

The European Union supports the regional economic integration process in the Eastern and Southern Africa and the Indian Ocean Regions

Today, the European Commission decided to provide EUR 15 million for a wider programme to be mainly implemented by the International Monetary Fund (IMF)-regional Technical Assistance Centres (AFRITAC East and AFRITAC South) of the Eastern and Southern Africa and the Indian Ocean Regions (ESA-IO). The project is funded under the 10th EDF Regional Indicative Programme for the ESA-IO region and coordinated by the Indian Ocean Commission.

"The EU support aims at contributing to the regional economic integration process of the ESA-IO region. The EU has experienced itself the benefits of regional integration and believes it is a key mechanism to foster growth and poverty reduction. I am pleased to announce the commitment of EUR 15 million that will contribute to create a macro-economic environment conducive to trade, investment and policy harmonization amongst the countries of the region." said Alessandro Mariani, Ambassador of the European Union in Mauritius.

The project aims at improving the design, implementation, and monitoring of sound macroeconomic policies, and enhanced regional harmonization and integration, in ESA-IO Member States and Regional Organisations. It will be jointly managed with the IMF and will support reforms undertaken by ESA-IO countries to improve tax administration and Public Finance Management, standardised customs processes and procedures, sound monetary framework, sound financial sector and improved banking supervision for private sector development and investment.

The IMF's regional approach to technical assistance and training allows better tailoring of assistance to the particular needs of a region, closer coordination with other assistance providers, and enhanced ability to respond quickly to emerging needs. In this respect, a partnership between the regional organizations and AFRITACs will offer a good opportunity to strengthen national capacities in order to improve implementation of economic reform while also ensuring higher sustainability of results. Moreover, the Indian Ocean Commission, with the assistance of the Interregional Coordination Committee, is committed to undertake a coordination role to ensure that technical assistance and training delivered through the Centres are in line with the regional integration agenda.

Background:

The regional integration process in the ESA-IO region was institutionalised in the late seventies, leading to the formation of Regional Organisations (ROs) with mandates to address specific issues and ultimate common development objectives. Under the 10th EDF, an amount of EUR 645 million has been allocated to the Regional Indicative Programme (RIP) for the ESA-IO region to support the regional integration agendas of the Regional Organisations, to strengthen regional cooperation and to support the

integration of the region into the global economy. The ESA-IO region covers four regional organisations namely COMESA, EAC, IGAD and IOC that have decided to pursue the collaboration they started under the 9th EDF, to jointly prepare and implement the 10th EDF RSP/RIP for the ESA-IO region. The European Union is supporting other IMF-Regional Technical Assistance Centers in the world.

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