

Alternative Service Delivery in Africa: The Case for International Regional Organisations

ARTICLE

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Abstract

Alternative service delivery (ASD) is generally confined to the provision of public services within the boundaries of a single nation state. This paper extends this conceptualization and practice beyond a single nation state by focusing on services provided by international regional organizations (IROs), which encompass more than a single country. Recognizing that the regional approach may not be suitable under all circumstances, the paper takes a contingency approach and discusses with illustrations the conditions under which the regional or continental approaches may provide superior public

services to the wider population. Three examples from the East African Community (EAC), Africa's riparian river basins, and cross-border illicit trade of conflict minerals in the Great Lakes region are given as illustrative cases. Noting that Africa's growing aspirations for inclusive development and rapid transformation call for better governance and quality public services, the paper ends by calling for more scholarly work and field experiments on ASD and other models applicable at local, national, regional and continental levels.

Keywords: Service delivery, Alternative Service Delivery, International Regional organisations, Regional Economic Communities, Africa.

Introduction

Historically, the term "alternative service delivery" has been used to refer to the provision of public services to the citizens by other than the public service. Organizations in the private and non-profit sectors (NGOs) substitute for public service organizations to serve as service providers. The alternative service providers are confined to providing services within the boundaries of a single nation state. One of the aftermaths of globalization and the drive for the restructuring of the state designed to tap into the entrepreneurial spirit of the free market (Osborne and Gaebler, 1993) was the concept of alternative service delivery (ASD). According to Ford and Suzzman (1997: 6), ASD can be defined as ..."a creative and dynamic process of sector restructuring that improves the delivery of services to clients by sharing governance functions with individuals, community groups and other government entities." It is a collaborative approach to the provision of public services by pulling together organizational resources, values and competencies to improve citizens' welfare and overall public management. Since the 1980s, various forms of ASD have been widely used in developed (Ford and Zussman, 1997; Honadle, 1984; McDavid, 2000) and developing countries, urban areas and local authorities (Henderson, 2002) including South Africa (Russell and Bvuma, 2001; Khumalo, *et al.*, 2003). ASD models have been applied across sectors (e.g. energy, education, public health), at national, provincial and municipal levels, in urban and rural settings, with various combinations of public and private sector service providers and service recipients.

The purpose of this article is to extend the conceptualization of alternative service delivery beyond the institutional arrangements of the nation state by focusing on services provided by international regional organizations (IROs), which encompass more than a single nation state. The paper discusses the extent and effectiveness with which IROs act as alternative public service providers to their respective member states. It is important to pay attention to the role IROs play in the provision of public services because regionalism and regional integration have become key policy priorities for national development and transformation not only in Africa but other open economies and societies in the world (e.g. see De Melo and Tsikata, 2014; World Bank, 2013). IROs provide a wide range of public services including public safety and security, border services, trade facilitation, enhancing competitiveness and investment climate, standardization, harmonization, regulation and inspection, research and knowledge

management, legal and judiciary, political-diplomatic, transport and communications, and social and community services all of which have significant welfare effects on citizens, communities, businesses, and governments of individual member states. In addition, IROs can facilitate deeper regional integration and improve public services to member states in areas such as infrastructure development and maintenance, institutional and human capital development, economic diversification, investment, competitiveness and competition policy, and integrated value chain activities. IROs can more effectively address problems of poverty, inequality, exclusion, leadership and governance better than national public service organizations.

While early experimentations with various forms of ASD reported positive results, especially in terms of improved services to the citizens, value for money, decentralization, and a more responsive state in terms of accountability, transparency and overall democratic governance, (e.g. Ford and Suzzman, 1997), these have been difficult to sustain in spite of better technology, public management practices and overall governance. One of the limitations of practically all ASD models is that they are confined to within the boundaries of a single nation state (see Wilkins, 2003; Fyfe, 2004). ASD approaches are limited to providing public services at national and sub-national levels. They have not been extended to the provision of services beyond national borders. This article explores the notion of applying ASD arrangements to the provision of select public services beyond national borders, using international regional organizations (IROs). International regional organizations can be formal treaty intergovernmental organizations like Africa's Regional Economic Communities (RECs) (Kiggundu and DeGhetto, 2015), or less formal arrangements agreed to by member states or communities to undertake specific tasks and achieve defined goals and objectives (Diawara and Boakye, 2015).

Since independence, national public services of most African countries have not been able to bring about high sustained growth, let alone development and overall societal transformation. For example, recent capacity assessment studies by the Africa Capacity Building Foundation (e.g. Africa Capacity Indicators, 2013) collectively conclude that at national levels, while the policy environment and processes for development projects implementation are good, development results and capacity development outcomes at country levels are poor to very poor for most African countries. These reports also observed that serious capacity problems exist at the individual, organizational and institutional levels. In the area of human resource management, the reports conclude

that the problem facing public and private sector organizations in member states are not related to recruitment, but *retention and utilization*. These problems are essentially related to poor organization and institutional management and performance of the public sector, especially at the national levels. One possible implication of these multiyear findings is that these performance problems are best addressed at the regional levels, removed from local (national) political, ethnic, and cultural practices that impede the effective and professional implementation of innovative management practices.

As Kohler (2015:260) points out, '...anything we say about the Africa of today must reflect the fact that the Africa of tomorrow will be different". How does the public service remain relevant under these circumstances? Under conditions of limited institutional development capacity, mega data needed for critical strong policy analysis, risk management and innovation, it is better to provide public services on regional rather than exclusively national levels. Global best risk management tools are more effective at regional levels. It is easier to build and sustain professional institutions and a professional, ethical public service at regional, rather than national or local levels. In a period of profound change, Africa needs to avoid short termism, embrace and adopt a strategy for long term gain that accepts risk and innovation, preparing Africa for future challenges and opportunities. Challenges associated with effective and long term implementation of the African Union's Agenda 2063 aspirations are best addressed with IROs (DeGhetto *et al*, in Press).

This article is organized in three parts. The first part makes the case for a regional or continental approach to the provision of public services using international regional organizations (IROs) and the alternative service delivery (ASD) model. Recognizing that the regional approach may not be suitable under all circumstances, the second part takes a *contingency approach* and discusses with illustrations of administrative functions what can best be provided regionally. It discusses specific conditions under which it may make sense to use a regional approach to the provision of critical public services. The third and last part provides three illustrative case studies showing specific areas in Africa where a regional approach would be superior to national public services in the provision of associated public services. The article concludes by calling for the need to pay more attention and undertake more scholarly work relating to the potential benefits of expanding the concept and applications of ASD beyond the single nation state.

International Regional Organizations as Alternative Service Delivery Mechanisms

An International Regional Organization (IRO) is a group of independent states voluntarily getting together to form an association designed to advance their individual and collective interests in areas such as political development, national security, cultural exchanges, diplomacy, and above all greater economic integration and gainful participation in the wider global economy and global society. In Africa, the most commonly known IROs are the Regional Economic Communities (RECs), created and supported by the African Union to advance the continent's interests in areas of peace, security, development and integration. In Africa, it is generally accepted that regional integration is the *critical missing ingredient* for the continent's sustained growth, development and transformation. This requires effective international regional organizations (IROs) at RECs and continental levels to deliver the services and benefits associated with deeper integration. The Southern African Customs Union (SACU) organization, serving five countries – Botswana, Lesotho, Namibia, South Africa and Swaziland – is a form of mini-REC that serves as an example of a successful regional (IRO) Alternative Service Delivery (ASD) mechanism. Deacon and his colleagues found that efforts continue to be made in Africa to address labour, migration and environmental issues at regional levels. For example, the East African Trade Union Council of the East African Community "...promotes labour issues including the ratification of international labour standards by the member states and the harmonization of labour laws" (Deacon, De Lombaerde, Macovei and Schroder, 2011: 344).

At its recent roundtable meeting in Nairobi Kenya, the African Development Bank Group, together with representatives from the African Union Commission, World Economic Forum, and private sector representatives met to discuss the African Continental Free Trade Area (CTFA), expected to launch in 2017. The roundtable identified the following four critical issues that need urgent attention for deeper African integration:

1. Promoting trade and investment
2. Lowering tariff and nontariff barriers to trade
3. Resolving political and technical challenges for establishing the CTFA, and
4. The need for private sector development.

According to Sutton, Short, McKenny and Namatovu, (2015), a group of managers doing business in the regionally integrating East African Community (EAC) pointed to government regulative pillars as the greatest source of institutional obstacles and potential facilitators for deeper regional integration. Removing regulative institutional obstacles and strengthening regulative pillars would require the establishment of high performing regional institutions.

Whether the discussion is at the CTFA continental level or the sub-regional RECs, the above issues are critical for achieving deeper and effective regional integration. A closer look at each of these issues reveals the need for the provision of professional and technical public services at national, regional and continental levels. Yet, although there are many international and regional organizations dedicating their resources to the study and promotion of continental or sub-regional African integration, none so far has seen it fitting to link the prospects for progress with the quality of public service delivery. Yet, one cannot talk of promoting trade and investment, lowering tariff and especially nontariff barriers to trade, resolving political, economic and technical problems and managing effective engagement of the private sector without serious consideration of how the associated programmes and public services are to be developed, delivered and sustained. This is particularly important considering the fact that these measures call for new and different institutional arrangements and capabilities (skills, knowledge and attitudes). For example, the same roundtable calls for the creation of:

- 1) New generation institutions such as an African completion commission
- 2) A continental arbitration mechanism
- 3) Protection of intellectual property rights
- 4) Entrepreneurial development and incentives with special attention to young entrepreneurs
- 5) Enhancing science, technology and innovation
- 6) Facilitating the free movements of skills across Africa, and
- 7) Deepening financial markets so as to allow Africans to invest anywhere on the continent.

One can take each of these issues and assess them in terms of associated implementation risks resulting from the inability of existing national public institutions to provide the necessary public services for the effective and sustaining achievements of

these ambitious but necessary integration goals. The proposition advanced here is that under certain circumstances, ASD mechanisms applied at the level of the region or continent can provide better, cost effective and sustaining public services to greater numbers of the citizens of member states than those provided at national or subnational levels.

International Regional Organizations as Providers of Alternative Service Delivery

Alternative service delivery (ASD) mechanisms are not suitable for IROs under all circumstances. Rather, by taking a *contingent approach* the article specifies conditions under which IROs may provide better public services and create better conditions for governance, sustaining economic growth, democratic development, change and transformation, and value for money.

Table 1 provides a detailed list of administrative functions whose services can be provided at the IRO level using the ASD mechanisms. Table 1 provides examples for each type of administrative functions so as to illustrate the wide range of public services that can be provided at regional levels. These include operational functions such as border services, regulatory and oversight functions such as environmental protection, food and drug inspection, standardization of industrial processes and select professional qualifications, harmonization of import-export duties and licencing, and enforcement of region-wide laws, regulations and related administrative procedures. Effective performance of these functions at the regional level is critical for public support for greater economic and political integration.

Table 1: Administrative Functions Suitable for the International Regional Organizations

Type of Function	Examples
Operational	<ul style="list-style-type: none"> • Border services • Issuing permits
Regulation &	<ul style="list-style-type: none"> • Civil aviation • Migration

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Oversight	<ul style="list-style-type: none"> • Environmental protection • Oversight for public utilities/ natural monopolies/social services/ security-human rights • Movement of goods & services within REC • Investment climate /competitiveness
Inspection	<ul style="list-style-type: none"> • Food & drugs inspection • Infrastructure & vehicles • Import products, intra-REC trade
Standardization	<ul style="list-style-type: none"> • Products /services • Industrial operating procedures (SOPs), packaging, advertising • Professional qualifications: Certification, decertification • Import / export classification • Transportation & communication, logistics,
Harmonization	<ul style="list-style-type: none"> • Policies, procedures, regulations • International trade: Imports, exports, re-exports duties, licencing, etc. • International relations /diplomacy • Investment Promotion
Enforcement	<ul style="list-style-type: none"> • Laws, regulations, standards, contracts,
Research, Development & Training; Knowledge Management	<ul style="list-style-type: none"> • High level scientific research • Specialized/ advanced education/ skilled/ professional training • Trade negotiations • Statistics, data & information management • University-industry collaboration

Source: Compiled by the author

The Table also identifies knowledge management and high-level human capital formation in form of research, development (R&D), training, and skills development as areas where IRO member states and citizens can benefit by scaling up these functions to be performed at the regional level. For example, for most member states, especially those with limited resources and capabilities, scientific, medical and technical research and high level training can be more gainfully performed at the regional rather than the national levels. Indeed, the mandate of the old East African Common Services Organization (now defunct), included conduct of scientific research, higher education by the University of East Africa (now defunct), and specialized training of pilots and customs officials. In most cases, the citizens of East Africa enjoyed better services under these arrangements than the current practice whereby each member state duplicates the same services with less resources and institutional capabilities. IRO performance for these functions does not necessarily mean that member states abdicate their responsibilities for providing associated services. Rather, it means that they have to learn to use and coordinate ASD mechanisms at the regional levels as well.

Globalization has opened up new opportunities and challenges for most IROs and their member states. In order to take advantage of these opportunities and protect against the vagaries of globalization, the public service must develop new institutional capabilities and a wide range of specialised individual skills, knowledge and competencies. These range from understanding and managing international trade and investment, dealing with the realities of global trade under the World Trade Organization (WTO) regime and system of rules, regulations and practices, global logistics involving the movements of goods, services, people, technology and intellectual properties, international finance, diplomacy and security, industrial pollution and environmental protection, and the complex roles multinational corporations from the North and South play in shaping the "rules of the game" in the global economy and global society. Some of these public services such as dealing with Trade-Related Intellectual Property Rights (TRIPS), Sanitary and Phytosanitary System (SPS), multilateral trade negotiations, investment financing, export import financing, banking and preventing illicit financial flows all require highly technical and specialized knowledge, skills and institutional arrangements involving long and costly education, training and investment, not easily affordable by middle and low income countries.

A number of Africa countries have attempted to develop the necessary competencies on their own, or buy them on the open market by engaging short-term consultants. Both these strategies have proven at best suboptimal. A better and more sustaining arrangement is to develop a long-term strategy to build strong and capable institutions and professional staff at the IRO level for the provision of select functions on a graduating scale. The strategy could start with the urgent and costly functions whose skills are in short supply. For example, most African IRO member states do not have enough highly skilled and experienced staff for technical international trade negotiations, undertaking investment feasibility studies for big infrastructure projects, investigating illicit financial transfers, coastal, ocean and wildlife protection and decriminalization of the various global value chain activities and the management of natural resources. Again, going it alone at state levels has not provided effective value for money of public services. In May 2015, Greenpeace issued a report detailing Chinese illegal fishing off the West African coast: overfishing and avoiding paying taxes because individual coastal states are unable or unwilling to protect their coastal territorial interests (Centre for Chinese Studies, Weekly Briefing, May 22, 2015). Efforts to decriminalize natural resources export trade (e.g. diamonds, gold, ivory) in the Great Lakes and southern African regions by individual member states have not been successful (Martin and Taylor, 2014). Developing institutional capacities to provide these services at the IRO level using the ASD mechanism would better serve the interests of the individual member states, and improve citizens' welfare and human conditions.

When Does It Make Sense to Provide Public Services at Regional Levels?

It is important to note that not all public services are best provided at the regional level, just as not all services are best provided using the ASD mechanisms. Rather, there are conditions under which provision of public services at the regional levels is more likely to produce better outcomes than if such services were provided at the national or sub-national levels. As well, it may well be that the significance of these conditions changes at different stages of regional or national development. New IROs just starting out would be less likely to take on complex public services, but post-conflict member states (e.g. Liberia, Sierra Leone, South Sudan) may depend more on IRO institutions to provide

basic services. Therefore, the suitability of regional organizations providing public services to individual member states must be seen as an evolving dynamic process and the conditions discussed here must be continually assessed. In general, when the national public service becomes a source of failure, as often happens in Africa (Mutahaba *et al.*, 1993), regional organizations become indispensable for undertaking necessary reforms, providing needed services, promoting peace and security and driving good governance development and transformation.

Table 2 provides a list of nine conditions, which make sense for public services to be provided at the regional level. These include economies of scale/scope, services requiring little or no local adjustments either in their processes of provision or citizen consumption, services vulnerable to local state capture by local powerful self-interested groups, weak or corrupt national or local institutions such as policing and the administration of justice, asymmetrical relationships among member states, the quality of political will and leadership at national and regional levels, when the region possesses stronger institutions, better competencies or specialized resources, if member states experience undue local or international influence and political pressures, and where regionalism already exists informally across national borders. Each of these conditions is illustrated with examples so as to give practical meaning to the applicable public services. For example, when national or local agencies providing public services are vulnerable to undue influence by powerful local actors, this gives rise to favouritism, nepotism, corruption and bribery. In a number of member states such as in the East African Community (see Ogola *et al.*, 2015) services such as licencing, tax collection, border services, inspections, and the administration of justice are vulnerable to such practices. Providing them at the regional level may reduce some of the vulnerability and encourage the development of more professional and ethical institutions and practices.

Table 2: When it Makes Sense to Provide Public Services at the Regional Level

Condition	Examples
Economies of Scale/Scope	<ul style="list-style-type: none"> • Infrastructure: Energy, • Transportation: Rail, Air, Shipping, inter-state highways, • Financial Services: Development banking, Export-import

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	<p>banking/ deepening financial integration/capital markets, stock exchanges/</p> <ul style="list-style-type: none"> • Central banking/ bank supervision
Services Requiring No Local Adjustments	<ul style="list-style-type: none"> • Dealing with regional /global threats, risks • Scientific research, statistical services, inspections, air traffic control • Industrialization and private sector development • Telecom services
Services Vulnerable to "local /state capture"	<ul style="list-style-type: none"> • Licencing, tax collection, border services /goods clearance/ customs administration/policing/ • Certification/decertification/testing/commercial arbitration • Import/export procedures /removal of nontariff barriers
Weak /Corrupt Local /National Institutions	<ul style="list-style-type: none"> • Cross-border services; customs administration • Passport office; Migration • Administration of justice &Policing; public prosecution; criminal investigations • Procurement • Vehicle inspections • Revenue authorities
Asymmetry	<ul style="list-style-type: none"> • The "elephant-and-ant" complex among member states • Post-conflict member states
Quality of Political Will & Leadership	<ul style="list-style-type: none"> • Summitry • Legitimacy • Charisma • Old statesmanship • Common diplomatic services /international relations • Managing the politics-policy nexus
Stronger Regional Institutions / Specialized resources/location	<ul style="list-style-type: none"> • Court of Appeal • Central banking • Trade negotiations

	<ul style="list-style-type: none"> • Build links to global value chains (GVCs). • Knowledge management, higher education/training • Networks: professional /trade associations • Coast guards
Undue Local/Foreign influence/pressure	<ul style="list-style-type: none"> • Strong national /international lobby or interest groups • Macroeconomic policy issues: Industrial policy, taxation, contracting,
Where Regionalism already exists	<ul style="list-style-type: none"> • Areas of artificial national borders • Deep cross-border informal integration

Source: Compiled by the author

On the more positive side, the Table also provides conditions when the region is inherently better suited to provide certain public services. Projects requiring large economies of scale or scope such as infrastructure (ports, inter-state highways, railroads, airports), energy and financial services are a case in point. As well, when, because of history, the region has better institutions or resources, or because of location (e.g. coastal services), it is likely to be a better provider of such services than local or national agencies. The political nature of regional integration requires effective management of the politics-policy nexus at the regional level. There are many areas where the local population on both sides of the border practices deepening informal regionalism and deep regional integration (Diawara and Boakye, 2015). This may take the form of free movements and mixing of people, cultural exchanges, commerce or ethnic exchanges. Often these exchanges and transactions take place without the support or explicit administrative control of the state. Most of these are driven by the informal or underground economy. Under these conditions, it makes sense for the states involved to facilitate deeper integration by providing common services across the border (s). For example, in the East Africa Community, populations living along Lake Victoria could best be served by a sub-regional Lake Basin common services organization, providing common services such as transportation, public health and education, extension services, fisheries, industrial development, environmental protection, managing climate change, and even policing. This would require creativity and imagination on the part of the member states sharing the shores of Lake Victoria but it would significantly improve

citizens' welfare, reduce poverty and inequality, and promote development, integration and transformation. It could also be more cost effective.

All regional groupings suffer from problems caused by asymmetry due to unequal attributes of member states, leading to what is known as the elephant and ant complex. This leads to problems of real or perceived superiority or inferiority, resistance to deeper integration, suspicion, lack of mutual trust and respect among member states. The EU has its PIGS, NAFTA has Mexico, the ASEAN has Laos and Myanmar, SAARC has Bhutan, ECOWAS has Guinea-Bissau, SADC has Swaziland and EAC has Burundi. The smaller or weaker members who feel overwhelmed and intimidated by the bigger or more powerful member states often impede deeper regional integration. This breeds suspicion and lack of mutual trust among member states. Under these conditions, complementarities, the building blocks of deeper regional integration are hard to identify among member states. Consequently, regional policy decisions are not equally implemented at national levels, and the citizens do not enjoy similar treatment or benefits. Building strong, professional and effective regional institutions that serve all member states and their citizens equally, without favour or bias helps to overcome the negative effects of problems of the elephant and ant complex.

Critics of ASD at regional levels point to their apparent lack of legitimacy, long distances from the citizens, limited capacity, competences and flexibility needed in a rapidly changing world. Power is in the hands of multinationals, international organizations, the West, and more recently China and other BRIC countries. While these and similar concerns are legitimate, they can be addressed if there is sufficient political will, strategic leadership, support and engagement from bottom up. Critics of globalization and regional integration argue that member states lose national sovereignty and control of their national destiny. While integration requires member states to give up control of certain policy options, it does not eliminate the power of the state to formulate policies that promote and protect strategic national interests. In many cases, the problem is not lack of power or authority to act, but the failure of the state to articulate and pursue legitimate national interests. Quite often, the problem is not because of forces of regional or global integration but the inability of the state to withstand and overcome undue influence, political or economic pressures from local self-interested groups or international lobbyists paid by big multinationals working in tandem with their home governments. For example, individually, most African

governments are unable to overcome pressures from the Americans, European Union (British, French), the Chinese or the Bretton Woods institutions. Some governments do not have the capacity to undertake the necessary research to provide evidence-based counter arguments for policies or positions advanced by foreign interests. Foreign interests (MNCs, governments, INGOs) have been known to advance their policy positions by manipulating individual countries through a system of "divide and rule". One way to fight back and counter these foreign tactics is by member states to use IROs more strategically. IROs can provide background research in support of policy positions that better serve the strategic interests of the region and individual member states. Member states can then provide a united common stand on issues of strategic interest against the relentless lobbying of foreign interests. When member states stand together as a region, they become more powerful and have a better chance of influencing policy positions and decisions best suited for their strategic interests and the interests of their citizens. In Africa, and perhaps other developing and emerging economies, there is room for better use of IROs to advance strategic national and regional interests and the legitimate interests of the population.

Illustrative Cases

Three illustrative cases are provided to show areas where a regional approach to the provision of needed public services or to address critical development challenges would make sense.

East African Community (EAC)

Following its collapse in 1977, the East African Community (EAC) was re-established on 30th November 1999 by the three regional members of Kenya, Tanzania and Uganda, and ratified on 7 July, 2000. It was later expanded to include Rwanda and Burundi who joined in July 2007. Its objective is to widen and deepen regional integration in various areas including political, economic, social, and cultural so as to improve the welfare and human conditions of the people through increased peace and security, competitiveness, value added production, trade and investment. During the last fifteen years of its establishment, the EAC has made significant progress in achieving deeper regional integration, including the establishment of a Customs Union in 2005, Common market in 2010, and a Monetary Union expected in 2017. The ultimate objective is to establish a

political union in the form of the East African Federation. According to the 2050 EAC Vision, by 2050, EAC will have been transformed into a globally competitive upper middle income region with a high quality of life for its population based on the principles of inclusiveness and accountability. The architects of EAC Vision 2050 realize that these ambitious aspirations cannot be achieved and sustained without the collective and coordinated efforts of state and non-state actors at local, national and regional levels with strong and effective IROs.

It is important to note that EAC deeper regional integration could not have been possible without the work and contributions of the public services of the five member states and the EAC Secretariat. Recognizing the important role and contributions of the public services in achieving greater regional integration, the article draws on the EAC to identify areas where progress has been made, areas where challenges remain, and implications for public service delivery as the region strives for even greater integration. Table 3 provides a summary of the areas where progress has been made, the challenges and implications for public services delivery. Specifically, the region has made impressive progress in terms of deeper regional integration, which has in turn created conditions for sustained high economic growth, better macroeconomic management and coordination, improved trade, strategic and effective use of summity, and much improved border services in terms of the movements of goods, services, capital, people and skills (see Gigineishvilli *et al.*, 2014; Ogola *et al.*, 2015).

In addition, the region has attracted an estimated \$ 24 billion in foreign direct investment (FDI) since 2000 as a result of steady improvements in the region's investment climate especially the World Bank's Doing Business indicators.⁶ For example, progress has been made in the time it takes to move cargo from Mombasa, the region's main port, to the landlocked member states of Burundi, Rwanda and Uganda. According to Drummond and Williams (2015), the time for cargo movements from Mombasa to Kampala has been reduced from 18 to four days and to Kigali from 21 to six days. Kenya, Rwanda and Uganda have introduced a single tourist visa, and Kenya and Tanzania are making progress on removing nontariff barriers to tourism along their common border. Progress is also being made toward the implementation of a common external tariff in three bands of zero percent, 10 percent, and 25 percent. In 2011 central

⁶ www.doingbusiness.org

banks of member states coordinated monetary policy in response to food and fuel shocks by tightening monetary policies to fight inflation. Imagine if the EAC region shared a common tax system centrally collected and administered.

These achievements have to be attributed at least in part to the leadership, management, technical and professional contributions of the thousands of public servants of each of the five member states as well as the EAC Summit, Council of Ministers, central EAC Secretariat and other EAC agencies. Yet, in spite of these achievements, serious challenges (see Table 3) remain for the EAC, especially in terms of establishing competitive advantage in international markets and gainful participation in the global value chain. Table 3 also provides a list of implications for public service delivery associated with the remaining integration challenges. Specifically, the EAC public services must work very closely with private sector enterprises to better organize for improved productivity in terms of reduced costs (e.g. raw materials, labour, capital), downstream activities (e.g. logistics), quality, product diversification, branding, standardization, packaging and overall marketing. One area that needs urgent attention is better access and utilization of technology (including digital, internet, communication and computer technologies) so as to promote innovation and entrepreneurship, especially for youths and women. As well, the EAC needs to develop and implement a people-centred, bottom up, inclusive strategy in support of deeper integration by non-state actors. While some of these public functions can be performed at national levels, greater coordination and oversight is needed at regional EAC levels. For example, active and constructive private sector engagements are needed at regional levels so as to counterbalance lobbying by national chambers of commerce (business associations) who tend to favour protected national markets over enlarged regional or global open and more competitive markets (e.g. see Mohamed, 2015).

Table 3: The East African Community: Progress, Challenges and Implications for Public Services Delivery

Progress	Challenges	Implications for Public Service
Deeper Integration	Creation of new EAC Institutions	<p>Protection of the Supremacy of institutions</p> <p>Governance: Legitimacy, accountability, transparency</p> <p>Coordination with national institutions</p> <p>Leadership & management</p> <p>Professionalism, equity & fairness</p>
Economic Growth	Asymmetry	Managing imbalances, contagion; problems of the elephant and the ant.
Macroeconomic management	Deeper economic & financial coordination/integration	Providing evidence-based integration policies, coordination, overall economic management: fiscal, monetary
Improved Trade	Global competitiveness: Links to global value chains (GVCs)	<p>Organizing for global productivity: costs, quality, logistics, diversification, etc.</p> <p>Private sector engagement: Technology, innovation, entrepreneurship, job creation</p>
Summitry	More / deeper political ceding of power/authority	Strengthening the EAC Executive: Chairperson's office, Rotations /Secretariat.
Border Services: Goods,	Creation of single market for	Removal of tariff, nontariff

people, skills	150 million people	barriers.
Establishing the East African Court of Justice Peace & Security	Institutional weaknesses for dispute resolution: limited resources, staff, capacity, leadership, visibility	Institutional strengthening, capacity building for quality dispute resolution & administration of justice for greater integration

Source: compiled by the author

Table 3 lists a number of challenges associated with different areas where integration progress has been made. For example, as the EAC achieves greater integration, it will need new and different EAC institutions and corresponding coordination at national levels. According to Ogola *et al.*, (2015) and Drummond and Williams (2015), in order to establish a regional monetary union, the EAC will need the following new institutions:

- 1) The East African Monetary Institute to guide the convergence process ahead of the establishment of the monetary union and to serve as the precursor for the eventual establishment of the East African Central Bank
- 2) The East African Compliance and Enforcement Commission to oversee various areas of compliance and enforcements to support deeper, consistent, fair and equitable integration across the region
- 3) The East African Statistical Bureau to provide more, accurate, better statistical services and support evidence-based policy making, oversight, implementation, coordination, monitoring and evaluation. This is needed to answer critics who claim that Africa suffers from poor numbers (see Jerven, 2013).
- 4) The East African Financial Services Commission to manage and coordinate monetary and fiscal policies, including capital markets, banking, insurance, credit, risk and debt.

These and other institutions that may be created point to the need to think through the modalities and mechanisms for providing the public services needed for the effective development and performance of each of these institutions. Since each of the member states has equivalent national institutions (e.g. central banks, statistics bureaus), it will be

critically important for the new institutions to develop effective coordinating mechanisms with national policy makers so as to avoid institutional turf wars, which the new institutions would be most likely to lose (see Table 3). At the same time, the new IRO institutions will need to demonstrate evidence of good governance: leadership, management, accountability, transparency, professionalism and inclusiveness in order to gain legitimacy and acceptance at national levels. In terms of alternative service delivery (ASD), the choice for these new institutions is not between service deliveries at state or EAC levels. Rather the choice is how to choose and balance ASD mechanisms *both* at the state and regional levels. A big authoritative unresponsive bureaucracy in Arusha just won't impress national capitals.

One of the key functions public servants both at state and regional levels must undertake with vigour is the protection of the **supremacy of institutions**, especially the new institutions arising in support of greater integration. The term supremacy of institutions is used here to refer to legitimation of the role and functions specialised agencies play in the provision of public services. It relates to the extent to which work done and decisions made by specialised agencies (e.g. central banks, statistical bureaus, financial services commission, civil aviation) is accepted by the public and the governments as legitimate, accurate, credible, equitable, inclusive and is intended to serve the best public interest. Supremacy of institutions is the opposite of dictatorship or "one strong man leadership", where decisions are made not necessarily on the basis of credible evidence but the self-interests of the leader and close elite associates. Supremacy of institutions is the antithesis for the development of extractive institutions (Acemoglu and Robinson, 2012). Protection of the supremacy of institutions requires public servants (and other stakeholders) at local, national and regional (IRO) levels to develop strategies to inculcate among the citizens a culture of institutional legitimacy, integrity, professionalism, accountability, transparency, inclusiveness, with demonstrated performance results that benefit all citizens. Available evidence suggests that within the East African region, the level of acceptance of the supremacy of institutions is quite low.

The cross-border movement of skills requires some elaboration because it is often confused with the physical movement of or migration of people or refugees looking for unskilled jobs or protection from persecution. Skills can be applied across the region without the need for the physical movement of people across member states. For example, given emerging technologies in support of e-commerce, e-health and M-Pesa,

supported by broadband Internet services, it is possible for pharmacists based in Nairobi, registered in the EAC to dispense medication in Kampala or Bujumbura. Likewise, EAC chartered accountants based in Dar es Salaam can provide accounting and audit services to businesses in Kigali or Kisumu without the need for physical movements of personnel. This is the real value of regional integration as relates to mutual recognition arrangements (MRA) and free movement of highly skilled people.

ASD and Regional Management of Natural Resource: Africa's Riparian States

Riparian states share location or access rights for natural resources or ecosystems such as rivers, lakes, forests, vegetation or wildlife. Here the focus is on fresh water provided by rivers, which is a critical resource for development and sustaining livelihoods to many African communities. While Africa is endowed with plenty of water and is home to 55 out of 200 of the biggest world rivers, several countries or more shares most of these rivers. Therefore, effective management of water as a natural resource in Africa requires international understanding, cooperation and management beyond what national public services can provide. Managing Africa's water resources (rivers, lakes) requires the creation of IROs known as trans-boundary river basin management organizations (TRBMO). In a number of states, almost all of the water supply originates from outside its borders. This is particularly so for Egypt (99 %), Mauritania (95%), Botswana (94%), and The Gambia (86%). In these circumstances, an effective TRBMO is required for all riparian states, both upstream and downstream, to co-manage the shared resources to benefit all stakeholders, help resolve areas of potential conflict among riparian states, and conserve the water and river basin ecology. Yet, as of 2013, only 16 of Africa's trans-boundary river basins were governed by basin-wide IRO agreements, while at least 40 have no such agreements or TRBMO. (Africa Capacity Building Foundation, 2013; Merrey, 2009). An effective basin-wide organization would have the institutional legitimacy, capacity, and professional ethics to bring all riparian states to work together, resolve conflicts, and turn apparent zero-sum predicaments into win-win solutions.

Some of the factors that complicate the management of Africa's riparian water resources include:

- 1) Climate change and unpredictable changing weather patterns, leading to floods, draughts, mudslides, soil erosion, invasive species and overall ecological degradation
- 2) Deforestation and poor management of river basin catchments, overfishing, desertification
- 3) Large scale construction projects such as dams, water diversion, irrigation, mining and other agribusiness and industrial applications
- 4) Pollution: organic, chemical, industrial
- 5) Inadequate scientific, technical and socioeconomic management research and treatment of water as a free good, subject to the "tragedy of the commons" effects, and
- 6) Weak institutions and overall lack of effective management.

Estimates vary, but at least 25% of the African population is already experiencing water stress due to climate change, and another 200 million is at risk of increased water stress by 2020. This is almost 50% of the total African population.

Regional TRBMO are mandated with the responsibility to deal with the above and similar challenges related to effective management-utilization, and conservation-of the continents' water resources. According to the United Nations Economic Commission for Africa (UNECA (2006. 2012) reports, water management at the national and sub-basin levels does not generate optimal socioeconomic or technical benefits, while basin-wide management by TRBMO can result in benefits that exceed the sum of those resulting from fragmented national efforts by national public services. In addition, cooperation among states reduces costs, generates benefits, and promotes regional integration. In other words, TRMBOs create synergy for all riparian states and Africa's regions are beginning to realize the benefits of regional approaches to the management of trans-boundary natural resources.

Examples of the TRBMOs in Africa and the number of riparian states involved include:

- 1) The Nile Basic Initiative (11),
- 2) The Niger Basin Authority (11),
- 3) Lake Chad Basin Commission (5), and
- 4) the Okavango River Basin (3).

While these organizations provide better services to the respective riparian states, research (ACBF, 2013) shows that they lack the necessary resources, capacities and competences to fulfil their respective mandates and provide necessary public services. According to ACBF (2013) report, capacities are particularly lacking in the areas of human, organizational, institutional, financial, scientific-technical, leadership, political and donor support. Focusing on the Nile Basin Initiative, Swain (2008) observed that the eleven riparian countries face challenges of establishing lasting cooperative mechanisms to make the best possible use of scarce Nile waters. The Nile Basin Initiative (NBI) is the institutional arrangement used to address these challenges. "Unfortunately...the NBI in its present shape has not succeeded in meeting these challenges" (Swain, 2008: 314). The Grand Ethiopian Renaissance Dam, currently under construction on the Blue Nile and variously affecting water and energy supply for the three countries---Ethiopia, Egypt and Sudan--- would best be managed under some form of regional (IRO) ASD mechanism in order to avoid extreme nationalism and maximize benefits for citizens of all the three countries (See "Sharing the Nile", *The Economist*, January 16, 2016: 49).

While ACBF (2013) report calls for further research on challenges, barriers, and lessons learned in trans-boundary river basin management, it is clear that the effective management of Africa's riparian waters requires a regional approach with strong and capable IROs-TRMBOs. Available evidence, however points either to the absence of such institutional arrangements, or even where they exist, they lack the necessary capacities and competencies to provide necessary public services for the benefit of their respective citizens. Water, a basic need for sustaining livelihood, a critical and scarce resource for development, is expected to become even more so due to impending climate change, growing population pressures and the demands of industrialization. It is therefore imperative that for riparian states, developing and resourcing institutional arrangements for the effective management of water resources must be a top policy priority. International regional organizations or TRMBOs provide the best policy option for the effective management of Africa's riparian waters.

Cross-border Illicit Trade of Conflict Minerals in Eastern Africa

The third and last case study is about illicit trade of conflict minerals in Eastern Africa. Natural resources need not be a source of conflict or "resource curse". Rather, they can be a driver for peaceful and inclusive development and deeper regional integration. For

example, a recent Chatham House study observed that resource development could support peace, establish and create political and economic interdependence at bilateral and multilateral levels, and promote stability by raising the potential cost of conflict among resource sharing states (Bailey *et al.* 2015). These positive direct benefits and spill-overs are best protected and the interdependences are best managed by effective regional organizations rather than fragmented national public service organizations. Unfortunately, for most of Eastern Africa and the Great Lakes Region, mineral resources have fuelled cross border conflicts and illicit trade. Drawing on work done by Martin and Taylor (2014) of the Canadian Partnership Africa Canada (PAC), this article follows the value chain of illicit trade of conflict minerals in Eastern Africa and beyond, and show that a regional approach has the best chance to reduce crime and conflict and create opportunities for peaceful and mutually beneficial development of the rich mineral wealth found in these countries.

The value chain of the illicit trade of conflict minerals in Eastern Africa starts from the mineral sites of Eastern Democratic Republic of Congo (DRC), mostly artisan, through cross border smuggling, and exports to overseas buyers such as gold refiners and trading centres in e.g. United Arab Emirates (UAE), (Dubai) and the jewellery factories and front stores of e.g. India (Martin & Taylor, 2014). Each step of the value chain within and across borders involves illicit transactions by highly sophisticated international smuggling syndicates often working in tandem with national public officials in security, customs, banking, and ministries of mining. For example, according to Martin and Taylor (2014: 3-4), "Congolese gold, most of which is artisan produced, used to be exported to South Africa or Switzerland but after 2006, most of it is now illegally smuggled to East African Community countries---Uganda, Burundi, Kenya, Tanzania---and exported to the UAE. An estimated third of DRC diamonds find their way to the UAE". This makes it almost impossible for national agencies of each of the EAC Member States to have full understanding or the capacity to control illicit trade value chain activities of conflict minerals, which transcend national borders.

Some of the challenges facing national public services include minimal or poor documentary requirements for hand-carried gold imports; allowing cash transactions for mineral transactions, with little or no paper trail; weak/absence of transfer pricing legislation or enforcement thereof, allowing companies to undervalue mineral exports from Great Lakes riparian states; multinational corporations (MNCs) facilitating illicit

financial flows out of Africa; and the gold sector in Dubai not having a developed and coherent, comprehensive and universally applied strategy to apply due diligence. As well, little has been done by overseas buyers (e.g. UAE, India) to set up traceable supply chains that extend back to mine sites. Martin & Taylor (2014:4) also found "...due to weak chain of custody procedures in Uganda, Kenya, Burundi and DRC, exporters deliberately disguise or fail to know the origin of their exported gold. Weak export procedures similarly allow for gross under-declaring of gold, particularly in Uganda as well as undervaluation of diamond exports in DRC. This represents a significant deprivation to the region's economies."

Transfer pricing causes serious ethical and enforcement challenges downstream along the value chain in Dubai and India. The existence of free trade zones (EFZ) allows for the intersection between conflict diamonds, money laundering and terrorism financing facilitated by EFZ in states with weak enforcement mechanisms. To address this problem, it is easier for regional organizations to work with overseas buyers rather than for individual member states, whose public services may well be complicit in the illicit trade. The recent establishment of mechanisms for EAC Member States to share criminal intelligence to combat cross-border crime is a move in the right direction (see Ogola, *et al*, 2015: 339) but much more needs to be done. Eastern Africa IROs need to work closely with gold and diamond buyers, jewellery factory owners, financiers in Asia and the Middle East, foreign governments, and international security and intelligence organizations. All this costs money and calls for institutional capabilities, which individual states may not have or are not willing to develop. The best hope is to for the affected states to work collaboratively together on a regional basis. Within each state, the smuggling syndicates, sophisticated, resourced and violent, can easily infiltrate local authorities but are less likely to do so easily on a regional or international scale. As well, within country corruption and criminality are harder to overcome.

Summary and Way Forward

There is a mismatch between Africa's aspirations for development and transformation (e.g. see The African Union Agenda 2063) and the quality and integrity of public services received by the population or needed to meet those aspirations. Various forms of public service reforms have not resulted in better-managed national public service organizations or superior developmental public services. It is time to look for alternative

institutional arrangements, models and delivery mechanisms. In this article, contingent regional approaches are proposed based on select administrative functions and specific conditions. Three illustrative case studies in different African settings are provided where this approach can deliver superior public services. Looking ahead, Africa will need much better and effective.

Public service institutions, models and delivery mechanisms for badly needed inclusive development and broad based transformations. More scholarly work is needed by way of theory development and field experiments of alternative service delivery at local, national, regional and continental levels. Africa needs scientific evidence to guide informed strategic choices that benefit all.

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