



Economic development and employment

Regional economic integration

The challenge

Joining together to establish regional economic communities can bring numerous advantages to the member states. In order to harness the potential to generate economic growth and foster development of the participating nation states, an enabling environment must, however, firstly be put in place. The central challenges involve overcoming the heterogeneous interests of member states, and developing at national level the capacities required to implement regional measures.

Our approach

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH supports partners at regional and national level on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). In view of the many different forms of regional cooperation and integration that exist, GIZ offers an entire spectrum of different cooperation models, tailored to the specific needs of each partner.

- Under cooperation programmes with regional organisations, GIZ advises the secretariats and commissions of these bodies on formulating and designing regional economic-policy measures. At the same time the programmes encourage organisational development within the regional institutions themselves.
- Regional funds offer particularly flexible support. Within the scope of sub-measures they are specially devised to address the individual concerns and needs of regional organisations and their member countries. Appropriate human resources structures at regional and national level ensure the effective handling and realisation of the agreed action areas.
- At bilateral level too individual states or groups of states can be provided with support in their efforts to integrate and establish a regional economic area.
Economically weaker states within a regional group in

particular can benefit from specific advisory services and support.

In addition, GIZ delivers advisory services on the establishment of dialogue processes involving the private sector, civil society and regional organisations. Not only does this ensure the involvement of non-state actors in the shaping of regional political processes. The institutionalised exchange among actors also helps identify and address existing obstacles (customs duties, subsidies and technical and administrative regulations that stand in the way of states integrating and establishing a common economic area).

To maximise effectiveness, German development projects and programmes are not solely focused on the regional level. They also support nation states in the implementation of regional political processes.

Our services

Pivotal to our work are the development and promotion of the capacities, resources and performance of individuals, organisations, cooperation arrangements and networks, and of the political system.

Human resources development measures enable individuals and smaller groups to play an active part in shaping the process of regional economic integration. This includes providing specialist advice on a wide variety of issues, as appropriate. These can include trade facilitation, trade in services, quality infrastructure and industrial policy, depending on the situation in the region in question. Within the scope of organisational development measures, GIZ works with regional economic communities on strategy development, internal planning and management, and knowledge management. One important contribution in this regard are the advisory services GIZ offers on the monitoring and evaluation of regional measures. By putting in place results-based monitoring systems, regional economic communities obtain an overview of the implementation of their regional resolutions at national level, possibly along with information on the actual results achieved.



GIZ establishes and strengthens networks and cooperation arrangements to ensure knowledge sharing and the coordinated design of regional measures. The Public Private Partnership (PPP) Network established within the scope of the Southern African Development Community (SADC) is one example. Training and opportunities to share experience help develop the capacities of members to plan and implement infrastructure measures with private investors.

GIZ provides economic-policy advice to support the development of an enabling political and socioeconomic environment. Alongside the regional economic communities, the focus is also on the needs of national political institutions.

The benefits

Regional economic integration and cooperation are not an end in themselves. The actors involved expect cooperation and integration to result in economic and political advantages: higher economic growth, more jobs and greater prosperity, especially for disadvantaged sections of the population. Processes of regional cooperation and integration also help participating nation states to cope with economic challenges, which they could not master alone. Smaller states gain greater political and economic clout as members of a larger regional organisation. They are enabled to exert a greater influence over multilateral negotiation processes, such as those conducted under the auspices of the World Trade Organization (WTO).

An example from the field

On behalf of BMZ, GIZ is advising the Secretariat of the East African Community (EAC) on achieving the goals it has set itself – establishing a common market among the five member states of the community. To this end, the fundamental conditions must first be put in place, in order to eradicate barriers to the movement of goods, services and people within the EAC.

GIZ is advising the EAC on the development and realisation of regional measures and protocols. More than fifteen policies, strategies and agreements have already been developed with the support of the project. They foster the integration of the markets for goods and services, as well as helping to harmonise tax regulations within EAC countries. Industrialisation efforts within the region are being strengthened by promoting the local manufacture of pharmaceutical products. Cooperation with the EAC has resulted in significant progress on integration, including the following:

- A monitoring mechanism to eradicate non-tariff trade barriers has identified and removed more than 60 obstacles to trade.
- Advisory services on double taxation agreements and information sharing among taxation authorities have helped identify more cross-border fraud cases. At the same time agreements with third states have been renegotiated to bring more advantages for EAC member states.
- Newly elaborated agreements on the recognition of professional qualifications already allow more than 200 specialists, including architects, accountants and engineers, to offer their services in neighbouring EAC states.

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