL – highest decision-making body at ministerial level (from both parties). Biennial meetings.

SECRETARY GENERAL CARIFORUM – carried out by the Secretary General of CARICOM.

CARIFORUM DIRECTORATE (INCLUDED IN THE CARICOM SECRETARIAT) – regional EPA Implementation Unit (EIU) and the Development Cooperation and Programming Unit.

DIRECTOR GENERAL OF THE CARIFORUM DIRECTORATE – serves as the EPA Coordinator and supports the Secretary General of CARIFORUM.

EPA IMPLEMENTATION UNITS (EIUS) AT NATIONAL LEVEL – in the national Ministries of Trade.

TRADE AND DEVELOPMENT COMMITTEE (TDC) – comprises Senior Officials from both CARIFORUM and the EC. Annual meetings.

CONSULTATIVE COMMITTEE – comprises civil society representatives, including the private sector from CARIFORUM and the EC.

PARLIAMENTARY COMMITTEE – with representatives from CARIFORUM and the EC.

The role of the Parliamentary and the newly established Consultative Committee for the EPA implementation, monitoring and communication was emphasised at the Joint Council Meeting in Georgetown in July 2015.

The Parliamentary Committee (EPA Agreement 2008, Art. 231), is a forum for representatives of the European Parliament and Caribbean State legislatures. It assesses and discusses issues related to the EPA and can request information from the Joint Council. Its nature is more of (public) information sharing and transmission of knowledge related to the implementation of the agreement. Issues conversed are thus to be considered less technical than those discussed at the TDC. Meetings are held at least annually.

The Consultative Committee (CC), a forum foreseen in the EPA agreement to *promote dialogue and cooperation between representatives of organisations of civil society, including the academic community, and social and economic partners* (EPA Agreement 2008: Art 232, 1.), has taken time to appoint and was not in place until 2014. The CC has met in November 2014 for the first time, will continue in place and meet annually for the time of the agreement. It comprises 40 members (25 from the Caribbean, 15 from the EU), who discuss economic, social and environmental aspects in relation to the implementation of the EPA. The first meeting in November 2014 included the participation of the experts that undertook the mentioned five-year review.

The regional EIU is located at the CARIFORUM Secretariat included in the CARICOM Secretariat and EIUs have also been established at national level within the national Ministries of Trade.

The status of implementation of the EPA is currently discussed within the institutional structures, mainly at TDC level, which informs the Joint Council. It is to be expected that a joint and harmonised system will include these structures and provide monitoring results for their (annual/biennial) discussions and decisions on possible corrective actions.

Further institutional structures to play a role in discussing monitoring information and/or the dissemination of such information are the Parliamentary Committee and the Consultative Committee.

(Political) Structures to use the monitoring information for strategic direction within CARIFORUM are generally functioning. Structures to undertake the actual monitoring of the implementation of the EPA at regional and national level are also overall in place. For example, the regional EIU might be suitable to manage a joint and harmonised monitoring system, supported with data provision from the national level EIUs within the Ministries of Trade. Whether these structures, however, have the required human and financial capacities at their disposal in order to effectively manage the new monitoring system is one of the elements to be examined as part of the discussions (EC interview). An organisational change of working processes within those structures might support a meaningful integration of the monitoring system and related tasks into the daily activities at the regional EIU in order to automatically feed the system.

2.2.3

Communication and use of monitoring results

Overall progress and the status of the implementation of the EPA are discussed at the TDC – however not based on a systematic approach and measured against periodically reviewed indicators and/or benchmarks.

The EPA M&E system would need to ensure regular communication of the results within these structures and the use of the monitoring information for further steering of the implementation, including corrective actions.

Monitoring results, e.g. processed into specific status reports, should also be made publicly available to increase not only transparency but also peer-pressure amongst the EPA members.

Additionally, monitoring information should also be used to inform the general public about the advancement of the EPA, including specific benefits and/or success stories as collected and published via the CAFEIN platform.

2.2.4

Evaluation

A regular review is foreseen every five years within the CARIFORUM-EU EPA agreement. The costs are born by the EC, in particular the DG Trade, as part of the commitment made with the agreement. External consultants undertake the review.

The ECs' overall approach to ex-post evaluation and consultation of stakeholders was recently reviewed with the adoption of the Better Regulation Agenda on 19 May 2015. The Better Regulation Agenda is a comprehensive package of reforms covering the entire policy cycle, including evaluation and stakeholder consultation. In general, it was outlined in the interview with the EC, sufficient time should have passed since the start of any implementation to ensure availability of data. The Better Regulation Toolbox, accompanying the guidelines on Better Regulation mentions at least three years worth of reasonably full data.³¹

Since trade agreements are not time-bound like programs or projects, their evaluation does not qualify as ex-post evaluation, but rather as interim evaluations. In contrast to the review of the CARIFORUM-EPA undertaken, which had more the character of a review-study, ex-post or interim evaluations are then scheduled to be full-fledged evaluations, including the assessment of economic, social and environmental impact. The evaluations are conducted in relation to the ex-ante Sustainability Impact Assessments (SIA) and assess whether the forecast was correct and has produced the expected results. Gender and human rights are also assessed as part of these types of evaluations.

Learning from the 2014 EPA review will be ensured through an action plan drawn from the reviews' conclusions and recommendations (Interview EC).

Overall, the results of the review report have been widely discussed amongst different stakeholders since its release. The emphasis the report places on the lack of a harmonised monitoring system seems to effectively have created a momentum for the topic. As emphasised during the interviews with the EC the lacking monitoring system was also tabled at the annual TDC meeting in November 2014, during which the results of the review and the creation of a long-term monitoring mechanism have been discussed.³²

Furthermore, the report seems to have created a different sense of urgency within CARIFORUM: stakeholders consulted for the five-year review report have pointed out *the crucial role of the governments of the UK and Germany in supporting the EPA implementation* (Singh 2014: 25). Following the publication of the review and the subsequent discussions around its results, the Director General of CARIFORUM, Percival Marie, approached the German GIZ CARIFORUM EPA Implementation Support Project to specifically discuss the issue of monitoring at the end of 2014. GIZ has consequently and based on the CARIFORUM Directors' request integrated the support to the establishment of a CARIFORUM-EU EPA monitoring system in its 2015 work plan. Currently, the first concrete steps, an assessment of related needs and how the joint monitoring system should look like, are set in motion.

31 All related documents can be downloaded from http://ec.europa.eu/smart-regulation/better_regulation/key_docs_en.htm.

32 <http://trade.ec.europa.eu/doclib/press/index.cfm?id=991>

2.2.5

Conclusion and lessons learned

As the recently published five-year review report puts it: *'The importance of an agreed monitoring mechanism cannot be overstated.'* (Singh 2014: 118). The recent first steps towards a joint monitoring system suggest that the message has indeed been received. The fact that the EPA review seems to have created an important momentum to set-up a joint monitoring system underlines the relevance of monitoring and evaluation exercises *per se*: **M&E produces evidence and creates pressure for implementation; resulting, in the best cases, in actual corrections and changes in the course of action.**

The discussion about and the overall set-up of the joint monitoring system will require a number of structural and procedural decisions. *'Who, in which capacity and which role will be involved and contribute how and when and with what data to the overall system?'* are questions to be answered. The different sections have already highlighted a number of points to be considered: the main instruments to be used, processes and organisational roles to be determined, actors to be involved.

Relevant business support organisations, e.g. the CARICOM Office of Trade Negotiations (OTN), the Caribbean Export Promotion Agency and others, and their technical staff should ideally be associated with the system as well, as they possess relevant insight and data. The use of existing tools for harmonised data collection, such as the regional online platform CAFEIN, will also be relevant considerations in the process of setting up a joint and harmonised monitoring system (GIZ input)³³.

EPAs are an important trade instrument and negotiations for new agreements have been underway within the past decade with a number of RECs of the ACP states. EPAs have been endorsed in 2014 by three major RECs in Africa: EAC, ECOWAS (West-Africa EPA) and a diminished SADC EPA Group³⁴.

The ECOWAS Heads of State endorsed but not yet ratified the West Africa-EU EPA on 10 July 2014, negotiated from October 2003 up to February 2014.³⁵ The EAC-EU EPA, negotiated since 2010, was initialled on 16 October 2014, replacing the 2007 interim framework (EC 2014c) and the SADC EPA Group concluded on 15 July 2014 after ten years of negotiations (EC 2014a).

The EC recognises the efforts for regional integration by the RECs in documents on those EPAs and voices the intention to support the latter with the respective EPA (EC 2014a, 2014b, 2014c).

Within those EPA agreements, monitoring is equally named as a requirement. Learning from the CARIFORUM-EU EPA experience, a monitoring system should thus be established right from the beginning. Additionally, it is desirable that the system will be harmonised and linked with existing monitoring approaches and tools within relevant RECs, particularly when the EPA group membership is almost identical with a REC-membership, as is the case with the CARIFORUM EPA and CARICOM.

Establishing a somewhat standardised approach to monitoring for EPAs could be cost-effective, even if differences between regions and countries involved in the EPAs might allow standardisation only to a certain extent. Consulted on the issue, the EC responded that a uniform system reflecting existing differences might be of interest but does not exist so far.

33 The CARIFORUM EPA Implementation Network CAFEIN runs an interactive intranet platform under <http://cafein-online.net>, supported by GIZ, to facilitate information sharing and networking amongst the authorities involved in the EPA implementation. Integrated is additionally a public website, focusing on the provision of information around the EPA, news, events as well as success stories of businesses.

34 Consisting of Angola with an option to join the agreement in the future, Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland. The other six SADC members are negotiating EPAs as part of other groupings, see <http://ec.europa.eu/trade/policy/countries-and-regions/regions/sadc>

35 Final Communiqué, 45th ordinary session ECOWAS, 134/2014, July 10th, 2014. The EPA is between the EU, 16 West African States and includes their two regional organisations – ECOWAS and the West African Economic and Monetary Union. (EC 2014b)

2.3 Central European Free Trade Agreement – CEFTA

CEFTA – the facts

ESTABLISHED: CEFTA signed in 2006, in force since 2007.

SIGNATORY PARTIES: Albania, Bosnia and Herzegovina, Macedonia, Moldova, Montenegro, Serbia, Kosovo³⁶.

OBJECTIVE: to expand trade and transit in goods and services and to promote cooperation in other trade-related areas, such as investment, services, public procurement, and intellectual property rights.

STATUS OF REGIONAL ECONOMIC INTEGRATION: free trade zone (31st October 2010).

The CEFTA was formerly constituted of the Czech Republic, Hungary, Poland, the Slovak Republic and Slovenia. Due to their accession to the EU it was decided in 2006 to extend the CEFTA to South Eastern European (SEE) states.³⁷

The new CEFTA replaced a large number of bilateral free trade agreements with a new and very comprehensive multilateral free trade agreement (Handjiski 2010). This new agreement aims not only at liberalising trade with a focus on specific sectors, in particular Agriculture, Sanitary and Phytosanitary but also at non-tariff trade barriers. Besides covering free trade of certain goods and services it also recognizes and covers collaboration on relevant trade-related areas (see objective).

Greater integration through CEFTA was pursued as a) the SEE economies are all relatively similarly developed, b) aspire EU membership and c) deepened integration was assumed to be helping stability and peace in the region. Cooperation and further unification of the economies and trade through regional harmonisation, also through the integration of EU standards, can facilitate their possible accession to the EU. Experience in institution building through regional cooperation, harmonisation processes requiring adaptation at both political as well as business level is further regarded as beneficial for the process.

Moreover, the CEFTA can increase existing cooperation and trade with the EU in the meantime. In fact, the EU is the most important trading partner for CEFTA countries.

2.3.1

Approach to monitoring and instruments applied

CEFTA has a monitoring system in place since 2009 and follows a structured and regular approach, which connects monitoring to strategic multi-annual and annual work programs, setting the priorities for the CEFTA for the year.³⁸ Monitoring is generally inbuilt in the reporting cycle by the structures established either as part of the agreement (e.g. the Joint Committee) or later through Joint Committee decisions for the management and implementation of the agreement.

Institutional CEFTA structures

JOINT COMMITTEE – Ministers responsible for Trade, the JC is chaired by each Party through annual rotation in alphabetical order

SUB-COMMITTEES (SC) with the task to facilitate trade in their areas within the region (based on ToR agreed in 2007 at the Joint Committee Meeting) for:

- Agriculture and Sanitary and Phytosanitary Issues
- Customs and Rules of Origin
- Technical Barriers to Trade and Non-Tariff Barriers

WORKING GROUPS as consultative forums:

- Working Group on Technical Barriers to Trade
- Working Group on Trade in Services
- Working Group on Customs Risk Management

CEFTA SECRETARIAT (situated in Brussels, Belgium), provides technical and administrative support to the CEFTA bodies.

System for monitoring

The work-program-based monitoring approach, started in 2009 by the Montenegro Chairmanship, is centred on the action plan/work program based on a log frame approach of the CEFTA Sub-committees (SC).

The Chair in Office³⁹ sets the (regional) objectives and priorities for all CEFTA areas for the year based on a

³⁶ This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo declaration of independence.

³⁷ Bulgaria and Romania left the CEFTA based on their EU accession in 2007, Croatia in 2013.

³⁸ The following sections have importantly benefited from the input provided by and the interview conducted with staff of the GIZ Open Regional Fund – Foreign Trade promotion in SEE project.

³⁹ Chairmanship rotates annually among the Parties.

three-year strategic work program. Based on these set objectives and priorities, the Sub-committees⁴⁰ plan the work program within their specific trade area, detailing relevant indicators, further activities as well as sources of verification for the given objectives and priorities. The work programs are publicly available through the CEFTA website.

Instruments for monitoring

Monitoring within the CEFTA happens at **both national and regional level** and applies different instruments, leading to a cascading use of the monitoring information.

Besides the **annual work programs** as a basis for monitoring, agreed for the regional level, the CEFTA manages **online databases** for different areas. These are interlinked and integrated into one searchable online database, the **CEFTA Transparency Pack**.⁴¹

CEFTA Transparency Pack – online databases to support transparency and monitoring

Four databases have been interlinked as part of a searchable overall database:

- **CEFTA TRADE PORTAL:** information on most important trade regulations of the CEFTA signatories.
- **CEFTA SANITARY AND PHYTOSANITARY (SPS) DATABASE (2013):** comprehensive record of key laws and bylaws and specific measures including criteria and HS codes of a product or an area.
- **CEFTA TECHNICAL BARRIERS TO TRADE (TBT) PLATFORM (2014):** information on unnecessary technical barriers to trade and quality infrastructure.
- **MARKET ACCESS BARRIERS DATABASE (2013):** applies UNCTAD classification of non-tariff measures. Allows tracking of activities based on a combination of sector, commodity and product codes.

(CEFTA Transparency Pack)

Progress on indicators from the SC work programs, amongst other information, is stored and updated, depending on changes, but on a continuous basis by monitoring contact points appointed at **national level** within the databases of the Transparency Pack.

The SC Chairs control and use the national data from the databases at least once a year and needs-based for the **regional level** in order to compile annual regional SC reports (see 2.3.3 for more on communication and use of monitoring information).

The online databases focus on compliance and changes of relevant laws, bylaws, regulations, measures taken and abolishment of trade barriers within the different CEFTA areas. Through the linkages established between the databases, the information provided

- a) notifies the Parties on measures taken by another party – a prerequisite for transparency and discussion, and
- b) enables further analysis, as, e.g. a barrier relating to a certain product is automatically connected via the HS code to the respective trade volume.

Annual SC reports at regional level summarise the national monitoring information for the respective SC and the respective area of interest. For example, if it is an SC on agriculture, the report contains data about SPS, if it is the SC for TBT and NTBs, then data about trade barriers and their removal, etc. Qualitative information, i.e. from meetings held, issues discussed and agreed amongst the Parties etc. is also added.

The information from the SC reports is compiled into the annual **overall status report of the Chair in Office (Joint Committee)** on the status and progress of the CEFTA.

What is being measured?

The indicators display a mix of compliance and outcome indicators. The log frame-based action plan / work program determines the orientation of the indicators, e.g., at objective level, some indicators use aggregate-level indicators, such as increased volume of intra-regional trade.

Overall, a wide range of issues is covered with the indicators: structural changes, such as signing of new agreements or protocols (including with Parties outside the CEFTA), (strengthened) cooperation within the CEFTA and the implementation of trade measures. Indicators also relate to quantitative markers, such as the abolishment of

40 Members of the Sub-committees (SC) are formally appointed senior civil servants from the relevant Ministries and/or agencies. The SCs meet generally once a year but can meet needs-based on an ad hoc basis. Consultations, roundtables or workshops depend on the request of interested Parties.

41 See www.ceftatransparency.com. GIZ has supported the development of the internet-based platform, while the CEFTA Secretariat also hired experts to develop some of the content of the site.

customs duties, the elimination of non-tariff barriers, the number of notified standards etc. Depending on what they aim to measure, the indicators are thus quantitative and qualitative in nature; oftentimes presented as quantified qualitative information.

In general the quality of indicators (clarity, level of indicators – compliance vs. outcome indicators etc.) varies among the work programs and a number of indicators, at least within the work programs, lack specific targets (quantification of increased, decreased, regular exchange etc.).

Collection frequency

The data on the indicators is processed and entered at country level by the contact points on a continuous basis, if changes occur. The Chair of each Sub-committee gathers the information quarterly.

Annually, each SC Chair compiles the information into the particular SC monitoring report.

The Chair in Office (Joint Committee) uses the information from the annual SC reports for the overall, annual CEFTA status report, as indicated under 2.3.1.

Control, enforcement mechanism

No specific control or sanctioning mechanism – besides peer and possibly public pressure through the availability of public and comparable information – is in place.

2.3.2

Structures and resources for monitoring

The CEFTA Secretariat in Brussels coordinates and manages all CEFTA meetings, where monitoring information is disseminated and discussed as mentioned.⁴² The three permanent staff members and the director of the Secretariat therefore constitute a part of the CEFTA monitoring structures.

CEFTA contact points, responsible for the overall CEFTA coordination in their respective country, have been appointed at national level within Ministries of Economy and/or Trade. Monitoring tasks, such as the collection of information and management of the monitoring databases (national level) form part of their overall CEFTA coordination responsibilities.

Yet, the generation of reports and coordination of the overall regional monitoring lies within the responsibility of the SC Chairs, which coordinate and compile the information from the different countries for the regional level and generate the corresponding SC reports. The collection of the very same information by first the national CP and a SC Chair at regional level is avoided since the system is web-based and generates reports as per CEFTA needs.

It has to be noted that not all information relevant for the monitoring of all indicators is integrated within the online databases. For example, chairs of working groups monitor issues such as opening negotiations in trade in services or progress in that direction and notify the related Sub-Committee on progress achieved.

The Secretariat and the national level contact points perform the monitoring tasks as part of their regular functions and reporting activities, thus covered by the CEFTA budget. Development costs of the databases and their integration into the CEFTA Transparency Pack and related advisory services incurred IT support, experts, development of guidelines, training and advice and were covered by the GIZ Open Regional Fund – Foreign Trade Promotion Project in SEE.

Maintenance and hosting costs of the databases are estimated at around 1,000 € per year and are covered by the CEFTA structures and the ordinary budget with no separate budget line for monitoring established.

⁴² The decision to locate the Secretariat in Brussels is the result of long discussions as part of the 2006 CEFTA agreement. The final decision for Brussels is based on the wish to have the Secretariat a) located outside the region on neutral territory, which was associated with a higher degree of objectivity, b) the possibility for cost efficiency as the use of shared premises was possible and members travel to Brussels as part of the accession process. CEFTA Meetings are thus scheduled back to back with on-going EU meetings and c) it facilitates the promotion of the CEFTA at the EU and vis-à-vis development partners.

2.3.3

Communication and use of monitoring results

Communication and use of the monitoring information is ensured through the overall setup of the monitoring system. It links the monitoring tools at national and regional level, meeting inputs (reports) and the overall CEFTA meeting cycle.

The monitoring information is used at different meetings of the bodies (SC meetings, Joint Committee meetings) and at national and/or regional level to determine necessary corrective measures.

The SC reports are used and discussed annually at regional level by the respective SCs to assess progress made in the area against the established work programs.

The monitoring information is also used as an input to determine priorities for the coming year based on the overall CEFTA annual report and related discussions before its adoption in the Joint Committee.

2.3.4

Evaluation

Assessment of progress attained happens based on self-evaluation through the annual reports and their discussion, as mentioned. It is also part of the periodic reports submitted by the Parties to the EU as part of the accession process. The SC on Agriculture and Sanitary and Phytosanitary Issues also foresees an annual assessment of the impact of the liberalisation on the CEFTA economies as part of the current multiannual work program. However, whether this qualifies as an evaluation depends on the actual scope, depth and methodology of this assessment, which was not possible to determine as part of this study. No other (periodic) review is scheduled or foreseen.

Specialised studies offer assessments and analysis, often focusing on specific areas. These are undertaken by external experts, either financed by development partners, as it has been the case with the OECD, UNCTAD, WB and other, and/or jointly with or through the CEFTA Secretariat. These studies, or for example a joint OECD and CEFTA Secretariat issue paper series, often include some sort of outcome assessments of certain areas and/or measures implemented and are consulted and taken into account for decision-making.

2.3.5

Conclusion and lessons learned

In the CEFTA monitoring system, planning is connected with monitoring and monitoring is based on set indicators.

Compliance with set obligations, laws, regulations and the abolishment of trade barriers is the main focus of the monitoring system. However, the progress, depth and status of the CEFTA is discussed as part of annual monitoring reviews and based on relevant reports. It is beyond the scope of this paper to determine the actual depth or quality of these discussions and to which degree they are indeed used to correct the course of action or policies.

An IT-based solution through the integration of several databases, fed by the national level authorities and coordinated by specific area-related SCs at regional level increases general transparency on achievements.

Information is to a certain extent publicly available through the CEFTA Transparency Pack, e.g., the work programs and information from the different databases. Parties of the CEFTA are informed through the interconnected databases on measures taken at national level – a prerequisite for discussions about reasons for such measures or regulations at regional level.

High staff turnover is usually a challenge in public institutions, also within the CEFTA region. Sustainability of the IT-based system has been ensured through a training approach that covers one or two contact points, basic training for others in the same institution and practical step-by-step manuals, which are inbuilt into the database. Feeding the information into the databases seems to be so easy to follow that the web-based manuals, integrated into the tool, might even suffice. The parties using the databases underline the overall user-friendliness of the tools – which in part might be due to the fact that the databases have been developed in consultation with the relevant authorities. CEFTA is also developing the tool further by adding new areas of interest, tools and features – a sign for ownership, even though it was initially externally supported (Interview GIZ).

2.4 Common Market for Eastern and Southern Africa – COMESA

COMESA – the facts

ESTABLISHED: formally established since 8th December 1994 with the treaty for a Common Market for East and Southern Africa, also called the COMESA Treaty (signed in 1993, replacing the Preferential Trade Area PTA of 1981).

MEMBER STATES: Burundi, Comoros, D.R. Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe.

OBJECTIVE: Economic prosperity through regional integration.

STATUS OF REGIONAL ECONOMIC INTEGRATION: Free Trade Area (FTA) since 31st October 2000 (nine members: Djibouti, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe), Burundi and Rwanda joined the FTA in 2004, Comoros and Libya in 2006, the Seychelles in 2009 and Uganda in 2012. COMESA Customs Union launched in 2009, the transition period was extended to 2014. Common Market and Monetary Union were envisaged for 2015 and 2018 respectively. The ultimate goal, the Economic Community, is envisaged for 2025.

2.4.1 Approach to monitoring and instruments applied

COMESA, comprising 19 member states, is the largest REC in Africa.⁴³ Its overall strategic direction is spelled out in its *Medium Term Strategic Plan (MTSP) 2011–2015: Towards an Integrated and Competitive Common Market* (supported by USAID) and its results-framework, spelling out target indicators for the six different priority areas.⁴⁴

COMESA has over the years recognized that the actual depth of regional integration obtained also depends on the transposition of the agreed steps, including the harmonisation of laws and regulations and the implementation of regional integration programs. Consequently, the

MTSP 2011–2015 includes Monitoring & Evaluation under the fifth priority area, institutional development.

System for monitoring

Against this background and a decision of the Council of Ministers from 2010 to strengthen transposition, a technical working group (TWG), composed of representatives from the Secretariat and the different member states, developed the COMESA M&E Policy Framework.⁴⁵ It was presented to the COMESA members in 2014 and the COMESA Council has adopted the M&E policy framework and corresponding M&E policy framework guidelines in March 2015 (COMESA 2015: 91).⁴⁶

The M&E policy framework sets out the different goals, structures and tasks and responsibilities related to monitoring and evaluation, mainly directed at improving monitoring and reporting in relation to the implementation of COMESA regional integration programs and the MTSP 2011–2015. Furthermore, the development and approval of a M&E system is one of the MTSP indicators for Monitoring & Evaluation (COMESA 2010: 68).

The development of the M&E Policy Framework has been supported by UNDP (COMESA 2014a). The policy, as the document states, ‘*supports COMESA’s efforts in tracking, documenting and sharing lessons learned on the progress and achievements of its regional integration programmes. The policy promotes ‘best practice’ in development management, inculcating an organizational culture incorporating periodic review, and continuous reflection and learning for evidence-based decision making.*’ (COMESA 2014a)

43 It has, besides several attempts of contact unfortunately not been possible to secure an interview with COMESA within the framework of this study. The following information reflects information gathered from thorough research of available secondary sources but might therefore fall short of specific information on the process of establishment and the factual use of the monitoring system.

44 (i) Removing Barriers to Factor Mobility; (ii) Building Productive Capacity for Global Competitiveness; (iii) Addressing Supply Side Constraints related to Infrastructure; (iv) Peace and Security; (v) Cross cutting issues and (vi) Institutional Development. Consult the results framework in COMESA 2010 from page 38 onwards.

45 In the meantime, teams from the Secretariat were already collecting data on transposition via interviews of relevant MS stakeholders using a standard template. (Charalambides 2014: 65)

46 The M&E policy framework guidelines were unfortunately not available online and an earlier draft does not match the description of the content given to the Council: The M&E Policy Framework Guidelines is organized into eight sections: the foreword puts into context the events and discussions leading up to the development of the policy framework; the executive summary details the progress made towards achieving regional integration, responsibility for planning and implementation of programs and progress made towards institutionalization of the monitoring and evaluation function in COMESA; section one presents a general overview of the COMESA M&E policy; section two presents the COMESA M&E Policy’s goal and principles; section three is concerned with defining the proposed roles and responsibilities of the member states, COMESA institutions and the Secretariat in ensuring delivery on M&E commitments; section four presents the minimum M&E requirements as stipulated by the COMESA Treaty obligations; section five offers a summary of internationally accepted M&E standards; section six suggests structures for operationalizing the M&E policy, with specific roles and responsibilities of COMESA program managers and implementers; and the final section contains the annex, which includes supporting documents such as the COMESA M&E framework, sample reporting formats and other reference material (COMESA 2015: 91).

Instruments for monitoring

The MTSP forms the basis of the COMESA monitoring system, thus ensuring an apparent inter-linkage of strategic planning and monitoring.

COMESA has put in place an **online, web-based M&E system**, a MIS, known as **COMESA 24/7**, established with support of a WB grant. It facilitates real-time reporting on the implementation of the MTSP, thus on its indicators⁴⁷, and regional integration programs and projects of the COMESA Secretariat, the MS and COMESA Institutions. It is also designed to produce MS country reports on the implementation of Council decisions (COMESA 2014b). The system thus covers information from both national MS and regional level.

The introduction of the online M&E System in 2014 was accompanied by national capacity building workshops to ensure the system can be properly used. The report from the 34th Council Meeting, however, reveals that MS encounter difficulties in using the online system as they encountered connectivity and broad-width problems during these workshops (COMESA 2015: 91), highlighting the main challenges in relation to (the use) of web-based systems.

Trade-related statistics are a general major instrument to measure and assess progress of regional economic integration in RECs. Harmonisation and improvement of the quality of statistics in the COMESA region is also spelled out with a number of indicators within the MTSP (COMESA 2010: 63f). The COMESA Secretariat's statistics unit produces relevant regional and also national statistics published annually in the COMESA International Trade Statistics Bulletin. It contains statistics on intra-COMESA trade, COMESA's trade with key markets, data on trade in services and COMESA Exports by products. All these are relevant statistics to analyse regional economic integration outcomes overtime (see, e.g. COMSTAT COMESA 2013).

COMESA also has (re)developed an interactive and public data portal⁴⁸, which serves as a central repository for rele-

vant regional and also national statistics and data related to economic development, trade etc. within the COMESA region.

The M&E policy framework outlines that COMESA institutions have to submit annual implementation reports to the Secretariat on implementation and outcomes in the region, in order to facilitate information of the CoM by the Secretariat (COMESA 2014a: 18). Whether these originate from the online system or constitute additional reports remains unclear.

On the other hand, **annual COMESA reports** are made available via the COMESA website.⁴⁹ Whether these annual reports are or rather will be based on information from the COMESA 24/7 could not be established. The 2011 report mentions the progress on M&E in 2011 and the steps in the planned development of an online tool (see COMESA 2012: 96).

Reporting mechanism between RECs – the tripartite Non-Tariff Barriers Reporting System

In view of the planned grand tripartite FTA between COMESA, EAC and SADC (officially launched 10 June 2015), the three RECs launched the COMESA-EAC-SADC Non-Tariff Barriers (NTB) Reporting Mechanism in 2009.

The web-based mechanism⁵⁰ features the possibility for individuals and businesses to report a barrier encountered by lodging a complaint (including via a mobile phone). The complaint is reported to the respective national authorities and published on the website. Its resolution, if reached, is also published on the site, similar to the procedure of the EU-SOLVIT system (see 2.7.1). Notifications on non-tariff measures are also included in the mechanism. The system thus provides information relevant to monitoring and reporting on the elimination of NTBs within the three RECs.

Focal points in all 26 countries of the RECs have been appointed to guard the system – one government and one private sector focal person. Annual focal point meetings are held linked to the respective national committee or structure monitoring the elimination of NTBs, thus permitting a link to intra-REC monitoring.

Some criticism has been voiced in relation to a lack of verification of actually resolved complaints and the fact that enforcement of non-compliance is not in-built (Charalambides 2014: 55).

47 Consult COMESA 2010 from page 38 onwards. Priority areas 1–3 are directly linked to regional economic integration, whereas (iv) Peace and Security; (v) Cross cutting issues and (vi) Institutional Development target preconditions for successful regional integration.

48 It can be accessed under <http://comstat.comesa.int/Home.aspx>. TradeMark Southern Africa (TMSA) supported the redevelopment. The annual COMESA International Trade Statistics Bulletins can be accessed via the COMSTAT resource center page.

49 Only reports from 2014 and 2011 were available, when consulting the COMESA webpage (April & August 2015). www.comesa.int/index.php?option=com_content&view=article&id=21&Itemid=59.

50 See www.tradebarriers.org.

2.4.2

Structures and resources for monitoring

A COMESA M&E Unit at the Secretariat, which was set up in 2007, has supported the development of the M&E system and is to facilitate and process the reports on the implementation of the MTSP. It is to keep a database of the report and assess them regularly in order to provide policy guidance (COMESA 2014a: 20).

The Secretariat in general oversees the implementation of the M&E policy and shall, according to the M&E policy framework, produce '*comprehensive M&E bi-annual and annual performance reports*' (COMESA 2014a). In coordination with the Intergovernmental Committee, these reports are submitted to the CoM and the Authority.

National Inter-ministerial Coordinating Committees (NIMCC) and National Regional Integration Coordinating Committees (NRICC) comprising line ministries, civil society and the private sector, have been established in each MS but need to be further operationalized and strengthened (COMESA 2014: 9). They constitute a linkage to the COMESA M&E Unit in the Secretariat and are responsible for data collection and production of regular reports (COMESA 2014: 25).

The M&E policy also establishes a peer review mechanism for reviewing and assessing regional integration results at Intergovernmental Committee level.

Institutional structures – COMESA

COMESA AUTHORITY – COMESA's supreme policy-making organ. Comprises the Heads of State and Government of the different COMESA Countries. Annual Summit, Chairpersons rotate biennially.

COMESA COUNCIL OF MINISTERS (COM) – policy-making organ.

INTERGOVERNMENTAL COMMITTEE – comprises the Permanent or Principal Secretaries from the 19 Member States and is responsible for the development of programmes and action plans in all fields of co-operation except in the finance and monetary sector (COMESA website).

TECHNICAL COMMITTEES – on various thematic areas. Prepare implementation plans and submit reports to the Intergovernmental Committee

SECRETARIAT, M&E UNIT – HQ located in Lusaka, Zambia with several staff from the different member states. Informs the CoM and the Authority.

NATIONAL INTER-MINISTERIAL COORDINATING COMMITTEES (NIMCC) – MS level, linked to the Secretariats' M&E unit

REGIONAL INTEGRATION COORDINATING COMMITTEES (NRICC) – MS level, linked to the Secretariats' M&E unit

CONSULTATIVE COMMITTEE of the Business Community and other Interest Groups

COMESA INSTITUTIONS to promote development, such as the PTA Bank, COMESA Clearing House, COMESA Leather Institute, COMESA Association of Commercial Banks.

2.4.3

Communication and use of monitoring results

It has not become entirely clear from the documents available, which information (online reports, annual reports and/or annual statistical bulletins) is used to inform policy-making. The CoM meeting reports reveal that the Intergovernmental Committee informs the COMESA CoM on transposition (status of implementation of COMESA programs, including compliance with Council decisions by the different parties to which the decisions were addressed in percent, the status of signing and ratifying legal instruments etc.) during the CoMs bi-annual meetings. The information provided also contains related challenges and recommendations.

Hence, it is clear that information on regional integration is discussed as part of meetings of the Council of Ministers (or the COMESA Summit) but not entirely where it originates from in detail.

2.4.4

Evaluation

The M&E policy establishes that evaluation of COMESA integration programs shall be undertaken by external service providers. It focuses, however, on the evaluation of the programs implemented. The M&E policy does not mention an evaluation or review foreseen in general of the status and/or implementation of regional integration *per se*.

2.4.5

Conclusion and lessons learned

The COMESA Council of Ministers has adopted the M&E policy framework and the corresponding guidelines in March 2015 and urged all MS, who have not done so yet, to set up the national coordinating committees (COMESA 2015). It can thus be judged that COMESA is still in the process of setting up and finalising the overall system.

2.5

East African Community – EAC

EAC – the facts

ESTABLISHED: Originally founded in 1967, subsided in 1977. The Treaty for its revival was signed in 1999, the EAC entered into force on 7 July 2000.

MEMBER STATES: Burundi (2007), Kenya, Uganda, Rwanda (2007), Tanzania (called Partner States).

OBJECTIVE: to develop policies and programs aimed at widening and deepening co-operation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs, for their mutual benefit. (Art. 5, EAC Treaty)

STATUS OF REGIONAL ECONOMIC INTEGRATION: Customs Union (2005, Customs Union Protocol), Common Market (2010, Common Market Protocol), Protocol on the Monetary Union signed in Nov 2013.

2.5.1

Approach to monitoring and instruments applied

The EAC Partner States ratified the EAC Protocol on the Establishment of the East African Community (EAC) Common Market in July 2010. Article 50 of the Common Market Protocol calls for the establishment of a framework for monitoring and evaluation of the implementation of the Common Market Protocol.⁵¹ The EAC thus accorded a results-based monitoring policy in December 2010, in parts supported by the GIZ program Support to the East African Community Integration Process. The policy foresaw the establishment of a MIS, a web-based management information system, through which monitoring information on the implementation of the Common Market Protocol is collected, stored and made publicly available from the national and regional level.

System for monitoring

Based on a request by the EAC, it was agreed in 2011 that both TradeMark East Africa (TMEA) and GIZ would support the development of this MIS, the East African Monitoring System (EAMS). As TMEA had already started supporting the development of the system for the Partner States (national level) in early 2011, GIZ took over the support for the Secretariat (regional level). The main development process of the EAMS happened in a participatory and consultative approach in 2012 with bi-annual meetings of M&E experts from the Ministries for EAC Affairs (MEACS) and other organs and institutions of the EAC, organised by EAC, GIZ, and TMEA. The EAMS is still being improved and optimised with the continuous support of GIZ and TMEA. However, Uganda and Rwanda now finance maintenance as well as the further development of the EAMS themselves (Interview GIZ).

The overall participatory and consultative approach was chosen to assure needs-based and user-friendly tools as part of the MIS.

The EAMS Central, the MIS for the Secretariat, located within the Secretariat and thus covering monitoring information for the regional level, was acknowledged by the EAC Summit, which directed to make EAMS reports on the implementation of previous decisions the first agenda item for the Summits.

⁵¹ The following sections have importantly benefited from the input provided by and the interview conducted with staff of the GIZ program *Support to the EAC integration process*, Tanzania, particularly in relation to information on the process of development and specifics of the EAMS.

The EAMS Country, a system each EAC Partner State has in place with country specific features, automatically stores information in the system when it is entered. The information is kept in a so called ‘*update history*’.

The EAMS Central and Country are compatible and inter-linked. The EAMS (Central and Country) collects, stores, processes and provides information and data necessary to monitor the implementation of agreed decisions and directives of the EAC Summit, the Council of Ministers and Sectoral Councils. Additionally, modules to monitor the Common Market Protocol and the 4th EAC Development Strategy have been integrated into the EAMS, based on indicators for the development strategy (details on this follow under ‘*what is being measured*’).

The EAMS (Central and Country) is embedded in the institutional structures and the meeting cycle of the EAC and provides the EAC bodies with monitoring results through reports. Overall, the EAMS can in future be expanded, upgraded or adjusted according to arising needs.

Institutional structures – EAC⁵²

SUMMIT – comprising the Heads of States of the Partner States.

COUNCIL OF MINISTERS (POLICY-MAKING ORGAN) – Ministers / Cabinet Secretary responsible for coordination of regional cooperation of each Partner State.

EAC SECRETARIAT (EXECUTIVE ORGAN) – ensures that regulations and directives adopted by the Council are properly implemented. Includes the M&E unit.

COORDINATING COMMITTEE – Permanent / Principal Secretaries responsible for regional co-operation in each Partner State, which can submit reports and recommendations to the Council.

SECTORAL COUNCILS / SECTORAL COMMITTEES – prepare and monitor implementation programs for their respective sector and provide recommendations to the Coordinating Committee.

EAST AFRICAN COURT OF JUSTICE (JUDICIAL ARM) – tasked to ensure the adherence to law in the interpretation and application of and compliance with the EAC Treaty.

EAST AFRICAN LEGISLATIVE ASSEMBLY (LEGISLATIVE ARM) – democratic forum for debate with a watchdog function.

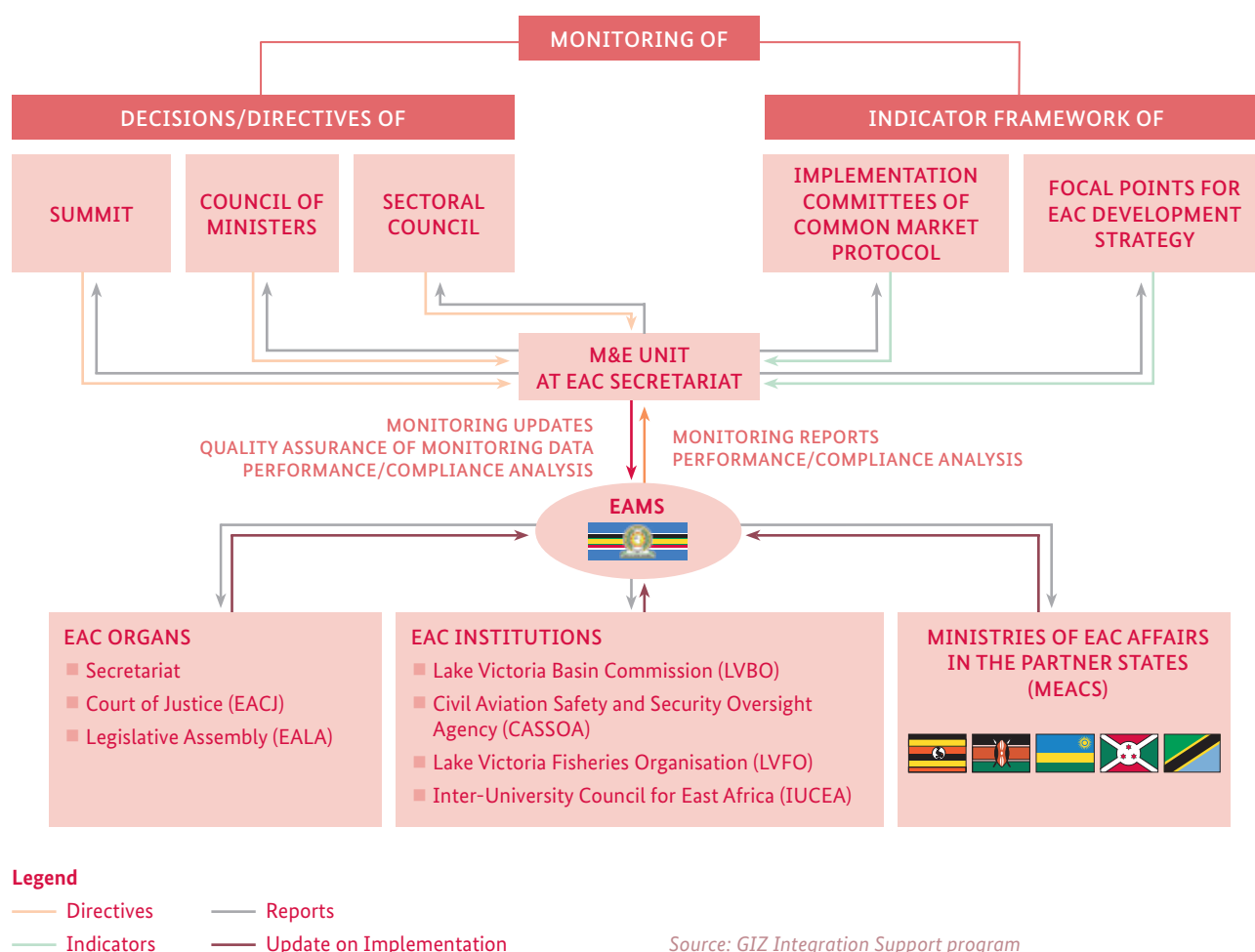
The EAC Secretariat, with support from the World Bank, IFC and TMEA, also developed the Common Market Scorecard, a compliance-monitoring tool measuring legal compliance with commitments established with the Common Market Protocol. The scorecard was officially launched in February 2014 (see more in the following sub-section).

In conclusion, the EAC thus has established and is in the process of finalizing a comprehensive M&E system for the Common Market Protocol, comprising on the one hand the East African Monitoring System (EAMS) and on the other, the EAC Common Market Scorecard.

The following figure provides an overview of the EAMS, depicting structures, direction of provision of monitoring information as well as areas monitored and instruments applied.

52 Information accessed from the (EAC website).

FIGURE 2: OVERVIEW OF THE EAST AFRICAN MONITORING SYSTEM (EAMS)



Instruments for monitoring

The main instruments within the EAC Common Market Protocol M&E system, based on the M&E policy, are the **integrated management information system EAMS**, consisting of a regional EAMS Central database and EAMS Country databases at Partner State level and the **EAC Common Market Scorecard**.

The EAC Common Market Scorecard, formally launched in February 2014, assesses *de jure* compliance with obligations set out in the Common Market Protocol. The scorecard thus allows the EAC Secretariat to push for outstanding legal reforms of EAC member states.⁵³

The scorecard is not integrated with the web-based monitoring system EAMS (Central and Country at the MEACS).

The EAMS monitors all EAC decisions and directives. Both the EAMS Common Market module and the EAMS Development Strategy module monitor progress against indicators.⁵⁴

To report on the Common Market Protocol within the EAMS, the National Implementation Committees (NICs) use their national databases and information collected from national statistics, relevant institutions and the national consumer protection organizations for data in the EAMS Country.

⁵³ However, in 2014 the Scorecard did not cover all areas of the Common Market Protocol. E.g., only some selected sub-sectors were covered within the service sectors, as an analysis of all relevant laws and regulations was deemed too extensive. (GIZ input)

⁵⁴ Indicators for the Development Strategy cover the 4th EAC Development Strategy 2011/12–2015/16. It is to be expected that the module will collect data on the 5th EAC Development Strategy, once it is drawn.

The data is afterwards integrated in the EAMS Central and used for overall reporting. The EAMS Central provides complementary information on the implementation of summit and/or council decisions and impacts of the Common Market on economic and social development in the EAC.

Reports, another M&E instrument, derived from the EAMS and the Scorecard, are produced on compliance, the Common Market Protocol and the 4th EAC Development Strategy and used by the various institutional structures in place (see collection frequency and 2.6.2). Recommendations are made based on the reports to the EAC organs up to the Council of Ministers.

Monitoring of **Non-Tariff Barriers** in the EAC is undertaken separately as part of the so-called Time-Bound-Programme within the EAC Secretariat. At national level, committees discuss the notified NTBs in their country. Should no agreement be reached within the national committee, they are forwarded to a regional Committee for discussion. At regional level, the Secretariat lists all NTBs and reports on their elimination (Status report EAC Secretariat 2014).

The implementation of the Customs Union Protocol, focusing on compliance, is also undertaken separately to the EAMS and the scorecard, as the latter focuses on the Common Market Protocol.

What is being measured?

Different types of information are collected and stored within the EAC Common Market Scorecard and the EAMS (Central and Country).

The **EAC Common Market Scorecard** measures the *de jure* level of compliance of Partner States with legal obligations assumed under the EAC Common Market Protocol in order to liberalize the cross-border movement of capital, services and goods. It thus assesses progress on the elimination of legislative and regulative restrictions to the Common Market Protocol and provides recommendations on reform measures (EAC Secretariat and World Bank 2014).

The EAMS Common Market module provides monitoring information on compliance with the Council decisions and directives by the Partner States (based on self-reporting by the latter). Compliance is then depicted through a color-coded traffic light system. It furthermore provides information on implementation of the Common Market Protocol and some outcome indicators (see below).

Planning for the EAC is integrated within monitoring through the integration of indicators of both the Common Market Protocol and the 4th EAC Development Strategy 2011–2016 within the EAMS.

As the Common Market Protocol only states goals or very detailed agreements, a regional monitoring group, comprising representatives of the Partner States, has developed performance indicators for all areas of the protocol for the purpose of monitoring.

This Framework for Monitoring and Evaluation the Implementation of the Common Market Protocol presents a mix of quantitative and qualitative indicators, covering both compliance and outcome (at objective level of the Common Market protocol) within the different areas.

For example, at objective-level of the Common Market Protocol, relating to benefits for Partner States from integration, indicators measure growth in intra-regional trade, trade balance within the EAC, per capita income and the contribution of manufacturing, agriculture and services to the GDP. Indicators also include even more complex outcomes of regional integration such as the awareness of EAC citizens of EAC integration initiatives.

In relation to EAC rules of origin, indicators cover the number of certificates of origin issued by Partner States and the number of faulted and simplified certificates of origin.

The EAMS also includes reporting by Partner States on two aspects in relation to NTBs: the number of NTBs eliminated and the notification of any new NTBs against a baseline established in 2010. While the EAMS and the Time-Bound-Programme systems support each other, the monitoring of NTBs of the EAC Time Bound Programme could potentially also be integrated within the EAMS (GIZ input).

Collection frequency

The EAMS, designed as a MIS, allows data to be entered in ‘real time’; information can thus be entered directly, independently and at whatever point in time. Deadlines for reports created with information from the EAMS are determined by the structures that use and discuss the data: for the Summit and the Council of Ministers twice a year, for the Sectoral Councils three times per year, the National Implementation Committees (NICs) and the Regional Implementation Committees up to two times a year. Thus, monitoring and the overall assembly of the monitoring information is linked with the institutional meeting cycle of the EAC.

After a Summit or Council / Sectoral Council meeting, decisions are uploaded into the system seven days after the meeting. Partner States are given a deadline in order to prepare for the next meeting. However, data is collected on a continuous basis due to the fact that some decisions are ongoing.

The 4th EAC Development Strategy foresees monitoring on an annual basis, through annual monitoring plans and standard reporting formats.

The first scorecard report has been published in September 2014 (using data from 2013) as a joint publication of the World Bank / International Finance Cooperation (IFC) and the EAC Secretariat (see EAC Secretariat and World Bank 2014). According to the document, biennial updates of the scorecard are envisaged.

Control, enforcement mechanism

Data submitted as part of the instruments is based on self-reporting by the Partner States. Currently, no specific sanctioning mechanism in case of non-compliance or low performance is in place. However, as also mentioned in the interview conducted, the instruments in place can create peer-pressure, as monitoring information is available, accessible and comparable from all Partner States.

Overall it is expected that with the current reform process, enforcement and legally binding mechanisms will increase. For example, it is currently being discussed to enable legal complaints from the private sector against a Partner State based on potential losses in gains resulting from NTBs in place via a regional law which might still be passed in 2015 (Interview GIZ).

2.5.2

Structures and resources for monitoring

The overall mandate for monitoring in the EAC lies with the Monitoring and Evaluation Unit located within the Secretariat of the EAC in Arusha, Tanzania.

Structures specifically tasked with monitoring – EAC

Secretariat of the EAC – Monitoring and Evaluation Unit

Regional Implementation Committee (RIC)

National Implementation Committees (NIC in the National Ministries of EAC Affairs), which include Monitoring and Evaluation officers.⁵⁵

The EAC Common Market Scorecard does at the moment not have further permanent structures in place. The Scorecard report has mainly been developed by IFC experts.

National Ministries of EAC Affairs in the Partner States (MEACS) have put in place NICs responsible for the monitoring of the Common Market Protocol via their meetings. At regional level the Regional Implementation Committee with representatives from all Partner States validate the information collected at national level.

The EAMS provides integrated comprehensive user manuals for all modules of the EAMS to ensure easy management of the data and databases. Training course material has been developed and training provided on the management and data population of the EAMS to staff of the EAC Secretariat, all Monitoring Focal Points in the Partner States and technical systems administrators. Since 2013 more than four trainings have been provided (GIZ input and progress reports on the development of EAMS).

⁵⁵ Some Focal Point Officers in the NICs have specifically been trained on the EAMS.

2.5.3

Communication and use of monitoring results

The EAMS Report, provided by the M&E unit in the EAC Secretariat, informs decision-makers, i.e. the Summit and the Council of Ministers before and after their meetings. As the focal points have access to the system, superiors furthermore can request updates at any time.

Data from the EAMS Country is mainly used by the MEACS, which are planning to introduce other Ministries to the system to facilitate their access to the information.

The overall annual EAC report might integrate EAMS monitoring information but with no formal obligation to do so. Increased acceptance and use of the EAMS and its information can, as pointed out in the interview conducted with GIZ staff, be deducted from the directive to discuss EAMS reports as the first agenda item at the EAC Summit. Partner States are thus increasingly getting under pressure to implement Summit and/or Council decisions and directives.

2.5.4

Evaluation

Evaluation is so far not integrated in the EAMS. However, the EAC M&E unit, while acknowledging the progress made and the benefits, the EAMS renders, realises the need for proper evaluation of the monitoring data.

The overall monitoring information is discussed and reviewed in annual workshops and insights are thus used for learning. However, to establish a culture of further, deeper analysis, outcome focus and in-depth evaluation, further strengthening of monitoring information is required (Interview GIZ). Agreement has been reached between the EAC Secretariat, M&E Unit and the support program of GIZ that future support will specifically cover the area of evaluation. According to information provided by GIZ this could comprise a combination of annual reviews, impact assessments and sector evaluations, including combinations of internal and external evaluation.

2.5.5

Conclusion and lessons learned

The EAC Council directed the Partner States to fully operationalize the EAMS and provide information in a timely manner and as foreseen.

The EAMS links monitoring with EAC objectives and strategic planning, i.e. through the integration of the EAC 4th Development Strategy, and enables the provision of relevant information on progress attained towards those objectives. The different instruments of the system provide information on overall compliance with legal obligations from the EAC Treaty, the level of compliance with the implementation of decisions and directives and outcome-oriented information based on quantitative and qualitative indicators related to the implementation of the Common Market Protocol and the development strategy.

The mentioned EAMS Central and Country modules are all in place. However, putting in place all relevant processes, structures and necessary cooperation as well as the full institutionalisation and use of the system by all stakeholders requires time. Nonetheless, the mentioned use of the EAMS reports as the first EAC Summit agenda item indicates important progress in relation to monitoring and the use of the information generated. Advocating for further use of the EAMS information as part of the overall EAC report might further strengthen the use of monitoring information and its visibility overall.

Furthermore, the EAMS is judged to be a well-developed and integrated MIS and the first web-based MIS in Africa in the area of economic integration, linking information from several databases and the national and regional level and making it possible to access the updated information at any time.

Web-based tools and management information systems always evoke the question of actual feasibility. Insights from the EAC process relate to connectivity issues (internet) as well as reluctance to use a computer-based system in the beginning. However, technical upgrades, training sessions and a simple system oriented in and based on user-needs helped to overcome the initial issues. While the system meant a substantial investment in the beginning to set up the basic EAMS Central and EAMS Country, cost-efficient upgrades are now improving the system depending on the arising needs (GIZ input).

In conclusion, it is judged by GIZ that for a regional institution with many different stakeholders in different countries a web-based system is the most practical solution in terms of coordinated cooperation for a joint management information system.

Peer learning on monitoring – EAC, ECOWAS and SADC

Since 2012, the EAC, ECOWAS and SADC have created a peer-learning group of M&E practitioners to exchange on the best learning practices and challenges of collecting data in a REC. The EAC was the first to develop a web-based monitoring system and this innovative tool worked as a catalyst for the other two RECs in their quest of developing their own monitoring systems.

The RECs have since met three times and will be meeting in 2015 for the 4th time. The meetings are held on an annual and rotational basis. SADC was the 2nd REC to come up with web-based monitoring system, while the ECOWAS system is still in the developing phase.

The three RECs have furthermore agreed to come up with a monitoring tool that will enable them to align and converge with the goals of the African Union (AU). A meeting is scheduled with the AU in September 2015 to further discuss its objectives and goals.⁵⁶

2.6 Economic Community of West African States – ECOWAS

ECOWAS – the facts

ESTABLISHED: May 28, 1975 (Treaty of Lagos)

MEMBER STATES: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo.

OBJECTIVE: to promote cooperation and integration in the context of an economic union of West Africa in order to raise the living standards of its people, to maintain and increase economic stability, to strengthen relations among the Member States and contribute to the progress and development of the African continent.

STATUS OF REGIONAL ECONOMIC INTEGRATION: Common External Tariff (CET) by 2015, West African Economic and Monetary Union envisaged by 2020.

2.6.1

Approach to monitoring and instruments applied

A monitoring system with a structured and regular approach is in place since 2009 at the ECOWAS Commission. The monitoring focuses on the implementation of the regional integration programs and made the first performance reports available in 2010.⁵⁷

Since institutional capacity, including monitoring and evaluation, has been identified in the five-year ECOWAS Regional Strategic Plan 2011–2015 as an area requiring reinforcement (Goal 5) (ECOWAS Commission 2010), it can be judged that the ECOWAS M&E system is still in the process of being refined and further improved. More specifically, the ECOWAS Commissions' M&E System is being expanded to all ECOWAS Institutions and Specialised Agencies in the member states. Already established elements of the Commissions' M&E system, such as handbooks and templates are currently revised for the use by all institutions within ECOWAS.

No ECOWAS M&E policy or strategy is in place yet, however, it is foreseen as part of the next Strategic Plan.

⁵⁶ GIZ input. See also ECOWAS; EAC; SADC. 2014. *Guiding Principles for Monitoring and Evaluation Frameworks in Regional Economic Communities (Final Draft)*.

⁵⁷ The following section has importantly benefited from the input provided by and the interview conducted with staff of the GIZ program *Support to the ECOWAS Commission*, Nigeria.

Institutional structures – ECOWAS

AUTHORITY OF HEADS OF STATE AND GOVERNMENT – policy-making body (bi-annual ordinary meetings).

COUNCIL OF MINISTERS – policy-making body (bi-annual meetings).

PRESIDENT OF THE ECOWAS COMMISSION – coordinates political strategy and recommendations with decision-making organs of ECOWAS.

VICE-PRESIDENT – strategic implementation and monitoring.

COMMISSION – 13 Sectoral departments. Houses a strategic planning and a monitoring and evaluation unit (under the Vice-President).

ECOWAS INSTITUTIONS:

- Community Parliament
- Community Court of Justice
- ECOWAS Bank for Investment and Development
- And other ECOWAS Specialised Agencies in member states.

System for monitoring

The implementation-oriented M&E system of ECOWAS links strategic planning with monitoring: ECOWAS objectives and goals from the Regional Strategic Plan (2011–2015) are reflected in annual institutional work plans (AWPs) and budgets, including the sector department level.

The Strategic Planning Unit ensures coherence between the six strategic goals of the strategic plan and their corresponding objectives of the Regional Strategic Plan with operational activities in the different areas. These include those specifically relevant to REI, such as business environment, regional trade integration, labour and capital mobility and customs.

The goals of the Regional Strategic Plan are operationalized in AWP of the ECOWAS institutions, in particular the Commission with its departments at regional level. The AWP are indicator-based, with indicators derived from the Strategic Plan.

A monitoring and evaluation manual has been developed to guide the operationalization of the monitoring and evaluation framework within the ECOWAS Commission in December 2011. The manual describes the M&E process as a flexible and participatory learning process (ECOWAS

2011). GIZ has supported the development of a revised ECOWAS-wide results-based monitoring and evaluation handbook, which is to guide all ECOWAS institutions to harmonize their M&E systems (Amoatey and Taabazuing 2013).

Instruments for monitoring

Annual work programs and budgets (AWPBs), drawn across the ECOWAS Commissions' (sectoral) departments with their respective **log frames and indicators** form the basis for monitoring in ECOWAS.

Performance related to implementation of the log frame and indicator-based AWPBs is assessed and reported in table-based **monthly, quarterly and annual departmental monitoring reports** based on templates provided. Those reports, as well as the **annual overall ECOWAS Commission performance report** as a regional instrument, present execution rates related to the implementation of planned activities and outputs (also in relation to programs implemented) against the set indicators.

Information is mainly processed manually from the reports without databases or IT-based solutions to process the information, representing a challenge in relation to effective monitoring (Essien 2013). However, an integrated management information system (MIS) is envisaged and planned since five years. Due to shifting priorities in the area of trade, e.g. the EPA negotiations, the establishment of a MIS has, however, receded into the background (Interview GIZ).

What is being measured?

The focus of the monitoring is set on (rates of) implementation and performance of the different departments and the Commission overall, not on specific outcomes from the implementation.

Depending on the program framework, the indicators are related to the set outcomes and/or objectives, and focus in the large majority on outputs, not outcomes: the formulation of the common trade policy, a study on informal regional trade, training on CET and trade liberalization scheme to enhance trade negotiation capacity (see ECOWAS Commission 2013). As the AWPBs relate to and are drawn to reflect the goals and outcomes of the strategic plan, it is assumed that the activities lead to the envisaged outcomes – which, however, are not assessed as part of the monitoring.

Compliance monitoring, thus monitoring of progress of member states on obligations in relation to community laws, by-laws, ECOWAS Heads of State and Government decisions and agreements, is undertaken by the Directorate for Legal Affairs in the Commission. No specific assessment grid or annual status report on compliance exists or at least none that Legal Affairs would share with the ECOWAS Commission – consequently, compliance monitoring is currently not linked to the ECOWAS Commissions' M&E system.

When consulting the performance report 2012 of the ECOWAS Trade Directorate it becomes apparent that, although indicators within the AWPB are to a large extent formulated at outcome level and complemented by output / activity indicators, the performance report relates to the level of implementation, thus of outputs and activities. This assessment is related to the implementation of activities and the corresponding budget expressed as progress made in percentage.

Nonetheless, the reports also indicate short write-ups on difficulties encountered and formulate respective recommendations.

Collection frequency

Foreseen within the M&E manual are monthly, quarterly and annual reports (Amoatey and Taabazuing 2013). Quarterly reports on measurement of the departmental work programs and annual performance reports are collected by the M&E Unit, while the different departments use the monthly reports (Essien 2013).

The overall performance report of the ECOWAS Commission is issued annually.

The ECOWAS Vice President uses the departmental annual performance reports to establish the Commissions' overall performance and execution rates of the implementation of AWPBs at ECOWAS level annually (see 2.6.3 for more).

Control and enforcement mechanism

No specific control and enforcement mechanism is in place. However, data and information is controlled when passed on in the hierarchy. The performance reports are regarded as an enforcement mechanism for implementation. They create pressure through public consultation on implementation progress by the ECOWAS Commission President (see use of monitoring results). However,

this kind of M&E system does not have any influence on compliance of member states with agreements made. For example, no enforcement or sanctioning procedures are available, should member states not implement the ECOWAS CET as agreed.

2.6.2

Structures and resources for monitoring

A unit for monitoring and evaluation and one for strategic planning were established under the Vice President of the ECOWAS Commission as part of the transformation process of the Executive Secretariat to a (regional level) Commission in 2006. The monitoring and evaluation unit is tasked with data management, specifically with the collection, processing, analysis and reporting.

As the monitoring information is mainly collected at national level, monitoring focal points have been appointed within the different departments at the Commission. They submit monitoring information from the national level through program officers to the Heads of Department and into the respective hierarchy for report preparation.

However, these focal points are usually also tasked with several other responsibilities, resulting in capacity constraints for monitoring. Consequently, insufficient human resources for monitoring have been mentioned in the interview conducted as the biggest challenge for monitoring: a recruitment ban is currently in place and staff is involved in a lot of political meetings. The SWOT analysis conducted as part of the ECOWAS Regional Strategic Plan also highlights HR-constraints as an enormous challenge and cites the number of staff per department with three (ECOWAS Commission 2010). Additionally, the priority of M&E as a topic to be worked on shifts depending on other issues on the agenda potentially tying up (human) resources, such as EPA negotiations or the fight against Boko Haram. GIZ, in view of the recruitment ban, has supported ECOWAS' monitoring efforts through the provision of a number of regional short-term experts working on M&E as a temporary measure.

Structures specifically tasked with monitoring – ECOWAS

Monitoring and Evaluation Unit, ECOWAS Commission – data management, collection, processing, analysis and reporting.

Strategic planning, ECOWAS Commission – coordination with the M&E unit.

Monitoring focal points in the departments of the ECOWAS Commission.

Focal points in the National Units (e.g. in Ministries of Finance) at national, thus member state level, for ECOWAS-wide monitoring.

Directors or Heads of Department / Institutions

2.6.3

Communication and use of monitoring results

Annual performance reports on the attainment of different regional integration programs are drawn (mainly for ECOWAS internal discussions) and discussed by the ECOWAS technical committees. However, technical committees – including participants from member states – also look into and discuss performance throughout the year, depending on the frequency of their meetings.

Even though not established as a formalised process, discussions of monitoring results are used for learning and steering. An example from the area of trade is that the monitoring results revealed a decrease in the number of traded products in the region. As a consequence, a study was commissioned to gain more insight into possible underlying reasons in order to be able to address the issue. Monitoring information was thus used for learning and guided further actions (Interview GIZ).

Additionally, monitoring and its importance is further emphasised by the institutional leadership: since two years, the President of the ECOWAS Commission reviews the Commissions' performance with participants from all departments in an annual performance review session. During this public session, all departments have to report about the level of performance achieved and the monitoring information available from the AWPBs is used for this purpose.

The fact that the Council of Ministers decided at the end of 2014 that the M&E performance report has to be presented before any budgetary discussions are held also demonstrates that monitoring information is generally used. Recommendations of the report will furthermore be presented to the Council for decision.

2.6.4

Evaluation

No evaluation of the work of the ECOWAS Commission or an overall evaluation in relation to the level of regional economic integration and its impacts attained is foreseen.

Despite the fact that the M&E manual mentions and describes the role and types evaluation it is rather introduced as external evaluation and for programs and policies. The manual⁵⁸ does not mention the role of evaluation in assessing impacts of regional economic integration within ECOWAS nor does it detail any such evaluations to be undertaken (Amoatey 2013).

Assessments or reviews of outcomes and/or impacts within specific areas, such as the (potential) impact of the CET or the EPA are usually undertaken as part of studies, often financed by development partners. In most cases, however, these are rather assessments with specific sector research questions and thus only cover certain elements of evaluation.

GIZ has recently commissioned an ECOWAS institution, the West African Institute in Cape Verde, to evaluate the ECOWAS Regional Strategic Plan 2011–2015 in order to draw lessons learned. The focus of the evaluation provided insights relevant for the new Community Strategic Plan and its monitoring framework. It was an assessment of the 'adequacy' of the ECOWAS Regional Strategic Plan in relation to the ECOWAS objectives and goals.

⁵⁸ In fact neither the draft manual of 2011, nor the newer handbook of 2013 detail evaluations to measure regional economic integration.

2.6.5

Conclusion and lessons learned

The M&E in place covers mainly implementation and performance related to regional strategic planning within ECOWAS. Therefore it concentrates on measuring implementation rate and outputs that aim at regional integration outcomes – but it does not measure the attainment of REI outcomes at regional level specifically.

Through the linkage established between strategic planning and implementation-based AWPBs, implementation is overall directed towards and aligned to the ECOWAS objectives and formulated outcomes. However, it does not monitor whether the activities and outputs achieved actually contribute to the formulated outcomes and if so in which way.

Leadership and sharing of monitoring results within a larger group of stakeholders or within the regional body has proven vital for putting M&E on the agenda and giving it the prominence it requires. The approach the President of ECOWAS has taken on the AWPB performance reports has given strategic planning and monitoring a different stage and weight (Interview GIZ).

This buy-in is generally important for the planned future expansion and deepening of the M&E efforts from the Commission throughout ECOWAS. The elements that are planned for, e.g. a M&E policy with the next strategic plan and a MIS, might in the future strengthen the linkage with or compliance monitoring *per se* and possibly facilitate a stronger focus on measuring the actual outcomes of regional programs in terms of regional economic integration for ECOWAS.

2.7

The European Union – EU

EU – the facts

ESTABLISHED: Treaty of Rome 1958, setting up the European Economic Community – EEC; Treaty on the European Union, Maastricht Treaty 1993 (Lisbon Treaty 2009).

MEMBER STATES: 28

OBJECTIVES: According to Art. 3, Lisbon Treaty:

- the promotion of peace and the well-being of the Union's citizens;
- an area of freedom, security and justice without internal frontiers;
- sustainable development based on balanced economic growth and social justice;
- a social market economy – highly competitive and aiming at full employment and social progress;
- a free single market.

STATUS OF REGIONAL ECONOMIC INTEGRATION: Customs Union (1958), Common (Single) Market (1992), Economic and Monetary Union (2002).

2.7.1

Approach to monitoring and instruments applied

The EU has put in place a comprehensive monitoring system based on a scorecard approach to monitor progress and the functioning of the EU single market.

System for monitoring

The EU Single Market Scoreboard was introduced in 1997. It was called Internal Market Scoreboard until the Single Market Scoreboard system went online in July 2013.

It is overseen by the EC as the guardian of the EU treaties and is based on a comprehensive set of indicators, including compliance with transposition and the application of commitments and community law, including infringements.

Instruments for monitoring

The main instrument is the **EU Single Market Scoreboard, a web-based MIS**, available online only since July 2013, based on comprehensive **indicators and databases** of applicable community laws and regulations. It includes twelve so-called governance tools (see below).

Progress is depicted through a traffic light system, as well as relevant graphs on further information gathered. Information on progress achieved and status is made publicly available via a website.

What is being measured?

The scoreboard provides information on the management and governance of the EU single market. Though its main focus is compliance with transposition, it covers broader areas considered relevant to economic integration.

The **governance tools** include *'transposition'* and *'infringements'*, but also priority areas and others that go well beyond compliance and aim at deepening and supporting integration. The Single Market Scoreboard provides online and database-based reports on each tool.⁵⁹ It also supports the exchange on best practices from EU member states, mainly in relation to addressing transposition deficits and solutions in relation to infringements⁶⁰ and publishes success stories of concrete cases in which member states have successfully used certain Single Market tools.⁶¹

Information on **compliance, thus transposition of national law according to community law** is notified to the EC and undergoes a conformity check (verification) in order to obtain a rating on transposition within the scoreboard. Performance of EU member states in relation to the different governance tools is depicted in a publicly available traffic light chart.⁶²

The EC also assesses possible infringements of MS in the implementation and application of the different treaties. Infringements are *'all cases where transposition is presumed not to comply with the directive it transposes or where Single Market rules (either in the Treaty on the Functioning of the European Union or in secondary legislation) are presumed to have been incorrectly applied and where a letter of formal notice has been sent to the Member State in question.'* (EC Scoreboard website). All information on infringement related performance, number of infringe-

ments, sectors, and duration in relation to solving the cases is accessible online via the scoreboard webpage.⁶³

Complaints-related information and performance of the informal (out-of-court) enforcement mechanism for citizens and businesses (SOLVIT (see more below), e.g. in relation to case handling speed and resolution rate) is likewise publicised via the scoreboard.⁶⁴

Control, enforcement mechanism

The Scoreboard has over the years developed into a Commission and inter-member state peer pressure instrument as it has advanced to a regularly published *'transparent and objective yard-stick of Member States' performance'* (European Commission (EC) 2013: 5).

Besides the formal (and costly) avenues of legal dispute settlement (lodged by the EU in form of the Commission against a member state), lodging of complaints by EU citizens and businesses in case of infringement of their EU rights is made possible by SOLVIT, an online service (and service centres) of national administrations in the EU member states established in 2002.

SOLVIT is an informal instrument and one of the governance tools within the scoreboard, aiming at solving violations of EU rights of citizens and businesses by national authorities besides the available formal avenues of administrative appeals and courts. SOLVIT assists in a wide range of areas, including the application of single-market rules.⁶⁵

59 Performance per governance tools: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/index_en.htm.

60 See http://ec.europa.eu/internal_market/scoreboard/feedback/best_practices/index_en.htm.

61 The success stories are publicly available under: http://ec.europa.eu/internal_market/scoreboard/feedback/success_stories/index_en.htm.

62 See the overview under: http://ec.europa.eu/internal_market/scoreboard/performance_overview/index_en.htm. Performance of individual member states can be assessed under: http://ec.europa.eu/internal_market/scoreboard/performance_by_member_state/index_en.htm.

63 Source: http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/infringements/index_en.htm.

64 See http://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/solvit/index_en.htm.

65 See http://ec.europa.eu/solvit/index_en.htm for more.

2.7.2

Communication and use of monitoring results

The European Commission, tasked with the monitoring of the Single Market, provides an Annual Report on the State of the Single Market Integration to the European Parliament, the EU Council, the EU Central Bank, the European Economic and Social Committee, the Committee of Regions and the European Investment Bank.⁶⁶ The report analyses the state of the Single Market integration, identifies barriers that might hamper full integration and possibly impede growth. The report on the furthermore is a contribution to and accompanies the Annual Growth Survey.

The scoreboard information in general is publicly available and accessible via the website for the previous year.

2.7.3

Conclusion and lessons learned

The EU Single Market Scoreboard is a complex and advanced online MIS system with implicit checks and balances (verification and complaints mechanisms), providing broad information and making that information publicly available to ensure transparency.

It has to be emphasized, however, that the EU is, despite its current crisis, incomparably more advanced in relation to regional economic integration than other RECs analysed in this paper. Furthermore, its monitoring efforts have already started in 1997, giving it almost two decades to improve and deepen the system and the instruments applied.

2.8

South Asian Association of Regional Cooperation – SAARC

SAARC – the facts

ESTABLISHED: December 8, 1985 by Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.

MEMBER STATES: Afghanistan (since April 2007), Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.

OBJECTIVE: It aims to promote the welfare of the peoples of South Asia and to improve their quality of life through accelerated economic growth, social progress and cultural development in the region.

STATUS OF REGIONAL ECONOMIC INTEGRATION: South Asian Free Trade Area (SAFTA), Agreement signed on 6 January 2004 and envisaged for 2016, SAARC Agreement on Trade in Services (2012), with subsequent Customs Union, Common Market and a Common Economic and Monetary Union envisaged.

2.8.1

Approach to monitoring and instruments applied

System for monitoring

SAARC has not established a monitoring and evaluation system as such for measuring trade outcomes and regional economic integration. No M&E policy or strategy is in place outlining tasks, instruments to be applied, processes and institutional responsibilities.

However, progress on member state compliance within trade-related areas is assessed and recommendations formulated regularly. The *'Note on the current status of economic and financial cooperation'* compiles information received by the member states and is with the related recommendations, provided to the relevant institutional structures of SAARC.⁶⁷

⁶⁶ Reports are made available online under: http://ec.europa.eu/internal_market/top_layer/monitoring/integration-reports_en.htm.

⁶⁷ The following section has importantly benefited from the input provided by and the interviews conducted with the representative of the Economic, Trade and Finance Division of the SAARC Secretariat and the staff of the GIZ program SAARC Trade Promotion Network in Nepal.

Institutional structures – SAARC

SUMMIT OF HEADS OF STATE OR GOVERNMENTS – meeting held biennially.

COUNCIL OF MINISTERS – Member State Ministers of Foreign / External Affairs, formulates the policies of SAARC and reviews progress on cooperation.

STANDING COMMITTEE – Foreign Secretaries of the member states. It reports to the Council of Ministers.

TECHNICAL COMMITTEES – dealing with different issues, nominated by member state governments, function on an ad-hoc basis.

SAFTA MINISTERIAL COUNCIL (SMC) – comprises the Ministers of Commerce/Trade. Contracting member states chair the SMC on a rotational basis. Meetings are held annually but also needs-based.

SAFTA COMMITTEE OF EXPERTS (SCOE) – consists of joint Secretaries, Director Generals of Commerce Departments, Ministries of Trade / Commerce. Meetings are held 1–2 times per year.

SAARC SECRETARIAT – coordinates and monitors implementation of activities, prepares and supports the meetings of the Association.

Instruments for monitoring

The instruments for monitoring are requests for submission of information to the national level by the SAARC Secretariat, the Economic, Trade and Finance (ETF) Division. They are based on a given format and on a matrix with recommendations for member states which they are expected to follow and to implement.

Furthermore, SAFTA trade statistics are requested from MSs in a given format, kept within the ETF Division and discussed in the SCOE. Member states are provided summary sheets containing only values, the list of products etc., via email.

The ETF division compiles the information from all member states in an updated '*Note on the current status of economic and financial cooperation under the framework of SAARC*'. No specific indicators or annual targets are developed or set; however, the Note assesses progress against overall agreements or targets set through, e.g. the SAFTA, the list of sensitive products for a specific phase of the SAFTA, where applicable.

What is being measured?

The information collected and reported by the Secretariat to the relevant bodies of SAARC in the set area of cooperation by SAARC '*Economic and Trade*' relates to compliance and is not assessed against set indicators or targets.

The information provided includes an overview on the development of intra-regional trade, exports under SAFTA, excluding Bhutan and Nepal. The data presented within the Note reveals challenges with data collection from the member states, as data for the first half of 2012 is missing from two countries, data for the second half and the first half of 2013 missing from four countries out of six (SAARC Secretariat 2015: 2).

It contains information and related recommendations, if given, in regard to: tariff concessions and provisions for rules of origin, the implementation of the Sensitive List of products under SAFTA, issuance of Trade Liberalisation Programme (TLP) notifications on tariffs/customs of the member states, progress made on the SAARC Agreement on Trade in Services (in force since Nov 2012), harmonisation of standards and other relevant issues evolving.

Collection frequency

The frequency of the development of status reports (the mentioned Note) is not fixed, however it is envisaged to be updated twice a year in concordance with the data request to the MS every six months. The last two '*Notes on the current status of economic and financial cooperation*' by the SAARC Secretariat are dated 22 January 2015 and 2 May 2014 (SAARC Secretariat 2014 and 2015).

Control, enforcement mechanism

No specific enforcement mechanism is in place. Recommendations are provided and discussed within the institutional bodies of SAARC (see below), however, implementation of the recommendation depends largely on the member states.

2.8.2

Structures and resources for monitoring

The SAARC Secretariat is tasked to monitor the implementation of activities across SAARC at regional level. No specific unit or division for M&E has been established and the respective divisions, e.g. Economic, Trade and Finance, Agriculture & Rural Development etc. at the SAARC Secretariat undertake the monitoring of progress and implementation for their different areas of cooperation at regional level.

Monitoring focal points have been set up at national level within the Ministries of Commerce and Trade. This task is an add-on to their usual duties, often resulting in time constraints due to other priorities stemming from their regular job. The monitoring focal points provide national information per request to the SAFTA Committee of Experts for approval and to the Economic, Trade and Financial Division of the SAARC Secretariat for overall compilation of the information. The information for all member states is then further used for the note on the status of economic and financial cooperation and provided to the Standing Committee and the Council of Ministers.

2.8.3

Communication and use of monitoring results

Data and issues relating to the implementation of SAFTA as well as the recommendations drawn on the different aspects are discussed at meetings of the SCOE and also at the annual meeting of the SAFTA Ministerial Council.

The ‘*Note on the current status of economic and financial cooperation*’ is used as part of the meetings of the charter bodies, the Standing Committee and the Council of Ministers and also at the Summit of the Heads of State or Government.

2.8.4

Evaluation

No evaluation or review is foreseen, as no M&E policy or strategy exists and no structured M&E system has been put in place.

Progress is reportedly ‘*evaluated*’ as part of the annual Council of Ministers meetings and the two-yearly Summit, where progress in the different areas of cooperation of SAARC is discussed and political action is taken, if indicated. However, this does not qualify as a de-facto evaluation, including an in-depth assessment of a number of different aspects and against set criteria.

2.8.5

Conclusion and lessons learned

SAARC does not have a monitoring system in place but regularly assesses progress on issues pertaining to regional economic integration as part of the meeting cycle of the institutional bodies of the REC.

However, the implementation of the recommendations drawn and discussed in these meetings is highly dependent on the willingness of the member states and their agendas, cited as challenging and requiring frequent reminders (SAARC interview).

Even though this is common across all RECs consulted, the absence of an agreed M&E system with set indicators and/or targets and instruments such as joint databases, a MIS or a scorecard, depicting progress in a clear, concise and transparent manner and at the same time regulating national and regional responsibilities for monitoring might further exacerbate this challenge.

2.9 Southern African Development Community – SADC

SADC – the facts

ESTABLISHED: SADC Declaration and Treaty signed in 1992, which effectively transformed the Southern African Development Coordination Conference (SADCC) into the Southern African Development Community – SADC.

MEMBER STATES: Angola, Botswana, DR Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe.

OBJECTIVES: to achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa and support the socially disadvantaged through regional integration. These objectives are to be achieved through increased regional integration, built on democratic principles, and equitable and sustainable development. (SADC Treaty)

STATUS OF REGIONAL ECONOMIC INTEGRATION: Free Trade Area (2008, with the removal of duties on around 85% of tariff lines, excluding Angola, DRC and the Seychelles), Customs Union envisaged for 2010 but not realised up-to-date.⁶⁸ The Customs Union, as well as the Common Market (earlier envisaged for 2015) and the Monetary Union (priority envisaged for 2016) remain relevant to the SADC economic integration agenda, according to the Regional Indicative Strategic Development Plan (RISDP) 2015–2020, approved in April 2015. However, the timelines for these milestones will, based on the further consolidation of the SADC FTA, be adjusted.

2.9.1

Approach to monitoring and instruments applied

SADC foresees separate monitoring of the different protocols in place enforcing the SADC Treaty, as set out in its Strategy Development, Planning, Monitoring and Evaluation (SPME) policy, approved by the SADC Council of Ministers in 2012 (SADC 2012b). For the area of regional economic integration these specifically relate to the SADC Trade Protocol (TP), which is in place since 1996 but has been amended several times, and the SADC Finance and Investment Protocol (FIP), that came into force in 2006.

System for monitoring

SADC has established structured and regular monitoring, reporting and evaluation (MRE) systems for areas relevant to regional economic integration: one for the SADC Protocol on Finance and Investment (FIP) and the other for the SADC Trade Protocol (TP).⁶⁹ The monitoring system for the FIP was approved in 2011 and its implementation started in 2012, whereas the system for the TP was approved in 2014 and its full implementation will start later in 2015.⁷⁰ Both MRE systems are linked to the SADC SPME policy and embedded in the overall institutional structure of SADC.

The development of both MRE systems has been supported with financial and human resources by the GIZ support program Promotion of Economic Integration and Trade (ProSPECT), with FinMark Trust as additional partner for the FIP development. Strategic support and capacity development for the FIP was provided to the Secretariat and capacity development, also in the form of on the job training to the Ministry of Finance (MoF) to facilitate their role and taking over of responsibilities in the process. From 2012–2014, one short-term consultant in eight member states (within the respective MoF) and 1.5 technical staff at the SADC Secretariat were supplementing the FIP monitoring process, providing capacity

68 The Customs Union is not in place since a decision has been taken to first give priority to the consolidation of the SADC FTA, and address overlapping memberships. Overlapping memberships between RECs of some SADC members being part of SADC and another REC, such as the EAC and/or COMESA pose challenges for the integration agenda. DR Congo Malawi, Mauritius Zambia, Zimbabwe, for example, belong to both COMESA and SADC, while Kenya, Uganda, Rwanda, and Burundi belong to both EAC and COMESA. In relation to the SADC Customs Union (CU), overlapping membership of some members forming part of the Southern African Customs Union – SACU also poses a challenge, as technically membership in more than one CU is impossible. Within SADC an evaluation at some point after 2015 is foreseen to establish the progress made towards the Customs Union.

69 The following section has importantly benefited from the input provided by and the interview conducted with staff of the GIZ program *SADC Promotion of Economic Integration and Trade (ProSPECT)*. As this paper follows the question of monitoring of regional economic integration, other monitoring systems, e.g. for the SADC Gender Protocol, are not covered as part of this analysis.

70 The baseline for the TP system was completed during the SADC financial year 2014/2015 (running from March to March of a year) and is currently undergoing validation by the MS. Implementation and rolling out of the system will thus start depending on the completion of this validation process.

development on the job and supporting the roll-out and implementation of the system.⁷¹

The FIP MRE system is based on a decision of the SADC finance ministers and was approved in 2011. The development of the system included a participatory development of indicators and the respective baseline in 2011, with data collected through MS visits and supplemented by desk research. The country data collected was subsequently validated through circulation to the MS visited. The methodology, findings and analysis were further validated through a stakeholder workshop in August 2011. Recommendations were drawn during the same workshop and adopted by the SADC Senior Treasury Officials (CSTO) and the Ministers of Finance at a meeting held in October 2011 (SADC, GIZ, and FinMark Trust 2012).

As the monitoring within SADC is organised to be protocol-specific, the Secretariat as part of its interest to implement the SADC SPME policy involved the Directorate Trade, Industry, Finance and Investment (TIFI) in discussions around the TP MRE system.

The MRE system for the SADC TP was developed to fulfil the obligations set out in the TP and the SPME policy and approved by the Committee of Ministers of Trade (CMT) in July 2014. The TP indicators were equally developed in a participatory approach. The SADC Secretariat, with support from its partners, first developed the indicators, which were then validated in a regional workshop. Following the validation, they were presented to the various TP structures for endorsement and finally approved by the Ministers.

The baseline for the TP system was completed during the SADC financial year 2014/2015 (running from March to March of a year) and is currently undergoing validation by the MS. Implementation and rolling out of the system will thus start later in 2015 depending on the completion of this validation process.

Instruments for monitoring

Monitoring for both the FIP and the TP is based on an **Excel spreadsheet matrix of commitments with indicators** reflecting key commitments resulting from the establishment of the protocols and their annexes. The FIP contains national and regional level indicators, whereas the TP only tracks obligations at national, thus MS level (see more under 'what is being measured?').

For the FIP, MS fill annual implementation plans against the baseline values established, indicating targets and deadlines for each indicator against which they report progress. Member states submit a filled **standard template** to indicate progress on the FIP indicators. The same process is foreseen for the TP once it is rolled out.

Monitoring data for the FIP – and likewise foreseen for the TP – is kept within a **database** at the Secretariat and used for the compilation of **regional annual progress reports**, comparing performance with the previous year.

Worth mentioning in separate is the fact that in relation to NTBs, the TP MRE foresees the incorporation of feedback received from the already existing tripartite online *Mechanism for Reporting, Monitoring and Eliminating Non-Tariff Barriers* of COMESA, ECOWAS and SADC into the TP MRE reports.

What is being measured?

Both the FIP and the TP monitoring cover *de jure* regional integration, thus focusing on compliance of the (legal) obligations from the protocols in the different areas. These obligations can be part of the protocol or its annexes.⁷² Indicators mainly cover outputs, rather than outcomes.

The **FIP matrix of commitments** covers 11 FIP Annexes⁷³ with 56 country level and 22 regional level indicators. Results are indicated in the Excel spreadsheet, applying a traffic light system for overall FIP implementation, country-level progress vs. regional-level progress as well as overall implementation status per Annex (GIZ 2014).

71 From 2015 one technical staff supports the process at the SADC Secretariat and one consultant within one MS. Relevant capacity issues for the TP will be identified when the system is being rolled out, however, officials have already been exposed to a process of monitoring via annually conducted trade audits (on MS compliance with the SADC Protocol on Trade, including follow up on recorded resolved NTBs) between 2007 and 2012 by the USAID Southern African Trade Hub commissioned by the SADC Secretariat (Charalambides 2014: 61).

72 The FIP Matrix of Commitments including both national and regional indicators (highlighted in blue in the matrix) can be found under www.giz.de/en/downloads/giz2012-en-implementation-sadc-finance-investment.pdf from page 4 onwards.

73 As Annex 12, see box below, was not approved yet at the time of the development of the FIP indicators and the FIP baseline, it is not included in the matrix of commitment.

FIP Annexes

Annex 1 – Investment
 Annex 2 – Macroeconomic Convergence
 Annex 3 – Taxation
 Annex 4 – Exchange Controls
 Annex 5 – Legal and Operational Frameworks
 Annex 6 – Payment Systems
 Annex 7 – Information and Communication Technology
 Annex 8 – Banking Supervision
 Annex 9 – Development Finance Institutions
 Annex 10 – Non-Banking Financial Institutions
 Annex 11 – SADC Stock Exchanges
 Annex 12 – Anti-Money Laundering

TP Annexes

Annex I – Rules of Origin
 Annex II – Customs Cooperation within SADC
 Annex III – Harmonisation and Simplification of Trade Documentation and Procedures
 Annex IV – Transit Trade and Transit Facilities
 Annex V – Trade Development
 Annex VI – Dispute Settlement between MS of SADC⁷⁴
 Annex VII – Trade in Sugar in SADC
 Annex VIII – Sanitary and Phytosanitary Measures
 Annex IX – Technical Barriers to Trade

Measuring outcomes is also foreseen within the FIP monitoring system via the **Dashboard**. The Dashboard is designed to measure *de facto* regional financial integration and improvements in the investment climate through a second set of measurement: six outcome indicators measure *de facto* progress on regional financial integration, e.g. the increase of capital flows into and within SADC or convergence of interest rates across MS and two outcome indicators improvements in the investment climate (see indicators in SADC, GIZ, and FinMark Trust 2012 on page 8). The main purpose of the Dashboard is to provide Ministers of Finance within SADC with a ‘*snapshot view of the state of financial integration and investment in the region*’ (SADC, GIZ, and FinMark Trust 2012: 3). While the Dashboard theoretically forms part of the FIP MRE system, it has, due to the current focus on compliance, not yet been implemented (Input GIZ).

The **TP matrix of indicators** is based on the legal obligations for member states resulting from the trade protocol focusing on (intra-SADC) trade liberalisation and the elimination of trade barriers. It covers all parts of the Trade Protocol and its Annexes.

Therefore, they are output indicators mainly relevant at national level and refer to *de jure* regional integration.

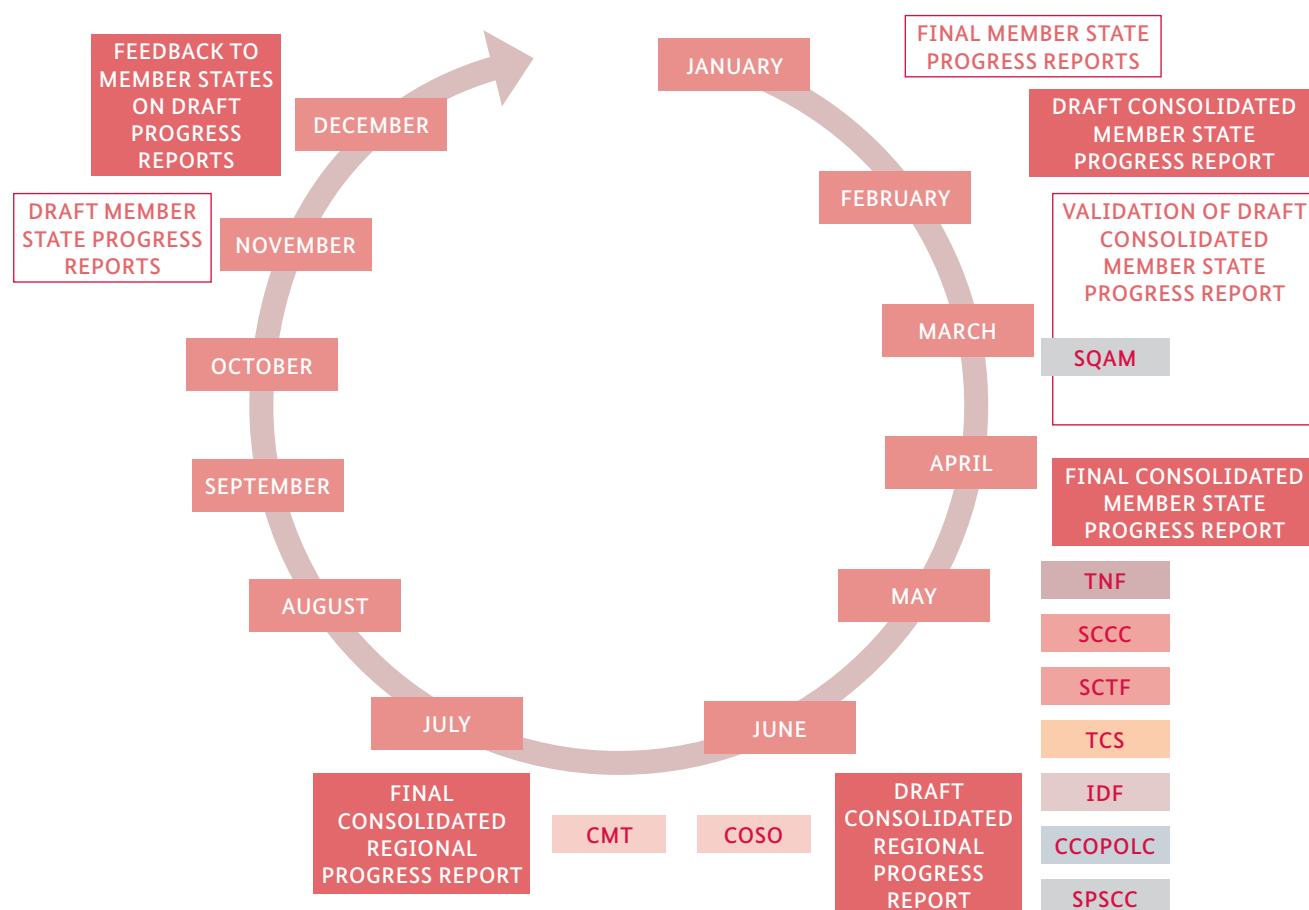
Collection frequency

Reports on the FIP are produced annually. As part of the process, the SADC Secretariat annually requests national level and regional level data from the member states and regional structures, respectively. The data, collected via an excel spreadsheet, is referred to as MS and subcommittee reports. The SADC Secretariat subsequently consolidates into one database with different tabs for national and regional commitments and processes the information into a report for the SADC Ministers of Finance.

MS Progress Reports for the TP are foreseen to be submitted in a draft form every year in November. After feedback by the SADC secretariat the MS submit the final progress report in January of the subsequent year. All MS submissions will be merged by the SADC Secretariat into a consolidated draft MS Progress Report (including validation of the data submitted). The relevant SCs consider the information in the draft consolidated member state report, potentially adding and updating regional status report information to it. After producing a draft consolidated regional progress report the Secretariat will submit it to the Committee of Senior Officials (COSO) and the Committee of the Ministers of Trade (CMT). The final consolidated regional progress report includes strategic direction from the CMT and is disseminated by the Secretariat. Figure 3 depicts the monitoring cycle described.

⁷⁴ Annex VI is not covered in the TP matrix of indicators.

FIGURE 3: SADC TRADE PROTOCOL MONITORING CYCLE



Source: SADC 2014: 12

Data submission from the MS, however, is a challenge. FIP Monitoring data for 2012 has only been submitted by 10 out of 14 MS and in May 2014, only 5 out of 14 MS had submitted data for 2013 (GIZ 2014). Data submission and collection is further complicated by the fact that data for both the FIP and TB, depends on submission by a variety of different actors, not solely a single Ministry at national level. Thus, the decision was taken for the FIP to always produce reports with the monitoring data available in order to circumvent delays and/or their non-production by non-submission (Interview GIZ). The same is reflected in the MRE system guidelines for the TP (SADC 2014: 11).

Control, enforcement mechanism

In relation to the FIP, data submitted by MS national FIP coordinating units is verified through an in-built two-fold approach (also depicted in figure 3): responsible national bodies at MS level submit data on the national level indicators and implementation (for all annexes). Additionally, technical regional committees submit progress on both

the national and regional level indicators for their respective annex from all their MS. Data is verified by the SADC Secretariat for discrepancies by checking the MS submissions against the SC submissions.

No dual reporting happens as part of the TP MRE system. Validation of the information provided by the MS is therefore foreseen through the regional SADC structures, the technical committees, with implementation responsibilities for different Articles and Annexes of the TP (CCOPOLC, IDF, SCCC, SCTF, SPSCC and TCS, see figure 5) by pointing out so-called 'red lights', best described as inconsistencies in the data.

In July 2014, the Ministers of Trade have directed the Secretariat to develop an enforcement mechanism under the SPME to ensure implementation of the MRE systems for all SADC protocols (hence including the FIP and the TP) and other policies. This enforcement system is, however, still under development, involving a process of approval by the relevant SADC structures.

2.9.2

Structures for monitoring

Institutional structures – SADC

SUMMIT OF HEADS OF STATE AND GOVERNMENTS – the policy-making institution responsible for policy direction and control functions of the Community. Constituted by the SADC Heads of States or Government (managed on a Troika system: current Summit Chairperson, incoming Chairperson – the Deputy Chairperson) and the immediate previous Chairperson).

COUNCIL OF MINISTERS – comprised of Ministers from either Ministries of Foreign Affairs, Economic Planning or Finance of the MS. Meets twice a year.

SECTORAL AND CLUSTERAL COMMITTEES – oversee the activities in the core areas of integration, monitor and control the implementation of the Regional Indicative Strategic Development plan (in their respective area of competence) and provide policy advice to the Council of Ministers. Consist of Ministers from the respective MS.

STANDING COMMITTEE OF SENIOR OFFICIALS – technical advisory committee to the Council of Ministers. Members are a Permanent/Principal Secretary or an official of equivalent rank from each MS. Meets twice a year.

SADC SECRETARIAT – principle executive institution of SADC. Responsible for strategic planning, coordination and the management of SADC programs. The Secretariat is also the principle body to coordinate and facilitate implementation of the FIP and TP MRE systems.

NATIONAL COMMITTEES – provide inputs at national level in the formulation of regional policies and strategies and coordinate and oversee the implementation of programs at national level.

PARLIAMENTARY FORUM – regional inter-parliamentary forum.

Source: SADC Webpage

The primary responsibility for both the MREs of the FIP and the TP in place lies with the SADC Secretariat. It coordinates the collection of the relevant data, and compiles, consolidates and analyses it for the SADC institutional structures at regional level and disseminates their overall strategic direction on the protocols and implementation back to the relevant SADC structures and the MS.

MS on their side provide monitoring information from the national level to the SADC Secretariat through a number of contact points, appointed officials and representatives in various (Committees or Subcommittees).

Figure 3 depicts the **FIP MRE reporting lines and tools**, outlining the involvement of the different actors as part of the FIP MRE system.

Structures specifically tasked with monitoring – SADC FIP MRE

COMMITTEE OF MINISTERS OF FINANCE (COMFI) – provides strategic direction, regional level

COMMITTEE OF SENIOR TREASURY OFFICIALS (CSTO)

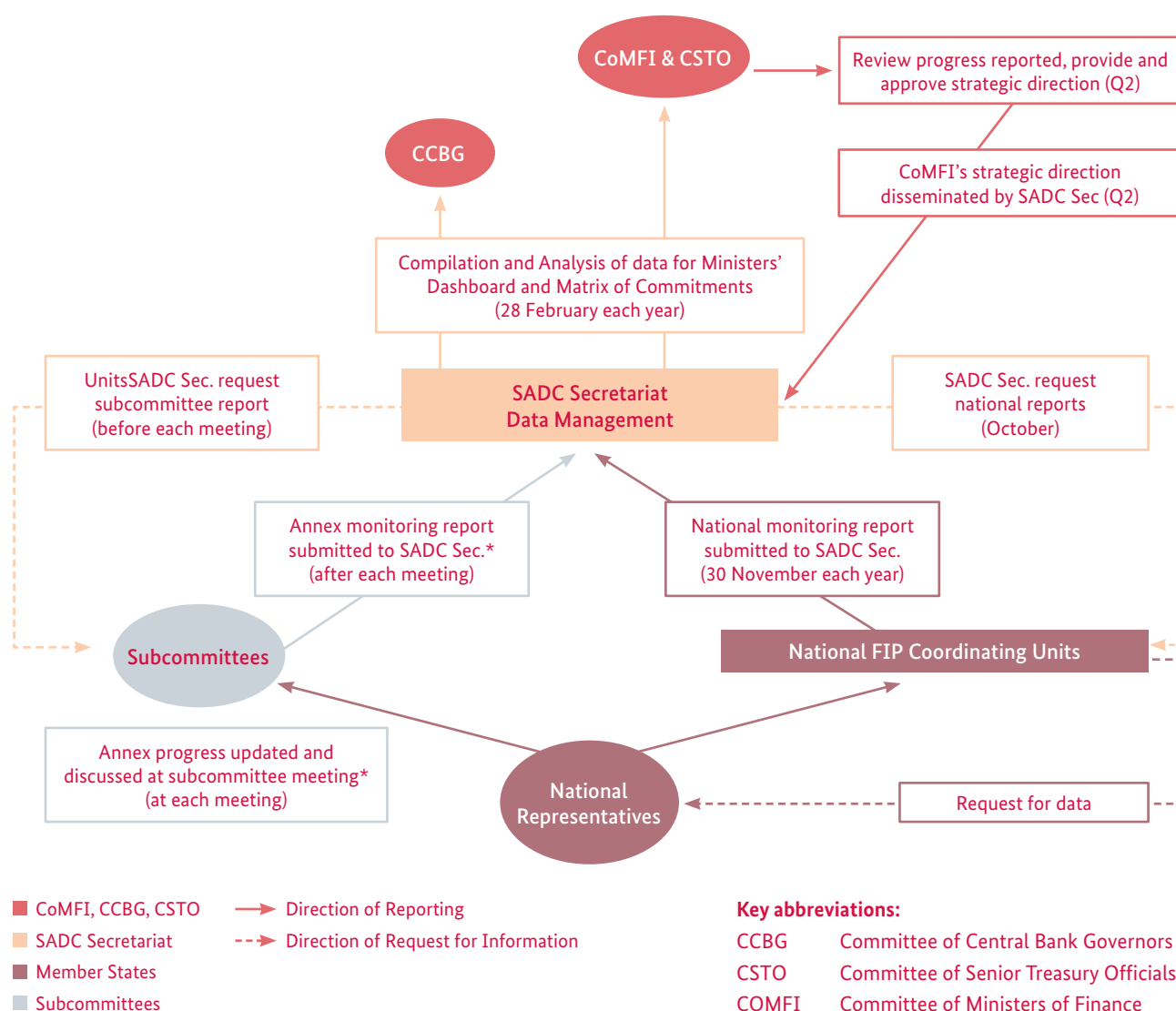
SADC SECRETARIAT TIFI DIRECTORATE – data management and analysis of both national level and regional level data, including the dissemination of strategic direction from the CoMFI to SADC structures and MS

TECHNICAL SUBCOMMITTEES (including national representatives) – regional level

NATIONAL FIP COORDINATION UNITS – MS, national level

Figure 4 depicts the reporting lines on the **TP MRE** at regional level (above) and at national level, described rather as a generic set up, since these structures differ considerably between member states.

FIGURE 4: SADC FIP MONITORING AND REPORTING PROCESS DIAGRAM



Source: SADC 2012a: 7

* Where a (Sub-) Committee has a secretariat (CCBG, COSSE, CISNA, DFRC), information will be managed by the respective secretariat. The Chair must nominate an accountable person if there is no secretariat.

Structures specifically tasked with monitoring – SADC TP MRE

COMMITTEE OF MINISTERS OF TRADE (CMT) – strategic direction for the implementation of all SADC structures and the MS

COMMITTEE OF SENIOR OFFICIALS RESPONSIBLE FOR TRADE MATTERS (COSO) – submission to CMT

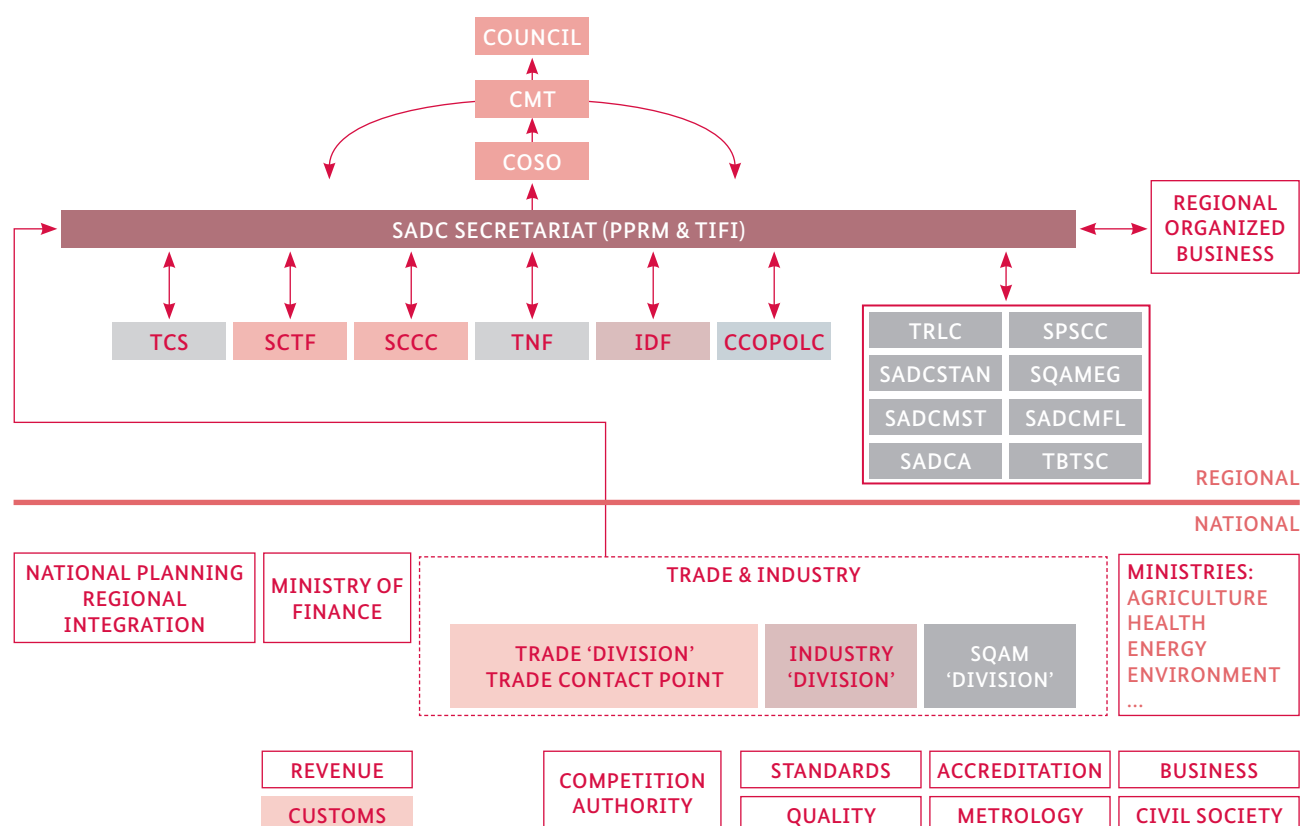
TECHNICAL SUBCOMMITTEES (INCLUDING NATIONAL REPRESENTATIVES) – regional level

SADC SECRETARIAT – data management and reporting (submissions to COSO), dissemination of strategic direction from the CMT to SADC Structures and MS.

NATIONAL TRADE CONTACT POINTS (usually within the Ministries of Trade) – MS, national level, coordination for TP monitoring among involved Ministries, government bodies, private sector, civil society.

SADC NATIONAL COMMITTEE (SNC) – coordination of monitoring and evaluation of regional policies and protocols – MS, national level

FIGURE 5: SADC NATIONAL AND REGIONAL TRADE PROTOCOL REPORTING LINES



Source: SADC 2014: 9

Key abbreviations:

CCOPOLC	Competition and Consumer Policy and Law Committee
CMT	Committee of Ministers of Trade
COSO	Committee of Senior Officials
IDF	Industrial Development Fund
SCCC	Subcommittee on Customs Cooperation
SCTF	Subcommittee on Trade Facilitation
SPSCC	Sanitary & Phytosanitary Coordinating Committee
TCS	Technical Committee on Sugar
TNF	Trade Negotiations Forum

2.9.3

Communication and use of monitoring results

Monitoring is overall linked with the cycle of the SADC institutional structure meetings at regional level for both the FIP and the TP (as foreseen).

The figures for both the FIP and TP reporting reveal that the monitoring information is used by different SCs and informs the respective Committee of Ministers at regional level. However, the FIP MRE report, focusing on *de jure* regional financial integration, only reaches the Ministers of Finance, not the SADC Council or the Summit. Once implemented, the FIP Dashboard, focusing on outcomes of the *de jure* implementation, will also be submitted to the Ministers of Finance.

Challenges and opportunities emerging from the FIP monitoring information, based on information from both the MS and the SCs are discussed with MS representatives from the national Central Banks and the MoFs as part of bi-annual Regional Learning Platforms. These learning platforms, created with the main purpose to facilitate learning between the MS, have at the same time created peer pressure. This has, for example, in one instance led to a MS without support from a consultant located at the MoF to likewise start submitting monitoring reports (Input GIZ).

2.9.4 Evaluation

The FIP, as outlined in the MRE handbook, foresees an external, thus independent evaluation to be conducted every five years to assess performance around the FIP by comparing achievements against objectives as well as effectiveness, relevance and impact (SADC 2012a: 13).

The TP MRE handbook introduces an impact assessment provided by the SADC Secretariat at least every five years. The impact assessment is to evaluate actual regional economic integration in trade, thus focusing on results and impacts and will provide input to the development of the SADC Medium Term Strategy and the Five Year Corporate Plan (Interview GIZ, SADC 2014).

Furthermore, the TP MRE system as such is to be evaluated at the end of the third year of implementation, facilitating adjustments and learning for monitoring (SADC 2014: 13).

2.9.5 Conclusion and lessons learnt

The establishment of the FIP MRE system has revealed that individuals believing in and supporting the process within the structures and at MS level, which could be regarded as '*FIP champions*', seem to be instrumental in ensuring actual reporting.

Other lessons learnt relate to the participatory development and validation of relevant indicators for both the FIP and the TP to measure the implementation of the protocol, which in both processes involved a variety of stakeholders. This process has not only increased ownership for and knowledge about the matrix of commitments but has also led to further specification and even reformulation of the FIP itself.

Monitoring of REI within SADC has been so far mainly focused on compliance, thus *de jure* obligations. The FIP MRE, however, includes results monitoring within the Dashboard from the onset even if it is not yet in use. Plans to monitor *de facto* implementation, thus focusing more on results seem to be currently underway within SADC, which will also include the activation of the Dashboard (Input GIZ).

Monitoring systems are not static and often constantly developed further, as processes and even templates might be improved as part of the process. The incorporation of feedback from the tripartite NTB system into the new TP MRE demonstrates that integration of existing approaches and instruments is possible.

The overall process of developing and establishing the MRE system for the FIP provided important insight and lessons learned for the development of the monitoring system for the TP. Both processes have been supported by GIZ, thus facilitating internal reflection on lessons learned in the process. Even though such issues are discussed as part of an *M&E community of practice*, established with support of GIZ between EAC, ECOWAS and SADC in 2014, documentation of the specific lessons learned, focusing on main success factors and challenges encountered, could be beneficial for horizontal learning among RECs.

An important observation relates to possible sustainability challenges when using consultants for the development and implementation of monitoring systems. When setting up the FIP MRE, FIP Coordinators have been assigned by some member states. It was envisaged that the consultants assisting the FIP MRE process and implementation at national level will train these coordinators and transfer their skills. However, some MS seem to rather have relied on the consultants for the monitoring process, instead of institutionalising the process. In these instances, data collection from the various national stakeholders might be a challenge once the consultants leave, posing a possible sustainability risk to the overall system.



Monitoring economic regional integration in RECs – conclusions, emerging key issues and recommendations

The following presents a summary of conclusions that can be drawn from the analysis of the different monitoring approaches in the various RECs or for specific regional trade agreements in place. Key issues for M&E of REI in RECs are presented thereafter and give way to relevant recommendations.

3.1 Conclusions from the systems analysed

3.1.1 Monitoring system

Most RECs monitor *de jure* compliance, implementation and/or progress made applying a **regular and structured approach**. Thus, the vast majority of RECs analysed have some kind of monitoring system in place. The systems, however, differ importantly in the details, the specific approaches taken and the instruments used.

The monitoring systems analysed include, to differing degrees and depending on the instruments applied, both

regional structures within the regional organisation, i.e. Commission / Secretariat, and selected national institutions at Member State level (see 3.1.4). The monitoring systems thus comprise information from and for both national and regional level.

Monitoring in the area of regional economic integration is in many cases also connected or even derived from the regional strategic planning for economic integration: it is related to and based on regional strategic or regional development plans and related work programs (for example in COMESA, EAC, ECOWAS⁷⁵). CEFTA monitoring is based on strategic multi-annual and annual sector specific work programs, setting CEFTA priorities. In other cases, the implementation of specific protocols in place is monitored: SADC monitors the FIP and the TP separately; the EAC (EAMS) includes both the regional development strategy and the common market protocol.

75 Though still very focused on the ECOWAS Commission with plans to expand the system.

In the vast majority of RECs analysed, monitoring is linked to the meeting cycle of the institutional bodies. Monitoring results are thus regularly provided to the policy- and decision-making bodies of the RECs (see also 3.1.5).

3.1.2

Type of monitoring

Monitoring undertaken largely concentrates on **measuring compliance**, either *de jure* transposition and domestication of obligations from protocols or the integration agenda or compliance with planned outputs and activities (relating to performance/execution rates and outputs) as part of the integration agenda.

Outcome monitoring of REI is not widespread amongst the REC systems analysed and if at all, only covered through selected indicators, measuring, e.g. intra-regional trade volumes. The EAC EAMS, however, includes comprehensive outcome indicators as part of the Common Market Protocol Module.

Higher aggregated levels (outcomes/impacts) measuring actual benefits for businesses, e.g. resulting from trade measures or removed barriers, as well as benefits for the larger population from increased trade and regional economic integration are not covered and were thus not assessed.

The analysis of the different M&E approaches as part of this paper also included the underlying question, whether gender and/or human rights are reflected and/or mainstreamed in the monitoring of regional economic integration.⁷⁶

The M&E systems and approaches analysed do not include specific information on gender and/or human rights (e.g. in relation to working conditions or discrimination). This can largely be attributed to the level, which monitoring concentrates on: the assessment of specific benefits at the level of businesses and the population from economic integration, where gendered-impacts or human rights would apply is largely absent.

76 It has to be emphasised that this relates solely to gender and human rights in relation to regional economic integration and the monitoring efforts described in this study. For example, SADC overall has put in place a specific Protocol on Gender and Development (see Gender Protocol Barometer under www.genderlinks.org.za/page/sadc-research, the EAC has put in place a Gender and Community Development Strategic Plan (2012–2016) etc. These plans and protocols however do not specifically cover gender and human rights issues within the specific economic and trade related issues but rather focus on participation of women in decision-making and economic empowerment. However, mainstreaming of gender and human rights within this context would mean, e.g. collecting information whether and how the different measures, e.g. removal of NTBs, affect women and men differently, including assessing outcomes in female- or male-intensive sectors etc. These aspects would need to be reflected in the indicators for monitoring and/or set as a specific criterion for evaluation. For more on gender-related trade impacts see (von Hagen 2014).

3.1.3

Monitoring instruments

Monitoring instruments applied in the RECs vary and usually combine a mix of instruments.

EAC, CEFTA and COMESA have integrated web-based databases (MISs) in place. SADC is also managing monitoring information in databases.

Scorecards, usually also database-based are applied within the EU, ASEAN and the EAC. While the scorecard assesses whether member states have complied with their (legal) obligations and/or planned measures, it does in the vast majority of cases not include quality aspects, i.e. how well these are actually implemented and whether they are enforced.

Relevant regional trade statistics that importantly inform about REI outcomes are often published and used separately to the monitoring information (e.g. COMESA, ASEAN). It has thus not in all instances become clear whether and how monitoring information and trade statistics are in fact integrated.

Reports are produced regularly for the decision-making bodies within all RECs, based on the information from the instruments applied. Reports are also used in SAARC and as part of monitoring the implementation of the CARIFORUM-EU EPA; both without an explicit monitoring system in place yet.

Throughout all RECs, monitoring information is collected at both national and regional level, usually with the national level providing information to the regional level structures, where the regional overview with added and reviewed information from regional (sector) committees is compiled.

In most of the interviews the motivation and capacity to provide the information and link between the national and regional level has been stated as a challenge, also due to numerous focal point tasks.

Monitoring information that is made available within a REC and between the member states was cited in the interviews as creating peer-pressure within some RECs to a certain extent. In the event of non-compliance with obligations set out in a protocol, however, sanctions for member states or other types of compliance enforcement

as an outcome of the monitoring information available⁷⁷, are only used by the EU. The other RECs analysed as part of this paper do not enforce compliance.

3.1.4

Structures and resources for monitoring

In the majority of RECs, institutional structures for monitoring are in place and possess clear mandates. In most of the RECs, the Secretariat or Commission, as it is sometimes called, is tasked with the overall monitoring management function, either with a specialised monitoring unit or through appointed monitoring focal points.

Nonetheless, a challenge for monitoring in RECs seems to arise from the necessity to gather information and data at national level and feed it into regional structures and/or databases. The dependency on good quality of data from national level is inherent to RECs and can, realistically, not be eliminated through the creation of monitoring structures at regional level responsible to gather national data. Factors that determine low quality or lack of availability of data, as is voiced throughout relevant papers and also in the interviews conducted, are those acknowledged in general for statistics and data: lack of capacity, staff and resources at the institutional structures responsible for data collection.

In relation to data collection for monitoring **at national level by member states** within RECs, the emerging picture is not too different: in most cases, Monitoring Focal Points within relevant ministries and/or committees at national level are tasked with the responsibility for data collection and provision. The data is collected and submitted to the respective regional structures, in most of the cases the Secretariat or the M&E unit located within the latter as part of the different instruments in place (MIS, database, score-card etc.). As the focal points usually have been assigned these tasks as an add-on to their normal job, they often face capacity and time constraints. In some cases they also lack adequate access to the data or information required.

At **regional level**, the Secretariat or the respective monitoring units established, which cover monitoring through Monitoring Focal Points appointed amongst its staff, are quoted as understaffed in all RECs consulted. Development partner support therefore has been crucial for setting up monitoring systems and structures. In some instances, they are also supporting monitoring tasks sig-

nificantly, e.g. through the provision of short-term experts or through staff time on a continuous basis. While the support is important, it can under certain circumstances and in the long run negatively impact the ownership and sustainability of the systems in place. Additionally, it might further exacerbate insufficient allocation of resources to monitoring in RECs.

Establishing comparable and actual **costs for monitoring and evaluation** has unfortunately not been possible. However, a common feature is, that development partners importantly support M&E through programs and projects, mainly in the area of design of the M&E system, adjustment processes and instrument development such as IT-based solutions or integrated databases and related training.

3.1.5

Use of monitoring results

All RECs produce reports and most reports are submitted to and also discussed at relevant institutional bodies of the respective REC. The reports differ in their scope and depth. In the case of SAARC and the CARIFORUM-EU EPA, where no M&E system is in place yet, the RECs' governance structure discusses progress, achievements and integration and takes decisions on the way forward at decision-making level based on information available at and compiled for the meetings. Monitoring information thus reaches the policy- and decision-making bodies (Summit, Council of Ministers etc.) within RECs.

However, due to the scope of this paper and the fact that minutes and protocols of meetings of the RECs' institutional bodies, where progress is discussed and relevant decisions are taken are not publicly available, it is not possible to judge the actual depth the discussions reach at these bodies. It often remained unclear, whether REI-related outcomes and possible reasons for outstanding compliance are discussed in detail – and whether this materialises in decisions on corrective measures, including policy-adjustment, based on the monitoring information provided.

⁷⁷ This does not refer to the settlement of legal disputes in court or file a complaint as part of a complaints mechanism, such as the EU-SOLVIT or as part of the COMESA-EAC-SADC Tripartite NTB monitoring mechanism.

3.1.6

Evaluation

Evaluation is scheduled within the M&E system of the SADC FIP with an external, independent evaluation every five years and the SADC TP with an impact assessment every five years, which includes an assessment of de facto REI in order to inform the SADC Medium Term Strategy. In the case of the CARIFORUM-EU EPA, evaluation is also foreseen as a regular review. Within other RECs, however, evaluation is not further specified or relates to individual programs and projects only, not to overall REI. Evaluation is consequently not in-built in the M&E system, e.g. the role of evaluation to complement monitoring and the information it provides is not clarified or factored into the overall M&E system.

Evaluation is furthermore largely regarded as being covered by annual analytical reports or specialised studies undertaken by external experts, often financed by development partners. While such specialised studies are important, they usually only cover certain aspects or small areas and do not constitute a criteria-based assessment of the impact of regional economic integration overall, including topics such as gender and human rights and the environment.

3.2

Emerging key issues

As the previous section has revealed, a large number of RECs have monitoring systems in place, though applying differing instruments and approaches. Additionally, the **majority mainly focuses on compliance, not outcomes or impacts of REI in RECs.**

The developments around M&E systems in RECs and the descriptions in chapter 2 have revealed that **RECs increasingly acknowledge the importance of M&E systems:** a number of RECs have in the past years established or improved their systems importantly (EAC, SADC, CEFTA) and plan further improvements to their systems (ECOWAS). A number of them are at this moment looking into establishing such systems (CARICOM, CARIFORUM-EPA as FTA, MERCOSUR). The **involvement of development partners, however, seems to be not only important but in some instances even the driving force for monitoring and evaluation.** While this can push systems forward it can also hamper ownership and sustainability in the long run.

Developing and establishing functioning M&E systems to measure regional economic integration is, however, chal-

lenging. Some RECs, especially in Africa, have overlapping membership; states are thus often members of several RECs with distinct monitoring systems.

Besides the overall diverging interests and realities amongst member states in REC's, which in some instances hampers interest in creating transparency on actual advancement with regard to REI through monitoring, **new trade agreements that are negotiated, such as the EPAs, often modify priorities and absorb the already inadequate human and financial resources at regional level.**

The interviews and the research undertaken have revealed a number of different **key issues for effective M&E systems for regional economic integration in RECs.** Further aspects relating to these issues are also reflected in the subsequent recommendations, which should be considered jointly with the information provided in the following.

- **Considerations when setting up M&E systems.** M&E systems have to be fitted to the needs of the REC and correspond to its capacities. Renewal of regional strategic plans or regional development plans and strategies or changes to protocols, however, also require adaptation of existing systems and tools. Therefore it is **paramount for RECs to find the right balance in the number and complexity of instruments when setting up an M&E system**, taking into account existing shortcomings in staff, infrastructure and technical capacities for M&E.
- **Participatory set-up of M&E systems.** While support by development partners is beneficial, it is even more important to design the setting-up processes as participatory as possible. Involving the different stakeholders, including in the development of indicators and the discussion about suitable instruments, increases ownership and needs-orientation of the system. RECs on their part need to allocate sufficient financial and human resources to both the development, setting up and maintenance of the M&E systems and structures.
- **'M&E Champions' advance monitoring and reporting.** Individuals within the different national and regional structures actively involved in the establishment of M&E systems further ensure actual reporting, the experience with the FIP MRE system has revealed. Such '*champions*' emerge mainly if the overall process is inclusive and consultative, similar to change agents in other processes.

- **Linking strategic planning of RECs advances outcome orientation of monitoring.** The analysis has shown that **monitoring within RECs mainly focuses on compliance with obligations and commitments.** If indicators are used, most of them are output indicators. Compliance is, however, widely monitored in structured approaches throughout the RECs analysed. Linking monitoring with strategic planning for RECs can advance outcome orientation within monitoring.⁷⁸ As the monitoring is then based on objectives and priorities of the RECs' regional strategic plan, it will also cover outcomes. The quality of the regional plans will also determine the quality of the monitoring. Therefore, results-frameworks of regional strategic development plans of RECs need to be well formulated and include outcome orientation and respective indicators.
- **Support or demand by the leadership of a REC advances the establishment or use of an M&E system – but has to be continuous.** M&E is more likely to be strengthened and an M&E system has higher chances to be established with support or when requested by the leadership of a REC (Summit, Heads of State or Council of Ministers, President of the Secretariat/Commission). This has clearly transpired from the interviews and the analysis of the RECs conducted for this paper. Examples supporting this finding are the establishment of the SADC FIP MRE upon a decision of the Ministers of Finance, the directive by the Summit in EAC putting the monitoring report as a first item on the agenda of a Summit and public monitoring review sessions at the ECOWAS Commission on the initiative of the President of the Commission. However, the attention and support to M&E by the leadership has to be continuous. Particularly political change in leadership can thus endanger the efforts and progress made.
- **Evaluation.** Evaluation has emerged as the weakest link in current M&E systems of RECs. Most of the current systems only focus on monitoring. It appears from the analysis that monitoring is attended to first whereas evaluation is rather associated with specific (development partner) programs. The M&E policies or manuals in place (COMESA, EAC, ECOWAS, SADC) also focus much more on monitoring than on evaluation. With the exception of SADC, the analysed RECs only mention that evaluation should be conducted regularly

and externally or related to programs being implemented. They do not detail the specific objective of evaluation, its possible scope or criteria to be applied. Evaluation, however, has the function to importantly complement monitoring and provides more in-depth information over a longer period of time, which is particularly relevant for assessing regional economic integration. Evaluation provides different types of insights on the factual regional economic integration achieved and related outcomes as well as underlying reasons for slow integration and low compliance, as it applies different criteria. It has an important function for policy-makers in relation to the overall strategic direction of the integration agenda. If regional strategic plans and regional development plans and monitoring of REI are linked, evaluation of plans and protocols can also contribute to establish whether the way economic integration is being pursued contributes to the overall objectives of the RECs. Evaluation can also provide insight in issues such as gender and human rights in deepened economic integration. Such insights can potentially prevent the deepening of existing inequalities, if addressed.

- **Sustainability of M&E systems.** Training and clear, specific and easy guidelines for (new or revised) M&E instruments are important and can enable staff to maintain the databases on their own, without external input. However, sustainability also requires allocation of human and financial resources for M&E from within the institutions.

⁷⁸ At a meeting of the M&E community of practice established with support of GIZ between EAC, ECOWAS and SADC in 2014 the SADC approach to integrated planning, linking strategic objectives with operations and resources has emerged as a good practice.

3.3 Recommendations

The following recommendations are drawn taking into account the main target group of this paper and the fact that development partners provide important support to M&E systems in RECs. However, the recommendations are equally relevant for all stakeholders involved in M&E systems for regional economic integration in RECs. They should furthermore be considered jointly with the previous emerging key issues, which contain additional specific issues to be taken into account.

In order to advance and strengthen M&E and M&E systems to measure regional economic integration in RECs, RECs and development partners supporting their efforts shall consider support to the following areas:

A) Design and structure

■ **Linking (strategic) planning of RECs for REI and M&E.**

Ensure that (strategic) objectives of the REC and development strategies or regional plans, usually running for 3–5 years, are reflected in the monitoring information to be collected, e.g. in indicators. The M&E can relate to the whole or to parts of the strategy or plan or cover certain protocols additionally, as done in the EAMS of the EAC. If specific protocols are monitored, as is the case in SADC with the FIP and the TP, monitoring and discussion of regional economic integration outcomes in relation to overarching plans and strategies have to be ensured additionally within the design. Participation of M&E units or responsible structures in strategic planning processes should be ensured in order to increase linkages with the M&E and the quality of strategies and plans at the same time.

■ **Realistic and adequate design of M&E systems which include outcome orientation.**

Existing capacities and human and financial resources at both regional and national level within RECs for M&E of regional economic integration need to be taken into account when designing M&E systems. Where necessary, the design should be accompanied by relevant organisational reforms and related capacity development measures. These should seek to strengthen both the regional structures within the Secretariat or Commission and the respective national monitoring focal points tasked with the collection and submission of monitoring information. This includes ensuring specific knowledge, especially with regard to outcome monitoring, as most systems are still mainly focusing on compliance

with legal obligations. Processes of adequate discussion of monitoring results as part of the RECs' decision-making structures have to be clearly accorded to allow for corrective measures. Overall, development partners can supplement the efforts of RECs on M&E; however, RECs should ensure adequate financial and human resources for M&E in the medium-term.

■ **Integrated M&E systems and instruments, including IT-based solutions and MIS.**

The instruments used in RECs differ, but most use some kind of databases. **Integrated M&E management information systems (MIS)**, however, are not yet widely used. The improvement and integration of existing databases, for example those covering different instruments or information such as compliance, trade statistics, indicators related to strategic plans etc., is important. Where possible, support should be provided to link national and regional information in such integrated databases. Transforming them into MIS might also prove beneficial. Integrated systems offer the opportunity for member states to enter the data in real time and provide the regional structure, i.e. the Secretariat or Commission, with quicker access to information from across the REC. A process for validation of information provided can also be integrated within such systems. Depending on the system that is established, producing reports is unified and simplified, which can as a consequence facilitate analysis and the use of monitoring information.

■ **Strengthening of harmonisation and integration of REI statistics into M&E systems.**

It is widely known and often mentioned that statistics, including trade statistics, require strengthening for improved data quality. Statistics relating to regional economic integration for monitoring, however, represent a specific case and the focus in this regard has to be twofold. Firstly, since information is required from national and regional level, relevant data on regional economic integration within RECs need to be harmonised, follow the same methodology, quality standard and frequency of data collection at member state level in order to be comparable. Secondly, statistics are indispensable when monitoring outcomes of regional economic integration to measure and establish progress made, particularly if indicators refer to specific data as a source. Relevant statistics relating to the areas monitored in the RECs should thus be integrated into the design of the M&E system and form part of annual meetings where monitoring information is discussed. The statistics to be included depend on the overall framework, specific areas to be monitored and indicators set. They

can in many cases provide information on results in an area that has been addressed, e.g. whether the removal of a tariff on a product has actually resulted in a change in its regional trading. Output monitoring only takes into account the removal of the tariff, whereas these statistics allow further analysis of results. Therefore, it is important to include relevant statistics on regional economic integration in the annual M&E reports or in the analysis and discussion of relevant meetings of the regional decision-making bodies.

- **Linking M&E for new regional economic integration initiatives to existing M&E systems.** Monitoring for new relevant initiatives, free trade agreements, economic partnership agreements or other agreements between RECs, such as the tripartite free trade agreement of COMESA-EAC-SADC should be linked to existing M&E systems. At least, existing systems should be taken into account where possible. Depending on the specific opportunities and circumstances, the existing M&E system on regional economic integration might also be amended to accommodate the new framework. In general, however, additional parallel structures and tasks for the already limited monitoring staff available should be avoided, wherever possible. If involved in the establishment of such systems, development partners have a specific role to play in these processes. They should at the same time ensure division of labour and harmonisation in accordance with the overall aid effectiveness framework (Paris Declaration, Accra Agenda for Action, Busan declaration etc.).
- **Development of M&E policies or M&E handbooks, including specifics on evaluation.** The development of M&E policies, strategies or M&E handbooks importantly supports the transparency of systems to be established. These should detail the objective, specific approach, instruments and structures for both monitoring and evaluation in order to create a common ground and knowledge base. Currently, policies and handbooks mostly fall short of describing the specific approach to evaluation – if they even exist at all. Evaluation from the onset should set out to complement the monitoring results at the impact level. Therefore it is paramount to identify areas that should be covered, criteria that should be applied as well as the insights the evaluation should reveal in relation to regional economic integration.

- **Strengthen evaluation or regular reviews for outcome / impact assessments of regional economic integration.** As evaluation has proven to be a weak link in existing M&E systems, specific attention has to be paid to integrating evaluation within the design of M&E systems. The current or upcoming evaluations of medium term strategic plans of RECs and the scheduled development of subsequent plans should be used to a) ensure regional economic integration outcomes and impacts and underlying reasons for possible non-transposition are also assessed, b) conduct evaluations where none are foreseen, and c) integrate impact assessments and evaluations of de facto regional economic integration in the future plans. Likewise, evaluations need to be designed to include the **assessment of outcomes at business and population level** and trade and business related **gender-differentiated impacts as well as possible effects on human rights**, e.g. in relation to working conditions and discrimination.

B) Implementation and steering

- **Institutional capacity development and strengthening of institutional and individual capacities for M&E,** including scheduling of resources. At times this might require further clarification of institutional structures and mandates for M&E within the RECs and between the regional and national level. Issues to be discussed and clarified include who would be best suited to collect and provide regular information – and on what. Appropriate capacities of monitoring focal points, which are usually appointed within relevant ministries at member state level as part of such a process, also have to be taken into account or ensured. Where appropriate an organisational development approach should therefore be applied in addition to training. Assigning human and financial resources, e.g. as specific budget lines, for M&E, i.e. both monitoring and evaluation, is key. Development partners should support building sustainable structures and capacity overall. Supplementing external technical staff and financial resources for the joint setting up of an M&E system with the respective institutional structures might be beneficial in the short term but can at the same time create dependency on development partners. Additionally, it can also seem to legitimise the low priority of the topic and the inadequate provision of financial and human resources to M&E by RECs and member states.

- **Training of staff at the Secretariat or Commission and at member state level in the management of M&E instruments.** The interviews have revealed that training of management of new instruments and IT-based systems of assigned monitoring staff at regional and national level, i.e. in the Secretariat or Commission and the relevant ministries at member state level has proven key for a sustained use of the system, e.g. in CEFTA and EAMS. Furthermore, M&E guidelines for handling the M&E system should not only be developed by external consultants but also tested with the actual users at both national and regional level and adapted accordingly.

- **Enforcement of M&E systems and submission of data.** Since M&E of regional economic integration in RECs involves national level and regional level information, verification and validation of data submitted by member states needs to be inbuilt in the M&E system. Validation of information submitted in a double layer system by sub-structures within the REC has proven efficient in the FIP system in SADC. Enforcement or sanctioning mechanisms to ensure timely submission of monitoring information and implementation can give an M&E system additional teeth. In many instances making such information publicly available within the REC and highlighting good practices can advance the cause. Enforcement, however, has to be well balanced in order not to lead to over-reporting or frustrate member states.

C) Communication of M&E results

- **Strengthening the use of M&E information for policy-making.** Policy-making bodies of RECs should further use information resulting from monitoring and evaluation. Discussions of monitoring results from implementation and compliance in relation to the regional economic integration agenda should thus be encouraged as part of the institutional policy-making structures of RECs. Communication processes and formats should consequently be designed to ensure the use of the information for policy direction and adjustments.
- **Use monitoring information to inform businesses.** Most of the information from M&E systems is targeted to support steering of the implementation of the regional economic integration agenda and is thus directed at actors within the RECs. However, the integration agenda produces changes relevant for businesses, including small and medium enterprises, specifically at

compliance level. Businesses require timely information on changes and opportunities deriving from the implementation of the regional integration agenda, which the monitoring information can partly provide. It can be considered as a second area of use for monitoring results – and requires specific processes and formats and further development of the monitoring information in the sense of what this means for businesses. Different kinds of information is to be drawn on the basis of the monitoring results and fed to businesses through other communication channels.

D) Documentation and learning

- **Draw lessons learned** of the development and establishment of M&E systems and mechanisms and disseminate them **for regional and cross-regional exchange.** This paper is only a starting point of an overview and there isn't much information on the practical development and application of M&E systems and related lessons learned. The consulted development practitioners and partners have all expressed vital interest in the practices applied in other RECs. In order to advance the agenda for others, the focus should be put on key factors for success and learning points from the processes, to facilitate information on possible challenges.
- **Regional M&E communities of practice foster exchange and learning on M&E issues between RECs.** Such communities of practice are not only important capacity development measures but also have the potential to create momentum for advancing M&E within the different RECs based on the experiences of others. A regional M&E community of practice in Africa (SADC, EAC and ECOWAS) supported by GIZ has for example produced a study on guiding principles for M&E in RECs as an outcome of the regional exchange advancing the discussion on an overall M&E framework and log frames for M&E aligned to objectives of the African Union and the African Economic Community.



Annex

I. Overview matrix: M&E of regional economic integration in RECs

	ASEAN	CARICOM	CF-EU EPA	CEFTA	COMESA	EAC	ECOWAS	EU	MERCOSUR	SAARC	SADC
MONITORING SYSTEM											
Structured, regular approach	x	Not yet available	–	X	(x) ⁷⁸	x	(x)	x	Not yet available	–	x FIP/TP
M&E policy, documents	AEC Blueprint		–	User manuals	M&E policy framework, guidelines	Mon. policy EAMS user guides	M&E manual			–	M&E Policy, FIP MRE Hand-book
TYPE OF MONITORING											
Compliance / implementation	x		(x)	x	x	x Score-card/ EAMS	x	x		x	x
Outcome	(x)		–	–		x		x		–	
Indicator-based	x		–	x		x	x	x		–	x
Linked w/policy	x		(x)	x	(x)	x	x	x		(x)	x
Linked w/planning	x		–	x	x	x	x			–	x
INSTRUMENTS											
Scorecard	x		–	–		x	–	x		–	–
MIS	–		–	x	x	x EAMS	–	x		–	–
Databases	x scorecard		–	(x) MIS	(x)	x MIS-EAMS	–	x MIS		–	x
(Trade) statistics	x separate		(x) ⁷⁹	x	Separate statistics	x ⁸⁰	Not part of M&E system	x		(x)	Not part of FIP/TP MRE
Reports	x		–	x	x	x	x	x		x	x
Frequency (reporting)	Annual, scorecard publication biennial (phases)		Annual discussions of progress	Annual reports	Annual	Real-time, several reports for meetings	Monthly/quarterly (dept.)	Annual		6-monthly from MS, Annual discussions	Annual performance
Linked to REC meeting cycle	x		x	x	(x)	x	x	x		x	x
Evaluation / review foreseen	MTR AEC blueprint decided in 2009		5-yr review foreseen	–	For programs/projects	MTR dev. Strategy; for programs-postponed	For programs/projects			–	5-yr impact assessment (FIP and TP)
Evaluation / review undertaken	x MTR		x Review	–		–	–			–	–

Source: compilation by author based on interviews and research.

⁷⁹ Assessment presented in the following is based on information available and not an additional interview and is thus not necessarily complete.

⁸⁰ Exist but not as part of a monitoring system.

⁸¹ Included in the MIS. Separate annual EAC Trade reports.

II. Factsheets

ASEAN – M&E of regional economic integration

Association of Southeast Asian Nations – ASEAN	<p>Signatory Parties: Brunei Darussalam (1984), Cambodia (1990), Indonesia, Lao PDR (1997), Malaysia, Myanmar (1997), Philippines, Singapore, Thailand, Viet Nam (1995).</p> <p>Established: August 8, 1967</p>
Approach to M&E	<p>Structured monitoring approach based on a compliance-oriented monitoring system, set forth with the Asian Economic Community (AEC) Blueprint.</p> <p>The various monitoring instruments are not interlinked as part of the monitoring system.</p>
Type of monitoring information	<p>Compliance and activity based information on the completion of obligations and measures agreed as part of the AEC Blueprint (harmonisation of laws, regulations, tariffs etc.). Depicted in a traffic light and with regional completion in per cent on the specific area.</p> <p>The ACPMS includes outcome indicators for the AEC; however, its use is unclear.</p> <p>Gender and Human rights are not included and/or monitored.</p>
Instruments applied	<p>ASEAN Economic Community Scorecard. The scorecard measures compliance of the member states with set measures specified in the AEC Blueprint towards the establishment of the AEC in the four pillars.</p> <p>ASEANStats (subordinate to the Integration Monitoring Office – AIMO of the ASEAN Secretariat) collects regional economic and trade related data.</p> <p>Reporting between the ASEAN bodies and as part of the ASEAN Summit.</p>
Frequency of collection	<p>Annual collection of information for the Scorecard.</p> <p>ASEANStats collects trade statistics, which can be used as part of the ACPMS.</p>
M&E policy / strategy / guidelines	<p>The AEC Blueprint outlines all measures to be implemented in its four pillars and forms the basis for the AEC monitoring and implementation.</p>
Institutional structures for monitoring	<p>ASEAN Secretariat, specifically the AIMO (and ASEANStats).</p> <p>ASEAN National Secretariats and monitoring focal points appointed at national level within the ASEAN member states.</p>
Use of monitoring information	<p>Monitoring information from the Scorecard and further reports are discussed at the meetings of the ASEAN bodies, the Coordinating Council and the Summit.</p> <p>Scorecard reports are publicly available through the ASEAN website (latest 2012).</p>
Evaluation	<p>Mid-term Review (MTR) of the AEC establishment not foreseen in the AEC Blueprint but decided in 2009 and conducted in 2012 (Economic Research Institute for ASEAN and East Asia – ERIA).</p> <p>ASEAN Integration Monitoring Report AIMR 2013 (Secretariat / WB) with a focus on integration outcomes, foreseen as a regular publication (however no further report since 2013).</p>

CARIFORUM-EU EPA – M&E of regional economic integration

CARIFORUM-EU EPA	<p>Signatory Parties (CARIFORUM): Antigua & Barbuda, Belize, The Bahamas, Barbados, Cuba, Dominica, Dominican Republic, Grenada, Guayana, Haiti, Jamaica, St. Kitts & Nevis, Saint Lucia, St Vincent & the Grenadines, Suriname, Trinidad & Tobago.</p> <p>Established: EPA signed on October 15, 2008.</p>
Approach to M&E	<p>No overarching, structured monitoring system to monitor the overall implementation of the EPA.</p> <p>Projects supporting the implementation of the EPA (however usually only covering a certain thematic area and/or institution or member state) usually have their own monitoring system.</p>
Type of monitoring information	<p>In the absence of a monitoring system, progress is discussed within the institutional bodies, especially at the annual meetings of the Trade and Development Committee (TDC), mainly related to compliance with ratifications, the harmonisation of laws and regulations, resulting from under-signing the EPA agreement.</p> <p>Gender and Human rights are not included and/or monitored.</p>
Instruments applied	<p>Discussions at meetings of the bodies of the EPA agreement.</p> <p>Only few EPA implementation units (EIU, national level) have implementation matrices or plans in place, which could form a basis for monitoring, the regional EIU does not have one either.</p>
Frequency of collection / reporting	<p>No system, thus no specific collection frequency.</p> <p>Annual discussions of status of e.g. EPA Agreement related ratifications at the TDC.</p>
M&E policy / strategy / guidelines	<p>No M&E policy or strategy or guidelines in place.</p>
Institutional structures for monitoring	<p>CARIFORUM Directorate – (regional) EPA Implementation Units (EIU)</p> <p>EIUs at national level. EPA institutional structures: TDC, Joint Council.</p>
Use of monitoring information	<p>Limited, since no M&E system is in place to produce comprehensive regular monitoring information.</p> <p>Annual discussions of progress and status (though not against indicators or benchmarks) at the TDC, which informs the Joint Council.</p>
Evaluation	<p>Five-yearly reviews are foreseen in the EPA agreement.</p> <p>A review conducted in 2014 revealed overall slow implementation of the EPA and highlighted the non-existence of a jointly agreed monitoring system as a challenge and area for immediate action.</p>

CEFTA – M&E of regional economic integration

Central European Free Trade Agreement – CEFTA	<p>Signatory Parties: Albania, Bosnia and Herzegovina, Macedonia, Moldova, Montenegro, Serbia, Kosovo.</p> <p>Established: 2006, in force since 2007.</p>
Approach to M&E	<p>Structured and regular, involving both national and regional level.</p> <p>Monitoring system (MIS) in place since 2009, based on the planning of the institutional CEFTA structures, their annual work programs, including indicators for monitoring.</p>
Type of monitoring information	<p>Mainly compliance-based monitoring in the Sub-Committee areas (e.g. signing of new agreements or protocols, relating to cooperation within CEFTA, implementation of trade measures, abolishment of customs duties, elimination of non-tariff barriers etc.)</p> <p>Gender and Human rights are not included and/or monitored.</p>
Instruments applied	<p>Annual Sub-Committee (SC) work programs and action plans.</p> <p>Online databases (mainly compliance) of the SC areas in one online tool – MIS www.ceftatransparency.com</p> <p>Annual reports of the SCs.</p> <p>Annual report of the Chair in Office to the Joint Committee.</p>
Frequency of collection / reporting	<p>Change and needs-based feeding of databases</p> <p>Quarterly check of collection and data by SC Chairs – regional level.</p> <p>Annual processing and discussion of SC monitoring results at regional level (overall CEFTA status report).</p>
M&E policy / strategy / guidelines	<p>No separate M&E policy or strategy in place. Monitoring is related to the annual work programs of the CEFTA Sub-Committees.</p> <p>Guidelines / manuals for the use / entry of information into the electronic databases.</p>
Institutional structures for monitoring	<p>National level: contact points at the Ministries of Trade (gather, feed information into databases when changes occur in real-time).</p> <p>Regional level: Chair of each SC (controls quarterly, compiles and submits annual report to the Joint Committee).</p> <p>CEFTA Secretariat coordinates and manages CEFTA meetings where monitoring information is discussed.</p>
Use of monitoring information	<p>Monitoring information (SC reports, overall CEFTA status report) is annually discussed at different regional meetings (SC meetings, annual Joint Committee meeting).</p>
Evaluation	<p>No specific periodic evaluation or review foreseen besides the annual self-evaluation as part of the monitoring exercise and a not further specified (scope, methodology etc.) annual impact assessment on the status and implementation of the CEFTA.</p>

EAC – M&E of regional economic integration

East African Community – EAC	<p>Signatory Parties: Burundi (2007), Kenya, Uganda, Rwanda (2007), Tanzania, Zambia, Zimbabwe (Partner States).</p> <p>Established: (first 1967, subsided 1977), EAC Treaty signed 1999, entered into force July 7, 2000.</p>
Approach to M&E	<p>Structured and regular, involving both national and regional level.</p> <p>East African Monitoring System – EAMS. Integrated, web-based management information system (MIS) at both regional and national level (EAMS Central, EAMS Country). The system assesses:</p> <ul style="list-style-type: none"> ■ Compliance with EAC decisions and directives, based on a color-coded traffic light system. ■ Indicators for the implementation of the Common Market Protocol and the 4th EAC Development Strategy. Mix of qualitative and quantitative, implementation and outcome indicators (fewer than implementation related indicators). <p>EAC Scorecard Common Market: assesses compliance of Partner States with legal requirements established by the Common Market Protocol.</p> <p>Separate NTB monitoring. Separate monitoring of the Customs Union Protocol.</p>
Type of monitoring information	<p>Compliance with legal requirements from the Common Market Protocol, implementation (performance) and outcome of the Common Market Protocol and the 4th EAC Development Strategy.</p> <p>Gender and Human rights are not included and/or monitored.</p>
Instruments applied	<p>MIS: EAMS Central and EAMS Country with integrated databases (modules: Common Market Protocol, EAC development strategy, indicator-based). Compliance with implementation of Summit / Council decisions and directives assessed through color-coded traffic light (EAMS). Common Market protocol and EAC development strategy monitoring based on indicators (and annual monitoring plans for EAC development strategy).</p> <p>EAC Common Market Scorecard for <i>de jure</i> compliance.</p> <p>Annual reports from the EAC Secretariat to the Summit / Council of Ministers.</p>
Frequency of collection / reporting	<p>EAMS: Real-time entry possible (national level – National Implementation Committees (NICs) in Partner States (MEACS)); bi-annual compilation and discussion of results within EAC bodies (regional level).</p> <p>Scorecard: biennial updates foreseen.</p>
M&E policy / strategy / guidelines	<p>Results-based monitoring policy. Monitoring and Evaluation is spelled out and defined in the EAC Development Strategy.</p> <p>User manuals for the EAMS Central and EAMS Country (integrated in EAMS).</p>
Institutional structures for monitoring	<p>Regional level: M&E Unit at the EAC Secretariat; Regional Implementation Committee – RIC (validating national information).</p> <p>National level: NICs / monitoring and evaluation officers.</p>
Use of monitoring information	<p>Discussion at Summit of Heads of State and Government and Council of Ministers meetings. EAMS reports are first agenda item at the Summit meetings.</p> <p>Sectoral Councils (three times / year), RIC and NICs (bi-annual).</p>
Evaluation	<p>MTR of the EAC Development strategy foreseen for 2014 but postponed.</p> <p>Evaluation of REI and of monitoring information relating to REI not yet foreseen but planned to be addressed.</p>

ECOWAS – M&E of regional economic integration

Economic Community of West African States – ECOWAS	<p>Signatory Parties: Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo.</p> <p>Established: May 28, 1975</p>
Approach to M&E	Structured and regular approach measuring performance of the Commission in relation to the implementation of the ECOWAS Regional Strategic Plan 2011–2015.
Type of monitoring information	<p>Performance monitoring in relation to (mainly output) indicator-based departmental Annual Work Plans and Budgets (AWPB) prepared based on the ECOWAS Regional Strategic Plan 2011–2015 (including REI related areas such as promotion of regional trade, trade integration and mobilization of workforce and capital and factors of production, regulation of business environment and others).</p> <p>Human rights and Gender are not included and/or monitored (though the Commissions performance report includes implementation of gender programmes. However, Gender in relation to REI outcomes is not included in ECOWAS).</p>
Instruments applied	<p>AWPBs with indicators establishing implementation forecasts.</p> <p>Reports: Quarterly departmental / directorate reports, annual ECOWAS Commission performance report.</p> <p>Annual performance review meeting of the President of the ECOWAS Commission with representatives from all departments.</p> <p>No database-based collection or MIS in place.</p>
Frequency of collection / reporting	<p>(Monthly) Quarterly (departmental monitoring).</p> <p>Annual compilation of annual performance reports (establishing execution rates of AWPBs).</p>
M&E policy / strategy / guidelines	<p>No M&E policy or strategy in place. Foreseen as part of the new Strategic Plan.</p> <p>ECOWAS Commission Monitoring and Evaluation Manual.</p>
Institutional structures for monitoring	<p>Monitoring and evaluation unit at the ECOWAS Commission, Vice President of the ECOWAS Commission.</p> <p>Monitoring focal points at Commission Departments, Institutions and in member states.</p>
Use of monitoring information	<p>Annual performance reports are discussed in regional Technical Committees.</p> <p>Annual performance review meeting of the President of the ECOWAS Commission with representatives from all departments facilitates learning and creates transparency and peer pressure for improved implementation.</p>
Evaluation	No specific periodic evaluation or review measuring REI and related impacts is foreseen besides evaluations foreseen in programs or projects.

SAARC – M&E of regional economic integration

South Asian Association for Regional Cooperation – SAARC	<p>Signatory Parties: Afghanistan (since 2007), Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.</p> <p>Established: December, in force since 2007.</p>
Approach to M&E	<p>No structured and designated M&E system in place with no specific M&E databases or MIS system.</p> <p>However, structured and regular reporting takes place as part of SAARC institutional meetings of charter bodies and the SAARC Summit, focusing on mainly quantitative achievements and compliance, involving both national and regional level.</p>
Type of monitoring information	<p>Notes on status of economic and financial cooperation that compile information on the status and progress made (reports).</p> <p>Information includes: Status and changes in intra-regional exports. Compliance- and progress-related information: Status of TLP Notifications (Tariffs / Customs). List of Sensitive Products. Harmonisation of Standards. Elimination of NTBs (not yet functioning, in the set-up).</p> <p>Gender and Human rights are not included and/or monitored.</p>
Instruments applied	<p>Reports (Note) with respective recommendations submitted to the Standing Committee / Council of Ministers (and Summit, every two years). Relevant trade statistics form part of the reports.</p>
Frequency of collection	<p>Collection of SAFTA Trade statistics and information on TLP tariff / custom notifications etc. every six months at national level, approved by the CoE. Note on status of economic and financial cooperation compiled for all member states by the Secretariat (regional level).</p>
M&E policy / strategy / guidelines	<p>No M&E policy or strategy in place, no M&E guideline(s).</p>
Institutional structures for monitoring	<p>National level: Appointed focal points at the national Ministries of Commerce / Trade (gather and submit information).</p> <p>Regional level: Economic, Trade and Finance Division at the SAARC Secretariat. It processes the information and produces the Note on the status of economic and financial cooperation for SAARC Charter Bodies and the Summit.</p>
Use of monitoring information	<p>The Notes on the status of economic and financial cooperation and the related matrix of recommendations are discussed at the meeting of the Council of Ministers and also at the Summit (every two years).</p> <p>The latest Note is available on the SAARC Website (Area of Cooperation / Economic and Trade).</p>
Evaluation	<p>No specific periodic evaluation or review is foreseen besides discussions of the report and respective recommendations at the annual Council of Ministers meeting and the SAARC Summit held every two years.</p>

SADC – M&E of regional economic integration

Southern African Development Community – SADC	<p>Signatory Parties: Angola, Botswana, DR Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe.</p> <p>Established: SADC Declaration and Treaty 1999, which effectively transformed the Southern African Development Coordination Conference (SADCC) into SADC.</p>
Approach to M&E	<p>Structured and regular, involving both national and regional level.</p> <p>Monitoring, reporting and evaluation (MRE) systems for 1) the SADC Protocol on Finance and Investment (FIP) and 2) the SADC Trade Protocol (TP).</p>
Type of monitoring information	<p><i>De jure</i> implementation of obligations from the SADC Protocol on Finance and Investment (FIP) and the SADC Trade Protocol (TP). Outcome monitoring on FIP foreseen with Dashboard, but not yet in place.</p> <p>Gender and Human rights are not included and/or monitored.</p>
Instruments applied	<p>Matrix of commitments based on quantitative and qualitative indicators, operationalizing the commitments from the protocols (including baselines for the respective matrix of commitments).</p> <p>Progress from national level stored in a database (Excel) is assessed, validated and combined into an annual regional report.</p> <p>Annual FIP / TP Report presenting progress based on a traffic light system (achieved, partially achieved, not achieved).</p>
Frequency of collection / reporting	<p>Annual collection of data from national level (MS and Subcommittee report) and annual reporting for both the FIP (to the SADC Ministers of Finance) and the TP (to the Committee of Senior Officials and the Committee of Ministers of Trade).</p>
M&E policy / strategy / guidelines	<p>M&E policy: SADC Strategy Development, Planning, Monitoring and Evaluation (SPME) policy.</p> <p>FIP MRE Handbook / TP MRE Handbook.</p>
Institutional structures for monitoring	<p>SADC Secretariat is responsible for FIP and TP MRE systems at regional level. Collects, consolidates, analyses and validates data and compiles a regional report for the SADC institutional structures.</p> <p>(Trade) Contact points appointed at member state level, which relate to FIP Coordinating Units (for the FIP) and relevant Subcommittees and submit monitoring reports to the Secretariat.</p>
Use of monitoring information	<p>Reports inform different SCs, Committees of Senior Officials, Committee of Ministers. FIP <i>de jure</i> regional financial integration report only reaches the Ministers of Finance.</p> <p>FIP: biannual Regional Learning Platforms with stakeholders to discuss challenges and opportunities.</p>
Evaluation	<p>Independent, external evaluation to assess performance around the FIP foreseen in the FIP MRE every five years.</p> <p>Impact assessment foreseen in the TP MRE every five years.</p>

III. List of persons consulted and/or interviewed

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Cassius Chuma	Planning, Monitoring and Evaluation. Trade, Industry, Finance and Investment Directorate, SADC Secretariat
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Ignacio Granell	EC, DG Trade, Belgium – Economic Partnership Agreements – Overseas Countries and Territories
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Osvaldo Rosales	CEPAL, Santiago, Chile
Subash C. Sharma	SAARC Secretariat, Economic, Trade and Finance Division, Kathmandu, Nepal
Safala Shrestha	GIZ – SAARC-TPN, Nepal
Tanja Boskovic	GIZ, Open Regional Fund, Foreign Trade Promotion, Bosnia and Herzegovina

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