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Africa

REGIONAL INTEGRATION
STORIES FROM THE FIELD



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OVERVIEW :

THE CASE FOR REGIONAL INTEGRATION IN SUB-SAHARAN AFRICA

An interesting part of the World Bank's work in Sub-Saharan Africa is the Regional Integration Program. It allows countries to come together to address challenges of small and fragmented markets, find regional solutions for challenges facing multiple countries, and address global public goods.

This brochure puts a spotlight on the Bank's Regional Integration work – on the successes, challenges and lessons learnt over the past decade. During this period, the Bank's financial commitment for Regional Integration has grown, and in 2016 it stood at \$10 billion in IDA commitments ¹ (one-fifth of the Bank's total commitments to Sub-Saharan Africa). It is a relatively young portfolio, but one with tremendous promise and potential to deliver transformational impact. Our country clients and partner regional institutions deliver these results. And the World Bank is proud to help! We hope you like this little peek into the Bank's Regional Integration program.



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¹ The International Development Association (IDA) is the part of the World Bank that helps the world's poorest countries.



AFRICA ON THE MOVE!

REGIONAL INTEGRATION SPAWNS POLICY INNOVATIONS

With fragmented markets, high transportation costs, and archaic regulatory systems, Africa has more than its share of barriers to development. But in a variety of innovative regional projects, African countries are seeking to overcome these obstacles and accelerate social and economic development.

The projects span the spectrum of development work from energy and natural resources to business, finance, trade, education, and health. All involve groups of countries working cooperatively to help business and government achieve economies of scale, unleash trade, optimize use of shared natural resources, improve health, and address social problems that transcend national boundaries.

The World Bank supports them as part of its Regional Integration program, which rests on three pillars: To help countries develop infrastructure that improves connections across borders; to help establish institutions and regulatory frameworks that expand markets and promote trade and investment; and to facilitate cooperative efforts to manage global public goods.

In the Sahel region of northern Africa, nomadic herders have ranged over vast areas that include substantial portions of five countries for centuries. With the Bank's support, five countries in the Sahel have joined forces to sustain pastoralists' way of life, including their ability to travel easily across borders, through coordinated and locally-controlled land-use planning, resource management, and extension services.

The countries on Africa's coast also have discovered the advantages of regional cooperation. During the colonial era, the region's population mainly traded with the European powers that controlled them, so their roads were built mainly to move raw materials from the African hinterland to ports. Today, trade is growing between countries within the region. The Bank is helping bolster this trade by supporting road improvements and efforts to streamline inefficient customs procedures.

Regional integration even stretches to the waters off the shores of West Africa. Some of the continent's richest fisheries can be found in territorial waters of coastal nations, but national boundaries are invisible at sea, and fish and fishing boats move freely up and down the coast. The Bank is helping a group of coastal countries, who have joined forces to manage these fisheries jointly, first by creating surveillance capability so they can stop illegal, predatory fishing by foreign trawlers, then by adopting policies to manage the fisheries so they can be sustained over the long-term.

Even when politics comes in the way of regionalization, market forces make it hard to resist. In the East African Community, banks and other companies have been opening subsidiaries across borders for years, hoping to attract more customers and thereby achieve economies of scale in their operations. The Bank is helping five countries in East Africa to harmonize their regulatory systems in the financial sector.

A group of 17 nations in west and Central Africa have signaled their interest in bringing their economies closer together. With Bank support, they are establishing uniform business laws in an effort to boost business operations ranging from how to start-up new companies to how to shut down bankrupt ones.



© Andrea Borgarello / World Bank



The third pillar of the regional integration program, is about creating new public goods and addressing shared problems. In one promising project, the Bank is helping universities in nine countries establish “centers of excellence” that specialize in various science, technology, engineering, and math-related fields. Since the institutions will be open to students from all participating countries, the project is enabling the entire region collectively to produce job-ready students in more fields than would be possible if each country had to do the whole job alone.

Health is a growing part of the Bank’s regional integration portfolio. As the Ebola outbreak in 2014 demonstrated, pathogens do not respect national borders. A number of African countries are working, with Bank support, to develop the capacity to track and respond to new outbreaks.

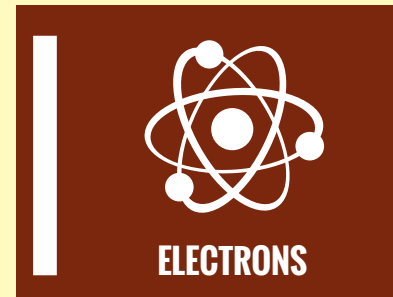
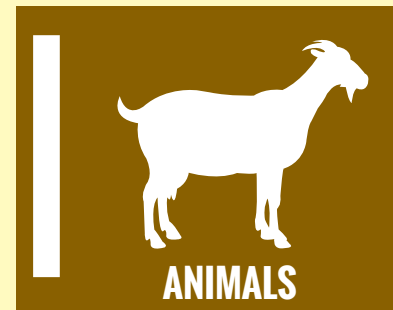
The Bank is also supporting African efforts to address deep-seated social issues. In the Sahel, a group of countries are working to address persistently high birth rates. The Bank-supported project is based in part on the premise that the answers can best be developed in a regional forum where countries can learn from each other and from other countries.

In the Great Lakes Region, meanwhile, three countries have joined forces to combat sexual and gender-based violence, first by providing a comprehensive package of services to survivors but also by supporting economic empowerment for women so they become less vulnerable in the future. In a region with porous borders, a regional program increases the chances that all survivors will get the help they need.

In these and other regional integration projects, the Bank plays varied roles: financier, convener, technical adviser, and cheerleader. But whatever form the Bank’s support takes, one thing is clear: Africa is on the move, and many of its most important innovations are arising through collaborations across large areas.

THINK REGIONAL

THE RAISON D’ÊTRE OF REGIONAL INTEGRATION



Meet the “border crossers”. Managing them for maximum development benefits requires countries to come together to optimize benefits for everyone.



REGIONAL INTEGRATION
STORIES FROM THE FIELD

COUNTRIES WITH ACTIVE REGIONAL PROGRAMS

39 countries

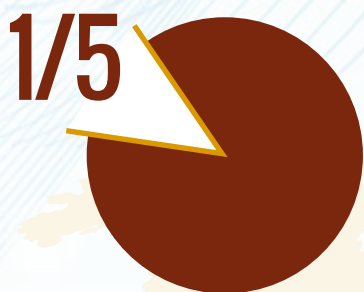
*are involved in the Regional
Integration program supported
by the World Bank*

Angola
Benin
Burkina Faso
Burundi
Cabo Verde
Cameroon
CAR
Chad
Comoros
Cote d'Ivoire
DRC
Ethiopia
Gabon
Gambia
Ghana
Guinea
Guinea-Bissau
Kenya
Liberia
Madagascar
Malawi
Mali

Mauritania
Mozambique
Namibia
Niger
Nigeria
Republic of Congo
Rwanda
Senegal
Seychelles
Sierra Leone
South Sudan
Sudan
Tanzania
Togo
Uganda
Zambia
Zimbabwe



FACTOIDS ABOUT THE WORLD BANK'S REGIONAL INTEGRATION PROGRAM IN AFRICA - SCALE AND IMPACT



REGIONAL INTEGRATION PROGRAM REPRESENTS ONE-FIFTH OF WORLD BANK'S FINANCIAL COMMITMENTS IN AFRICA

70



ACTIVE PROJECTS IN THE WORLD BANK'S REGIONAL INTEGRATION PROGRAM

10



FINANCIAL COMMITMENT FOR REGIONAL INTEGRATION PROGRAM IS CURRENTLY AT \$10 BILLION



20 NEW AGRICULTURAL TECHNOLOGIES BEING PROMOTED



10

POWER GRIDS IN 10 COUNTRIES FROM SENEGAL TO NIGERIA ARE BEING INTEGRATED.



20

COUNTRIES CONNECTED TO HIGH SPEED INTERNET.





THE NORTH-SOUTH CORRIDOR: OPENING UP EAST AFRICA'S TRANSPORTATION SYSTEM



© Amen Topeglo

✓ HIGHLIGHTS:

- *Efficient and transparent international transportation networks are key to boosting regional integration in eastern and southern Africa.*
- *Currently, the lack of physical connectivity and non-tariff barriers are adding to the cost of doing business.*
- *The World Bank is helping countries in eastern and southern Africa to design a strategy to address this challenge which simultaneously supports road improvements and streamlines and computerizes customs procedures at borders.*



In its simplest form, regional integration involves easing the movement of people and goods across borders to encourage economic growth. Where international transportation networks run smoothly and customs rules are administered efficiently, trade usually flourishes, and economies grow. Where those conditions aren't met, economies tend to lag, and life is more of a struggle.

That is the theory behind a World Bank-supported program to improve the flow of traffic along the so-called North-South corridor, a 1,700 kilometer transportation pathway covering Tanzania, Zambia, Malawi and neighboring countries. In practice however, the projects under implementation are more complicated. While achieving its goals might seem to be a simple matter of infrastructure and logistics, it faces a complex set of obstacles involving the interplay of numerous economic players with conflicting interests.

Not many people dispute the theory. Firms in the eastern and southern African countries have long identified poor infrastructure and trade facilitation costs as a critical constraint for doing business. Even more so for the landlocked countries. The cost of each additional day of delay is estimated to be as much as US\$200-400, adding to high transport costs. An integrated approach to the development of the key regional corridors is seen as having the potential to dramatically change the economic structure of the region.

The Bank worked with the East African Community (EAC) and other stakeholders to develop an overall strategy for integrated corridor development in the sub-region. It identified the need for additional infrastructure, more efficient use and preservation of existing infrastructure, greater trade facilitation and addressing such technical areas like use of consistent design standards for trunk roads.



The strategy identified obvious areas where the infrastructure gaps need to be filled. From a global perspective, the region represents a number of disparate and relatively small markets, whose aggregation is complicated by physical and institutional barriers, such as distance, the poor quality of the infrastructure, and continued intra-regional policy and regulatory discrepancies, despite a number of earlier initiatives. The Bank prepared new transport and trade facilitation projects in Tanzania and Malawi to address these concerns. These projects adopt a two-pronged strategy to reverse this pattern. A “hard” dimension of the project involved supporting road improvements, while a “soft” one sought to streamline and computerize customs procedures at borders. The projects also focused on creating “single windows” at ports, where shippers could manage all their land-based affairs – including taxes, customs, port fees, cargo-handling charges, and trucking arrangements – all at once.

These projects represent some of the newer generation of regional transport projects supported by the Bank. In some of the earlier projects there were numerous obstacles to trade that fell outside the scope of the Bank-supported projects. In some cases, customs duties remain high; these not only stifle trade directly, but also encourage smuggling, which prompts authorities to set up numerous check-points that further slow traffic borders. Customs services themselves are widely seen as corrupt,

adding to truckers’ already high costs. Meanwhile, anti-competitive trucking practices keep the roads clogged with inefficient vehicles, increasing overall transportation costs further (and damaging roads). Meanwhile in the ports, controlling agencies, importers, and customs brokers perpetuate inefficient practices in order to increase their fees and keep competition away, while shippers also slow the movement of cargo because they use ports as cheap ways to store their goods.

The importance of transport and trade is so critical for Africa’s development, that these projects would need to be complemented by other measures focused on clear policy and regulatory reforms, provide new forms of technical assistance to help trucking companies improve their efficiency, and devise new communications strategies to build public understanding of the high cost societies at large are paying for current industry practices.

Eventually, greater transparency could lead to a new way of thinking even among people who currently favor the inefficient status quo. How close is the North-South corridor to that new, pro-competitive paradigm? Time will tell, but the ongoing projects can have meaningful impact if they deliver what it says on the can.

Africa needs to trade more with itself and with the rest of the world. This is important to diversify the economy beyond extractive resources and to create jobs. The North – South Corridor Project in eastern and southern Africa improves the physical connectivity and has highlighted the need for removing the non-tariff barriers to realize the full potential of lower costs for consumers and better prices for producers.



THE WORLD BANK SUPPORTS A PROGRAM TO IMPROVE THE FLOW OF TRAFFIC ALONG THE SO-CALLED NORTH-SOUTH CORRIDOR,

**A 1,700 KILOMETER
TRANSPORTATION PATHWAY COVERING
TANZANIA, ZAMBIA, MALAWI AND
NEIGHBORING COUNTRIES.**





THE POWER OF ONE:

FINANCIAL INTEGRATION IN EAST AFRICA

✓ HIGHLIGHTS:

- *The financial services industry – banking, insurance, pensions, and equities markets – thrives on economies of scale – many countries in Africa are small and suffer from diseconomies of scale.*
- *The East African Community (EAC) has been moving steadily to integrate their financial systems to reduce the industry's high operating costs.*
- *With a single, unified system, financial companies in Kenya, Tanzania, Uganda, Rwanda, Burundi, and South Sudan would have immediate access to a much larger market and the potential to expand their operations and lower their costs to the benefit of all.*



© Arne Hoel / World Bank

Celestin Rwabukumba sits in his office in Kigali, Rwanda, and sees big opportunities constantly slip away. Chief Executive Officer of the Rwanda Stock Exchange, he has identified 30 promising local companies that are stalled because they can't find capital. Their only practical source of money is commercial banks, but bank loans are running at a prohibitively high 17%. At the same time, many Rwandans have money to invest, but they have few good options; they put some of the resources in real estate, and hold between \$180 and \$190 billion in personal bank accounts that earn little or no interest.

Rwabukumba sums up the situation bluntly. *"It's ridiculous,"* he says.

The problem has nothing to do with the competence of Rwanda's financial sector. The country is simply too small a market. The financial services industry – banking, insurance, pensions, and equities markets – thrives on economies of scale. When financial markets are too small, the industry's operating costs are high relative to their assets. So they can only offer a narrow range of services, and they provide investors paltry returns at high cost. Ultimately, society suffers from the resulting low levels of investment.

The pattern is repeated throughout the East Africa Community, a region that includes Kenya, Tanzania, Uganda, Rwanda, and Burundi. Officials are aware of it, and have been moving steadily to fix it by integrating their financial systems for at least a decade. In 2005, they established a customs union eliminating tariffs on goods moving between their members. In 2010, the East African Community (EAC) formed a Common Market that allowed free movement of goods, services, labor, and capital between the member countries. In 2013, the countries' payment systems were tied together to allow smooth high-value money transfers in the region. And that same year, the EAC's political leaders agreed

to establish a monetary union – a single currency with a uniform system of financial regulation – by 2024.

With a single, unified system, financial companies in any of the countries would have immediate access to a much larger market – and hence the potential to expand their operations and lower their costs. But the impact is unlikely to stop there. Better services at lower cost are likely to expand the overall market as well. There is plenty of room for growth. Even in Kenya, the economic powerhouse of the region, almost 60% of citizens currently do not use formal financial services. As a result, bank deposits total just 38% of gross domestic product (GDP), compared to 66% in South Africa. The non-banking financial sector is even smaller. The Kenyan insurance industry's assets total less than one percent of the country's GDP, compared to 40% for South Africa. And while the Nairobi stock exchange looks big next to Rwanda's – it lists 55 companies while Rwanda's exchange has just seven – both equities markets are small; some 425 companies are listed on the Johannesburg stock exchange.

To a large extent, governments in East Africa are simply trying to catch up with the private sector, which has been leading the push for regionalization. A number of Kenyan companies – from consumer-products firms to grocery stores – have created cross-border subsidiaries in the region. Small and informal businesses also are engaged in thriving cross-boundary trade; telephone operators have noted, for instance, that call volume is heavier at times across the Uganda-Rwanda border than on either side of the boundary.

Without a clear regulatory framework, this expansion falls short of achieving its full potential. Banks, for instance, can expand across borders, but only by establishing separate subsidiaries – new companies that are subject to regulation by the countries where they are based. But because subsidiaries rely on their parent companies for some services – typically home offices perform many of the bank-office functions – regulators cannot protect consumers or ensure stability of the whole system unless they coordinate with each other. In some cases, lack of a common regulatory framework hurts consumers. A Rwandan investor could legally invest in the Nairobi stock market, but only through a Kenyan broker. Many find it too cumbersome to find and maintain a relationship with a broker over such a distance. But with integration, both countries could agree on standards for regional brokers who could operate in both markets.

“In principle, everybody agrees regional integration is important – it's a win-win situation,” says Smita Wagh, leader of a World Bank team that is supporting the financial integration effort. “But in practice, it means some of the national authorities are going to have to cede some of their autonomy, and the way that plays out is sometimes very, very challenging.”

The main lesson Wagh draws from her experience so far is that regionalization, even in a technical field, is a “human process” that requires great interpersonal skills. *“It takes listening to every party, treating every objection extremely seriously, no matter how frustrating – and waiting until the last objecting entity comes on board,”* she says.

The financial sector is getting more globalized and integrated. This East Africa Community (EAC) Project is facilitating the financial sector integration so that the private sector can get the benefits of harmonized regulatory arrangements across EAC countries.



05 COUNTRIES

HAVE BEEN HELPED BY THE
BANK TO HARMONIZE THEIR
REGULATORY SYSTEMS





HARMONIZING BUSINESS LAW :

A TRIPLE WIN IN WEST AND CENTRAL AFRICA

✓ HIGHLIGHTS

- Member countries of the Organization for the Harmonization of Business Law in Africa (OHADA) are working to establish a uniform set of business laws for the West and Central African region.
- This regional set of business laws would simplify regulations making it possible to operate anywhere in the region, help protect consumers, and ensure stability.
- With World Bank support, OHADA is also training business leaders, lawyers, and others in these provisions. Given the shortage of accountants, OHADA is also developing its own accounting curriculum tailored to African needs.



With its abundant resources, huge work force and pent-up demand for goods and services, Africa should be a land of opportunity for business, but its small markets, lack of skilled workforce and conflicting laws impede development. That's set to change in West and Central Africa.

A group of 17 countries have joined forces to establish a uniform set of business laws for their entire region. The enormity of the task is matched only by the huge potential pay-off. Collectively, the countries are home to 235 million consumers and have a combined gross domestic product (GDP) of \$275 billion – a potential market larger than all but three nations in Africa.

To help tap that potential, the countries have all ceded authority for writing a single, regional set of business laws to an organization called the Organization for the Harmonization of Business Law in Africa (OHADA). Its work represents a triple win. For businesses, it is simplifying regulations while making it possible to operate anywhere in the region according to the same rules. For governments, it is cutting the cost and burden of developing state-of-the-art business laws while reducing the threat of a dangerous “race to the bottom” in which countries might compete for investment or new businesses by softening regulations that protect consumers and ensure stability. And for the World Bank, it offers a way to leverage resources while promoting regional integration, which has been shown to accelerate economic growth and poverty reduction.

OHADA still has much work to do, but the effort is already paying off, according to Dorothé Cossi Sossa, OHADA's Permanent Secretary. In the 12 years before OHADA was established in 1997, economic growth in the region averaged 2.74% a year, but that rate jumped to 4.2% in the dozen years following the organization's formation. What's more, the rate of foreign direct



investment has outstripped that of Sub-Saharan Africa as a whole or the global average in recent years.

Sossa, a lawyer and former government minister from Benin, has breathed new life into the organization since he was hired in 2011 – first by recruiting a highly professional international staff, and then by moving aggressively to update major laws that had become outdated. *“He has created a culture of excellence,”* says Gilberto de Barros, the Task Team Leader for a World Bank project designed to support OHADA’s work.

The output is impressive. In 2014, the Cameroon-based organization issued a new Uniform Law on Commercial Companies, which simplified start-up rules for small businesses and spelled out new requirements for larger companies on everything from bond issues to corporate governance. In 2015 came a new uniform law on insolvency, which streamlined procedures for closing down failing companies so that their assets could be moved quickly to more productive activities. OHADA is doing it again this year by producing a law that will bring accounting rules in the 17 member countries up to international standards.

In all of these efforts, OHADA seeks to bring African business laws up to the highest international standards. *“If you harmonize with the lowest common denominator – the weakest point – you are not making things better, you are making them worse,”* de Barros explains.

The new laws also are designed to create a healthy framework for small, as well as large enterprises since economies do best when they have a strong mix of both. The new commercial law, for instance, includes simplified provisions to eliminate minimum capital requirements for small companies, and drops a requirement that they employ notaries in their start-up paperwork; the changes involve relatively small sums, but they can make the difference between success and failure for small enterprises. At the same time, the new law seeks to make it easier for businesses to grow, providing streamlined but more flexible rules on everything from corporate governance and issuance of securities.

Despite his achievements, Sossa isn’t satisfied. One of his current top priorities is to strengthen OHADA’s finances for the long term. The organization, which manages a regional court to settle business-law disputes, already is working to divert more of its cases to arbitration – a move that will increase fee income while saving businesses time and money currently lost to prolonged litigation.

OHADA’s efforts to build a strong, professional staff and develop services valuable in the marketplace can serve as a model for the kind of strong management practices it hopes its uniform laws are fostering in the region. That’s just smart business, according to de Barros. *“The (World Bank) project is finite – one day it will end,”* he explains. *“So OHADA needs to address its challenges in a way that is sustainable.”*

One of the challenges in attracting private sector investments in Africa is the small and fragmented markets. Under the OHADA project, 17 countries are working on harmonizing their business laws – helping move towards an integrated market for private investments.



4.2 PERCENT OF ECONOMIC GROWTH

17 NATIONS BRING THEIR
ECONOMIES CLOSER TOGETHER -
2.74 PERCENT ECONOMIC GROWTH A
YEAR JUMPED TO 4.2 PERCENT





THE NEW PASTORALISM :

REGIONAL RESOURCE MANAGEMENT IN THE SAHEL



© Ibra Toure

✓ HIGHLIGHTS

- *A World Bank-supported project aims to improve assets and access to essential services and markets for pastoralists across six countries in the Sahel*
- *Pastoralism is the primary livelihood for about 20 million people in the Sahel region, but it is ripe with challenges due to drought, famine and conflict*
- *One component of the project is focused on improving the health of pastoralists' herds by cracking down on the illegal trading of animal medicines, and increasing animal vaccinations*



To many urban dwellers in the developed world, the term “pastoralism” conjures up images of a handful of isolated agrarians peacefully watching small herds graze in idyllic pastures. But that understates its scale and importance. Pastoralism is a way of life for 120 million people – the primary means of livelihood in the world’s arid and semi-arid lands. Contrary to romantic notions about the pastoral life, it never has been easy. And today, it’s in trouble.

A far-flung new project of the World Bank is seeking to put mobile livestock rearing on a more solid footing in the Sahel, a swath of North Africa that includes three-fourths of the land mass of six countries – Burkina Faso, Chad, Mali, Mauritania, Niger and Senegal. Home to 20 million pastoralists and about 220 million cattle, sheep and goats, the region receives just 200-800 millimeters of rainfall a year, leaving its vegetation sparse and fragile. But people have adapted by ranging with their livestock across large areas – in the process frequently crossing national borders.

It is a tough life. At least half of the region’s pastoralists have been displaced by drought, famine and conflict, and 40% live in extreme poverty. Yet their animals account for 10-20 percent of Gross Domestic Product of some countries in the region, providing an income for 80 million people and supplying a significant portion of the meat and milk consumed in populated urban areas on Africa’s west coast. By some reckoning, the region’s economic future should be bright; demand for meat and milk is projected to increase by about 150 percent by 2050 from 2005-2007 levels. But new challenges cloud the future.

For one thing, dry seasons are coming earlier than in the past, setting many pastoralists on the move sooner and intensifying competition for limited resources



between them and sedentary farmers. At the same time, population growth and large-scale development schemes increasingly are cutting pastoralists off from land they have used traditionally. In the face of growing economic insecurity, trafficking, smuggling and other crimes have proliferated among pastoralist communities. That in turn has helped lead to a tightening border controls, which make conditions even more difficult for pastoralists. Long-standing political, ethnic and religious tensions are adding fuel to the fire, as is a high birth rate, which is swelling the population of young men who are unlikely to follow their fathers into pastoralism but don't have many good economic alternatives.

"The whole system is under great stress," says Christian Berger, the Task Team Leader for the project. Just as pastoralism transcends national boundaries, he adds, the response must span borders to address the pastoralists' problems. ***"The problems are regional in nature, so the solutions have to be regional too,"*** Berger says.

The Bank project (Projet Régional d'Appui au Pastoralisme au Sahel, or PRAPS) was launched in September 2015. One component involves a concerted effort to improve the health of pastoralists' herds, partly by bolstering national veterinary services and cracking down on trade in illegal animal medicines, but also by increasing the number of animals vaccinated against diseases that can devastate herds. The project currently is gearing up for a coordinated, three-month vaccination drive that will be carried out simultaneously across the entire region.

That may be easy compared to a second project task: to help create natural resources management plans throughout the pastoralism area. As pastoralists' movements have become more restricted, the risk grows that their movements may overtax the land and water still available to them. The project will lay out 5,100 kilometers of travel corridors with designated rest areas, build or rehabilitate 450 strategically-placed watering places, and set aside 55,000 hectares of land for restoration and conservation.

Beyond enhancing the health of herds and protecting natural resources, PRAPS intends to boost pastoralists' income by developing local markets along their travel corridors. Informal markets currently exist along areas pastoralists travel, but they have little infrastructure, offer minimal services and sometimes are magnets for crime, says Maty Ba Diao, who works for Permanent Interstate Committee for Drought Control in the Sahel (Comité Permanent Inter-Etats de Lutte contre la Sécheresse dans le Sahel, or CILSS) as the regional PRAPS coordinator. The new markets will have infrastructure for services, including veterinary offices, small processing plants to prepare meat and milk for local markets and more. CILSS, she adds, is creating a regional marketing database that will enable pastoralists to gather up-to-date information on prices and other issues on their mobile phones.

It's too soon to know how the six-year PRAPS project is working, but Diao, an agronomist originally from Senegal, says preparations have been promising. "When we are done, I think the lives of pastoralists will be much better," she says.

Pastoralism faces challenges of climate change. Add to it the complications arising from new stresses to traditional pastoralist routes spanning multiple countries. The Sahel Pastoralism project helps address these multi-country challenges and to allow improvement in livelihoods of local communities.



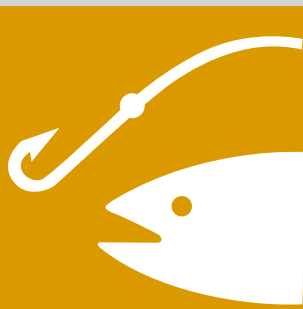
**5,100 KILOMETERS
OF TRAVEL CORRIDOR**

**BUILD OR REHABILITATE 450
STRATEGICALLY-PLACED WATERING
PLACES, AND SET ASIDE 55,000
HECTARES OF LAND**









SWIMMING TOGETHER OR SINKING ALONE:

THE FUTURE OF WEST AFRICA'S FISHERIES



© Andrea Borgarello / World Bank / Terrafrica

Calling up a digital map of West Africa, Stephen Akester sees what looks like a swarm of small triangles in the region's coastal waters, each one a satellite image of a large, foreign fishing vessel. He focuses on one, a European ship that has entered Sierra Leone's territorial waters, slowed down and started moving in tight circles.

"He's fishing," says Akester, a fisheries management consultant. A track of the boat's path says it failed to stop as required in Sierra Leone's capital to get a license and undergo inspection before dropping its nets. *"I'll be reporting him as soon as I finish talking with you,"* Akester says.

The tracking system is an early success story for the Bank's West Africa Regional Fisheries Program, which seeks to turn West Africa's fisheries into a sustainable engine for growth for a population of almost 300 million. Since the program launch in 2009, illegal foreign fishing has largely fallen for the six-mile protected zone off Sierra Leone and Liberia. Upon seeing satellite data confirming illegal fishing, one foreign government clamped down on its own fishing vessels, recently turning away five containers when the company that caught them couldn't produce proof that they had been taken legally. And where foreign boats used to take the fish without returning anything to the local communities – or at most delivering frozen blocks of frozen scrap fish that were shipped inland without any contribution by local fish processors – some are now buying locally-processed fish, becoming a contributor instead of a detractor from the local economy.

"The industrial fishing boats would come close by here and destroy our nets, hooks (and) materials that we lay in the water," says one Liberian fisherman. *"But now, after the ministry came away with a regulation, they go far, so we can't see the industrial fishing boats."*

✓ HIGHLIGHTS:

- A regional fisheries program supported by the World Bank aims to help West Africa's coastal countries turn fishing into a sustainable engine for growth
- To help decrease illegal fishing, the program supports increased surveillance of fishing waters
- Since the program launched in 2009, illegal fishing between Sierra Leone and Liberia has decreased significantly



Besides making his night-time fishing trips safer, the clamp-down has produced substantial benefits for the entire artisanal fishing industry. As once-threatened fish populations are reviving, local fishermen are catching as much as 40% more fish in some areas, and the fishes are bigger too. In Sierra Leone, 36,000 artisanal fishermen have seen their earnings jump US\$16 million according to Akester. Tax revenues are rising too; Sierra Leone's government more than tripled its revenues from the fishing sector between 2008 and 2013.

But that's just a first step. With domestic fishing growing almost as fast as illegal foreign fishing has declined, the project is working with the region's governments to devise new laws and regulations to ensure sound long-term management of the valuable resource. That should lay a foundation for the program's third phase: To help generate on-shore businesses that could multiply the value of the region's fish resources many times over.

At the outset, the project will focus on four countries – Sierra Leone, Liberia, Senegal and Cape Verde – but its ultimate success will require coordinated actions by eight countries stretching from Mauritania to Ghana. The reason is simple: Both the fish and the humans who catch them move freely up and down the coast without regard to the invisible boundaries separating national territorial waters. Protecting the resource has to be a regional effort, or countries that fail to manage their fisheries well will end up hurting countries that do, and everybody will suffer.

The stakes are high. West African waters include some of the richest fishing grounds in the world. More than 3 million people are directly or indirectly employed in fishing in the region, and the industry accounts for half of the region's total animal protein consumption and as much as 30% of export and public revenues. But Africans receive a relatively small share of the potential economic benefit from their fisheries. In 2009, when the Bank program was launched, foreign fleets were taking 60% of the US\$2.5 billion in legally harvested fish, and local economies were generating only \$500 million in value added from the fisheries.

Steps to increase transparency in the licensing process would help, but even where fisheries regulation is conducted in the open, governments have limited capacity to enforce maritime regulations. Sierra Leone and Liberia have relied largely on foreign governments to rein in illegal fishing by trawlers flying their flags, although the response has been uneven. Even so, countries in the region cannot outsource day-to-day regulation concerning the size and number of fish caught. That task falls to countries' civil servants who invariably receive minimal pay for their work. The situation is ripe for abuse. *"We have a saying that 'take-home pay doesn't take you home,'"* observes Sanlieu Sankoh, a marine biologist at Fourah Bay College in Sierra Leone's capital, Freetown. *"A very hungry man can sometimes be a very dishonest one."*

In the meantime, governments need scientific recommendations to set the fishing limits recommended and successful long-term management of the fisheries. Sustainable fisheries can lead to the building of infrastructure and otherwise support domestic fish-processing and other onshore businesses such as boat-building and various services.

By giving communities alternative sources of income, economic diversification would ease pressures borne out of excessive fishing. More broadly, converting fish into value-added products would vastly increase incomes in fishing communities. Canned sardines, for instance, sell for 10 times the amount of unprocessed ones.

Government officials, fishers and potential entrepreneurs may not fully appreciate that basic math yet, Sankoh argues. But he predicts on-shore businesses will emerge rapidly once they do and necessary infrastructure is in place, *"We have great resources in this country,"* says Sankoh. *"We don't yet know their value."*

Managing coastal fish resources is a classic case of a collective action to be taken by countries. The support to West Africa Fisheries aims to stop illegal plundering of the fish stock, provide incentives for countries to act in a coordinated manner, and help to improve incomes of poor fishing communities, all through collective action.



FISHERIES AND AQUACULTURE CONTRIBUTE

\$24 BILLION

TO THE AFRICAN ECONOMY OR 1.3% OF AFRICA'S GDP IN 2011





PROTECTING WOMEN SURVIVORS:

THREE COUNTRIES COMBAT SEXUAL VIOLENCE IN AFRICA'S GREAT LAKES REGION

✓ HIGHLIGHTS:

- *In DRC and other countries, rape arises from social conflict, negative social attitudes about women, pervasive poverty, circumstances in which women are economically and socially vulnerable, and judicial institutions that allow perpetrators to act with impunity.*
- *The World Bank is supporting the Democratic Republic of the Congo, Rwanda, and Burundi deal with the scourge of sexual violence as part of efforts to restore peace and stability to the entire Great Lakes Region. The project is helping survivors receive a wide-ranging but integrated package of services, including medical treatment, mental health counselling, legal aid, and economic assistance.*



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When Harald Hinkel, a social development specialist, set out to understand what motivated soldiers to commit horrendous sexual violence against women during the prolonged war in the Democratic Republic of Congo (DRC), he made a surprising discovery. The DRC, was actually not so different from other parts of the world.

“We found exactly the same environmental conditions and motivations that cause [rape] in other places,” he said. Indeed, while some perpetrators were driven by political or religious motives that seemed to make the outburst of violence in DRC exceptional, most acted because sexual violence had come to be seen as socially acceptable or because war had given them opportunities to act on impulses that more stable societies normally hold in check.

Such findings have important implications for programs to restore peace and stability. Whether in times of peace or war, rape does not simply reflect the character of its perpetrators but to large extent stems from the social environment. In many countries, rape arises from negative social attitudes about women, pervasive poverty, circumstances in which women are economically and socially vulnerable, and judicial institutions that allow perpetrators to act with impunity.

What's more, while such conditions can have home-grown roots, they easily can spread - conflict, war and forced displacement, as in the Great Lakes are a testimony to this. This suggests that when conflict and its consequences takes on a cross-border dimension, the solutions have to be regional as well. .

Such findings provide the rationale behind the Great Lakes Sexual and Gender-based Violence Project, through which the World Bank is supporting DRC and



two of its neighbors, Rwanda and Burundi, deal with the scourge of sexual violence. The project is part of a new World Bank strategy to restore peace and stability to the entire Great Lakes Region – first by helping the most vulnerable groups like women recover and achieve security that immunizes them from further assaults, and second by promoting economic cooperation and regional integration as a step toward eliminating the underlying conditions that cause war and its associated evils.

“I have so much joy in my heart it brings tears to my eyes,” says one survivor, who was treated at Panzi Hospital in the eastern DRC. “You come here very ill... (But) not only do you leave feeling better but also having learned a skill. So when I leave here, I will be able to have a better life because of the weaving skills I have learned.”

In eastern DRC, where rape has been so widespread that health-care providers are still struggling to catch up, the imperative is to reach the many thousands who remain untreated. To that end, the country is preparing to train workers at 180 health facilities and 120 community-based organizations to support survivors of sexual violence. While health facilities will deliver many services themselves such as surgical treatment for genital damage and fistulas, other organizations will be linked to referral networks and trained in providing some non-medical services, including a new group-therapy approach developed by the project for treating people suffering from post-traumatic stress.

In Rwanda, where most sexual violence today occurs within families, the government is establishing 17 new *“one-stop centers”* to deliver diverse, integrated services to survivors. The model is ISANGE (“Feel Welcome and Free”), a facility established in 2009 by the Rwandan National Police Health Services.

Burundi is also focusing on providing services through new hospitals – and in particular two new institutions being established in isolated regions that have taken in earlier waves of refugees and where women are particularly vulnerable. A small country, Burundi has made significant strides in using performance-based financing as a way to create incentives for institutions to improve their client services. DRC has picked up on the idea, and is looking at bringing communities into the process and applying it to create incentives for police and judicial systems to become more aggressive in responding to reported sexual violence.

Ultimately, long-term prevention of sexual violence requires changes in social norms that currently are too tolerant of sexual violence, says Hadia Samaha, co-task team leader for the project. That, in turn, depends not just on changing attitudes, but on empowering women so they are better able to stand-up to would-be abusers.

The project is supporting the establishment of Village Savings and Loan Associations through which survivors who are unable to obtain bank loans or microcredit will be able to pool their funds to provide loans to each other. Besides benefitting people economically, VSLAs have been shown to help victims rebuild self-confidence and overcome stigma associated with sexual assaults.

Fragility and conflict are increasingly taking on a cross-country dimension. Gender-based violence is a tragic reality in many of these conflicts. The World Bank support in the Great Lakes is helping to heal some of these horrible wounds while bringing countries closer in taking coordinated steps to address the fallout from regional conflict.



03 COUNTRIES

HAVE JOINED FORCES TO
COMBAT SEXUAL AND
GENDER-BASED VIOLENCE





AFRICA CENTERS OF EXCELLENCE: CLOSING THE SCIENCE AND TECHNOLOGY GAP



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✓ HIGHLIGHTS

- *The Africa Center of Excellence in Genomics of Infectious Diseases is one of 19 specialized institutions in Central and West Africa*
- *Supported by the World Bank, the centers are producing skilled workers and research to help advance key industries and sectors*
- *The centers also form partnerships with other regional institutions to collectively build skills and produce knowledge*



Not long after Judith Oguzie graduated from college and began her career as a veterinarian in southeast Nigeria, she had a rude awakening.

“I would give animals vaccines, but they would get the diseases anyway,” she says. It turned out that the serums were all produced in foreign countries to ward off pathogens that differed in small but significant ways from Nigerian strains. She wanted to find a laboratory that could help her understand and solve the problem, but couldn’t find one anywhere in Nigeria. Other vets, she learned, sometimes even resorted to carrying samples out of the country to get them tested.

Then Oguzie learned about the Africa Center of Excellence in Genomics of Infectious Diseases (ACEGID) at Redeemer’s University in Ede, Nigeria. Headed by a renowned molecular biologist and boasting an up-to-date laboratory, it offered her a chance to learn how to diagnose and treat microbes endemic to Nigeria. She jumped at the opportunity and enrolled. “It will be good to develop medicines that are suitable for Nigeria,” she says.

ACEGID is one of 22 Africa Centers of Excellence – specialized institutions that are conducting applied research and producing a cadre of skilled workers to help advance key industries and sectors in Central and West Africa². Centers were chosen for World Bank funding through a rigorous competition based on their academic merit, but with two strategic considerations. First, the Bank selected institutions that specialize in a wide array of disciplines that are much in demand in Africa. Second, it required schools to form partnerships with other regional institutions and to open their enrollment to students from countries outside their own. This combination of specialization and regionalism is creating a huge economy of scale in producing



research and skilled workers. By coordinating their efforts, the project is enabling countries to produce more knowledge and skills collectively than they could have produced individually.

Based in Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Nigeria, Senegal and Togo, the centers are tackling a host of issues from tropical diseases to the challenges faced by African petroleum and mining sectors. Some are developing new approaches to environmental engineering, while others are seeking new applications for information and communications or seeking ways to improve indigenous crops. The list goes on, but there's a common theme.

"We are producing African researchers to find solutions to African problems," says Christian Happi, director of ACEGID. A specialist in the genomics of hemorrhagic fevers, he developed a rapid diagnostic test credited with playing a major role in ending West Africa's devastating outbreak of ebola in 2014-2016.

The centers have their work cut out for them. Much of Africa lags far behind the rest of the world in research and development. Ghana, to cite one example, has just 17 R&D specialists for every 1 million people, compared to 481 per million population in Latin America 1,714 per million in East Asia, and 2,664 in Europe and Central Asia. Such figures help explain why Africa produces a miniscule 0.07 percent of worldwide patent applications.

The centers of excellence are working to change this equation by strengthening curricula and the teaching skills of faculty, improving laboratories and other equipment, sending faculty members to workshops and conferences so they keep abreast of the latest developments in their fields, and forming working partnerships with other academic institutions. To ensure that they produce practically-useful knowledge, the

programs are building links to local industries and civil society organizations, offering short-term courses for working professionals, establishing industry boards to advise them on where to focus their applied research and placing students in internships with industrial and civil society organizations.

The problem is bigger than any single project can solve. Ultimately, African universities will have to become more adept at understanding and tapping into new sources of revenue. ***"To have people who are educated in Africa and can apply knowledge and technology to Africa's key topics, we will need entrepreneurial universities,"*** says Andreas Blom, Lead Education Economist overseeing the ACE project for the Bank.

The ACE project offers matching grants for programs that bring in revenue from outside sources. Obvious strategies include seeking grants or consulting fees. But the biggest potential source of revenue may lie in attracting paying students from Africa's growing middle class. Evidence suggests the market is there waiting to be tapped.

Dr. Happi is confident African universities can attract some of their far-flung students back. ***"Africans who have means send their children out of the country because they feel there is no value here for the money that they're going to pay,"*** he says. "If they see a system that is working, laboratories that are working, professors who have skills, they will pay."

Judith Oguzie may be a case in point. When she started looking for graduate schools, she was prepared to travel abroad – perhaps as far away as Australia. But ACEGID gave her the chance to develop a skill much needed in Nigeria without leaving the country. Redeemer University has one other advantage over the foreign competition, she adds: It offered a better financial package than foreign schools.

It is hard to imagine, at least in the near-term, that many African countries can create higher education facilities in a range of disciplines. ACE provides a fascinating example of how countries can come together - each country sets up an ACE in a few disciplines so that between them they can cover all disciplines needed in Africa's job market and allow students to move.



19 AFRICA CENTERS OF EXCELLENCE

TO HELP CLOSING THE SCIENCE AND TECHNOLOGY GAP IN CENTRAL AND WEST AFRICA



² A parallel project supporting another 24 centers in eight countries in eastern and southern Africa has recently been approved by the World Bank.





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