2019 African Regional Integration Report

TOWARDS AN INTEGRATED, PROSPEROUS AND PEACEFUL AFRICA

Voices of the RECs
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Please cite this publication as:

African Union Commission

African Union Headquartes
Roosevelt Street W21k19
Addis Ababa Ethiopia
Foreword

This first edition of the African Regional Integration Report is a landmark publication representing the will of African leaders to achieve closer regional integration as a crucial driver for the realization of Africa’s development agenda.

One of the recurring concerns of African integration is challenge associated with effective monitoring and evaluating the implementation of an agenda that includes the Abuja Treaty, Agenda 2063 and other flagship projects and initiatives. This is reflected in the inability to accurately measure progress to capitalise on opportunities and help the various segments of the African integration process meet the challenges.

The report provides a comprehensive and structured review of the status of integration and sets out innovative policies for accelerating the ongoing regional integration process. It is an initiative by African heads of state and governments to refocus the discourse on integration and related emerging issues, and to make recommendations to achieve an “integrated, prosperous and peaceful Africa, representing a dynamic force in the concert of nations”.

As numerous as the challenges of African integration may be, the report shows that Africa is advancing towards achieving this goal and ultimately creating the African Economic Community. The African Union Commission (AUC) and the regional economic communities (RECs) shared their experience for the joint preparation of the report, and this collaborative approach added considerable value to the first edition. Preparing the report sheds light on the technical and institutional barriers that call for action on the part of African leaders to speed up the process of regional integration.

The report, to be produced annually, will provide updated and credible information to African leaders for their decision-making, and to the African public to further popularise the vision and objectives of the pan-African ideal, thus putting the African citizen at the centre of the objectives of the Abuja Treaty and the aspirations of Agenda 2063.

Chief executives of the RECs are to be commended for making available their staff and information to the African Union Commission technical team. This increased the reliability of the report’s findings, despite the challenges that will be addressed in future editions. The report is also the outcome of enhanced collaboration between the Commission and the African Capacity Building Foundation, which provided valuable expertise. In this regard, ministries in charge of integration and other entities of member states and RECs are invited to get involved in the production of the future editions.

We hope all stakeholders will find this report useful for accelerating Africa’s continuing march towards complete African integration.

Moussa Faki Mahamat
Chairperson
African Union Commission
Acknowledgments

This report was prepared by the Department of Economic Affairs (DEA), African Union Commission, in collaboration with the Regional Economic Communities (RECs) and the African Capacity Building Foundation (ACBF). The conclusions, analyses and recommendations contained in the report are binding only on the DEA and cannot be attributed to the AU Commission or its policy bodies. The AU Commission recognises this report as the outcome of the DEA’s reflection on integration, and recognises the support of the regional economic communities (RECs) and their partners in the African regional integration process. It recommends the report as “an important tool to draw attention to integration and development in Africa”.

The report was produced under the oversight of Prof. Victor Harison, Commissioner for Economic Affairs. Technical supervision was provided by the late Dr. René N’Guessan Kouassi, former Director of the DEA, and Mr. Jean Denis Gabikini, Head of the Division of Economic Integration and Regional Cooperation at the AU Commission. The technical team was composed of Manasseh Ntaganda (Principal Officer for Integration at AU Commission), Dje N’Guessan Pierre (Statistician-Economist in charge of regional Integration at AU Commission), Myranda Lutempo and Laurette Francette Ecko (AU Commission Integration Officers), and Djeinaba Kane (AU Commission Editorial Officer).

Thanks go to the Executive Secretaries of the RECs who made their technical teams available to the AU Commission during the Commission’s information-gathering missions at their respective institutions.

The outstanding input from experts from the RECs, ACBF, the Association of African Central Banks (AACB) and the National Institutes of Statistics (INS) is to be commended. They are: Joseph Rwanshote (IGAD), Azhari Karim (IGAD), Awira Anthony (IGAD), Ambassador Salvador Matata (COMESA), Deogratias Kamweya (COMESA), Njeleka Malata (COMESA), Isiah Tafadzwa Gowera (SADC), Hobby Musaka Simuchile (SADC), Aggrey Niringiye (EAC), Aime Uwase (EAC), Iliyasu Mustapha Bobbo (ECOWAS), Dr. Babatunde Idowu (ECOWAS), Alfred Bobe Ikaka (ECCAS), Touka Jules (ECCAS), Mamadi Kourma (CEN-SAD), Rabii Sakhi (AMU), Imed Ben Elhadj (AMU), Rabii Sakhi (AMU), Dr. Barassou Diawara (ACBF), Marjorie Okora (ACBF), Dr. Robert Nantchouang (ACBF), Elsadig Abdalla (AMU), Falzana Atchia (ABCA), Tsabedze Bhekisisa Sicelo (ABCA), Badr El-Din (ABCA), Hamd Bader Eldeen Hussein Jubralla (ABCA), Lizzie Chikoti (CoDG/INS), and Rosine Agnero Gnanazan (CoDG/INS).

Commendations also go to the experts and consultants, Charles K. Awitor (Togo) and Prof. Bassole Boubie (Burkina Faso), who provided constructive and relevant input and comments at various stages of the report’s production.

The report benefited from the administrative support of Kokobe George (AU Commission), Yamrot Demtse Kifle (AU Commission), Tesfahun Getu (AU Commission) and Henock Woldemariam (AU Commission).
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Acronyms and Abbreviations

ACBF : African Capacity Building Foundation
ACB : African Central Bank
AfDB : African Development Bank
AIB : African Investment Bank
AMF : African Monetary Fund
AMU : Arab Maghreb Union
AU : African Union
AUC : African Union Commission
BDEAC : Development Bank of Central African States
BEAC : Bank of Central African States
BIAT : Stimulating Intra-African Trade
BOAD : West African Development Bank
CEMAC : Central African Economic and Monetary Community
CEN-SAD : Community of Sahel-Saharan States
COMESA : Common Market for Eastern and Southern Africa
COPAX : Peace and Security Council
EAC : East African Community
EAMU : East African Monetary Union
ECCAS : Economic Community of Central African States
ECOWAS : Economic Community of West African States
EU : European Union
FAO : Food and Agriculture Organization
FIP : Finance and Investment Protocol
FOMAC : Central African Multinational Force
FTA : Free Trade Area
ICT : Information and Communication Technology
IGAD : Intergovernmental Authority on Development
IGADD : Intergovernmental Authority on Drought and Development
ILO : International Labor Organization
IMAE : East African Monetary Institute
IMF : International Monetary Fund
IOM : International Organization for Migration
IWRM : Integrated Water Resource Management
JLMP : Joint Labor Migration Program
LPA : Lagos Plan of Action
LVBC : Lake Victoria Basin Commission
ME : Monitoring and Evaluation
MoU : Memorandum of Understanding
NEPAD : New Partnership for Africa’s Development
NTB : Non-tariff barrier
OAU : Organization of African Unity
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<tr>
<th>Acronym</th>
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<tr>
<td>PAU</td>
<td>Pan African University</td>
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<td>RAIP</td>
<td>Regional Agricultural Investment Plan</td>
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<td>UNDP</td>
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<td>United Nations High Commission for Refugees</td>
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<td>UNICEF</td>
<td>International Children's Fund</td>
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<td>UNIDO</td>
<td>United Nations Industrial Development Organization</td>
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<td>World Health Organization</td>
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About this report

The main objective of the report is to assess the African integration process by highlighting challenges, key achievements, and recommendations with respect to the Abuja Treaty and Agenda 2063 as well as lessons from other regional economic groupings such as the European Union.

The specific objectives are:

- To present the achievements of the member states, the RECs and the AUC. The report identifies and describes the status of the tools and elements put in place to implement the integration agenda.

- To review the challenges hindering the African integration process. The report considers these challenges as opportunities African countries and institutions can harness to accelerate the creation of the AEC and to foster the structural transformation needed to tackle poverty, inequality and international marginalisation of Africa.

- To analyse the perspectives on integration by the member states, the RECs and the AUC. New visions of integration are presented with innovative solutions that serve as recommendations to stimulate a new dynamic in the integration process.
Executive summary

This report first presents the historical context of the African integration process and the progress of African leaders towards achieving a united, integrated and prosperous continent under the Abuja Treaty and AU Agenda 2063. The Abuja Treaty, signed in 1991, lays the groundwork for the creation of African Economic Community (AEC), whereby the economies of the member states of the AU will be fully integrated and an African Economic Community created. The goal of the AEC is to transform the fifty-five (55) African economies into a single economic and monetary union, with a common currency and free mobility of capital and labour. The Sirte Declaration, signed in 1999, and the Constitutive Act of the African Union aim at fast-tracking Africa’s integration through the creation of key institutions such as the African Central Bank, an African Monetary Fund, an African Investment Bank, the African Court of Justice and the Pan-African Parliament. Establishing the three continental financial institutions has been slow because member states have been slow to ratify the relevant instruments. Although the other institutions—the African Court of Justice and the Pan-African Parliament—are in place, they have limited powers to carry out their mandates specified in the Abuja Treaty.

According to the Abuja Treaty objectives, Africa’s integration process is expected to be completed by the creation of the African Economic Community (AEC), following a six-step sequential approach over 34 years. With the AU Commission playing a coordination role, the realisation of the AEC is predicated on the progress achieved by regional economic communities (RECs), the key pillars of Africa’s integration process.

While some RECs have made significant progress, others are far from achieving their visions and goals, as specified in their founding treaties. Overlapping memberships in many RECs continue to pose a significant challenge and remain an intractable obstacle to deeper regional and continental integration. Overlapping memberships not only exacerbate persistent funding and human capacity problems in support of regional programmes, but also lead to challenges of effective coordination of policies and programmes to foster closer regional and continental integration. While some progress has been achieved, significant bottlenecks stand in the way of deeper integration, including narrow markets, poor infrastructure networks, cumbersome administrative procedures that impede trade integration, in diversified production bases coupled with weak backward and forward linkages between agriculture and industry, as well as weak institutional and legal mechanisms for implementing regional and continental programmes and projects. In addition, the reluctance of member states to cede sovereignty to key organs of the African Union stands in the way of accelerated African integration. Persistent conflicts in Central Africa, the Horn of Africa, Northern Africa and West Africa also present challenges to integration.

Despite these challenges, important objectives have been reached. The signing of the COMESA–EAC–SADC Tripartite Free Trade Area (FTA) on 22 October 2008 in Kampala, Uganda, was a big step in the right direction. That FTA encompasses 26 countries of its three RECs with a combined population of 527 million, a gross domestic product (GDP) of USD 624 billion and a GDP per capita of USD 1,184. The three RECs make up nearly half the African Union’s membership of 55 countries, contribute more than 58% of the continent’s GDP and account for 57% of the total population of the African Union.

The Tripartite FTA is established on a tariff-free, quota-free and exemption basis, and adopts the principle of variable geometry by simply combining the existing FTAs—COMESA, EAC and SADC—into a single FTA. This inter-REC FTA is expected to eliminate the problem of multiple memberships, increase the critical mass of trading instruments, cushion and mitigate persistent internal and external trading shocks, enlarge markets for goods and services for member states concerned, promote inter-REC and intra-African trade, and enhance the economic and social well-being of the people of the region. It is also expected to stimulate the formation of other FTAs in other regions of Africa.

In 2018, the New Multidimensional Index of African Integration was developed and adopted by the RECs, central banks and national statistical offices (NSOs). It was developed to monitor and evaluate the level of regional integration achieved by each REC. It was used to design a structured questionnaire to capture REC achievements during the data collection
exercises. The questionnaire comprises eight dimensions, each with its own set of questions. The eight dimensions are: trade integration, free movement of persons, infrastructure integration, political and institutional integration, monetary integration, financial integration, social integration, and environment management. The questionnaire provided the opportunity for RECs to report on their achievements and challenges, using the index's indicators.

Visits by representatives of the AU Commission—including discussions with chief executives of RECs and their experts—were aimed at collecting reliable data, which contributed to the report’s preparation.

Continental achievements and challenges

This report presents a comprehensive review of Africa's major economic and political integration initiatives, highlights the achievements and pushes for an even faster and more efficient pace in the future.

The report also highlights other key milestones, including the signing of the Lagos Plan of Action, and other initiatives such as the Abuja Treaty, the Sirte Declaration, the Constitutive Act of the African Union and AU Agenda 2063. It presents progress on the status of establishing proposed Pan-African financial institutions, including the ratification processes. And it provides details of the major initiatives by the AU Assembly within the framework of the Abuja Treaty. The focus is on the Pan-African institutions proposed in the Abuja Treaty: the African Central Bank, the African Investment Bank and the African Monetary Fund. Although these institutions are expected to foster Africa's integration agenda, none of them is operational because of slow ratification by the relevant instruments.

Regional achievements and challenges

The status of integration is described for each of the RECs. Key challenges and specific recommendations are identified. The key message is that, while the achievements of RECs are laudable, their successes remain mixed. On the whole, all eight RECs recognised by the AU face teething challenges of funding and human capacity constraints, overlapping memberships, weak implementation of key regional integration programmes and projects, and a lack of focus and institutional alignments. Persistent conflicts, insecurity and infrastructure bottlenecks remain pervasive obstacles to deeper integration. The need to devise innovative mechanisms for funding cannot be overemphasised.

**AMU**

AMU has great potential and, based on its treaty objectives, has made commendable progress. For example, AMU ministers of trade have signed a free trade agreement. The AMU region, however, faces challenges of insecurity, political instability, limited infrastructure links, and limited cooperation among member states. Another key challenge is that AMU has for many years had limited cooperation with the AUC. AMU member states thus need strategies to address these challenges, and this includes working closely with other RECs to emulate their lessons, such as ECOWAS's method of self-financing.

**CEN-SAD**

Since its creation, CEN-SAD has worked to improve the climate of peace and security among its member states. It has a charter for peace and stability and a protocol on conflict prevention, management and resolution, and a security cooperation convention. Owing to environmental threats to CEN-SAD countries, the focus is on environmental protection and management. The Great Green Wall initiative, agreed to by the heads of state and governments of both the ECOWAS and AU, is a major achievement and promotes the fight against desertification and the socio-economic development of vulnerable areas.

But CEN-SAD lacks the funds to finance its ambitious regional integration programmes and projects. Its reliance on donors to fund key projects is unpredictable and disruptive. The ongoing security challenges in Libya, and the terrorist incidents by Boko Haram and ISIS, pose serious challenges to deepening integration within the CEN-SAD region. So, the need is urgent to address protracted security problems and to redefine CEN-SAD's five- and ten-year priorities in line
with its vision and the region’s new dynamics.

**COMESA**

COMESA has developed several initiatives covering trade integration. A free trade area was established by eliminating non-tariff barriers that included removing exchange restrictions and foreign exchange taxes, eliminating import and export quotas and roadblocks, simplifying customs formalities and extending working hours at borders. COMESA has various programmes to facilitate cross-border trade and transit, including coordinating border management through one-stop border posts, adopting the automated system for customs data and simplifying customs documentation. COMESA also has a customs union and a common external tariff to deepen intra-COMESA trade.

COMESA has made remarkable progress in financial integration. It has several institutions and arrangements, such as the COMESA Trade and Development Bank, the Africa Trade Insurance Agency, a clearing house and regional payment system, and the COMESA reinsurance company. It has also implemented the region’s financial system development and stability plan.

But COMESA still faces donor dependence in funding key regional integration programmes, poor infrastructure networks, persistent macroeconomic vulnerability, limited policy coordination and human capacity constraints. So, COMESA should borrow a leaf from ECOWAS’s book in developing sustainable sources of financing. Given that COMESA is a huge market, member states should focus on improving value chains and investing in industries that can improve value addition.

**EAC**

EAC is the most advanced REC, having achieved a common market, with the goals of a monetary union and ultimately a political federation remaining. Since 2005, EAC partner states have progressed in implementing a customs union, including the application of a common external tariff; the application of EAC rules of origin criteria; the internal removal of tariffs for goods meeting those criteria; and the elimination of non-tariff barriers. In 2010, the EAC established a common market, and EAC partner states have continued to facilitate the free movement of persons, workers, goods, services and capital, and the rights of establishment and residence.

To facilitate the movement of goods across borders, 15 one-stop border posts have been earmarked for development, and 13 have been constructed and are operating. This has reduced the average time to cross borders by about 84%.

The customs union and common market protocols contributed to boosting intra-EAC trade from USD 2.7 billion in 2016 to USD 2.9 billion dollars in 2017. In addition, infrastructure development has advanced with a focus on regional roads, railway lines and air and water transport.

The Monetary Union, signed in 2013, is expected to be in place by 2024. To establish institutions to support it, the East African Legislative Assembly passed bills for the East African Monetary Institute and East African Bureau of Statistics. The EAC registered a key milestone in political integration with the Summit’s adoption of the EAC Political Confederation as a transitional model for the EAC Political Federation. The Council of Ministers has since approved the nomination of constitutional experts, with drafting of the confederation’s constitution expected to start in 2019.

But challenges persist. For instance, the customs union and common market are not yet fully operational. And EAC faces significant challenges of human capacity and of funding its own programmes.

**ECCAS**

ECCAS has been strengthening regional integration, particularly for political integration through the peace and security architecture, as well as for environmental integration and natural resource management through a system for promoting the green economy and a regional mechanism for reducing disaster risk and preventing climate change. The region is also making progress in infrastructure integration (particularly land transport and ICT) and in the free movement of persons.
Despite the region’s rich resource potential, intra-ECCAS cooperation remains weak, due to restrictive customs and immigration procedures, as well as persistent conflicts. There are also difficulties with policy coordination because of huge financial and human constraints.

For resource mobilisation, ECCAS has a mechanism similar to that of ECOWAS, but it awaits implementation, thus slowing many projects.

ECOWAS

Implementing the protocol on the free movement of persons, goods and services has increased intra-regional trade. As of June 2018, all member states, except Cabo Verde, had implemented a common external tariff. In 2017, member states adopted a common customs code to strengthen the regulatory architecture of the customs union and to streamline customs procedures. They have also implemented several key infrastructure projects including major regional roads, railways and oil pipelines.

ECOWAS pioneered a self-financing community levy to support regional integration programmes, reducing heavy reliance on donors. Challenges include insecurity and terrorist attacks; macroeconomic policy harmonisation, poor infrastructure networks, limited funding for regional integration; and human capacity constraints. Mobilising funding to address these challenges is critical, and addressing persistent security problems caused by Boko Haram and ISIS requires urgent attention.

IGAD

IGAD has been establishing an effective peace and security architecture to resolve conflicts. Progress in regional infrastructure, including the LAPPSETT corridor, Djibouti international free zone and Ethiopian reconnaissance dam. Commendable progress has also been registered in environment and food security. A number of IGAD member states still face vulnerability to conflicts, refugees, and internally displaced persons. Extreme weather conditions threaten agriculture and the sustainability of biodiversity.

SADC

The SADC region is a vastly and diversely endowed region with a population of over 270 million people. The region achieved FTA status in 2008, and intra-regional trade has grown to about 22% of total trade. To consolidate the FTA, SADC has pursued a developmental approach to integration that focuses on sectoral cooperation including: the free movement of people, goods and capital; human development, macroeconomic convergence and financial integration; industrialisation and infrastructure development; climate and the environment; and peace and security to enable sustainable natural resource exploitation and value addition; and competitiveness for meaningful trade and regional integration.

Given this developmental approach, SADC has been implementing programmes and projects across the sequential stages of integration, fostering trade and deepening integration. It also has a macroeconomic convergence framework and surveillance mechanism. But it faces multiple and overlapping memberships, the issue of state sovereignty versus regionalism, and limited involvement of national stakeholders and the citizenry.

Going forward, SADC should:

• Resolve multiple and overlapping membership to avoid confusion, competition and duplication, to lessen the financial burden on taxpayers.
• Ensure that member states commit more to the regional integration agenda and to ratify and tailor protocols, align their national strategies, policies and priorities with the regions, and harmonise their policies and legal systems.
• Immediately agree to a regional parliament, court of justice and central bank, to oversee the integration agenda.
• Engage national stakeholders and the citizenry to increase awareness and ownership of the integration agenda and process.

SADC member states need to move the integration agenda to the next level, enhancing the free movement of persons and sensitising national stakeholders to what regional integration can bring to the citizenry.

Lessons from ASEAN and the EU

ASEAN remains the most successful regional grouping in the developing world. Established as a politico-security pact in the aftermath of the Vietnam War in 1967, ASEAN has become a dynamic regional economic bloc. It is a major global hub of manufacturing and trade, as well as one of the world’s fastest-growing consumer markets in the world. ASEAN has removed tariff barriers among its member states. Following the implementation of the ASEAN Free Trade Area, common effective preferential tariff rates are virtually zero for the ASEAN. And a huge portion of intra-ASEAN trade is conducted at zero most-favoured nation tariff rates.

ASEAN also leads in trade facilitation and in liberalising services and investment, worth noting by African member states as they embark on the African Continental Free Trade Area (AfCFTA). One feature relevant to Africa is that several ASEAN members are developing countries. ASEAN is consensual and not encumbered by the legal underpinnings of EU integration. ASEAN members have different colonial experiences, coalesced in common purposes of national integrity and economic well-being, an aspect shared by African states.

The EU model of integration is more advanced, given that EU member states have both a single market and a monetary union. The EU remains the most advanced economic grouping since its founding in 1957. But it has faced disagreements on decision-making and implementation, the depth of integration to aim for, and more recently the Eurozone debt crisis. Blanket emulation of the European model of integration by Africa’s member states is feasible and encouraged. The two regional economic groupings share history, culture, politics, economies and the challenges they face.

The African integration process could learn a lot from the EU, ASEAN and even other regional economic groupings that have succeeded. Good practices can be tailored to unique African integration circumstances. Most important is the need for African member governments to be agile and innovative in addressing regional and continental integration challenges.

Decision-making. One feature of the Africa’s integration process is that key decisions are still agreed by consensus, rather than through binding legal imperatives, making enforcement a problem and at the discretion of member states. Most protocols, directives, regulations and decisions passed by the African Union Assembly, as well as other key organs, are either not ratified, ratified slowly, or not implemented at all. Key institutions such as the AU Commission, the African Court of Justice and Human Rights and the Pan-African Parliament have been established to accelerate Africa’s integration process. But it is paradoxical that none has been given the appropriate powers to enforce decisions. One reason is the reluctance of member states to cede their sovereignty.

Much can be learned here from the EU’s integration process. The European Council, European Court of Justice, European Parliament and European Central Bank accelerated regional integration thanks to their powers to set agendas, settle disputes, legislate laws and design prudent macroeconomic policies to ensure a successful monetary union. Their role and powers to address emerging challenges have continued to increase over the years, with the full support of European governments, enhancing their credibility and effectiveness.

In Africa’s integration approach, by contrast, the powers of making, monitoring and enforcing decisions are still attributed to the Assembly, at its political Summit. The African Union Commission serves only as a secretariat and has limited agenda-setting powers. All strategic issues are referred to the Council of Ministers, through the Permanent Representatives Council (PRC).

Champions. Champions are needed to popularise flagship projects and programmes from the highest political level and to cascade to key technocrats and private sector players and then to the entire population. The African Union political
leadership has done a commendable job in this area, but continuity, follow-up and effective monitoring and evaluation are essential to ensure effective implementation. For example, the AU political leadership has identified a champion for the AfCFTA, but the benefits of flagship projects have to be popularised.

For meaningful economic integration, member states and their leaders have to invest their time, energy and resources. African member states have to compromise to support the collective gains associated with belonging to a community. Examples include larger markets, common defence and free movement of goods, services, labour and capital, while providing special support to smaller and poorer economies.

**Timing and sequencing.** One common feature of Africa’s integration process is poor conceptualisation of programmes and projects, coupled with the propensity to initiate some new ones even when resources are lacking. The result is that project implementation stalls for many years, wasting resources. African member governments should be flexible enough to change course and pursue feasible and efficient options. They may thus need to amend treaties, laws or decisions.

The principle of variable geometry can fast-track Africa’s integration. Member states belonging to a community face varied and unique challenges, calling for flexibility in the demands on them. Pacesetters can maintain accelerated momentum with the hope that others will follow at a later stage when they are ready.

**Citizen-oriented.** Regional and continental processes to succeed must be citizen-oriented, which is not the case in Africa. Top-down initiatives, mainly motivated and driven by government bureaucrats with little or no involvement of private sector players and ordinary citizens, are doomed from the start. The failure of government bureaucrats to involve ordinary citizens, in the guise of advancing the public interest, has resulted only in backlash and scepticism.

**Best practices from RECs**

At the level of RECs, some best practices are worth emulating, with a view to fostering regional integration and cooperation. ECOWAS has achieved much in the free movement of persons. It has developed innovative mechanisms for funding integration programmes and projects through the strict enforcement of a community levy. It has adopted good governance and democracy protocols. And it has established institutional and preventive diplomacy mechanisms to maintain regional peace and security, including national early warning systems. That several ECOWAS member states are in a monetary union (UEMOA) and have a regional stock exchange is very encouraging. This type of regional integration advances variable geometry as the best practice for regional integration processes.

As the most advanced REC, EAC has not only operationalised a common market but is on course to achieve a monetary union and political federation. COMESA has also done a lot in deepening trade integration by developing innovative instruments in areas of customs harmonisation (ASYCUDA++) and free movement of goods and services. And it has established such institutions as the Trade and Development Bank and the reinsurance company ZEP-RE to facilitate trade within the COMESA region. Both ECOWAS and EAC use identity cards to enhance the free movement of persons.

SADC member states have agreed on a common defence protocol as well as harmonisation of education curricula and applying uniform fees for SADC nationals in tertiary institutions. IGAD has also made significant achievements in peace and conflict resolution, and in mitigating environmental destruction and climate change. Some ECCAS member states have formed a monetary union (CEMAC) and come up with innovative ways of self-financing integration programmes.

The COMESA-EAC-SADC FTA should stimulate the fast-tracking of Africa’s integration process. Indeed, ECOWAS, CEN-SAD and AMU could emulate the TFTA by establishing another economic bloc in their regions, as building blocks of the African Economic Community envisaged in the Abuja Treaty.

These best practices should be scaled across all RECs to save limited resources and accelerate Africa’s integration.
**Recommendations**

Member states should:

- Sign, ratify and tailor the AU legal instruments related to the integration tools of the Abuja Treaty and Agenda 2063.
- Be fully involved in the mobilisation of domestic resources and accelerate the implementation of the Kigali decision on the 0.2% for AUC funding, to be able to finance the implementation of Agenda 2063 and the African Integration Fund.
- Align their national development plans with regional and continental programmes to maximise effectiveness.
- Rationalise some RECs by merging institutions that perform basically the same functions and by converting some to specialised institutions to avoid waste, conflict and duplication of effort.

The regional economic communities should:

- Align their programmes and action plans with the continental agenda for Integration, which includes the Abuja Treaty, Agenda 2063 and its ten-year implementation plan.
- Strengthen their cooperation to share experiences and best practices.
- Develop their local capital markets to raise funds for the efficient funding of infrastructure.
- Become organic structures of the African Union, rather than just building blocks with a terminal role. Permanent liaison offices at both the AUC and the RECs should be established as soon as possible.

The African Union Commission should:

- Continue to coordinate the implementation of the African Integration Agenda while conducting, in collaboration with RECs, annual evaluations based on the newly developed and adopted African multidimensional regional integration index.
- Devise a minimum integration programme that can be implemented over one or two years in order to increase accurate implementation with specific objectives and timeframe.
- Set up an awareness mechanism to sensitise African citizens to integration issues through an annual integration forum that would include professionals, academics, women, the private sector, the diaspora and other African stakeholders.
- Accelerate the implementation of the Kigali decision on the 0.2% for AUC funding to create financial autonomy for the RECs, AUC and other continental and regional institutions.
- Intensify advocacy efforts aimed at AU member states, for them to ratify, tailor and implement AU legal instruments such as treaties, protocols related to financial institutions, the AfCFTA, and the pan-African institutions for statistics—as well as the AU passport.
- Strengthen collaboration between the AU and members states by nominating a specific focal point (ministry, department or other structure).
- Propose a champion REC in the area of integration—the REC that has made significant progress for emulation by other RECs.
- Align policies according to priorities, financing capacities and the emerging issues.

**Conclusion**

Most RECs have completed milestones in compliance with the various stages of the Abuja Treaty. The free movement of
people is now a reality in most RECs. The landmark signing of the AfCFTA and Free Movement of Persons in March 2017 by the AU Heads of State and Government is a good move. However, although key institutions have been established in line with the Abuja Treaty, their powers remain limited owing to the reluctance of member states to cede sovereignty. Multiple memberships are costly in both financial and human terms and prevent advancing to deeper forms of regional and continental integration. Decision-making based on consensus is problematic because decisions signed are not legally binding, and countries that do not implement decisions face no sanctions of any form.

The current method of financing regional and continental integration is both unpredictable and unsustainable. That donors fund most of these programmes requires a major shift. The division of labour between the AUC and RECs has not been clarified—and remains a work in progress. And persistent conflicts slow the pace of integration and divert limited resources earmarked for development.
CHAPTER 1: INTRODUCTION
For the first African Heads of State and Government, regional integration was not only the key to developing the continent. It was also the way to ensure structural transformation and facilitate Africa’s smooth integration into the global economy. And over the decades, regional integration has emerged as the main objective for African Heads of State and Government in building a united and prosperous Africa, with a single voice, and representing a dynamic force in the concert of nations.

The renewed interest in regional integration as Africa’s overall development strategy has led policymakers, assisted by intellectuals, to formulate plans and strategies for maximising the benefits of enhanced cooperation among African countries. The result: proliferation of continental agreements and programmes, such as the Abuja Treaty and Agenda 2063. Through these initiatives and efforts, the pan-African integration agenda has made progress in trade, peace and security, air transport, free movement of persons and goods, and such emerging areas as the environment.

But the record of integration remains mixed. Indeed, the integration process continues to face real obstacles in political will, infrastructure quality, customs and administrative policies, narrow markets, low purchasing power, poor capital markets, lack of a diversified productive base and the absence of coordination and harmonisation mechanisms for regional policies.

Raising questions about the evolving international context are new dynamics and ongoing changes within the various regional groupings, such as the exit of Great Britain from the European Union (Brexit) and the review of the North American Free Trade Agreement (NAFTA). These repercussions of globalisation, coupled with the rise of nationalism, are generating concerns even in the most integrated regions. And several voices to question the concept of integration in its classical form, starting from free movement of persons and goods to full-fledged economic and monetary union. In this light, it seems judicious to rethink African integration to appreciate the stakes and reaffirm the African vision through new orientations capable of consolidating the ongoing process while avoiding the temptation of nationalism to the detriment of regional integration.

**Historical context**

In the Abuja Treaty, integration was to be completed by the creation of the African Economic Community (AEC) following a 34-year, six-step sequential approach. Defining the African integration environment are division of labour between the African Union Commission (AUC), the regional economic communities (RECs) and member states in implementing the integration agendas—and the rationalisation of the RECs and their variable progress. States are still reticent about abandoning their sovereignty to speed up regional integration. Funding for integration remains a concern as the resources collected are below expectation. The African Continental Free Trade Area (ACFTA) could face the same difficulties. Several treaties, protocols, resolutions and agreements have faced enormous impediments in signing, ratification and implementation.

African economies performed well in the 2000s with economic growth rates averaging 5% to 7%. But without diversified production structures, they have relapsed into a spiral of economic difficulties with falling commodity prices, magnified in many countries by poor governance and corruption. Poverty and inequality persist. Poor industrialisation, low intra-African trade (15% in 2017 according to the World Bank), and weak financial and economic systems make African economies highly vulnerable to external shocks. Political authorities struggle to meet the needs of their people to benefit from the demographic dividend. Too many youth are unemployed or underemployed. Food and political crises continue to displace persons and lead to the loss of life. And the pan-African institutions that are supposed to solve these problems struggle to become a dynamic force for structural change.

The African Union (AU) reforms, started under the auspices of Rwandan President Paul Kagame, offer an opportunity to inject new life into the African Union. Indeed, the pioneering institution of African integration should be more results-oriented and have all the resources to implement Agenda 2063.
The proposed 0.2% tax on imports from outside the continent, an outcome of the Kigali summit in 2016, aims to guarantee the AU's financial autonomy. The numbers speak for themselves: more than 50% of the AU budget was from foreign donors in 2017, and 97% of its programmes were funded by donors. To overcome this dependence, the proposed 0.2% levy on certain imports needs be implemented.

In an ever-changing international context, it is urgent to accelerate the continent's progress towards the African Economic Community (AEC). The first mid-term coordination meeting between the AU and the RECs on 30 June and 1 July 2019 in Niamey, Niger, reviewed the integration and development process. It refocuses the continent's attention on the stakes and the expected benefits of regional integration as a development strategy, capable of driving structural change. A united Africa will benefit from the dividends of peace and consolidate prosperity for the good of its people.

The AUC conducted wide consultations with the RECs to prepare this report on the status of integration in Africa for presentation at the first coordination meeting in June/July 2019. The AUC in collaboration with the RECs produced this report on the achievements of member states, the AUC and the RECs, the challenges and weaknesses of the integration processes, and the prospects and opportunities of integration.

Objectives of the report

This report is intended to take stock of the state of play and the progress of regional integration in Africa. The main objective is to evaluate African integration at the national, regional and continental levels. It therefore conducts a retrospective analysis of the implementation of the African integration agenda. This will allow for a comprehensive assessment of the actions by integration and development players in Africa.

More specifically, the objectives of the report are to:

- Present the achievements of the member states, RECs and the AUC. The report reports on the status of the tools and elements in place for implementing integration programmes.
- Examine the challenges hindering the African integration process. The report considers the challenges as opportunities that African countries and integration institutions can harness to speed up the process of establishing the ECA and foster the structural transformation to tackle poverty, inequality and international marginalisation of Africa.
- Analyse integration prospects for the member states, RECs and the AUC. The new visions of integration are addressed with innovative solutions and recommendations to stimulate new momentum in the integration process.

Report production methodology

The methodology uses a communicative and inclusive approach with exchanges between the AUC and the RECs as well as collective drafting. This is in line with putting forward a rather comprehensive report with quality information allowing for a clearer understanding of the state of regional integration. Information collection was based on the Multidimensional Index of African Regional Integration adopted by the RECs at an experts meeting held by the AUC in Kampala, Uganda, in September 2018.

This questionnaire was administered in a series of visits to RECs over a period of two months. While explaining the contours of the questionnaire, the AUC took the opportunity to ask the RECs to participate fully in the project. After collecting information, the AUC continued the participatory method by organising several meetings to validate the report's content.

The report’s relevance and added value

In the literature, several works are dedicated to integration in general and to African integration in particular. This report differs in its editorial approach. Indeed, for the drafting of the report, the AUC considered the RECs as the pillars of the process, as spelled out in the Abuja Treaty. The information in
this report thus comes mainly from the RECs. This inclusiveness distinguishes the report from others on the status of integration.

The report is known as the “Voices of the RECs”. RECs have been involved throughout the production process, including information gathering, drafting and validation meetings. They shared their successes and challenges and expressed their visions and perspectives about African regional integration by coming up with both specific and general recommendations.
CHAPTER 2: GENERAL APPRAISAL OF AFRICAN INTEGRATION
Update on major initiatives

In the aftermath of colonisation in most African countries in 1960, Africa found itself with countries too fragmented and weakened to assert themselves in the concert of nations. The first African Heads of State and Government relied on integration to build an integrated Africa for the continent's development.

There has been no shortage of initiatives for more than 50 years. Some could not deliver the desired results, while others were stifled by other international programmes. This chapter provides an overview of the initiatives to project a clear idea of Africa's trajectory towards integration.

Organization of African Unity

The Organization of African Unity (OAU) was one of the first pan-African initiatives for African integration. Indeed, the OAU was borne out of the will of 32 Heads of State and Government with the signing of the OAU Charter by 30 member states in May 1963. Although divided over issues such as federalism and an Africa of States, they opted for an organisation that would consolidate the foundations of real unity on the continent and establish itself as a cooperation institution, which would gradually evolve into a dynamic force for integration.

Its objectives are set out in the following terms: promote unity and solidarity of African States; coordinate and intensify their cooperation and efforts to achieve a better life for the peoples of Africa; defend their sovereignty, territorial integrity and independence; eradicate all forms of colonialism from Africa; promote international cooperation with due regard to the Charter of the United Nations and the Universal Declaration of Human Rights.

Although the OAU's actions on issues of decolonisation and the struggle against apartheid were remarkable, the Organization was for many years subject to much criticism for its inefficiency with regard to issues of decolonisation and conflict management. Nearly 40 years after its creation, the recurring criticism led the Heads of State and Government to transform the OAU into a new organisation capable of reconciling the realities of the new millennium by endowing itself with a more efficient organisational structure.

Thus, the OAU was dissolved in 2002 and replaced by the African Union (AU).

The Lagos Plan of Action

This plan is the result of the mediocre economic performance of African states in the late 1970s after the post-independence enthusiasm. African economies were all defined by high inflation, fiscal and trade deficits and poor growth, with concerns about Africa's ability to accelerate globalisation. It was also during this period that the debt crisis emerged.

The OAU adopted the Lagos Plan of Action in 1980, based on an economic strategy anchored on the idea of endogenous or self-centred development. Its principle can be summed up as: counting on one's own strengths. Adopted in April 1980 by the Organization of African Unity, the Lagos Plan, inspired by the work of African economists and experts, was aimed primarily at “national and collective self-sufficiency in the economic and social fields, with a view to the establishment of a new international economic order”. It set forth a vast programme of measures for 1980–2000.

The plan opted for a proactive strategy based on stronger local economies, sovereignty over natural resources, food self-sufficiency, industrial growth and, above all, mobilising people. The key measures included implementing a continental transport and communications strategy and intensifying intra-African trade and financial exchanges. The Plan encouraged the development of new technologies and training. In the tradition of policies pursued since independence, public authorities were to play a key role, but this time, as part of a continental action plan couched on regional cooperation.

Despite the ambitious and innovative nature, none of the Plan's objectives could be achieved. Africa as a whole was unable to meet the set targets for socio-economic performance and at sectoral level. Besides, the Plan could not really be executed and was abandoned only a few years after its adoption. The failure was mainly due to lack of funds, but two other reasons are frequently adduced. The first is institutional, since the OAU, the lead agency for this initiative, was not armed (or even designed) to put in place concerted economic policies at continental
level. The second is that vision was much more focused on unity and the anti-apartheid struggle.

Competing international initiatives, particularly the World Bank’s Berg report that dates from the same time as the Lagos Plan, contributed to making African plans obsolete. The African crisis was seen as the product of external dynamics, particularly the unequal exchange in the international economic order. But the Berg report saw the African crisis as internal, triggered by mismanaged economies creating macroeconomic imbalances. The Bank’s vision prevailed and opened the era of structural adjustment policies that blew through almost the entire continent between 1983 and 1999, sweeping the Lagos Plan off its feet.

The Abuja Treaty

Adopted in June 1991 and entered into force in May 1994, the Abuja Treaty is endowed with the vision of the Heads of State and Government—the realisation of integration to kick off meaningful economic development in the continent. To enhance its effectiveness, the Abuja Treaty was condensed into six main stages: creating and strengthening the regional economic communities, eliminating tariff and non-tariff barriers, creating the free trade area, creating a continental customs union, creating an African common market, and creating an African economic and monetary union (box 2.1). The Abuja Treaty sees the RECs as pillars in the African integration process. It opts for consolidating integration at regional level with a view to then spreading all over the continent.

Long facing the same difficulties as the failure of the Lagos Plan, the Abuja Treaty raised hopes for transforming the Organization of African Unity into the African Union. Today, however, its coexistence with Agenda 2063 tends to “stifle” it. The minimum integration programme was adopted to fast-track implementation of the Abuja Treaty, which remains the bedrock of the African Integration Agenda. Agenda 2063, the latest integration programme, is being implemented concurrently with the Abuja Treaty.

The Sirte Declaration

In September 1999, a declaration emerging from the resolutions of the Fourth Extraordinary Session of the OAU was adopted by the Heads of State and Government in Sirte, Libya. It laid down the principle of transforming the OAU into the African Union, a new giant organisation that would contribute to consolidating peace and stability in the world. Its objective was to accelerate the implementation of the Abuja Treaty through shortened periods for implementation of the treaty and speedy establishment of all the institutions provided for in the treaty:

- The African Central Bank.
- The African Monetary Union.
- The African Court of Justice.
- Strengthening and consolidating all the regional economic communities.

All the provisions aimed at enabling this transformation were observed until 11 June 2000, when the Constitutive Act of the African Union was adopted.

Constitutive Act of the African Union and creation of NEPAD


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**Box 2.1 The key stages of a classical integration process**

**Free trade area:** An agreement concluded between countries with a view to eliminating customs duties between them as well as quantitative restrictions on imports, while preserving their trade policy vis-à-vis third countries.

**Customs union:** The customs union is the strengthening of the free-trade zone in which member states adopt a common trade policy and common external tariffs.

**Common market:** A common market is characterised by the free movement of goods, services and capital between member states.

**Monetary union:** A set of countries that have adopted a common single currency. It ensures the integration of the common market.

**Economic and monetary union:** An economic and monetary union is the most advanced state of the economic integration process in which all countries have harmonised their economic, monetary and fiscal policies.
Agenda 2063

Fifty years after the creation of the OAU, the Heads of State and Government, in reaffirming their desire to pursue integration, took stock of all their plans and projects. This appraisal was mixed for several reasons, including activities, financing, conflicts and wars. With the new Pan-African organisation, therefore, they developed a new strategy while maintaining the same vision of an integrated, prosperous and peaceful Africa, an Africa capable of asserting itself in the concert of nations. This initiative saw the birth of Agenda 2063.

Agenda 2063 comprises 7 aspirations and 14 flagship projects, structured around the logic of self-financing (boxes 2.2 and 2.3). It offers a broader and more elaborate integration process with a coherent, pragmatic and achievable approach for the construction of a socially cohesive African society where all the active forces, including women and youth are major players and beneficiaries. Divided into 10-year programmes, this integration plan takes into account the vision expressed in the Abuja Treaty by integrating emerging areas as well as new global dynamics.

Box 2.2 The aspirations of Agenda 2063

1. A prosperous Africa, based on inclusive growth and sustainable development.
2. An integrated continent, politically united, based on the ideals of Pan Africanism and the vision of Africa’s renaissance.
3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law.
4. A peaceful and secure Africa.
5. Africa with a strong cultural identity, common heritage, values and ethics.
6. An Africa whose development is people driven, relying on the potential offered by people, especially its women and youth and caring for children.
7. An Africa as a strong, united, resilient and influential global player and partner.

Box 2.3 The 12 flagship projects of Agenda 2063

- Integrated high speed train networks connect all African capitals and commercial centres through an African High-Speed Train Network thereby facilitating the movement of goods, factor services and people. The increased connectivity by rail also aims to reduce transport costs and relieve congestion of current and future systems.
- An African virtual and e-university: increase access to tertiary and continuing education in Africa by reaching large numbers of students and professionals in multiple sites simultaneously; and develop relevant and high quality Open, Distance and eLearning resources to offer students guaranteed access to the University from anywhere in the world and anytime (24 hours a day, 7 days a week).
- Formulation of an African commodities strategy: enable African countries to add value, extract higher rents from their commodities, integrate into the global value chains, and promote vertical and horizontal diversification anchored in value addition and local content development.
- Establishment of an annual African Economic Forum: that, once a year, brings together the African political leadership, the private sector, academia and civil society to reflect on opportunities as well as the constraints, and propose measures to be taken to realise the aspirations and goals of Agenda 2063.
- The African Passport and Free Movement of People: transforming Africa’s laws, which remain generally restrictive on movement of people despite political commitments to bring down borders with the view to promoting the issuance of visas by member states to enhance free movement of all African citizens in all African countries.
- Implementation of the Grand Inga Dam project: optimal development of the Inga Dam is expected to generate 43,200 MW of power (PIDA) to support current regional power pools and their combined service to transform Africa from traditional to modern sources of energy and ensure access of all Africans to clean and affordable electricity.
Since 2015, when Agenda 2063 was adopted, the African Union has been pursuing its activities on the basis of the agenda.

**Progress on the Abuja Treaty and Agenda 2063**

These initiatives have been used to create an orientation framework for integration activities in Africa. Given the times and the realities, there has been dynamism in the development of plans that serve as strategy in the process of integration. However, the reality and the practice drive the African Union and the RECs to take on board two key programmes (Abuja Treaty and Agenda 2063). The African integration process is packed with several instruments and tools as well-defined steps, allowing for an analysis of progress (box 2.4).

- The Pan-African e-network: this aims to put in place policies and strategies that will lead to transformative e-applications and services in Africa; especially the intra-African broad band terrestrial infrastructure; and cyber security, making the information revolution the basis for service delivery in the bio and nanotechnology industries and ultimately transform Africa into an e-society.

- Silencing the Guns by 2020: end all wars, civil conflicts, gender-based violence, violent conflicts and prevent genocide. In addition, progress in the areas are to be monitored through the establishment and operationalisation of an African Human Security Index.

- Africa Outer Space Strategy: this aims to strengthen Africa’s use of outer space to bolster its development. Outer space is of critical importance to the development of Africa in all fields: agriculture, disaster management, remote sensing, climate forecast, banking and finance, as well as defence and security. Africa’s access to space technology products is no longer a matter of luxury and there is a need to speed up access to these technologies and products. New developments in satellite technologies make these accessible to African countries. The Brazzaville meeting on aero-spatial technologies underscored the need for appropriate policies and strategies to develop a regional market for space products in Africa.

- Establishment of a Single African Air Transport Market (SAATM), which aims to facilitate air transport in Africa by creating a single unified air transport market in Africa.
The general analysis in this section thus examines those instruments and tools, while categorising them in the different dimensions of integration.

**Social integration**

*The Free Movement of Persons Protocol and the African Passport*

At the 18th Extraordinary Session of the Assembly of the African Union in Kigali on 21 March 2018, in addition to signing the African Continental Free Trade Area agreement (ACFTA), 27 countries also signed the African Union Protocol on Free Movement of Persons that supplements the ACFTA by providing for nationals of signatory countries the abolition of visas, the right of residence, the right of establishment and the right to create professional institutions. This protocol aims ultimately to issue an African passport. Indeed, the launch of the Pan-African passport took place in July 2016 at the Assembly of Heads of State and Government session held in Addis Ababa, with the adoption of the protocol on free movement of persons and goods. As of 2018, only Rwanda had ratified the protocol, while 32 countries had signed it.

*The Pan-African University*

The PAU, an initiative of the Heads of State and Government of the African Union, was launched in 2011. As the first continental university network, its mission is to provide quality postgraduate education to achieve a prosperous, integrated and peaceful Africa.

Four branches of the PAU are operational: Basic Sciences Technology and Innovation; Life and Earth Sciences including health and agriculture; Social Sciences, Governance and Humanities; and Water and Energy Sciences including climate change.

*The Campaign on Accelerated Reduction of Maternal Mortality* CARMMA was launched in 2009 with the theme, “Africa cares: No woman should die while giving life”. Its operations are derived from key priority areas in the 2005 AU Policy Framework for the Promotion of Sexual and Reproductive Health and Rights in Africa and the 2006 Maputo Plan of Action. It focuses on public information and advocacy; encouraging achievements and strides made in some countries in reducing maternal mortality and seeking to replicate them; and intensifying actions to reduce maternal and infant mortality. The campaign mobilises political commitment and action to reduce maternal mortality in countries with high rates.

Since its inception, 46 African Union member states have launched and tailored the campaign, with others on track to do so. They have also implemented
activities aimed at improving political commitment and leadership for maternal, new-born and child health (MNCH). At continental level, the campaign established a data platform, reviewed the status of MNCH and held high-level events to share experience and advocate for better health for African mothers and children. Continental and national activities have enabled the campaign to achieve a lot in improving reproductive, maternal and new-born and child health, including increased allocation of resources for health generally and MNCH specifically.

**Joint Labour Migration Programme**

The AUC, ILO, IOM and UNECA are implementing the Joint Labour Migration Programme (JLMP) for Africa, formally adopted in January 2015 by African Heads of State and Government as a comprehensive programme of labour migration governance for the region.

The JLMP is a strategic regional intervention to leverage migration for development. It is also a creative work to achieve the key dimensions of the programme for the protection of the rights of migrant workers: portable skills, portable social security benefits and fair recruitment practices.


In line with its first component, which is statistics, the JLMP produced the first edition of the report on the status of integration in Africa 2015. The second edition is under way. In 2018, the Swedish government provided €9 million funding to implementing the JLMP over the next three years.

**Productive integration**

**The Comprehensive Africa Agriculture Development Programme**

Significant progress has been made in implementing CAADP as regards agricultural expenditure and sectoral growth for the achievement of the Maputo Objectives, to allocate at least 10% of the annual public sector budget to agriculture, and achieve at least 6% annual sector growth.

The CAADP “Maintaining the Momentum” initiative was put in place in 2012. The CAADP covenant has been signed by 41 member states. Thirty-three member states have developed investment plans for national agriculture and food security, and four RECs have signed CAADP regional covenants.

**Pan-African statistics institutions**

The Strategy for the Harmonization of Statistics in Africa (SHaSA), adopted in 2013 by the Heads of State and Government, was subsequently revised in 2017 taking on board the new development dynamics in Africa and with the adoption of the new vision of integration in *Agenda 2063: the Africa We Want*. SHaSA II comprises the creation of African statistical institutions, the Pan-African Institute for Statistics (STATAFRIC) in Tunis (Tunisia) and the Statistical Training Centre in Yamoussoukro (Côte d’Ivoire).

Created at the Assembly of Heads of State and Government in January 2013, the STATAFRIC headquarters agreement was drafted and signed in 2018 between the African Union and the Republic of Tunisia. The African Union Commission is taking measures regarding the structure and deployment of staff for effective commencement of the Institute’s activities in 2019.

For the training centre, the Ivorian Government and the AUC are holding talks to finalise and sign the headquarters agreement. The centre has already hosted some training courses organised by the
AUC in partnership with the Pan-African Statistical Programme funded by the EU.

**Infrastructure integration**

**Programme for Infrastructure Development in Africa**

PIDA is a continental programme developing a regional and continental vision, policies and strategies for infrastructure development. Sectoral studies will lead to detailed analysis of the various policy options to achieve the PIDA objective of developing transport, energy, water, telecommunications and ICT infrastructure across the African continent. Launched in 2012, it is a comprehensive programme that addresses the infrastructure needs in each sector up to 2040 (or 2020 for ICT), the gaps and anticipated impediments and the observed institutional deficiencies.

PIDA launched a capacity building project in 2014. Experts implementing PIDA are developing an African Infrastructure Database (AID) and the Virtual Information Centre PIDA for monitoring and evaluating the implementation of PIDA projects. A service delivery mechanism was put in place for better project conceptualisation and for early project preparation, using the Abidjan-Lagos corridor as a pilot project.

**The Single African Air Transport Market**

The SAATM is a flagship project of the African Union Agenda 2063 to create a single unified air transport market in Africa, liberalise civil aviation on the continent and drive economic integration. As of January 2019, 23 countries had subscribed to this single market.

This single market, which emanated from the 1999 Yamoussoukro Decision, provides for the full liberalisation of air transport services within the African continent, free market access and full traffic rights for scheduled air services and for air cargo of eligible airlines.

At the June 2017 Assembly of the African Union, 21 member states signed the undertaking for implementing the market: Benin, Botswana, Cabo Verde, Republic of Congo, Côte d’Ivoire, Egypt, Ethiopia, Gabon, Ghana, Guinea, Kenya, Liberia, Mali, Mozambique, Nigeria, Rwanda, Sierra Leone, South Africa, Eswatini, Togo and Zimbabwe.

**Financial and monetary integration**

**The African Central Bank**

The African Union Commission, the Association of African Central Banks and several experts are pooling efforts to establish the African Monetary Institute as predecessor to the ACB.

The joint committee provides a strategy, a roadmap with specific tasks and timeframes to establish an African economic, monetary and budgetary union, the African Central Bank and an African single currency.


**The African Investment Bank**

The protocol defining the statutes for establishing the AIB was adopted in 2009, and the statutes endorsed by the Assembly of the Union in 2009. After this adoption, the number of AU member states stood at 22, with 6 ratifications, with implementation effective after 15 ratifications.

**The African Monetary Fund**

The AMF Statute and Protocol were adopted by the Heads of State and Government in June 2014. As of today, the Protocol has garnered 10 signatures. The latest development concerning this integration tool is the signing of the Headquarters Agreement on 4 April 2018 in Yaoundé. So far, no country has ratified the Fund’s legal instruments. Implementation is to be effective after ratification by 15 AU member states.

**Trade integration**
African Continental Free Trade Area

In January 2012, the Heads of State and Government took the decision to launch the African Continental Free Trade Area (AfCFTA), and negotiations began in June 2015 in Johannesburg at the 25th session of the Assembly of the Union, defining the objectives, principles and roadmap for establishment.

Three negotiating fora were organised in February 2016, May 2016 and October 2016, all in Addis Ababa, Ethiopia. The fora included several preparatory meetings, with one in Abidjan in February 2016 bringing together regional economic communities, member states of the United Nations, the African Union, the African Development Bank, and civil society.

On 21 March 2018, at the Extraordinary Summit of Heads of State and Government of the African Union, the AfCFTA was launched. Of the 55 African Union countries, 44 signed up for this flagship project of Agenda 2063. As of May 2019, the agreement to create the AfCFTA had 52 signatures and 24 ratifications.

Political and institutional integration

Peace and Security Council

The Peace and Security Council draws the essence of its policy from several texts of legal value, among which we shall retain the Constitutive Act of the African Union, the Protocol of its creation, the African Charter on Human and Peoples’ Rights and the provisions of the Universal Charter, that is, the Charter of the United Nations.

These texts constitute the legal basis for creating the Peace and Security Council and confer on it a key role in managing the conflicts under its purview.

The protocol establishing the Council was adopted at the first ordinary session of the Assembly of Heads of State and Government of the African Union in Durban, South Africa, on 9 July 2002. In May 2004, the Council was launched under AU auspices.

The Council is the organ of the African Union responsible for enforcing the Union decisions. It is based on the United Nations Security Council, with responsibility for issues of peace, stability and security in Africa. Its members are elected by the Assembly of the African Union in a way that reflects the regional balance in Africa, as well as other criteria including the ability to contribute militarily and financially to the Union, the political will to do so and the effectiveness of diplomatic presence in Addis Ababa.

The Council has 15 members, five elected for a three-year term, and 10 for a two-year term. Countries are eligible for re-election at the end of their mandate.

The African Court of Justice

The African Court on Human and Peoples’ Rights (the Court) is a regional court for the protection of human and peoples’ rights, freedoms and duties in Africa. It complements and strengthens the functions of the African Commission on Human and Peoples’ Rights.


The Court officially started its activities in Addis Ababa, Ethiopia in November 2006, but in August 2007, it relocated to its headquarters in Arusha, Tanzania, which provided temporary premises pending construction of a permanent structure.

Main challenges in the African integration process

With more than 50 years on the march towards
African integration, the vision has remained intact—that Africa must integrate to develop. The numerous programmes and plans have yielded several achievements.

But the integration process in its entirety remains subsumed in challenges and obstacles that need to be addressed.

**Financial challenges**

African integration remains a process with players at three levels: national, regional and continental. At all these levels, the responsibility incumbent on each of these players is being pursued with insufficient resources. Among the priorities set by African states, integration is still far from occupying a pride of place even though the states have never ceased to mention the need to achieve African integration.

Financing for integrative projects remains meagre. For most projects, funding comes from donor partners, making regional and continental organisations fragile in their quest for political autonomy. The AUC receives funding from partners for implementation of plans and programmes to the tune of 75% of its total budget. This can compel member states to compromise on their real needs, when the partners’ objectives do not tally with those of African states. Indeed, several decades-old integrating projects have faltered for lack of funding, as with the Inga dam, whose construction stalled at the stage of feasibility studies.

With the implementation of the 2063 Agenda requiring enormous funding and resources, the AUC, tasked with coordinating implementation, is far from being financially independent given the huge financial outlay that partners allocate for its operation. The decision to make the AUC autonomous by asking each member state to contribute to the tune of 0.2% of its imports has been adopted, but progress remains extremely slow because it is subject to state interests. With the financial challenge remaining an obstacle, the various national, regional and continental players must pool forces to accord a high priority to managing integration.

**Operational and coordination challenges**

African integration is a goal that no one institution or body can achieve on its own. It involves several national, regional and continental entities, and with inefficient and ineffective coordination, the process can take a beating. Coordinating the activities of the different stakeholders in implementing the integration agenda thus poses a major challenge to the success of African integration.

**Infrastructure challenges**

Infrastructure for the economy is what the vertebral column is for the human body. Just as the vertebral column provides an anchor and support for different parts of the body and makes movement functions possible, efficient infrastructure links the different economic sectors and gives coherence to the various stages of the integration process. Infrastructure is supposed to increase the proportion of intra-African trade as an element of support to the Continental Free Trade Area. But it is generally inadequate, and particularly in linking countries. So Africa’s huge infrastructure gap has to be closed.

**New and emerging challenges**

New challenges for the most part originate from the new global dynamics. Terrorism and new pandemics dampen country efforts to implement their integration agenda. Terrorism is weakening many African regions, generating considerable concern and fear, and pushing people into a state of perpetual movement, making it impossible to establish any integration plan. And pandemics prevalent in the continent, such as Ebola, continue to create barriers to movement in some regions.

**Lessons from the EU**

During the 32nd Assembly of the African Union just ended, the Heads of State and Government adopted a decision requesting the AU Commission to assess the requirements for establishing a future Common Market, including the steps to be taken and implications and challenges for consideration by the
AU Ministers of Trade. It is clear that realising the African Economic Community (AEC) as specified in the Abuja Treaty, remains relevant and even feasible. But in comparison with other regional economic groupings, such as the European Union, Africa has still a long way to go.

As the African Union leadership comes up with important decisions to implement the AfCFTA, and even much further to reflect upon establishing an African Common Market, some key lessons can be learned from the EU, given its success on the economic integration front. These two regions have unique histories, cultures, economic dynamics, and socio-political frameworks that make comparisons difficult. But if African countries are to accelerate the integration agenda forward, there certainly are practical lessons that could be emulated from the EU—especially for legal and institutional frameworks to ensure the design, coordination and enforcement of policy decisions.

The impulse to establish a single market was in the original Treaty of Rome, which came into force in 1958. From the beginning, by signing the Treaty of Rome, the original six members of the European Economic Community (EEC), desired to establish a “common market”, and then later “internal market”, covering their territories. Embedded in this ambitious project was a “common market” that also had a single external customs tariff, which allowed the free movement of goods, workers, services and capital (in limited form), popularly known as the Four Freedoms. Furthermore, the original Treaty of Rome had key provisions that covered competition policy and government support to business. These features remain at the core of the single market today. A key lesson for the African Union is that economic integration initiatives need to be ambitious enough from the beginning, and to allow for regular amendment of Treaty provisions, based on emerging challenges and realities. For the EU, the kingpin of faster integration was putting in place enforcement mechanisms respected by all member states.

The EU’s integration was not achieved overnight. Indeed, the EEC did not achieve much until the mid-1980s, even though the customs union was completed in 1968. One major obstacle was that little came in the way of European legislation, owing to the fact that decisions had to be agreed unanimously by all the member states. On realising this impediment, the treaty was amended to overcome this impasse and attain a single market for the mutual benefit of all community members. So, another important lesson that African member states could emulate is to be agile, flexible, and proactive, driven by key institutions such as the European Commission, European Court of Justice and European Parliament.

**Harmonisation versus mutual recognition of laws and standards**

The initial approach to European legislation to foster the single market, focused mainly on harmonising standards and laws among member states. But when EU member states found this approach to be slow and cumbersome, they shifted to a new approach based on mutual recognition, which became a catalyst for faster integration.

**Pragmatism**

European leaders supported by key institutions espoused a pragmatic approach of realising closer cooperation and integration. Instead of spending all their time perfecting the Single Market programme, other important initiatives to push towards Economic and Monetary Union were advanced. This approach helped to generate huge multiplier effects on an existing Single Market.

**The Single Market as a package**

Since 1958, there has been an increasing identification of the Single Market with the EU’s broader microeconomic policy-making—that is, an acceptance that the Single Market represents more than just the Four Freedoms. For many member states, the current Treaty represents a “bargain” in which every member state has to accept some decisions they find unpalatable to gain from other decisions. Given member states’ different national traditions and their different varieties of capitalism,
that is probably inevitable. This EU approach is hugely relevant in spurring African integration process given the heterogeneity in history, cultures and traditions, and economic as well as political systems.

**Citizen-oriented integration**

EU treaties provide for provisions that advance democratic rights to European citizens. The Single Market establishes a basic legal framework covering both general principles of the EU’s action, for example, the principle of non-discrimination between member states’ citizens and the specific application of the Four Freedoms. The European Parliament—the world’s only directly elected legislature at the supranational level—is directly accountable to the citizens of the EU, and EU citizens now possess extensive political and civil rights by virtue of the introduction of European citizenship.

Under European law, member states have certain key obligations to fulfil in broad terms. They must, unless they can establish a clear justification for not doing so, allow the free circulation of citizens from anywhere in the EU. They must allow the free movement and (within the rules) residence for EU citizens. They must allow companies formed under another member state’s laws to set up on the same basis as their own. They must allow individual or corporate service providers to set up in any member state or deliver services across a border, and they must allow their citizens to receive those services. They must allow capital (investment, dividends, interest) and payments to flow freely within and outside the EU. They must allow nationals of other member states and family members access to the labour market on broadly the same basis as nationals. In short, any situation where there is a restriction of movement on people, goods, services, or financial flows is potentially unlawful is susceptible to legal challenge, and must be shown to be objectively justified in the public interest.

**EU institutional framework**

EU’s integration is extensive in its scope, which covers a wide range of areas (including highly sensitive sectors as defence, trade and monetary policy, immigration). It is also extensive in the way member states have agreed to cede authority to supranational institutions such as the European Council, European Parliament, and European Court of Justice—in addition to pooling sovereignty in their attempts to work collectively for the common good of the European citizens. Closer cooperation among member states, has created the need to respect Council decisions without much resistance. Under the founding treaties, the European Commission carries out these tasks independent of the member states. The Commission is also mandated to ensure that laws are enforced, in an impartial way, and that member states respect agreements they sign. It is hard to imagine that a regional institution, such as the African Union Commission, will ever acquire comparable agenda setting powers.

For decision-making, the European Union is not a federation with a central government empowered to dictate policies to its members, nor is it just a loose collection of sovereign states. Decision-making has been relegated to key institutions, is easier because member states are united to cooperate for a common purpose and to achieve specific goals. For instance, the Council, European Court of Justice, European Parliament and European Central Bank have continued to have their role and powers on integration matters increase significantly, at the urging of member states. Although, European parliamentarians are chosen in elections organised at the national level, it is not uncommon that they may vote as members of European parties rather than along national lines. Consequently, this enhances their credibility and effectiveness, in fostering the European integration agenda. In principle, the Parliament can even reject the Commission’s budget proposals when these have been approved by the Council of Ministers. It can also dismiss the entire Commission with a vote of censure.

The powers of decision, monitoring and enforcement are attributed to the Assembly, which is the political summit meeting of the Union, even though these powers can be ceded to other organs, as the Abuja Treaty states, in theory. The African Union Commission, serves as a secretariat, and has limited
agenda setting powers. Strategic issues are still referred to the Council of Ministers, through the Permanent Representatives Council (PRC), composed of African Ambassadors and Representatives of member states to the African Union. Consequently, any binding obligations passed by the Assembly, can only be enforced by the AU Commission, if, member states, through the Executive Council, agree.

Drawing lessons from the European integration experience highlighted above, and bearing in mind Africa’s current challenges, one major bottleneck that stands in the way of achieving deeper integration in Africa is the member states’ reluctance to cede sovereignty to key organs of the Union. In its early stages of integration, the EU faced the same problems. However, unwavering political will and a keen focus on long-term, common gains by the top leadership helped to maintain momentum in support of deeper economic cooperation and integration.

Another lesson that could be emulated from the EU model, is the necessity of genuine commitment by member states to the goal of regional integration. While not always politically expedient, national governments would be wise to put the long-term goal of cooperation above more immediate domestic priorities. More important, if integration is to succeed, governments and publics should believe that it is in their vital national interest. Without such commitment, regional groupings will crumble at the first bump in the long road to integration.

In the early days, visionary leadership exercised by Robert Schuman of France and Konrad Adenauer of Germany, who advanced a new approach to politics based on the supranational “community method” rather than the traditional balance-of-power model, played a central role. Africa is yet to come up with dedicated champions, powerful enough to influence Africa’s integration agenda. Africa Union’s habit of abandoning good projects without much reflection remains a challenge. In equal measure, African governments’ aversion to strong institutions and laws is a key obstacle to following in the footsteps of EU best practices.

One important reason that integration momentum has been maintained for the past 60 years, is because, from the outset, economic integration fostered the realisation of ‘Four Freedoms’, which brought enormous material and economic benefits to European citizens. Through free movement of goods, persons, services and capital, deeper economic integration has rendered all countries of Europe more interdependent than in the past. As a result, each country, regardless of its economic weight, sees itself as a partner and a community member. In the case of Africa countries, colonial history, political instability, lack of effective institutional and legal frameworks, weak trade links (in part due to lack of requisite infrastructure), limited citizen participation and political will continue to impede close economic cooperation and integration. This explains why almost every region, has a regional economic grouping that serves the specific interests of the region, rather than the continent.

One important feature that is a drag to realising faster regional and continental integration in Africa is that key treaties, protocols, or decisions entered into by member states are reached through consensus rather than by simple or qualified majority vote, as in the EU. While the consensus method does not preclude discussions at the various levels, decisions are mostly swayed by national interests rather than those of the Community. In addition, more often than not, these decisions are not backed by effective legal provisions, which would otherwise ensure strict enforcement with the objective of fostering deeper regional or continental integration. Limited flexibility in decision-making and in amending key Treaty provisions to ensure both their relevance and effectiveness remains a serious challenge. Weak institutional, financial and human capacities, across all RECs remain obstacles to faster continental integration. This is not helped by the teething challenging of overlapping memberships in various RECs.

In addition, the absence of strong, effective coordination, monitoring and evaluation mechanisms to streamline regional and continental
integration remains a major obstacle, which was not the case with the EU. Indeed, the signing by the Heads State and Government of the COMESA-EAC-SADC Tripartite FTA in 2008—by 26 African member states with a combined GDP equivalent to $1.3 trillion—was aimed at addressing some of these challenges. The urgent and timely ratification of the AfCFTA Agreement by all member states cannot be overemphasised.

African integration at the continental level has seen commendable initiatives and progress, the latest being the African Continental Free Trade Area (AfCFTA). Awaiting the required number of ratifications, it is expected to boost intra-African trade from its current 12% of all trade realized by Africa.

**Key recommendations**

The challenges in this report call for accelerating integration in concrete terms and building the African Economic Community, the goal of African integration. The key recommendations are:

- **AUC**: Coordinate integration activities to avoid duplication and overlap that reduce efficiency.
- **AUC**: Sensitise countries to sign and ratify treaties, protocols and other legal instruments.
- **AUC**: Increase awareness among RECs and states to take ownership of continental programmes such as Agenda 2063 and its flagship projects.
- **RECs**: Intensify their role as pillars of regional integration by enhancing awareness among states for better involvement in the integration process.
- **Member states**: Commit to creating the conditions necessary for free movement and trade: infrastructure, diversification of production and industrialisation.
- **AUC, RECs and member states**: Create the conditions to factor emerging issues in the integration process, such as climate, migration and the environment.
CHAPTER 3: EAST AFRICAN COMMUNITY, AN INTEGRATION MODEL

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EAC at a glance, Source: AUC 2019.
The East African Community (EAC) is a regional organisation mandated by the governments of Burundi, Kenya, Rwanda, Uganda, Tanzania and South Sudan. It has a long history of integration, starting with the customs union between Kenya and Uganda signed in 1917, which Tanganyika joined in 1927. The customs union provided a common external tariff, currency and postage. It was followed by the East African High Commission from 1948 to 1961 and the East African Common Services Organization (EACSO) from 1961 to 1967. The third attempt at regional integration in East Africa began on 1 December 1967, with the coming into force of the Treaty for East African Cooperation that superseded EACSO. The EAC collapsed in 1977 mainly due to concerns, perceived and legitimate, of the inequitable share of costs and benefits of regional integration and the lack of a policy to redress the situation. The EAC was revived on 30 November 1999, when Kenya, Tanzania and Uganda signed the treaty to establish the East African Community (EAC), which came into force in July 2000. The EAC was expanded in 2007 by the admission of Burundi and Rwanda and was further expanded in 2016 by the admission of South Sudan.

The regional cooperation and integration envisaged in the EAC is broad based. Article 5 (1) of the EAC treaty states that “The objectives of the Community shall be to develop policies and programmes aimed at widening and deepening cooperation among the partner states (EAC member states are partner states for each other) in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs for their mutual benefit”. Since then, the EAC customs union, established in March 2005, has made significant progress. In 2010, the EAC established a common market in 2013 and signed the monetary union that will come into force in 2023. The EAC plans for a political federation as the ultimate goal.

Achievements of the EAC

Social integration

The aim for the social sectors, as mandated by EAC treaty provisions, is to achieve social regional integration and to enhance cooperation by the partner states. The EAC has registered progress in the following subsectors, which have in turn deepened social integration within the EAC region.

For the free movement of labour, the EAC undertook to harmonise the classification of work permits, forms, fees and procedures in accordance with Regulation 6 (9) of Annex II of the EAC Common Market. The chiefs of immigration from the EAC partner states developed an EAC harmonised application form for an entry/work/residence permit, which was approved by the 25th meeting of Sectoral Council of Ministers responsible for EAC Affairs and Planning in October 2016. The harmonised application form has since been simplified and made user-friendly to facilitate the movement of persons and labour.

Under Article 11 of the EAC Common Market Protocol, the partner states undertook to mutually recognise the academic and professional qualifications granted, experience obtained, requirements met, licenses or certificates granted in other partner states. Annex VII to the EAC Common Market Protocol on Mutual Recognition of Academic and Professional Qualifications Regulations is receiving legal input from the Sectoral Council of Legal and Judicial Affairs. So far, four mutual recognition agreements have been signed and are under implementation for the following professionals: accountants, engineers, architects and veterinarians. The negotiations of the agreement for advocates and land surveyors were finalised but are yet to be signed by the respective competent authorities. The negotiations for pharmacists commenced in 2017.

For education, the Inter-University Council for East Africa (IUCEA) has developed and disseminated the higher education fee structure model in partner states. Other key achievements include the development of harmonised principles and guidelines for postgraduate studies to address the recent challenges facing universities to produce quality postgraduate studies—and the establishment of the Regional Centre of Excellence in Mobile and Embedded Systems, which will be awarding 70 full scholarships to students from the EAC for attainment of a master’s degree in embedded and mobile systems.
For health, the partner states established the national regulatory authorities and expert committee on pharmaceutical and medical products. They established an expert committee on the incorporation of the World Trade Organization (WTO) Trade-Related Intellectual Property Rights (TRIPS) Agreement national patents and pharmaceutical regulatory laws. They also established the East African integrated disease surveillance network to facilitate collaboration in research on communicable diseases. And they harmonised policies on pharmaceuticals, food safety and quality, disease surveillance, university medical and dental school curricula, and sexual and reproductive health.

An integrated policy plan was developed for cross-border interventions on disease surveillance, joint outbreak investigations, public health, sanitation, environment and climate change health-related issues. And a cross-border health development strategy and master plan was formulated. The District Health Information System platform was developed and operationalised regionally and nationally in each of the partner states under the open health initiative. Coupled with this, legislation was developed on regional health services.

Also conducted were protocols for the establishment of the proposed East African Community Health Professions Authority and the proposed East African Community Medicines and Food Safety Commission. In this connection, six multinational East African Community Regional Centres of Excellence were established on health matters.

Article 7 (1) of the EAC Common Market Protocol provides that the partner states guarantee the free movement of persons who are citizens of the other partner states within their territories. In accordance with Regulation 6 of Annex I of the EAC Common Market (Free Movement of Persons) regulations, the partner states also issue student passes/exemption certificates gratis to stay in other partner states. The EAC Secretariat has developed a draft regional e-immigration policy. The aim is to enhance and promote the efficiency and transparency in the providing of e-immigration services to the citizens of partner states.

The 17th Ordinary Summit of the EAC Heads of State on 2 March 2016 directed partner states to start issuing the new EAC e-passport. Kenya started on 1 September 2017, Tanzania on 31 January 2018 and Burundi on 28 May 2018. Uganda was to start the process in January 2019, and Rwanda in February 2019. South Sudan is studying the requirements of the entire process and will commence issuance at a later date.

**Productive integration**

The productive sectors, the cornerstones of people’s livelihoods, employ the majority of the East African people and can foster the region’s quest for sustained economic growth and development. So, the strategies for developing the productive sectors are meant to create opportunities for enhancing the welfare of the people of East Africa through improved competitiveness and regional and global integration.

**Industrial development**

A vibrant and robust industrial base will accelerate the pace of economic growth and development in the EAC region. To lay a firm foundation for industrial development in the region, and in keeping with the commitments at continental level, the EAC has an industrialisation policy and action plan. A programme upgrading and modernising small and medium enterprises in the region was formulated in collaboration with UNIDO. The EAC Sectoral Committee on Industrialization and SMEs Development was also established. And a draft framework for fostering cooperation in technology acquisition, development and transfer and commercialisation of innovations and IP frameworks was developed. The 2017 mining bill was also passed.

A comprehensive study of the automotive sector was completed, and its implementation action plan/roadmap approved by the 36th Meeting of the Council of Ministry. To fast-track the implementation of the recommendations and the action plan, the Council at its 38th Extra-ordinary meeting approved the terms of reference for the establishment of a regional automotive industry platform; and directed the Secretariat to develop a harmonised regional standard
for pre-shipment inspection and standards and codes of practice for inspection of imported used vehicles. Following the 16th Ordinary Summit directive for promoting local manufacture of textiles, footwear and leather products, the partner states harmonised a list of raw materials and industrial inputs for duty remission to manufacture textiles and footwear. So far, 37 products have been granted duty remission at 0% for all partner states, and 88 products were granted duty remission at 0% and 10% for four partner states (except Kenya). This will allow regional market access to final products manufactured using the harmonised inputs and raw materials.

**Agriculture**

The EAC has implemented a number of regional strategic interventions to enhance supply capacities in agriculture that can help partner states transform their respective economies. The EAC has adopted agricultural policies, bills, plans and procedures—including the CAADP regional agriculture investment plan, agriculture and rural development policy, agricultural and rural development strategy, livestock policy, aflatoxin prevention and control strategy, regional seed bill and regulations, SPS bill, harmonised seed and plant varieties bill, mutual recognition procedures for marketing authorisations of immunological veterinary products, regulatory framework and procedures for fertilizer marketing, harmonised pesticide management guidelines, and nine sets of policy briefs on aflatoxin management. In addition, regional agricultural policies were harmonised.

Four programme areas for potential joint resource mobilisation by the EAC and FAO were identified to support the implementation of the EAC–FAO project on promoting youth employment. The East African System of Early Warning was established to manage food shortages brought about by frequent drought and floods. A special trade regime was formulated on SME cross-border trade and the prioritisation of agriculture within the AU framework. Regional programmes on biosafety, biotechnology, transboundary disease control and emergency preparedness were also developed. Furthermore, the North Eastern Africa Livestock Council for promoting livestock and livestock products trade was established. Regulations, sanitary/phytosanitary and pest control standards are also in place. The Rice Regional Centre of Excellence in Tanzania has been elevated into a fully-fledged rice research centre. Other centres of excellence for agricultural commodities include cassava in Uganda and dairy in Kenya.

**Tourism**

As a step towards maximising benefits from sustainable tourism and wildlife resources, the protocol on tourism and wildlife management, and the tourism marketing plan and strategy were concluded. Draft model policies in tourism and wildlife, as well as promotion initiatives marketing the region as a single tourist destination, was developed. The region is now being promoted as a single tourism and wildlife destination, including joint participation at World Travel Markets. The EAC has standard criteria for the classification of hotels and other facilities. EAC standards and criteria were also developed for classifying accommodation and restaurant establishments. A draft strategy was developed to combat poaching and illegal trafficking of wildlife. In addition, a collective approach and strategy has been put in place for the conservation and sustainable management of wildlife resources in the region.

**Trade integration**

The protocol establishing the EAC customs union was signed in December 2004, and its implementation began on 1 January 2005. The principal objective is to deepen the integration process through liberalising and promoting intraregional trade; promoting efficiency in production in response to intraregional competition among businesses; enhancing domestic, cross-border and foreign investment; and promoting industrial diversification, with a view to enhancing economic development.

The consolidation of the EAC customs union is the springboard for implementing the EAC common market, whose protocol came into force on 1 July
2010. Free movement of factors of production under the common market would build on the free movement of goods under the customs union.

The customs union has four major elements: a common external tariff, the rules of origin (RoO) criteria, including certificates of origin and simplified certificates of origin, the internal elimination of tariffs for goods meeting the EAC RoO criteria, and the elimination of non-tariff barriers (NTBs).

Since the start of the single customs territory (SCT) in 2014, the partner states implemented bilateral country system-to-system interconnectivity and data exchange protocols. This has enabled exchanges of electronic documents such as manifests, customs declarations, releases, exit notes and arrival notifications.

In this regard, the customs union and common market protocols contributed to the rise in intra-EAC trade to USD 2.9 billion in 2017 from USD 2.7 billion in 2016. This was attributed to growth in commodities transferred from Uganda and Tanzania to Kenya, largely milk, dry beans and raw materials for preparing animal feeds. Intra-EAC trade could further be enhanced by building regional value chains through aligned investments in the targeted sectors such as textile, leather and pharmaceuticals.

A large proportion of EAC trade with the rest of the world remains primary commodities, though the share of manufactured goods has increased. EAC’s trade deficit widened from USD 11.0 billion in 2016 to USD 17.6 billion in 2017, mainly attributable to the higher import bill for petroleum products.

All partner states except South Sudan have signed the COMESA–EAC–SADC Tripartite Free Trade Agreement (TFTA). Uganda and Kenya have already ratified the agreement. The remaining partner states have committed to ratify the agreement by December 2018. The AfCFTA was signed and launched in March 2018. Kenya, Rwanda and Uganda have so far ratified the agreement. The rest of the EAC Partner States have committed to ratify it by February 2019.

**Infrastructure integration**

One of bottlenecks to achieving regional integration within the EAC region is poor infrastructure. In recent years, under the framework of fostering easier movement of goods, services and persons, the EAC political leadership has made infrastructure a priority sector to be developed. Several achievements and milestones have been made in the area of infrastructure development.

More specifically, in respect to improving road connectivity, the EAC Transport Strategy and Road Sector Development Programme was prepared. Furthermore, a framework for the harmonisation of policies and regulations in the road sector was also developed. The EAC Vehicle Load Control Act, 2013 as well as Vehicle Load Control Regulations, 2016 were put in place to regulate trucks carrying goods across EAC. These were complimented with the preparation of harmonised regional training curricula for long distance commercial drivers.


To facilitate movement of goods across borders, EAC has established 15 One-Stop Border Posts (OSBPs), which have been earmarked for development and 13 OSBPs have already been constructed and are operational. More important, the OSBP Act has been set in law, OSBP regulations developed and focal persons put in place for border management—reducing the average time to cross borders by more than 84%.

Along the Central Corridor, the Dar es Salaam–Isaka–Kigali/Keza–Musongati standard gauge railway (SGR) project is under way. On the Northern Corridor, the Mombasa–Nairobi SGR line in Kenya is in full operation, and the SGR line from Nairobi to Naivasha is expected to be completed by June 2019.
Uganda is completing preparatory work to construct the Malaba–Kampala section, once the Kisumu-Malaba SGR section is completed. Commercial closure has been reached with the prospective developer, and the acquisition of land for right of way in Uganda is 90% complete. The EAC railways master plan complements national plans, and the partner states established railway development and railway infrastructure funds.

For air transport, the East African Civil Aviation Safety and Security Oversight Organization was established and operationalised in 2009. The global navigation satellite system was implemented for selected EAC airports. To modernise the aviation sector, a five-year development plan was developed for priority airports in the region. And the EAC civil aviation regulations were harmonised.

Furthermore, the feasibility study and a roadmap for the establishment of the EAC Unified Flight Information Region, has been completed. EAC partner states have developed technical guidance materials covering flight safety standards, air navigation services and aerodromes and ground aids to guide implementation of the harmonised regulations.

For water transport, the Tripartite Agreement on Inland Waterway Transport was ratified (November 2002). In addition, the protocol was developed for sustainable development of the Lake Victoria Basin, and the Lake Victoria Basin Commission was set up. Partner states have started to implement the integrated corridor development initiative for the Lake Victoria transport programme. They have also developed bankable Lake Victoria transport projects. And they have built a reform consensus for integrated corridor development, with a strategy and action plan to promote inter-modal development in the region.

For energy, the power master plan establishes market rules and operational guidelines for the East African Power Pool (EAPP) as well as the independent regulatory board. In June 2016, the Centre of Excellence for Renewable Energy and Energy Efficiency was launched at Makerere University in Kampala. And the EAC energy security policy framework was adopted.

### Financial and monetary integration

As part of modernising monetary policy frameworks in the region, the EAC developed the codes of conduct for designated market makers for government securities to promote efficient market practices by providing comprehensive standards and best practices. The codes of conduct include business conduct, detailed processes and reporting requirements and were endorsed in July 2017. To facilitate such efforts, a regional technical working group for implementing the codes was established in September 2017 to fast-track implementation and adoption.

Monetary union is the third of the four pillars in the EAC’s goal towards political federation. Pillars one and two—the customs union and the common market—are already in force. The protocol for the establishment of the East African Monetary Union was signed by the EAC Heads of State in November 2013 and ratified in 2015. The protocol gives a roadmap to achieve a single currency region, and the envisaged monetary union is expected to be in place in 2024 with a regional central bank and a common currency to replace national currencies.

The EAC is working towards achieving preconditions designed to limit the union’s exposure to internal economic strains, including institutions to support the monetary union and harmonise monetary and fiscal policies and practices. The East African Legislative Assembly passed the bill for the East African Monetary Institute in April 2018 and the bill for the Bureau of Statistics in October 2018.

Bills for the surveillance, compliance and enforcement commission and for the financial services commission are being developed by the taskforce.

The EAC developed two policy documents to guide the process of tax harmonisation: the tax treaty policy to guide future treaty negotiations, and the model tax treaty to eliminate double taxation without creating opportunities for tax evasion or avoidance.

### Environmental integration

Achievements include the development of a climate
change policy and master plan, the establishment of the Lake Victoria Fisheries Organisation and Lake Victoria Basin Commission, the development and finalisation of a strategy framework for the management and development of Lake Victoria Basin, the development and harmonisation of regional and national policies and legislation on environments, and harmonising policy on regional and continental bio-safety. Other achievements include joint participation in international treaties and conventions, environmental assessment guidelines for minerals and shared ecosystems, and draft bills on climate change and on disaster risk reduction and management.

Partner states have agreed on a regional environmental management plan, but are yet to ratify a protocol. They are discussing a regional regulatory institution for environmental protection activities and a community carbon tax. They are also drafting agreements on a regional programme for integrated water resource management and a strategy is expected to be finalised and implemented by 2021. Finally, they are discussing plans to establish the EAC Water Resources Management Centre of Excellence by 2021.

**Political and institutional integration**

Within the context of laying the foundation for EAC Political Federation, the EAC has made progress in regard to developing and establishing regional Policy and Institutional frameworks for the establishment of the EAC political federation.

A key milestone is the adoption of the EAC political confederation as a transitional model for the EAC political federation. The Council of Ministers has since approved nominating constitutional experts and drafting the constitution for the political confederation.

Other strategic governance policy frameworks include protocols on good governance and on preventing and combating corruption—and an EAC anti-corruption index. Engagements to enhance the capacity of the election management bodies is a basis for guaranteeing electoral democracy in the EAC.

For peace and security, the EAC reviewed the memorandum of understanding on defence cooperation and upgraded it to the protocol on defence. An agreement to cooperate on countering terrorism is pending adoption by Council, a framework has been developed for intelligence sharing on crime management. Policing centres of excellence have been established, such as the regional forensic referral centre. Furthermore, the peace and security protocol was signed.

For international relations, the protocol on foreign policy coordination was signed in December 2010 and ratified, so that partner states could provide visa and consular services on behalf of each other. As of 30 May 2017, 36 diplomatic missions, including the European Union and the UN Human Rights Council had been accredited to the EAC.

The EAC Treaty provides general guidelines for EAC development strategies. The UN SDGs, the AU Agenda 2063 and the EAC Vision 2050 are not mutually exclusive—indeed, the EAC Vision 2050 takes due cognisance of the AU Agenda 2063 and the UN SDGs. Accordingly, the 5th EAC Development Strategy—the first since the adoption of the UN's SDGs (2016), the EAC Vision 2050 (2015), and the AU’s Agenda 2063 (2013)—is designed to be compatible with commitments under those three initiatives.

**Challenges of EAC**

Despite the progress in implementing EAC projects and programmes, a number of challenges persist.

- Delays and declining and inconsistent disbursements from partner states and development partners reduce the effectiveness of EAC organs and institutions.
- Long, costly and tedious decision-making processes, both regional and national, impede the implementation of policy decisions, programmes and projects.
- Awareness of EAC integration process among EAC citizenry remains limited.
- Overlapping REC memberships continue to pose harmonisation and coordination
challenges.

- Donor procurement processes and procedures have often been unduly complex and time consuming.
- EAC institutions have limited mandates to enforce and implement agreements.
- Recurring non-tariff barriers affect the movement of goods across borders.
- Slow implementation of the common market is mainly due to delays in amending national policies, laws and regulations to conform to the protocol.
- Political mobilisation is inadequate for full implementation of the signed EAC protocols.
- The ratification and accession of legal instruments have been delayed.
- The EAC lacks organs like a Peace and Security Council to facilitate implementation of the peace and security pact.

By July 2020, implementation of the Single Customs Territory centralised platform is expected to be completed. By February 2019, all partner states except South Sudan will have commenced issuance of the international e-passport. Burundi and Kenya were directed to expedite the issuance of machine-readable identity cards by December 2020. Partner states are expected to support the establishment of regulatory bodies and associations for professional services to facilitate movement of professionals. They are expected to facilitate the conclusion of negotiation and implementation of TFTA and AfCFTA agreements. EAC partner states are expected to harmonise the export levy on wet-blue and crust leather to non-EAC countries to 10% from the FY 2019/2020 and to increase it by 10% every financial year for the next 10 years.

Development and Implementation of the EAC investment strategy, private sector development strategy, public-private partnership policy framework and the consultative dialogue framework for engaging the private sector are expected to be completed in 2019. Partner states are expected to tailor the pesticide management guidelines by 30 May 2020. The required health, plants and animal products testing and inspection facilities at the ports of entry are expected to be established by December 2020.

EAC has set the stage for developing a constitution for the Political Confederation, as a transitional model for the East African political federation. A meeting of partner states and constitutional experts was held in September 2018 to review and harmonise the experts’ terms of reference and roadmap for the constitution. Experts were tasked to develop an enabling institutional support structure to support the Council of Ministers on peace and security matters. EAC standing operational procedures are being developed in line with the existing military procedures: peace support operations, police, civilian, counter terrorism, counter piracy and disaster risk management. The EAC Security Council is expected to be in place and operational by 2021. A framework for mutual provision of consular and diplomatic assistance is expected to be concluded by 2020. Regional policy framework and protocols on preventing and combating corruption and on good governance are expected to be completed by 2020.

EAC is expected to establish the regional infrastructure agency and harmonise design guidelines and standards, vehicle guidelines and standards, and environmental guidelines and standards by 2020. It embarked on resource mobilisation and implementation of Phase II of one-stop border posts. It has also planned to construct the following roads: Malindi–Bagamoyo (Kenya/Tanzania), Lusahunga–Rusumo/Kayonza–Kigali (Tanzania/Rwanda) and Nyakanazi–Manyovu/Rumonge–Bujumbura. On 22 November 2018, the African Development Bank and African Development Fund approved USD 2.5 billion for new and ongoing priority infrastructure projects in the EAC region through 2022.

Specific recommendations

To accelerate integration within the EAC, partner states need to:

- Develop a sustainable financing mechanism to facilitate the implementation of the EAC projects and programmes by fast-tracking the study on sustainable financing.
- End individual stays of common external
tariff application and remission of duties, since these have greatly affected trade flows.

• Translate customs procedures and measures in local languages at all border posts, ports and airports.

• Prioritise a roadmap for implementing a harmonised tax policy for the region.

• Identify, develop and package projects to the stage of bankability and approve a project preparation and development fund to support the packaging of priority projects.

• Improve sensitisation and awareness about the EAC integration process, especially its impact on citizens’ lives.

• Create a framework for the private sector, academic institutions, think tanks, professional associations and civil society organisations to participate in the integration process.

• Review the common external tariff to reflect current realities.
CHAPTER 4: ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS), MODEL FOR FREE MOVEMENT OF PERSONS

GDP USD 623 billion
Population 355 million
Land area 5.1 million km$^2$
Intra-regional trade 13.8%
Number of currencies 8
Number of countries 15
Date of establishment 1975
Chief executive Jean Claude Brou

ECOWAS at a glance, Source: AUC 2018.
The Economic Community of West African States (ECOWAS), founded on 28 May 1975 through the Treaty of Lagos, promotes economic cooperation and integration in all economic spheres among the 15 member states: Benin, Burkina Faso, Côte d’Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo. In 1976, Cabo Verde joined ECOWAS, and in December 2000, Mauritania withdrew.

ECOWAS original mission was largely driven by state-centric imperatives, but its mission shifted from the ECOWAS of States to ECOWAS of the People. Driven by solidarity and community, ECOWAS objectives have expanded over the years, and major reforms reflect the reality of the time. From 1975 to 1993, the objective was to create a common market and economic union and promote cooperation among member states—by eliminating barriers to the free movement of persons and goods, ending restrictions to trade and harmonising economic and sectoral policies. From 1994 to 2004, its objectives expanded to include the maintenance of regional peace and security with the adoption of the peace and security instruments and the promotion of economic progress and development, particularly through common programmes in agriculture, natural resources, industry, transport, communication, energy, trade, currency and finance. And from 2005 to now, the organisation’s objectives aim at completing significant programmes and projects, as well as health, justice, and consolidation of peace, good governance and security.

**Achievements of ECOWAS**

**Social integration**

*Free movement of persons.* The Protocol on Free Movement of Persons stipulates the right of ECOWAS citizens to enter, reside and establish economic activities in the territory of other member states. The implementation of the protocol was in three phases with a roadmap of five years each, covering 15 years. Phase one was the right of visa-free entry, phase two the right of residency and phase three the right of establishment in another member state. The first and the second phases have been fully implemented, given that ECOWAS citizens have free entry into any of the member states without a visa and can obtain an ECOWAS residence card or permit. The right of establishment is being implemented in most member states.

The protocol introduced and implemented the following measures:

- Since 1980 ECOWAS member states do not require visas from citizens.
- With the ECOWAS travel document and ECOWAS passport, nationals enjoy a right of residence and access to jobs in other member states.
- All member states harmonised their immigration forms.
- A biometric identity card, as a travel document, replaces the ECOWAS travel certificate.
- All countries except Cabo Verde adopted the Brown insurance card.

After consulting with technical partners, the ECOWAS Commission is working towards an electronic registration system at the borders (entry and exit points) with the new ECOWAS biometric identity cards, which will eventually replace national identity cards. ECOWAS has also implemented measures to ease the movement of persons transported in vehicles by harmonising policies that enable private vehicles to enter and temporarily reside in a member state for up to 90 days and commercial vehicles for up to 15 days.

However, there are still obstacles to the free movement of persons: the selective implementation of the protocol on free movement and related relevant texts, proliferation of unauthorised road blocks, the harassment at border crossings, and the inadequate sensitisation of community citizens and security agents on the rights set out in the protocol on free movement.
To address these problems, the ECOWAS Commission with some development partners recently instituted a “Support to Free Movement of Persons and Migration in West Africa”. A new monitoring mechanism will facilitate regular assessments of the status of implementing the protocols and provide advocacy and sensitisation in member states, especially among law enforcement agents. The Commission also has developed a programme on cross-border cooperation and dialogue to settle trade disputes and address other free movement issues.

Gender and youth. Since 1975, ECOWAS has been harmonising and mainstreaming gender, youth and child-related issues into the priority policies, programmes and projects of member states. In recent years, the commission’s activities have been reflected in the ECOWAS community strategic framework 2016–20. It received support from DANIDA and the EU in 2012 for key activities under the women, peace and security components of the ECOWAS conflict prevention framework. The Commission also received backing from the 11th European Development Fund to support the action plan against illicit drug trafficking, drug abuse and organised crime (2016–20). Key activities included:

- Organised a technical meeting on countering violent extremism and reviewed the ECOWAS child protection framework policy draft in Niamey, Niger in October 2017.
- Conducted technical field monitoring missions to Burkina Faso and Sierra Leone to finalise proposals on business incubators for African women entrepreneurs.
- Organised workshops for 60 participants in Liberia (July 2017) and Sierra Leone (September 2017) to mainstream gender issues in the electoral process and strengthen the resolve for action.

ECOWAS Gender Development Centre. The gender centre focuses on the economic empowerment of women and the provision of technical and financial support in such areas as health, education, leadership, peace and security, and capacity building of key stakeholders in member states. Recent activities include:

- Participation in the 61st Session of the Commission on the Status of Women at the UN headquarters in New York in March 2017 enabled the Centre to enhance the visibility of ECOWAS at the global level and to strengthen ties with other development partners. The Commission organised a session of ECOWAS ministers of gender and women’s affairs under the theme “Political participation and the employment and empowerment challenges of West African women and girls”. The session shared experiences and best practices and identified priorities within the framework of the SDGs and African Union’s Agenda 2063 for promoting gender equality and women’s empowerment at the national and international levels.
- The periodic meeting of ECOWAS ministers of gender and women affairs was held in Abidjan, Côte d’Ivoire in February 2017. The main objective of the meeting was to outline priorities for implementing the Supplementary Act on Gender Equality for Sustainable Development and to adopt the ECOWAS gender policy papers.
- The Centre’s Scholarships of Excellence for Girls and Boys target 750 children in all 15 member states with scholarships. About 183 bright but needy girls have been granted scholarships in technical and vocational training.
- The Centre’s medical and financial support to women and girls suffering from obstetrics fistula rehabilitated referral centres in five member states, and implemented programmes for the surgical repair of the fistula, the social and economic re-integration of fully treated
fistula patients and sensitisation campaigns for the prevention of fistula in the remaining ten member states.

• The Centre’s programme to enable women to set up and manage profitable and sustainable businesses by building their capacities in the areas of agricultural, fishing and artisanal product processing is ongoing.

Youth development and employment. The Ouagadougou Summit of African Heads of State and Government adopted the Ouagadougou plan of action on employment, job creation and poverty reduction, and this triggered a chain of activities. These included developing the ECOWAS labour and employment policy, the ECOWAS youth employment action plans of 2009 and 2012, and the Division for Youth, Employment and Sports to create employment initiatives as one of its mandates.

To address youth employment, ECOWAS developed the youth employment action plan in 2011–12. In collaboration with UNDP, a consultant was commissioned to study and develop the plan, and it was adopted by the Council of Ministers in 2012. The goal of the plan was to increase employment opportunities for young men and women of the region. Issues covered by the plan included:

• Reviewing youth unemployment and assessing youth employment strategies and interventions.
• Identifying common principles to guide youth employment interventions in the region, while taking context and socio-economic diversity into consideration.
• Identifying discrepancies and gaps between member states’ interventions and recommended frameworks, and proposing work plans and timeframes within which member states can upgrade their policies and practices to come in line with regional frameworks.
• Determining the feasibility of a fund to promote self-employment for youth in the region.
• An analysis of the challenges facing youth in gaining employment identified areas where ECOWAS has the greatest potential for adding value:
• Supporting the development of national action plans on youth employment in member states.
• Encouraging youth employability through education and vocational technical training.
• Supporting youth engagement in private sector development through finance for young entrepreneurs and by employing youth on ECOWAS infrastructure projects.
• Creating labour market information systems.
• Supporting the mobility of young workers by implementing the Protocol on Free Movement of Persons for cross border traders, migrant workers and entrepreneurs, and the Convention on the Equivalence of Certificates and Qualifications.
• Recognising the critical role of youth in regional and national development, ECOWAS Commission is working with member states to develop programmes that will offer employment and sporting opportunities and promote solidarity and community for youth in the region. The Youth Empowerment and Development Fund provides resources for the youth employment action plan. Activities covered included:
• Training 75 young people in agroforestry at the Songhaï Centre in Porto-Novo, Benin, and another 75 in refrigeration–air conditioning and automobile mechanics at the Ziniaré Centre, Burkina Faso.
• Establishing a crowdfunding platform to fund the projects of young entrepreneurs who were trained by the ECOWAS Youth and Sports Development Centre.
• Strengthening the micro-enterprises management capacity of 50 Burkinabe youth who underwent ECOWAS training programmes in Bobo-Dioulasso.
• Supporting the One Hope for All Association to organise a workshop on “School of citizenship and civics at the service of delegates of secondary school students and teachers of the Ouahigouya Commune” in Burkina Faso.

ECOWAS youth volunteer programme. Twenty teaching professionals from Sierra Leone, and nine members of the management team for the Sierra Leone and Liberia national offices and the Burkina Faso regional office were recruited to promote voluntary work.

Sport development. The Commission collaborated with the national wrestling management committee of Senegal to organise the 8th traditional wrestling tournament in May, 2017 in Dakar, Senegal. Fourteen member states participated in the competition, which Senegal won, followed by Niger and Nigeria. On the side-lines of the competition, a symposium on doping in sports was organised in collaboration with the Senegalese Ministry of Sports. An Agreement with the West African Institute in Cabo Verde to conduct a study on the economic impact of sporting competitions on ECOWAS member states.

Joint regional forum on gender and youth dimensions of financial and cross-border criminality in West Africa. The Inter-Governmental Action Group against Money Laundering in West Africa and the ECOWAS Gender Development Centre organised a regional forum on the gender and youth dimensions of financial and cross-border criminality in West Africa in Accra, Ghana in August, 2017. The forum brought together 41 key stakeholders from ECOWAS member states to share knowledge, experiences and best practices and to find ways to mainstream gender and youth dimensions in the fight against financial crimes in the region.

Humanitarian action and social affairs. Recent activities include:

• Establishing the ECOWAS Humanitarian Depot in Mali as a stockpiling strategy for effective humanitarian intervention.
• Securing a USD 1.2 million grant from the ACP-EU natural disaster risk reduction programme to be administered by the World Bank.
• Completing and publishing a new ECOWAS disaster risk reduction action plan that is in line with the Sendai framework for disaster risk reduction.

The ECOWAS Emergency Response Team (EERT). As a response to the Boko Haram insurgency, a delegation led by the president of the Commission visited Maiduguri, Nigeria. ECOWAS disbursed USD 400,000 and USD 300,000 for assistance to internally displaced persons and affected communities and Nigerian refugees respectively, and USD 1 million in food assistance. The response team worked closely with the International Federation of Red Cross (IFRC), the United Nations High Commission for Refugees (UNHCR), the ECOWAS Strategic Food Reserve and National Emergency Management Agency (NEMA).

Response to 2017 Sierra Leone flood and mudslide. The ECOWAS Commission president visited the region and USD 200,000 was disbursed as the initial humanitarian response. The Commission, working with the World Food Programme, also provided relief items from the ECOWAS Peace Fund that included food worth USD 600,000.

Education, culture, science and technology. Instituted in 2015, the Nnamdi Azikiwe Academic Mobility Scheme offers 51 scholarships to Masters Students, 24 scholarships to PhD students and 13 exchange scholarships to university lecturers. Emphasis is on studies of strategic importance to the region such as science, technology, engineering and mathematic (STEM), agriculture and African renaissance. The ultimate goal of the programme is to boost the knowledge and research base of the region through access of ECOWAS citizens to education at the highest levels.

Equivalence of certificates and harmonisation of education systems. West Africa has diversified basic, secondary, technical and vocational education and training (TVET), and higher education systems.
Although educational systems of nearly all ECOWAS countries are structured along similar lines, differences abound in terms of content, assessment, certification and overall structure. The ECOWAS framework for harmonising basic education, and the TVET strategy for skills improvement and employability, address these differences. Equivalences of certificates is considered a priority in ECOWAS where all citizens are expected to fully enjoy freedom of movement, the right of residence and the right of establishment outside their respective countries of origin. In 2003, member states adopted the ECOWAS Convention on the Recognition and Equivalence of Degrees, Diplomas, Certificates and other Qualifications. The meeting of education ministers recommended establishing a regional agency for education to coordinate and harmonise quality assurance, crisis mediation, curriculum reform, professionalisation, institutional governance, resource mobilisation, and mutual recognition of certificates.

Technical and vocational education and training (TVET). The TVET programme is designed to improve access of ECOWAS citizens to quality technical education and vocational training at all levels of the educational system, to strengthen the training capacities of TVET institutions and personnel and to establish and promote TVET centres of excellence.

Peace education. To maintain peace and political stability in the region, a combination of preventive diplomacy, peace keeping and peace enforcement have been deployed over the years. While the existing peace building and conflict prevention, management, resolution and control mechanisms remain viable options, emerging challenges and the requirements of integration mean there is a need to review and fine-tune approaches. One new approach is to emphasise education and to use education as a tool to promote a culture of peace in West African. It is within this context that the ECOWAS teacher trainer reference manual was developed. A pilot to train 24 imams and trainers at Madrasas schools on how to counter violent extremism was conducted in a region of Niger and Nigeria where Boko Haram prevails. Trainees were taught best practices and innovative approaches to delivering sermons in line with Islamic values.

Productive integration

Agriculture. The 2008 global food crisis once again placed agricultural policy at the heart of the region’s agenda and boosted implementation through national agricultural investment plans and the regional agricultural investment plan. That had an impact on agriculture and food security in West Africa. Achievements included improving the productivity of strategic crops—rice, maize and cassava—and pastoral farming, intensifying production systems and better structuring subsectors so planning can take place ahead of production. ECOWAS initiatives to guarantee West African food security include the “zero hunger” initiative, a reform framework to better understand all aspects of food and nutritional security. As part of this initiative, the charter for food crises prevention and management in West Africa is being revised and extended to Chad and Mauritania. And the Global Alliance for Resilience in Sahel and West Africa regional food security reserve is being established as an instrument to complement national strategies.

Industrial development. The Commission continued to implement the West Africa common industrial policy by focusing on industrial and quality infrastructure development. Implemented with support from key development partners, including the African Development Bank, the revised strategy for 2015–20 addresses key sectors including the West Africa quality system programme and the regional automotive industry policy framework.

The agro-industry value chain development framework is anchored on regional industrialisation, with a focus on:

- Value added products to be exported, such as cocoa, cashew, mango, cotton, and shea butter.
- Products for the regional market such as palm oil, cassava, rice, meat, and sugar.
- Products to support agro-industry, such as fertilisers and packaging.
To support cashew industry development, the Commission is collaborating with the African Cashew Alliance and ComCashew following a regional board meeting on 22 March 2018.

With the West Africa Health Organization (WAHO) and UNIDO, the Commission reviewed progress towards developing a regional good manufacturing practice road map for the pharmaceutical industry. And with WAHO, it developed comprehensive regional pharmaceutical policy, legislation and regulation.

The region has developed an automotive industry policy framework with the support of the African Development Bank and financing from the Republic of Korea. The South Africa consulting firm Automotive Industry Holdings was recruited by AfDB to carry out a study of the regional automotive sector that informed the policy framework and strategy.

The West African quality system programme is being implemented with financial support from the European Union and with technical support from UNIDO. National quality policies have been developed and updated in 10 ECOWAS member states and harmonised with the ECOWAS quality policy. The policies have been officially adopted in Benin, Burkina Faso, Cabo Verde, Ghana, Guinea, Mali, Mauritania and Senegal.

**Mining.** The ECOWAS mining and geo-extractives development programme focuses on extraction and processing of geological resources. The Commission has draft development policies and implementation strategies for hydrocarbons, mining and minerals, and a draft technical feasibility report for a geo-extractives observatory and cadastre system. A geo-extractives database and statistical information reporting framework has been developed, and preparatory research is underway on the mining and hydrocarbon potential of member states.

**Trade integration.** With the implementation of the protocol of free movement of persons, goods and services, intraregional trade among the member states is expected to improve. Because of the large volume of informal trade along the land borders, there is a lack of adequate statistics on intra-regional trade. However, official trade statistics indicate progress. Since the protocol was implemented in 1980—initially for agricultural products and handicrafts and in 1990 for processed and manufactured products with at least 60% locally sourced raw material—trade has increased. To redress low intraregional trade and strengthen measures to facilitate trade and trade integration, several initiatives have been introduced.

In 2018, the Commission created a website for the ECOWAS trade liberalisation scheme (http://www.etls.ecowas.int/) to accelerate and facilitate electronic accreditation applications. The website is a platform for information sharing among the various national accreditation committees and the Commission. In addition, a draft supplementary act was validated defining Community rules of origin and procedures for Community goods. In 2018, 126 companies and 331 products were approved under the scheme. Since inception, 642 companies and 1,699 products have been registered.

In 2018, the task force on the ECOWAS trade liberalisation scheme undertook various advocacy and sensitisation missions to member states on the benefits of liberalising tariff and non-tariff barriers to trade. And national authorities pledged to take concrete measures to remove all obstacles to the free movement of persons and goods.

In 2018, member states’ ministers of finance also approved a draft supplementary act adopting Community rules for the prevention of tax evasion and avoidance and for the elimination of double taxation for taxes on income, capital and inheritance. The Supplementary Act complements Article 40 of the Revised Treaty and provides a regulatory framework for member states to collaborate in monitoring the taxation of people who have business or residence in several ECOWAS countries.

To fast-track the custom union, ECOWAS began implementing the common external tariff (CET) in 2015, and as of June 2018 all member states, except Cabo Verde, were on board. In 2017, the region adopted a common customs code to strengthen the regulatory architecture of the customs union, and in 2018 the ECOWAS Authority validated new texts on the subject.
In 2018, the ministers of finance approved three regulatory texts that, when implemented, will give more content to the customs union in coming years. These include a draft regulation on the change of product category in the common external tariff, a draft supplementary act on mutual assistance and cooperation between the customs administrations of member states and collaboration between them, and a draft supplementary act on Community rules of origin and procedures applicable to products originating in ECOWAS.

Also, in 2018, the Commission completed the interconnection of customs administrations, leading to the finalisation of work on the development of software that will ensure the compatibility of the various computer systems and the transmission of messages between customs administrations.

For custom union, the remaining challenges include non-observance of provisions by some countries’ custom services and illegal taxes at the borders and along the roads, such as a transit tax, parking tax, road freight tax, and municipal tax. Non-tariff barriers include a lack of mutual recognition of certificates of quality issued by national agencies and non-acceptance of approvals issued by member states national approval committees—and harassment, racketeering, intimidation and badgering by officers at the different borders.

**Infrastructure integration**

ECOWAS infrastructure programmes primarily relate to air, road, rail and maritime transport and to project preparation and development. The programmes are tied to the continental infrastructure development agenda such as the Programme for Infrastructure Development in Africa (PIDA), for which ECOWAS is the designated projects coordinator in West Africa. The key programmes implemented by the Commission during the review period are as follows:

**Road transport.** The joint border posts programme aims to reduce the cost and time spent at land borders between member states by bringing together officials from neighbouring countries to undertake simultaneous and joint controls to facilitate movement. Completed and ongoing joint border post projects include:

- The Noepe–Akanu joint border post (between Ghana and Togo) and the Seme–Krake joint border post (between Nigeria and Benin) have both been completed and commissioned and are in operation.
- Construction of the Mfum joint border post (between Nigeria and Cameroon) is 60% complete.
- A short list of architectural and engineering consultants for the design of the Prollo joint border post (between Côte d’Ivoire and Liberia) has been submitted to seek financing. A short list of architectural and engineering consultants for the design of the Gbapleu joint border post (between Guinea and Côte d’Ivoire) has been submitted to seek financing.
- Construction work on the Trans–Gambia joint border post (between Senegal and Gambia), funded by the African Development Bank as part of the trans-Gambia bridge and transport facilitation project, is ongoing.
- Construction work on the Hillakondji–Saveekondji joint border post (between Benin and Togo), funded by the African Development Bank, is on-going.

The Nigeria–Cameroon multinational highway and transport facilitation programme is 60% complete. The project forms part of the Trans–Africa highway programme and involves rehabilitating sections of the Enugu–Bamenda road between Nigeria and Cameroon. It also covers the construction and rehabilitation of bridges, including the 400m border bridge between Nigeria and Cameroon, and the construction of the joint border post at the Mfum border.

In February 2013, the presidents of five countries agree to the development of the Abidjan–Lagos corridor, a six-lane dual-carriage highway to run from Abidjan, Côte d’Ivoire, through Accra, Lome and Cotonou to
Lagos, Nigeria. The Commission held ten steering committee meetings with ministers of works, a project treaty was signed, and a financing agreement and an engineering design completed. As there is a funding gap of about USD 9 million, consultations are underway with the African Development Bank to secure the additional funding.

A study on the institutional and legal framework for the establishment of the Abidjan–Lagos Corridor Management Authority (ALCoMA) was completed, as was the intergovernmental agreement for the establishment ALCoMA.

Praia–Dakar–Abidjan corridor project will extend the planned corridor development project on the Abidjan–Lagos section to cover the entire Dakar–Lagos corridor. The Commission held two steering committee meetings with minister of works and a treaty was signed.

Air transport. In February 2012, at the 40th summit of ECOWAS heads of state, nine air transport supplementary acts were adopted. The acts harmonise national legislation around the 1999 Yamoussoukro Decision on air transport liberalisation in West Africa and they will create a conducive environment to boost the region’s aviation industry.

In March 2017 in Accra, Ghana, a resolution on improving flight connections was adopted at a special meeting. The resolution also calls on member states to sign the AU commitment to establish the single African air transport market. By 2018, eleven ECOWAS member states had signed the AU commitment.

A four-year UA 3,042,000 (USD 4,453,488) African Development Bank grant, signed in July 2015, covers improvements to airport safety through the Airports Council International APEX reviews and sets up a regional pool for aviation security. The grant also includes capacity building for aviation safety oversight by civil authorities, sets up a regional Aviation Investigation Bureau, and funds studies on aviation search and rescue.

Rail transport. Considerable progress has been made in a preliminary design and technical assistance study for the rehabilitation, modernisation and construction of the 1,286 km railway linking Dakar, Bamako and Koulikoro. The consultant submitted a draft final report in November 2018 and this is expected to be approved by the technical committee of the two member states by December 2018.

Regional maritime programme. Considerable progress has been made on the port master plan study. The draft report was approved in August 2018. Experts reviewed and approved project profiles presented by consultants for each member state that outlined the current situation and proposed short-, medium- and long-term interventions. The draft final report is expected to be approved in early 2019.

Energy sector development. In 2017 the Commission implemented the energy sector’s governance improvement project as part of the European Development Fund’s regional indicative programme. A technical meeting with all the stakeholders set up a steering committee.

A study for the development of a rural and semi-urban electrification master plan for West Africa was finalised and adopted. The plan, which has a three-phase implementation framework, will speed up access to electricity for people in the region. The overall funding was estimated at USD 7 million, including USD 5 million for the 2017–20 priority phase.

The Commission has initiated a feasibility study for the first phase of the gas network extension—from Ghana to Côte d’Ivoire and Burkina Faso. The study concluded that there are sufficient proven gas reserves in Ghana, Ivory Coast, Nigeria and Senegal to satisfy a projected 20-year demand period for ECOWAS countries. The procurement process will be completed in 2019. The existing gas pipeline runs from Nigeria to Ghana, and passes through Benin and Togo. The extended network will have a total length of 5,453 km and the extension will cost USD 8,386 million.

Other projects include a regional strategy on popularising liquefied petroleum gas as a cooking fuel, and a study on harmonising petroleum product
specifications and vehicle emission limits.

The Commission implemented emergency electric power supply programmes in Gambia, Mali and Sierra Leone. The current rates of implementation are 99% for Mali, 88% for Gambia and 75% for Sierra Leone. The Commission also extended emergency electric power supply to Liberia to increase access for people living in Monrovia and nearby towns.

In 2008, in order to fast track access to clean and cheap energy, ECOWAS created the Regional Electricity Regulatory Authority (ERERA). ERERA has the legal capacity to exercise its functions across all ECOWAS member states. Equally, the West African Power Pool (WAPP) is charged with developing and implementing the regional electricity market and ECOWAS emergency electricity programmes. The WAPP operation manual was completed and approved by ERERA.

Priority electricity projects include:

- **330 kV Volta (Ghana)–Lome ‘C’ (Togo)–Sakété (Benin) interconnection project:** Work in Ghana was completed and work in Togo and Benin is ongoing. Construction is funded by the African Development Bank (AfDB), the World Bank (WB), KfW and the West African Development Bank (WADB).

- **225 kV Bolgatanga (Ghana)–Ouagadougou (Burkina) interconnection project:** Construction work is ongoing, factory tests were carried out and about 90% of the equipment has been delivered to the site. The project is being financed by the World Bank, African Development Bank and European Investment Bank (EIB).

- **330 kV Aboadze–Prestea–Kumasi–Bolgatanga transmission line project in Ghana:** Work is ongoing, and the 330 kV Kumasi–Bolgatanga segment was expected to be commissioned in 2018, and the 330 kV Aboadze–Prestea–Kumasi section is expected to be commissioned in 2019.

- **225 kV Côte d’Ivoire–Liberia–Sierra Leone–Guinea interconnection project:** Procurement was completed and work started in June 2017, in Monrovia, Liberia. Commissioning is scheduled for 2019. The project is funded by the WB, AfDB, EIB and KfW.

- **225 MW Tiboto hydropower facility in Côte d’Ivoire–Liberia and the 225 kV Côte d’Ivoire–Liberia (Abidjan–Tiboto–Buchanan transmission line) reinforcement interconnection project:** This project is under development by the Ivorian government using a public–private–partnership framework.

- **Gambia River Basin Development Organization (OMVG) energy project (Senegal–Gambia–Guinea–Guinea Bissau):** Construction work on the 225 kV transmission interconnection between the four countries started in February 2017. Commissioning is expected in 2019. Securing funding from China Eximbank for the 128 MW hydropower facility at Sambagalou is on-going.

- **140 MW Gouina hydropower project in the Senegal River Basin Development Authority (OMVS) zone:** Following a financing agreement between the OMVS countries and China Eximbank, construction started and commissioning is expected in 2019.

### Financial and monetary integration

**ECOWAS monetary cooperation programme.**

Following the 1983 proposal for a single currency in the region, ECOWAS adopted the Monetary Cooperation Programme (EMCP) in July 1987. EMCP, which lead to the creation of the ECOWAS Monetary Union in 2000, is a combination of programmes aimed at harmonising the national monetary systems and creating the stable macroeconomic environment needed for a monetary union and the introduction of a common currency.

A 1999 review of the implementation of the EMCP revealed that some progress had been made in macroeconomic convergence, but this was inadequate for the launch of a monetary union in 2000. Political
instability in some countries and the challenge of maintaining macroeconomic stability due to external shocks, where two reasons for the modest results. Also, the level of performance of member states in meeting the convergence criteria differed significantly.

In light of this, the Community reconsidered the convergence strategy and opted for a fast-track approach to monetary integration. The fast-track approach led to the creation of the second monetary zone, the West African Monetary Zone (WAMZ) in December 2000, which today comprises Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone. Subsequently, in January 2001 the West African Monetary Institute (WAMI) was established to oversee the implementation of the WAMZ single currency with a deadline of 2003. The ECOWAS single currency was to be the outcome of the merger of WAMZ and the West African Economic and Monetary Union (WAEMU).

The low macroeconomic performance of WAMZ member states and delays in implementing integration projects led WAMZ to modify the timetable for the second monetary union’s launch. The deadline was moved from December 2003 to December 2005, and then to December 2009. In June 2007, the ECOWAS Council requested a review of the monetary integration process with a view to fast tracking the ECOWAS monetary union. In response, in May 2009 the Convergence Council formulated and adopted a roadmap for the ECOWAS single currency programme, setting a 2015 deadline for the WAMZ common currency and 2020 for the ECOWAS single currency.

In 2001, the ECOWAS Authority of Heads of State and Government established a mechanism on surveillance for Member States’ financial and economic policies, and the macroeconomic convergence criteria were adopted. In 2012, a decision was amended to amend to strengthen existing ECOWAS institutional frameworks. The Authority also adopted the Supplementary Act on Macroeconomic Stability and Convergence Pact. This Act established 11 convergence criteria, consisting of four primary criteria and seven secondary criteria, as well as convergence targets. The Act was subsequently amended in December 2015, reducing the number of convergence criteria to six, of which four are primary criteria and two are secondary criteria.

In October 2013, due to another delay in the establishment of the WAMZ single currency roadmap, the ECOWAS Authority appointed the Presidents of Niger and Ghana to monitor the establishment of the common currency within the expected 2020 timeframe. A Taskforce was expanded in 2016 to include the Presidents of Côte d’Ivoire and Nigeria, respectively.

In February 2014, three approaches were proposed namely: A Big Bang approach, Gradual approach and Critical mass by the by ECOWAS Member States. ECOWAS opted for the gradual approach for the establishment of a common currency.

In 2017, it was agreed that a single currency in the form of “Unit of Account” would take place in 2020 and that the effective date for the circulation of the ECOWAS single currency (paper money) would be scheduled for a later date. It was also agreed that only countries that had fulfilled the integration requirements would be fully-fledged member of the ECOWAS Monetary Union.

In February 2018, a revised roadmap for the 2020 introduction of the single currency was adopted. On-going critical projects for realising the ECOWAS single currency include:

- Rationalising institutions and transforming WAMA to perform the role of the ECOWAS Monetary Institute.
- Establishing a special fund for the roadmap activities of the ECOWAS Single Currency Programme. Three Central banks have agreed to provide the USD 6 million required for implementing the roadmap.
- Reviewing Name of the Currency and Central Bank Model proposals. Results were expected January 2019.
- Harmonising monetary policies and exchange
rate regimes. These discussions are ongoing and a final decision was expected during the first quarter of 2019. Setting procedures for selecting qualified countries and launching the Monetary Union.

Establishment of ECOWAS payments and settlement system. Progress has been made developing an ECOWAS payments and settlement system, and this system should create an enabling environment for introducing the single currency. WAMA and member states’ Central Banks set terms of reference (ToR) for recruiting a consulting firm to review payment laws and regulations, oversight policy frameworks and inspection formats and policies on failure to settle arrangements in member states, as well as to draft a regulatory framework for cross border payments and settlement. The procurement process was initiated in March 2018.

ECOWAS capital markets integration. In early 2018 the West African Securities Regulators Association (WASRA) submitted comments on the draft operational frameworks for West African capital markets. The West African Capital Markets Integration Council (WACMIC) reviewed the comments and also considered strategies for supporting the development of capital markets in Gambia, Guinea, Liberia and Sierra Leone. WACMIC also approved holding an international conference on capital markets integration in West Africa.

Environmental integration

There are three pillars to ECOWAS environmental policy:

- Improving environmental governance and capacity.
- Promoting sustainable management of resources that improve the regional economy while respecting the environment.
- Improving management of pollution, urban waste, chemicals and hazardous waste.

The following milestones were recorded in improving environmental governance and capacity:

- The ECOWAS’ environmental policy action plan for 2018–25 was updated to take into account emerging issues in environmental management.
- A joint project with AGRHYMET Regional Centre to support climate services was drafted and funded by the European Defence Fund for Euros 8 million.
- A handbook on environmental laws for teaching students, magistrates and law officers was developed and published.

The main achievements for promoting sustainable management of resources that improve the regional economy while respecting the environment were:

- Report of Joint AUC–ECOWAS Experts Meeting on the post transfer of the Fouta Djallon Programme for the development of a Multi-Year Investment Programme (2015-2018) Fifteen CITES National Focal Points from ECOWAS countries met to validate a document on coordinating responses to the fight against wildlife trafficking in West Africa. An expert subcommittee was set up to elaborate of the sub-regional strategy against the illegal exploitation and trafficking of wild fauna and flora in West Africa.
- In collaboration with the African Forest Forum, about 40 West African forestry professionals were trained on climate modelling concepts, principles and applications for forest ecosystems, and on techniques for estimating carbon biomass using algometric equations.
- A draft Proposal on sustainable land management was developed and submitted to UN Environment, Global Environment Facility, and New Partnership for Africa’s Development for consideration and funding.

The main achievements for improving management of pollution, urban waste, chemicals and hazardous waste were:

- Niger, Burkina Faso and Sierra Leone orga-
nised training workshops on how to develop national reports on fuel savings and reduction of pollutants emitted by vehicles.

- United Nations Environment Programme made a grant of USD 60,000 to support the reduction of sulphur in fuel in ECOWAS, and a regional roadmap was developed to address low sulphur emissions.
- A draft regional strategy and regulation on plastic management was developed in collaboration with WAEMU and ECOWAS member states.
- A regional roadmap was developed to implement the agreement for improving air quality in West Africa.

Other achievements, completed with the support of donors and development partners, included an annotated regional environmental outlook and roadmap for implementation, and a draft regional communication strategy on environmental issues.

**Political and institutional integration**

Mindful of the peace and security limitations of the 1975 Treaty of Lagos, promoting and strengthening good neighbourliness was incorporated into the 1993 Revised Treaty as one of the fundamental principles of Article 4. In 1978, because of regional instability, ECOWAS member states adopted the Protocol on Non-Aggression. In May 1981, member states signed the Protocol on Mutual Assistance Defence to address any armed threat or aggression against a member state. And the Defence Committee and Council and the Allied Armed Force of the Community were both created to serve this purpose. In 1990, with growing tensions in the region, a coalition of Anglophone member states established the Economic Community of West African States Monitoring Group, a multilateral armed force to maintain peace and security. The Monitoring Group intervened in Liberia in 1990, Sierra Leone in 1997, in Guinea-Bissau in 1999, and recently in Côte d’Ivoire and Gambia.

The Protocol Relating to the Mechanism for Conflict Prevention, Management, Resolution, Peace Keeping and Security was adopted in December 1999 and is arguably the most comprehensive protocol relating to peace and security in the region. It addresses peacekeeping, humanitarian support and peace building capabilities, as well as issues of cross-border crime. ECOWAS member states also adopted the Supplementary Protocol on Democracy and Good Governance in 2001 as an instrument to promote peace and security in West Africa.

In this context, ECOWAS established institutions and programmes to commit to the protocols, and these included the Mediation and Security Council, the Early Warning and Response Network, the ECOWAS Standby Force, the ECOWAS Conflict Prevention Framework and ECOWAS and Civil Society.

In the area of early warning, ECOWAS has made strides towards achieving the mandate of the 1999 Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security. The National Early Warning and Response Mechanisms (NEWRM) is a key initiative in achieving this. In 2018, the Commission bridged the gap between early warning and response through strengthening capacity and enhancing baseline data so that response options could be formulated, reports produced and alerts made for all emerging and current threats to peace and security within the community. To do this National Early Warning Centres were put into operation in all member states and a critical network of stakeholders—reporters, mediators, regional and national actors and CSOs—was created so that peace and security could be maintained in the region. To do this National Early Warning Centres were put into operation in all member states and a critical network of stakeholders—reporters, mediators, regional and national actors and CSOs—was created so that peace and security could be maintained in the region. In December 2018, the Commission completed the country risk and vulnerability assessment of 14 member states. Gender was integrated into early warning, a gender manual for early warning was published, and a new set of gender integrated indicators was developed. The ECOWARN Reporter was upgraded, and geospatial capacity was enhanced through GIS software platforms and through a geoportal for early warning.

Five National Early Warning and Response Centres—
Burkina Faso, Côte d’Ivoire, Guinea Bissau, Liberia and Mali—were launched. And funding was secured from the German government and the EU to engage five more centres—Gambia, Guinea, Nigeria, Sierra Leone and Togo. Negotiations with the Danish ambassador to support the deployment in the five remaining countries—Benin, Cabo Verde, Ghana, Niger and Senegal—are far advanced.

The West African region has benefited from the Supplementary Protocol on Democracy and Good Governance that requires member states follow political best practices in respect of presidential terms of office as well as requires zero tolerance for unconstitutional seizure of power. Through its electoral assistance mechanism, ECOWAS helps ensuring free, fair and credible elections in the member states.

**Challenges of ECOWAS**

Despite ECOWAS efforts to consolidate integration, many challenges still confront the region. These challenges include:

- Stabilising and strengthening regional security.
- Deepening structural reforms.
- Improving macroeconomic stability and harmonising budgetary policies.
- Strengthening physical infrastructure and human capital.
- Consolidating the customs union.
- Developing agriculture and promoting social peace.

In the near future, the ECOWAS Commission will focus on the following projects:

- Completing the customs union through the adoption of the Community Customs Code and the application of the common external tariff (CET) by all member states.
- Fast-tracking the creation of the ECOWAS currency by 2020, which will be driven by the Presidential Task Force and by implementing the revised roadmap for the ECOWAS single currency.
- Establishing the monetary union that will ease inter-community trade and reduce transaction costs.
- Developing regional infrastructure, implementing the transport and road transit facilitation programme, and liberalising air transport in the region.
- Developing agriculture by implementing the National Agricultural Investment Programmes (NAIPs), the Regional Agricultural Investment Programme (RAIP), the offensive for food production and the fight against hunger.
- Consolidating peace and security by promoting dialogue and preventive diplomacy, strengthening democracy, and fighting against violent extremism and terrorism movements.
- Having member states comply with the provisions of the protocol on Community levy.
- Accelerating the Commission's institutional reforms to make it more functional and operational.

**Specific Recommendations**

After listing the challenges facing ECOWAS, recommendations should be made to key actors in the integration process in the region. These recommendations are intended to enable better implementation of the integration process within ECOWAS.

ECOWAS should:

- Speed up the full and effective implementation of the ECOWAS CET and customs union.
- Harmonise the composition and functioning of national approval committees.
- Reduce the 60% rate required for rules of origin to 40%.
- Ease approval application procedures.
- Harmonise approvals issued by ECOWAS and
by IGOs by developing a mutual recognition system and by initiating joint collaboration between organisations.

- Accelerate the interconnection of customs systems of member countries.
- Accelerate the development of community standards to facilitate intra-community trade.
- Urge states to end abnormal practices by employees stationed at borders.
- Pursue a policy to promote of side-by-side border posts and border control units.
- Accelerate the introduction of ECOVISA (Schengen-type visa).
- Establish a peer review mechanism that is made more efficient through effective monitoring of findings and recommendations, and that includes the use of sanctions.
- Support the work of civil society.

ECOWAS Member States should:

- Organise an awareness-raising information campaign on ECOWAS for citizens and enterprises.
- Develop a mechanism for holding consultations with political forces, the private sector and civil society in advance of ministerial meetings and conferences of heads of state.
- Use opportunities—sporting or cultural events, programmes on radio and television—to promote community spirit.
- Popularise ECOWAS through parades, caravans, flyers, newspapers, radio and TV, and by holding integration week events to which other ECOWAS countries are invited.
- Assess the opinions and expectations of the people in the Community about the regional integration process.
CHAPTER 5: ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES (ECCAS), PERFORMANCE IN SECURITY AND CLIMATE MATTERS

<table>
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<tr>
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<tr>
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<tr>
<td>Number of countries</td>
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</tr>
<tr>
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ECCAS at a glance Source: AUC 2018.
The Economic Community of Central African States (ECCAS), created in October 1983, brings together eleven countries—Angola, Burundi, Cameroon, Chad, Central African Republic, Congo, DR Congo, Equatorial Guinea, Gabon, Rwanda, and São Tomé and Principe—covering an area of over 6 million km² and with over 175 million inhabitants.

According to its statutes, ECCAS’ mission is to promote political dialogue in the region, create a regional common market, establish common sectoral policies, promote and strengthen harmonious cooperation and balanced and self-sustaining development in the region in all areas of economic and social activity, particularly in the fields of industry, agriculture, natural resources, infrastructure, trade, customs, monetary and financial matters, and tourism.

To meet the challenges of integration, in line with the expressed will of the Heads of State and Government of the African Union, ECCAS member countries adopted a strategic integration plan in 2007, and a vision for 2025 to make the region an area of peace, solidarity, balanced development and free movement of people, goods and services.

Table 5.1 ECCAS at a glance

Source: AUC 2018.

Achievements of ECCAS

Pursuant to its missions and the 2025 vision, ECCAS General Secretariat developed a set of programmes in the areas of integration around three pillars:

- Building peace, security and stability.
- Establishing a common market and economic development.
- Improving human development and people's living conditions.

In this section we present these programmes according to the following dimensions: free movement of people and social integration, trade integration, integration of productive capacities, physical integration (via economic infrastructure), economic integration, monetary and social integration, financial integration, environmental integration, and political and institutional integration.

Social integration

Given the legacy of past conflicts in Africa in general and in ECCAS member countries in particular, Heads of State and Government put in place a set of mechanisms aimed at reducing the social divide and thus restoring the values of robust human integration and ultimately guaranteeing enhanced and sustainable economic integration.

The ECCAS General Secretariat has the objective of contributing to social and cultural integration in the member states, particularly in the fields of culture, education, training and employment, sport, health, gender and the living conditions of people.

At the cultural level, ECCAS drew up a strategic plan for developing culture that was adopted by the 16th session of the Assembly of Heads of State and Government in N'Djamena, Chad in 2015. In November 2018, ECCAS member states’ culture ministers adopted the 2019–2020 action plan for implementation of this strategy, as well as the Brazzaville declaration for the promotion and development of the cultural industry.

The gender ministers validated the gender sub-component in May 2018 with the regional action plan for implementation of UN Resolution 1325 in collaboration with the UN Office for Central Africa.

ECCAS has, with the support of UNESCO, developed an education and training programme for the University Technology Centres of Excellence, with member states specialising according to select priority areas. A pilot phase, under a contract with AfDB, is creating three university technology centres of excellence as part of the Regional Project for the Promotion of Youth Entrepreneurship in Central Africa.

The countries of the region have made progress in reducing maternal and infant mortality and morbidity, and in combatting emerging and re-emerging diseases. However, increasing strategic investment in health systems and strengthening regional coordination and cooperation mechanisms for health emergency preparedness and response remain key priorities.
To mobilise resources and promote interventions, the 16th Assembly of ECCAS Heads of State and Government approved the protocol for the establishment of the Central African Health Organization and the decision establishing the Central African Community Health Fund.

Free movement of people has always been an ambitious and crucial objective for ECCAS. In the treaty establishing ECCAS, a Protocol for the Free Movement of Persons covered social integration through the right of establishment. Article 40 of ECCAS Treaty states that “Citizens of member states shall be deemed to be nationals of the Community. Accordingly, member states agree, in accordance with the Protocol on Freedom of Movement and Right of Establishment…to progressively facilitate procedures for the freedom of movement and right of establishment within the Community”. Article 2 of the Protocol states that “nationals of member states of the Community may freely enter the territory of any Member State, travel there, establish residence there and leave at any time…” In addition, the protocol stipulates that free movement and the right of establishment are effective four years and 12 years, respectively, after the treaty enters into force.

While it is true that ECCAS passport is not effective, it is noteworthy that six member states have instituted a common passport between them and there are no visa procedures or restrictions between nationals of the six countries. These six countries are members of the Central African Economic and Monetary Community (CEMAC), and the progress achieved by CEMAC is an asset for ECCAS as it pursues its free movement of person’s policy.

**Productive integration**

Although endowed with substantial resources, making Central Africa self-sustaining in the agricultural, industrial and service sectors poses a real challenge for countries of the region.

The General Secretariat focused in particular on the sections on industrialisation and mining in Agenda 2063. This includes:

- Developing a regional strategy for industrialisation, private sector development and economic diversification.
- Identifying regional sectors with high potential for growth, developing regional trade and creating jobs, particularly for women and young people.
- Developing strategies to promote coffee and palm oil sector value chains.
- Developing a regional strategy to improve the business climate in Central Africa.

In the field of agriculture and rural development, ECCAS General Secretariat implemented two major programmes—the comprehensive programme for the development of agriculture in Central Africa and the cotton initiative in Central Africa. Considered on two levels, these programs have had satisfactory outcomes:

- At the national level—Agricultural investment, food and nutritional security plans were developed in states that organised financial resource around their programmes.
- At the regional level—the common agricultural policy in Central Africa formed part of the regional programme for agricultural investment and food and nutritional security and received financial support from the World Bank and the Technical Support Platform for Rural Development and Food Security in West and Central Africa (Hub Rural).

A Regional Council for Agriculture, Food and Nutrition in Central Africa (CRANNN) was set in February 2016. This is a platform for comprehensive Africa agriculture development programme stakeholder consultation and governance in Central Africa.

Action has also been taken to develop and adopt a regional food security programme for Central Africa (PRSA-AC); to carry out the common agricultural policy (PAC-CEEAC); to establish the Regional Special Fund for Agricultural Development (FSRDA) that facilitates small farmers’ access to inputs,
agricultural equipment, processing and storage units; and to develop common phytosanitary regulations.

**Trade integration**

Activities revolve around the key objective of creating a regional common market and ultimately in establishing the African common market. The Free Trade Area (FTA) has been in effect since 2004, but ECCAS continues to harmonise instruments and support the establishment of national structures for its operationalisation. This should culminate in a customs union and a common external tariff.

To achieve the different stages of the trade integration process, several tools need to be developed and harmonised. To do this, ECCAS General Secretariat and CEMAC Commission—under the guidance of the Steering Committee for the Rationalization of RECs in Central Africa—worked on the basic trade integration instruments, especially the Community rules of origin and commercial documents such as the certificate of origin, the Community preferential tariff, the customs code, and the common trade policy.

In addition, several things were done to fast-track trade in the region:

- The 16th Assembly of Heads of State, held in Ndjamena in May, 2015 adopted a regional strategy for Aid for Trade and an action plan for its implementation.
- An institutional support programme for member states on trade facilitation was developed and implemented.

**Infrastructure integration**

In Central Africa, infrastructure improvement has always been a priority for development plans and programs because of its preponderant role in growth and development.

In January 2004 the Heads of State and Government adopted the Consensual Transport Master Plan for Central Africa (PDCT-AC) that addresses a range of the transport needs expressed by member states.

The PDCT-AC has three components: infrastructure, transport facilitation, and geographic information systems (GIS). The plan has three objectives: To link the capitals of the countries of Central Africa with paved roads; to get a consensus on the investment resources needed for the sector; and to establish a reliable transport system (infrastructure and services) to promote regional integration and trade between member states.

The PDCT-AC consists of 303 projects. Given this number, transport and public works ministers decided that the projects should be implemented by priority. The first priority programme, consisting of a list of 55 projects, was approved by the Council of Ministers in June 2007. A 2013 evaluation indicated that 32 of these projects had received funding and were in progress.

In implementing the plan, road transport facilities were launched. These should eventually fill in the missing links in the major trans–African West–East (Lagos–Mombasa) and North–South (Tripoli–Cape Town) corridors.

The main achievements are:

- Completing a feasibility study of the Brazzaville (Congo)–Kinshasa (DR Congo) rail–road bridge and mobilising resources for the imminent launch of the works.
- Completing a study of the Ouesso (Congo)–Bangui (Central African Republic)–Ndjamena (Chad) road corridor and the navigation on the Congo River and its Oubangui and Sangha tributaries.
- Starting a study of the Ntem Bridge that will connect Cameroon and Equatorial Guinea.
- Completing the first phase of work on the Ketta (Congo)–Djoum road (Cameroon) to link Yaoundé and Brazzaville capital cities, and starting the second phase. By 2020, Brazzaville will be connected to Yaoundé by a 1,620 km long fully asphalted road.
- Providing funds for the study of the bridge over the Oubangui between the cities of
Bangui (Central African Republic) and Zongo (DR Congo), as well as planning the Bangui–Kisangani–Kampala road corridor (the TAH 8 link Lagos–Mombassa) and Kisangani–Bujumbura.

- Completing road works on the Bamenda–Enugu corridor.

The implementation of PDCT-AC by ECCAS institutions aims to improve air transport in Central Africa. In September 2008 ECCAS Transport Ministers adopted a 2008–2015 action plan aimed at filling the gaps in air transport regional integration. The plan has five main objectives:

- Create an institutional and regulatory framework for the air transport sub-sector.
- Improve air services.
- Reduce the costs of air services.
- Speed up the implementation of the Yamoussoukro Decision on Liberalization of the Air Transport Market.
- Guarantee civil aviation safety and security.

The plan advocates the establishment of a Regional Civil Aviation Agency with two prerogatives:

- State support for aviation safety oversight missions that includes training technical staff in the producing technical regulations.
- Regulation of the air transport market including developing a regulatory and legal framework to govern the sector.

To reach these objectives, four projects are being implemented at ECCAS:

- The implementation of the Air Transport Sector Support Project in Central and West Africa (PASTA-CO).
- The creation and establishment of a Regional Civil Aviation Academy in Central Africa.
- The implementation of the International Civil Aviation Organization (ICAO) Traveller Identification Programme (ICAO/TRIP).
- The implementation of the Air Navigation Satellite System in Africa within the framework of the Egnos for Africa Programme.

In addition to improving aviation environmental performance, the ICAO–EU joint capacity building assistance project is being implemented in ECCAS member states.

ECCAS set for itself the major objective of fostering energy integration by establishing a regional energy market, interconnecting member states electricity networks, and building their energy capacity. The Central African Power Pool (PEAC) is piloting these activities. Major achievements include:

- Adopting the Central African Power Market Code in PEAC member countries.
- Conducting studies on electricity grid interconnections between the countries of the region and the rest of Africa, in particular for the Inga dam (DR Congo). This is a key factor in the integration of large regions of Africa.
- Adopting the PEAC self-financing mechanism by the CCEG/CEEAC in May 2015 and creating a Central African Power Sector Development Fund.

In January 2012 the ECCAS Assembly of Heads of State and Government adopted two telecommunications and information and communication technology related programmes: The national regulations harmonisation programme and the broadband fibre optic infrastructure Development Programme.

The following were the intermediate results:

- Model laws on telecommunications, cybersecurity and the regulatory framework to govern ECCAS member states cross-border interconnections were adopted by information and communication technology (ICT) ministers in Brazzaville in November 2016.
- The Brazzaville Declaration to create an environment conducive to private investment in the development of a broadband fibre optic
infrastructure and ensure end user security was adopted.

- Congo and Gabon’s national internet exchange points migrated to the regional internet exchange point.
- Feasibility studies and the business plan for the deployment of electronic communications infrastructure (PACDICE-AC) was restored and validated.

**Financial and monetary integration**

In the area of economic, financial and monetary integration, ECCAS has the vision to set up sub-regional financial and monetary institutions that will lead to the creation of a single currency. To date, the integration process is far from complete, but advanced among the six countries of the Central African Economic and Monetary Community (CEMAC).

On the economic front, the General Secretariat focused on improving decision-making tools, setting up a statistics and economic forecasting unit for regional coordination of an African Union initiative, the Strategy for the Harmonization of Statistics in Africa (ShaSA2).

Achievements include:

- Adopting a regulation to standardise collection methodologies, processing and dissemination of external trade statistics.
- Establishing a regional socio-economic data bank.
- Publishing a yearbook on economic indicators and trade trends in member countries.

Overall, the region’s achievements are tied to the actions of CEMAC, which comprises six ECCAS member countries, and that has a harmonised macroeconomic and public finance management framework and decades-old financial integration tools. The six countries share one currency, the CFA franc, and the Bank of Central African States (BEAC) is the central bank of this monetary union.

The bank is responsible for enforcing convergence criteria. The mission of the Central African Banking Commission (COBAC) is to control banking activity by committing to “harmonise their policies as regards the exercise of the banking profession, control of financial institutions as well as credit distribution and control”.

CEMAC countries have a sub-regional stock exchange, and the Central African Financial Market Supervisory Commission (COSAMUF) protects investor information, savings invested in transferable securities and other financial instruments issued as part of a public offering, and ensures the smooth functioning of the financial market.

Finally, other Community institutions are the Central African Monetary Community, the Central African Development Bank (BDEAC), the Action Group against Money Laundering in Central Africa (GABAC) and the Institute of Economics and Finance (IEF).

**Environmental integration**

Environmental integration covers sustainable management of natural resources (water, forest and fisheries), ecosystems and biodiversity protection, disaster management and combating climate change.

ECCAS has made progress in terms of water resource management. In May 2015 the 16th Assembly of ECCAS Heads of State and Government adopted a regional policy and action plan for integrated water resources management in Central Africa. An integrated water resources management unit of ECCAS General Secretariat, in operation since 2015, implements the programme. This unit manages an information system on water resources, and it monitors and shares knowledge with stakeholders so that integrated planning can take place.

In addition, through the International Commission of the Congo–Oubangui–Sangha Basin, the region has a geo-spatial data collection centre that monitors the navigability of transboundary waterways.

ECCAS supports the convergence plan of the Central
African Forests Commission as this covers the forestry component of ECCAS’ general policy on the environment and sustainable natural resource management, a policy adopted in October 2007. Actions carried out by ECCAS are:

- Supporting member states in international negotiations to factor in REDD+ (reducing emissions from deforestation and forest degradation from the Paris Climate Change Agreement).
- Monitoring the REDD+ Regional Institutional Capacity Building Project for Sustainable Management of Congo Basin Forests, a project financed by the Global Environment Fund from 2011 to 2018.
- Implementing the Congo Basin Ecosystems Conservation Support Programme (PACEBCo), jointly financed by the African Development Bank and ECCAS from 2009 to 2018. The second five-year phase is in preparation.

Significant actions have been taken regarding ecosystem preservation and biodiversity protection. These include:

- Establishing the Green Economy System in Central Africa (SEVAC) comprising sectoral programs in the following areas: ecotourism, hydropower, solar economy, forest governance, agro-business, timber economy, protected areas economics and a green economy fund for Central Africa (FEVAC) as the financial pillar. For its operationalisation, a unit is active at the level of ECCAS General Secretariat.
- Establishing the Central African Anti-Poaching System (SYLABAC), based on the ministers’ declaration on anti-poaching in Central Africa, and setting up two strategic tools: the Extreme Emergency Anti-Poaching Plan (PEXULAB) and the Anti-Poaching Emergency Action Plan (PAULAB). Seven subsidy contracts have been signed with operators to put these tools into operation.
- Adopting the Regional Risk Prevention and Disaster Management Strategy and establishing the Centre for Application and Climatological Forecasting of Central Africa (CAPC-AC) based in Douala, Cameroon.

Political and institutional integration

In the decades following independence, ECCAS was confronted with several conflicts that have shaken the peace, security and stability of the region and severely undermined efforts at regional integration. The low level of regional economic development is the notable consequence. This situation led ECCAS member states to set up institutions and mechanisms for effective conflict prevention and management and to promote peace and security. The mechanisms and institutions consist of a military dimension (intervention structure) on the one hand, and a political-diplomatic dimension (consultation framework) on the other.

The main integration tools put in place by ECCAS are the Non-Aggression Pact, the Peace and Security Council (COPAX) and the Mutual Assistance Pact. COPAX, which came into being in January 1999, is responsible for preventing and resolving conflicts, and taking action to promote, preserve and consolidate peace and security. It is “the political...
and military consultative body of ECCAS member states”. To exercise its mission it has a Rapid Response Mechanism for Central Africa (MARAC) and a Multinational Force for Central Africa (FOMAC), and it works in concert with African Peace and Security Architecture (APSA) and the African Union. In addition, ECCAS General Secretariat has a training service that develops teaching modules and curricula for the military, gendarmes–policemen and civilians. Six centres of excellence have been selected to conduct this training.

MARAC has set up its operating system which integrates its central structure and network of decentralized Correspondents located in ECCAS Member States. With regard to the African Union, FOMAC is the African Central Force (FAA) regional brigade (Central Africa) which, with its military, police and civilian components, is the AU’s instrument in charge of the African Union to intervene in theaters for the prevention and resolution of conflicts and crises.

The Mutual Aid Pact, signed in February 2000, is another tool. Its aim is to promote collective security in Central Africa.

With regard to maritime safety and security, ECCAS has adopted a regional strategy embodied in: the adoption of the 2009 Kinshasa Protocol on securing the vital interests at sea of ECCAS member States; the signing of the Yaoundé Technical Agreement 2009; the operationalization of the Multinational Coordination Center based in Douala, the adoption of the SECMAR 1 Plan and the effective operation of CRESMAC. Thanks to this architecture, ECCAS has established a synergy with ECOWAS and the Gulf of Guinea Commission (CGG), marked in particular by the effective establishment of the Interregional Coordination Center (CIC) based in Yaoundé.

One of the achievements made in this area is the existence of an operational mechanism for the permanent surveillance of the ECCAS maritime area, which has resulted in the reduction of armed attacks at sea.

In the area of small arms and light weapons, ECCAS, in 2010, adopted the Central African Convention for the Control of Small Arms and Light Weapons, Their Ammunition and All Parts and Components that can be used in their manufacture, repair and assembly - also called the Kinshasa Convention. This Convention, was entered into force on March 8, 2017. As part of the implementation of the said Convention, some ECCAS member States have set up National Commissions to control and mark small arms and light weapons in their respective territories.

In the context of conflict resolution, ECCAS has also established a regional force called the Multinational Force of Central Africa (FOMAC) consisting of a Regional Staff (EMR) and operational capacities in the Member States, which integrates, components military, police / gendarmerie and civil force. It is important to note that FOMAC is an integral part of the African Standby Force (FAA). To-date, FOMAC has already completed two stabilization missions in the Central African Republic (MICOPAX 1 and MICOPAX 2) from 2008–2013. It has also completed several multinational exercises, (including those held in Bahr El Ghazel (2007), Kwanza (2010) and Loango (2014)).

Finally, regarding the institutional architecture of the Community, it should be emphasized that the Treaty Establishing ECCAS, (which dates way back, in October 1983), defined, among others, the objectives of the institutions and bodies of the Community should carry out. After more than 30 years of existence, ECCAS core mission and mandates, have evolved in a geopolitical and strategic context, at the regional, continental and global levels. Several integration challenges and new integration programmes have emerged, exposing ECCAS at the epicenter of several institutional and organizational capacity challenges.

To address these key challenges, the 16th Conference of Heads of State and Government of ECCAS held in N’Djamena on May 25, 2015, decided to introduce major institutional and organizational reforms with the objective of streamlining its mission and mandate. The main objective of the reform was to improve the effectiveness and strengthen the capacities of ECCAS
as a pillar of the African Union to make improvements in its governance and institutional framework, more especially of its specialized institutions and bodies.

More specifically the institutional reform of the Community’s executive body aims to: (i) modernize its institutional architecture; (ii) update the basic and normative texts of the Community; (iii) reform its funding mechanism to make it more effective; (iv) provide ECCAS new elements to modernize its identity; and (v) ensure the alignment of the Community’s texts, architecture and financial mechanisms, with those of the African Union.

The reform aimed at modernizing the institutional architecture of ECCAS aims to ensure greater representation of the Community among member states and other international organizations, as well as better representation of member states at ECCAS (Accreditation of Ambassadors or Permanent Representatives of the Member States to the Commission). One of the areas of reform that received much attention, is the need to implement: (i) the transition from the executive Organ of the General Secretariat to a Commission, (ii) achieve a more harmonious integration of COPAX into the decision-making bodies of ECCAS and (iii) to review functions of ECCAS institutions and bodies to take account, this new development.

In this context, the process of updating of the basic and normative texts has been initiated, particularly with regard to the audit of the legal and institutional framework of ECCAS.

A major Study that was conducted highlighted the major strengths and weaknesses of the main basic texts and proposed revised draft texts for (i) the Framework Agreement of the ECCAS Treaty, (ii) the Protocol on the Peace and Security Council Central Africa (COPAX); (iii) the ECCAS Financial Regulation, (iv) the Staff Regulations. The said draft texts have already been validated by the Member States at technical level.

Once the institutional reform is finalized, specific protocols concerning the Parliament and the Community Court of Justice on the one hand, and the texts that govern and organize the functioning of the National Bureaus as well as the Committee of Ambassadors, will be streamlined. This reform also aims to include in the Community texts as the main guiding principles contained in the Constitutive Act of the African Union to guide regional integration in the ECCAS region. These include, among others, integrating the principles of solidarity, complementarity, subsidiarity, proportionality in the representation of each State, the right of the Community to intervene in a Member State by decision of the Conference in certain serious circumstances such as war crimes, genocide and crimes against humanity, condemnation and rejection of unconstitutional changes in government, respect for democratic principles, human rights, the rule of law and good governance, in specific Protocols and texts.

ECCAS’s reform of financing mechanisms, are based on four (4) essential elements: (i) transitioning from the limited availability regime to the full availability regime of the CCI; (ii) the systematic and compulsory application of the automatic transfer of the levies made to the customs of Member States of the States, in the accounts of the Community; (iii) the application of a sanctions regime for debtor States and (iv) the systematic inclusion on the agenda of all Ordinary Meetings of the Council of Ministers (Finance and Regional Integration) of an agenda item on the implementation of the ICC.

**Challenges of ECCAS**

**Challenges**

Despite progress made by ECCAS towards regional integration, the widely shared view is that the record is mixed, especially considering the region’s potential. Indeed, the region has been facing and still faces difficulties in terms of economic extraversion, inadequate communication routes and infrastructure, internal political problems, conflicts between national and regional interests and divergent appreciation of the costs and possible benefits of integration.

These challenges can be streamlined into seven (7)
priority areas, whose achievement would undoubtedly transform ECCAS as an effective Regional Economic Community, with an institutional architecture aligned to that of the African Union.

- **On the political front**, understanding and rapprochement between countries, in keeping with the spirit of the African Union, represents the greatest challenge to regional integration. The region is made up of fragile states, and landlocked and forest countries.

- **Under institutional matters**, the main challenges relate to (i) the implementation of the institutional and organizational reform of ECCAS and (ii) reaching a consensus around the rationalization of RECs in Central Africa. Addressing these challenges is justified on the fact that efficiency and effectiveness are paramount, as duplication and overlapping memberships by ECCAS Member States, in many organizations results in wastage of limited financial and human resources. It thus hoped that through rationalization, ECCAS Member States can be able to meet their financial obligations to the Community, with ease. Finally, streamlining Community could enable the ECCAS region realize closer integration, and boost trade and economic growth.

- **A significant deficit in infrastructure** impedes the integration process within ECCAS. The major challenges are: improving the interconnections of national transport networks between Central African countries; increasing electricity production and consumption per inhabitant (currently 12.5 kWh as against 17.3 kWh for the continent); and improving access to ICT (there are 10.2 internet access lines, 21.6 mobile telephone lines and 3.6 telephone lines for every 1,000 inhabitants as against 61.8, 37.6 and 32.4 respectively for the continent). These are the major challenges to tackle in order to foster a dynamic and competitive private sector.

- **Priorities for trade integration** and the integration of persons are the effective implementation of a number of decisions including: (i) the Protocol on Free Movement and the Right of Establishment of Nationals of ECCAS countries; (ii) the facilitation of customs procedures; (iii) the establishment of the compensatory mechanism; (iv) the adoption of a CEMAC/ECCAS CET; (v) the elimination of tariff and non-tariff barriers; and (vi) the adoption of agricultural and industrial policies.

- **At the organisational level**, ECCAS is faced with slow procedures. There are difficulties in harmonising policies at the national level because of countries’ multiple memberships in RECs. As directed by the Assembly of Heads of State and Government, ECCAS is in the process of conducting institutional reform to: (i) come up with a new institutional architecture by transforming the General Secretariat into a Commission; and (ii) by modernising the legal and regulatory framework of the institution.

- The region faces financial challenges. Payment of contributions, although these do not cover all the institution’s financing, are often delayed. A financing mechanism, through a Community Integration Contribution (CCI) that represents 0.4% of imports from third countries, has been put in place. However, some member states have been slow to put this into operation, thus weakening the General Secretariat in pursuing its mission and in paying counterpart funds for projects co-funded with partners.

- Other challenges are: ECCAS is a region with high inequality and poverty and these internal social challenges weaken efforts at integration. Wide disparities between member states generate reservations about the gains of regional integration. And the region’s security situation is felt in the
maritime area, and considerable effort is needed to maintain and ensure the security of the Gulf of Guinea.

Perspectives

This assessment of integration shows that CEMAC has enormous potential to improve through regional integration. ECCAS has made progress in both traditional areas and in emerging areas of integration. However, ECCAS still faces many challenges and these deserve careful thought in order to find appropriate solutions.

In the reform process initiated by ECCAS, the institution developed a new strategy that considers both current challenges and global dynamics. This section therefore presents the perspectives on which ECCAS bases its strategy for the coming years. The perspectives are presented in terms of programs, projects or ideas in each area of integration.

Transport infrastructure: ECCAS plans to continue seeking financing for infrastructure work where the preliminary phases have been completed. For projects that are stalled, the Community aims to mobilise funding to complete them. In addition, ECCAS intends to continue studies on corridors as well as implement programs on air transport.

The PASTA-CO project, which aims to improve the safety and security of civil aviation and provide safe, efficient air navigation services in West and Central Africa, is the backbone of ECCAS goal for improved air transport. Specifically, the project will:

- Enhance the safety and security oversight capacities of the Regional Air Safety Agencies and of the Civil Aviation Administrations of West and Central African States.
- Ensure international standards for the major airports.
- Strengthen the coordination mechanisms to improve the safety, security and efficiency of air transport in the region.

ICT: ECCAS plans to develop a sub-regional strategy on cyber security, and to provide support to member states to set up national and regional cyber incident warning and response centres. ECCAS will also finalise the action plan for electronic communications infrastructure deployment that will contain all member states’ cross-border fibre optic interconnection routes. In addition, a regional roaming system will address the high variations in the cost of roaming across member states.

Energy: The development of a regional energy policy that covers all components of the energy sector needs to be realised. These components should include traditional energy (wood energy), biomass (biogas and biofuel), hydrocarbons (petroleum and gas products, natural gas, LPG), renewable energy, electricity generation (hydropower and thermal power), transportation, distribution, and rural electrification. ECCAS also plans to carry out a study of the Regional Centre for Renewable Energy in Central Africa, and to popularise the electricity market code for Central Africa.

Trade and productive capacities: ECCAS, with the support of ECA, started developing guidance tools to support the integration of services and investment. In the coming years, ECCAS plans to achieve trade integration by implementing the African Continental Free Trade Area Agreement and the Trade Facilitation Agreement, implementing a private sector support programme, starting a regional arbitration court, and putting in place a common industrial policy and a regional quality policy.

Statistics and economic issues: The General Secretariat plans to extend its programme to other sectors, particularly the environment and the social sector, so it can effectively monitor member states’ commitments.

Environment–climate change: ECCAS will support the development and capacity building of national climate committees and national DRR platforms, ideal frameworks for multi-stakeholder discussions and exchanges for resilient and sustainable development. The Community intends to establish an environmental and vulnerability management databank and a major cross-border virtual emergency response team; promote advanced wood processing in Congo Basin countries; develop timber value chains and non-timber forest products in Central
Africa; support the conservation and sustainable management of forest ecosystems in Central Africa; provide member states with support towards implementing the African land policy; develop and promote the green economy and the blue economy, and the economy of crafts, small businesses, and natural resource enterprises; develop and promote traditional know-how of natural and non-organic natural resources; develop and promote eco-security to combat illegal logging and the illegal trade in natural resources; and operationalisation the Green Economy Fund in Central Africa. These are all geared towards achieving the ambitions of ECCAS in the environmental field.

Social integration: In this area, ECCAS General Secretariat plans to mobilise its partners to:

- Create a regional agency to coordinate employment policies in Central Africa in line with the recommendation of the Extraordinary AU Summit on employment and poverty alleviation.
- Strengthen the mechanisms for cooperation and coordination in the field of health in the Community and, in particular, operationalise the Community Health Fund of Central Africa.
- Apply international health regulations to enhance security against emergent and re-emergent transboundary diseases in the region.

Specific recommendations

The integration process within ECCAS has registered undeniable achievements, but the process is subject to major obstacles that require appropriate and adequate responses. Recommendations to speed up the integration agenda are for ECCAS to:

- Conduct in-depth reflection on the issue of multi-country membership of RECs.
- Establish a regional strategic framework for the protection of mineral resources management.
- Sensitise states to comply with the 0.4% financial strategy for timely settlement of contributions.
- And for member states to:
  - Fully implement the Free Movement Protocol and the Common External Tariff as a way to boost ECCAS intra-regional trade.
  - Strengthen the missions of the various peacekeeping structures to eradicate the frequent internal crises in countries of the region.
  - Build on CEMAC to speed up financial and monetary integration in the region.
CHAPTER 6: COMMUNITY OF SAHEL-SAHARAN STATES (CEN-SAD), A COMMUNITY IN SEARCH OF ITS BRANDS

CEN-SAD at a glance, Source: AUC 2018.

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<td>1998</td>
</tr>
<tr>
<td><strong>Chief executive</strong></td>
<td>Ibrahim Sani Abani</td>
</tr>
</tbody>
</table>
CEN–SAD is one of the RECs created after the Abuja Treaty to implement the six steps leading to the establishment of AEC. Since its creation in February 1998, has become the largest REC in terms of member countries.

CEN–SAD’s main task is the socio-economic development of its member states, and to achieve this it has built its strategy around agriculture, industry, energy, trade, finance, infrastructure, social development, culture and health.

**Achievements of CEN–SAD**

CEN–SAD has developed several projects and programs in the sectors where it aims to achieve integration and development, and it has made progress in all of them.

**Social integration**

CEN–SAD benefits from the achievements of ECCAS and ECOWAS with which it has member states in common. Of the 24 current CEN–SAD member states, 15 are from ECOWAS and ECCAS. Both these RECs have worked for free movement of people between states through instruments such as the community passport, and the elimination of visas between some member states. CEN–SAD benefits from this progress. However, CEN–SAD has undertaken initiatives to speed up the free movement of people in its region.

CEN–SAD developed a Free Movement Protocol that has been ratified by 17 member states. The Free Movement Protocol has several phases, ranging from the free movement of officials and international civil servants to the right of establishment and the right of residence. Member states have taken measures to abolish visas for certain categories of individuals, including international civil servants, and for ECOWAS and CEMAC countries there is no visa requirement.

**Productive integration**

The environmental threats to CEN–SAD countries have compelled authorities to engage in environmental protection and management. Member states have adopted a regional environmental management programme that covers several dimensions.

The Rural Development Strategy spells out all environmental and rural development activities and this policy is articulated through the following seven projects and programs:

- **Mapping of agricultural potential.** The project document has been finalised and discussions have started with technical and financial partners—FAO and development banks—for their involvement in carrying out the study.
- **Regional food security programme (PRSA/CEN–SAD).** The first phase of the programme, financed for USD 9.3 million by Libya, was successfully implemented in five member countries—Burkina Faso, Chad, Mali, Niger and Sudan—and an evaluation by the government of Libya, CEN–SAD and FAO showed that people’s food security and income have improved. The second phase took place in the first five beneficiary countries and in seven additional vulnerable member states—Benin, Central African Republic, Eritrea, Guinea Bissau, Senegal, Sierra Leone and Togo.
- **PANSPS/CEN–SAD project.** CEN–SAD organised capacity-building activities in five of its member states—Burkina Faso, Mali, Mauritania, Niger and Senegal—as part of a continental project for African states to participate in standard setting in the sanitary and phytosanitary field. In collaboration with IBAR, the project organised workshops in Bamako and Ouagadougou, and brought together more than 50 national experts to adopt guidelines for establishing and revitalising national committees, and to discuss topics involving risk analysis, cost-benefits and negotiation in the field of sanitary and phytosanitary standards. CEN–SAD, with the support of the project, international observer organisations and the WTO sanitary and phytosanitary standards committee, obtained observer status to participate in their statutory activities and
defend the interests of its member states.

- **Regional animal health programme.** The terms of reference for this programme have been set so that livestock vaccination campaigns can be carried out in Burkina Faso, Chad, Mali and Niger. Discussions have started with the Inter-African Bureau for Animal Resources about conducting the study.

- **CEN–SAD Monograph of Water Resources.** The monograph project will foster knowledge of the water resources in CEN–SAD region to optimise planning and valuation of the resource. The project has an estimated budget 1.15 million Euros, and it is expected to be jointly financed by CEN–SAD and its partners. Following a request to AfDB for financing, the project was eligible for African Water Facility resources. The project is supported financially by the AfDB and through the cooperation of OSS the other RECs in the area—AMU, CEMAC, ECCAS, ECOWAS and UEMOA.

- **Great Green Wall programme in the Sahel and the Sahara.** The Great Green Wall initiative—first taken up by CEN–SAD and then by the African Union—fights against desertification and promotes socio-economic development in vulnerable areas in the Sahel and the Sahara. Efforts of stakeholders to define the programme’s concept were streamlined leading to the adoption in May 2008 of an action plan 2008–10 to be implemented by the African Union and CEN–SAD, in close collaboration with Senegal, OSS and Permanent Inter-State Committee for Drought Control in the Sahel (CILSS). A funding request was prepared with the technical support of FAO and submitted to the European Union Commission for financial resources to start activities. The budget for the plan is estimated to be $2.7 million. CEN–SAD General Secretariat received the support of both Senegal and Chad, in this regard.

- **Financing and partnership platform.** Aware of the importance of funding, CEN–SAD, with the support of the Global Mechanism of the United Nations Convention to Combat Desertification, undertook studies on how to mobilise financial resources for rural development and natural resource management. A technical workshop in Tripoli in June 2009, in which the Global Mechanism, OSS, UEMOA, BADEA, the Sahel Club and independent experts participated, led to the adoption of the technical and organisational content of the platform. A two-year action plan assesses priority funding and capacity-building needs of member states. The budget is estimated at USD 400,000.

**Trade integration**

A decision was taken at the 9th CEN–SAD Summit to create a free trade area in the region, a customs union between CEN–SAD countries, and an environment conducive to investment by signing a convention to protect member state investors. In a declaration at the summit, CEN–SAD’s leaders committed to conduct studies on unifying their countries monetary and investment policies, to focus efforts on developing manufacturing, and to move to exporting value-added products. Studies are still under way on harmonising regional trade policies. And a study was completed that proposed implementation scenarios.

Since its establishment CEN–SAD has implemented sectoral policies and programs to boost regional integration. Several legal and policy instruments have been developed—the Mechanism for Conflict Prevention, Management and Resolution, the Cooperation and Security Agreement, the Convention on Transport and Transit Cooperation, and the Maritime Transport Cooperation Agreement.

**Infrastructure integration**

CEN–SAD has an infrastructure action plan covering all areas of transport. Assisted by ECA,
AfDB and NEPAD, CEN–SAD has construction and improvement programs for neighbourhood interconnection roads. The Trans-Sahara highway project Al Kadhafi is run by CEN–SAD, and a collaborative regional study of major access improvement road corridors was launched.

CEN–SAD has implemented a railway project, Libya–Niger–Chad, that was conceived by the Libya High Authority of Railways. It is has committed to the Maghreb railway project—Tunis–Tripoli–Cairo—as well as the AFRICARAIL project.

With support from Morocco, the General Secretariat has developed a preliminary draft of six complementary proposals for the Community Integration Plan. These are:

- Develop a comprehensive directory of the best energy and mining sector opportunities for intra-CEN–SAD cooperation.
- Organise training and internship modules on LPG, oil exploration and production, transport, electricity distribution, renewable energy, and mining techniques.
- Organise a meeting of CEN–SAD national hydrocarbons officials and a workshop to share experiences and know-how on mining legislation and regulations. This was facilitated by Morocco and the meeting was held in December 2010 in Rabat and the workshop in March 2011.
- Create a renewable energy and energy efficiency development centre.
- Digitise the CEN–SAD geological and mining map space on scale 1/1,000,000.
- Conduct a study identifying areas of complementarity and synergy among member states to facilitate trade in mining products.

Financial and Monetary Integration

CEN–SAD established a regional bank—the Sahel-Saharan Bank for Investment and Trade (BSIC)—to support integration and development in the member states. This bank has a presence in 14 member countries.

CEN–SAD has undertaken studies on harmonising financial, monetary and banking policies between the countries of the region. And it also benefits from the efforts of CEMAC and UEMOA.

Political and Institutional Integration

Peace and security are crucial dimensions of CEN–SAD’s mission as it considers these to be prerequisites for economic, social and cultural development in the region.

Since its establishment, CEN–SAD has worked to improve the climate of peace and security among member states. A Peace and Stability Charter was signed on 5 February 2000 by all CEN–SAD member states. A Protocol on Conflict Prevention, Management and Resolution Mechanism and a Security Cooperation Convention were signed by 22 member states at the during its 6th Summit of Heads of State and Government. The Mechanism’s purpose is to promote peace and security in the Sahel-Saharan community in accordance with the Charter of the United Nations and the Protocol Relating to the Establishment of the Peace and Security Council of the African Union. Member states have set up a CEN–SAD anti-terrorist centre in Egypt.

Challenges of CEN-SAD

CEN–SAD is an REC with many ambitions for the new millennium. It has a vision to fast-track the socio-economic development of the region while ensuring and guaranteeing peace and security. Thus the Community wasted no time to develop initiatives to achieve this vision. The outcomes show that CEN–SAD had significant successes. However, there are still several objectives left to achieve, namely the free trade agreement and the customs union. And in implementing strategies to accelerate integration, CEN–SAD is constantly faced with challenges and obstacles.

Organisational and Operational
Challenges

Since Libya’s socio-political crisis in 2011, CEN–SAD has faced numerous operational difficulties. No summit of Heads of State and Government has been held since 2013. Since 2011, CEN–SAD no longer occupies its headquarters, and this makes the daily operations of the Secretariat difficult. The current challenge is revitalising meaningful involvement of the member states in the implementation of already adopted programs and plans.

CEN–SAD is subject to the difficulties associated with member states’ multiple memberships in other RECs. Although this is now an asset, it will be challenging when CEN–SAD works towards closer integration through a free trade agreement and a customs union.

Financial Challenges

Funding CEN–SAD is a challenge that impedes the Community’s commitment to implementing its strategies. Several activities are in jeopardy as funding has been halted either by partners or because of non-payment of contributions by member states. Lack of resources mean that infrastructure projects cannot be completed and CEN–SAD cannot carry out its statutory integration objectives.

Political, Peace and Security Challenges

The major political, peace and security challenges require leadership that promotes political commitment at the level of heads of state and government. CEN–SAD’s five- and ten-year priorities need to be redefined so that they are in line with its vision and the new dynamics of the region. There is a need for new strategies to implement plans and programs to change the status quo of the institution.

The many crises in the region have undermined peace and security, and exacerbated irregular migration and human trafficking. It is crucial for CEN–SAD to define a strategy to address these problems, as a lack of action will be disastrous for the states.

Terrorism is a challenge affecting the functioning and development of CEN–SAD. With the crises in Burkina Faso, Libya, and Mali, and the Arab Spring, the region has seen the emergence of groups operating on the altar of Islamist-terrorist activism. Terrorism has become implanted in the region. Several countries are subsumed by arms trafficking, and by the rise of nationalism and religious activism amongst their peoples. There is the need for regional programs to combat these scourges that are weakening regional integration and slowing CEN–SAD in implementing its projects.

Other Challenges

CEN–SAD is threatened by drought and aridity and their ecological, socio-economic and political consequences are numerous for the member states.

CEN–SAD faces challenges in its mission of joint development of the resources, energy and mineral potential of the region. These resources are coveted by other global players who do not hesitate to stir up internal conflicts and crises and to provoke others to impose rules of the game detrimental to CEN–SAD member countries.

The Executive Secretariat has a staff challenge and there is an urgent need for mass recruitment to fill the gaps.

For over five years, CEN–SAD has experienced a lack of enthusiasm on the part of some member states. Four member states, including Kenya, have exited. A crisis management committee is needed to address CEN–SAD’s challenges so that it can regain unity and the lustre of its past.

Despite all the difficulties that undermine the process of regional integration within CEN–SAD, it remains attached to its vision. For the coming years CEN–SAD has defined a number of perspectives in its strategy, which was defined by the N’Djamena Declaration and the revised treaty of February 2013. The strategy is articulated around two areas:

- Promotion of peace and security in the Sahel-Saharan region.
- Promotion of sustainable development.

These two main areas involve the following actions:

- Establishing a strategy-based global economic union through a development plan
complementary to the national development plans of the countries concerned, and that encompasses investment in agriculture, industry, energy and the social and cultural fields.

- Removing restrictions that hinder interaction among member countries.
- Allowing the free movement of persons, capital and interests of member states’ nationals.
- Allowing freedom of residence, ownership and the exercise of economic activity.
- Allowing freedom of exchange and circulation of goods, products and services originating from the signatory countries.
- Promoting foreign trade through investment policies of member states.
- Growing land, air and maritime transport and communications between the member states through joint projects.
- Recognising for the nationals of other member countries the same rights, benefits and duties accorded to their own citizens in accordance with the provisions of their respective constitutions.
- Harmonising educational, scientific and cultural systems at various levels.

**Specific Recommendations**

Since the outbreak of the Libyan crisis in 2011, the process of integration within CEN–SAD has slowed. Despite the ambition nurtured by the organisation at its inception, many obstacles arising from this period continue to affect integration.

A number of recommendations can help stakeholders speed up CEN–SAD’s integration process. CEN–SAD should:

- Invite member states to discuss the headquarters of CEN–SAD so that Secretariat can resumes its activities.
- Invite states to engage in the fight against the insecurity and the ongoing terrorism in the region.
- Invite the states to hold a Summit of Heads of State to brainstorm a CEN–SAD recovery plan.
CHAPTER 7: COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA), MODEL OF DIVERSIFIED INTEGRATION

<table>
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<td>Chief Executive</td>
<td>Chileshe Mpundu Kapwepwe</td>
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COMESA at a Glance, Source: AUC 2018
The decision to establish a sub-regional economic community for Eastern and Southern Africa region was recommended in March 1978 at a meeting of Ministers of Trade, Finance and Planning in Lusaka, Zambia. The sequential approach that was adopted envisaged the implementation of a sub-regional preferential trade area that would be gradually updated over a period of ten years in view of a common market and a real economic community. To this end, the meeting adopted the “Lusaka Declaration of Intent and Commitment to the Establishment of a Preferential Trade Area for Eastern Africa and Southern Africa” (PTA) and also created an Inter-governmental Negotiating Team on the Treaty for the establishment of the PTA. The meeting also agreed on an indicative time-table for the work of the Inter-governmental Negotiating Team.

On 21 December 1981, the PTA Treaty was signed by the Heads of State and Government of Eastern and Southern Africa. The Treaty entered into force on 30 September 1982, after having been ratified by more than seven Signatory States as provided for in Article 50 of the Treaty. It is important to underline the fact that the establishment of the PTA and its transformation into COMESA, was in conformity with the objectives of the Lagos Plan of Action (LPA) and the Final Act of Lagos (FAL) of the Organization of African Unity (OAU). The two regional cooperation frameworks (LPA and FAL) envisaged an evolutionary process in the economic integration of the continent, in which regional economic communities would be key elements, with a view to the eventual establishment of an African Economic Community (AEC). Up until the 1980s and early 1990s, most COMESA countries followed an economic system that involved the State in nearly all aspects of production, distribution and marketing, leaving the private sector to play a minor economic role.

On 5 November 1993, the Treaty on the Transformation of the PTA into a regional economic community was signed in Kampala, Uganda and by 8 December 1994, the Treaty was ratified by 12 of the 19 member states, therefore marking the establishment of COMESA effective.

According to its founding texts (Treaty and Protocols), the objectives of COMESA aim to:

- Attain sustainable growth and development of the member states by promoting a more balanced and harmonious development of its production and marketing structures.
- Promote joint development in all fields of economic activity and the joint adoption of macro-economic policies and programmes to raise the standard of living of its people and to foster close relations among its member states.
- Co-operate in the creation of an enabling environment for foreign, cross border and domestic investment including the joint promotion of research and adaptation of science and technology for development.
- Cooperate in the promotion of peace and security and stability among the MS in order to enhance economic development in the region.
- Co-operate in strengthening the relations between the common market and the rest of the world and the adoption of common positions in international fora.
- Contribute towards the establishment, progress and the realisation of the objectives of the African Economic Community.

Achievements of COMESA

Social Integration

In social affairs, the focus is on gender, youth and social development. These areas are seen as another dimension of integration in which COMESA has also developed projects. The flagship projects on gender and social affairs include: the 50 Million African Women Speak (50MAWS) Project, the COMESA Women’s Economic Empowerment Fund (WEEF), COMESA’s online courses and training programme on trade and gender, COMESA Youth Programme, COMESA Social Charter and small-scale cross border trade programme.

The objectives and vision of COMESA are expected
to be realised with the implementation of different programmes that do not only focus on economic integration but also gender equality, women and youth empowerment and social development. These programmes bring into the COMESA programme, the human aspect of regional integration.

**Gender equality and women’s economic empowerment.** In 2016, a project coordinated by the COMESA Secretariat and supported by the African Development Bank (AfDB), entitled 50 million African Women Speak (50MAWS), was launched in partnership with the EAC and ECOWAS. The three-year (2017–20) project is implemented in 38 countries (17 from COMESA, 6 from EAC and 15 from ECOWAS) at a cost of 8.82 million AfDB units of account, or approximately USD 12 million. The aim of the project is to contribute to the economic empowerment of women through the provision of a networking digital platform enabling them to access financial and non-financial information services, including the sharing of good practices and experiences, mentoring, market access, etc.

- The project is expected to reach 50 million African women in the business through the information and networking platform. This will contribute to the achievement of the economic empowerment of women objectives of the COMESA’s Gender Policy, the African Union’s Agenda 2063 and the United Nations Agenda 2030 for Sustainable Development.
- The project works with country teams, comprised of representatives from the public, private and civil society sector, to facilitate project implementation through content development and management. The country teams are led by the ministries responsible for Gender and Women’s Affairs with the active participation of ministries of trade, Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM). In 2017, the project implementation units (PIUs) in the three regional economic communities (RECs) were set up to coordinate the implementation of the project.

- Several other projects aimed at regional gender integration have been developed and are being implemented. These are the COMESA Women’s Economic Empowerment Fund (WEEF), support for small scale cross border trade, gender capacity building that include the development of guidelines for gender mainstreaming in different sectors, and training of professionals on gender mainstreaming in policies and programmes.

**Youth empowerment.** In terms of initiatives and achievements relating to youth, in 2015, COMESA adopted a Youth Programme, to promote youth empowerment in the region, with support from UNIDO and Global Peace Foundation. The youth programme is implemented by member States. COMESA Member States Report on the implementation of the programme. In 2017, six member States (Egypt, Ethiopia, Malawi, Mauritius, Sudan and Zambia) reported on national initiatives related to youth empowerment. To address the challenge related to youth un-employment among young college and university graduates in the region, COMESA with support from the United Nations Volunteers (UNV) programme developed and adopted a COMESA youth internship and volunteer programme in 2018. In addition, COMESA signed a MoU with Child and Youth Finance International (CYFI) to implement youth entrepreneurship and financial literacy activities.

In November 2017, the Secretariat, in partnership with UN Women and the Asian Agricultural and Rural Development Organization (AARDO), organised a regional meeting on youth empowerment in Lusaka to promote young women and men’s participation in Agriculture.

**Cooperation on health and addressing epidemics.** The COMESA Regional Health Framework and the HIV and AIDS Policy were developed with support from USAID. The documents were approved by the Council of Ministers at the 36th COMESA Council of Ministers meeting held in Antananarivo, Madagascar, in October 2016. In 2017, the Secretariat disseminated the health and HIV and AIDS policy
frameworks to all member states for implementation. **COMESA social charter.** The COMESA Social Charter was adopted by the Council of Ministers in March 2015 in Addis Ababa, Ethiopia. The Council of Ministers urged member states to sign and ratify the Charter to enable its implementation. The Secretariat circulated the Social Charter to all member states for signature and ratification. Since 2015, the Secretariat has undertaken sensitisation missions to thirteen member states—Burundi, Comoros, DR Congo, Djibouti, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Eswatini and Zambia. Four member states—Madagascar, Malawi, Mauritius and Seychelles—have since signed the Charter. In 2016, the Council of Ministers decided that the signing of the Social Charter should be a standing agenda item of every Summit of the COMESA Heads of State and Government to encourage member states to sign the Charter. In accordance with Article XIX of the COMESA Social Charter on Adoption and Entry into Force, the Charter enters into force when it is ratified by at least eleven signatory States.

At the level of educational and university institutions, the progress achieved is considerable. COMESA is in the process of creating a virtual university. The university currently has a virtual collaborative master’s degree programme in regional integration, with a platform hosted by Kenyatta University in Kenya, with 21 other universities expected to collaborate. Discussions between member states and experts from 22 universities in the 21 COMESA member states contributed to the development of the course structure, curriculum and teaching modules. This was done in a consultative workshop. There has been the drafting of agreements on a regional university.

COMESA has signed a memorandum of understanding with the host university and is in the process of signing it with partner universities. The master’s programme was developed through a consultative process and a university subcommittee of all universities was formed.

With regard to the free movement of persons, COMESA adopted two protocols, namely the COMESA protocol on the gradual relaxation and eventual elimination of visa requirements (Visa Protocol), which entered into force and is being applied by all member states, and the COMESA protocol on the free movement of persons, labour, services, right of establishment and residence (Free Movement Protocol), which has so far been signed by four countries and ratified by one.

However, almost all member states benefit from a visa waiver with other member states on a reciprocal basis. However, Article 164 of the COMESA Treaty provides that member states may take individual, bilateral and multilateral measures to implement the Free Movement of Persons Programme. For this purpose, about four COMESA member states have reduced visa requirements for all Africans, namely Kenya, Mauritius, Rwanda and Seychelles. There is yet no community passport within COMESA that can facilitate the movement of persons. However, there is a fully recognised COMESA Passport which is fully accepted in all member states to facilitate free movement of COMESA Staff. Social integration is mentioned in both Community protocols. Indeed, the concepts of right of residence, right of establishment and access to land are taken into account in these protocols. At present, the protocol that deals with most of these concepts having been ratified by only one country.

COMESA focuses on the full implementation of the Protocol on the Progressive Relaxation and Possible Elimination of Visas through programmes to promote good governance and migration management in order to address the challenges faced in the implementation of the Protocol. Activities to be carried out under the programme include raising awareness of the two legal protocols on visas and the free movement of persons, the creation of a regional migration database for evidence-based migration policies and a related information-sharing mechanism associated with capacity-building in data collection, analysis and management. COMESA aims to develop a corporate visa; this project, which is in its final phase, will be continued in the coming years.
Productive Integration

Under productive integration COMESA gives priority to the investment promotion, comprehensive agriculture development, industrialisation and mining sectors.

Investment promotion integration. To facilitate the free movement of capital goods and investors, COMESA Heads of States, endorsed in 2018 the revised COMESA Common Investment Area (CCIA) Agreement and opened it for signature to member states.

The revised CCIA Agreement covers among others, the following consideration areas: (a) linking Foreign Direct Investment (FDI) and Sustainable Development Goals (SDGs); (b) rights for the host country to regulate; (c) balance between the rights and obligations of investors and host countries; (d) scope of investments to be protected by excluding some types of investments given an increase number of claims at the international Centre for Settlement of Investment Disputes and other international arbitration fora; (f) limitation of “Treaty shopping” practices on the investor’s side and the scope of fair and equitable treatment; (g) clear scope of indirect expropriation and (h) limitation of recourse to the international arbitration mechanism before exhaustion of existing local and regional (COMESA Court of Justice) remedies mechanisms.

The CCIA Agreement is also a reference basis that COMESA member states are using for negotiation of bilateral investment treaties with the non-COMESA countries.

Industrial development strategy. Following the adoption by the Authority of the COMESA Industrial Strategy in Addis-Ababa, Ethiopia in March 2015, the Secretariat prepared its implementation strategy that was considered by the Ministers responsible for Industry and further, adopted by the Council of Ministers in September 2017, in Lusaka, Zambia.

This strategy document is in line with Article 99 of the COMESA Treaty that focuses on cooperation in industrial development to achieve the following objectives:

- Promote self-sustained and balanced growth.
- Increase the availability of industrial goods and services for intra-Common Market.
- Improve the competitiveness of the industrial sector thereby enhancing the expansion of intra-regional trade in manufactures to achieve structural transformation of the economy that would foster the overall socio-economic development in member states.
- Develop industrialists that would acquire ownership and management of the industries.

The strategy focuses on nine key priority areas: agro-processing, energy, textile and garments, leather and leather products, mineral beneficiation, pharmaceuticals, chemicals and agro-chemicals, light engineering and the blue economy. These focus areas have been identified as those that will have the greatest impact on the sustainable and inclusive economic growth to attain a structural transformation of the economies of COMESA member states.

The COMESA industrial strategy (2017-2026) is also in line with the COMESA medium term strategic framework. The strategy is informed by two models of industrialisation, the natural resources-led and the human resources-led model or a combination of the two, depending of the country’s particularity.

Broad specific targets of the COMESA industrial strategy are the following:

- Diversifying the manufacturing base to reduce imports of value added agricultural and resource-based commodities by at least 15% in 2025 from the current estimate of 7%.
- Increase in value addition activities as a percentage of GDP by at least 20% by 2025 from the current estimate of 9%.
- Increase intra-regional manufactured exports relative to total manufactured imports to the region to at least 25% by 2026 from the current 7%.

The broad strategic policy interventions will include: (i) promoting investment in green technologies to ensure environmental preservation; (ii) increasing the manufacturing base and product diversification.
by promoting key priority sector; (iii) =strengthening value addition and value chains at both national and regional levels as a way of economic transformation and employment creation; (iv) strengthening national and regional human and institutional capacities to enhance competitiveness of the industrial sector; (v) promoting and enhancing MSMEs/MSMIs industrial competitiveness in the member states; (vi) creating and strengthening region’s capacity for innovation and effective application of science and technology in industrialisation; (vii) promoting labour intensive industries that generate employment opportunities; (viii) empowering women and youth through activities that increase their income and contribution to national and regional industrialisation efforts; (ix) expanding trade and market access for manufactured products in the region; and (x) encouraging cooperation between member states to combat illicit trade and counterfeiting.

In addition, this strategy outlines eight enablers for its successful implementation. These include: infrastructure development; enabling legal, regulatory and institutional business environment, access to finance; standardisation, quality assurance and quality management systems, establishment of industrial parks–clusters–special economic zones; linking science, technology and innovation (STI) to industrial development, promoting the use of diaspora resources and promoting local content and local sourcing.

It is in the context of industrial development that COMESA initiated the SMEs clusters in three pilot sectors, namely, agro-processing, leather and leather products, and cotton-to-clothing value chains that are being implemented by member states the regional integration support mechanism (RISM) in selected countries. The programme has been implemented with the technical support from African leather and Leather Products Institute (ALLPI), International Trade Centre (ITC), UNCTAD, FAO, African Cotton and Textile Industries Federation (ACTIF).

Integrated agriculture development. Agriculture is one of the main economic activities in COMESA. The sector accounts for more than 32% of COMESA’s gross domestic product (GDP), provides a livelihood to about 80% of the region’s labour force, accounts for about 65% of foreign exchange earnings and contributes more than 50% of raw materials to the industrial sector.

COMESA began implementation of CAADP in 2006, with the objective of supporting member states roll out the continental programme and achieve the overall targets of inclusive and evidence-based agricultural policies and strategies. National compacts delineated the policy consensus and agricultural investment programmes, generally known as National Agriculture and Food Security Investment Plans (NAIPs), provided the detailed and bankable programmes. The overall targets were achievement of a minimum 6% agricultural annual growth and the allocation of at least 10% of annual budgets to the agricultural sector.

CAADP implementation in the COMESA region made good progress and provided lessons for other RECs to learn from. It followed CAADP principles and values of inclusiveness, evidence-based planning, monitoring and evaluation, peer review mechanisms, capacity strengthening at national and regional levels and provided a forum for dialogue and collaboration among all stakeholders and development partners. Some of the achievements follow below.

At the national level, 15 out of 19 member states signed the CAADP Compact, with Comoros, Egypt, Eritrea and Libya as the only countries that have not progressed beyond the official CAADP endorsement and launch. Of the 15 member states, 12 have progressed well in developing and completing their National Agriculture and Food Security Investment Plans (NAIPs) that are currently under implementation. These include Burundi, Djibouti, DR Congo, Ethiopia, Kenya, Malawi, Rwanda, Seychelles, Sudan, Eswatini and Zambia. Madagascar has completed formulation of their NAIP but the technical review by independent experts is yet to be conducted. USAID support was cardinal in NAIP development in Djibouti, Madagascar, and Seychelles. In addition, COMESA supported mobilisation of a total of USD 253.8 million from the Global Agriculture and Food Security Programme (GAFSP) for NAIP implementation in seven member states.

At the regional level, the COMESA Regional
CAADP Compact was designed in an all-inclusive process and successfully signed in November 2014. Programme design for the first regional investment programme in agriculture (RIPA), a Dairy platform started in 2015. Regional CAADP implementation was extensively supported by USAID support, via the integrated partnership assistance agreement (IPAA). Additionally, IPAA enabled the inaugural regional agriculture investment forum of COMESA in 2014. In the same vein of resource mobilisation, the COMESA regional agriculture investment plan (COM-RAIP) has been developed with the technical support of FAO and is aligned to the Malabo Declaration.

**Mining development integration.** COMESA member states are endowed with many mineral resources that can be processed as inputs in the manufacturing sector or exported in refined form thereby earning more revenue in the international market. However, almost all of COMESA’s mineral wealth is currently exported as ores, concentrates, alloys or metals with little value addition. This has led to the export of labour to other regions.

The COMESA industrial policy and strategy advocates to promote partnerships between member state governments and private investors in mineral exploration, mining and mineral beneficiation. This will bring with it forward and backward linkages within the mining sector itself and also with other sectors. Further, COMESA Secretariat and member states should use technical support from institutions such as African Mining Development Centre (AMDC), Economic Commission for Africa (ECA) among others to build required capacity for mineral beneficiation. It is recommend that Member States with the facilitation of the COMESA Secretariat should develop a policy that harmonises the exploitation of minerals in the region.

Mineral sector can help some endowed COMESA member states to move onto a fabricated metal-driven industrialisation path gradually and shift production priority in the direction of more sophisticated products and reduce their production intensity of lower-sophistication products. To avoid mid-income trap, they are supposed to improve productive capacity and diversify economic structures.

COMESA signed a Memorandum of Understanding (MoU) with the Government of Western Australia in Lusaka, Zambia, on 31st January 2014 that establishes a framework for the cooperation between COMESA member States and the Government of Western Australia in mineral and petroleum resources, agriculture, vocational training and capacity building. The purpose of this MoU is to establish a working relationship between the two parties based on equality, overall reciprocity and mutual benefit. The MoU was renewed in February 2018.

The cooperation includes the following areas of interest: Information sharing on the development and administration of mining and petroleum policies, legal and regulatory frameworks in COMESA member states, particularly in the areas of development of title management systems, special agreements, ownership of minerals, administration of royalty regimes, community development agreements and regulation of safety and environmental performance; training and human resources development in geosciences and the regulation of minerals and petroleum sectors; Encouragement of exchange of faculty, researchers and graduate students at the tertiary level.

A joint working group to identify opportunities and plan and coordinate the implementation of the above areas was established. The joint working group meets every year.

In-country mining policy workshops supported by the Department of Foreign Affairs and Trade (DFAT) of Western Australia were held in Madagascar, Zambia, Zimbabwe, Ethiopia, Tanzania, Kenya and Uganda. In 2019, interest has already been expressed by the Democratic Republic of the Congo, Mauritius and Morocco.

The workshops are a good initiative and a useful introduction to leading mining policy and regulatory practices. However, their effectiveness could be improved by ensuring the appropriate attendees from Mining Ministries, inviting stakeholders from local and regional government, and industry, as well as tailoring content to the needs of individual countries.

**Trade Integration**

COMESA has designed and implemented various
trade integration programmes and Instruments related to free trade area, custom union, trade facilitation and transit facilitation including coordinated border management through one stop border posts, the resolution of non-tariff barriers to trade, the digital free trade, and policy research and innovation award programmes.

**Establishment of COMESA FTA.** COMESA member states established a free trade area (FTA) on 31 October 2000 after a sixteen-year period of progressive trade liberalisation through reduction of intra-COMESA tariffs. The COMESA rules of origin are used to determine whether goods produced in the COMESA region are eligible for preferential treatment within the FTA. The COMESA rules of origin have five criteria, and goods are considered as originating if they meet any of the five: the goods should be wholly produced, the CIF value of any non-originating material should not exceed 60% of the ex-work price of the goods, goods must attain the value added of at least 35% of the ex-factory cost of the goods, goods should fulfil the CTH rule, and goods must have importance to the economic development of the member states and should contain not less than 25% of value added.

As of January 2019, 16 countries are participating in the Free Trade Area. The other three member states, namely Ethiopia, Eritrea and Eswatini are at different levels regarding their participation in the FTA. According to COMESA statistics, intra-COMESA trade has grown at average of 7% every year since the establishment of the free trade area with a higher increase reflected between the intra-FTA states.

COMESA developed also the simplified trade regime (STR) that was launched in in 2010 in recognition of that cross-border trade constitutes a significant component of trade in the region. The STR is a cross-border trade regime for small-scale traders importing and/or exporting goods worth USD 2,000 or less, which are on the Common list of eligible products negotiated and agreed by the two neighbouring countries. The STR aims to formalise informal cross-border trade by putting in place instruments and mechanisms tailored to the trading requirements of small-scale traders that are decentralised to border areas where informal trade is rampant with the view to facilitate ease of access by small traders.

The STR reduces costs for small traders and increases the speed of crossing the border by the use of a simplified certificate of origin and a simplified customs document as well as simplified customs clearance procedures. The trade information desk officer has been deployed at some border posts to assist small scale traders with information on border crossing procedures and form filling. As of January 2019, Eight COMESA member states are implementing the STR. These are Burundi, DR Congo, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe.

The COMESA Secretariat designed Cross Border Trade Initiative Programme under the EDF 11 cycle of funding from the EU, a programme of 15 million euro had been developed that will focus on the small-scale cross border trade that includes expanding and reviewing the STR implementation. In addition, under to the Great Lakes Trade Facilitation Project funded by the World Bank, COMESA is working to extend the STR to include trade in services. The project targets some of the most vulnerable groups in the Democratic Republic of Congo and the border regions of neighbouring countries (DR Congo, Burundi, Rwanda, Uganda and Zambia). The project supports regional peace and stability through programs to improve livelihoods in border areas, promote cross-border trade, and strengthen economic interdependence.

**Establishment of Customs Union.** The COMESA Heads of State and Government Authority launched a customs union in July 2009 to deepen the integration of economies in the region and to facilitate intra-regional trade and development. In this regard, the COMESA Treaty Article 4 (1a) obliges member states to adopt a common external tariff (CET) as part of their undertaking under the Treaty. During the launch of the customs union, member states were given a transition period of three years to start aligning the national customs laws with the customs management regulations regional customs law, their tariff books with the common tariff nomenclature as the harmonised system for coding and tariffs with COMESA CET{\textsuperscript{1}}.

1 The timeline was later extended to 2015 due to
For the common market customs management regulations (CMR), a gap analysis study (in 2014) between the CMR and the national customs laws of eighteen COMESA member states highlighted the concrete level of alignment between the COMESA CMR and the respective national customs legislation of the member states. The member states registered an overall average CMR alignment of 98.33%.

For the common tariff nomenclature (CTN), 18 member states aligned their tariff nomenclature to the COMESA CTN at an average of 69%. This is an improvement from 2015 when 11 member states had aligned their nomenclature by an average of 62%.

Although significant progress has been made in implementing the road map particularly in the development and implementation of the CTN and CMR. Outstanding issues still remain on the CET, 18 member states aligned their tariff to CET by an average of 34%.

The 36th Council of Ministers meeting adopted the transposed CTN to HS2017 edition and requested member states to transpose their Tariff Books to the HS 2017, taking into account their migration to the COMESA CTN/CET.

Trade Facilitation. COMESA has developed many trade facilitation tools and adhered to many international instruments. The WTO Trade Facilitation Agreement (TFA) entered into force on 22 February 2017 when the WTO obtained the two-thirds acceptance of the Agreement from its 164 Members. Currently, 14 of 19 COMESA Members are members of the WTO and three are observers to the WTO membership. As of January 2019, 10/14 Members states (except Burundi, DR Congo, Egypt and Zimbabwe) ratified the TFA. In sum, their notification levels are Category A (13 MS), B (7 MS) and C (7MS). All the member states (14) have established National Trade Facilitation Committee–NTFC or equivalent national trade facilitation body.

Twelve member states have so far signed the Revised Kyoto Convention (RKC), the mother document for drafting national customs laws. However, three member states (Burundi, Comoros and Djibouti) have no formal accession process started. One implementation challenges some member states were facing.

Member State (Ethiopia) is in the process of review for accession package and Eritrea has officially requested the WCO in December 2016 for technical assistance with the view to creating awareness on developments brought by the RKC and on how to expedite the country’s accession process to the RKC.

The COMESA-Customs Document was officially adopted by COMESA at the Council of Ministers’ meeting in April 1996. The Secretariat runs training courses for Customs officials in other COMESA countries on how to use the COMESA-CD as part of a programme to harmonise customs and trade statistics systems (including ASYCUDA²).

The COMESA member states agreed on the use of information technology that the competent authorities shall, as far as is practicable, make use of information and communication technology in support of their prevailing customs procedures with a view to attaining: more effective customs procedures; more effective customs clearance; uniform application of these regulations; more efficient revenue collection; more effective data analysis; efficient production of external trade statistics; and improved quality of data. They also agreed on the use of electronic signatures, related certificates and their admissibility in evidence.

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Egypt, Mauritius and Kenya that use other custom management systems) use similar ASYCUDA-EUROTRACE (ASYCUDA ++ or ASYCUDA World) and most of them, except two (Eritrea and Comoros) have a centralised server and 11 of 16 of the ASYCUDA users are migrating or have already migrated to ASYCUDA World, a web-based customs system. Article 1 of the WTO Trade Facilitation Agreement (TFA) requires member countries to publish and make readily available their information through publication, the internet, enquiry points, and notification3. The main obligations here are that member states are required to publish promptly a wide range of specific information related to the requirements and procedures for clearing goods for import or export. Currently, it has been established that since all the COMESA member states, except Eritrea, have a revenue authority/customs website the issue of publication and availability of information through the internet would not be a challenge for most of the member states in the COMESA region. Currently, 9 of 14 member states have established a trade facilitation portal while three member states are establishing them. Non-WTO members like Ethiopia and Sudan are developing their own portals. The nature of the established TIPs is developed either as a standalone portal or built in with the national electronic single window system. COMESA member states, with the use of ASYCUDA ++ or ASYCUDA World or other alternative automated customs management systems use an automated risk management system that covers the whole declaration-processing path, including cargo and transit.

COMESA member states agreed that customs authorities, if necessary, following consultation with other competent authorities may grant, subject to the criteria, the status of authorised economic operator (AEO) to any economic operator established in the customs territory. The AEO has the right to benefit from facilitation with regard to customs controls relating to security and safety and from simplifications provided for under the customs rules. On the status of implementation, it is noted that 12 member states have implemented recognition of authorised economic operators. Namely; Burundi, Djibouti, Egypt, Ethiopia, Kenya, Mauritius, Madagascar, Rwanda, Sudan, Uganda, Zambia and Zimbabwe. However, even the names of the simplified programme, selection criteria, the scope of the sectors and the benefits that accruing to the AEO seem to differ from country to country. It is encouraging progress that most of the member states are implementing in line with the spirit of the AEO in the COMESA CMR. For instance, among the member states, Zambia offers the Customs Accredited Client programme, under which some transporters are given special treatment including: Proceed on special

4 United Nation Centre for Trade Facilitation & Electronic Business) (UN/CEFACT) definition, 2005).
clearance, to pay duty within five days (credit facility), and post inspection audit.

COMESA has adopted one-stop border posts (OSBPs) as part of its corridor strategy to address congestion at border stations along major traffic corridors to complement other transit instruments and cross border transport facilitation programmes. The OSBPs play a critical role in improving border station performance within the corridor framework through significant reduction in delays at the border and savings on truck costs.

The main pillars of OSBP include the legal and institutional framework for OSBP operations, simplification and harmonisation of border procedures, hard infrastructure, ICT and data exchange, cross border procedure, and operation and management of OSBP. The basic activities in developing/implementing OSBP include: Pre-feasibility study for the proposed OSBP development master plan; training relevant key stakeholder staff on coordination and joint border programmes; preparation of relevant legislation/MoU to support OSBP operations; review of the interface of ICT systems between the two countries at the planned OSBP; design of traffic circulation system; development of standard operating procedures for the planned OSBP.

A number of countries have opted to establish OSBPs, involving closer cooperation between the border agencies operating at a particular border. There are eight operational OSBPs in the region, namely: Chirundu between Zambia and Zimbabwe; Malaba between Kenya and Uganda; Mutukua/Mutukula between Tanzania and Uganda; Ruhwa/Ruhwa between Burundi and Rwanda; Kobero/Kabanga between Burundi and Tanzania; and Kagitumba/Mirama Hills between Rwanda and Uganda; Rusumo between Rwanda and Tanzania; and La Corniche between Rwanda and DR Congo.

There are also six completed OSBPs namely: Nemba between Rwanda and Burundi; Ruhwa between Rwanda and Burundi; LungaLunga/Hororo between Kenya and Tanzania; Taveta between Kenya and Tanzania; Isebania/Sirari between Kenya and Tanzania and Busia/Busia between Kenya and Uganda. In addition, there are two 98% Completed OSBPs at Malaba/Malaba between Kenya and Uganda and at Namanga between Kenya and Tanzania.

Other OSBPs initiatives in the region are at different stages with some under construction: Nakonde-Tunduma between Zambia and Tanzania; Gatuna/Katuna between Rwanda and Uganda. Kasumulu/Songwe between Tanzania and Malawi.

Transit Facilitation. COMESA has developed a panoply of transit facilitation tools including the customs transit guarantee scheme, the yellow card insurance scheme, the road transit charges system, the harmonised axe loading limit, and the virtual trade facilitation system.

The COMESA real-time customs transit guarantee scheme, popularly known as the RCTG-CARNET is a customs transit regime designed to facilitate the movement of transit goods under customs seals in the COMESA region. The RCTG agreement was signed and ratified by 12 COMESA member and non-member states: Burundi, Djibouti, DR Congo, Ethiopia, Madagascar, Malawi, Kenya, Rwanda, Sudan, Tanzania, Uganda and Zimbabwe. Work on developing the modalities of operations and institutional arrangements was

started in 2002 and the implementation of the scheme commenced in 2012.

The objective of customs bond guarantees is to ensure that the government is able to recover duties and taxes from the guarantors should the goods in transit be illegally disposed of for home consumption in the country of transit. COMESA member states agreed to introduce a regional customs bond guarantee scheme to address the difficulties experienced by transport operators, freight forwarders and clearing agents and at the same time to offer customs administrations a secure regional system of control replacing the nationally executed practices and procedures. At the same time to help protect the revenue of each State through which goods are carried.

On the membership of RCTG Scheme, thirteen (13) COMESA Member and non-member states were party to the Scheme, namely: Burundi, Djibouti, DR Congo, Ethiopia, Madagascar, Malawi, Kenya, Rwanda, South Sudan, Sudan, Tanzania, Uganda and Zimbabwe. The RCTG Carnet is fully operational in the Northern and Central Corridor countries of Burundi, Kenya, Rwanda, Tanzania and Uganda and the activities to implement the Scheme in other Corridors were ongoing. The RCTG Carnet was computerised and fully integrated with the National Customs Systems of Burundi, Kenya, Rwanda, Tanzania and Uganda.

The implementation of the RCTG scheme in the northern and central corridors has contributed to reduction of the cost of transit and transport by about 5% and 20% respectively. Despite good progress made in the operations and implementation of the RCTG Carnet in the COMESA region, the scheme was facing challenges that include among others, infrastructure-power and connectivity, limited capacity for small and medium clearing and forwarding agents to carry out regional operations/business and duplication of efforts and resources by regional groupings and cooperating partners.

The COMESA yellow card insurance scheme (YC) is essentially a regional third-party motor vehicle insurance scheme that provides third party legal liability cover and compensation for medical expenses resulting from road traffic accidents caused by visiting motorists. The liability cover offered under this scheme is limited to the statute provisions on road traffic third party liability award limits of the country being visited and or in which an accident occurs. A YC issued in one COMESA Member State is valid in all other countries participating in the scheme.

The COMESA YC was established in 1986 after 14 countries signed the protocol on the establishment of the third-party motor vehicle insurance scheme in Addis Ababa, Ethiopia. Subsequently, on April 26, 1987 the agreement on the implementation of the third-party motor vehicle insurance scheme, known as the Inter-Bureaux Agreement was signed in Lusaka, Zambia. This was in conformity with the provisions of the Protocol by National Bureaux designated by governments to administer the operations of the Scheme in their countries and the ratification of the Protocol on the establishment of the Third-Party Motor Vehicle Insurance by 11 member countries. These were: Burundi, Ethiopia, Kenya, Rwanda, Eswatini, Somalia, Tanzania, Uganda, Zambia and Zimbabwe. The COMESA YC was implemented and started its operations in the above member States while DR Congo, Malawi and Tanzania a non-COMESA country joined the scheme later.

Currently, the YC is operational in 13 countries, and more than 200 companies in the region are participating in the scheme.

The road transit charges system (HRTC) was introduced in 1991 (currently being implemented by nine member states including Burundi, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe) and specifies that heavy goods trucks with more than 3 axles should pay a road charge of USD 10 per 100 km; trucks with up to three axles should pay a charge of USD 6 per 100 km; and buses with a capacity of more than 25 passengers pay USD 5 per 100 km.

The COMESA carrier’s license (CCL) allows commercial goods vehicles to be licensed, with one license, which is valid throughout the region so that the vehicles can operate in all member states. This means that vehicles can pick up back-loads in other countries that make more efficient use of the region’s
transport fleet so reduces the cost of trade.

The CCL was introduced in 1991 and is currently in operation in 11 mainland countries (Burundi, Ethiopia, Eritrea, Kenya, Malawi, Rwanda, Eswatini, Tanzania, Uganda, Zambia and Zimbabwe). COMESA introduced also the harmonised axle loading limit (HALL) and maximum vehicle dimensions (MVD).

In 2012, the COMESA Secretariat developed the COMESA virtual trade facilitation system (CVTFS) with the main purpose of promoting trade through facilitation of movement of data to stakeholders, increased connectivity in data sharing among various agencies, increased transparency, standardisation and predictability, as well as monitoring transaction progress across multiple steps within the process chain. The CVTFS started with real time cargo tracking and was developed to address many challenges associated with the movement of international cargo such as smuggling and diversion of cargo in transit, delays in clearance of cargo at the border posts and long cargo transit and release time.

The system was piloted in Kenya, Uganda, Rwanda and DR Congo, Ethiopia, Djibouti, Malawi, Zambia and Tanzania. However, Currently, COMESA Secretariat concentrated on working with the three member states in the North–South Corridor that had signed the memorandum of understanding, namely: Congo DR, Malawi and Zambia to fully implement and commercialising the CVTFS.

The workings of REPSS where importers and exporters deal with their local commercial banks for trade documentation. The importer’s payment to the exporter is then channelled through the Central Bank of the importer to the Central Bank of the exporter using the REPSS platform.

Resolution of non-tariff barriers in COMESA. Since the inception of the online NTB reporting mechanism in 2008, 204 NTBs have been reported among the COMESA member states. Of the reported NTBS, except 5 NTBs all of them have been resolved. The most prevalent NTBs include customs and administrative entry procedures with a total of 89 NTBS, transport, clearing and forwarding (32) and specific limitations with 27 NTBs.

The COMESA digital free trade area. The COMESA Digital Free Trade Area (DFTA) is all about empowering traders to do cross-border trade using Information and Communication Technology (ICT) as a tool to minimise physical barriers. Providing traders with the necessary digital tools and infrastructure they need for enhancement of intra trade and global trade. Digital Free Trade Area (DFTA) has three thrusts, namely E Trade, E Logistics and E Legislation. E Trade will promote e-commerce by providing an online platform for COMESA region traders to trade online. This platform will enable trade within COMESA FTA inclusive of all tax concessions making it an online market for COMESA region. Digital logistics can help drive a differentiated customer experience and highly optimised and efficient operations. Digital logistics uses ICT as a tool to improve the commercial activity of transporting goods to customers. Some of the instruments under this trust would be COMESA e-certificate of origin, standardised customs procedures etc. Digital legislation will address the readiness of laws in member states to cater for digital transactions.

The development of the Digital FTA concept and the eCO instrument is at an advanced stage. Piloting of the COMESA eCO system in selected member states are expected to be started in the first quarter of 2019. So far, the Member states that are willing to participate in the Digital FTA and piloting of eCO instrument are; Burundi, Congo DRC, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Seychelles, Uganda, Eswatini, Zambia and Zimbabwe.

Policy research programme and innovation awards. COMESA Secretariat secured USD 3 million funding from ACBF in 2013 to develop a programme with the objectives of strengthening the capacity of COMESA Secretariat for Economic Policy Research and Analysis and Trade Negotiations.

The programme has recorded the following achievements:

- The project helped in saving on the COMESA consultancy budget by undertaking studies that previously were undertaken by consultants.
• Carrying out of rapid studies to implement council decisions.
• Built capacity of the Secretariat and member states in economic and trade policy analysis and research.
• Built collaboration/partnerships with other leading research institutions such as United Nations Economic Commission for Africa (UNECA), Institute for African Economic Development (IDEP), University of Sussex and University of Purdue.
• Establishment of the COMESA Master’s Degree Programme in regional Integration on virtual platform as the first step towards the COMESA Virtual University.
• Sustenance of the flagship publications on key issues in regional integration.
• Initialisation of the COMESA Annual Research Forums that bring together government, policy think tanks, private sector and academia.

COMESA adopted also in 2010 a Science Technology and Innovation Programme. Since then a Ministerial Committee on STI has been set and has taken a number of decisions to prioritise innovation as a key Driver of social economic transformation.

Furthermore, the COMESA Innovation Council has been established, which oversees the COMESA Innovation Awards. 17 awards have so far been given out. Follow up has established that the winners have used their prize money in some cases to set up successful businesses.

**Infrastructure integration**

Priority physical infrastructure projects aim to improve the efficacy of interconnectivity between countries in order to facilitate trade and circulation of factors of production.

Several railway lines and corridors have been completed within COMESA. The main ones are the LAPSSET (Lamu Port, South Sudan and Ethiopia Transport) Corridor that is a standard gauge railway line from Mombasa to Nairobi, the Djibouti-Ethiopia Corridor that is a standard gauge railway line from Djibouti, with a link to Eswatini.

With regard to the airspace integration project, there is progress on three fronts: (i) Establishment of a cooperative legal and institutional regional framework; (ii) the establishment of a regulatory framework and an agency; and (iii) Assessment of the technical and financial feasibility.

Regarding energy, the North–South Transmission Corridor–Transmission Interconnection between Zambia, Tanzania and Kenya (ZTK) aims to promote electricity interconnection on the continent and to create a pan-African energy market, one of the key objectives of the Programme for Infrastructure Development in Africa (PIDA). The project aims to promote and stimulate the development of new energy projects and electricity export potential.

The North–South Transmission Corridor covers an 8,000-kilometre line from Egypt through Sudan, South Sudan, Ethiopia, Kenya, Malawi, Mozambique, Zambia and Zimbabwe and transporting the energy produced by the Grand Ethiopian Renaissance Dam (formerly the Grand Millennium Dam). The corridor will link energy pools in East and Southern Africa (EAPP and SAPP). The project is being developed in phases: Kenya and Tanzania have begun the final preparation of the 400 KV Kenya (Nairobi)-Tanzania (Arusha–Singida) interconnection under the auspices of the Nile Basin Initiative/ Nile Equatorial Lakes Subsidiary Action Programme (NBI/NELSAP); TANESCO (Tanzania Electric Supply Company Limited) is building the 400 kV Shinyanga–Iringa line; Tanzania and NELSAP are also preparing the 400 kV Iringa-Mbeya transmission line in Tanzania; and Zambia is building the 330 kV Pensulo–Kasama line in Zambia.

COMESA has developed infrastructure projects to support industrial development and intra-regional trade. The key projects are the following:

- The transport project consisting of a few multimodal transport north-south corridors (NSC) and Nairobi-Mombasa, Djibouti-Addis Ababa railroad, rail link with Eswatini.
- Facilitation of transit through the Tripartite
Transport and Transit Facilitation Programme (TTTFP), the establishment of one-stop border posts (OSBPs).

- The COMESA Airspace Integration Project aims to help the COMESA region establish a seamless upper airspace.
- The proposed Lake Victoria-Mediterranean Sea Navigation Project (VICMED) is a project led by the Egyptian President and funded by the African Development Bank (AfDB). The objective is to seek to establish a development corridor anchored on the shipping route along the Nile, from Lake Victoria to the Mediterranean Sea. It concerns nine COMESA member states, namely: Burundi, Democratic Republic of the Congo, Egypt, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Uganda and Tanzania.
- Energy projects that consist of the North-South Transmission Corridor and the Transport Interconnection between Zambia, Tanzania and Kenya (ZTK) and the power generation project.
- ICT projects with the COMTEL project and the study on missing links and infrastructure sharing.
- The project for the harmonisation of policies and regulations.
- The project to set up a regional cyber security centre.

Financial and Monetary Integration

Financial Integration. In terms of financial integration, COMESA has made remarkable progress. It has established several institutions and arrangements, such as the COMESA clearing house, the regional payment system, the COMESA reinsurance company. COMESA implements the Financial System Development and Stability Plan for the region. Through this Plan, some noteworthy achievements have been made, in particular:

- The modernisation of the national payment system notably the introduction of the Real Time Gross Settlement (RTGS) electronic payment system. The use of mobile banking is also developing very rapidly in many countries.
- COMESA has a fully operational regional payment and settlement system: There are currently 9 Central Banks that are live on the system, namely, the Central Banks of DRC, Egypt, Kenya, Malawi, Mauritius, Rwanda, Eswatini, Uganda and Zambia. The Central Bank of Sudan having completed its preparations, is in the process of resolving the challenges it faces with regards to correspondent banking. The Central Bank of Burundi is now live on its RTGS and will be carrying out the necessary tests on the REPSS platform as soon as its SWIFT connectivity is established for completing its preparedness for live operations. The Reserve Bank of Zimbabwe prefunded its settlement account at the Bank of Mauritius and internal preparations for going live are ongoing.
- COMESA member countries have also seen an increase in the number of microfinance institutions (MFIs) and their activities. Banks have also begun to focus more on expanding access to retail banking through the introduction of mobile banking operations. Some banks, for example Equity Bank in Kenya, have their business model that target customers at the low-end. Many banks are also expanding their branch networks. This trend may help to increase private credit in several countries in the region.
- The regulatory framework for insurance and pension schemes is less developed in most COMESA member countries.
- Although most countries require the use of International Financial Reporting Standards (IFRSs) for financial sector enterprises, their application is weak in part because of the lack of adequately trained staff and lack of an enforcement mechanism.
- The PTA Bank (now known as the Trade and
Development Bank) provides assistance to member countries in the region in a variety of ways, including loans, lines of credit and guarantees. Its loan products include letters of credit, pre-shipment loans, syndicated loans, capital equipment financing and bill discounting.

- Most countries in the region have benefited from PTA loans.
- The COMESA Reinsurance Company (ZEP-RE) was established in 1992 to maintain insurance activities in the region. It markets its products both inside and outside the COMESA region. The company has been able to underwrite a significant volume of business, both within COMESA and outside the region. As part of its regional integration programmes, ZEP-RE maintains close partnerships with other COMESA institutions, including the COMESA Secretariat, the PTA Bank and the African Trade Insurance Agency (ATI).

- The African Trade Insurance Agency (ATI) was established in 2001. ATI is the first multilateral export credit insurance agency that provides political and commercial risk cover to the satisfaction of foreign sellers and their financiers. ATI has made a significant contribution to the region’s productive sector by providing support for insurance, co-insurance, reinsurance, guarantees and other financial instruments and services to promote trade and investment in Africa.
- COMESA launched the COMESA Infrastructure Fund in 2010 to invest in infrastructure projects in member states that are managed by PTA Bank. The COMESA Infrastructure Fund (CIF) has sought to attract investments from COMESA sovereigns and institutions, as well as from other non-COMESA investors, including sovereign, multilateral, private and public enterprises. The Fund's goal is to raise USD 1 billion in instalments.
- Although there is no regional stock exchange, nine COMESA countries each have national stock exchanges. With a few exceptions, most are typically characterised by a relatively small number of publicly traded companies, few market players, weak capitalisation and low transaction volumes.
- Within COMESA, there is no banking correspondence system. But central banks, via the Regional Payments and Settlement System (REPSS), act as correspondent banks with the Bank of Mauritius as settlement bank for the system.

**Monetary integration.** The ultimate goal is to establish a monetary union and thus enable the common market to attain the status of economic community. The programme allows member states to create an environment conducive to price stability and economic growth, thus enabling the natural development of the financial market and a high degree of economic integration. It also enables the region’s financial systems to become regional and ultimately global players in the financial market, among others.

This phased monetary cooperation programme aims to establish a common currency area. This mandate stems from Article 4 (4) of the COMESA Treaty, signed in Kampala, Uganda, on 5 November 1993, which states that COMESA member states shall “cooperate in the monetary and financial fields and progressively establish convertibility of their currencies and a payment union as a basis for the eventual establishment of a monetary union”. This mandate is further reinforced by Articles 76 to 78, which deal with the harmonisation of COMESA’s monetary and fiscal policies, the establishment of monetary convertibility and the formation of an exchange rate union, respectively. It is clear that increased monetary stability will facilitate economic integration efforts and enable sustainable economic development. A COMESA momentary Institute was established and is based in Kenya to support member states.

**Environmental Integration**

In terms of agriculture and climate change, the COMESA
projects are the Reinforcing Veterinary Governance in Africa (Vet-Gov) Programme, the Sanitary and Phytosanitary Measures/Technical Barriers to Trade (SPS/TBT) Project and the Programme on Climate Change Adaptation and Mitigation in Eastern and Southern Africa (COMESA-EAC-SADC).

Most of the programme focuses on climate change. COMESA, EAC and SADC have jointly implemented a programme on climate change adaptation and mitigation in the tripartite region. The programme has received separate financial support in the form of grant agreements from the Commission of the European Union, the Norwegian Ministry of Foreign Affairs and the UK Department for International Development (DFID) for the implementation of the general objectives. European Union funding ended on 31 December 2014, while support from DFID and Norway ended on 31 October 2016.

The main achievements of the programme are as follows: Nine agricultural climate-smart pilot projects have been implemented in nine countries; Botswana, Lesotho, Madagascar, Namibia, Seychelles, Eswatini, Uganda, Zambia and Zimbabwe. The pilot projects were replicated by others who have learned from those supported by the programme. Eight member states were helped to design their national climate change response strategies and policies: Botswana, Burundi, Comoros, DR Congo, Kenya, Sudan, Eswatini and Zimbabwe. This led to the creation and strengthening of institutions and an increase in budgetary allocation to support adaptation and mitigation activities in countries. Nine member states were assisted in designing their climate-smart agriculture investment frameworks; Burundi, Lesotho, Madagascar, Malawi, Rwanda, Seychelles, Eswatini, Uganda, Zambia and Zimbabwe. Countries are now mobilising resources and implementing some of their priority projects.

Other support interventions included the production of concept notes, facilitation of the African negotiating group and increased participation of member states in the negotiations of the United Nations Framework Convention on Climate Change. As a result, the Paris Agreement incorporated Africa’s main concerns, particularly with regard to resources, technology transfer and technological development.

Environment and agriculture are closely related areas within COMESA. So, when programmes are developed in respect of climate change, they are assigned agricultural projects profitability goals. In a bid to include biosecurity measures into supply chains so as to integrate effective biosecurity measures into regional supply chains, the regulatory authorities collaborated with relevant private sector entities, notably the Uganda Flower Exporters Association (UFEA), Flamingo Horticulture in Kenya, the Association for the Development of Horticultures (association for the development of horticulture) of Burundi and the Association of Mango Growers of Tanzania and Fruitsol of Mozambique to improve biosafety management and connect supply chains beyond national borders. As part of this initiative, National Plant Protection Organizations (NPPOs) established a network of plant protection professionals from the public and private sectors to address biosecurity issues, such as fruit flies, banana disease and the deadly maize necrosis, as well as the fall armyworm (FAW), so as to deal with them more effectively and consistently. Subsequently, improving the negotiating capacity of pest risk management measures enhances market access agreements within and outside the region, while helping the industry to easily find materials from the other side of the border. COMESA has been able to leverage Australia’s expertise to improve plant biosecurity risk management.

The Australia-Africa Plant Biosafety Partnership aims to strengthen the skills of professionals in plant biosecurity agencies or national plant protection organisations (NPPOs) and national plant health institutions for controlling plant pests and critical diseases that hinder trade and undermine the food and nutrition security of the region. Through the Plant Biosafety Cooperative Research Centre, the initiative leverages the strength, experience and comparative advantages of Australian biosecurity agencies to strengthen the technical expertise of NPPOs.

The tripartite states participating in the initiative are Burundi, Ethiopia, Kenya, Malawi, Mozambique,
Rwanda, Uganda, Tanzania, Zambia and Zimbabwe. To increase access to regional and global markets, the Secretariat has supported various initiatives to mitigate the effects of Bactrocera or fruit flies, which are not only regulated in export markets, but also lead to post-harvest losses of up to 40% in some countries, thus jeopardising regional food and nutrition security. By supporting the establishment of the national fruit monitoring programme in Zimbabwe, stone fruit and citrus fruit exports were restored following a temporary ban imposed by South Africa, which raised horticultural exports to 265 tonnes in 2015, while in Europe pest interceptions decreased from 16 in 2014 to only 1 in 2016. This has improved Zimbabwe’s reputation and reduced the frequency of EU border inspections, with an expected reduction of 10% in total commercial costs.

In Madagascar, the same efforts led to a bilateral agreement on lychee imports in South Africa, offering an alternative market to lychees from Madagascar that are traditionally exported to the EU. It is estimated that these efforts will contribute, in the long term, to the annual growth of intra-regional lychee exports by 10%. In the Comoros, the Secretariat supported the establishment of a system for monitoring the risks associated with fish products and by-products in order to stimulate fish exports to the EU, while in Djibouti, upgrading the quality of national infrastructure would improve the quality and competitiveness of local firms in regional and global markets.

**Political and Institutional Integration**

The institutional and political dimension of integration is also making progress, although it should be noted that COMESA has developed programmes in peace and security quite recently. Governance is also a growing priority. COMESA conducted an election assessment mission to more than 15 member countries to support democratisation in the region. It has also implemented a regional maritime security programme to strengthen the capacity of East and Southern Africa and the Indian Ocean region to disrupt illicit flows.

COMESA has established a Court of Justice that responds to the needs for settlement of issues related to the implementation of the Treaty. COMESA has several institutional instruments of a development nature that contribute to the regulation of investments such the Competition Commission (CCC), the COMESA Regional Investment Agency (RIA), and COMESA Leather Institute.

With regard to peace and security at the regional level, it is worth noting the development of an early warning system to monitor structural factors of conflict, and of a mediation system for the second-level diplomacy role in the region.

The implementation of « Trading for Peace » post-conflict reconstruction programme exists within COMESA and is designed to assist countries emerging from conflict. The programmes strengthen exchanges between small traders from different countries as a means of building sustainable peace.

### Challenges of COMESA

In the implementation of the programmes and plans defined, COMESA, like any other organisation, faces obstacles that pose enormous challenges to the successful implementation of its strategies translated into these projects. These challenges are structured as follows:

- **High donor dependency.** The organisation is highly financially dependent on partners. On average, cooperation partners have funded more than 70% of the budget for the implementation of COMESA programmes. Member States’ funding has gradually increased, but at a much lower level than that of cooperation partners. This scenario poses a threat to sustainability that needs to be addressed through innovative ways of implementing the programme. In this regard as of November 2018, a draft COMESA resource mobilisation strategy was presented to the Council and is still under development.

- **Infrastructure deficit.** Despite efforts made in
trade facilitation the level of intra-COMESA trade has remained low, partly due to the poor transport network, unstable electricity and water supplies, as well as the existence of non-tariff barriers. Quotations and transactions in COMESA national currencies by deposit banks and bureaux de change remained limited due to the absence of stable exchange rates and the absence of a mechanism for clearing and settling accumulated long positions by banks.

- Macroeconomic vulnerability. Although the financial sector has remained stable and solid in some countries, financial markets are characterised by low savings rates, underdeveloped bond markets, a limited investor base, the absence of a modernised payment system in some countries, the lack of cross-border supervision of financial transactions, etc.

COMESA economies are subject to relatively large and asymmetric shocks, including terms of trade and exchange rate shocks, which have consequences for the real economy. The existence of an asymmetric shock would be a challenge for the effective implementation of monetary policy in the area. Some countries were heavily dependent on unpredictable aid to finance a substantial part of government spending. The use of such aid flows for budget support limits the achievement of the budget deficit-to-GDP criterion (excluding grants) in a sustainable way.

The sustainable fulfilment of the convergence criteria continues to be a serious challenge for most countries. The budget deficit and inflation criteria have remained the most difficult. In addition, most member states have not integrated COMESA criteria into their budget statements and economic policies. There is poor coordination of fiscal and monetary policies. In the absence of effective policy coordination, financial instability could ensue: high interest rates, exchange rate pressures and rapid inflation. In addition, weak policy coordination could be a challenge to fiscal sustainability. The COMESA multilateral macroeconomic surveillance framework has not yet been implemented.

In order to facilitate a better assessment of the integration process and for the purpose of comparing convergence indicators between member states, reliable, up-to-date and harmonised statistical information is needed. This is a current challenge for COMESA. There is also a lack of a sufficiently trained workforce to apply internationally accepted standards for monetary integration.

**Slow implementation of decisions.** The question of implementing the decisions taken by COMESA’s decision-making bodies remains a major challenge. Once the decisions have been taken, their implementation is confronted with the national realities of the member states, which delays the ratification of these decisions. Among these realities and interests of States, there is also their membership in several RECs. This is one thing that makes them a little more dispersed in terms of implementing the integration agenda, although some advocates of this multiple membership advance the different interests of countries with each of the RECs to which the countries belong.

There is no real binding mechanism for COMESA to integrate its programmes into the national programmes of member states. There is a failure to include integration objectives, plans and programmes in national development schemes/plans. The absence of such a supranational power for COMESA contributes to the poor implementation of economic integration protocols. There is indeed no sanction in the event of non-application of the protocols signed at regional level. It should therefore be noted that the partnerships and national agreements that countries carry out make the task more complicated in COMESA. The clauses of these agreements differ for the most part from COMESA’s vision, making it difficult to effectively implement COMESA’s plans and programmes.

Organisational challenges are also justified by insufficient coordination between pan-African institutions, lack of cohesion with many development partners and lack of staff to cover integration dimensions.

**Social challenges.** COMESA is facing enormous social challenges due to internal migration within COMESA.
that raises raise security and public health issues, resentment among local populations and extreme pressure on border management and asylum systems. These concerns have led to restrictive immigration policies and stricter border controls that have had disastrous consequences for several African and migrant governments, including the exploitation and abuse of migrants’ rights. Tighter border controls and restrictive visa systems and policies put in place by many African governments tend to undermine their efforts and potential to stimulate intra-African trade, attract foreign direct investment and tourism, as well as the deployment of expatriate personnel within and outside the continent, including the engagement of Africans in the diaspora (African diaspora).

Emerging challenges such as the proliferation of epidemics and pandemics are hindering COMESA’s progress towards full regional integration. Epidemics and pandemics such as Ebola have weakened the social fabric within COMESA with many reservations on the part of unaffected countries towards affected countries. Brexit is also becoming a new parameter to be taken into account in the COMESA integration process in view of the existing trade, economic and financial relationship between certain EU countries that could be affected by the negative effects of this exit from Great Britain from the EU.

The new global dynamics undermined by terrorism, the rise of nationalism, global warming are yet other challenges facing COMESA in the realisation of its vision as reflected in its perspectives.

Integration perspectives. COMESA is pursuing its integration objectives in accordance with the Pan-African Integration Agenda as set out in the Abuja Treaty and Agenda 2063. It that context COMESA is implementing its 2016-2020 strategic plan that focuses on consolidating its FTA, Customs Union and steps towards the full attainment of the common market.

COMESA is also giving priority to the strengthening of financial and monetary sector through the development of the capital market, the elaboration of a strategy for the development and promotion of regional stock exchanges by 2020. By 2020, COMESA aims to develop the bond market by first mapping out a regional strategy for bond market development. There are projects to strengthen non-bank financial institutions such as pensions and insurance for which COMESA wants to develop a regional strategy by 2020. The fast growing of financial institutions allow these institutions to serve member States beyond COMESA region and therefore will contribute immensely to the attainment of continental agenda in that area.

Other priorities should be directed to the development of blue economy that is a potential of growth and economic diversification of more half the membership of COMESA. Digital economy and the consolidation of the COMESA-EAC-SADC Tripartite programmes particularly in (trade, industrialisation, Infrastructure development and free movement of persons) will constitute another area of focus for the next three years. Efforts will be also made to address the critical challenges of donor’s dependency, slow implementation of decisions as well as inter-REC cooperation to accelerate the implementation of continental agenda such as the free movement of people and the continental free trade area.

Specific Recommendations

This first state of integration report suggests five recommendations:

- The implementation of various dimensions of integration at both AUC and REC levels could be facilitated if MTSPs of RECs are aligned towards achieving Agenda 2063, while addressing the dynamic nature of social economic transformation and the fast-paced technological change. Also, REC Secretariats’ Technical Departments should be mapped/linked to the African Union Commission Technical Departments in line with the Reforms on the portfolios of the Commission. This will facilitate consistency between the AUC and the REC Secretariats.

- The state of integration reports suggests areas of improvement across the RECs. Special priority should be given to those dimensions
less developed. That is where the role of AUC becomes critical in coordinating the RECs. To that effect, budget lines for supporting REC level programs should be established at the African Union to draw from the AU Continental Levy. Such REC level programs should be those that implement or fast track or pioneer continental integration activities. However, the RECs must continue their resource mobilisation efforts in a coherent manner with AUC.

- It is obvious that RECs are not performing the same way in various dimensions of integration. The whole continent would benefit if successful REC Institutions should be embraced by the rest of Africa. For example, a number of COMESA Institutions are increasingly continental in membership and activities. Working closely with the AU Presidential Champions, RECs should be championing continental programs within their RECs and across the continent according to their recognised successes and comparative advantage. Similarly, COMESA successful REC organs, such as Courts of Justice and Parliaments, and successful mechanisms such as those addressing non-tariff barriers, should be emulated across the continent.

- As it is implied by the provisions of Abuja Treaty, the implementation of integration agenda requires a better application of the principle of subsidiarity. In this regards the principle of acquits should be mainstreamed into AU programs, to the effect that higher and deeper and additional areas of regional economic and political integration should never be rolled back or de-emphasised under AU instruments and programs. Rather they should be harvested and progressively rolled out across the continent as appropriate. Consequently, REC Secretariats should be part of the Joint Secretariat for continental integration. Also, at AU Meetings, sitting arrangements and participation should be configured accordingly.

- Finally, closer collaboration between AUC and RECs could be institutionalised through a new Protocol on Relations between the AU and RECs that could be concluded and implemented by January 2020. RECs as organisations should be organic structures of the African Union, rather than just building blocks with a terminal role. The establishment of permanent Liaison Offices at both AUC and RECs should be effective as soon as possible.
CHAPTER 8: INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD), VISIBLE ADVANCES IN PEACE, SECURITY AND SOCIAL MATTERS
The Intergovernmental Authority on Development (IGAD) is a Regional Economic Community comprising eight states of the Horn of Africa—Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. Eritrea was admitted as the seventh member in September 1993 and South Sudan joined as the eighth member in July 2011.

The Intergovernmental Authority on Development (IGAD) superseded the Intergovernmental Authority on Drought and Development (IGADD), which was established in 1986 by the then-drought-stricken Horn of Africa states. Although IGADD was originally set up to combat drought and desertification, it became apparent that the Authority provided a regular forum for leaders to tackle other political and socio-economic issues.

Realising this, the IGAD Summit on 18 April 1995, resolved to revitalise IGADD and expand cooperation among member states. The revitalised IGADD was renamed the Intergovernmental Authority on Development (IGAD) and it was launched during the 5th Summit of the Assembly of Heads of State and Government held in November 1996 in Djibouti. The Summit endorsed the decision to enhance regional cooperation in three priority areas: (a) food security and environmental protection; (b) economic cooperation, regional integration and social development; and (c) peace and security.

The founding leaders of IGAD were motivated by a vision where the people of the region would develop a regional identity, live in peace and enjoy a safe environment, and where poverty was alleviated through appropriate and effective sustainable development programmes.

The vision of IGAD is to be the premier regional economic community (REC) for achieving peace and sustainable development in the region.

**Achievements of IGAD**

**Social Integration**

The health and social development area covers broad sectors that include health, education, employment, social protection, migration, culture, population and sports. HIV/AIDS, TB and Malaria are seriously public health concerns that could benefit from a regional approach, which IGAD is able to promote. IGAD also helps to foster national and regional policies on migration and gender mainstreaming for the empowerment of women.

Protocol on free movement of persons. In 2017, IGAD started the process of developing the protocol on free movement of persons for the IGAD region, based on the provisions of the 1986 agreement establishing IGAD and the AU Abuja Treaty 1991. Most recently the AU Heads States and Government adopted a Protocol on Free Movement of Persons in Africa and this will serve as a blue print for the IGAD protocol but adapted to the specific needs and aspirations of IGAD member states.

Between 2017-2018, IGAD held eight multi-stakeholder national consultative meetings on the protocol. While these meetings were hosted by ministries of foreign affairs and ministries of interior, meeting participants included line ministries, authorities and commissions of governments, civil society and private sector participants, members of the media and partners in development. The outcome of the national consultative meetings were country reports that are being used to draft the protocol. Each IGAD member state nominated seven experts from key line ministries and these experts constitute the negotiation team for the protocol.

IGAD is now drafting the protocol. Preliminary discussions indicate the protocol will have the following core provisions: (i) visa free region; (ii) labour mobility that is safe, regular and beneficial; (iii) right of residence; (iv) right of establishment; and (v) promotion of cross-border trade for the benefit of border communities; (vi) take into account of special groups—including refugees, internally displaced persons and pastoralists.

IGAD has also completed a study on barriers and benefits to free movement of persons in the IGAD region that will inform the IGAD road map for implementing of the protocol. The road map is an annex to the protocol and will provide key milestones for the protocol’s effective implementation.

In the short term, IGAD does not foresee an IGAD
passport for citizens. Instead it is advocating that member states provide their citizens with passports and national IDs as core identification documents. In addition, the AU passport is another key travel document that citizens of Members States can use for free movement on the continent. Uganda and Kenya already have visa exemptions under the EAC common market protocol, which includes free movement of people. Kenya and Ethiopia have bilateral relations that allow their nationals movement without visas. Djibouti and Ethiopia have bilateral relations in which Djibouti nationals do not need a visa to travel to Ethiopia. However, Ethiopians need a visa to travel to Djibouti at a cost of approximately USD 130 per visa. South Sudan still charges visas fees to both EAC and IGAD nationals at a cost of about USD 50 per visa.

On labour market access, in addition to drafting the labour provisions of the protocol, IGAD has launched four strands of work towards safe, regular and beneficial labour governance for the IGAD region. Since 2017, the IGAD has worked with ILO to study labour migration governance in the region with a view to enhancing regulated labour mobility. IGAD and ILO have also undertaken studies on skills development and recognition. These studies are the foundation for the labour provisions of the IGAD Protocol on Free Movement of Persons. In 2018 IGAD started working with member states to strengthen the policy implementation at the national level. Labour mobility is promoted through a regional approach, and member states ministries of labour and gender and statistics bureaus are strengthened.

IGAD has also initiated work with the AU and RECs to promote inter-REC dialogue on labour, especially with the Gulf Cooperation Council (GCC). IGAD has joined the Abu Dhabi Dialogue on the export of labour into the GCC. Finally, IGAD is a member of AU’s Joint Labour Migration Program committee. This opportunity supports launching and streamlining IGAD actions on labour mobility.

Gender Issues. Under gender equality and women’s empowerment for peace, key activities include establishing a mechanism for monitoring the implementation of UNSCR 1325, 1820 and related instruments on gender, peace and security and advocating for the adoption of these frameworks at the national level. IGAD will advocate for transformative women’s empowerment through politically-led gender policy and implementation mechanisms, including allocating a percentage of seats in national parliaments to women, allocating more of national budgets to gender-related work, and advocating for a higher participation of women in the economy and for a cultural transformation in education.

Challenges faced by member states in managing the gendered aspects of migration include: (i) an absence of comprehensive statistics on migrants in general and of gender disaggregated data in particular; (ii) poor knowledge and monitoring of migrants; (iii) non-inclusion of migration in national population and housing data; (iv) invisibility of women in statistics; (v) sex-segregated labour markets; (vi) weak adherence by member states to international norms and standards on migrant labour; and (vii) obsolete laws.

Policy recommendations for safe, regular and beneficial migration of women within and outside the IGAD region include:

- Updating laws.
- Ratifying and adapting international laws on labour.
- Fast-tracking the IGAD–AU implementation of Protocols on Free Movement of Persons to create regional employment opportunities and regularise externalisation of labour to GCC within the remits of law and human rights safeguards.
- Exchanging public information on regular pathways to migration.
- Enforcing law and the effectiveness of justice systems on transnational crime.
- Strengthening the capacities of ministries of labour, gender and employment to manage migration processes.
- Launching the IGAD regional labour migration framework.

**Productive Integration**
Agriculture, natural resources and environment agenda. One of the main thrusts of IGAD is boosting agricultural production and sustainable management of natural resources and the environment to ensure resilient livelihoods and sustained economic growth in the region. IGAD has developed a five-year environment and natural resources strategy and implementation plan as well as a five-year agriculture, livestock, fisheries and food security strategy and implementation plan. These sectoral strategies contribute to the implementation of the IGAD five-year regional strategy and its implementation plan. These strategies also contribute to IGAD’s vision and mission, as well as that of the AU and its organs—such as the New Partnership for Africa Development (NEPAD) and the African Union Commission’s Department of Rural Economy and Agriculture (AU-DREA). The strategies are also in line with the AU Agenda 2063 and the UN SDGs. To drive its agriculture and environment agenda, IGAD developed regional policies and strategies such as:

  - IGAD regional environment policy.
  - IGAD environment and natural resources strategy.
  - IGAD environment impact assessment policy framework.
  - IGAD environment impact assessment guidelines.
  - IGAD environment impact assessment protocol.
  - IGAD environment security assessment framework.
  - IGAD regional biodiversity policy.
  - IGAD regional biodiversity protocol.
  - IGAD biodiversity benefits sharing strategy.
  - IGAD regional wildlife strategy.
  - IGAD regional invasive species control and management strategy.
  - IGAD regional water resources policy.
  - IGAD comprehensive African agriculture development programme compact.
  - IGAD regional agricultural investment plan (IGAD-RAIP).
  - IGAD regional fisheries development strategy.
  - IGAD protocol for the establishment of the Horn of Africa wildlife law enforcement network.

Through these policies, protocols and strategies, IGAD realises its mandate in the areas of agricultural development, natural resource management and environment protection. They also contribute to AUC-DREA’s crucial three-pronged roles in developing improved environmental, water and natural resources management, as well as developing responses to the consequences of climate change and desertification. IGAD has created specialised institutions to deal with climate change and livestock and pastoral areas development, and the IGAD Climate Prediction and Application Centre deals with climate change issues. The IGAD Centre for Pastoral Areas and Livestock Development deals with sustainable livestock and pastoral areas development, and implements the AU policy on pastoralism in Africa.

IGAD is also starting programmes such as the inland water resources management programme, which will translate African Water Vision 2025 into reality in the region. Among other things, the programme established automated data collection platforms along selected river basins to collect and transmit data to hydrological departments in the member states so that transboundary river basins can be sustainably managed. The River Basin Organization for Sustainable Management of Transboundary River Basins was started under this programme to enhance water governance and cooperation in the IGAD region. A draft water protocol to implement the IGAD water policy is under negotiation.

The IGAD biodiversity management programme facilitated the biodiversity policy, protocol and strategies, and these will enhance sustainable conservation and biodiversity management and lead to equitable sharing of benefits. The programme also helped build capacity of national institutions in charge
of biodiversity conservation and management. And it helped member states establish national biodiversity databases and information systems that are linked to national and global systems.

The Comprehensive African Agriculture Development Programme (CAADP) is an Africa-wide framework adopted by AU Heads of State and Government in 2003 in Maputo, with the objective of accelerating agriculture-led economic growth and poverty reduction. The IGAD Secretariat, in consultation with member states, development partners and technical institutions, identified the regional priorities that now form the IGAD CAADP Compact and the IGAD Regional Agriculture Investment Plan (IGAD-RAIP). The IGAD regional CAADP and IGAD-RAIP promote regional agricultural developments that complement national CAADP compacts and national agricultural investment plans—particularly in transboundary areas—to accelerate agriculture-led economic growth in the region.

IGAD has fisheries resources along its coastal areas, rivers and lakes, and it has developed a regional strategy for the sector so that it can contribute to food and nutrition security and sustained economic development in the region. IGAD is also developing a regional strategy for its blue economy.

All the above mentioned IGAD efforts will enhance productivity and regional integration in the productive and environment sectors, both of which form the basis for food and nutrition security, social development, environment security and economic growth in the region. And these efforts will contribute to overall continental integration.

Land governance programme. Challenges around land governance must be addressed in a comprehensive and coherent manner if life on earth is to be peaceful and sustained. Land governance is a multi-faceted issue that cuts across many different elements of the sustainable development agenda. Because of this, working on sustainability issues through the lens of land is key to finding integrated and long-lasting solutions to:

• Food security and environmental protection.
• Economic cooperation, integration and social development.
• Peace and security.
• Humanitarian affairs such as migration.

IGAD supports the development and implementation of strong land governance policies and institutions that can foster economic growth, environmental protection, peace and security as well as gender equality. Three key strategies have been developed to make this a reality: The IGAD land governance strategy, the IGAD regional land policy convergence framework and the strategy for mainstreaming land governance in programs and projects.

The IGAD land governance portal serves as a knowledge platform for sharing and learning together and for building communities of practice that find durable solutions to emerging land issues. It is used by governments, academia, civil society, the private sector, development partners and all those seeking to understand and engage in land governance in the IGAD region.

IGAD drought disaster resilience and sustainability initiative (IDDRSI). Since its inception in 2012–13, progress has been made in implementing IDDRSI. Achievements include the following:

• Establishing the IDDRSI regional platform which consists of 30 members drawn from member states, the IGAD Secretariat and from development partners. The IDDRSI Platform Steering Committee has a General Assembly represented by resilience ministers that meets once a year. A technical meeting of senior experts from member states meets twice a year. In addition to its members, the platform has attracted the interest of non-state actors, who regularly attend the meeting, raising the number of participants to close to 100. As a result, the platform has facilitated dialogues that are instrumental in deepening the regional integration agenda.

• Developing the IDDRSI strategy and its subsequent interpretation into country programming papers and a regional
programming paper (RPP). The regional IDDRSI strategy was developed as a common planning framework to guide the region’s interventions to end drought emergencies. It identifies seven priority interventions that highlight the region’s food security and other development challenges in relation to achieving drought resilience. The IGAD member countries developed their country programming papers using the common architecture of the regional IDDRSI strategy to identify priorities and define the strategies and institutional arrangements necessary to achieve drought resilience at a national level. The regional programming paper was developed for regional or cross-boundary interventions, under the general supervision of the IGAD Secretariat. Interventions are considered regional if they are undertaken across political boundaries, they are undertaken at the same time in more than one country, beneficiaries in more than one country are simultaneously affected by the same intervention, or the intervention is concerned with resources that are shared across political boundaries.

- Establishing and operationalising national IDDRSI platform coordination structures. Supporting member states to strengthen their national and sub-national resilience coordination mechanisms is essential to achieving an impact at all levels. This is done through the holistic approach of resilience programming, knowledge sharing and capacity development.

- Establishing and operationalising the IDDRSI platform coordination unit (PCU) and apply its functions to programming, knowledge management, partnerships enhancement, capacity building, and monitoring and evaluation.

- Implementing IDDRSI in cross-border areas. In recent years, IGAD has designated eight clusters in the region to promote cross-border cooperation in line with IGAD strategy and the IDDRSI framework that is consistent with the objectives of the African Union Convention on Cross-border Cooperation—The Niamey Convention.

**Environmental integration**

The environment protection programme aims at promoting co-operation among member states to preserve, protect and improve the quality of the environment.

The programme has three components:

- Framework for transboundary resources management programme.
- Implementation of the multi-lateral environment agreements and conventions.

Indicators of success include:

- Ability of IGAD to promote environmental protection and rehabilitation of the region.
- Improved environmental security and sustainability.
- Climate variability and change and disaster risk management programme area.

Regional environmental management plan. There are a number of policies, protocols and strategies developed and approved at ministerial level. These include the IGAD regional policy, the IGAD regional environment and natural resources strategy, the IGAD environment impact assessment policy framework, the IGAD environment impact assessment protocol, the IGAD biodiversity policy, the IGAD biodiversity protocol, the IGAD wildlife management strategy, the IGAD invasive species control and management strategy and the IGAD biodiversity benefits sharing strategy. They all are approved by the relevant sector ministers and the IGAD Council of Ministers. Ethiopia and Djibouti have developed a joint management plan for the Lake Abe and Lower Awash catchment areas, which was signed by the ministers of environment of both countries. The regional wildlife management strategy and the IGAD-HAWEN will assist in the sustainable use and conservation of wildlife resources in the
region. IGAD has also undertaken an assessment of pollution in the region and formulated a regional pollution control strategy. And IGAD is developing a regional forest policy and strategy to enhance the sustainable use and management of forest resources in the region.

Blue economy integration. The IGAD region is endowed with long coast lines and inland fresh water lakes and rivers. Member states are increasingly turning to the blue economy for solutions to pressing needs, especially extreme poverty and hunger. IGAD and its development partners are engaging stakeholders in how to harness sea, lake and river resources. The focus is on new technologies and innovation for oceans, seas, lakes and rivers as well as on challenges, potential opportunities, priorities and partnerships.

Climate change. Climate variability and climate change have a significant impact on the social and economic development of the region. Because of the economic significance of the rain-fed agriculture, the region is particularly exposed to the shocks of climate extremes. Climate issues affect other aspects of development, ranging from food security and health challenges to conflicts over scarce resources (water and pastures) that lead to insecurity and displacement. Recent advances in science and technology offer improvements in the quality of climate information and accuracy of prediction services. IGAD promotes the availability and accessibility of timely climate early warning information and supports specific sector applications to enable the region cope with the risks associated with climate variability and change. For this reason, IGAD has created a specialised centre, the IGAD Climate Prediction and Application Centre.

The programme has four components: (i) a geospatial climate data management system; (ii) a climate monitoring, diagnostics, prediction and early warning system; (iii) mainstreaming climate information services in key sectors (iv) disaster risk reduction and climate change and adaptation.

Regional programme for integrated water resource management (IWRM). The objective of the regional water resources policy is to promote closer cooperation in the equitable, sustainable and coordinated utilisation, protection and management of transboundary/shared water to aid poverty eradication, socio-economic development, regional integration, environmental sustenance and peaceful coexistence.

The following are the key objectives: (i) to establish institutional arrangements for the management of transboundary/shared water resources amongst members states; (ii) to promote policies and legislation on the use, development, protection, conservation and management of transboundary/shared water resources; and (iii) to promote research, the use of modern technology and capacity building in the development and management of transboundary/ shared water resources.

The IGAD regional water resources policy seeks to harmonise and consolidate existing water policies, and to address existing gaps. It aims at facilitating the integration of water, land and other natural resources to achieve its objectives. The policy calls for coordination of all sectors of the economy on water resources management issues at all levels—regional, river basin or aquifer and national.

Water for economic integration: Water resources shall be developed and managed in an integrated manner, so as to facilitate the achievement of national and regional economic integration, socio-economic development, poverty eradication, water security and environmental sustenance on the basis of equity and mutual benefits for all member states.

Under water for peace: (i) Member states shall endeavour to negotiate a regional protocol on water resources to guide their cooperation in the management of transboundary/shared water resources; (ii) member states shall participate and cooperate in the planning, development, management, utilisation and protection of their transboundary/ shared water resources; (iii) member states shall endeavour to promote and exploit opportunities for joint development of their transboundary/shared water resources to consolidate regional cooperation.

Under water and inter-sectoral cooperation: IGAD Secretariat and member states shall ensure that all sectors involved in the development, use and
management of water resources cooperate with a view to achieving regional economic integration, socio-economic development, poverty eradication, water security and environmental sustenance.

Under harmonisation of national policies and legislation: (i) Member states shall take steps to harmonise their water sector policies, plans, programmes and legislation, based on the regional water resources policy; (ii) the national water policies and legislation shall take into account the international and regional policies and legal instruments adopted by the member states; (iii) when defining or harmonising water sector policies, plans, programme and legislation, member states shall consider and recognise existing customs and traditions.

Conflict management (i) Disputes concerning transboundary/shared water resources shall be resolved by peaceful means, in accordance with the Charter of the United Nations on international water law; (ii) member states shall facilitate effective access to justice within their national territories, including redress and remedies; (iii) member states will promote the integration of water supply and sanitation with hygiene education programmes.

Promoting and sustaining integration through cross-border livestock and complementary resources development and marketing. An estimated 25 million pastoralists and agro-pastoralists live in the arid and semi-arid areas of the IGAD region. Over 80% of them move with their livestock across local and national borders in search of feed, water and markets. IGAD through the Centre for Pastoral Areas and Livestock Development (ICPALD) has promoted and facilitated regional integration through socio-economic, policy and marketing investments and initiatives. Key achievements under this initiative include:

- Created awareness of complementary livelihood resources for non-wood forest products and artisanal mining that benefitted about 4.30 million people directly and 20.88 million others indirectly.
- Shared good practices and information on artisanal mining through a learning event in Sudan. This event resulted in signing of memorandum of understanding between Kenya and Sudan on cooperation on mining; the development of the regional strategy on artisanal mining with an action plan to support implementation, and the review of strategies and legal frameworks to recognise artisanal mining and facilitate artisanal miners. There are an estimated at 2 million artisanal miners in Sudan, 1.5 million in Ethiopia, 300,000 in Kenya and Uganda 200,000 in South Sudan.
- Assessed the economic value of pastoralism to use as an advocacy tool for harmonisation of the national system of accounts so that data and statistics are comparable across the region.
- Generated evidence on the socio-economic importance of livestock to GDP. This has contributed to the increased national budgetary allocation to the livestock sector by more than 20%.
- Developed tools for use by member states for resource mobilisation and developed two business models using the value chain approach to improve livestock management practices, and fodder and fodder seed production through private and public sector investment incentives.

IGAD/ICPALD has supported member states in mobilising investments in drylands development, drylands agriculture and alternative livelihoods to underpin regional integration. The following were the achievements:

- Mapping critical livestock infrastructure: Completed the mapping of the cross-border livestock infrastructures (markets, water and animal health services) and rangelands (land use, grazing, transhumance and trade-routes, and stock routes). These maps have enabled effective development programming among member states, the Centre, and other stakeholders.
- Securing transhumance routes: In collaboration with member states and partners, developed a transhumance protocol to facilitate cross border movement of pastoralists and their livestock, secure the
routes and resources therein, and improve access to social services, education, health, security and finance.

- Facilitating community centred investments: Supported 15 cross-border communities (1,200 households) in Ethiopia, Kenya and Somalia with grants to support their community action plans and investments.

- Promoting sustainable complementary livelihoods: Supported identification of potential complementary livelihoods in cross-border areas including value chain analysis. The report identified potential areas of investment along value chains and complementary resources including honey, non-wood forest products and artisanal minerals.

- Generating evidence to enhance resilience and conflict management: Conducted baseline information on livelihood resilience, conflict, natural resources and food security in the target areas to inform future joint programming for conflict management and resilience building interventions in the cross-border areas.

- Targeting drought responses: In collaboration with the Kenya government, Mandera County and FAO responded to drought emergency in IGAD Cluster III, and targeted 600 households with both human and livestock food and feed supplements.

The IGAD region is home to the highest numbers of livestock in Africa, and transhumance (movement of pastoralists with their livestock across national borders) is a key production system. To ensure that the pastoralists and agro-pastoralists are integrated in the national and regional economies, ICPALD has continued to promote and champion livestock development as major pillar in regional integration. The achievements include:

- Facilitating trade in livestock and livestock products: Supported member states in reducing the impact of trans-boundary diseases and zoonosis on livelihoods and trade through: (a) Joint disease surveillance, control and prevention programmes underpinned by cross border memorandums of understanding; (b) Development of regional strategies—sanitary and phytosanitary, animal health, rangeland management animal welfare—standards, and supported national strategies to align with the regional strategies towards the reduction of the impact of TADs; (c) Establishment and operationalisation of three regional coordination mechanisms (surveillance, livestock identification and traceability system, and PPR; and three regional networks (CVO, lab and epidemiology) are functional in the control of TADs in the region.

- Enhancing laboratory services and services in quarantine stations: Harmonised standard laboratory procedure and practices and standard operations (procedures and practices) at export quarantine stations.

- Enhancing the capacity of member states to discuss and develop and review appropriate policies: Provided and maintained institutional support to the regional and national livestock policy hubs for seven member states.

- Inculcating information sharing culture in member states: Harmonised and strengthened the national and regional livestock market information system (LMIS) including the online LMIS at IGAD level.

- Facilitating and championing livestock market research: Facilitated and supported member state livestock and livestock products trade mission to the Middle East and Asia—Hong Kong, Malaysia and Vietnam—to identify new markets, promote livestock and livestock products and create trade linkages. As a result, the volume of meat traded with United Arab Emirates has increased and Ethiopia has started exporting to Vietnam.

- Engaging the private sector: In collaboration with AU-IBAR, (a) strengthened North Eastern Africa Livestock Council (NEALCO); (b) enhanced the private sector capacity to advocate for policy enforcement; (c)
mobilised private sector stakeholders to improve disease control and livestock trade for their benefit.

Tourism. The IGAD sustainable tourism master plan (STMP) was endorsed by the IGAD summit in 2013. It is guided by the aim, objectives and principles of the Inter-Governmental Authority on Development (IGAD). The master plan is also informed by the African Union minimum integration programme, an instrument geared towards achieving the wider goal of the African Economic Community. In addition, the AU, through the New Partnership for Africa’s Development (NEPAD) 2004 Tourism Action Plan Africa recognises the important role that tourism plays in socio-economic development and poverty alleviation and that, through transboundary activities, it can be an effective vehicle for regional integration. Importantly, the STMP is the result of recommendations by the United Nations Economic Commission for Africa (UNECA) Sub-Regional Office for East Africa’s (SROEA) 15th Intergovernmental Committee of Experts (ICE) meeting. The aim of the IGAD STMP is to provide member states with a regional framework for sustainable tourism development to contribute to socio-economic development and poverty alleviation and to promote regional integration. More specifically the STMP seeks to outline the importance of tourism development in the region, analyse the prevailing scenarios for tourism development, and provide a roadmap for implementing strategies. The STMP is further guided by the principles that tourism development should be sustainable, and provide intergenerational and intra-generational equity. The master plan should provide a vision for tourism development in the region; it should enhance the competitiveness of the IGAD region as tourist destination; strategies should be in line with wider national, regional, continental and international development initiatives and economic development plans; and tourism development should be guided by sound research.

Trade Integration

IGAD’s focus for regional economic cooperation and integration is to create an open, unified, regional economic space for the business community—a single market open to competitive entry and well-integrated into the continental and global economies. This focus requires both regional infrastructure as well as the gradual harmonisation of policies for the removal of barriers to inter-state communications. Globalisation trends of the world economy that offer vast opportunities at the same time pose major constraints for the IGAD region. They also offer potential benefits if they are exploited as appropriate policy measures and structural changes in a combined effort.

IGAD continues to provide a forum for the development and harmonisation of policies that promote transboundary interventions. The minimum integration plan envisaged six stages for the accomplishment of the African Economic Community (AEC), which include the creation of a free trade area and customs union in each of the eight regional blocks by 2017. The facilitation of trade entails the establishment of a free mobility regime through the implementation of a protocol for the free movement of persons. This aims to reduce travel restrictions persisting in the region and to facilitate movement, the right of establishment of business and employment, residence, the acquisition of work permits, and pastoral mobility. In the industry sub-sector IGAD is scaling up industry activities like minerals resources processing and development, agro-processing, cotton, textiles and apparels, metal processing and fabrication in conjunction with its member states. The successful implementation of these industry activities will enhance regional integration and economic cooperation and value addition. More important, it will add value to the living standards of citizens in member states as it boosts intra-African trade. In line with the African mining vision, IGAD is involved in the activities to strengthen the recently established African Minerals Development Centre.

IGAD’s agenda on regional economic integration is in line with that of the African Economic Community (AEC) and African Union (AU), including NEPAD. IGAD was among the signatories of the protocol on the relations between the Regional Economic Communities (RECs) and the AU, signed 27th
January 2008 in Addis Ababa. The ultimate goal of establishing the African Economic Community (AEC) is to accelerate economic and social integration of the members of the continent through integration efforts of RECs and member states. Therefore, the role of IGAD as a REC is derived from this strategic goal of the AU. This role entails harmonisation and coordination of policies and programs among IGAD member states and with other RECs and in alignment with AU policies and strategies that are binding to all RECs. Successful accomplishment of the regional integration agenda facilitates achievement of other IGAD strategic objectives. To this end, IGAD’s Heads of State and Government decided to implement the current minimum integration plan (MIP) as a guiding framework for economic and social integration. Under the regional strategy, IGAD will continue pushing ahead with its regional integration agenda by developing an IGAD FTA, taking into account existing harmonised frameworks such as the Tri-Partite Agreement and the continental FTA to be achieved by end of 2017.

Indicators of success for this programme area include:

- Completed one-stop border posts studies, now at the implementation stage: Galabat-Metema (Sudan–Ethiopia) and Elegu-Nimule (Uganda–South Sudan).
- MoU between IGAD and International Alert to facilitate trading for peace across volatile borders.
- Enhanced trade in the region.
- Increased mobility.
- Increased cross border trade.
- Enhanced tourism in the region.
- Harmonisation of regulatory regimes.
- Transparency of custom procedures.
- Harmonisation of competition rules.

**Infrastructure Integration**

IGAD was established in 1986 as a regional organisation to combine efforts of member states to combat and mitigate effects of droughts and other natural disasters in the region. In 1996, IGAD was rebranded and its mandate increased to include regional cooperation in economic integration, social development, and peace and security. In 1998 IGAD is accredited (with seven other RECs) as a building block for the African integration agenda.

IGAD leadership believes that progress in the transportation and communications sector is paramount to the overall success of the Regional Strategy 2016-2020 because the development of infrastructure and the removal of physical and non-physical barriers to inter-state transport and communications are essential to regional co-operation and integration. Although IGAD has registered success in securing funding for its infrastructure and communications interventions, one of the lessons learned in the process is that most donors are not keen on financing large capital investment projects, such as major road and communications projects.

IGAD has reassessed its involvement in supporting major transport and communication projects by developing some options such as the establishment of an IGAD infrastructure fund, exploring non-traditional donors and promoting public private partnership. IGAD will, however, continue to assist in mobilising donor funding for the vital missing links as well as other infrastructure interventions that will facilitate the movement of goods and people in the region.

Moreover, IGAD will facilitate closer co-operation among the member states to pool resources for joint implementation of regional infrastructure development initiatives. The overall objective is to develop regional infrastructure to support economic cooperation and integration. The indicators of success include:

- Enhanced intermodal systems.
- Enhanced safety on transport system.
- Enhanced utilisation of energy resources.
- Harmonised ICT policy.

The infrastructure development programme area has three components:

- Regional ICT promotion.
- Regional transport development.
- Regional energy interconnectivity.
Transport corridors. Supported by the EU, in 2007 IGAD held the 1st Joint Infrastructure Assessment Mission, known as the Horn of Africa Initiative (HOAI). The HOAI Infrastructure priority areas were: (i) Interconnectivity in transport (focus on transport and trade facilitation) priority road corridors linking region to seaports; (ii) interconnectivity in energy; (iii) interconnectivity in ICT and; (iv) water resources for food security.

Table 8.2 Key Achievements Made by the IGAD Centre for Pastoral Areas and Livestock Development, Source: IGAD 2018

<table>
<thead>
<tr>
<th>Areas</th>
<th>Achievements</th>
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<tbody>
<tr>
<td>Cross border coordination to enhance animal health and livestock trade</td>
<td>Five bilateral MOUs developed; two already signed; for others no objection letter received to organise ministerial meeting for signing. One multilateral (Karamoja cluster) MoU developed and the four countries provided. No objection letter and in February 2019 to be signed. Implementation framework being developed and endorsed for operationalisation of the MOUs</td>
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<tr>
<td>Regional policy framework on animal health in the context of trade and vulnerability of the member states of IGAD</td>
<td>Various regional strategies (Animal health; animal welfare; sanitary phytosanitary) developed with member states and validated for domestication.</td>
</tr>
<tr>
<td>IGAD protocol on transhumance</td>
<td>A draft protocol on transhumance has been developed and consultation made with IGAD member states. The final draft will be submitted to the IGAD committee of Ambassadors and Council of Ministers for signing next year. The protocol will facilitate free movement of livestock and herders to access pasture and water in the neighbouring pastoral ecosystems. IGAD has also drafted a transhumance certificate that will be used by pastoral communities for cross-border mobility. The certificate provides ownership details, quantity and composition including health status of the incoming and outgoing transhumance livestock.</td>
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Figure 8.1 IGAD One-Stop Border Posts and Transport Corridors, Source: https://igad.int/.
conference in March 2012, funded by EU and supported by the AfDB, to promote potential infrastructure projects to investors. The conference promoted 64 regional projects with total cost estimates exceeding USD70 billion.

The IGAD regional infrastructure master plan: The IGAD minimum integration plan 2010 proposed the development of IGAD regional infrastructure master plan (IRIMP). The IRIMP covers the sectors of transport, energy, ICT and transboundary water resources in the framework akin to PIDA.

The overall objective of developing IRIMP is to have an integrated infrastructure master plan for the IGAD region. This will constitute a comprehensive strategy and master plan for the infrastructure sector in the IGAD region that will:

- Facilitate easy intra- and inter-connectivity within the region.
- Simulate regional economic growth and thereby contribute to poverty reduction.
- Reduce isolation and promote regional integration and stability.

Once completed the master plan will identify priority infrastructure projects to be implemented in the short term (by 2020) and the long term (by 2040). The IRIMP will constitute the approved IGAD regional infrastructure development master plan and it will guide the process of selecting and implementing regional infrastructure projects at the level of feasibility assessments, preparation for bankability and investment. It will also constitute the basis for IGAD member states commitment to a common infrastructure development programme, in the form of a declaration, as well as the basis for the regular review of its implementation. The recommendations of the study will provide the basis for IGAD to seek development assistance from donors and development partners and attract private sector financing.

The plan will contribute to the review of the Programme for Infrastructure Development in Africa (PIDA) and to the achievement of African Continental Free Trade Area (AfCFTA) and Africa Agenda 2063.

With funding from the African Development Bank, studies started in May 2018 and are expected to be finalised in December 2019. So far, two reports have been finalised—the inception report and the broad sector overview and project prioritisation criteria report.

Other infrastructure for regional integration initiatives include:

- Feasibility and detailed design studies of Raad–Boma–Kapoeta road, 278 km, South Sudan, are expected to be completed in December 2019.
- Trade and transport facilitation study for the Kampala-Juba-Addis Ababa-Djibouti corridor, including feasibility and detailed design studies of Raad (South Sudan–Ethiopia) and Galafi (Ethiopia–Djibouti) one-stop border posts (OSBPs), are expected to be completed in December 2019.
- GIS mapping of IGAD regional corridors, studies are expected to be completed in November 2019.
- Feasibility and detailed design studies of Matema–Galabat (Sudan–Ethiopia) one-stop border post (OSBP), were completed in 2017.
- Feasibility and detailed engineering design studies of Berbera–Hargeisa–Kalabady–Togowuchale road (266 km), including Togowuchale OSBP, Somalia, were completed in 2013.
- Horn of Africa initiative dealing with transport, ICT, energy and water resources was completed.
- Status of implementation of overload control and other trade facilitation instruments in the IGAD region, completed in November 2012.
• IGAD strategy transport–infrastructure, industry and ICT, completed in April 2008.

Some of the major regional ongoing and completed projects are:

• Completed construction of Isiolo–Moyale in Kenya (missing link of TAH4) and rehabilitation of Awassa–Moyale in Ethiopia.

• Ongoing construction of Grand Ethiopian Renaissance dam (6,000 MW).

• Completed construction of Djibouti–Addis Ababa standard gauge railway (SGR).

• Construction of Mombasa–Nairobi–Kampala–Kigali SGR (Phase 1 Mombasa–Nairobi 472km completed, Phase 2 Nairobi–Naivasha 120 km construction ongoing).

• Ongoing construction of Kenya–Ethiopia 500 kv transmission line (1045km).

• Ongoing construction of Nimule (Uganda–South Sudan) OSBP.

• Completed construction of Moyale (Kenya–Ethiopia) OSBP.

• Ongoing construction of Kitale–Nadapal–Juba road (Kenya/South Sudan).

• Ethiopia–Djibouti Power Interconnection Project—first line 230 kv completed, second line 500 kv under construction.

• Ethiopia–Sudan Power Systems Interconnection—230kv line completed. Second phase 500 kv line planned.

• LAPSSET Lamu Port—first three berths being constructed, connecting roads construction ongoing.

• Tadjourah Port—construction of phase 1 ongoing.

• Completed construction of Djibouti New Port.

IGAD Energy Sector. The IGAD energy sector had a peak demand of about 9.2 GW by 2015 that by 2020 is estimated to double to 18.6 GW and triple by 2025 to 27.8 GW. By 2020 the size of electricity interconnectors will be 3.125 GW, with an additional of 11.6 GW added in the medium to long term. Bringing the total to 14.725 GW newly added connectors. This together with the existing potential of 6 GW will provide a total capacity of 32 GW against a peak demand of 84.3 GW by 2050. Current generating capacity of IGAD member countries is estimated at 8 GW, and this is projected to increase to almost 131.88 GW by 2050, mainly fuelled by interconnection in the North-South corridor.

The plateauing of energy post 2040 will be due to changes in key drivers such as population growth. However it is expected that before that an increase will occur due to demand for energy from services (37%), construction (20%) and manufacturing (24%). These will be the key drivers for energy demand, accounting for 81% of total energy demand by 2040. This is validated by a study showing that energy demand in Africa will increase at 3.5% per annum by 2040. Almost double the global average of 1.3% per annum. The study also estimates that by 2040, energy production in Africa will grow by 58%.

An analysis reveals that the infrastructure gap for the energy sector is slightly over 514.24 GW for a business as usual scenario, 147.52 for a scenario where each country pursues its own national energy policy, and lastly 58.81 GW for full integration based on existing and potential interconnectors. The study demonstrates that without regional integration—the interconnectors—the four major countries will require a huge outlay of capital in order to meet their energy demands by 2050. However, regional integration helps overcome this gap.

In addition to the trans-border electricity transmission lines, there are potential oil pipelines that could alter the energy trade landscape. Probable and proven reserves of oil and gas for IGAD are mainly in Kenya, South Sudan, Tanzania and Uganda. However, contingent and prospective fossil resources are in Djibouti, Ethiopia and Somalia. For scale, the region’s 10.8 billion barrels amount to 22.2% of Libya’s endowment and a mere 0.6% of all the proved global reserves. Currently South Sudan produces 118,000 barrels per day, while Kenya and Uganda aim to have full production at 80,000 and 60,000 barrels per day. Kenya’s reserves will be depleted in 25 years as compared to Uganda (296 years) and South Sudan (27 years). Based on the above statics, Uganda’s
6.5 billion barrels may attract significantly more investment than Kenya, giving it a higher production rate than Kenya. The establishment of a refinery may be a strategic investment for the region and the development of pipelines and the use of crude oil for domestic use will give better returns on investment than exportation of crude.

The possibility of a full integration may be hampered by a number of factors. These include general challenges in the enabling environment for the IRIMP energy sector such as competing institutional frameworks amongst the regional economic bodies—COMESA, EAC and IGAD. Further compounding this are the internal and external security-based challenges. Some areas and states in post conflict—Eritrea, Puntland, Somaliland and northern Uganda—or in active states of conflict—South Sudan and south-central Somalia. As energy projects that could act as drivers for economic integration are developed, insecurity may prove a damper. Other challenges include weak institutional capacity, lack of internal democratic governance, poverty, lack of economic diversification, high dependency on agriculture, low domestic tax bases, the need for collecting revenue from tariffs and poor infrastructure.

In conclusion, IGAD is in a pivotal position to coalesce the various policies and legislation into one coherent and cohesive policy geared towards cross-border trade, energy trade, IGAD ICT Sector. The IGAD region has a distinct digital divide amongst countries in terms of mobile-network coverage, internet and mobile phone penetration, broadband costs and access to international bandwidth. Of all the IGAD member states, Kenya has a developed and robust ICT sector followed by Sudan and Uganda. While other countries—such as Djibouti and Ethiopia—have a monopoly ICT market albeit with noticeable development in ICT infrastructure, more infrastructure is required to increase access for mobile, internet and broadband services and to increase mobile coverage.

Somalia and South Sudan require the establishment of strong and independent regulatory authorities to regulate the ICT market and they need invest in backbone ICT infrastructure such as national optic fibre networks to connect the major cities in their countries.

The IGAD Secretariat has the role of facilitating the exchange of information and experience as the region grapples with a regional digital divide in terms of national backbone development, access of ICT services and ICT skills capacity. The fixed broadband penetration in the region is very poor. Fixed last-mile connectivity has been overlooked in most of the countries due to the high cost of operation and maintenance. However, it is vital for the member states to focus on reconstructing the last-mile cable network because of its importance for broadband connectivity.

Pricing is considered a barrier to ICT access in the region and in Africa at large. And many potential users do not see the need for internet services while some lack the knowledge of how to use it. This has continued to perpetuate the low levels of ICT uptake in region. In addition, challenges such as cyber security, privacy, cost and quality of services have served to keep internet usage low. Lack of information on the benefits of the internet to improve livelihoods, the challenges of costs, a lack of awareness and knowledge, and access to smart phones hinder the advancement of ICT in the region.

Cyber security has gained global traction and IGAD member states have individually developed their cyber security policies and the necessary legislation to curb cyber-crime and protect critical infrastructure information. Kenya, Sudan and Uganda developed their policies, legislation and strategies using COMESA’s ICT and cyber-crime policy model. Ethiopia developed its own policies and legislation, such as certification authorities—without any guiding reference. Djibouti, Somalia and South Sudan on the other hand have inadequate policies and legislation on cyber security.

**Political and Institutional Integration**

Peace and security. The IGAD region experiences immense challenges as a result of man-made and natural disasters, and has had more than its share of intra- and inter-state conflicts, some of which have
lasted for more than four decades. IGAD member states have accorded top priority to the issue of conflict and will leverage all opportunities to consult and reach agreement on how to respond to conflicts and other disasters. The strategic objective is to promote good governance, peace and security in the region. Indicators of success include: (i) increased utilisation of IGAD regional policies and mechanisms for peace and security; (ii) effective cooperation among member states on addressing humanitarian issues; (iii) conflict prevention management and resolution; (iv) trans-national security threats; (v) governance, democracy, rule of law and human rights.

Under the conflict prevention management and resolution, IGAD continues to develop interventions aimed at enhancing the capacity of the member states, as well as and the region as a whole for successful conflict prevention, management and resolution. IGAD will also strive to create and implement processes and mechanisms to promote peaceful means to resolve disputes by empowering countries of the IGAD region to resolve their differences locally and on their own.

The CPMR programme has the following components: (i) conflict early warning and response (CEWARN); (ii) enhancing IGAD’s capacity for preventive diplomacy and mediation; (iii) post-conflict reconstruction and development Indicators of success include the ability of IGAD to supplement member states efforts towards improving peace and security through conflict prevention, management and resolution.

Trans-national security threats programme area security inter-dependence in the IGAD region necessitates the development and implementation of processes and mechanisms to enhance the security situation of the region. Considering the emerging security challenges in the region, IGAD proposes to implement a comprehensive approach to security issues.

The security sector programme has three sub-programmes on: (i) strengthening regional cooperation and coordination against existing, evolving and emerging transnational security threats (EEE-TSTs); (ii) enhancing member states’ and IGAD’s institutional and human capacities to address EEE-TSTs; (iii) promoting and supporting regional and international normative, institutional policy and programmatic frameworks to address EEE-TSTs.

Under governance, democracy, rule of law and human rights programme, IGAD assists member states in their efforts to achieve good governance, protect human rights and ensure participation of civil society. The programme has the following sub-programmes namely:

- Strengthening the role of IGAD NGOs/CSOs on peace and security and other stakeholders.
- Assisting member states in the area of democracy, good governance, elections and rule of law.

The sector has the overall objective of ensuring that there is security in the sub-region and the humanitarian suffering of the sub-region is addressed. The devastating conflicts and natural disasters in the IGAD sub-region justify the pursuit of these goals. The IGAD sub-region suffers from natural disasters and conflicts. As a result, refugees and displaced persons are found in all member states. Most of the projects initiated by the political and humanitarian affairs sector are under formulation, and a number of peace initiatives are being undertaken.

The sectors’ long-term objectives are to ensure that peace and stability prevail in the sub-region so that economic development can take place, and that there is alleviation and mitigation of humanitarian crisis through long-term strategies and responses to acute crises. This requires development of conflict, prevention, management and resolution tools and the use of early warning and early response mechanisms to prevent conflicts as well as capacity building in these areas. It also requires developing a capacity to be better prepared to respond to humanitarian crises and to mitigate human suffering.

The conflict prevention, management and resolution programme deals with security and political issues in the peace and security division. The section is involved in activities and programmes in post-agreement follow up of peace initiatives of both
the Sudan and Somalia conflicts, development of a counter-terrorism strategy, liaison with the Eastern Africa Standby Brigade (EASBRIG), Small Arms and Light Weapons, Landmines, Civil Society, Interparliamentary Union of IGAD member states and Conflict Early Warning and Early Response Unit.

The programme components include:

**Conflict resolution.**
- Sudan peace process.
- Somalia peace process.
- Archiving the Somalia peace process.

**Conflict management.**
- Development of a conflict prevention, management and resolution strategy in the IGAD region.
- Coordination of the East African Standby Brigade (EASBRIG).
- Control of illicit small arms and light weapons in the IGAD region.
- Coordination of the IGAD Interparliamentary Union (IPU-IGAD).
- The Assembly of the IGAD-NGO/CSO Forum.

**Conflict prevention.**
- Conflict early warning and response mechanism (CEWARN).
- Humanitarian and social affairs.

The humanitarian affairs section has the following components:

**Disaster risk management programme.**
- Enhancing DRM capability through training.
- Resources mobilisation for implementation of the DRM.
- DRM as component of the regional food Security and risk management programme (REFORM).
- Establishing a regional disaster emergency fund.
- The risk management of bird flu–avian influenza.
- Alleviation and mitigation of humanitarian crises.
- Refugees, returnees and internally displaced persons.
- IGAD Sheikh Technical Veterinary School and Reference Centre. This is a well-established tertiary education institution located in Sheikh, Somaliland. It was adopted by IGAD in July 2012 in line with its strategy of establishing a dedicated institution to work for improved resilience in the pastoral areas of the ASALs region. The Centre's overall objective is to improve livelihoods and nutrition of agro-pastoralists and pastoralists.

IGAD Inter Parliamentary Union (IPU). This is another tool for facilitating political integration. The IPU plays a vital role in ensuring stability in the region. The organ does not only enhance the integration process within the region but also creates a mechanism for political dialogue, sharing of experiences and promotes greater understanding among the member states.

Regional armed force. The African Union Mission in Somalia (AMISOM) is an active, regional peacekeeping mission operated by the African Union with the approval of the United Nations. It was created by the African Union’s Peace and Security Council on 19th January 2007 with an initial six-month mandate. AMISOM replaced and subsumed the Inter-Governmental Authority on Development (IGAD) Peace Support Mission to Somalia or IGASOM, which was a proposed Inter-Governmental Authority on Development protection and training mission in Somalia approved by the African Union in September 2006. IGASOM was also approved by the United Nations Security Council.

Originally IGASOM was proposed for immediate implementation in March 2005 to provide peacekeeping forces for the latest phase of the Somali Civil War. At that time, the Islamic Courts Union (ICU) had not yet taken control of Mogadishu, and most hopes for national unity lay with the Transitional Federal Government (TFG). By May 2006, the situation was radically different, as the ICU had engaged the Alliance for the Restoration of Peace and Counter Terrorism or ARPCT and was fighting
for control of Mogadishu in the Second Battle of Mogadishu. By June, they had established control of the capital.

Plans for IGASOM continued, though by July there were indications of opposition from the ICU, who saw the initiative as a western means to curb the growth of Islamic movement. Until December 2006, the UN Security Council had imposed an arms embargo on the group, but the embargo was partially lifted and a mandate for IGASOM issued in December 2006.

On 20th February 2007, the United Nations Security Council authorised the African Union to deploy a peacekeeping mission with a mandate of six months, adopting resolution 1744(2007)13. The aim of the peacekeeping mission was to support a national reconciliation congress and requested a report within 60 days on a possible United Nations Peacekeeping Mission.

In October, 2014, the Security Council (Resolution 2182 (2014) gave a green light to the African Union to continue its mission in Somalia until 30th November 2015. Furthermore, the council authorised the African Union mission to take all measures, as appropriate, to carry out support for dialogue and reconciliation by assisting with free movement, safe passage and protection of all those involved in a national reconciliation congress involving all stakeholders, including political leaders, clan leaders, religious leaders and representatives of civil society.

In August 2017, the UN Security Council issued resolution 2372 enabling the gradual handing over of security responsibilities from AMISOM to the Somali security forces contingent on abilities of the Somali security forces and political and security progress in Somalia.

Priority projects and programmes for the next five years include:
- Developing a coherent trade policy.
- Finalising the protocol on free movement of labour, capital and services.
- Finalising the IGAD regional infrastructure master plan.
- Streamlining the environment management plan.
- Harmonising the regional programme for integrated water management.
- Enhancing the capabilities of the peace and security architecture.
- Consolidating the gains of the food security management programme.
- Controlling transboundary animal diseases.
- Enhancing agricultural yields.
- Coordinating interventions in arid and semi-arid areas.
- Advocacy for value addition in the blue economy and protection of fragile fishing grounds.
- Streamlining the implementation of the trade in services pillar through the flagship programme of the IGAD regional sustainable tourism master plan.
- Harnessing the synergies of the business community by amplifying their voice in IGAD business forum.
- Intensifying the coordination of health and social development projects such as those for IDPs, migration, organised mobility, education and HIV/AIDS campaigns.
- Advancing cross-border development programmes.

Challenges of IGAD

Although IGAD has put in place all these integration instruments and implemented integration programs, the Community still faces huge challenges that prevent it from speeding up certain areas of integration.

The challenges can be summed up as follows:
- Insecurity.
- Funding.
- Inadequate coordination between the AUC and IGAD.
- Inadequate implementation of projects and strategies between AUC and IGAD.
- Member States’ multiple membership of RECs.
- Human resource deficit.

For the coming years, IGAD is considering new perspectives, the essentials of which are contained in
the points hereunder:

- Expedite implementation of continental and regional flagship projects to enhance economic and social integration in Africa.
- Initiate new regional and continental projects that promote economic and social integration in Africa.
- Study and implement new funding mechanisms.
- Promote good governance, rule of law, accountability and transparency as a framework for sustainable peace and security.
- Recognise and apply the role of the civil society, NGOs and the private sector in policy and economic development.

Specific Recommendations

With the perspectives of IGAD and taking into account the obstacles mentioned above, it is appropriate to formulate recommendations for the attention of integration stakeholders in the area to speed up integration in the coming years.

AUC, RECs and member states should:

Clearly formalise the legal and institutional linkage between AU and the RECs.

Implement the AU classification of RECs in Africa, by merging some RECs in some regions.

Work with UN so that All UN bodies will use the African classification of REC.

Ensure that RECs are funded from the new AU import levy from the member states.

Promote research on establishing centres of excellence in a number of areas rather than each country doing research.

Work towards reducing military expense by establishing one military for Africa to use the funds to support economic development.

Embark on joint African technology development centres.

Ensure that AU–RECs policies and strategies are tailored and implemented at country level.
CHAPTER 9: SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) - INFRASTRUCTURE INTERCONNECTION SUCCESS

<table>
<thead>
<tr>
<th><strong>GDP</strong></th>
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<td><strong>Population</strong></td>
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<tr>
<td><strong>Land area</strong></td>
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<tr>
<td><strong>Intra-regional trade</strong></td>
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</tr>
<tr>
<td><strong>Number of currencies</strong></td>
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</tr>
<tr>
<td><strong>Number of countries</strong></td>
<td>15</td>
</tr>
<tr>
<td><strong>Date of establishment</strong></td>
<td>1992</td>
</tr>
<tr>
<td><strong>Chief executive</strong></td>
<td>Dr Stergomena Lawrence Tax</td>
</tr>
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Table 9.1 SADC at a Glance, Source: AU 2018.
The Heads of State established the Southern African Development Community in August 1992 after the signing, in Windhoek, Namibia, of the SADC Treaty. The Treaty redefined the basis of cooperation among member states from a loose association into a legally binding arrangement.

SADC’s foundations, taking over from the Frontline States Movement and the Southern African Development Co-ordination Conference, are rooted in the desires to promote political and economic independence, durable peace and security, and poverty eradication; to forge intraregional linkages to create genuine and equitable regional integration; to mobilise member state resources to promote the implementation of national, inter-state and regional policies; and to collectively act to secure international cooperation within the framework of the strategy for economic liberation.

SADC now has 16 member states: Angola, Botswana, Comoros (since August 2017), Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe.

SADC’s vision is a common future that will ensure economic well-being, improved standards of living and quality of life, freedom and social justice and peace and security for the people of Southern Africa. The vision is to build a region with a high degree of harmonisation and rationalisation—to enable the pooling of resources to achieve collective self-reliance in order to improve the living standards of the region’s people.

**Achievements of SADC**

**Social Integration**

*Free movement of people:* The SADC Protocol on Facilitation of the Movement of Persons of 2005 seeks to fulfil the objectives of the SADC Treaty, which require SADC to develop policies aimed at the progressive elimination of obstacles to the free movement of capital and labour, of goods and services, and of the people of the region generally among member states.

In pursuance of this objective and eager to support, assist and promote the efforts of the African Union, SADC developed the protocol to facilitate entry, with lawful purpose, without visa into another member state for a maximum of 90 days, permanent and temporary residence in the territory of another state and establishing oneself and working in the territory of another state. The exact meanings of residence, permits and establishment are provided in the protocol.

The protocol clearly states the phases of implementation and touches on issues of harmonisation of state laws and immigration practices. It also provides for the right of establishment in terms of the national laws of the state parties (article 19). The protocol has so far been ratified by nine member states.

*Community passport:* SADC has no community passport. For visa exemptions, one objective of the protocol is to abolish visa requirements where they still exist. So far, SADC member states have ratified the protocol. Visa exemption has been provided for in the protocol. But almost all the countries are in bilateral agreements between themselves.

*Access to the labour market:* SADC recognises that employment and labour are vital components of economic development. A vibrant labour market attracts foreign direct investment and improves living standards for people throughout the region. To this effect, SADC has a protocol on employment and labour, which provides member states with strategic direction and guidelines for the harmonisation of employment and labour as well as social security legislation, and to create a legal and policy framework for labour migration within SADC. Article 19 of the protocol provides for the rights of migrant workers in the region, including non-discrimination in employment and access to social security benefits, in line with international norms as provided under African Union and International Labour Organisation treaties.

To support the implementation of the principles underpinning the protocol, policy frameworks include the 2014 SADC labour migration policy framework, which promotes respecting the rights and welfare of migrant workers as well as regular migration in the
region. The framework also promotes national labour migration policies, bilateral labour agreements and the strengthening of the nexus between migration and development, including through better data management. In 2016, SADC adopted the portability of accrued social security benefits policy framework, which is supposed to lead to the adoption of a model multilateral instrument for the aggregation and transfer of social security benefits.

Related to these measures are regional frameworks that seek to develop the regional labour market by way of expanding opportunities for decent jobs. These frameworks include the SADC decent work agenda (2013–19), which promotes the four decent work pillars of employment creation, rights at work, social security and social dialogue. A 2016 SADC youth employment promotion policy framework has also been put in place to improve access by youth to employment opportunities in the context of the SADC regional indicative strategic development plan and the industrialisation strategy and roadmap.

**Education and skills development:** SADC recognises that education has significant benefits for both human and socio-economic development and that an educated population is better equipped to address issues such as industrial development and poverty eradication. As such, harnessing human capital and establishing a workforce is prepared for the demands of competitive economies is critical for the success of the SADC regional integration and development agenda. To this effect, SADC, in 1997, established a Protocol on education and training, which came into force in July 2000, providing for several areas of cooperation among member states. The protocol on education and training identifies the following areas of cooperation: basic education, intermediate education and training, higher education and training, research and development, life-long education and publishing and library resources. The protocol also gives guidance on institutional arrangements for implementation as well as resources and scholarship fund assets.

The protocol also guides the SADC education and skills development programme that facilitates and coordinates the harmonisation and implementation of regional educational policies and programmes to ensure access to relevant quality education and training. This is expected to increase the availability of educated and skilled human resource in order to contribute to poverty alleviation and regional integration.

In addition, SADC is hosting the Pan African University on Space Science in South Africa. The first intake of students is to begin in 2019. The hosting of the PAU by South Africa is supported by all SADC member states. A virtual SADC University of Transformation has been approved as a network of universities to be designated as Centres of Specialisation and Centre of Excellence to support the capacity building and research for industrialisation. The hosting of the administrative hub of the university is yet to be identified and agreed.

**Health and nutrition:** The SADC protocol on health was approved in August 1999 and entered into force in August 2004. Acknowledging that a healthy population is a prerequisite for sustainable human development and increased productivity, the protocol promotes cooperation among member states on key health issues. It recognises that this cooperation is essential for the control of communicable and non-communicable diseases and for addressing common health concerns, including emergency health services, disaster management, and bulk purchasing of essential drugs.

In addition, the regional indicative strategic development plan integrates health as a priority in the context of poverty, food security, and social and human development. The current HIV and AIDS pandemic is woven into the entire plan as an issue that influences most factors of development in the region. For this reason, HIV and AIDS are also addressed as a standalone cross-cutting issue.

SADC has a health policy that seeks to raise the regional standard of health for all citizens to an acceptable level by promoting, coordinating, and supporting efforts of member states to improve access to high-impact health interventions. This framework was developed by the SADC health ministers and approved by the SADC council of ministers in September 2000.

Some key strategic frameworks and plans that have been developed include the following:
• The SADC food and nutrition security strategy (2015–25) and the nutrition annual work plan to operationalise the strategy.
• The Maseru Declaration on HIV/AIDS (2003) to guide the region’s HIV response.
• SADC sexual and reproductive health rights and scorecard (2018–30) approved by the ministers of health in November 2018. The score card identifies 20 strategic indicators that each member state will report on annually.

Other regional initiatives in health include:
• The SADC pooled procurement services, implemented through the United Republic of Tanzania with the objective of supporting the member states to share data on pharmaceutical commodities, pricing so as to reduce the cost procurement of medicines and also quality control.
• The SADC medicines regulation and harmonisation project, implemented by the Republic of Zimbabwe medicines control agency, is funded by the World Bank with technical support provided by the NEPAD Agency.
• The SADC TB in the mining sector project, concluded the first phase in 2018, geared towards developing and strengthening health information systems in member states to enhance data management for improved TB programming and service delivery.
• The SADC HIV/AIDS fund, to support innovative regional HIV projects in the member states, was launched in 2009 and the first two phases have been completed. Phase 3 expected to be launched in 2019.
• The framework guideline for domestication of all policies, minimum standards and standard operating procedures for the control of communicable diseases has enabled tailoring the harmonised provision of public health care services for HIV, TB and Malaria. Between 2010 and 2016, the region in its efforts to control new HIV infections, successfully reduced them by 26%.

The SADC medicines database for sharing information on prices has been established, as have a host of other laboratory innovations in member states.
• The implementation plan for the SADC strategy on nutrition was developed and approved by a joint meeting of SADC ministers of health and ministers responsible for HIV and AIDS in November 2017. The plan identifies priority areas that need to be implemented in order to address the nutrition indicators that are performing poorly in several member states.

The priority areas reflected in the SADC regional food and nutrition security strategy include:
• Developing regional minimum standards for micronutrient fortification of food. This is expected to address high levels of anaemia in women of reproductive age and children while at the same time improving nutrition of the general population.
• Developing a regional strategy for communication for behaviour change for improved infant and young child feeding practices. This is expected to address multiple indicators on nutrition including, overweight and obesity, wasting, stunting, exclusive breastfeeding and micronutrient deficiency.
• Developing regional guidelines on nutrition information systems that will strengthen member states’ capacity to monitor progress against the World Health Assembly targets.
• Developing and approving a monitoring tool to monitor implementation of various actions of the protocol on health, as directed by ministers responsible for health at Ezulwini, Eswatini in November 2016. The actions monitored include capacity building efforts for health; investments, priorities and implementation of international health regulation activities, and the existence of an implementation plan and monitoring and evaluation frameworks.

HIV and AIDS: The guiding framework for this focal area is the Maseru Declaration of 2003. The SADC
regional strategy for HIV and AIDS prevention, treatment and care and sexual and reproductive health and rights among key populations was developed to promote the adoption and institutionalisation of a standard, comprehensive package that addresses the unique challenges in providing equitable and effective services to key populations.

The key programmes are the following:

- The HIV/AIDS fund to support innovative regional HIV projects in the member states phase 1 and phase 2 have been completed, and phase 3 is being launched in 2019.
- A cross border initiative has been implemented in the member states targeting mobile populations including sex workers, long distance truck drivers and community members in project sites in border areas. The project closed out in 2018, and member states are taking over and running the sites to ensure the continuity of HIV related services, including HIV testing, STI screening and care as well as the provision of antiretroviral therapy in selected sites.
- Support member states to align their HIV programmes with these regional strategies.

**Gender:** SADC has a vision of durable peace, freedom and social justice, equitable development and sustained economic prosperity for the people of Southern Africa. SADC member states undertook, in the Treaty Article 6(2), not to discriminate against any person on the grounds of sex or gender. SADC member states have committed to mainstreaming gender into SADC programme of action and community building initiatives as a prerequisite for sustainable development. The goals to deepen regional integration and strengthen community building can be only realised by eliminating gender inequalities and women's marginalisation throughout the region. Appropriate policies, legislation, programmes, projects and activities can ensure that gender equality and women's empowerment are implemented in all SADC member states.

SADC Heads of State and Government signed and adopted the Protocol on Gender and Development in August 2008 with the exceptions of Botswana and Mauritius. Of the 13 member states that have signed, 11 have already ratified the protocol. The objectives are to empower women, eliminate discrimination and achieve gender equality and equity through the development and implementation of gender responsive legislation, policies, programmes and projects. The protocol also seeks to harmonise the various international, continental and regional gender equality instruments that SADC member states have subscribed to, such as the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), Beijing Declaration and its Platform of Action, the Protocol to the African Charter on Human and Peoples’ Rights on the Rights of Women in Africa and the Millennium Development goals (MDGs). The protocol thus consolidates and creates synergies between various commitments on gender equality and women's empowerment into one comprehensive regional instrument that enhances the capacity to plan, implement and monitor the gender agenda.

Major achievements include the development and implementation of the following: revised SADC protocol on gender and development, SADC monitoring and evaluation reporting framework on gender, SADC regional strategy on women, peace and security and action plan 2018–22, SADC regional gender-based violence strategy and framework for action (2019–30), 10–year SADC strategic plan of action on combating trafficking in persons (2009–19).

**Youth empowerment:** SADC has a youth employment promotion policy framework whose purpose is to guide SADC member states on a harmonised, integrated and coherent approach to realising decent, secure and sustainable employment and entrepreneurship for youth in the region.

The main goal of the framework is to increase decent employment levels for young men and women. In addition, the SADC theme for the 38th Summit has a strong youth focus, with the theme “promoting infrastructure development and youth empowerment for sustainable development”. A number of activities are planned for operationalising the theme to place young people at the core of work in the region.

In addition, SADC implemented the African Youth Decade 2009–18 Plan of Action, which was developed by the African Union and serves as a comprehensive
roadmap for youth development, with specific objectives, outcomes and strategies. Designed to help strengthen member states' national capacity, the decade aimed to increase support for development and implementation of national youth policies. Following a rights-based approach that mainstreams youth perspectives, the plan intended to facilitate increased investment and to mobilise resources for youth development policies and activities. It set out specific activities towards meeting these objectives, noting indicators of success and timeframes for implementation, as well as particular concerns at each level of governance.

Peace and security cooperation. There can be no regional integration without a peaceful and secure environment. To achieve this, the SADC organ on politics, defence and security cooperation architecture has prioritised preventing conflict, strengthening the democratic processes and infrastructure as well as the safeguarding of human security as being critical to the consolidation of peace and security in the SADC Region. In recent years the Organ has successfully put in place a range of interventions and mechanisms that have contributed to a peaceful and secured SADC.

As part of the good governance and democracy tenets, member states have continued to adhere to the revised SADC principles and guidelines governing democratic elections (2015), which provide a normative peer review framework to measure adherence to standardised universal best practices in relation to the conduct of elections and ultimately the prevention of election-related conflicts. So far the region has successfully deployed 274 observers in the SADC electoral observation missions, in the Zimbabwe and Madagascar, Democratic Republic of Congo and the Kingdom of Eswatini.

The mission supported by the SADC electoral advisory council have, by and large, contributed to the enhanced credibility of electoral processes among member states and the international community. More important, the region is regarded as a critical role player in peace and political stability.

Through the appropriate structures and mechanisms, the region continues to play a pivotal role in preventive diplomacy, mediation, conflict prevention and resolution. A strong linkage between early warnings leading to early action has been created through the regional early warning centre, and the region successfully deployed many strategic teams that had a positive impact.

After the attainment of full operational capability status of the SADC standby force in July 2016, the force has been making strides in readiness for its distinct role in the regional peace and security architecture. A number of actions have been taken to consolidate the efficacy of the force.

In August 2016, in Gaborone, Botswana the Summit of Heads of State and Government adopted the SADC counter-terrorism strategy to enhance the region's peace and security infrastructure. The strategy and its action plan have enabled a common collective approach in the fight against terrorism, including sharing information on suspected terrorists, enacting and reviewing legislation at the national level on preventing and combatting terrorism and strengthening the capacity of the financial intelligence units.

The protocol on politics, defence and security cooperation states that close cooperation on matters of politics, defence and security shall at all times promote the peaceful settlement of disputes by negotiation, conciliation, mediation or arbitration. The protocol provides for regional intervention in the case of intrastate conflict, but only for purposes of mediation, and does not provide for military assistance.

Article 3 of the Mutual Defence Pact 2003 states that: “State Parties shall, in accordance with the principles of the Charter of the United Nations, settle any international dispute in which they may be involved, by peaceful means, in such a manner that regional and international peace, security and justice are enhanced.” Article 6 goes on to say that “An armed attack against a State Party shall be considered a threat to regional peace and security and such an attack shall be met with immediate collective action.”

In a bid to ensure effective conduct of peace and support operations in the region, SADC has strengthened the regional peacekeeping and training centre in Zimbabwe to cover all components of
SADC security forces. At international levels many SADC Member States have continued to contribute to the United Nations and African Union peace support operations. The SADC Summit in Maseru, Lesotho, in 2006 decided on the creation of the police Chiefs Sub-Committee as a SADC institution under the Inter State, Defence and Security Committee of the SADC Organ on Politics, Defence and Security Cooperation.

The police sector includes the incorporation of the Southern African Regional Police Chiefs Cooperation Organisation (SARPCCO) into the Organ. This sector as a stand-alone from the Public Security Sector was a welcome development since it complements the recognition of policing as a unique service within the framework of regional peace and security.

Member states are also supported to develop and implement primary and subordinate legislation on trafficking in persons. Awareness-raising campaigns were conducted, and the secretariat produced two publications to facilitate information sharing on trafficking in persons, as well as a training curriculum for law enforcement officers and social workers.

**Productive Integration**

The extraordinary Summit in April 2015 in Harare, Zimbabwe, approved the SADC industrialisation strategy and roadmap 2015–63. The strategy seeks to achieve major economic and technological transformation at national and regional levels, accelerate growth of SADC economies and enhance comparative and competitive advantages. The summit also approved the revised regional indicative strategic development plan 2015–20, which prioritizes industrial development and market integration and places industrialisation at the centre of the regional integration agenda.

The strategy is anchored on three pillars: industrialisation as champion of economic and technological transformation; competitiveness as an active process to move from comparative advantage to competitive advantage; and regional integration and geography as the context for industrial development and economic prosperity.

The strategy’s long-term vision is aligned to the African Union Agenda 2063, covering 2015–63. During this period, SADC economies seek to overcome their development constraints, and move progressively from factor-driven to investment-driven, and then to efficiency-driven—and ultimately to a high growth trajectory driven by knowledge, innovation and business sophistication. It is envisioned that by 2063, the SADC region will be fully transformed and will be an important player on the continental and global landscape. The strategy further identifies various interventions—from those influencing economic growth to those for accelerated industrial growth and the reversal of de-industrialisation.

**Agriculture**

In August 2014, the SADC Council approved the SADC regional agricultural policy as the overarching policy framework to the agriculture sector. The policy defines objectives and measures to guide, promote and support actions at regional and national levels to contribute to regional integration, industrial development and the attainment of the SADC Common Agenda, as articulated in the Revised Regional Indicative Strategic Development Plan 2015–20.

In March 2017, the SADC Council endorsed the regional agricultural investment plan (2017–22) to implement the policy. The goal is to ensure the effective implementation of priorities and programmes resulting in tangible outputs at the macro, meso and micro levels in the agriculture and related sectors—with a focus on supporting industrialisation and rural development for enhanced rural poverty reduction.

The plan is pursuing eight operational objectives:

- Facilitate enhanced sustainable agricultural production, productivity and competitiveness.
- Facilitate improved regional and international trade and access to markets of agricultural products.
- Facilitate improved private and public engagement and investment in agricultural value chains.
• Facilitate and support reduced social and economic vulnerability in the context of food and nutrition security and the changing economic and climatic environment.
• Facilitate enhanced sustainable development and management of the environment.
• Facilitate enhanced sustainable management and conservation of wildlife and transboundary natural resources.
• Facilitate and promote improved legal frameworks, effective stakeholder networks and dialogue forums.
• Enhanced collaboration in agriculture-related sectoral programme implementation.

For each of the eight operational objectives, the RAIP has identified KRAs, Intermediate Outcomes, KPIs, Annual Targeted Outputs, and Responsibilities. These form the basis for formulation of Annual Operational Plans and M&E during the five-year period.

Industry

Mining: The SADC region has abundant precious metals and minerals—as well as ferrous, base and industrial minerals—that could all serve as feedstock for manufacturing intermediate and final goods, and for industrial use in infrastructure, agriculture and other sectors. Seen in the global context, the region’s mineral reserves are led by platinum (more than 90% in South Africa and Zimbabwe), cobalt (more than 50% in DRC and Zambia), diamonds (more than 50% in Botswana, DRC, South Africa, Angola, Namibia, and others) and chromite (more than 75% in South Africa and Zimbabwe). SADC is also home to significant reserves of manganese, vanadium, zirconium, fluorspar, titanium, gold, copper, nickel, uranium and natural gas—as well as coal, iron ore, manganese and titanium.

In collaboration with the Secretariat, the United Nations Economic Commission for Africa (UNECA) engaged a team of consultants to profile a number of mineral value chains in the region. The profile reports were validated and approved in 2016. Furthermore, the Secretariat together with UNECA developed a draft regional mining vision and action plan to maximise the developmental impact of mineral resources extraction within the overarching context of the African Mining Vision and the SADC industrialisation Strategy. SADC has also developed and agreed on a draft roadmap and action plan supporting regional value chain projects and overall value chain development in the value chains for copper, energy storage and batteries, and mining goods and services.

Agriculture and natural resources

The region developed the Agricultural Development Fund (ADF) as a mechanism to provide financial support to accelerate implementation of the regional agricultural investment plan 2017–22, which implements the regional agricultural policy.

The SADC secretariat in collaboration with member states developed the harmonised seed regulatory system to promote regional integration and enhance access and availability of improved crop varieties to farmers. The system has released and registered 25 crop varieties that can be traded throughout the region without undergoing tedious steps of variety release at national level.

In collaboration with the Food and Agriculture Organisation, the secretariat continued to address the prevalence of fall armyworm and other transboundary pests and diseases.

Trade Integration

SADC has a Protocol on Trade on the basis of which member states established the free trade area (FTA) in August 2008. By 2012, most member states had removed duties on 98% of tariff lines as provided under the eight-year-phased programme. The protocol seeks to further liberalise intra-regional trade in goods and services; ensure efficient production within SADC; establish a SADC free trade area; enhance economic development, diversification and industrialisation; and contribute to improving the climate for domestic, cross-border and foreign investment.

SADC does not have a common external tariff (CET) since it is not yet in a customs union. But five members of the Southern African Customs Union (SACU) are SADC member states and have a common external tariff among them. Establishing a CET is under discussion.
The revised regional indicative strategic development plan (2005–10) provided for the establishment of a SADC Customs Union by 2010. But following technical work and consideration of proposals on the model for the SADC Customs Union, the SADC Summit endorsed a report recommending a sequenced approach that first had to consolidate the SADC FTA through specific activities, address the issue of overlapping memberships, and assess progress after 2015. SADC has commissioned work on evaluating these issues especially the progress in the consolidation of the FTA. A Report will be presented for consideration by officials and ministers in 2019, with recommendations to the Summit about the way forward for a customs union.

**Tripartite Free Trade Area:** SADC is part of the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) officially launched in June 2015, which is envisaged as a major regional African trade and development initiative to establish a free trade area and subsequently customs union of the three African regional economic communities.

A total of 22 countries have signed the agreement, of which 14 are SADC member states—Angola, Botswana, the Union of Comoros, Democratic Republic of Congo, Eswatini, Madagascar, Malawi, Mauritius, Namibia, Seychelles, South Africa, the United Republic of Tanzania, Zambia and Zimbabwe. The Agreement requires 14 ratifications to enter into force. So far, four countries, including South Africa, have ratified the Agreement.

**Continental Free Trade Area:** The SADC FTA and the TFTA are building blocks for the Continental Free Trade Area (AfCFTA), the grand pan-African liberalised trading regime that will open up access to a USD 3 trillion market with 1.2 billion consumers. The full implementation of SADC’s industrialisation agenda is, therefore, crucial in transforming the region’s economic development and positioning its private sector to expand its production horizons into the enlarged African market and beyond.

The region should also deepen business regulatory reforms, benchmarked on the World Bank’s Ease of Doing Business standards. It should create a hospitable business climate for attracting domestic and foreign capital, as well as unlocking and sustaining investment for accelerated industrialisation.

Fifty-two of the 55 African countries have signed the Agreement establishing the AfCFTA. Twenty-two ratifications are required for the Agreement to enter into force, a threshold reached in April 2019. Three SADC member states—Eswatini, Namibia and South Africa—are among the 15 countries that deposited their instruments of ratification with the Chairperson of the African Union Commission. And Zimbabwe had received parliamentary approval for ratification.

**Movement of goods and services**

Under the SADC protocol on trade, most member states removed duties on 98% of tariff lines by 2012. Intra-SADC trade more than quadrupled between 2000 and 2012. And from 2015 to 2017, Intra-SADC imports as a percentage of total trade averaged around 21% a year, and intra-SADC exports around 23%.

SADC member states recognise that deeper integration of trade in goods and services, holds great economic potential. SADC member states undertook to develop policies aimed at the progressive elimination of obstacles to the free movement of capital, labour, goods and services. And the regional indicative strategic development plan foresees the establishment of a common market through removal of barriers affecting factors of production.

The protocol on trade in services, signed by most heads of state and government in August 2012, has the following objectives:

- Progressively liberalise intra-regional trade in services on the basis of equity, balance and mutual benefit with the objective of achieving the elimination of substantially all discrimination between state parties—and a liberal trading framework for trade in services with a view to creating a single market for trade in services.
- Promote sustainable economic growth and development, thereby raising the standard and quality of life of the people of Southern Africa, supporting the socially disadvantaged and alleviating poverty through regional
integration in the area of services.

- Enhance economic development, diversification, local, regional and foreign investment in the service economies of the region.
- Ensure consistency between the liberalisation of trade in services and the various protocols in specific service sectors.
- Pursue service trade liberalisation, while fully preserving the right to regulate and to introduce new regulations.
- Enhance the capacity and competitiveness of the service sectors of state parties.

In support of these objectives, the protocol sets out general obligations for all state parties with regard to the treatment of services and service suppliers from other state parties. It does not contain liberalisation obligations, but it does provide for the progressive liberalisation of barriers to the free movement of services through rounds of negotiations.

In addition to the protocol on trade in services, SADC has sectoral protocols covering service sectors and providing for strategic and developmental cooperation (see the following section on infrastructure).

**Infrastructure Integration**

SADC member states recognise that the competitiveness of the region depends on effective and efficient transboundary infrastructure that is trade enabling and facilitative. They also appreciate the need for collaboration and pooling resources to achieve the comprehensive infrastructure. To this effect, SADC has developed an infrastructure development framework, the SADC Infrastructure Vision 2027, to guide the development of seamless, cost-effective transboundary infrastructure.

The infrastructure vision is anchored on six pillars that constitute the SADC Regional Infrastructure Development Programme: energy, transport, information and communication technologies (ICT), meteorology, transboundary water resources and tourism (trans-frontier conservation areas). To implement the vision, SADC has developed the regional infrastructure development master plan, an important tool guiding the development and implementation of priority infrastructure projects for the region. The plan, which is under implementation, has been guiding the coordination and harmonisation of all regional infrastructure developments in the SADC region, thus facilitating intraregional trade, export product diversification and competitiveness.

**Infrastructure in support of regional integration: Programme 2015–20**

The objective of the programme is to facilitate and coordinate the transformation of the region into an integrated economy by promoting the provision of adequate, interconnected and efficient regional infrastructure. Some of the key areas include:

- Policy, legal, institutional and regulatory development, reform and harmonisation.
- Development, construction, maintenance and rehabilitation of regional infrastructure networks through the implementation of a short-term action plan for the regional infrastructure development plan.
- Establishment or strengthening of regional institutions and frameworks (transport corridors, river basin organisations, regional regulatory oversight organisation, and so on).
- Development of capacity for the design, development, implementation, maintenance and operation of regional infrastructure networks, programmes and projects.

**Development corridors**

Development in Southern Africa has traditionally occurred along routes that connect areas of industry with areas of trade. From industrial sites, raw materials pass along highways, railways, canals and pipelines to ports for export, while finished products travel back through the same corridors. With rapid development in the SADC region, these geographic corridors are growing in importance, as they enable other sectors to maximise their productivity. But infrastructural bottlenecks along these corridors—poor roads and bridges, confusing border logistics and complex customs procedures—often hamper operations of these other industries. SADC recognises that these transport corridors require special attention.
As part of the regional infrastructure development master plan, SADC developed a transport sector plan to improve the region’s road, rail, air and marine transport infrastructure in order to deepen integration and boost intraregional trade. To this end, SADC is implementing the spatial corridor development strategy, adopted in 2008. This corridor approach to regional development is based on the need to provide seamless transport services within the region (table 9.2).

Table 9.2 List of spatial corridors

<table>
<thead>
<tr>
<th>Member states</th>
<th>Corridors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>Lobito (Benguela); Namibe; Trans-Cunene; Malange; Bas Congo</td>
</tr>
<tr>
<td>Botswana</td>
<td>Trans-Kalahari (TKC); North-South (NSC)</td>
</tr>
<tr>
<td>DRC</td>
<td>North-South (NSC); Malange; Walvis Bay–Ndola–Lubumbashi, (Trans–Caprivi); Dar-es-Salaam; Central; Bas Congo; Lobito (Benguela)</td>
</tr>
<tr>
<td>Eswatini</td>
<td>Maputo; Manzini–Durban</td>
</tr>
<tr>
<td>Lesotho</td>
<td>Maseru–Durban</td>
</tr>
<tr>
<td>Malawi</td>
<td>Nacala; Beira; Mtwara; Dar-es-Salaam; North-South (NSC)</td>
</tr>
<tr>
<td>Mozambique</td>
<td>Maputo; Beira; Nacala; Mtwara; North-South (NSC); Limpopo</td>
</tr>
<tr>
<td>Namibia</td>
<td>Trans–Kalahari (TKC); Trans–Orange; Trans–Cunene; Walvis Bay–Ndola–Lubumbashi (Trans–Caprivi); Namibe</td>
</tr>
<tr>
<td>South Africa</td>
<td>North–South (NSC); Maputo; Trans–Kalahari (TKC); Trans–Orange; Maseru–Durban; Manzini–Durban</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Dar-es-Salaam; Mtwara; Central</td>
</tr>
<tr>
<td>Zambia</td>
<td>North–South (NSC); Dar-es-Salaam; Mtwara; Beira; Walvis Bay–Ndola–Lubumbashi (Trans–Caprivi); Lobito (Benguela)</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>Beira; Maputo; North-South (NSC); Limpopo</td>
</tr>
</tbody>
</table>

Source: SADC.

SADC has also embarked on establishing one-stop border posts, piloted at the Chirundu border between Zambia and Zimbabwe and Nakonde–Tunduma border between Tanzania and Zambia. A third border post is under construction at the Kazungula border between Botswana and Zambia.

SADC is also part of the tripartite transport and transit facilitation programme with EAC and COMESA. Since the launch of the programme in October 2017 in Dar es Salaam, Tanzania, the achieved milestones include development and validation of a vehicle load management agreement; a multilateral cross border road transport agreement; national and regional sensitisation in 17 of the 21 member/partner states to identify technical assistance requirements; and facilitation of the cross border road transport regulators forum.

SADC Energy Programme

Beyond their use in daily life, fuel and electricity catalyse infrastructure projects that drive regional integration and economic growth. As the SA’DC region industrialises, energy production and distribution will only increase in importance. Recognising the fundamental role of energy in accomplishing its goals, SADC passed the protocol on energy in 1996, which provides a framework for cooperation on energy policy.

The protocol invites member states to cooperate on energy development, harmonising policies, strategies and procedures throughout the region. It also advises that these policies ensure the security, reliability and sustainability of the energy supply, with member states cooperating on research and development of low-cost energy sources appropriate for Southern Africa.

Since adopting the protocol, SADC has enacted several strategic plans for energy development in the region: the energy cooperation policy and strategy in 1996, the energy action plan in 1997, the energy activity plan in 2000, and the regional infrastructure development master plan and its energy sector plan in 2012. These plans set out tangible objectives for infrastructure development in energy and its subsectors of wood fuel, petroleum, natural gas, electricity, renewable energy and energy efficiency and conservation.

Although implementation has been slow, the region has made significant strides, particularly in electricity. The Southern African Power Pool was established in 1995 to provide a platform for power utilities to
share electricity loads and help manage surpluses and deficits. It has 17 members: 12 mainland member states, 2 independent transmission companies and 3 independent power producers. Of the 12 mainland member states, Angola, Malawi and Tanzania are not yet connected to the SAPP grid.

A number of transmission projects are planned to offload power from countries with surplus electricity production to those with shortfalls. Regional power interconnectors will enable SADC member states to share and benefit from increased generation capacity across borders. The planned transmission projects are classified in three categories: category 1 projects seek to interconnect the three SAPP non-operating members, category 2 projects seek to relieve transmission congestion, and category 3 projects seek to move power from new generating stations to load centres. The target is to connect all the mainland member states through Angola-Namibia interconnector, Malawi-Mozambique interconnector and Zambia-Tanzania interconnector by 2022 as well as to ease congestion on the regional grid.

The Regional Electricity Regulatory Association, formed by 10 member states, addresses regional cross-border electricity regulations and harmonises policies and standards. The region is making steady progress towards migration to cost-reflective tariffs. Currently tariffs for most utilities do not reflect supply costs. As a result, a number of member states are migrating towards cost-reflective tariffs with an element of pro-poor tariffs. Angola, Eswatini, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe have lifeline tariff structures that allow for a minimum level of service. South Africa has a three-pronged approach to pro-poor tariff support.

Significant investments in renewable and non-renewable energy in the electricity sector contributed to the surplus electricity generation capacity registered since 2017, after a decade of power deficits. The surplus electricity has mainly been generated from a variety of energy sources including coal, wind and hydro.

ICT sector plan

The information and communications technologies sector plan component of the master plan aims to address high access costs to telephony and Internet infrastructure in the region, moving towards a digital SADC by 2027, when all citizens should have affordable access to information and communications technologies.

The sector plan analyses the current situation in SADC regarding telephony, Internet, broadcasting and the postal service, offering projections for the future and assessing gaps between the current situation and infrastructure goals for 2027. It then sets out a strategic framework for improvements to information and communications technology infrastructure, as well as an implementation strategy that prioritises projects, resource requirements and methods of implementation.

The goal of the sector plan is to ensure that every member state citizen has full access to information communication technology. The plan is designed to address four key areas: ensure accessibility, including universal access to broadband ICT technologies; accelerate regional integration through broadband interconnectivity within and among SADC member states; reduce the cost of doing business; and improve the reliability and security of ICT infrastructure. Implementation is guided by Digital SADC 2027, a blueprint for ICT Infrastructure development, while a medium-term action plan (2017–22) focuses on accelerating digital transformation.

SADC has also identified projects aimed at improving the enabling policy and regulatory environment for encouraging private investment in ICT infrastructure, bridging gaps in the SADC regional and national integrated broadband infrastructure and SADC regional information infrastructure, facilitating the full integration of SADC member states and focusing on the deployment of a region-wide reliable, resilient, affordable, modern, fully integrated, interconnected and complementary network. That will be enhanced by using the undersea cables that have landed on the eastern and western seabords of the region, and by enhancing postal systems to support socio-economic development.

ICT interventions include national and regional internet exchange points, national and regional incident response teams to support cybersecurity,
wider reach through digital terrestrial television, financial inclusion through e-commerce, a roaming project, and SADC guidelines on ICT and broadcast infrastructure sharing. Average mobile penetration is now 60%, ranging from 20% to 100%. Of total voice subscribers, 6% are fixed line holders, underlining the importance of mobile networks. And average internet user penetration is 4%, ranging from 1% in DRC to 40% in Seychelles.

Meteorology

Volatile weather patterns can affect key agriculture and power generation, jeopardising the socioeconomic security of the region’s 272 million people. So, meteorology and its associated infrastructure are a priority for SADC—not just for its partnership with the World Meteorological Organization, but for its own goals of ensuring that meteorology remains a priority for infrastructure development. SADC passed its protocol on transport, communications and meteorology in 1996. With its policy on transportation and communications, this protocol outlines SADC’s intentions for the development of meteorology in the region.

The protocol reminds member states that they also belong to the World Meteorological Organization and thus must strive to cooperate with one another on a harmonised policy framework for meteorology in the region. Member states agree to improve existing meteorological infrastructure and to institute advancements as appropriate, through planning and development, acquiring equipment and promoting system interoperability.

Released in 2012, SADC’s Regional infrastructure development master plan outlines the projects and strategies SADC is implementing to improve meteorological infrastructure over the next 25 years. Services in the region have been strained by poor observation networks, inadequate instruments and human resources and weak telecommunications systems for transmitting weather information. So the meteorology sector plan component of the regional master plan identifies areas where upgrades to infrastructure will have the greatest benefit:

- Regional observation networks—strengthening the capacity of observation networks and monitoring stations will allow for more accurate weather prediction.

- Global telecommunications systems—Disseminating weather and climate information through dedicated networks will ensure warning systems are effective.

- Regional climate data processing centre—Providing climate information, prediction and climate services, early warning and related applications to support sustainable development in the SADC region.

SADC anticipates more accurate forecasting and enhanced awareness of potential weather hazards. Superior data will enable other sectors to plan accordingly for changes in weather and to mitigate problems that arise.

Trans-boundary water resources

More than 70% of the SADC region’s fresh water resources are shared by two or more member states, the basis for developing and adopting regional instruments to support the joint management and development of shared watercourses.

The protocol on shared watercourses fosters closer cooperation for judicious, sustainable and coordinated management, protection and use of shared watercourses. It seeks to:

- Promote and facilitate shared watercourse agreements and shared watercourse institutions for managing shared watercourses.

- Advance the sustainable, equitable and reasonable utilisation of the shared watercourses.

- Promote a coordinated and integrated environmentally sound development and management of shared watercourses.

- Promote the harmonisation and monitoring of legislation and policies for planning, developing, conserving and protecting shared watercourses, and allocating resources accordingly.

- Promote research and technology development, information exchange, capacity
building and the application of appropriate technologies in shared watercourses management.

Other instruments include the regional water policy, adopted in 2005, the regional water strategy adopted in 2006 and the regional strategic action plan on integrated water resources and development management that was first approved by SADC Summit in August 1998 to run in five-year phases.

SADC has also been developing a system to support sharing of vital water related information across the region. SWISH is an exchange hub that acts as a conduit for water-related news, events and documents, and provides access to a unified water glossary. To engage with SWISH, partners simply need to add RSS capabilities to the news, calendar and document libraries of their websites. These information feeds are then integrated into SWISH and made available to anyone wishing to either view them, or integrate the information into their website. Partners are then able to display SWISH information on their websites. Feeds from SWISH can be filtered to enable partners to display the thematic or geographic information relevant to their stakeholders.

Tourism

SADC passed its protocol on the development of tourism in September 1998, and amended it in September 2009. The protocol sets out the objective to build on the region’s potential as a tourist destination. SADC intends to ensure even distribution of tourism development throughout the region and to create a favourable environment for tourism as a vehicle for socioeconomic development. To facilitate these plans, member states agree to encourage private sector involvement in the industry through incentives, infrastructure, and a regulatory framework.

The protocol also establishes systems for facilitating travel to Southern Africa, training for industry workers and marketing the region as a tourist destination. It also includes an institutional framework for implementing the protocol, specifying committees, units, duties and procedures relevant to improving tourism.

Financial and Monetary integration

Macroeconomic convergence framework

The finance and investment protocol, approved in August 2006 fosters harmonisation of policies to ensure that any changes by one state do not require undesirable adjustments in other states.

Macroeconomic convergence is measured by rate of inflation, ratio of budget deficit to GDP, ratio of public and publicly guaranteed debt to GDP, taking account of the sustainability of such debt, real GDP, per capita GDP, the balance and structure of the current account of the BOP, central bank credit to government, domestic savings by the government and non-government sectors, including pension funds and insurers, as a percentage of GDP.

Other measures include:

- Investment as a percentage of GDP (comprises gross fixed capital formation by the government and government-related agencies such as parastatals) as well as fixed investment by the non-government sector (private enterprises, individuals).
- Financial inclusion (including indicators to cover access, usage and quality, and formal and informal financial inclusion channels such as mobile banking.
- Harmonisation of regulatory and supervisory systems, adopting the 29 Basel core principles.
- Linking individual payment systems to the regional payment systems: the number of banks connected to the real-time gross settlement system in relation to the total number of banks in an economy, and the total volume of cross-border transactions settled as a percentage of the total volume of cross-border transactions.

In 2014, SADC implemented a peer review mechanism for member states to review one another and submit their findings to a panel comprising ministers of finance and central bank governors. The panel has the responsibility of monitoring implementation of the macroeconomic convergence programme.
Progress towards the convergence targets was reasonably good before the global financial crisis of 2008–09. But a weak global economic recovery hurt economies in the region, in turn hampering progress on macroeconomic convergence. The panel noted that a majority of member states underperformed in achieving the agreed macroeconomic convergence indicators. Only Botswana, Lesotho and Tanzania met the set targets of the primary macroeconomic convergence indicators (inflation, fiscal deficit and public debt) in 2017.

Payment system

The protocol on finance and investment aspires to creating an integrated payments system in the region, through the SADC payments and settlement subcommittee. The subcommittee falls under the SADC Committee of Central Bank Governors (CCBG) in terms of reporting responsibility. The key strategic objective is an efficient and effective payment system that would be internationally acceptable and interlinked within the region.

The SADC real-time gross settlement system was developed, first as a proof of concept in the four countries that form the common monetary area, and eventually rolled out to other member states. It was created to settle cross-border transactions faster without having to rely on correspondent banks from outside the region. The main aim is time, cost efficiency and ease of trading without reference to foreign currencies.

Currently the system settles in the South African rand, with expectations for the inclusion of the dollar soon, once all modalities for the dollar inclusion are finalised. Eighty-three central banks and commercial banks are participating in the system with 35% of intra-SADC trade done in rand, 5% in other member states currencies and 60% in the dollar. As of November 2018, 1,275,591 cumulative transactions had been settled, representing ZAR5.21 trillion equivalent of USD 379.95 billion and €333.93 billion. Where transactions previously took two to three days to clear, they now clear within 24 hours, and fees paid to non-SADC clearing banks are removed.

The elimination of intermediaries—often western correspondent banks—means that money stays in the region and payments are processed faster.

The cost of cross-border remittances has been reduced from an average of 20% per transaction to about 13% in the corridor between South Africa and DRC, Eswatini, Lesotho, Malawi and Mozambique. The challenge is to further reduce these costs to meet the G20 target of 5% per transaction.

Regional stock exchange

The SADC protocol on finance and investment provides for member states to cooperate on stock exchanges, with the aim of exploring opportunities for the development of joint products and the cross-listing of companies on member exchanges. Currently, SADC has no regional stock exchange. But member states have prioritised the development of a network of brokers in order to build a business case for cross-listings. Some member states are drafting regional stock exchange agreements and others are at the negotiation or signature stage.

SADC has a programme for the centralisation of government bond trading in exchanges, which is expected to influence a change in policies in SADC countries, removing some of the barriers hindering capital market growth. Ministers of finance and investment in 2018 approved a framework for the centralisation of the bond markets in SADC Region so that government stocks/bonds be listed and traded on stock exchanges.

SADC regional development fund

The fund has been in the cards for several years. Momentum gathered pace during the past few years, culminating in the approval of an agreement operationalising the SADC regional development fund in August 2016. Since then, there have been efforts to expedite internal processes. Several member states have signed the agreement but none has deposited instruments of ratification with the Secretariat. A two-thirds majority is required to sign and ratify the agreement for it to enter into force. So member states that have not signed the agreement need to do so, and those that have already signed need to ratify it.

The SADC Secretariat is engaging international cooperating partners, including the African Development Bank (AfDB) and the German
government, for equity participation and grant allocation in the fund. Member states have to demonstrate their commitments by making their first subscriptions. A team of AfDB experts, on a mission to the secretariat in January 2018, specified the agreed areas of AfDB support to facilitate the operationalisation of the Fund.

Further, to improve the investment and business environment and remove barriers to investment, SADC is implementing a regional action programme for investment. An investment policy framework will guide member states in developing their national investment action plans. To support investors, SADC has an investment portal linked to member state investment portals. SADC also has a bilateral investment treaty template to assist member states in negotiating investment treaties—and an FDI strategy to support the mobilisation of FDI in the region.

Financial sector regulation

There are no macro prudential standards agreed for the region yet. But work is ongoing under the committee of central bank governors to include macro prudential standards in the financial sector regulations.

**Environmental Integration**

Regional environmental management plan

The objective of SADC’s protocol on environmental management for sustainable development is to protect the environment, promote equitable and sustainable use of natural and cultural resources, and the shared management of transboundary environment and natural resources.

Approved in August 2014, the protocol lays the foundations for sustainable development. Fourteen member states have signed the protocol, which provides a more effective and harmonised regional approach to environmental management for sustainable development.

The SADC is putting in place mechanisms to implement the United Nations Framework Convention on Climate Change, the United Nations Convention to Combat Desertification, the United Nations Convention on Biological Diversity, the Basel/Bamako Convention, the Stockholm Convention on Persistent Organic Pollutants and the Ramsar Convention on wetlands. In addition, member states are committed to attaining all Sustainable Development Goals, including those promoting environmental sustainability.

To address sustainable development, SADC has three main environmental policy goals:

- Protect and improve the health, environment and livelihoods of the people, with a priority to the poor majority.
- Preserve the natural heritage, biodiversity and life-supporting ecosystems.
- Support regional economic development on an equitable and sustainable basis for the benefit of present and future generations.

**Regional climate change strategy**

SADC’s climate change strategy and action plan 2015–30 was approved in 2015. The strategy aims to provide a broad outline for harmonised and coordinated regional and national actions to address and respond to the impacts of climate change. It is in line with global and continental objectives set by the United Nations Framework Convention on Climate Change, the Africa Union Commission and the regional development agenda.

The strategy is intended to build resilience and climate-proof all SADC protocols, policies and strategies. Complementing the regional green economy strategy, the objectives are:

- To reduce vulnerabilities and manage risks attendant to climate change.
- To promote the reduction of greenhouse gas emissions.
- To enhance the region’s ability and capability to mobilise resources.
- To enhance institutional and technical capacity of the region to address climate change.
- To promote research and development and to scale up and disseminate climate-compatible technologies and best practices.
- To promote regional cooperation, integration and engagement at the international level to address climate change.
Political and Institutional Integration

Peace and security

The SADC vision is for a shared future in an environment of peace, security and stability, regional cooperation and integration based on equity, mutual benefit and solidarity. SADC is committed to the principles of the Charter of the United Nations, the Constitutive Act of the African Union, and the Protocol Establishing the Peace and Security Council of the African Union.

The regional indicative strategic development plan reaffirms the commitment of SADC member states to maintain good political, economic and corporate governance entrenched in a culture of democracy, full participation by civil society, transparency and respect for the rule of law. The plan also emphasises that good political, economic and corporate governance are prerequisites for sustainable socio-economic development, and that SADC’s quest for poverty eradication and deeper integration levels will not be realised in the absence of good governance.

In June 1996, the SADC organ on politics, defence and security cooperation was established. In 2001, member states signed the protocol on politics, defence and security cooperation. In 2004, the strategic indicative plan for the organ was established as an enabling instrument for implementing the protocol.

Regional Parliament

SADC has a parliamentary forum, not a regional parliament. The forum is a regional interparliamentary body comprising members of parliament from SADC member states’ national parliaments, representing more than 3,500 parliamentarians in the SADC Region. This forum provides a platform to support and improve regional integration through parliamentary involvement, and to promote best practices in the role of parliaments in regional integration and cooperation. The establishment of a regional parliament is currently at a discussion stage.

Regional Court of Justice

SADC has no regional court of justice. The protocol on a SADC tribunal is to provide for the establishment of a tribunal for SADC with jurisdiction on the interpretation of the SADC treaty and protocols relating to disputes between member states, and giving advisory opinions on matters that the summit or council may refer. But it has not yet entered into force.

Challenges of SADC

In the process of implementing its regional integration agenda, SADC, like other regional economic communities, has faced challenges.

Multiple and overlapping memberships

Of the 16 SADC member states, nine also belong to COMESA and one to the EAC. Overlapping membership has not only created confusion, competition and duplication, but also constitutes a burden on the taxpayer. Differences in approaches to integration add to the confusion, inconsistency and incoherency in policies. For example, COMESA is informed by classical Vinerian thinking and stresses the benefits of integration from removing trade and non-tariff barriers. In contrast, SADC favours a developmental approach to integration, focusing on sectoral co-operation and infrastructure development.

State sovereignty vs regionalism

State sovereignty often precludes commitment to regional integration agenda and limits the ratification, tailoring and implementing SADC protocols, further delaying the legislative frameworks from entering into force. As a result, national strategies, policies and priorities often are not aligned to the regional strategies, so there is a lack of harmonisation of policies and legal systems as well as a difference in institutional arrangements and structures.

Limited involvement of national stakeholders

The involvement of national stakeholders—national parliaments, the judiciary, academics, civil society, private sector and general citizenry—is lacking in issues of regional integration. So the awareness and ownership of the integration process is correspondingly low among the citizens. Consequently, regional integration is seen as a politically led process and a preserve of government officials, elites and diplomats.
Specific Recommendations

Some of the conditions for enhanced economic and social development have been met. For instance, the SADC trade protocol has been in effect since September 2000, providing for the establishment of a free trade area. There are also other key protocols, some of which are in effect or pending ratification and implementation. Additionally, SADC is implementing strategic plans to guide its integration agenda. So, in a number of core areas—including infrastructure development in food security and the protection of natural resources—major advances have been achieved through sectoral cooperation. But most member states’ economies are small, extractive industries based and primary commodity exporters with only incipient industrial development. On their own, the southern African economies are not able to attract the necessary financial and technology transfers to support sustained industrialisation, growth and development. The establishment of regional funds could contribute to economic harmonisation and social cohesion and help to overcome supply-side bottlenecks in the SADC region.

Regional integration in Southern Africa will be deepened only if other goals are achieved in tandem, including political and economic stabilisation, mobilisation of savings and investment, and a gradual integration of the region into world markets. So, member states must:

- Resolve the issue of multiple and overlapping membership in order to avoid confusion, competition and duplication, as well as lessen the financial burden on the taxpayer.

- Commit more to the regional integration agenda and be willing to ratify and tailor protocols, align their national strategies, policies and priorities to the regional strategies, and harmonise their policies and legal systems with those of the region.

- Immediately agree to a regional parliament, court of justice and central bank, institutions that should oversee the integration agenda and harmonisation of policies, legal systems and institutional integration.

- Engage national stakeholders and the general citizenry to increase awareness and ownership
### AMU at a Glance

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<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<td>GDP</td>
<td>USD 375 billion</td>
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<td>Population</td>
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<td>Land area</td>
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<td>Intra-regional trade</td>
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<td>Number of currencies</td>
<td>5</td>
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<tr>
<td>Number of countries</td>
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<tr>
<td>Date of establishment</td>
<td>1989</td>
</tr>
<tr>
<td>Chief executive</td>
<td>Taïeb Baccouche</td>
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</table>

*Source: AUC 2018*
The Arab Maghreb Union (AMU) was created in Marrakech in February 1989 by a Constitutive Treaty. After the Constitutive Summit, six Summits of Heads of State were held, and 34 agreements involving various sectors were adopted.

The Arab Maghreb Joint Strategy for Development, approved by the Council of the Presidency at its third session (Ras Lanuf, 10–11 March 1991), continues to be the appropriate reference for achieving Maghreb economic integration. The goal of this strategy is to achieve the common interest of all parties, provide the necessary capacity to serve federal objectives and encourage national and bilateral institutions to give all their activities a Maghreb dimension. The Treaty establishing the Arab Maghreb Union (Marrakesh, 17/02/1989) states that the Union aims at “working gradually towards achieving free movement of persons and transfer of services, goods and capital among them”.

**Achievements of AMU**

AMU’s mission is to promote and speed up the process of integration among its member states, through a sequential approach as mentioned in the Abuja Treaty. This approach has been able to deliver achievements, despite the persistence of obstacles. Since its establishment in February 1989, AMU has developed several programmes with a view to achieving the various stages of integration.

**Social Integration**

Free movement of persons

One of the major objectives of AMU has been the free movement of people, goods, services and capital. The region has bilateral provisions for the elimination of visas. The five member states recently instituted legislative reforms for the entry, stay and exit of foreigners, and they also have agreements on the right of residence and access to the labour market.

**Trade integration**

Free trade area

The draft agreement for the creation of a free trade area between the countries of the Union was signed by all member states in June 2010. And the Ministerial Council for Maghreb Trade agreed in 2014 to sign the agreement for the establishment of a free trade area between the countries of the union.

An expert group completed the preparation of the draft customs valuation protocol and approved its final version. Similarly, the draft protocol on dispute settlement system was approved. Also approved was the final version of the draft protocol on rules of origin, the concept of origin products and modalities of administrative cooperation, as well as the annexes to this protocol, including the model certificate of origin adopted under the FTA agreement, the certificate of origin application form, exporter’s declaration, author’s declaration and billing statement text.

The experts approved in September 2015 the principle of adopting detailed Euro-Mediterranean rules of origin as a basis for negotiation, while leaving to member states the possibility of submitting any proposals on these rules before their adoption.

The AMU General Secretariat organised meetings that led to the establishment of a Maghreb working group to monitor African initiative to develop and raise the current level of intra-African trade. It also developed a Maghreb action plan for trade policy, trade facilitation, production capacity, trade-related infrastructure, financing commercial transactions, trade information, and integrating the factors of production.

**Productive Integration**

Agreement on trade in agricultural products

As part of the gradual establishment of a common agricultural market for the AMU countries, the agreement on the trade of agricultural products was signed in Algiers in July 1990. That agreement aims at exempting agricultural products of origin and locally sourced, which are mutually exclusive, from the customs duties and taxes on each country’s national production.

The Maghreb working group on agricultural policies held a meeting in Rabat in May 1995 to discuss:

- Rules of origin.
- How to treat processed agricultural products and beneficiaries of economic systems and customs.
- Preventive measures.

The Group also drew up a list of agricultural products free from customs restrictions in accordance with the harmonised system, as recommended in September 1995.

**Quarantine agreement**
This agreement aims to pool efforts and encourage joint Maghreb work in the field of quarantine to protect crops as well as plant and forest resources from the spread or propagation of harmful diseases and pests. All Union countries ratified the agreement in July 1993. The agreement sets out modalities for the control of plants and plant products exported from one country to another.

In February 2012, the Council of Foreign Ministers approved the amended version of the Agreement proposed by the Ministerial Committee on Food Security in Algiers in November 2001 and recommended the same for submission to the presidency council.

Veterinary cooperation agreement and sanitary zoo

As part of a joint Maghreb action in the field of animal protection for improved quality of animal material intended for human consumption, a special agreement on veterinary medicine and cooperation in the sphere of animal health was signed by the AMU countries in March 1991. The purpose of this agreement is to coordinate national programs and legislation for the prevention and control of epidemics and infectious diseases and improve the quality of animal resources for human consumption. The conditions for the agreement’s entry into force are yet to be met.

For procedures, the group of experts held several meetings to examine the cooperation tools across the Maghreb, culminating in the preparation of a set of 12 projects. Eight legal instructions were adopted, and in June 1999, the group of legal experts prepared the legal text of four instructions for submission to the competent authorities for adoption. The group also devised a strategy for the exchange of sea and freshwater products and to set the requisite standards for veterinary structures.

Convention to combat desertification

All countries of the Arab Maghreb Union have ratified the UN Convention to Combat Desertification, signed in Paris in 1994, and entrusted to the AMU Secretariat the responsibility to monitor its application in the Maghreb and to:

- Prepare a study on combating desertification in the Arab Maghreb in cooperation with the governmental committee tasked to negotiate in 1993 before the adoption of the UN convention.
- Provide input to all sessions of the intergovernmental committee, the Conferences of the Contracting Parties and the Committee on Science and Technology of the convention.
- Prepare the Maghreb programme to combat desertification with inputs from the Convention Secretariat, member states and several other regional organisations.
- Adopt the Maghreb programme to combat desertification in Algiers in 1999, comprising several priority projects for the Maghreb region.
- Update in 2010, the Regional Action Programme to Combat Desertification for 2011–20, integrating climate change adaptation into this programme, in collaboration with the Global Mechanism and in line with the objectives of the 2008–18 convention implementation plan.

**Infrastructure Integration**

In the field of telecommunications, AMU conducted two studies funded by the African Development Bank:

- On the harmonisation of the legislative and legal framework of the ICT sector.
- On establishing and securing a high-speed communication network in the Maghreb.

For the Maghreb railway, a feasibility study was conducted for the rehabilitation and modernisation of certain sections:

- Modernisation of the Fes–Oujda–Aqid–Abbas railway line.
- A new line between Annaba and Jendouba.
- Modernisation of the railway line between Jendouba and Al Jadida.
- Extension of the study to Libya and Mauritania.

The estimated cost of implementing the project is USD 3.9 billion. A media day was planned for the publication of this study in January 2019 to attract investors and implementing companies to execute this project.

For groundwater resources, two studies were conducted for the Northern Desert and Elomden
Basin in October 2018 as part of a cooperation agreement with PIDA, providing funding of USD 30,000.

The main outcomes of the studies are implementing a solar energy programme for the desalination and pumping of groundwater for irrigation, building human capacity building, organising regional and national workshops, implementing the groundwater study in the Northern Desert Basin, including Libya, Tunisia and Algeria, for USD 5,176,000, and completing the groundwater study in the Eloden Basin, which includes Mauritania and Algeria, for USD 5,500,000.

**Monetary and Financial Integration**

The Maghreb Bank for Investment and Foreign Trade

The Arab Maghreb Union Council adopted the agreement to establish the Maghreb Bank for Investment and Foreign Trade that entered into force in April 2002 after ratification by all the member states.

The Bank’s constitutive general assembly held its first meeting in Tunis in December 2015 and officially announced the establishment of the Maghreb Bank for Investment and Foreign Trade. After establishment of the Tunis-based bank, the first representative office opened in Mauritania, the aim being to open a second representative office in Algeria in 2019. The bank will then open branches in the rest of the member states.

The Bank also has partnerships with the Islamic Development Bank and the Arab Trade Financing Programme, and is seeking to finalise its relations with the international financial institutions and establish a technical cooperation programme with the African Development Bank.

Creation of the Maghreb Businessmen Confederation

The Confederation of Maghreb Businessmen, based in Algeria, was created in Marrakech in February 2007. The first Maghreb Businessmen’s Forum was held in Algeria in May 2009, resulting in the publication of the Algiers Declaration.

Tunisia hosted the Second Meeting of Maghreb Businessmen in May 2010. At that meeting, the study on the coordination of Maghreb investment systems was presented, and the recommendations of the Marrakech seminar on the role of Maghreb women in the development of Union economies, were debated. The outcomes of the meeting also led to the publication of the Tunis Declaration.

After the third meeting of businessmen was held in Marrakech in February 2014, the “Marrakech Declaration” was published.

Statistical unit

Pursuant to the recommendations of the Maghreb Ministerial Committee on Economy and Finance and the Council of Foreign Ministers of the Arab Maghreb Union, a statistical unit was created under the direction of the Department of Economic Affairs. A senior statistician economist was also recruited to monitor the work of this unit and improve its performance.

With financial and technical support from the African Development Bank, the statistical unit is creating a statistical information platform that can later be developed into a database from various sources, particularly national statistics institutes, to provide statistical information and indicators to the various AMU departments and organs, and periodically publish the data on the secretariat’s website.

**Challenges of AMU**

Despite the great vision displayed at its creation, AMU is faced with various obstacles that are halting or slowing the integration process. Although the region has made progress in some areas, implementation has come up against numerous challenges.

- **Free movement of persons:** Elimination of visas among the member states and Sub-Saharan clandestine immigration
- **Commercial integration:** Absence of harmonisation of norms and standards and harmonisation of commercial, customs, transport and exchange regulations.
- **Infrastructure integration:** Persistent high cost of intra-Maghreb transport and telecommunication

As part of its mission to foster and fast-track the integration process between its member states, AMU has medium and long-term perspectives for diverse and
complementary areas of integration.

• Political challenges: Increase security and political cooperation between Maghreb and African countries to transform Africa into a stable, secure and conflict-free zone.

• Free movement of persons: Guarantee the free movement of people from the Maghreb and Africa in general.

• Productive integration: Support food security through cereal products, develop trade in agricultural products among the Maghreb countries, and conserve and sustainably manage natural resources.

• Commercial integration: Commercial and tax integration, and priority to Africans to access African markets.

• Infrastructure integration: Extend the feasibility study on the rehabilitation and modernisation of certain sections of the Maghreb railway line to Libya and Mauritania, establish a maritime line connecting the ports of the Maghreb to promote trade and tourism, connect border areas to the highway between the Maghreb countries, and construct logistics areas (petrol stations, rest stations, etc.) along the highway.

Specific Recommendations

The AMU as a region has such enormous potential that, but for certain political obstacles, it is in a position to speed up the ongoing integration process. But much remains to be done if AMU member states are to achieve regional integration. For further progress in integration projects in the region, the member states should:

• Focus on unity as being in the higher interest of the people, setting aside their differences as a way to enhance Maghreb economic integration.

• Pool efforts to combat insecurity and terrorism in the region.

• Agree on the organisation of a historic summit to discuss a new vision for AMU.

• Speed up the ratification of agreements and conventions at the regional level.

• Fast-track implementation of already adopted programs.

• Harmonise national policies in view of some member countries’ accession to several regional groupings.
CHAPTER 11: RECOMMENDATIONS AND CONCLUSION
Recommendations

As a way forward, several recommendations are worth mentioning.
Member states should:

- Sign, ratify and tailor the AU legal instruments related to the integration tools of the Abuja Treaty and Agenda 2063.
  Be fully involved in the mobilisation of domestic resources and accelerate the implementation of the Kigali decision on the 0.2% for AUC funding, to be able to finance the implementation of Agenda 2063 and the African Integration Fund.
- Align their national development plans with regional and continental programs to maximise effectiveness.
- Rationalise some RECs through merger of the Institutions that perform basically the same functions to its member states, and by converting some to specialised institutions to avoid waste, conflict and duplication of effort.

The RECs should:

- Align their programmes and action plans with the continental integration Agenda for Integration, which includes the Abuja Treaty, Agenda 2063 and its Ten-year implementation plan.
- Strengthen their cooperation with each other with a view to sharing experiences and best practices.
- Develop their local capital market in order to raise funds for the efficient funding of infrastructure.
- Be organic structures of the African Union, rather than just building blocks with a terminal role. The establishment of permanent Liaison Offices at both the AUC and the RECs should be affected as soon as possible.

The African Union Commission should:

- Continue to coordinate the implementation of the African Integration Agenda while conducting, in collaboration with RECs, annual evaluations based on the newly developed and adopted African multidimensional regional integration index (AMRII).
- Devise a minimum integration programme (MIP) that can be implemented over one or two years in order to increase accurate implementation with specific objectives and timeframe.
- Set up an awareness mechanism to sensitize African citizens to integration issues through an annual integration forum that will include professional, academicians, women, the private sector, the diaspora and other African stakeholders.
- FastTrack the implementation of the Kigali Decision on the 0.2% for AUC funding to create financial autonomy for RECs, AUC and other continental and regional institutions.
- Intensify advocacy efforts aimed at AU member states, for them to ratify, tailor and implement the AU legal instruments such as treaties, protocols related to the financial institutions, the AfCFTA, the Pan African institutions for statistics; the AU Passport and others.
- Strengthen cooperation between the AUC and RECs by improving information sharing and data collection, by monitoring analysis and disseminating progress and challenges.
- Strengthen collaboration between AU and Members States by nominating a specific focal point (Ministry, Department or other structure).
- Propose a champion REC in the area of integration in which the REC has made significant progresses so that it can be emulated by other RECs.

Align the policies according to the priorities, the capacity of financing, and the emerging issues.

Conclusion

The report concludes that the African integration process has recorded undeniable achievements. Most of the RECs have completed milestones in compliance with the various stages of the Abuja Treaty. Free movement of people is now a reality in most RECs.

More important, is the landmark signing of the
AfCFTA and Free Movement of Persons in March 2017, in Kigali, Rwanda, by the AU Heads of State and Government, is a good step in the right direction. The Report observes that although key institutions (including the Pan-African Parliament, and African Court of Human and Peoples’ Rights) have been established in line with the Abuja Treaty, their powers remain limited owing to the reluctance of Member States to cede sovereignty to them. Other key AU Financial Institutions (including the African Central Bank, African Investment Bank and African Monetary Fund) have yet to be established.

As was mentioned above, the decision-making process based on consensus is problematic in the sense that decisions which are signed are not legally binding, and Member States that do not implement agreed decisions, never face sanctions of any form. Furthermore, the Report is of the view that the current method of financing regional and continental integration is both unpredictable and unsustainable, and remains a key obstacle to achieving accelerated African integration. In addition, the fact that donors fund most of these regional and continental programs is both problematic and unsustainable and requires a major shift. Furthermore, the division of labour between the AUC, RECs and Member States remains unclear, and there is a lot work needed to register progress, in this important area. The Report also observes that persistent conflicts and civil wars on the continent have adversely affected the pace of Africa’s integration process and continue to divert existing meagre financial and human resources, which could best be earmarked for development purposes.

Finally, the Report observes that lack of political will reduces the level of implementation of numerous decisions taken both at the Member States, regional and continental levels. Furthermore, the problem of multiple memberships is costly both in financial and human terms, and impedes advancing into deeper forms of both regional and continental integration. In view of this assessment, the need to implement the above recommendations for accelerating the process of integration cannot be overemphasized, as a matter of urgency.
Bibliography

ANNEXES

Annex 1: Status of integration as per the stages of Abuja Treaty

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In progress

Achieved

Not achieved and not in progress

Annex 2: The RECs economic weight

Annex 3: The RECs demographic weight
Annex 4: The Aspirations of Agenda 2063

1. A Prosperous Africa, based on inclusive growth and sustainable development.
2. An integrated continent, politically united, based on the ideals of Pan Africanism and the vision of Africa's Renaissance.
3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law.
4. A Peaceful and Secure Africa.
5. Africa with a strong cultural identity, common heritage, values and ethics.
6. An Africa whose development is people driven, relying on the potential offered by people, especially its women and youth and caring for children
7. An Africa as a strong, united, resilient and influential global player and partner

Annexe 5: The Flagship Projects of Agenda 2063

- Integrated high speed train network: connect all African capitals and commercial centres through an African High Speed Train Network thereby facilitating the movement of goods, factor services and people. The increased connectivity by rail also aims to reduce transport costs and relieve congestion of current and future systems.

- An African virtual and e-university: increase access to tertiary and continuing education in Africa by reaching large numbers of students and professionals in multiple sites simultaneously; and develop relevant and high quality Open, Distance and eLearning resources to offer students guaranteed access to the University from anywhere in the world and anytime (24 hours a day, 7 days a week).

- Formulation of an African commodities strategy: enable African countries to add value, extract higher rents from their commodities, integrate into the global value chains, and promote vertical and horizontal diversification anchored in value addition and local content development.

- Establishment of an annual African Economic Forum: that, once a year, brings together the African political leadership, the private sector, academia and civil society to reflect on opportunities as well as the constraints, and propose measures to be taken to realise the aspirations and goals of Agenda 2063.


- The African Passport and Free Movement of People: transforming Africa's laws, which remain generally restrictive on movement of people despite political commitments to bring down borders with the view to promoting the issuance of visas by Member States to enhance free movement of all African citizens in all African countries.

- Implementation of the Grand Inga Dam project: optimal development of the Inga Dam is expected to generate 43,200 MW of power (PIDA) to support current regional power pools and their combined service to transform Africa from traditional to modern sources of energy and ensure access of all Africans to clean and affordable electricity.

- The Pan-African e-network: this aims to put in place policies and strategies that will lead to transformative e-applications and services in Africa; especially the intra-African broad band terrestrial infrastructure; and cyber security, making the information revolution the basis for service delivery in the bio and nanotechnology industries and ultimately transform Africa into an e-Society.

- Silencing the Guns by 2020: end all wars, civil conflicts, gender-based violence, violent conflicts and prevent genocide. In addition, progress in the areas are to be monitored through the establishment and operationalisation of an African Human Security Index (AHSI)
• Africa Outer Space Strategy: this aims to strengthen Africa's use of outer space to bolster its development. Outer space is of critical importance to the development of Africa in all fields: agriculture, disaster management, remote sensing, climate forecast, banking and finance, as well as defence and security. Africa's access to space technology products is no longer a matter of luxury and there is a need to speed up access to these technologies and products. New developments in satellite technologies make these accessible to African countries. The Brazzaville meeting on aerospacial technologies underscored the need for appropriate policies and strategies to develop a regional market for space products in Africa.

• Establishment of a Single African Air-Transport Market (SAATM): this flagship programme aims to facilitate air transport in Africa by creating a single unified air transport market in Africa

• Establishment of the Pan-African Financial Institutions: this aims at accelerating integration and socio-economic development of the continent, given that these are pivotal institutions for the mobilization of resources and management of the financial sector

Annexe 6: The key stages of a classical integration process

<table>
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<tr>
<th><strong>Free-Trade Area (FTA):</strong></th>
<th>An agreement concluded between countries with a view to eliminating customs duties between them as well as quantitative restrictions on imports, while preserving their trade policy vis-à-vis third countries.</th>
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<tr>
<td><strong>Customs Union:</strong></td>
<td>The customs union is the strengthening of the free-trade zone in which Member States adopt a common trade policy and common external tariffs.</td>
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<tr>
<td><strong>Common Market:</strong></td>
<td>A common market is characterized by the free movement of goods, services, and capital between Member States.</td>
</tr>
<tr>
<td><strong>Monetary Union:</strong></td>
<td>A set of countries that have adopted a common single currency. It ensures the integration of the common market.</td>
</tr>
<tr>
<td><strong>Economic and Monetary Union:</strong></td>
<td>An economic and monetary union is the most advanced state of the economic integration process in which all countries have harmonized their economic, monetary, and fiscal policies.</td>
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