North Africa's unique regional integration pathway: Affinity-based re-gionalism in practice[1]

Regional integration in North Africa is moving away from classical models centered on regional institutions toward affinity-based regionalism. This pragmatic model is driven by politically aligned projects, strategic external anchoring, and economic complementarity. Drawing on the IDEV's mid-term evaluation of the Regional Integration Strategy for North Africa (RISP-NA 2020–2026) an inventory of regional initiatives, and targeted interviews, the analysis highlights a persistent gap between strategic intent and outcomes. At mid-term, none of the expected regional outputs were achieved; intra-regional trade stagnated below 4%, and most operations remained nationally anchored with limited cross-border spillovers. These results reflect a lack of political will and cooperation among countries as well as structural constraints. These constraints include misaligned financing incentives that discourage multinational projects and inadequate metrics to capture regional effects. Integration in practice thus takes selective, interest-driven forms rather than coordinated multilateral ones. Affinity-based regionalism emerges not only as an adaptive response but also as a more accurate representation of how regional cooperation currently functions in North Africa.

Debazou Y. Yantio and Audrey Verdier-Chouchane, African Development Bank[2]

Key Messages

- Regional integration in North Africa is not failing—it is undergoing restructuring through selective bilateral cooperation and external anchoring.
- African Development Bank's financing instruments create unintended disincentives for multinational pro-jects by counting each sovereign loan toward national borrowing limits.
- Measuring relevant regional outcomes requires indicators that capture cross-border spillovers and net-worked linkages.
- Affinity-based regionalism is not a second-best alternative but rather the dominant operating model in the North African context. Multilateral Development Banks (MDBs) should design strategies around this reali-ty.
- North Africa's integration dynamics extend outward to the European Union (EU), the Sahel, the Com-mon Market for Eastern and Southern Africa (COMESA), and the Gulf countries rather than inward within the region.

Introduction: The regional integration puzzle in North Africa

The six countries[3] of North Africa account for roughly one-third of the continent's GDP and nearly 200 million people. However, the subregion remains among the least internally integrated., Intra-regional trade consistently accounts for less than 5 percent of North Africa's total trade, which is far lower than in other African regions (Santi et al., 2012, p. 1; Verdier-Chouchane et al., 2016; IMF, 2018, p. 4; AfDB, 2020, pp. 2-3; World Bank, 2020; Liga Aldo, 2023, p. 12; IDEV, 2025, pp. 6-8). The Arab Maghreb Union's integration score declined from 0.540 in 2016 to 0.382 in 2019 (AU, AfDB and ECA, 2019). This paradox of substantial economic weight without internal integration raises two central questions: Why has the effectiveness of regional integration remained limited in North Africa? ; Through which mechanisms does integration occur in practice?

In May 2020 the AfDB's approved the first Regional Integration Strategy for North Africa (RISP-NA 2020–2026) which sought to address this gap. However, the mid-term evaluation (IDEV, 2025) revealed a persistent divergence between the strategy's ambition and its outcomes. None of the five expected regional outputs was achieved. Only two of fourteen approved projects were multinational; and nationally anchored projects dominated, with one country accounting for 99 percent of infrastructure spending (IDEV, 2025, pp. 8–9, 18). Intra-regional trade stagnated at 3.7 percent, well below the 8 percent target (IDEV, 2025, p. 6).

This article challenges dominant models of regional integration that emphasize supranational institutionalization (Balassa, 1961, pp. 1–5; Söderbaum, 2016, pp. 21–25). It advances the concept of affinity-based regionalism, which involves incremental, project-based cooperation among politically aligned or economically complementary subsets of ▶▶

countries, combined with strategic external anchoring to other regional blocs. This framework better explains the observed integration dynamics in North Africa. Section 2 presents the analytical approach. Section 3 presents the evaluative evidence on the performance of the RISP-NA 2020–2023. Section 4 characterizes affinity-based regionalism in practice. Section 5 derives implications for MDBs. Section 6 concludes.

Methodology: From classical regionalism to affinity-based regionalism

This article departs from the sequentialist tradition of regional integration epitomized by Balassa's (1961, pp. 1–5) five-stage framework. As Söderbaum (2016, pp. 21–25) argues, this Eurocentric paradigm obscures diverse forms of regionalism present in the Global South, leading us to develop the concept of *affinity-based regionalism in North Africa.*

The analysis adopts a mixed-methods design that combines three complementary sources. First, the IDEV mid-term evaluation (MTE) of the RISP-NA 2020–2026 provides insights into strategy design, portfolio composition, and development effectiveness. It draws on document reviews, the Bank's portfolio analysis, and semi-structured interviews with stakeholders from 83 organizations across six countries (IDEV, 2025, pp. 2–4). Second, a structured inventory catalogued over 37 regional integration initiatives within and beyond the RISP-NA portfolio including bilateral, multinational, and nationally anchored projects with regional spillovers. Third, additional targeted interviews with government officials and regional coordination actors probed the political economy drivers shaping governments' revealed integration preferences.

To formalize the affinity structure, the study constructed a weighted, undirected network of regional initiatives. Community detection using greedy modularity maximization identified distinct clusters of cooperation (Clauset, Newman and Moore, 2004, pp. 1–6; Newman, 2006, pp. 8577–8580). This reflects Söderbaum's (2016, pp. 23–25) insight that regions are socially constructed through overlapping partnerships rather than defined solely by geography.

Evaluative evidence: Performance at mid-term of the RISP-NA (2020–2026)

Regional project portfolio: Misaligned strategic ambition and operations

At adoption, the RISP-NA's Indicative Operational Program (IOP) comprised 17 projects

Table 1: RISP-NA 2020–2026 portfolio approved as of 31 December 2023 (MUA[4])

Pillar	Measure	Planned	Planned approved	Unplanned approved	Total cost	Bank share
Pillar I	Number of projects	5	3	5	8	8
	Amount	146.2	3.2	1,240.0	1,243.2	485.4
Pillar II	Number of projects	8	1	3	4	4
	Amount	88.9	8.3	101.9	110.2	110.2
Cross-cutting	Number of projects	4	2	0	2	2
	Amount	3.5	0.2	0	0.2	0.2
Total	**No. / MUA**	**17 / 238.6**	**6 / 11.6**	**8 / 1,341.9**	**14 / 1,353.6**	**14 / 595.7**

Source: IDEV (2025, p. 9).

totaling UA 238.6 million[5]. By mid-term (31 December 2023), only six of the planned operations had been approved, while eight additional unplanned projects—predominantly national in scope—were added. The total cost of approved operations reached UA 1.35 billion, with the Bank's share amounting to UA 595.7 million, approximately 2.5 times the originally programmed envelope (IDEV, 2025, pp. 8–9). Table 1 summarizes the portfolio composition.

Unplanned projects accounted for 57.1 percent of the total number of approvals and 99.1 percent of the total value of approvals. Only two of fourteen approved projects were multinational; the remaining twelve were national projects with expected regional spillovers (IDEV, 2025, p. 18).

Limited delivery of planned regional results

At the regional outcome level, none of the five expected outputs had been achieved at mid-term (IDEV, 2025, pp. 14–17). Table 2 summarizes key indicators.

Pillar II was earmarked for 37 percent of the resources, but absorbed only 18 percent of approvals, confined to lines of credit through national banks with marginal direct impact on intra-North African integration (IDEV, 2025, pp. 15–16). Only two studies were produced to inform the cross-cutting policy dialogue (IDEV, 2025, p. 17).

Financing leverage and structural constraints

The portfolio demonstrated strong financing leverage, attracting substantial co-financing. Despite its limited effectiveness, the Bank's share of UA 595.7 million attracted UA 757.9 million in co-financing, yielding a leverage effect of 127% (IDEV, 2025, p. 8). However, only five[6] out of the six countries in the region are eligible for the non-concessional window. Each sovereign loan associated with a multinational project counts against the country's borrowing limit. This creates a structural disincentive for multilateral collaboration (IDEV, 2025, pp. 18–19).

Affinity-based regionalism in practice

The three main drivers of regional integration in the North Africa region

Projects in the North Africa region demonstrate three main affinities[7]. First, politically aligned projects are driven by shared identity, or past relationships within specific blocs. For example, Algeria, Libya, and Tunisia launched a tripartite coordination mechanism for security and economic cooperation in 2024, bypassing the formal AMU architecture. Second, strategic external anchoring initiatives connect the region to external markets or position countries as a "hub" ▶▶

Table 2: Key RISP-NA effectiveness indicators at mid-term

Indicator	Target (2026)	Mid-term (2023)
Intra-regional trade (% of total)	8.0%	3.7% (↓ from 5.0%)
Trade with sub-Saharan Africa (%)	—	2.2–2.4%
Mauritania–Senegal trade (USD m)	19.5	16.0
Regional outputs achieved (of 5)	5	0
Co-financing agreements	2	≥6 (exceeded)
Planned operations approved	17	6 (35.3%)

Source: Compiled from IDEV (2025, pp. 6, 9, 14–17) and RISP-NA results measurement framework (AfDB, 2020, Annex).

or "gateway" to the EU, the Middle East or towards Sub-Saharan Africa. Third, economic complementarity includes projects motivated by market access, or shared challenges such as climate resilience, pastoralism, or gender.

The network map of affinity-based regionalism

A targeted survey conducted across four of the six North African countries[8] reveals a dense fabric of integration initiatives extending well beyond the Bank's RISP-NA portfolio. The consolidated inventory comprises 37 operations: 18 under the RISP-NA and 19 additional initiatives financed by development partners. Figure 1 uses a weighted network of 20 nodes and 18 linkages (total weight 51) to visualize four clusters of affinity-based regionalism. The network was partitioned into communities using greedy modularity maximization, yielding Q = 0.689—a modular structure substantially above random expectation. Algeria does not appear in the network because no approved regional operation currently connects it to another country—all Algeria-related initiatives remain at the pipeline stage. Tunisia appears only through a single Libya —Tunisia linkage. A central empirical finding is the structural absence of a dense Maghreb triangle in approved operations: the classical North African subregional unit exists in political declarations but not in observed integration investments.

Three dominant clusters emerge:

(a) Eastward cluster, centered on Egypt's links to the Common Market for Eastern and Southern Africa (COMESA) region (Kenya, Uganda, and Sudan) and Gulf partners (The UAE, Bahrain, and Jordan);

(b) Westward cluster, connecting Mauritania with West Africa and the Sahel (Senegal, Mali, Burkina Faso, Niger, and Chad). The Mauritania–Senegal–Mali corridor constitutes the densest, with five linkages, and spanning transport, energy, agriculture, and livestock; and

(c) Transit corridor logic: The Morocco-Mauritania corridor and the Libya– Tunisia corridor (Mediterranean–Sahel bridge). Libya connects Niger and Chad (Sahel) with the EU (Mediterranean) while Tunisia provides links to Algeria and Libya. These patterns underscore the fact that North Africa's formal regional integration is dormant, while integration proceeds through selective interest-driven channels. Low intra–North Africa integration is confirmed by weak direct links between Egypt and Algeria, Libya, Morocco as well as the absence of links between Algeria and Morocco and Egypt and Tunisia.

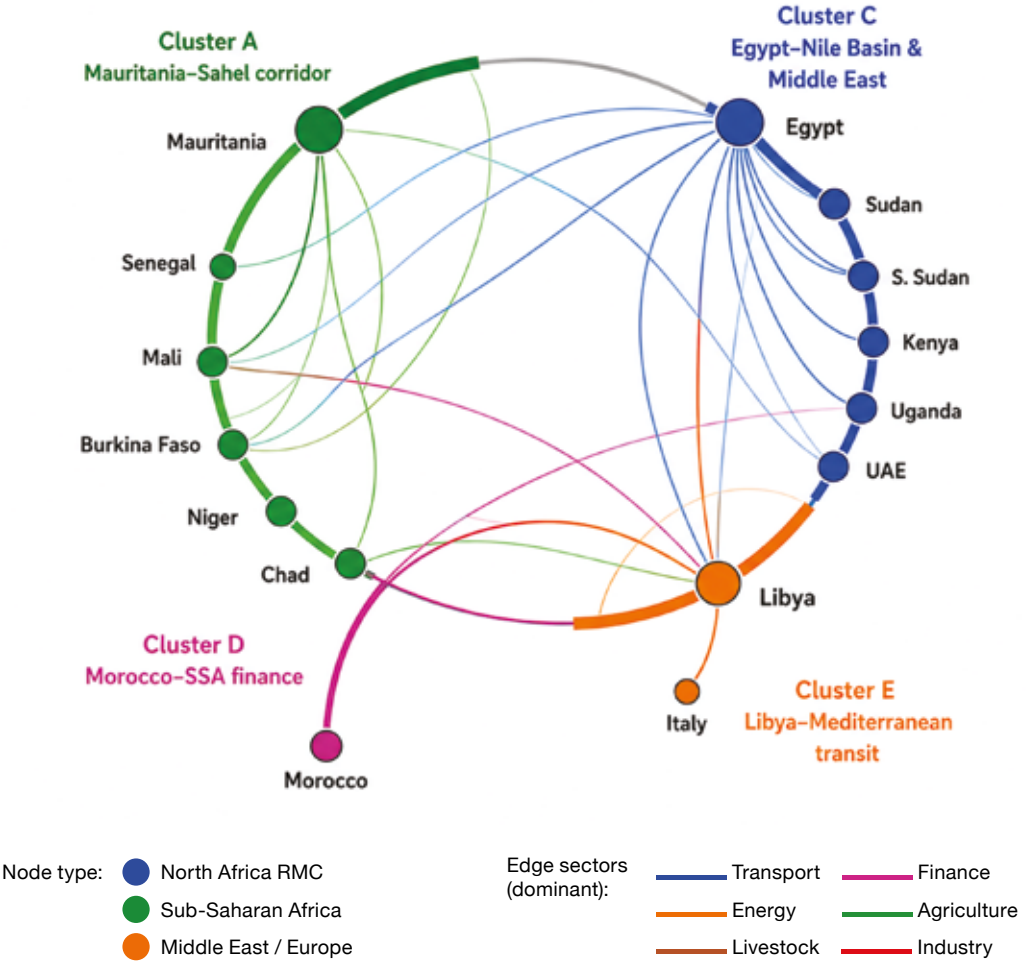
However, the large number of projects anchored at the national level such as the trans-Maghreb highway, which has Moroccan and Algerian networks built up to the border but not connected—paves the way for future intraregional integration. These projects are "ready-made" for rapid regional integration if political relations improve.

Together, these three mechanisms suggest that integration in North Africa is neither absent nor failed. Rather, it is *distributed*—operating through overlapping bilateral partnerships, subregional clusters, and continental platforms rather than a single centralized regional economic community (REC). The conventional diagnosis of 'low integration' reflects the application of classical benchmarks such as trade shares and institutional depth to a subregion whose political economy produces cooperation through fundamentally different channels. Affinity-based regionalism provides a more empirically adequate framework for understanding these dynamics and for designing multilateral instruments calibrated to how integration works in politically complex environments.

Implications for Multilateral Development Banks (MDBs)

MDBs play a critical role in North Africa where political willingness is limited. They act as neutral third parties, providing credibility, technical capacity, and concessional financing for multi-country projects eliminating the need to designate a "lead country"—a politically sensitive role.

Figure 1: Affinity-based regionalism (clusters) in North Africa — approved operations only



Cluster	Core members	Wt	Dominant sectors	Driver
A	Mauritania, Senegal, Mali (+ Niger, Chad, Burkina Faso)	18	Transport, energy, livestock, agriculture	Economic + geographic
C	Egypt, Sudan (+ S. Sudan, Uganda, Kenya, UAE, Jordan)	15	Transport, industry	Geographic (Nile) + political (Arab)
D	Morocco ➔ Sub-Saharan Africa5	12	Finance, transport	Economic (banking + port-corridor)
E	Libya ➔ Niger, Chad, Italy, Qatar, Tunisia	6	Transport, industry	Geographic (transit hub)

To accelerate regional integration, MDBs such as the AfDB are encouraged to:

- Adapt financial instruments, including a regional financing envelope for ADB countries (Algeria, Egypt, Libya, Morocco, and Tunisia)
- Design regional value chains based on the economic complementarity between North African countries and Sub-Saharan Africa
- Engage in structured political dialogue with a wide range of stakeholders, particularly the private sector. ▶▶

Conventional evaluation indicators—such as intra-regional trade shares or the number of multinational pro-jects—capture only a partial picture. A more accurate assessment requires the following:

i. measuring cross-border spillovers;

ii. capturing networked and multi-vector integration; and

iii. accounting for external anchoring to blocs such as COMESA, Economic Community of West African States (ECOWAS), and Greater Arab Free Trade Area (GAFTA).

Conclusion

Efforts to integrate North Africa need to be reactivated to promote trade and economic growth. Affinity-based regionalism offers a pragmatic, project-led alternative to stagnant institutional frameworks. It is driven by political alignment, strategic external anchoring, and economic complementarity. This model bypasses bilateral tensions by focusing on tangible outcomes and fostering South-South integration within the AfCFTA. Because designating a "lead country" for multinational projects often triggers friction, the AfDB serves as a neutral mediator. Affinity-based regionalism thus provides a more operationally relevant framework for understanding and evaluating regional integration in North Africa. By calibrating instruments and measurement frameworks to this reality, MDBs can better support integration processes that are feasible, resilient, and ultimately transformative. eVALU

Endnotes

1. The first and second authors were the task manager and contributor respectively of the Mid-term Evaluation (MTE) and the complementary survey. The authors used ChatGPT-5.3 and Claude Opus 4.6/4.7 as assistive tools to identify relevant theoretical models of regional integration, refine language, summarize content, and implement the greedy modularity maximization procedure for analyzing detected affinities and prepare tables and graphs based on author-validated data. All data collection, validation, analysis, and interpretation were carried out by the authors in accordance with established professional standards. They have verified all information and take full responsibility for the accuracy, integrity, and conclusions of the paper. The authors thank the Bank colleagues who collected data during the comple-mentary survey on the regional integration interventions beyond AfDB portfolio.

2. Short bio data are provided at the end of the paper. The authors are deeply grateful to the Country Economists in the North Africa region who conducted an additional survey on regional integration projects, namely Ahmed Hanoma for Egypt, Iyad Dhaoui for Libya, Hamaciré Dicko for Mauritania, Richard Doffonsou for Morocco and Bernice Savy for Tunisia.

3. The Bank's Regional Development and Business Delivery Office for North Africa includes Algeria, Egypt, Libya, Mau-ritania, Morocco, and Tunisia. Except Egypt, they collectively constitute the Arab Maghreb Union (AMU).

4. In March 2026, UA 1 averaged USD 1.38.

5. 1 Unit of Account (UA) = 1.34167 United States Dollars (USD) as at the month December 2023

6. Algeria, Egypt, Libya, Morocco, and Tunisia.

7. A fourth affinity could be the geographical affinity. However, it is constrained in North Africa by the closed Algeria–Morocco border (since 1994), the Sahara Desert, and post-conflict fragility in Libya.

8. Responses received from Egypt, Libya, Mauritania and Tunisia. Algeria and Morocco had not yet responded at the time of writing. The resulting dataset of approved regional integration projects is available upon request.

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Authors' profiles



Debazou Y. Yantio is a policy and development evaluation specialist and Agricultural Engineer who majored in agricultural economics and extension in 1990. He holds an M.A. in Economic Policy Management (2001), and a certificate from the International Program for Development Evaluation Training (IPDET) at the Carleton University (2003). He is currently Principal Evaluation Officer at the Independent Development Evaluation (IDEV) function of the African Development Bank. He has 23 years of experience in development evaluation, with a focus on regional integration, country strategy evaluations, and complex evaluations. His interest is in bridging the gap between evaluation and policymaking, as well as building national evaluation capacities in Africa.



Audrey Verdier Chouchane is currently Lead Economist for the North Africa region in the Country Economics Department of the African Development Bank. Previously, she served as Acting Division Manager for Central, North and West Africa in the same Department, and as Chief Research Economist in the Macroeconomic Policy, Forecasting and Research Department. She has more than 25 years of experience in development economics, with a focus on financial development, competitiveness and regional integration. She holds a PhD in Economics from the University of Nice Sophia Antipolis in France, where she also taught Macroeconomics and Development Economics as Associate Professor.