

2011



Third Publication
African Union Commission
July 2011

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ACKNOWLEDGEMENTS

The Commission would like to thank all the Regional Economic Communities (RECs), and all those who made invaluable support which made it possible for the team of the Commission to come up with this document.

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ACRONYMS AND ABBREVIATIONS

ACHPR	African Court on Human and Peoples' Rights
AEC	African Economic Community
ADB	African Development Bank
AMU/UMA	Arab Maghreb Union
APSA	African Peace and Security Architecture,
ATI	African Trade Insurance Agency
AVAL	Adding Value to African Leather
CAADP	Comprehensive African Agricultural Development Programme
CASSOA	Civil Aviation Safety and Security Oversight Agency
CEN-SAD	Community of Sahel-Saharan States
CET	Common External Tariff,
CEWARN	Conflict Early Warning and Response Mechanism
CIPRES	Inter African Conference on Social Security
COMAI	Conference of African Ministers in Charge of Integration
COMESA	Common Market for Eastern and Southern Africa
CTN	Common Tariff nomenclature
DLCO	Desert Locust Control Organization
DMC	Drought Monitoring Centre
DMCH	Drought Monitoring Centre, Harare
DMCN	Drought Monitoring Centre, Nairobi
DRC	Democratic Republic of Congo
EAC	East African Community

EBID	ECOWAS Bank for Investment and Development
ECCAS/CEEAC	Economic Community of Central African States
ECOSOCC	Economic, Social and Cultural Council
ECOWAS	Economic Community of West African States
FANR	Food, Agriculture and Natural Resources
ICAO	International Civil Aviation Organization's
ICPAC	IGAD Climate Prediction and Application Center for Monitoring and Forecasting
IGAD	Intergovernmental Authority on Development
IGMOU	Inter-Governmental Memorandum of Understanding
ISRT	Inter-State Road Transit
ITP	Institutional Transformation Process
LLPI	Leather and Leather Products Institute
LVFO	Lake Victoria Fisheries Organization
MERECF	Mount Elgon Regional Ecosystem Conservation Programme
NRM	Natural Resource Management
OHADA	Organisation for the Harmonisation of Business Law in Africa
OIE	Organisation of Animal Health
RETOSA	Regional Tourism Organisation of Southern Africa
SADC	Southern African Development Community
SAPP	Southern African Power Pool
SPA	SADC Programme of Action
SYSCOA	West African Accounting Systems
TAZARA	Tanzania-Zambia Railway Authority
UNECA	United Nation Economic Commission for Africa

UNHCR	United Nations High Commissioner for Refugees
WABA	West African Bankers Association
WAGP	West African Gas Pipeline
WAHO	West African Health Organisation
WAMA	West African Monetary Agency
WAMI	West African Monetary Institute
WAPP	West African Power Pool
Westcor	Western Corridor Project
WRCU	Water Resources Coordination Unit
WRM	Water Resources Management
WTM	World Travel Market
ZAMCOM	Zambezi Watercourse Commission

1. EXECUTIVE SUMMARY

1. The Abuja Treaty lays the ground work for the creation of the African Economic Community (AEC), whereby the economies of the Member States of the AU will be fully integrated. The goal of the AEC is to transform the fifty three economies of Africa into a single economic and monetary union, with a common currency, free mobility of capital and labour. It is the desire of the leadership of the continent as stipulated in the Constitutive Act to have an African Central Bank, an African Monetary Fund and an African Investment Bank in place when the AEC is fully operational. This presupposes that Africa as a whole would have gone through all the stages of integration. The RECs, which constitute the building blocks of the AEC, would at this stage merge their programmes into one.

2. Despite the progress made by Member States towards economic cooperation, the creation of the AEC is hampered by conflicts as well political, economic and social governance challenges in some parts of the continent.

3. From the moment of its inception, the African Economic Community (AEC) was envisioned as a gradual undertaking to be carried out in six stages. Currently, the AEC is at the third stage of the process, which requires establishment of a Free Trade Area (FTA) and customs union in each of the regional blocs by 2017. However, the current progress of the different FTAs and customs unions varies considerably in the context of the eight RECs that the African Union (AU) recognises.

4. For the customs unions, there is more variability in terms of expected results, because this type of agreement requires establishing a common external tariff (CET). In the case of CENSAD and IGAD, progress has stalled, while ECOWAS is progressing slowly.

5. The Economic Community of Central African States (ECCAS) and SADC are at a more preliminary stage, envisaging the creation of their respective customs unions by 2011. COMESA and the EAC, meanwhile, have successfully launched their customs unions. COMESA launched its customs union in June 2009 and its implementation is planned three year's period. EAC Customs Union is fully in force.

6. A major development was the decision to push forward a long-term project dealing with the creation of a FTA among three RECs, namely COMESA, EAC and SADC, spanning over 26 African countries. Efforts to harmonise the regional agenda of COMESA, EAC and SADC are in progress, which signals the shared interest of greater coherence among the different RECs. This development is particularly critical for those countries that are both members of COMESA and SADC, who might face major problems once the SADC customs union becomes effective in terms of compatibility of both COMESA and SADC customs unions requirements.

7. Finally, the EAC has launched its Common Market that will ensure free movement of goods and services, mobility of labour as well as movement of capital, and the right of establishment from July 2010, to be followed by a Monetary Union in 2012. These changes will also require considerable co-ordination, harmonisation and convergence efforts within the tri-partite arrangement

8. However, despite the fact that some RECs have protocols on free movement of persons, goods and services, the implementation process by some Member States is very slow. Additionally, in some RECs that have achieved FTA, there are some Member States which have not complied with the FTA Protocol. Indeed, peace and security are the prerequisites for the development and economic growth of any region. The AU has put in place an African Peace and Security Architecture designed to promote Peace and Security in Africa. One of the main pillars of this Architecture is the establishment of a continental early warning system that RECs could adopt in order to prevent any further conflict at regional and continental level.

9. Regional Economic Communities have to position themselves as building blocs within the broader continental vision. The effort by COMESA, SADC and EAC in the Tripartite Summit held in October 2008 in Kampala, to create a single FTA is commendable as it will contribute to the early realisation of the AEC. However, the establishment of the AEC poses a challenge, more so as it is not certain whether the creation of a continental Customs Union by 2019 could be achieved. The importance of timing and sequencing these activities are critical for the success of these initiatives.

10. The continent's development endeavours are also compounded by numerous challenges, prominent among which are the HIV/AIDS, malaria and tuberculosis pandemics, which pose serious threats to human capital development. The current global economic crisis may also pose its own challenges as well as create opportunities

for regional economic integration in Africa. On the one hand, it could spin-off a slow down in trading and economic activities, and adversely affects the revenue of Member States; while on the other hand; it could force African countries to trade more amongst themselves and engage in higher volume economic transactions with each other, thus facilitating the integration process. Member States belonging to different RECs have difficulties to implement overlapping activities in the same field. This results into duplication of programmes and dispersal of resources among others.

11. Given the current state of Regional Integration process in Africa, some recommendations have been made in this report, which, if implemented, should address the challenges outlined therein. One significant recommendation is that the success of any integration process depends, to a high degree, on the commitment by Member States to implement its decisions, treaties and protocols. Failure by Member States to implement agreed protocols is partly due to lack of some of them, perhaps not clearly discerned the advantage they could derive from regional integration. This state of affairs is hampering the integration agenda. It is also worth emphasising that the RECs have no choice but to engage amongst themselves in order to share good practices, bearing in mind a broader vision of a continental integration.

12. Currently, the African Union Commission in close collaboration with the RECs have identified the prioritised projects to be implemented in a specified time frame regarding the Minimum Integration Programme (MIP) which was adopted as a dynamic continental strategic framework in Yaounde, Cameroon 2009, This focus underscores the need for rationalising resources and harmonising the activities and programmes of Regional Economic Communities (RECs). The MIP is in line with a broader undertaking, namely the realisation of the African Economic Community (AEC), as envisaged in the Abuja Treaty and the Constitutive Act of the African Union.

2. INTRODUCTION

2.1 BACKGROUND

13. Regional integration in Africa has been the main focus of African Countries since the establishment of the then Organisation of the African Unity (OAU). A number of declarations have been made by Member States to move the integration process in Africa forward. Similarly, the Abuja Treaty, the Lagos Plan of Action, the African Private Sector Forum among others, emphasize the need to promote regional integration in Africa.

14. The Abuja Treaty signed on 3 June 1991 and became operational on 12 May 1994 stipulates that African States must endeavour to strengthen the Regional Economic Communities (RECs), in particular by coordinating, harmonizing and progressively integrating their activities in order to attain the African Economic Community (AEC) which would gradually be put in place during a thirty-four (34) year transition period subdivided into six (6) varying stages. In brief, the major objectives were among others to promote economic, social and cultural development and the integration of African economies in order to enhance economic self reliance as well as to promote an endogenous and self sustained development and to coordinate and harmonise policies among existing and future economic communities, in order to foster gradual establishment of the Community.

15. On 9 September 1999, the Heads of State and Government of the then OAU issued a Declaration (the Sirte Declaration) calling for the establishment of an African Union, with a view, inter alia, to accelerating the process of integration in the continent to enable it to play its rightful role in the global economy while addressing multifaceted social, economic and political problems compounded as they were by certain negative aspects of globalization.

16. During the Second and Third Conferences of African Ministers of Integration, held in Kigali in June 2007 and Abidjan 2008, respectively, various important recommendations came up, namely:

- Need for the Commission, in close collaboration with other key stakeholders to review the Abuja Treaty, taking into account the Sirte Declaration;

- Need for the Commission to elaborate a Minimum Integration Programme (MIP) in collaboration with the RECs
- Need for the Commission to coordinate the activities of RECs as well as to harmonize policies and programmes as a key strategy to enhance rationalization process;
- Need to encourage and promote free movement of persons, goods, capital and services among and across all RECs, in order to bring about accelerated continental integration.

17. To date, four meetings have been held: the first on 30 and 31 March 2006 in Ouagadougou, Burkina Faso; the second on 26 and 27 July 2007 in Kigali, Rwanda and the third held from 19 to 23 May 2008 in Abidjan, Cote d'Ivoire. The fourth meeting was held between 4th and 8th May 2009 in Yaoundé, Cameroon, under the theme: Partnerships and Integration in Africa'.

18. As part of assessing progress in the implementation of Africa's Economic Integration Programme in line with the Treaty establishing the African Economic Community, the African Union Commission (AUC) conducted the first and second assessments in 2008 and 2009 respectively. The assessment reports were presented and discussed during the Third and Fourth Conference of African Ministers in charge of Integration held in Abidjan, Cote d'Ivoire from 22 to 23 May, 2008 and 7 to 8 May 2009, in Yaoundé Cameroon respectively. Furthermore, both the two reports were endorsed by the AU Assembly.

19. The AUC has now prepared this third report in close collaboration with the RECs on the status of integration in Africa (SIA II). This report contains information on the implementation process of the integration agenda as set out in the Abuja Treaty. It is meant to assist the political decision -makers of the continent and give some ideas as to how to speed up the economic and political integration of the continent.

20. The objective of this study was to review the African integration process, by reviewing the Abuja Treaty with a view to fast tracking the attainment of the African Economic Community (AEC). It is within this spirit that the African Union is trying to encourage harmonization of RECs and assess how far they have gone in facilitating their programmes. This report is also meant to create awareness by sharing information among all RECs in order to exchange best practices among them, in resolving difficulties so as to move the integration process forward.

21. It contains information on the activities and progresses being carried out by RECs, the status of implementation of programmes of each REC based on the objectives set by the latter in the following areas: Free Trade Area, Customs Union, Monetary Union and Economic Union. It analyses the progress made in their activities as well as the challenges encountered. It also looks into the progress made as compared to last year. Furthermore, it gives an overview of the harmonization process among the RECs, taking into consideration the challenges facing them. Lastly, it contains recommendations on the way forward.

2.2 METHODOLOGY

22. The following methodology was employed for assessing the status of implementation of the Regional Economic Communities (RECs):

23. The study was conducted through desk research and field missions. The approach adopted consisted of consultations and discussions held with Regional Economic Communities. The Commission prepared a questionnaire based on the progress made from the activities and sectors from 2009 to date, The Commission also visited RECs and held discussions with their various departments on overall RECs activities, progress as well as difficulties and constraints encountered during the implementation of their objectives as well as the Treaty Establishing the African Economic Community.

24. Secondary research was also done through various sources, such as library and some documents related to the activities of each REC. In this respect, the following documents among others were used for as secondary research: Status of integration in Africa, Abuja Treaty, Rationalisation of the Regional Economic Communities (RECs), Review of the Abuja Treaty and Adoption of Minimum Integration Programme, reports of the Coordination Committee Meetings of the AU/RECs/ECA and ADB, as well as the Constitutive Act of the African Union.

25. In terms of coverage, the draft report was transmitted to all RECs recognised by the AU (except AMU). The RECs visited were: COMESA, ECOWAS, ECCAS, CENSAD, IGAD and EAC. SADC could not be visited as they were holding their annual Summit at the time of the schedule but the Commission was able and managed to get information through close interaction and collaboration with SADC.

3. THEORETICAL APPROACH TO INTEGRATION

3.1. ECONOMIC INTEGRATION AND ITS MODALITIES AND ITS ADVANTAGES: THEORETICAL SYNTHETIC SURVEY

26. Economic integration is defined as the elimination of economic frontiers between two or more economies (Jacques Pelkmans). An economic frontier represents a demarcation, often the geographical boundaries of a state, into which the flow of goods, labour and capital is restricted. Economic integration involves the removal of obstacles to trans-boundary economic activities which occur in the fields of trade, movement of labour, services and the flow of capital.

3.1.1 ECONOMIC INTEGRATION'S MODALITIES

27. Economists identify various stages in the process of economic integration. According to Balassa (1962), economic integration consists of five stages¹. These stages are, a free trade area, a customs union, a common market, an economic union, and complete economic integration.

28. B. Balassa identified five basic forms that economic integration can take. The first and least complicated consists of the creation of a **free trade area** in which tariffs and quantitative restrictions are eliminated on trade between participating countries, although each nation retains its tariff structure as against non-participants. See table 1 below.

For more information, see, B. Balassa, The Theory of Economic Integration (London: Allen and Unwin, 1962) at 2 [Balassa]. Balassa describes the stages as follows. In a free-trade area, tariffs (and quantitative restrictions) between the participating countries are abolished, but each country retains its own tariffs against non-members. Establishing a customs union involves, besides the suppression of discrimination in the field of commodity movements within the union, the equalization of tariffs in trade with non-member countries. A higher form of economic integration is attained in a common market, where not only trade restrictions but also restrictions on factor movements are abolished. An economic union, as distinct from a common market, combines the suppression of restrictions on commodity and factor movements with some degree of harmonization of national economic policies in order to remove discrimination due to the disparities in these policies. Finally, total economic integration presupposes the unification of monetary, fiscal, social, and countercyclical policies and requires the setting-up of a supra-national authority whose decisions are binding on member states.

Table 1: different stages of economic integration

	Market integration	Monetary Integration	Economic policy integration		
	Elimination of obstacles to trade	Common trade policy	Movement of factors and financial goods	Fixed exchange rate or common currency	Common economic policies
1. Free Trade Area					
2. Customs Union					
3. Common Market					
4. Monetary Union					
5. Economic and Monetary Union					

Source: G.Duthil and W. Marois (1997): Politiques économiques, éd. Ellipses; p 253, extracted by Kouassi N.R (2008).

29. Secondly, a **customs union** adds to the free trade area the equalization of tariffs by participating states against imports from non-members (i.e., the implementation of a Common External Tariff or CET).

30. Thirdly a **common market** includes free trade in commodities among participating states, a CET, as well as the elimination of restrictions on the free movement of factors of production (i.e., labor and capital) among the member states.

31. Fourthly an **economic union** adds to the common market framework some degree of harmonization of national economic policies in order to remove discrimination that was due to previous disparities among participating states in these policies (e.g., the creation of a Central Bank with some supranational powers).

32. Finally, **total economic integration** presupposes the unification of monetary, fiscal, social, and counter-cyclical policies and requires the [establishment] of a supranational authority whose decisions are binding for the member states” (i.e., in essence the establishment of a political federation).

Box 1: Five main stages of Regional Institutional Integration (Balassa framework)

Stage 1. Free Trade Area (FTA): an area where tariffs and quotas are abolished for imports from area members, which, however, retain national tariffs and quotas against third countries. Examples are ASEAN and NAFTA;

Stage 2. Customs Union (CU): A FTA setting up common tariffs and quotas (if any) for trade with non-members. An example is the European Community since 1968;

Stage 3: Common Market (CM) : A CU abolishing non-tariff barriers to trade (i.e promoting the integration of product and service markets) as well as restrictions on factor movement (i.e promoting the integration of capital and labour markets). Examples are the Andean Community and the European Community since 1993 (with the establishment of the European Single Market). The CM was already set up as an objective under the Treaty of Rome (so-called “four freedoms”);

Stage 4: Economic Union (EUN): A CM with a significant degree of coordination of national economic policies and /or harmonization of relevant domestic laws. An example is the European Union; and

Stage 5: Total Economic Integration (TEI): An EUN with all relevant economic policies conducted at the supranational level, possibly in compliance with the principle of subsidiarity. To this aim, both supranational authorities and supranational laws need to be in place. An example is the euro area (comprising, from 2008 onwards, 15 out of 27 EU members), which can be currently classified somewhere between an EUN and a TEI. However, some supranational authorities and joint rule making were established already with the Treaty of Rome in 1957, and subsequently enhanced.

Source: B. Balassa, *ibid*

33. Balassa believed that supranational common markets, with their free movement of economic factors across national borders, naturally generate demand for further integration, not only economically (via monetary unions) but also politically and, thus, that economic communities naturally evolve into political unions over time. In general, Balassa’s theory

recognised the following modalities: Free Trade Area, Customs Union, Common Market, an Economic Union and complete Economic Integration.

3.1.2. ADVANTAGES OF ECONOMIC INTEGRATION

34. The ultimate aim of economic integration is to increase trade across the world. There are many other advantages associated with this concept. Some of these are:

- a) **Trade Creation.** All countries that follow economic integration have extremely wide assortment of goods and services from which they can choose. Introduction of economic integration helps in acquiring goods and services at much low costs. This is because the removal of trade barriers reduces or removes the tariffs entirely. Reduced duties and lowered prices save a lot of spare money with countries which can be used for buying more products and services.: Member countries have (a) wider selection of goods and services not previously available; (b) acquire goods and services at a lower cost after trade barriers due to lowered tariffs or removal of tariffs (c) encourage more trade between member countries the balance of money spend from cheaper goods and services, can be used to buy more products and services
- b) **Opportunities for employment.** The various options available in economic integration help to liberalize and encourage trade. This results in market expansion due to which high amount of capital is invested in a country's economy. This creates higher opportunities for employment of people from all over the world. They thus move from one country to another in search of jobs or for earning higher pay. As economic integration encourage trade liberation and lead to market expansion, more investment into the country and greater diffusion of technology, it create more employment opportunities for people to move from one country to another to find jobs or to earn higher pay. For example, industries requiring mostly unskilled labor tends to shift production to low wage countries within a regional cooperation
- c) **Beneficial for financial markets.** Economic integration is extremely beneficial for financial markets as it eases firm to borrow finances at low rate if interest. This is because capital liquidity of

larger capital market increases and the resultant diversification effect reduces the risks associated with high investment.

- d) **Increase in Foreign Direct Investments.** Economic integration helps to increase the amount of money in Foreign Direct Investment (FDI). Once firms start FDI, through new operations or by merger, takeover, and acquisition, it becomes an international enterprise. Countries that have larger economies or are geographically closer to other larger countries within a region can expect a larger increase in FDI as a result of joining than those countries that have smaller economies or are located in the periphery. However, on average, all countries in the seven key regional groupings benefited from additional FDI through regionalization
- e) **Political integration.** Countries entering economic integration form groups and have greater political influence as compared to influence created by a single nation. Integration is a vital strategy for addressing the effects of political instability and human conflicts that might affect a region. A group of nation can have significantly greater political influence than each nation would have individually. This integration is an essential strategy to address the effects of conflicts and political instability that may affect the region. Useful tool to handle the social and economic challenges associated with globalization
- f) **Conducive to the real economic convergence.** Regional integration may be conducive to the real economic convergence among member countries via opening up of domestic markets to foreign competition, as a result of dismantling bureaucratic and strategic barriers to entry and removing existing constraints to free movement of capital, labour and other resources.
- g) **Breaking existing local monopolies.** Liberalization of trade and increased factor mobility between member countries would contribute to breaking existing local monopolies and bringing the hitherto imperfectly competitive market structures closer to perfectly competitive ideal. Markets that are more competitive in turn are likely to provide efficiency gains in terms of improved resource allocation and lower production costs, as well as increased and more diversified output.

35. In its different versions, the theory on Optimal Currency Area (OCA) emphasizes several criteria (structural characteristics, like size, openness, export structure, production structure, labour mobility, price wage flexibility) of

an economy to define the optimality. It should be noticed that the five Maastricht Treaty criteria the EU countries used to determine membership in the European Monetary Union (EMU), are different from Mundell's research outcomes. They call for convergence in inflation, interest rates, deficits, debts and exchange rate stability preceding the membership. None of these criteria fall under the Mundell's version of the OCA.

- i Price and Wage flexibility: Flexible nominal prices and wages within countries with a single currency make the adjustment following a shock less likely to sustain unemployment in one country and/or inflation in another. This will in turn diminish the need for nominal exchange rate adjustments. (Friedman, M. (1953)
- ii Mobility of factors of production including labour: A high level of factor market integration within a group of countries can reduce the need to alter real factor process and the nominal exchange rate between countries in response to disturbances. Mundell, R.A. (1961),
- iii Financial market integration: Financial integration can reduce the need for exchange rate adjustments. (Ingram, J. (1962), it considered not as a substitute for permanent adjustment, but as smoothing the process. McKinnon (McKinnon, R. 2004), analyses the role of financial integration in the form of cross country asset holding for international risk-sharing.
- iv The degree of economic openness: A higher degree of openness provides for more changes in international prices of tradable to be transmitted to the domestic cost of living. This reduces the potential for money and/or exchange rate illusion by wage earners. (McKinnon, R. (1963).
- v The diversification in production and consumption. High diversification in production and consumption, such as the "portfolio of jobs", and correspondingly in imports and exports, weakens the potential impact of sector specific shocks. Diversified countries are expected to experience reduced costs as a result of abandoning nominal exchange rate changes, which provides "insulation" against a variety of disturbances. (Kenen, P. (1969),
- vi Similarities of inflation rates: According to Fleming (Fleming M. (1971), low and similar inflation rates between countries contribute to terms of trade to remain stable. This fosters more equilibrated current account transactions and trade, thus reducing the need for nominal exchange rate adjustments.
- vii Fiscal integration: When a member country experiencing asymmetric shocks gets funds redistributed via a supranational fiscal transfer system the adjustment to such shocks requires

less nominal exchange rate involvement.(Kenen, P. 1969), this distribution approach is based on political integration and readiness for sharing risks among countries.

- viii Political integration: The political will to integrate is considered the most important condition for participating in a monetary integration with a single currency. (Mintz, N.N. (1970)

36. Using these criteria helps to assess to what extent the country is exposed to unexpected events, so-called asymmetric shocks that affect its economy more than the rest (country-specific balance of payment disturbances); similarly, these criteria help assess whether the country is in a position to respond to asymmetric shocks with alternative mechanisms of balance of payments adjustments, if the exchange rate is fixed.

37. Similarly, Africa has also got its own approach to integration. The following information provides a theoretical perspective of African integration.

3.2. AFRICAN APPROACH TO INTEGRATION

38. African modality to integration, defers from the theoretical approach discussed above. The information provided below, indicates how the modality came into being as well as the stages proposed to be accomplished in a specified period of time. These stages are to be implemented at regional and continental level. It should be noticed that in terms of implementation, RECs do not follow stages as proposed in the Abuja Treaty Following are the efforts made by Africa to move towards the economic integration which also led to establishment of the Abuja Treaty.

1. Initiatives of the 1970s and 1980s²

39. The disappointing results of the development strategies of the early decades of independence led to the many brainstorming sessions devoted to liberating the Continent from the constraints that were likely to lead to stalemate and paralysis. The Monrovia Conference (1979) that

² Kouassi N. R (2007), "The Itinerary of the African Integration Process" African Integration Review. Volume 1, No. 2, July 2007 pp.1-20

preceded the adoption of the Lagos Plan of Action and the Final Act of Lagos (1980) are edifying examples. It is also to be recalled that the Lagos Plan of Action and Final Act of Lagos in turn generated the Abuja Treaty (1991) establishing the African Economic Community which entered into force in 1994.

a) The Monrovia Symposium: Preparatory meetings and results achieved

40. The conference held in Monrovia, Liberia, was the outcome of several meetings organised by the African leaders on the continent's economic independence. During these meetings, it was noted with regret that if Africa should permanently rid itself of poverty and misery, it must rely on itself alone. Thus, there was the Addis Ababa Declaration of 1973, proclaimed at the commemoration of the Tenth Anniversary of the Organisation of African Unity (OAU). The declaration focuses mainly on "the inability of the international community to create the favourable conditions for Africa's development".³

b) The Lagos Plan of Action (LPA) and Final Act of Lagos (FAL)

41. The cooperation framework envisaged by the Lagos Plan of Action (Endogenous development policy) was clearly defined by the OAU Heads of State and Government when they reaffirmed their "Commitment to establish by the year 2000, on the basis of a treaty to be concluded, an African Economic Community in order to ensure the economic, cultural and social integration of Africa". With the LPA and the FAL, Africa adopted a development pattern based on the principle of individual autonomy and collective self-sufficiency. Indeed, collective autonomy, which characterised the LPA, places emphasis on endogenous, self-centred and self-supporting development, rejection of exogenous lifestyles and dependence as well as a resolute fight against neo-colonialism, by cultivating "the image of self-sufficiency, declaring economic war against the interest of the North, reducing the current extreme dependence of our countries on the export of primary commodities and internalising the factors and means of production." In other words, autonomy or self-Sufficiency basically means: Intensification of sub regional and regional cooperation through concrete

- i. actions in priority and complementary areas, so as to create large quantities of capital and consumer goods to meet local needs;

³ Kouassi N.R, *ibid*

- ii. To internalise i.e. render endogenous, goods, factors and means of production by relying on continental, regional and sub regional forces;
- iii. To promote economic and technical cooperation with developing countries first, before promoting international cooperation and, at any rate, gradually getting rid of the integration modelled on international economic systems or internationalisation and trans-nationalisation of regional economies;
- iv. To abolish or even restructure international division of labour in order to reduce the effects of unequal trade and intolerable disparities; to establish a new international division of labour with the industrialised countries and adopt a regional and international division of labour in line with comparative advantages in terms of cost and actual endowment in natural, human and energy resources of entities in the region;
- v. To design new patterns of trade, including barter, among states in the region, capable of strengthening intra-regional cooperation particularly intra-regional trade;
- vi. To strengthen the existing solidarity and cooperation between institutions and create other necessary regional and sub regional institutions with a view to the implementation of the regional strategy;
- vii. To establish and strengthen regional organisations of raw materials producing and exporting developing countries with a view to setting up a consortium of producers in the face of the primary commodities consuming industrialised countries i.e. a strong unionisation of developing countries in the face of the industrial countries which fix the prices of raw materials;

42. In adopting the Final Act of Lagos, the Heads of State and Government present in Lagos, first of all, clarified the objectives, which among others are summarized as follows:

- i To promote collective, accelerated, endogenous and self-supporting
- ii development of member states;
- iii To promote cooperation among African countries and integration in all economic, social and cultural fields.

2. The Abuja Treaty establishing the African Economic Community

43. The establishment of the African Economic Community was based on a number of key integrating sectors such as transport and communication, industry, agriculture, energy, education, science and technology, trade, money and finance. A deadline broken down into six stages, was set for achieving the continent's economic integration objectives. According to the official texts, should this deadline be extended, it should not exceed 40 years. During that period, five years would be set aside for the regional economic communities, pillars of the great Community pyramid. The Abuja Treaty, through its objectives, structures and content, constituted a historic opportunity for African countries to promote their economic activities. This Treaty therefore is a new gamble on the future of Africa, as a whole and particularly its economic and political future. The AEC has withered the storm over time and today forms the economic wing the African Union and relies on the pillars that symbolize the following regional economic communities (RECs): Economic Community of West African States (ECOWAS); The Common Market for Eastern and Southern Africa (COMESA) The Economic Community of Central African States (ECCAS) The Arab Maghreb Union (AMU); The Intergovernmental Authority on Development (IGAD); The Southern African Development Community (SADC); The Community of Sahel Saharan States (CEN-SAD) ; and The East African Community (EAC).

44. The Treaty basically aims to achieve the following objectives:

- i To promote economic, social and cultural development as well as African economic integration with a view to increasing economic self-sufficiency and promoting endogenous and self-supporting development;
- ii To create a continent-wide framework for development, mobilisation and utilisation of Africa's human and material resources, with a view to self sufficient development;

- iii To promote cooperation and development in all spheres of human activity with a view to raising the living standards of the African people, maintaining and promoting economic stability, establishing close and peaceful relations among Member States and contributing to ensuring the continent's progress, development and economic integration; and
- iv To coordinate and harmonise policies among the existing and future economic communities, with a view to the gradual establishment of the Community

45. The major characteristics of the African Economic Community compared to similar communities is that it is being established in six stages, according to the provision of the Abuja Treaty (Articles 6 and 88), mainly activities of the RECs. This makes the AEC different from other integration organisations. In fact the Abuja Treaty makes it clear that the establishment of the AEC is the final objectives towards which the activities of all the RECs (existing and future) shall be geared (Article 88). In recognition of this fact, the Abuja Treaty has set up the modalities for establishing the AEC; they consist of six stages of variable duration over a transition period not exceeding thirty four years, from the date of entry into force of the Treaty.

46. The establishment of the African Community and therefore its modalities are to be carried out mainly by means of coordination, harmonization and gradual integration of the activities of the Regional Economic Communities. It is to take place over a period of 34 years, subdivided into six stages of variable duration. The stages of the programmes and the period for its implementations are as follows:

- i. Stage One: (To be completed in 1999) Creation of regional blocs in regions where such blocs do not yet exist ;
- ii. Stage two: (To be completed in 2007) Strengthening of intra-REC integration and inter-REC harmonisation;
- iii. Stage three: (To be completed in 2017) Establishment of a free trade area and customs union in each regional bloc;
- iv. Stage four: (To be completed in 2019) Coordination and harmonisation of tariff and non-tariff system among the RECs with a view of establishing a free trade area culminating in a continent-wide customs union;

- v. Stage five: (To be completed in 2023) Establishment of a continent-wide African Common Market (ACM);
- vi. Stage six: (To be completed in 2028) Establishment of a continent-wide economic and monetary union and a Parliament;
- vii. All transition periods are expected to end in 2034 at the latest

47. The OAU option for the African economic integration process, incorporating the AEC, confirms the idea that integration can be carried out in several ways. The reading of the objectives and implementation modalities of the African economic integration shows that in the long run, the OAU now the AU intended to establish economic and monetary union. The AEC offers a framework for continental integration and RECS are building blocs towards the full realisation of the AEC.

48. Finally, integration process has got different modalities and provides many advantages. The lessons we can learn from these modalities were not similar from one region to another. As it is demonstrated above, the African approach of integration differs from what is described by the economic analysis. African example in reality also shows that some RECs are very close to economic and monetary union, even if they have not yet achieved Customs Union or Common Market. ECOWAS for instance is about to achieve the second Monetary zone with a view of putting in place a unique Monetary Zone.

49. This can apply also to ECCAS where tremendous efforts are made to harmonise and coordinate the economic policies and to have a unique monetary zone but in this REC, the Customs Union, the free movement of persons, and the common market are far away to be achieved. If we examine closely other RECs, we can identify this kind of incoherence in the integration process. In short, regional integration process in Africa is not linear as recommended by economic analysis inspired from Balassa's modalities.

50. After examining the theoretical integration approach, let us see what is going on in each region. In other words, what is the progress made, what are the challenges, what are the future perspectives and what the AU Commission as a leader of integration process in our continent is doing to fast track the economic and political integration.

51. The information provided in the next chapters gives an in-depth view of the African regional and continental integration agenda perspective.

4. STATUS PER REGIONAL ECONOMIC COMMUNITY

4.1 ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

52. . The Economic Community of West African States (ECOWAS) is a regional group of fifteen countries that was founded by treaty in May 1975. It was conceived as a means toward economic integration and development intended to lead to the eventual establishment of an economic union in West Africa, enhancing economic stability and enhancing relations between Member States.

53. The region experienced positive developments in its economic activities. Its GDP increased from \$216 billion in 2006 to 261.7 billion in \$2007. However, as a result of the current triple tragedy (oil, food and financial crisis) facing the global economy, the actual GDP growth rate was 4.4% in 2009, compared to 4.7% in 2008 and 5.6% in 2007.

54. According to April 2010 estimates from the International Monetary Fund (IMF), the growth rate of world GDP is expected to be 4.2% in 2010. Growth in real GDP for Africa is expected to reach 4.7% in 2010, compared to 2.1% in 2009.

55. Conscious of the need for structural reforms for mitigating the adverse effects of the economic crisis, the 37th Ordinary Session of the Authority of Heads of State and Government of 16th February 2010 in Abuja urged Member States to take necessary measures, not only to strengthen structural, economic and financial reforms, but also to continue the liberalisation of their economies and promotion of the Private Sector. It also charged the ECOWAS Commission to intensify efforts for the realisation of a common market through primarily the implementation of priority integration projects.

56. The Heads of State and Government reaffirmed their commitment to further the integration process in West Africa. This commitment aims at concretely translating the objectives of the ECOWAS 2020 Vision adopted in Abuja on 15 June 2007 through the following:

- i Developing integration projects, in particular concluding the negotiations of the Economic Partnership Agreement

(EPA), establishing an ECOWAS common market and developing infrastructure;

- ii Implementing programmes related to agriculture and the environment, in particular, acceleration of the creation of the regional fund as well as organising roundtables in each Member State;
- iii Continuing efforts in the area of stabilising the macroeconomic framework, business environment and the formulation of a long-term regional development programme;
- iv the consolidation of peace and security in the region, and
- v continuing institutional reforms.

57. To achieve these objectives, the Commission, in its 2010 Work Programme, focused action around six priority areas namely:

- i Establishment of the Customs Union: make the functioning of the Free Trade Zone effective by the establishment of the Common External Tariff, removal of obstacles to the free movement of persons and goods and the elimination of non-tariff barriers;
- ii Economic Partnership Agreement (EPA): conclude negotiations on the EPA with a view to signing a regional agreement which is fair, balanced and development-centred with the European Union;
- iii Regional Infrastructure: boost the implementation of programmes adopted in the framework of the transport development and resolve energy crises;
- iv Agricultural and Environmental Policy: finalise the preparation of national agricultural investment programmes and ensure effective follow-up on the conclusions of the international Conference on the funding of the Regional Agricultural Policy;
- v Peace and Security: promote dialogue and preventive diplomacy and play a leadership role in enhancing the democratisation process in West Africa;
- vi Institutional Issues: continue the restructuring of Community Institutions.

4.1.1 OBJECTIVES

58. ECOWAS objectives are to promote cooperation and integration in economic, Social and cultural activity, ultimately leading to the establishment of an economic and monetary Union through the total integration and the national economies of the Member States, raise the living standard of its people, maintain and enhance economic stability, foster relations among Member States and contribute to the progress and development of the African Continent.

4.1.2 ACTIVITIES AND PROGRESS

59 . Following are the activities and progress made by ECOWAS:

60. A major achievement was the successful launch of the Regional Poverty Reduction Strategy Paper (RPRSP) on 11th January 2010 in Accra which was subsequently followed by a workshop held in Abuja to review the implementation plan and discuss issues relating to institutional arrangements for implementing the strategy and the framework for monitoring and evaluation.

61. In preparation towards a study to assess progress towards the Millennium Development Goals in the ECOWAS region, a training workshop was held in Accra from 15th to 19th March 2010, in collaboration with InWent of Germany, to strengthen capacities of relevant institutions in Member States to enable them undertake the study.

4.1.2.1 FINANCIAL INSTITUTIONS

62.. For the smooth running of the financial and services transactions, ECOWAS has developed a Bank for Investment and Development (EBID), which took over from the ECOWAS Fund. EBID is the principal financial institution established in 1999 by Member States of the Economic Community of West African states.

63.It is a banking group comprising a holding company EBID and two specialized subsidiaries, ECOWAS Regional Development Fund (ERDF:) and ECOWAS Regional Investment Bank (ERIB). EBID's objective is to finance, promote and facilitate economic growth and development within the ECOWAS Member States. EBID offers a range of financial products and services to business seeking to get involved in viable commercial projects.

4.1.2.2 WEST AFRICAN HEALTH ORGANISATION (WAHO)

64. WAHO is a proactive instrument of regional health integration, which enables higher impact and cost-effective interventions by (programmes) of maintaining long-term partnerships, Sustainable Capacities Building; Dissemination / Interpreting Information; Cooperation, Coordination and Advocacy; and exploiting Information and Communication Technologies (ICT's).

65. Currently, WAHO's current activities are; preparedness for responses to epidemics of meningitis, measles, cholera and yellow fever; support to country prevention of blindness programmes; support to the creation of networks of National Health Information Systems and Research Centres and Institutes of ECOWAS; young Professionals' Training with a view to their insertion; support to Research Centres by allocating funds for operational research, etc and Organisation of Nutrition Focal Points.

4.1.2.3 ECOWAS SPECIALIZED AGENCIES

66. ECOWAS has also Specialized Agencies which include the following:

I) WEST AFRICAN MONETARY AGENCY (WAMA)

67. The West African Monetary Agency came in the wake of transforming the West African Clearing House (WACH), which was established in 1975 as a multilateral payment facility to improve sub-regional trade in West Africa.

68. It has now been transformed into a broad based autonomous agency called the West African Monetary Agency (WAMA) with a mandate to ensure the monitoring, coordination and implementation of the ECOWAS monetary cooperation programme, encourage and promote the application of market determined exchange rate for intra-regional trade, initiate policies and programmes on monetary and economic integration, especially in the area of payment systems development and research, and ensure the establishment of a single monetary zone in West Africa.

69. In 1994, ECOWAS' Francophone members, namely Benin, Burkina Faso, Cote d' Ivoire, Mali, Niger, Senegal and Togo, with Lusophone Guinea Bissau, created the West African Monetary Union (UEMOA) in Senegal; UEMOA is a regional economic and monetary union which shares a common currency, the CFA Franc.

70. Due to the slow progress in implementing the fast track approach to realising the ECOWAS common currency, the ECOWAS Authority at its summit of June 2007 mandated the ECOWAS Commission to collaborate with other regional institutions to review the current strategy with a view to recommending a single and accelerated approach to achieving the regional common currency.

71. In pursuit of this mandate, the ECOWAS Convergence Council at its meeting in Abuja in November 2008 established an Inter-Institutional Working Group to develop a term of reference for a revised strategy for achieving the single currency initiative. Consistent with the approved terms of reference, a new strategy for achieving the regional common currency is expected to be adopted following a retreat of regional institutions involved in the implementation of the ECOWAS Monetary Cooperation Programme in February 2009 and statutory meeting of the ECOWAS Convergence Council in May 2009.

72. In order to achieve its objectives, the Agency undertook various activities during the period as follows: multilateral surveillance, including the monitoring of macroeconomic developments and the convergence process; review of Exchange Rate Developments; and conducted studies and seminars

73. A meeting of the ECOWAS-WAMA Joint Secretariat was also organised in Ouagadougou on 14 and 15 May 2010 to review the implementation of the ECOWAS multilateral surveillance Mechanism.

74. The major development under the monetary cooperation programme during the period under review was the approval by the ECOWAS Convergence Council of a roadmap to guide the processes towards the realization of the ECOWAS single currency objective. This roadmap, which envisages the creation of an ECOWAS Monetary Union by 2020, provides for effective conduct of the multilateral surveillance function, harmonization of the legal, accounting and statistical frameworks, harmonization of the regulatory and supervisory framework for banking and other financial institutions, the establishment of a payments systems infrastructure for cross-border transactions, deepening of the trade liberalization scheme and other subsidiary programmes

II) WEST AFRICAN MONETARY INSTITUTE (WAMI)

75. Member States of the WAMI are the Gambia, Ghana, Guinea Nigeria and Sierra Leone and Liberia (since January 2010 Liberia is full member of WAMI . WAMI was set up in 2001 after Accra Declaration on Creation of a Second Monetary Zone in order to facilitate the creation of the common Central Bank and the introduction of a common currency among the participating Member States.

76. Its functions are to monitor the state of convergence, harmonise regulations and design policy framework, promote regional payment system, study the issue of exchange rate mechanism and conversion rate, organisation of sensitisation in order to educate the public on the new currency, design and technical preparation of the new currency, modalities for setting up a common Central Bank and create an enabling environment.

77. ECOWAS Commission collaborates with the WAMI in monitoring the effective implementation of the Second West African Monetary Zone (WAMZ) through participation in WANZ Convergence Council. . Although progress towards convergence by the Member States remains mixed, WAMI has been mandated to undertake an assessment and feasibility study on the state of preparedness for the launching of the WAMZ by 2015 (see the Road map for ECOWAS single currency).

80. In a bid to strengthen cooperation and collaboration with other regional institutions, ECOWAS Commission organised two meetings of the ECOWAS –WAMI Joint Task Force on Trade-related Issues in Accra on 11 and 12 February 2010 and in Lagos on 7 and 8 May 2010 respectively and the Joint Secretariat ECOWAS-UEMOA twice a year. The next meeting was expected to be held from 4 to 6 October 2010 in Ouagadougou

III) WATER RESOURCES COORDINATION UNIT (WRCU)

81. According to the, Water Resource Coordination Unit, its objective is meant for the promotion of Integrated Water Resources Management practices, the coordination and follow-up of the Regional Action Plan in order to permit to the West African countries to have an operational WRM Action Plan at their disposal in accordance with ECOWAS statutes, policies and programmes. Members involved are the 15 Member States of ECOWAS, Mauritania, and the Regional Basin Organisations.

82. The ECOWAS Authority adopted in January 2008 the Supplementary Act A/SA.04/01/08 on an Emergency Power Supply Security Plan (EPSSP) for the Member States of WAPP. The EPSSP is a regional approach to the energy crisis aimed at taking advantage of natural gas from the West Africa Gas Pipeline to establish sub-regional Power Parks with 'Free Zone Status' with a total capacity of 950MW. Within the framework of the WAPP Programme, ECOWAS Member States adopted the concept of establishing Regional Regulatory Body (RRB) which aims at fostering open and transparent cross-border electricity exchanges within the ECOWAS region.

83. Activities undertaken at the first quarter of 2010, were as follows:

a) Preparation of Action Plan

84. An Action Plan on the implementation of the Regional Policy was prepared that focused on water management reform, promotion of investments, regional cooperation and integration in the water sector.

b) Establishment of the Regional Water Resources Observatory

85. The Regional Water Resources Observatory is meant to play a key role in the definition and promotion of the strategic framework for the sector and, in fact, pilot the entire CPCS programme. The role of the Observatory is to ensure monitoring of water management in Member States and basin areas. This involves data collection and processing and provision of information to all stakeholders.

c) Management Framework for Shared Water Resources

86. The Commission also commenced the preparation of the management framework for shared water resources which will enable Member States to have a common legal framework to serve as benchmark for negotiations on specific conventions or treaties for each basin area.

d) Support to Dialogue on Infrastructure Projects

87. This project aims at providing support to Member States and basin organisations to ensure that major projects relating to dams and irrigation are undertaken within the framework of regional integration.

IV. INFRASTRUCTURE

i Transport and Telecommunication

a) Transport

88. The principal activity in the Road Transport is the implementation of regional road transport and transit facilitation programmes via corridor approach. The programmes are funded by the World Bank, the European Union and the African Development Bank. For the Lagos-Abidjan corridor which carries about 70% of the entire regional transit traffic, the ECOWAS Commission completed three vital studies financed by the World Bank. The studies aim at improving Customs information sharing and Customs procedures at the main ports in the Member States along the Abidjan-Lagos Corridor through real-time information, modernisation of their interconnectivity and the institution of single windows (paperless clearance of customs documentation) in the main ports.

89. The ECOWAS Commission received from the European Union a Grant in sum of €63.8 million towards the implementation of transport and transit facilitation programme. The key element of the programme is the construction of five joint border posts along the major corridors. Detailed engineering designs for five border posts have been completed by the appointed consulting firm and validated by the Steering Committee drawn from the Member States concerned. Tender for construction of the works has been advertised and contract for the construction of the works is expected to be issued by November 2010. It is envisaged that the successful contractors will mobilise at the site of the works by December 2010.

90. Within the framework of the Memorandum of Understanding (MoU) on Nigeria-Cameroon Multinational Highway and Transport Facilitation Project signed between the African Development Bank (AfDB), the ECOWAS Commission, the Federal Republic of Nigeria and the Republic of Cameroon, the ECOWAS Commission benefited from AfDB Grant. The Facilitation Project includes studies on transport facilitation, design and construction of a joint border post and installation of equipment (e.g. weighbridge, scanners, computers etc), design and construction of a bridge over the Cross River, construction supervision of works and capacity strengthening. The Commission is in the process of selecting reputable consulting firms to undertake the various aspects of the services.

91. In the Railways sub-sector, the study on the feasibility of interconnection of National Railway networks through 17 priority links was completed and validated in February 2008. Detailed Engineering studies of the highest ranking link (i.e., the Kaya-Dory-Niamey link connecting the Abidjan-Ouagadougou railway line to the Republic of Niger) will be undertaken with funding from the European Union. In

addition, the ECOWAS Commission has prepared a Project Information Memorandum on all the 17 links as well as for the reconstruction and rehabilitation of National Railway systems.

92. In Air Transport sub-sector, the objective of the Air Transport sub-sector has been to harmonize air transport economic, safety and security regulations in West and Central Africa, strengthen the autonomy of civil aviation authorities, and facilitate the operations and cooperation of West African airlines and improvement of aviation safety and security within the region. ECOWAS has been assisting Member States to provide a safe and reliable air transport system linking the Member States as well as exploring means of ensuring equitable access of eligible airlines to the West African air transport market.

93. The programme for strengthening the capacity of Member States' Civil Aviation Authorities Safety Oversight capabilities within the framework of the COSCAP Programmes has made considerable progress which has led to the creation of a sub-regional Aviation Safety Oversight Organization (BAGASOO) for seven of the member States in 2010.

94. An Action Plan for the attainment of key objectives has been formulated in partnership with development partners and alliances developed with the main stakeholders. Specifically:

- i a Memorandum of Understanding was signed with the International Civil Aviation Organization in February 2008 for the implementation of COSCAP.
- ii Three regulations dealing with air transport economic regulations (Compensations for denied boarding, airport slots and handling) have been adopted while four regulations were drafted on Competitions rules, Market Access, Approval of Air Carrier License and Air Carrier Liability.
- iii A regulation on aviation security has also been drafted and is currently being reviewed.
- iv A Horizontal Agreement on the negotiation of certain aspects of air services with third parties has been drafted.

95. The ECOWAS Commission has also conducted an evaluation on the status of implementation of the Yamoussoukro Decision (YD) by Member States to assess the level of compliance of States with the YD and to seek means of removing bottlenecks in order to implement a liberalized Air Transport Market within ECOWAS. It is encouraging that

all member states are trying strenuously to achieve this global objective in the Air Transport Sector.

b) Telecommunication

96. In its efforts to promote integration of the economies of West Africa, ECOWAS Commission supports the development of a sustainable regional West African telecommunication market as a key to promoting regional economic growth and development. ECOWAS has, therefore, defined two main objectives in the Telecommunications/ICT sector:

- i Development of a regional reliable, modern Telecoms infrastructure through the execution of INTELCOM II programme, alternative broadband infrastructures and submarine cables;
- ii Harmonization of Telecoms policies, legal and regulatory frameworks for the establishment of a single liberalized telecoms market within the Community.

97. The INTELCOM II programme launched by the ECOWAS Commission identified 32 inter-State telecommunication links to form a regional broadband backbone infrastructure which will be connected to the international global network via submarine cables. These 32 links are gradually being built. By the end of December 2009, 55 % of the links were built and 45 % were operational.

98. A study on an alternative infrastructure (optic fibre for the West African Power Pool) was launched in December 2009 with the assistance of the World Bank. European Union (EU) funding was mobilized in the framework of an ECOWAS-EU contribution agreement, and the process of recruiting a consultant firm is ongoing to carry out a feasibility study with a view to interconnecting the following Member States: Guinea Bissau, Guinea, Mali, Sierra Leone, Liberia and Côte d'Ivoire. In the framework of ECOWAS Wide Area Network (ECOWAN) project, a meeting was held in April 2010 with African Development Bank and Islamic Development Bank. The INTELCOM II missing links and estimated costs were submitted to the two Banks for consideration and funding.

99. The completion of the entire regional broadband infrastructure as well as the planned submarine cables will create real competition and will provide affordable access for national, regional and international communication services, including roaming services.

100. ECOWAS Commission has been working closely with the West Africa Telecommunication Regulatory Assembly (WATRA) since November 2009 to put in place a regulatory framework to regulate the exploitation of the planned submarine cables for the West African region in order to ensure that ECOWAS region is connected to the rest of the world at a competitive price. To support the partnership between ECOWAS Commission and WATRA, an MOU was validated in Cotonou on 6 May 2010 and will be submitted to the ECOWAS Legal Directorate for review before signature.

101. Since the adoption of the new policy and regulatory framework that are more favorable for the development of Telecommunications and ICT by the Heads of State and Government in January 2007, ECOWAS is very supportive to the Member States for the transposition of the Community Acts into the National law. From November 2009 to date, ECOWAS, International Telecommunications Union (ITU) and European Union have been supporting Benin, Côte d'Ivoire, and Liberia for their transposition process.

102. As at May 2010, five (5) Member States had completed the transposition of the Community Acts into their National Law, seven had their bills either in parliament or in cabinet, and three others were at various stages in the preparation of the bills.

103. To enhance user confidence in Telecoms/ICT services and to popularize the use of ICT services, the Council of Ministers adopted in November 2009 a Directive on fighting against cyber-crime and the Conference of the Heads of State and Government adopted in February 2010 two Supplementary Acts relative to Electronic Transactions and Personal Data Protection.

c) INFORMATION AND COMMUNICATION TECHNOLOGIES

104. The activities carried out by the Community Computer Center (CCC) within the period included the following:

- i installation of modern ICT facilities within the Commission Headquarters, the other ECOWAS institutions and in Member States to ensure efficient communication/information exchange between the various components of the Community (Member States, institutions) and with our major partners by using the most reliable latest technologies;
- ii adoption of a regional ICT policy. No policy paper has been adopted in the region and in most Member States for the promotion of ICT development. To bridge this gap, one of the specific

objectives of the CCC is to prepare for adoption, a regional institutional framework that involves orientating the policy, strategies and action plans to ensure that ICT is adopted and used for development in the ECOWAS region;

- iii development and use of ICT applications. The priority applications that need to be developed and used by the CCC in the medium-term are those relating to the technical departments' needs for facilitating the conduct of their activities. They are mainly the applications to be used in establishing an ECOWAS information management system and the components of the trade information systems (TIS) and the Opportunities Management System (ECOBIZ), the Agricultural Information System (AGRIS), the Administrative Service Information System (AMIS), the Economic Policy Information System (EPIS), the Documentation Information System (LIBIS).

4.1.2.4 ENERGY

105. Access to sustainable and affordable energy supply is the main priority for the Community's Energy Programme. The ECOWAS Commission has anchored this thrust on the promotion of long-term cooperation in the effective development of regional energy resources and harmonized national energy sector development policies. As a result, the ECOWAS Energy Programme has crafted coherent projects, from source to sink of the energy value chain, as follows: (i) the West African Gas Pipeline (WAGP), (ii) the West African Power Pool (WAPP) and (iii) the ECOWAS Regional Policy on Energy Access.

i) West Africa Gas Pipeline Project (WAGP)

106. The West African Gas Pipeline (WAGP) is a 678-kilometer long pipeline from the gas reserves in Nigeria's Escravos region of Niger Delta area to Benin, Togo and Ghana. The project begun in 1982 when the Economic Community of West African States (ECOWAS) proposed the development of a natural gas pipeline throughout West Africa.

107. In the early 1990's, a feasibility report deemed that a project was commercially viable. In September 1995, the governments of four African countries signed a Heads of Agreement (HOA). The feasibility study was carried out in 1999. On 11 August 1999, participating countries in Cotonou signed a Memorandum of Understanding.

108. In February 2000, an Inter-Governmental Agreement was signed. The WAGP implementation agreement was signed in 2003. The construction started in 2005 and the Project has been fully completed with about 70% of the on-shore installations in situ. Measures have also been taken to by-pass the Lagos Beach Compression Station in the meantime and that the pipeline is now ready for the free flow of gas. A feasibility study is underway for the extension of the project to Cote d'Ivoire and the oil and gas discovery in Ghana adds further impetus to the project. The offshore activities, including the laying of the pipeline have been completed. Another important step for the development of the gas sector was undertaken in 2008 by forging a technical cooperation with the Government of Trinidad and Tobago in the oil and gas sector.

109. Phase 1 of the project was completed during the first quarter of 2009 which allowed the free flow of gas from Nigeria to Takoradi, in Ghana. This phase involved only the building of the pipeline link between Escravos and Ghana and the installation of the start-up station. However, the amount of gas transported by the pipeline cannot meet the quota needed to generate enough electricity to compensate regional shortfall. All stakeholders are involved in the effort to complete the construction of compression stations.

110. A meeting of Ministers in charge of the West African Gas Pipeline was organised on 29 January 2010 in Lomé. The meeting was informed among other things that the Director General of the Gas Pipeline Authority has been appointed. It was also noted that the compressor stations have been completed and that industrial operation of the entire Gas pipeline will commence before end of June 2010.

ii) West Africa Power Pool

111. The Authority of ECOWAS Heads of State and Government established the West African Power Pool (WAPP) organisation that became functional in February 2006, to provide a mechanism and institutional framework for integrating the national power systems of member countries. This is to help meet the energy needs of ECOWAS member countries by providing reliable and sustainable electricity supply for economic development. The Business Plan of the WAPP, as adopted by its General Assembly in 2006, defines the implementation strategy that would be employed by the WAPP in realising an infrastructure programme up to the Year 2020 of approximately US\$ 16 billion and this should result in a regional electricity market. The infrastructure programme represents the implementation of approximately 5,500 kilometres of high voltage transmission lines

interconnecting all the national power utilities of ECOWAS Member States coupled with an injection of about 10,000 Megawatts of new capacity to be realised within the period.

112. Since 2006, the West African sub-region has been experiencing an energy crisis which is primarily due to poor rainfall, which led to the institution of severe load shedding exercises in several countries. This situation has impacted negatively on the economies of ECOWAS Member States. In this regard, the ECOWAS Authority adopted in January 2008 the Supplementary Act A/SA.04/01/08 on an Emergency Power Supply Security Plan (EPSSP) for the Member States of WAPP. The EPSSP is a regional approach to the energy crisis aimed at taking advantage of natural gas from the West Africa Gas Pipeline and economies of scale to establish sub-regional Power Parks with 'Free Zone Status' of 400 MW combined cycle plant at Maria Gleta in Benin, 400 MW combined cycle plant at Aboadze in Ghana, 150 MW combined cycle plant within the OMVS system and mobile power generation facilities for the stand-alone power systems of the Gambia, Guinea, Guinea Bissau and Sierra Leone. The proposed power plant projects are currently being developed with the concerned countries and institutional partners.

113. The Implementation Strategy of WAPP as reflected in its 2006 – 2009 Business Plan is based on realizing complementary and mutually reinforcing infrastructure sub-programs. These sub-programs as indicated below encompass various interconnection projects, which when implemented, would result in an interconnected grid in West Africa by 2012.

114. On the connection and reinforcement of the electricity networks of the Member States, the first WAPP priority interconnection project linking Ikeja West (Nigeria) and Sakete (Benin) has been commissioned in January 2007. The 330 KV interconnection projects currently under implementation are the 215 Km Aboadze to Volta in Ghana, the Bobo Dioulasso-Ouagadougou Transmission project (Burkina Faso), and the 338 Km Volta (Ghana) to Mome Hagou (Togo) and Sakete (Benin). Also feasibility studies are ongoing for the North Core Transmission project linking Nigeria, Niger, Benin and Burkina Faso, and that of Bolgatanga to Ouagadougou (Burkina Faso).

115. The WAPP is working in close association with the OMVG to conclude the fund mobilisation for the OMVG Energy Programme to interconnect the Gambia, Guinea, Guinea Bissau and Senegal while additional hydropower capacity is in the process of being installed for the already interconnected states of Mali, Mauritania and Senegal. In

addition, medium voltage Cross Border Electrification Project targeted at communities in the rural, peri-urban areas and remote islands estimated at €3.6 million for Ghana – Togo, €1.5 million for Ghana – Burkina Faso, and €9.6 million for Cote d'Ivoire – Liberia are under implementation while funding is being sourced for those between Senegal – The Gambia and Senegal Guinea Bissau.

116. Within the framework of the West African Power Pool (WAPP) Program, ECOWAS Member States adopted the concept of establishing a Regional Regulatory Body (RRB) during the third ministerial meeting of the WAPP Steering Committee held in Accra on April 5, 2002 in order to foster open and transparent cross-border electricity exchanges within the ECOWAS sub-region, ensure improved efficiency of power supply in ECOWAS Member States, increase access to energy for its citizens, and encourage regulation of the regional power market by establishing good contractual practices and cooperation among national regulatory authorities in cross-border power exchanges.

117. The West African Power Pool (WAPP) is continuing with the identification, conduct of studies and realisation of projects for the interconnection of electricity grids. An Annual General Assembly was convened in this regard at the end of October 2009, and was followed by a donors' meeting. Other accomplishments during the year include the organisation, in August 2009, in collaboration with the Energy Directorate of the Commission, of a meeting of Ministers of Power of the beneficiary countries of the Maria Gleta, namely, Benin, Togo, Ghana and Nigeria

iii) West Africa Power Sector Regulation Project

118.. In January 2008, a Supplementary Act A/SA.2/1/08 establishing the ECOWAS Regional Electricity Regulatory Authority (ERERA) was adopted by the Authority of ECOWAS complementary to Council Regulation C/REG.27/12/07 of the 15th December 2007 on the composition, organization, attribution and functioning of the ECOWAS Regional Electricity Regulatory Authority. The development phase of the ECOWAS Regional Electricity Regulatory Authority (ERERA) is intended to be launched by April 2009 to promote electricity infrastructural development and create the environment to attract investments based on the facilitation of unrestricted cross-border electricity exchange among Member States within a competitive framework, the application of non discriminatory rules for exchanges and dispute resolution, the protection and promotion of private investments, and environmental protection and promotion of energy efficiency.

iv) Regional Energy Access Program

119. The Authority of ECOWAS During the 29th Summit held in Niamey on January 12, 2006, adopted Decision A/DEC.24/01/06, and relative to a Regional Policy geared towards increasing access to Energy Services for rural and peri-urban populations. This regional Policy is fully in line with the Millennium Development Objectives, and aims responds to the NEPAD Action Plan Objectives. The Regional Policy includes a Regional Action Plan and an Implementation strategy for the development of a common Investment Programme within the region.

120. The Preparatory Activities undertaken by the ECOWAS Commission in the implementation of the Regional Action Plan include an initiative obtained through the UNDP's Regional Energy-Poverty Programme to provide a support financial assistance to the tune of US\$100,000 based on a prepared and approved action plan of national multi-sectorial groups (NMG). Also the ECOWAS Commission, through the Intra-ACP programme of the European Commission, has raised the amount of 1.8 million Euros to enable ECOWAS and UNDP to continue with and finalise the operational aspect for the remaining seven (7) Member States

121. The ECOWAS Council of Ministers at its session held in Ouagadougou in December 2007 adopted a regulation requesting the ECOWAS Commission to set up a dedicated unit to carry out programme activities on the implementation of the ECOWAS White Paper on Access to Energy Services and preparatory activities on the setting-up the a regional Agency for Access to Energy Services. In adopting the said regulation, Council further requested the commission to explore ways and means of promoting the use of alternative sources of energy, including solar, wind and other renewable.

122. . As a part of the conference on Peace and Security organized on the 12th November 2007 in Ouagadougou (Burkina Faso) by the Economic Community of West Africa States (ECOWAS), the adopted Declaration articulated the need to establish a regional Center for renewable energy and energy efficiency in the ECOWAS region. A commitment to that effect was made by Austria to ECOWAS in November 2007 to support the establishment of a regional centre for renewable energies and energy efficiency and requested the Commission to design the Centre. The ECOWAS Commission in collaboration with UNIDO have designed the Centre that have since attracted firm direct funding of US\$10 million over a ten-year period.

123. The Ninth Meeting of the Ministers in charge of Energy of ECOWAS endorsed the establishment of the Renewable Energy and Energy Efficiency Centre by the June 2009 with the overall aim to improve access to sustainable energy resources and increase energy use efficiency in the region in pursuit of the ECOWAS/ UEMOA regional plan of action for increasing access to energy services. The activities of the Center will be built around capacity building and awareness raising, research and technology transfer, policy, legal and regulatory framework and quality assurance, and knowledge management and advisory services.

124. Further to the desire of the Commission to make available to the populace of the sub-region energy supply that is sustainable and affordable, amidst the odds of ever increasing fuel cost, the ECOWAS Commission and the Government of Cuba, in April 2008 signed an MOU on the joint implementation of a one-year pilot project on Energy Efficiency. The pilot Project, which took-off on 1 June 2008, is being implemented in Nigeria with the replacement of 1 million incandescent light bulbs with high quality Compact Florescent Lamps (CFLs). The project has demonstrated the potential savings an energy efficiency programme can have in the sub-region and some Member States have already bought into the project and requested that assistance be extended to them even before the completion of the pilot phase.

d) Implementation of the Convention on Climate Change

125. A meeting for Ministers in charge of Environment was held in Accra from 15 to 18 March 2010 for the adoption of the draft programme on Adaptation of Climate Change for the ECOWAS Region. The Ministers recommended that the document be finalised with an improved strategy for resource mobilisation. In collaboration with CILSS, the Commission also started implementation of the AMESD project by organising the first phase of national workshops in Ghana and Sierra Leone on mastery of natural resources management. The project which is being financed by the European Union in collaboration with the African Union Commission and is being implemented in the area of water and pastures of the region has the objective of building capacities for Member States in data collection, processing and training.

4.1.2.5 HIV/AIDS PREVENTION

126. ECOWAS Commission has taken steps towards prevention and mitigation of the effects of HIV/AIDS on the infected people by initiating various programmes and approaches of Member States to address the HIV/AIDS pandemic.

127. The ECOWAS Commission in collaboration with the UNESCO, the World Bank, UNICEF and UNAIDS has identified focal points within the ministries of education of its region and assigned them the responsibility of developing more effective regional and national education sector responses to HIV/AIDS and in this regard, a conference of these focal points was held at the ECOWAS Commission in September 2008. The conference discussed among other issues; National Education Policies, integration of HIV/AIDS into school curricular, capacity building of teachers in pre-service and in-service programmes and procedures for monitoring and evaluation.

4.1.2.6 SCIENCE AND TECHNOLOGY

128. The Commission is still working on the second phase of the development of the Regional Science and Technology Policy Plan of Action for the sub-region which commenced in 2006. After completion of the study by a consultant, a meeting of experts was held at the ECOWAS Commission from 11 to 12 March, 2008 to validate the report of the study and adopt a Policy and Plan of Action. ECOWAS and NEPAD will now develop a template for collecting information on the state of Science and Technology in each Member States through designated focal persons and Civil Society.

129. Other progress in Regional Integration Process include the production of the draft regional investment Rules, Policy Framework and its adoption by the Council of Ministers in the ECOWAS region. Similarly, the process for the development of the Community Investment Code and sensitisation of the community and other stakeholders on the regional investment rules has started since 2008.

130. During the first half of 2010, a meeting was held to review the draft strategic orientation paper and prepare a roadmap for the formulation of a Science and Technology policy for the region by the end of 2011.

4.1.2.7 FREE MOVEMENT OF PERSONS

131. Free movement of persons includes the abolition of visa and entry permit, right of residence and right of establishment. As far as free

movement of people is concerned, progress made within the ECOWAS is exemplary as no visa is required anywhere for nationals of Member States who travel across the ECOWAS region. Residents of West Africa now have the right to move freely, to get settled wherever they want within the Community to carry out any activity. An ECOWAS passport was introduced in December 2000 and has been proposed as replacement for national passports.

132. The ECOWAS Commission set up and operationalized of the pilot units for monitoring along the borders. The goal of these units is to record all violations of free movement of persons along the borders. In order to find an adequate solution to the problem linked to road harassment along the borders, the Commission is mobilizing the private sector and the civil society with a view to involving them and getting them to own the implementation of the Protocol on free movement of persons. Thus, every unit has representatives of the civil society, a judge, a parliamentarian and a media representative.

133. ECOWAS Commission also embarked upon reflection with technical partners for establishment of an electronic registration system at border entry and exit points. This activity is intended to be accomplished with the aid of the new ECOWAS identity card which will replace national identity cards.

134. By insuring free movement of goods and persons and improving the road transport system the Authority of Heads of States and Government adopted a decision calling for national committees to be established in order to monitor implementation of ECOWAS decision and protocols on free movement of persons and vehicles. An ECOWAS-WAMI Joint Task Force has also been established in 2008 to ensure the effective and accelerated ratification and implementation of all ECOWAS Protocols and conventions relating to trade and free movement of persons, goods, services and the right of establishment of business in the WAMZ.

135. From the prism of the Free Movement Protocol, the sensitization effort embarked upon has brought about ownership of the Protocol on free movement by stakeholders and have impacted positively on Community citizens' Right of Entry, Residence and Establishment.

136. In the same spirit concerted effort is being embarked upon to further accelerate ECOWAS integration through the vehicle of the Free Movement Protocol and by embarking on very critical but sensitive projects for the actualization of Free Movement Protocol set objectives.

The meeting of technical experts on immigration which was institutionalised to secure a common platform for the harmonization of immigration procedures and active compliance with the deadline of ICAO for the introduction of ECOWAS harmonized biometric passport before March, 2010, was held between 15th and 16th April, 2010 in Abuja.

137. The meeting provided a platform for the harmonization of immigration policies and consideration of the introduction of the EU Schengen-Type Visa that will remove the issuance of multiple Visa for entry into Member States by third member country nationals on tourism or business visit to the region. To achieve this goal a technical committee of heads of immigration from seven Member States has been constituted to oversee its implementation.

- ECOVISA (Schengen-Type Visa)

138. In pursuit of the decision of the Authority of Heads of State and Government relating to the introduction of the ECOVISA (Schengen-Type Visa), the Commission set up a task force consisting of Member States to prepare a road map for the implementation of the decision. A meeting of the Task Force was held in Cotonou, in December 2009 to appraise the road-map with a view to harmonizing it with the UEMOA road map

4.1.2.8 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

139. The establishment of a Free Trade Area (FTA) within ECOWAS began in 1979 when complete dismantling of tariff restrictions for local produce, for traditional handicraft and fully processed commodities was adopted. A period of ten years was then set for the scrapping of fees and taxes on intra-community trade. After a period of lethargy, the ECOWAS institutions decided to accelerate the establishment of the FTA, which, in instruments, needed to be effective by 1st January 2000. In January 2003, the ECOWAS Summit adopted a new liberalization of trade scheme. States were urged to fully apply the arrangements under the new scheme so that the free trade area could be strengthened by 2004.

140. The establishment of the FTA involves a mechanism of compensating loss of revenue by the Member States due to removal of tariff on the intra-community trade. The duration of the financial compensation arrangement period was set to last four years with effect from 1st January, 2004. The amounts to compensate depend on the loss of customs revenue incurred by a State arising from importing approved origin industrial products. They depend on discounted rates as follows: (i) 100% decrease incurred in 2004; (ii) 80% decrease incurred in 2005; (iii) 60% decrease incurred in 2006; (iv) 30% decrease incurred in 2007; and

(v) 0% depreciation incurred with effect from 1st January 2008. The functioning of this mechanism is, however, mitigated because the compensation budget depends on payment of State contributions.

141. The goods subjected to the trade liberalization scheme must comply with rules of origin which have defined products originating from ECOWAS as follows: (i) local products; (ii) the products fully sourced in the Member States; (iii) goods manufactured from substances other than from live animals born and raised in the country, used alone or mixed with other materials, on condition that their ratio in quantity is higher or equal to 60% of the all the raw materials used. An approval procedure for original products enables the ECOWAS Executive Secretariat to distribute the list of products approved by Member States. A certificate of origin of products originating from the Community attests to the community origin of the products. However, agriculture and livestock products as well as made hand items are exempt. A procedure regulating litigations arising from the application of the liberalization scheme is in place. In case of disagreement between parties, the ECOWAS Court of Justice is authorized to make a final judgement (without appeal).

142. The movement of non-processed goods between Member States, would be exempt from custom fees and taxes, and would not be subjected to any quantitative or administrative restrictions. To qualify for exemption, non-processed goods and traditional products must come from Member States and must be accompanied by a certificate of origin and an ECOWAS export declaration.

a. FTA and Customs

143. Within the context of the implementation of the free trade programme, emphasis has been placed on the following points:

i. Establishment of a Free Trade Zone:

144. Establishment of Free Trade Zone is being implemented through the ECOWAS Trade Liberalisation Scheme (ETLS). The aim of the scheme is to promote intra-Community trade through the removal of tariff and non-tariff barriers to the importation and exportation of products originating from Member States.

145. As part of efforts to achieve this long-term objective, the Commission carried out several activities with a view to applying the ECOWAS Trade Liberalisation Scheme. They include in particular:

- i a training and sensitisation workshop for representatives of the National Approval Committees (NAC), held in Abuja in December 2009 on the procedures and conditions for granting approval to companies;
- ii information and sensitisation workshops on the ECOWAS Trade Liberalisation Scheme, held in some Member States;
- iii review of approval requests and notifications to countries of the approvals granted by the National Approval Committees;
- iv receiving and resolving disputes between countries, as part of efforts to apply the Scheme. A mission was carried out in Sierra Leone in this regard.

ii. Establishment of a Common External Tariff

146. Significant progress has been made since the formal adoption of the ECOWAS CET structure by the Authority of Heads of State in Niamey in January 2006, and the creation of an ECOWAS-UEMOA Committee for the conclusion of the project. They include:

- i. adoption by the Authority of Heads of State of a Supplementary Act on the creation of a fifth band of 35% in the ECOWAS CET.
- ii. adoption of eligibility criteria common to all countries for the submission of products to be included under the fifth band.
- iii. adoption of a roadmap for future activities in view of the finalisation of the CET.

147. The 7th meeting of the Joint Committee, held in Cotonou from 8 to 12 March, led to progress on several points in the negotiations. They include the following:

- i. a consensus was obtained on 211 tariff lines which will constitute part of the goods to be classified under the fifth tariff band;
- ii. an ad-hoc Committee was established to consider the draft Tariff and Statistical Nomenclature (TSN) of the ECOWAS CET, prepared by the Customs Directorate following the adoption of Regulation C/REG.1/5/09 of 27 May 2009 on

the adoption of the 2007 version of the Harmonised Commodity Description and Coding System Nomenclature (HS). The outcome of the work of this Committee will be presented at the 8th meeting of the CAG CET scheduled for 24 to 28 May in Accra;

- iii. consideration of requests for re-classification and proposal for the 5th band will continue in Accra during the 8th meeting.

iii. Harmonisation of VAT within ECOWAS

148. The 62nd Session of the ECOWAS Council of Ministers directed the Commission to take every necessary action to assist Member States which are yet to adopt the Value Added Tax (VAT) as part of their law. On the basis of this Directive which was adopted in 2009, evaluation and support missions have been conducted in three countries, namely the Gambia, Sierra Leone and Liberia.

149. Memoranda of Understanding have been signed with each Member State. These MOUs specify the components to benefit from the assistance of the Commission. Based on this, a VAT mission was organised in Accra, Ghana in order to allow State tax professionals in Member States, become familiar with this new tax.

150. The roadmap of the Commission in 2010 was to give direct assistance to these countries through financial grants, to allow them address problems peculiar to them. It also involves occasional support in terms of providing consultants at their request and also organising specialised VAT training and other study trips within and outside the region.

4.1.3. ACTIVITIES UP TO DATE

- 151. The following matrix shows progress made up to date.

**Status of ECOWAS
in 2009**

Status of ECOWAS

Progress made by ECOWAS up to date

Progress made

Coordination and harmonization of policies

West Africa Health Organisation WAHO's

current activities
preparedness for responses to epidemics of meningitis, measles, cholera and yellow fever;

support to country prevention of blindness programmes; support to the creation of networks of National Health Information Systems and Research Centres and Institutes of ECOWAS; young Professionals' Training with a view to their insertion; support to Research Centres by allocating funds for operational research, etc and Organisation of Nutrition Focal Points.

1. Activities undertaken in the area of policy coordination and harmonization include:

- Development of standards and guidelines for the fortification of oil and flour with vitamin A to expand micronutrient deficiency control.
- Adoption of the Strategy on Essential Nutrition Actions in 5 countries.
- Development of consensual mechanism for annual monitoring and evaluation of national health policies of Member Countries in order to highlight the progress made annually in the region.
- Production and dissemination of lessons learned based on a diagnostic study of health policies actually implemented by Member States through a sample of 5 countries (Guinea-Bissau, The Gambia, Mali, Niger and Nigeria). This result is to guide countries in the development and implementation of health policies;
- Inventory of the availability of human resources in eye health and projected needs of Member Countries for 2013.
- Three (3) Monograph Documents drafted on the health systems in Côte d'Ivoire, Sierra Leone and Cape Verde. These case studies fall within the generation of knowledge on health systems in the Region.
- Nine Member States (Liberia, Sierra Leone, Burkina Faso, The Gambia, Côte d'Ivoire, Niger, Guinea, Guinea Bissau, Togo) have received direct financial support to conduct health surveys, develop plans for health development, National Health Accounts, support disease control

and train health personnel;

- Eight Member Countries (Liberia, Sierra Leone, The Gambia, Côte d'Ivoire, Guinea, Guinea Bissau, Togo, Benin) have been supported for HIV/AIDS prevention and treatment. The support includes training health workers in diagnosis, treatment and care, equipment, rehabilitation of facilities and the supervision of activities.

Strengthening Health Information

The following programmes were successfully accomplished:

- Software for information collection, analysis and dissemination has been developed.
- A study has been conducted on the prevalence of trachoma in northern Côte d'Ivoire. It has confirmed the existence of the disease in pockets that require care.
- A map of trachoma in the ECOWAS region has been developed;
- A survey on the treatment of refractive errors conducted in Benin on a sample of 3776 students from 65 schools showed that 9.9% of students aged 10 to 15 years suffer from eye problems related to a refractive error as against 5%, the accepted norm in this age bracket according to WHO.

West African Monetary Agency (WAMA)

Consistent with the approved terms of reference, a new strategy for achieving the regional common currency was expected to be adopted following a retreat of regional institutions involved in the implementation of the ECOWAS Monetary

The ECOWAS Monetary Cooperation Programme (EMCP)

- The major development under the monetary cooperation programme during the period under review was the approval by the ECOWAS Convergence Council of a roadmap to guide the processes towards the realization of the ECOWAS single currency objective. This roadmap, which envisages the creation of an ECOWAS Monetary Union by 2020, provides for effective conduct of the multilateral surveillance function, harmonization of the

Cooperation Programme in February 2009 and statutory meeting of the ECOWAS Convergence Council in March 2009

legal, accounting and statistical frameworks, harmonization of the regulatory and supervisory framework for banking and other financial institutions, the establishment of a payments systems infrastructure for cross-border transactions, deepening of the trade liberalization scheme and other subsidiary programmes.

- In line with its mandate ,and in accordance with the 2009 Work programme, the Agency successfully conducted surveillance missions to ECOWAS Member countries in April and September 2009. The surveillance missions were essentially meant to validate the macroeconomic data on the various economies and to discuss the progress made on the convergence and policy harmonization programmes with relevant authorities. As part of the surveillance missions, the Agency also visited the UEMOA Commission and obtained valuable information on the progress made on the various policy harmonization programmes in the UEMOA countries.
- The surveillance missions also provided an opportunity for staff of the Agency to interact directly with key officials of the central banks, Ministries of Finance, Regional Integration, Trade (Commerce), the Agencies in charge of Statistics and other relevant institutions. The reports from the various missions formed the basis of the 2009 Convergence report which has been widely circulated to all relevant institutions/authorities for the implementation of key policy recommendations contained therein.

**Water
Coordinating
(WRCU)**

**Resources
Unit**

The ECOWAS Authority adopted in January 2008 the Supplementary Act A/SA.04/01/08 on an Emergency Power Supply Security Plan (EPSSP) for the Member States of West African Power Pool

Action Plan Prepared

An Action Plan on the implementation of the Regional Policy was prepared that focused on water management reform, promotion of investments, regional cooperation and integration in the water sector.

**Establishment of the Regional Water Resources
Observatory**

The Regional Water Resources Observatory is meant to play

(WAPP).

Further, within the framework of the WAPP Programme, ECOWAS Member States adopted the concept of establishing Regional Regulatory Body (RRB) which aims at fostering open and transparent cross-border electricity exchanges within the ECOWAS region.

ECOWAS Regional Electricity Regulatory Authority (ERERA)

In January 2008, a Supplementary Act A/SA.2/1/08 establishing the ECOWAS Regional Electricity Regulatory Authority (ERERA) was adopted by the Authority of ECOWAS complementary to Council Regulation C/REG.27/12/07 of the 15th December 2007 on the composition, organization, attribution and functioning of the ECOWAS Regional Electricity Regulatory Authority.

The development phase of

a key role in the definition and promotion of the strategic framework for the sector and, in fact, pilot the entire CPCS programme. The role of the Observatory is to ensure monitoring of water management in Member States and basin areas. This involves data collection and processing and provision of information to all stakeholders.

Management Framework for Shared Water Resources

The Commission also commenced the preparation of the management framework for shared water resources which will enable Member States to have a common legal framework to serve as benchmark for negotiations on specific conventions or treaties for each basin area.

Support to Dialogue on Infrastructure Projects

This project aims at providing support to Member States and basin organisations to ensure that major projects relating to dams and irrigation are undertaken within the framework of regional integration.

- The ECOWAS Regional Electricity Regulation Authority (ERERA) officially took off on 1st April 2009, with the assumption of duty of the Chairperson of the Regulatory Council. The Authority, which is an autonomous entity, is charged with the regulation of the trans-border exchange of electricity, and the support of national electricity regulation bodies. Its actions are aimed at facilitating the expansion of such exchanges and reducing the cost of electricity through joint actions in favour of optimising the allocation of primary energy, encouraging genuine competition, and safeguarding supply sources
- In 2009, the main activities carried out within the framework of the ECOWAS electricity regulation programme were the appointment of the Chairperson of the Authority (the shortlist was compiled and candidates to the post interviewed, and the Chairperson appointed in March 2009); the selection

the ECOWAS Regional Electricity Regulatory Authority (ERERA) was in progress in order to promote electricity infrastructural development and create the environment to attract investments based on the facilitation of unrestricted cross-border electricity exchange among Member States within a competitive framework, the application of non discriminatory rules for exchanges and dispute resolution, the protection and promotion of private investments, and environmental protection and promotion of energy efficiency.

of Accra as the headquarters of the Authority; demonstrations of regulatory actions; and organisation of the forum of West African Public Service Regulators. The organisation of the 2009 Regulators' Forum will be the first major activity to be carried out by ERERA and is expected to create the ideal opportunity for the formal launching of the institution

Regional Energy Access Program

The Ninth Meeting of the Ministers in charge of Energy of ECOWAS endorsed the establishment of the Renewable Energy and Energy Efficiency Centre by the June 2009 with the overall aim to improve access to sustainable energy resources and increase energy use efficiency in the region in pursuit of the ECOWAS/UEMOA regional plan of action for increasing access to energy services. The activities of the Center will be built around capacity building and awareness raising, research and technology transfer, policy, legal and regulatory framework and quality assurance, and knowledge management and advisory services.

The ECOWAS Commission and the Government of Cuba, in April 2008 signed an MOU on the joint implementation of a one-year pilot project on Energy Efficiency. The pilot Project, which took-off on 1 June 2008, is being implemented in Nigeria with the replacement of 1 million incandescent light bulbs with high quality

- The Commission undertook a pilot energy efficiency project in partnership with the Government of Cuba, involving the replacement of incandescent bulbs by low consumption CFL bulbs. The Cuban Government provided a very high level expert to work with the Commission. Together, prospective locations in the Abuja area were identified for the siting of the pilot project and an evaluation was made of the types of bulb to be replaced. The low consumption bulbs which were ordered at the end of 2008 were delivered to the Commission in April 2009. The official handing-over ceremony of the bulbs by the President of the ECOWAS Commission to the Minister of Power of the Federal Republic of Nigeria took place on 28th May 2009, which coincided with the ECOWAS Day.
- At the request of the Ministers of Power of Sierra Leone and The Gambia, a study was commissioned with technical support from the Cuban expert, to assess low consumption bulb needs and conduct a cost-benefit analysis of the changeover from incandescent bulbs in these countries. The findings showed the project to be extremely beneficial. The Ministries concerned are in favour of its implementation, and have therefore enlisted ECOWAS support to this end. In view of the advantages of the project and in compliance with the decision to end the use of incandescent bulbs in the ECOWAS region by the end of 2015, similar studies will be commissioned in all the remaining Member States.

Compact
Lamps (CFLs).

Florescent

Mission Planning and Management Cell Training

Peace and Security

The security situation in the region has witnessed some positive change since the beginning of 2008.

Developments in the Northern Mali and Northern Niger is still a source of concern that ECOWAS is subjected to assist in close collaboration with the Countries affected in order to come up with the lasting solution to this crisis.

As part of the capacity building of the ECOWAS Standby, the Force Planning Element Staff of the Department and others from the ESF pledged Units attended the following courses pertaining to Peace Support Operations (PSO):

- United Nations Staff Course (Hamburg, Germany);
- Staff Officers Course at Battalion level (Ecole de Maintien de la Paix Alioune Blondin Beye (EMPABB), Bamako – Mali ;
- Small Arms and Light Weapons Course (Kofi Annan International Peacekeeping Training Centre (KAIPTC) Accra - Ghana);
- African Peace-building Training Course at (EMPABB), Bamako, Mali;
- Partnering Integrated Logistics Operational Tactics Course, (KAIPTC) Accra – Ghana;
- Senior Mission Leadership Course (National Defence College) Abuja – Nigeria.

Small Arms

- The ECOWAS Small Arms Control Programme (ECOSAP) Advisory Board and Steering Committee met in Nov 09 in Abuja, Nigeria and approved the study on the future of ECOSAP as well as the ECOSAP Annual work plan for 2010.
- Also the Small Arms and Ammunition Stockpile Management and Security experts from Member States met in November 2009 in Kaduna, Nigeria. The Experts developed a road-map with a clear vision on the type, modes as well as the planning of the ECOWAS Commission support to the Members States in the area of small arms and ammunition stockpile management and security.

- Experts on Small Arms and Light Weapons (SALW) Communication met in January 2010 in Lagos, Nigeria. The Experts reviewed and validated a manual on Advocacy Skills on Lobbying Techniques and followed up with a Training of Trainers workshop.
- The Ministers of Defence and Security met in March 2010 in Abuja, Nigeria. The meeting reviewed and adopted the Plan of Action for the implementation of the ECOWAS Convention on SALW as well as the Convention's exemption request form.

Education, Science and Technology

The Commission is still working on the second phase of the development of the Regional Science and Technology Policy Plan of Action for the sub-region which commenced in 2006. After completion of the study by a consultant, a meeting of experts was held at the ECOWAS Commission from 11 to March, 2008 to validate the report of the study and adopt a Policy and Plan of Action. ECOWAS and NEPAD will now develop a template for collecting information on the state of Science and Technology in each Member States through designated focal persons and Civil Society.

- At the Third Conference of ECOWAS Ministers of Education that was held at the Commission's Headquarters on 20th March, 2009, emphasis was laid on addressing socio-economic concerns of the region, using education. Specific recommendations made towards harnessing available human and financial resources include improved collaboration with partners; establishment of Networks; renewed commitment to harmonization of the certificates; and the adoption and implementation of the proposed Statutes of the Regional Education and Training Fund. Towards implementing the recommendations of the Ministers, the following definite steps were taken in the course of this year:
 - Vocational training and the development of human capital and training of young people for employment is one of the strategic priorities of ECOWAS, as depicted in the ECOWAS Vision document. In order to address the concerns of Ministers of Education and Heads of States on the teeming number of youths without employable skills, the consequences of violence and desperate acts of survival; ECOWAS collaborated with UNESCO and other partners to hold a knowledge sharing workshop on the lessons learnt from the experience of Nigeria under the UNESCO-Nigeria TVE Project (Phase I: 2001 - 2007). Also, as a follow up to the Spain-ECOWAS Summit during the Summit of Heads of State in June, 2009, negotiations have

reached advanced stage with the government of Spain towards signing an MOU on Employment and Vocational Training and recruiting a consultant to carry out a feasibility study and collaborate with the Commission in the identification and management of TVET training programmes in the region.

- A survey of credible e-learning and e- services institutions and personnel around the region was conducted during the year to determine the e-readiness of Member States as a way of leveraging the ECOWAS e-Learning initiative, comprising the ECOWAS e-learning policy, ECOWAS ICT Youth Development Volunteer Corps, the ECOWAS Teachers' e-content Awards Scheme, and the ICT business plan.

- A policy dialogue was held in Niamey, Niger in September, 2009 among experts from Ministries of Education and Civil Society in Member States. The meeting deliberated exhaustively on education policy provisions in Member States for the integration of laws on human rights into education curriculum and developed strategies for the abolition of socio-cultural practices that impede education of girls and other vulnerable children.

Science and Technology

- In compliance with the recommendation of the inaugural meeting of Ministers of Science and Technology in 2004, an in-house validation meeting was held in Jos, Nigeria, from 29 to 30 September 2009, to examine the draft strategic guidelines for the formulation of an ECOWAS science and technology policy.

- The meeting validated the different phases in the formulation of an ECOWAS science and technology policy, "ECOPOST". The draft strategic guidelines were examined and a road map was drawn up which provides for completion of the work on the regional science and technology policy by the end of 2011.

Free movement of persons, goods and services

By insuring free movement of goods and persons and improving the road transport system the Authority of Heads of States and Government adopted a decision calling for national committees to be established in order to monitor implementation of ECOWAS decision and protocols on free movement of persons and vehicles.

An ECOWAS-WAMI Joint Task Force has also been established in 2008 to ensure the effective and accelerated ratification and implementation of all ECOWAS Protocols and conventions relating to trade and free movement of persons, goods, services and the right of establishment of business in the WAMZ.

- A vigorous enlightenment campaign was conducted in 2009, targeting stakeholders on the ground. The stakeholders embarked on a networking exercise from which emerged the Network of the West African Media on Free Movement, the Network of West African Road Transport Workers on Free Movement, the Network of Transporters on Free Movement, and the Forum of Civil Society Organisations, all of which are active in the promotion of the free movement of persons and goods.
- At the same time ECOWAS, in collaboration with the Ministries of Internal Affairs and Security of the Member States, introduced a programme for the modernisation of Customs control posts designed to improve the working conditions of the customs officials, and speed up customs formalities for travellers at border posts. The pilot phase of this programme covers the Nigeria-Benin-Togo-Ghana-Côte d'Ivoire corridor.
- Work also continues on the introduction of the ECOWAS passport, as decided in 2000 by the Authority of Heads of State and Government. To date, the harmonised passport has been printed and put into circulation in Benin, Côte d'Ivoire, Guinea, Liberia, Niger, Nigeria, Togo and Senegal. Those Member States which are yet to do so are urged to ensure that necessary action is taken for its introduction in order to make the use of the ECOWAS passport in all Member States .
- On the issue of migration, ECOWAS has received support from its external partners to ensure implementation of the common ECOWAS programme on migration and development adopted by the Authority of Heads of State and Government in January 2008. The Spanish Fund on Migration and Development is collaborating on the formulation of an institutional capacity building programme for the ECOWAS Commission and the Member States. A grant of 5 million euros has been made available to this effect.
- On the issue of trans-border cooperation, the enlightenment campaign directed at the senior

political and administrative authorities of the Member States and explaining the ECOWAS agenda in this area has been well received. All stakeholders have been made aware of the need to turn border areas into blending and sharing zones in order to create an environment of solidarity and unity which will boost the dynamics of trans-border development. Northern Senegambia, the Sikasso-Korogho-Bobo Dioulasso and Kano-Katsina-Maradi zones as well as the Mano River basin, are successful pilot schemes within the trans-border cooperation programme.

ECOWAS Monetary Zone

ECOWAS is in the process of creating a second monetary zone for the countries that are not members of the Franc Zone with the establishment of a monetary institute in Accra, Ghana; plans to merge create a single ECOWAS currency in 2009.

six ECOWAS Anglophone-members, the Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone, have proposed setting up a second West African Monetary Zone (WAMZ) in December 2009 and launching a new (common currency, the Eco). ECOWAS facilitated the establishment of a Task Force for the realisation of the regional common currency. The Task Force consists of senior officials of the ECOWAS Commission, WAMA, WAMI, UEMOA Commission and the Central Banks in the

- This sub group which comprises eight countries is a monetary and customs union with a common currency, the CFA franc. The countries are Benin , Burkina Faso , Cote d'Ivoire , Guinea Bissau, Mali, Niger , Senegal and Togo . The seven remaining countries in ECOWAS have each their own national currencies. This group accounts for 75% of the region's GDP and 70% of its population.
- Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone are actively preparing to establish a second common currency (West African Monetary Zone, WAMZ) in December 2015 within the framework of the ECOWAS monetary cooperation programme and the Roadmap for ECOWAS Single Currency .
- On the basis of the performance of the countries relative to the ECOWAS macro economic convergence criteria, the two monetary zones were expected to merge and form a single currency. However, a new impetus has been added to this monetary project with the recent directive by the ECOWAS Authority of Heads of State and Government that the ECOWAS Commission in consultation with the Ministers of Finance and the Governors of Central Banks of Member States should fast-track the common currency project with a view to

region. It has been mandated to identify a strategy for the attainment of monetary unification in the region leading to a single currency of ECOWAS by March 2009.

attaining a single currency.

4.1.4 CHALLENGES

152. ECOWAS is confronted by many challenges on its path to regional integration. Amongst others are insecurity, non-implementation of protocols by some members and barriers to trade.

153. This was a consequence of the almost unending spate of civil conflicts seen in the region. Economic cooperation and integration would be difficult to pursue, without peace and stability in the sub-region. However conflicts should not be the reason for ECOWAS' shortcomings in integrating the economies of its Member States. Even before 1989, implementation of ECOWAS agreements especially with regards to trade has been slow and ad-hoc and in any case, only a minority of member countries experience major conflicts at given times.

154. There have been certain factors hindering trade in the sub-region. For most cross-border traders in West Africa, the common complaint has been the high costs of doing so as a result of obstacles often put in their way by state employees. By going through ECOWAS provisions, such barriers should have disappeared. In May 1982, ECOWAS Member States signed a convention for the establishment of an ECOWAS Inter-state Road Transit System (ISRT), which set the framework within which Member States would work to ensure free movement of goods in the sub-region.

155. Due to the non-implementation of the modalities of the ISRT, Member States signed a supplementary convention in May 1990 to set up a guarantee mechanism for ISRT. This had an additional value that if any member state contravenes the terms, the member could possibly face repercussions.

156. In spite of the signing cross border traders in the sub-region continue to complain of how state employees deliberately violate such provisions. A large number of trade in the sub-region are on small scale or informal and are often sustained by differences in prices in individual countries. In the past, such activities were viewed as smuggling and such perceptions clearly linger on and influence the treatment of these traders by security agencies.

157. The implementation of the treaty on free movement of persons faces a number of problems on the ground, namely road harassment, the high number of roadblocks and illegal barriers and the problem of insecurity on the roads

158. Most of the roads are concentrated in the coastal areas with a coverage reaching 15 for 100 km², while the Sahel regions lag behind due of the expansive desert areas, notably in Mali and Niger: the rate of coverage is about 1,02 against a minimal normal of 20 to 25 km per 100 km². The railway network within the States are still heterogeneous with varied metric spacing, not really interconnected to facilitate transport between the main cities and capitals of the region. As for the water transport, it remains limited.

159. A smoother flow of goods in the sub-region would doubtlessly make a significant contribution to the West African economy. However the point that economies in the sub-region are not sufficiently diversified is important especially if the region is to make the dramatic progress that its leaders dream of.

160. Despite the disappointing results with intra-ECOWAS trade, work is going on to remove infrastructure bottlenecks in economic integration. There are major projects for a highway network to connect existing networks in the areas of transport, communications and energy. ECOWAS also has through a Community telecommunications programme reduce transits through countries outside Africa and improve direct links between Member States. ECOWAS has undertaken a study on the interconnection of railway networks.

161. Among ECOWAS big projects, the road project appears to be making most progress with over 60 percent of project completed. Also in the works is the West African Gas Pipeline project, which will supply gas from Nigeria to Benin, Togo and Ghana. These are not strictly ECOWAS projects but what the Community has done is to fit these into its larger integration plans, thereby enhancing their strategic and economic importance.

162. Some of the ECOWAS projects when completed would surely bring benefits to the community's citizens, independent of some of the problems discussed above. However to get the full benefits of an integrated regional market, West African leaders would have to show more commitment to removing unnecessary and often illegal obstacles placed in the way of economic operators in the sub region. They would also need to consider seriously the chance that a larger market offers for industry in the sub-region.

163. Ultimately, ECOWAS is expected to fit into the African Economic Community as envisaged by the Abuja Treaty. The aims of that Treaty fits very much into those of ECOWAS except that it seeks to extend the integration to the entire African continent.

164. ECOWAS like the other regional trade bodies are behind schedule in meeting the goals of the treaty but with more focused commitment, significant and tangible progress can still be made in the short to medium term.

4.1.5 FUTURE OUTLOOK

165. In order to move the integration process forward, ECOWAS is in the process of creating a second monetary zone for the countries that are not members of the Franc Zone with the establishment of a monetary institute in Accra, Ghana.

166. Six ECOWAS Anglophone-members, the Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone, are in the process of setting up a second West African Monetary Zone (WAMZ) and launching a new (common currency, the Eco). To accelerate the completion of the Roadmap for the ECOWAS single currency, ECOWAS Commission facilitated the establishment of a Task Force for the realisation of the regional common currency. The Task Force consists of senior officials of the ECOWAS Commission, WAMA, WAMI, UEMOA Commission and the Central Banks in the region. It has been mandated to identify a strategy for the attainment of monetary unification in the region leading to a single currency of ECOWAS.

4.2 COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)

167. The Common Market for Eastern and Southern Africa was founded in 1993 as a successor to the Preferential Trade Area for Eastern and Southern Africa (PTA), which was established in 1981. COMESA formally succeeded the PTA on 8 December 1994 upon ratification of the Treaty. The establishment of COMESA was a fulfilment of the requirements of the PTA Treaty, which provided for the transformation of the PTA into a common market ten years after the entry into force of the PTA Treaty.

168. The vision of COMESA is to be a fully integrated economic community for prosperity, internationally competitive, ready to merge into the African Union. COMESA Member States comprised of Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

4.2.1. OBJECTIVES OF COMESA

169. The COMESA Treaty, which sets the agenda for COMESA, covers a large number of sectors and activities. However, the fulfilment of the complete COMESA mandate is regarded as a long-term objective and, for COMESA to become more effective as an institution, it has defined its priorities within its mandate, over the medium term, as being “Promotion of Regional Integration through Trade and Investment.

4.2.2 ACTIVITIES AND PROGRESS

4.2.2.1 COMESA’S FOCAL AREAS OF INTEGRATION

170. COMESA’s focal areas of integration are; Trade in goods and services, Monetary integration, including payments and settlement arrangements; Investment promotion and facilitation; Infrastructure development (Air, road, rail, maritime and inland transport, ICT; Energy etc); Electronic commerce; and Peace and security.

171. COMESA Member States have also agreed on the need to create and maintain the following:

- i A full free trade area guaranteeing the free movement of goods and services produced within COMESA and the removal of all tariffs and non-tariff barriers;

- ii A customs union in which goods and services imported from non-COMESA countries will attract an agreed single tariff in all COMESA States;
- iii Free movement of capital and investment supported by the adoption of a common investment area so as to create a more favourable investment climate for the COMESA region;
- iv A gradual establishment of a payment union based on the COMESA Clearing House and the eventual establishment of a common monetary union with a common currency; and
- v The adoption of common visa arrangements, including the right of establishment leading eventually to the free movement of bona fide persons.

4.2.2.2 INTRA COMESA TRADE

172. Intra-COMESA trade declined by 7% in 2009 below the 2008 levels, a slight drop from US\$ 13.7 billion in 2008 to US\$ 12.7 billion in 2009. However, overall intra-COMESA trade had continued to grow between the 2000 – 2008 periods. The slight fall in intra-COMESA trade for 2009 was due in part to the decline in intra regional trade by the major players such as Kenya, Egypt, Uganda, Zambia, DR Congo and Sudan. All these countries registered either negative growth in intra exports or imports or both in 2009

4.2.2.3 THE COMESA CUSTOMS UNION

173. The focus of COMESA in year 2009 was the launch of the Customs Union which will lead the region to the creation of a Common Market. To that end, COMESA has developed a number of market oriented programmes. Of cardinal

174. The deepening of integration in the region by moving into a Customs Union would bring in additional benefits of an enlarged market that would attract the attention of investors into the region.

175. The structure of the Common External Tariff, that is, substantially the same duties to be applied by each of the members to the trade of territories not included in the region have been agreed to. What is now left is the harmonisation of other regulations of commerce, the schedule of national tariff alignments to the Common External Tariff, conclusion of

sensitive products lists and implementation modalities for the seven principles of the Customs Union that have already been agreed to by Council.

176. To date 11 countries have submitted their lists of sensitive products, namely, Burundi, Eritrea, Kenya, Madagascar, Malawi, Mauritius, RD Congo, Rwanda, Sudan, Swaziland and Uganda

177. The Committee on the Customs Union, and the Trade and Customs Committee, agreed that the draft schedules generated by the Secretariat will be starting points for Member States to start generating their schedules, and that they will work closely with the Secretariat, including in finalizing the various studies and assessments that are on-going.

178. Tariff alignment schedules, several analytical papers on key studies requested by Council, and key meetings have been held this quarter to assist the process of implementing the three-year transition period.

179. Progress in implementing the transition period and getting closer to a full Customs Union by June 2012 has been made, as follows:

- i. Member States are in a position to gazette Schedule I, because they have product lines with rates already aligned to the COMESA CET, in the case of the four EAC countries the alignment is by up to 70%; however, Member States would first need to agree to adopt the schedules that the Secretariat has generated
- ii. Regarding Schedule II, 10 Member States should be in a position to gazette their schedules; the number would be 12 if Egypt and Zimbabwe agreed to use the draft schedules the Secretariat has generated
- iii. Regarding Schedule III, Member States should be in a position to produce their lists of products to be excluded from the CET on religious and cultural grounds, since they should be expected to know them right away
- iv. Analytical work has been done on all key outstanding studies, and this work is in a state that can support concrete recommendations and decisions on ways forward.

180. COMESA has also made the following progress on different areas:

- i Trade liberalization and Customs co-operation, in this respect a Free Trade Area covering 14 States.

- ii A robust programme for the elimination of Non Tariffs Barriers (NTBS) consisting of organisational structures at the regional and national levels involving institutional systems and modalities.

181. Trade in Services: A draft policy framework on liberalization of services has been prepared and is awaiting finalization, to facilitate trade in services like air transport, motor vehicle insurance, insurance, shipping and roads as well as a regional system of guarantee; The Committee on Trade in Services met on 17-19 May 2010 in Harare, Zimbabwe to reach consensus on the priority services sectors and to initiate work on the preparation of schedules of specific commitments in the COMESA region.

182. At the event, the Committee decided that the services liberalisation programme will start with the four sectors that the 13 Member States that submitted lists of their priority sectors indicated. These are communications, transport, finance and tourism services.

183. The third meeting of the Committee is tentatively planned for November 2010, when the Member States will undertake text-based negotiations on the extent they will open up the four sectors as well as select three more sectors for the next negotiating meeting. In addition, the Committee agreed that Member States can undertake commitments and open up the other additional sectors they indicated, as some Member States had indicated seven to ten sectors for liberalisation

184. Implementing a unified computerized Customs network across the region among others. During the last COMESA Council of Ministers, it was decided that: Member States should provide the necessary resources to support maintain and modernise Customs systems, based on options provided in the study on sustainability, with high-level government support as follows;

- a) The Secretariat should set up a Regional Customs Modernisation Centre to assist in customs modernisation and capacity building which will ensure ownership by COMESA of the implementation process;
- b) The Secretariat, with UNCTAD support should develop an ASYCUDA online training for delivery on the COMESA e-Learning platform;
- c) The Secretariat should provide a link on its web portal to the ASYCUDA website to facilitate discussions and sharing of information;
- d) Member States should consider a staff retention strategy to ensure continued support of ASYCUDA systems; UNCTAD and COMESA

Secretariat should work out a strategy for the upgrading of ASYCUDA implementation in the region

- iii Regional Competition Policy;
COMESA has established a regional competition commission to implement competition policy.

185. The harmonization of macro-economic policies throughout the region and monetary cooperation, including payments and settlement systems. COMESA Member States are currently implementing Monetary Harmonization Programmes with a view to achieving limited convertibility. The overall assessment of progress made in macro-economic convergence in COMESA in 2008 shows that the fiscal criterion was missed by 9 out of 19 countries. Assessment of the inflationary situation in 2008 indicates that 13 countries missed the criteria. The assessment shows that the performance of COMESA in respect of compliance with the secondary criteria as regards to the use of indirect monetary policy instruments, moving towards market determined exchange rates; adherence to the 25 Core Principles of Bank Supervision and adherence to the Core principles for Systematically Important Payment Systems were in the right direction.

186. To enhance implementation of limited currency convertibility in COMESA, member countries are proposed to be clustered into 4 sub-groups based on geographical proximity and potential for increased volume of trade. The clusters however do not exclude the possibility of member countries with larger volume of trade, having limited currency convertibility arrangement. with member countries, who are outside the cluster.

- Northern and Eastern sub-group: Egypt, Sudan, Libya, Djibouti, Ethiopia, Eritrea;
- Central and Eastern sub-group: Kenya, Burundi, , Congo (D.R.), , Rwanda, and Uganda;
- Southern sub-group: Zimbabwe, Malawi, Swaziland and Zambia;
- Indian Ocean Islands sub-group: Mauritius, Madagascar, Comoros and Seychelles

187. In order to enhance implementation of currency convertibility, COMESA established Regional Payment and Settlement System (REPSS) which is aimed at stimulating economic growth in the region through an increase in intra-regional trade, by enabling importers and

exporters to pay and receive payments for goods and services using national currencies. The net balance are settled in US\$ or EuroTrade in Services

iv Investment promotion and facilitation.

v **Infrastructure development** (Air, road, rail, maritime and inland transport, ICT; energy etc); and peace and security. COMESA has been actively working with NEPAD and ADB on infrastructure development. A COMESA medium to long-term power master plan will be developed by the Eastern Africa Power Pool (EAPP) which is a specialized institution of COMESA in the field of power, through funding to be provided by the African Development Bank (AfDB). The total cost is estimated to be US\$ 300,000.- to 350,000.-For instance, in order to address energy challenges of the COMESA region and meet the suppressed demand, the installed capacity should be increased by 50 % each five years, noting that the current installed capacity is around 38,000 mega watts.

188. Capacity additions for some selected COMESA countries would be around 10400 mega watts up to 2011/12. The projects that are expected to be commissioned during the five year period of 2011-15 add up to over 20,000 megawatts and those beyond 2016 are about 30,000 mega watts. Moreover, many electric power interconnectors will be operational between 2012 and 2013 which means that power trade will be expanded in the region.”

189. Regarding ICT development, a new strategy has been adopted to establish the COMTEL network as an Overlay Network utilizing the existing national Optic fibre. Currently a business plan is under preparation and once completed it will be submitted to the NTOs and other investors.

vi **Transport facilitation and communications** to ease the movement of goods and people and provision of services between and among the countries. In the sector of telecommunications, special emphasis has been placed on network development to enable direct telecommunication links through more reliable infrastructure in order to avoid third country transit systems, which prove to be very costly. Policy and regulatory harmonisation has also been given high priority in order to develop an appropriate environment and build capacity to manage a liberalized ICT environment.

vii **Transit facilitation**; COMESA is implementing a number of instruments in order to facilitate integration. These include, axle load limits, gross vehicle weights, harmonized road user charges, carrier

licenses, regional customs transit guarantee (RCTG) among others. . As a result of COMESA traffic facilitation measures, transport costs have been reduced by a factor of about 25% and efforts are underway to reduce them further. A pilot exercise has been carried out in the Northern and a number of stakeholders meetings held to ensure the smooth operation of the scheme. Back up support has been provided and the scheme is now operational in Kenya, Burundi, Rwanda and Uganda though at a low scale as other issues like rationalization of the systems being used at different border posts is still to be finalized. The process is ongoing and another pilot exercise is underway on the southern corridor.

190. Regarding road traffic, following is the agreed COMESA transit road user charges:

Table 2. COMESA transit road user charges

TYPE OF VEHICLE	CHARGES PER 100 KM IN US\$
Big buses carrying more than 25 people	5.0
Rigid Heavy Goods Vehicles	6.0
Heavy Good Vehicle (HGV) with more than Three Axles	10.0

Source: COMESA

viii **Creating an enabling environment and legal framework.** This will encourage the growth of the private sector, the establishment of a secure investment environment, and the adoption of common sets of standards.

ix Promotion of peace and security in the region.

x **Agriculture and food security:** In the sector of Agriculture, COMESA is implementing several programmes with the view to increasing agricultural productivity of the region. COMESA is a key player in the implementation of Comprehensive Africa Agriculture Development Programme (CAADP) and that it is implementing various projects under CAADP to address trade in agricultural products, sanitary and phytosanitary (SPS) issues, improving the livelihood of pastoralists etc. Most of COMESA Programmes regarding Agriculture and Food Security are implemented by the CAADP unit and COMESA Special Agency, the “ Alliance for Commodities and Trade in Eastern

and Southern Africa (ACTESA). Among the key programmes being implemented by ACTESA is the COMESA Regional Agricultural Inputs Programme (COMRAP) supported by the EC. The €20 million COMESA Agro-Inputs Program (COMRAP) funded under the European Commission Food Facility is addressing some of the food insecurity challenges. It seeks to bridge the gap between emergency aid and medium to long term development through its three objectives which include:

- a) To encourage food producers to increase food supply;
- b) To deal directly with the effects of volatile food prices on local populations; and,
- c) To increase food production capacity and improve the way agriculture is managed in the longer term.

191. In addition, COMESA has initiated the CAADP implementation Round Table process in 15 of the 19 Member States. Since January 2010, the Secretariat has increased its efforts to support all member states in the CAADP Round Table process leading to accelerated signature of the National CAADP Compacts. To-date six countries have signed the national CAADP Compacts: Rwanda, Ethiopia, Burundi, Swaziland, Uganda and Malawi. Post-Compact activities leading to development of high quality investment plans and mobilisation of resources have been successfully conducted in a number of countries.

192. Rwanda has already benefited from the recently established Global Agriculture and Food Security Programme (GAFSP) under the World Bank management with the approval of USD 50 Million, while Uganda and Ethiopia plan to submit their proposals for funding to GAFSP before the next deadline on 1 October 2010. The CAADP implementation process has, in the past, faced a number of constraints, mainly due to lack of sufficient resources to provide adequate facilitation to the member states but also due to insufficient technical and human resources capacity as well as institutional support at national level.

193. The implementation process, at both national and regional level, is expected to gain momentum through the financial support from the Multi-Donor Trust Fund (MDTF) under the World Bank management, which has approved USD 4.5 Million to support CAADP implementation in COMESA for a period of three years, effective from 1 August 2010.

194. Regarding, sanitary and phytosanitary (SPS) issues, the Agricultural Marketing Promotion and Regional Integration Project (AMPRIP) which is funded by the African Development Bank, with the

objective to enhance safe intra– and extra– COMESA agricultural marketing, is actually extended by a further six months until 31 December 2010 to allow for completion of outstanding activities, especially procurement, installation and commissioning of equipment for the SPS regional reference laboratories in Zambia, Mauritius and Kenya.

xi **Biotechnology.** COMESA is actively promoting a regional biotechnology agenda which is in the process of being further escalated through high level policy advisory interventions based on support provided through bilateral cooperation.

4.2.2.4 INSTITUTIONS

195. Specialized institutions are supporting COMESA's mandate to bolster and promote trade and investments through out the region and beyond.

Among the important institutions established by COMESA are;

- The PTA Bank

196. The PTA Bank has, over the years, been very active in promoting investments and providing trade financing facilities. The Bank's authorized capital was increased to USD 2 billion in 2007. The Bank posted a profit of USD 4.5 million in 2006 from its operations. Project finance approvals for the year 2007 totalled USD 128 million and for Trade Finance were USD 156 million. The Bank assists Member States in implementing their projects, since the objectives of the Bank are mainly:

- i. To provide financial and technical assistance to promote the social and economic development of Member States;
 - ii. To promote the development of trade among the Member States conducted in accordance to the provisions of the COMESA Treaty by financing activities related to such trade;
 - iii. To further the aims of the COMESA by financing projects designed to make the economies of the Member States increasingly complementary to each other;
 - iv. To supplement the activities of national development agencies of the Member States by joint financing operations or lines of credit; and
 - v. To co-operate with other institutions and organizations which are interested in the economic and social development of the Member States
- What are activities that the Bank is undertaking particularly in assisting Member States

197. A cardinal mandate of the Bank is to leverage on its balance sheet and mobilize financial resources from the international market for investment in commercially viable businesses in the region. The Bank therefore continues to lay emphasis in mobilizing resources from both international and local money markets in order to meet the demand for debt capital in the Member States. The level of resources available at any one time varies from period to period depending on the actual utilization and in some cases on repayments available for further drawing. Hence resources nominally available at one time may not remain available for a long period. However, the Bank ensures that, at all times, there is a good mix of resources available for lending between the short and long term windows.

198. At the regional level, the Bank has mobilized local currency resources in a number of Member Countries by way of bond issues to support its lending operations as well as playing its part in the development and deepening of the capital markets in the region. As part of this effort, the Bank issued a local currency bond in Uganda in October 2009 which was subsequently listed on the Uganda Stock Exchange. This is part of a Uganda Shilling 40 billion bond programme which will be fully issued by 31st July 2010. This is the second local currency bond by the Bank in Uganda, the first having been issued in 1999 and which has been fully retired. The proceeds of this bond programme will be utilized by the Bank to fund its investments in Project and Trade Finance activities in Uganda in various sectors of the economy including manufacturing, mining, tourism, energy, construction, etc.

- COMESA Clearing House

199. Numbers of decisions have been taken to make the COMESA Clearing House more responsive to the current needs of Member States, especially the private sector, including the introduction of payments system. The COMESA Clearing House has been mandated to implement a system to facilitate cross-border payment and settlement between Central Banks in the COMESA region. The Clearing House is currently putting in place a new system of multilateral regional payment system known as REPSS and the PTA bank. REPSS is being aggressively promoted in all Member States through Sensitization Workshops organized by Central Banks and with the participation of commercial banks, exporters and importers and other stakeholders.

200. Settlement Accounts have been opened by the Settlement Bank (Bank of Mauritius) for the following Central Banks that have been

active participants in the design and implementation of REPSS: Burundi, Comoros, DR Congo, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Swaziland, Egypt, Rwanda, Sudan, Tanzania, Zambia and Zimbabwe.

201. Draft Agreements were re-sent to all Central Banks by the Chairman of the COMESA Committee of Governors of Central Banks. The following Member States have so far signed all the agreements: Malawi, Mauritius, Sudan, Swaziland, Uganda and Zambia.

202. Test runs in the live mode of operation have been carried out involving the Central Banks of Kenya, Mauritius, Swaziland and Madagascar.

- The Re-Insurance Company (ZEP-RE)

203. The Re-Insurance Company (ZEP-RE) has, since its establishment in 1992, been able to carve out a reasonable share of the regional insurance business and is now transacting business in some nineteen (19) countries. By the end of 2007, the premium income realized had increased to US \$27.3 million. Two additional Member States acceded to the ZEP-RE Agreement in August 1996. This shows the great business potential of the COMESA region in terms of RE-Insurance.

204. With regard to Investment, COMESA was declared to be a single investment area and that an Investment Agency is established to promote investment. The ZEP-RE and African Trade Insurance (PTA) are providing useful services to the region. ZEP-RE (PTA Reinsurance Company) has been appointed as the Managers for the COMESA Regional Customs Transit Guarantee (RCTG) Scheme. The 4th Meeting of Management Committee (MC) of the RCTG scheme held from 3 – 4 June 2010, in Bujumbura, Burundi, having assessed the applications for the post received from two Reinsurance Companies and one direct Insurance Company from the COMESA Region, has selected ZEP-RE to be the Managers of the Reinsurance Pool.

205. ZEP-RE has AA national rating and BBB International rating. ZEP-RE has proven record of successfully managing the Reinsurance Pool of the Yellow Card Scheme on contract management basis since 1998. The Yellow Card Reinsurance Pool, which handles 30% of the business, has been growing from strength to Strength and its total assets had reached \$6.2million as at December 2009.

206. ZEP-RE is expected to present a detailed Management plan and a reinsurance programme, before signing the Management Agreement

during the 4th Meeting of the Council of Surety of the RCTG scheme, expected to be held in August 2010 in DR Congo.

- The COMESA Leather and Leather Products Institute (LLPI)

207. From its establishment in 1990, the Institute has prepared several programmes and projects in areas such as human resource and institutional development and in trade and investments. LLPI has helped a number of entrepreneurs with preparation of investment feasibility studies.

208. It has also designed and executed several projects to help Member States develop their sectors. It is currently implementing a project on Adding Value to African Leather (AVAL) in Ethiopia, Kenya, Sudan and Zimbabwe. The Institute is playing an important role in developing the leather industry in COMESA Member States. The Regional Leather and Leather Product Strategy (LLPS) was developed in 2007 and it was the first to be completed and is being implemented under PACT II. This has however, been reviewed to be completed and validated by September 2010. A series of National value chain validation workshops have been planned for three pilot countries Zimbabwe, Malawi and Uganda. The LLPI is the lead agency in the implementation working in collaboration with ESALIA. Pilot countries for implementation of the Leather strategy are; Kenya, Zimbabwe, Uganda, Burundi, Ethiopia and Sudan.

- The African Trade Insurance Agency (ATI)

209. The African Trade Insurance Agency (ATI) was established in 2001 to provide political risk cover from commercial sources or export credit agencies, which were not available at all for some COMESA countries. Where cover was available it was usually very costly and on unfavourable terms.

210. In particular, available cover is either very thin or non-existent for transactions over the medium term, thereby restricting the import of essential capital goods into COMESA countries. Membership in the ATI is open to all AU Member States. The project is supported by the World Bank, which provides low interest loans to participating Member States.

211. By the end of 2007, ATI had issued insurance policies covering political and commercial risk in 7 countries for a total transaction value of USD 400million. The sectors include telecommunications, manufacturing, agribusiness, export services and mining.

212. ATI's current range of insurance products includes the following:

- § Trade Political Risk Insurance
- § Comprehensive Trade Political Risk
- § Foreign Direct Investment Insurance
- § Project Loan Cover
- § Mobile Assets Cover
- § Unfair Calling of Bonds and Standby Letters of Credit
- § Credit Insurance Cover
- § War and Terrorism Physical Damage and
- § Consequential Loss Insurance

213. COMESA fully recognizes that in order to increase the levels of intra-regional trade, there is a need to address the regulatory and policy aspects of transport and communications to make the movement of goods and people and provision of services between countries in the region easier and cheaper.

214. It is also important to create a legal framework and enabling environment within which private sector business can operate effectively in the region, and to harmonize macro-economic and monetary policies. COMESA also recognizes the need to promote investment in the region and addresses this issue through facilitation of bilateral agreements; promoting export drives by individual Member States, and identifying specific projects, which have the potential to act as growth poles between two or more Member States.

215. The African Trade Insurance on 13 April, 2010 signed a Memorandum of Understanding (MoU) with the Export Credit Guarantee Company of Egypt (ECGE) which will see the two institutions work together to facilitate more domestic and Foreign Direct Investment and exports into Africa.

216. The MoU underpins the strong growth trends in Africa that is reflected in each organisation's profile. The ATI, which is a COMESA institution has seen its business double each year since 2008. The ECGE has also seen its portfolio in Africa grow with commitments to projects exceeding US\$25million. Investors and exporters are increasingly turning to Africa, where expanding populations, positive

growth forecasts and high returns are in stark contrast to shrinking demand and growth in Europe and the United States.

217. With a portfolio of US\$200million, the Egyptian Export Credit Guarantee Company covers exports to the African market of infrastructure-based products such as electric cables and cement, road improvements, energy, telecommunications among others.

218. In 2009, ATI facilitated Africa's infrastructure development with political risk insurance products that covered over US\$233 million worth of FDI into Africa and US\$75 million worth of African exports, both amounts represent well over a 100% increase from ATI's 2008 results.

- Peace and Security

219. COMESA is working on five outcome areas that were highlighted in the 2009 plan and include achievements in (a) enhancing the role of non-state actors in conflict prevention and peace building, (b) enhancing COMESA early warning capability, (c) strengthening COMESA ability in responding to conflicts rooted in war economies, (d), supporting the promotion of democratic governance and (e) enhancing trade as a mechanism of conflict prevention and peace building.

4.2.2.5 COOPERATION WITH OTHER REGIONAL ORGANIZATIONS

220. There are a number of other regional organizations in operation within the region also covered by COMESA, such as the East African Community (EAC), Inter-Governmental Authority on Development (IGAD), Indian Ocean Commission (IOC) and the Southern African Development Community (SADC).

221 . COMESA has good working relations, both formally and informally, with all of these regional organizations. Memorandum of Understanding has been signed with EAC, IGAD and IOC such that these organizations have agreed to adopt and implement the COMESA trade liberalization and facilitation programme.

222. COMESA and SADC have also set up a Joint Task Force to harmonize their programmes. Since 2007, EAC was also brought on board making the Task Force Tripartite. In addition to these, COMESA has built an array of cooperation agreements with multilateral and bilateral partners who are committed to support COMESA's regional integration agenda. These cooperation agreements provide COMESA with reliable support for the implementation of integration programmes.

4.2.2.6 FREE MOVEMENT OF PERSONS

223. COMESA has made great progress in free movement of persons to the extent that visa problems are treated with a lot of flexibility for residents of the community. In this regard, a protocol on gradual relaxation of visa requirement is being implemented and several Member States are currently giving visas to citizens of other COMESA countries on arrival at the airport. Although the Protocol was adopted in 2001; so far it was signed by 3 Member States and ratified by one.

224. Following is the implementation of the Protocols and Council Decisions on the movement of persons and labour, COMESA has adopted two Protocols on facilitating free movement of persons. These are:

- The Protocol on the Gradual Relaxation and Eventual Elimination of Visas was adopted in 1984; and
- The Protocol on the Free Movement of Persons, Labour, Services, Right of Establishment and Residence was adopted at the Sixth Summit of the COMESA Authority held in Cairo , Egypt in 2001.

225. The Protocol relating to the Gradual Relaxation and Eventual Elimination of Visa Requirements within COMESA (hereinafter called the Visa Protocol) was adopted and signed by the Authority of Heads of State and Government on 22 December, 1984 in Bujumbura, Burundi. The Protocol on the Gradual Relaxation and Eventual Elimination of the Visa requirements (hereinafter referred to as the Protocol on Visa Relaxation) continues in force as it is saved under Article 163 of the COMESA Treaty.

226. The Visa Protocol was concluded by the Member States as part of the need of creating conditions favourable to achieving the integration objectives set out by the Member States, and the promotion of physical cohesion of their territories through the facilitation of greater movement of their nationals within the PTA/COMESA. Secondly, the Member States recognized that the PTA was intended to be a first step towards the establishment of a Common Market and eventually of an Economic Community for Eastern and Southern African States as was provided under Article 29 of the PTA Treaty.

4.2.2.7 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

227. Regarding free movement of goods, services and capital, the Protocol on Free Movement of Persons, Labour, Services and the Right of Establishment and Residence was adopted by the Sixth Summit of the Authority held in Cairo, Egypt in May 2001. The Protocol is to be implemented in five stages.

228. The implementation of Stage I of the Protocol on Free Movement of Persons should be responsibility of the Chief Immigration Officers. In addition Council agreed that the Chief Immigration Officers would also in future advise on the implementation of Stage IV of the Protocol relating to the Right of Establishment.

229. Four States had signed the Protocol on the Free Movement of Persons, Labor, Services, Right of Establishment and Residence. Those four are Kenya, Rwanda, Burundi and Zimbabwe. In addition Burundi had deposited her instrument of ratification.

230. Member States of the Common Market for Eastern and Southern Africa (COMESA) have agreed to take measures that will gradually remove restrictions to free movement of persons, labour and residence and eventually fully comply with the provisions of the Protocol. The measures are to be implemented through:

- (a) The adoption of common visa arrangements (Protocol on the gradual relaxation and eventual elimination of visa requirements);
- (b) The creation and maintenance of free movement of persons, labour, services and the right of establishment and residence.

231. With regard to the Free Movement of Persons, the aim is the adoption of common visa arrangements, including the right of establishment leading eventually to the free movement of bona fide persons. Chiefs of Immigration Officers of COMESA started to put together a mechanism to facilitate movement of COMESA citizens. A key issue studied was the harmonization of visas so that by 2014 there can be total free movement of people as well as freedom of residence and establishment within COMESA. The COMESA timetable for free movement of people leading to right of establishment and residence is as follows:

- 2000-2002: Gradual removal of visa requirements
- 2002-2006: Movement of skilled labour and movement of services

- 2006-2010: Right of establishment
- 2014: Right of residence (20 years from date of entry of COMESA Treaty)

232. At the moment the current activities being carried out by the COMESA Member States are as follows:

- a) Annual meetings for Ministers responsible for Immigration are convened by COMESA to assist in accelerating the implementation of the programme;
- b) Member states are carrying out audit of their national laws to ensure that they are consistent with the COMESA Protocols;
- c) A model law on immigration is being prepared for adoption by the policy organs to assist Member States to harmonise their laws with the COMESA Protocol and decisions; and
- d) A COMESA data base is to be established to monitor the movement of persons in COMESA particularly the movement of undesirable persons;
- e) The Secretariat is developing detailed policy on the removal of restrictions to the movement of labour within COMESA in accordance with the Protocol on Free Movement of Persons, Labour, Services, Rights of Establishment and Residence;
- f) COMESA is developing a policy on the treatment of asylum seekers, national registration of citizens and use of a common travel certificate; and
- g) National monitoring committees are to be established by Member States to monitor the implementation of the COMESA programme on movement of persons, labour and services.

233. COMESA is also implementing the following programmes:

- i. COMESA Secretariat has been implementing the Participation of African Nations in Sanitary and Phytosanitary Standard-setting Organizations (PANSPSO) project. PANSPSO is a partnership project between the African Union (AU), European Commission (EC) and the Africa Caribbean Pacific Secretariat (ACP) on behalf of five African Regional Economic Communities (COMESA, EAC, ECOWAS, IGAD and SADC. The project aims at contributing to reduced poverty levels through providing greater access of African agricultural products to international

markets, by improving the participation of the 47 African ACP countries to the activities of International Standard Setting Organizations (ISSOs), namely, Codex Alimentarius Committee (CAC), International Plant Protection Convention (IPPC) and the World Animal Health Organization (OIE), as well the WTO-SPS Committee.

- ii. The Agricultural Marketing Promotion and Regional Integration Project (AMPRIP) is funded by the African Development Bank, COMESA Member States and the Secretariat. The project's objective is to enhance safe intra- and extra- COMESA agricultural marketing.
- iii. The Common Market for Eastern and Southern Africa (COMESA) has the mandate to implement the Comprehensive Africa Agriculture Development Program (CAADP) agenda in eastern and southern Africa. CAADP is a growth-oriented agriculture development agenda, aimed at increasing agriculture growth rates to six percent per year to create the wealth needed for rural communities and households in Africa to prosper._
- iv. The "Programme for Building African Capacity for Trade" (PACT II) is a trade-related technical assistance programme, executed by the International Trade Centre (ITC)/COMESA and funded by the Canadian International Development Agency (CIDA). It aims at strengthening the support capacity of African regional and national institutions to enhance export competitiveness, market linkages and export revenues of African small and medium size enterprises with a special focus on women-owned enterprises. The program is focusing on three key sectors, Leather and Leather products, Agro-process and Cotton to Clothing strategy.
- v. The €20 million COMESA Agro-Inputs Program (COMRAP) funded under the European Commission Food Facility is addressing some of the food insecurity challenges. It seeks to bridge the gap between emergency aid and medium to long term development through its three objectives which include:
 - To encourage food producers to increase food supply;
 - To deal directly with the effects of volatile food prices on local populations; and,
 - To increase food production capacity and improve the way agriculture is managed in the longer term.

4.2.3. PROGRESS MADE UP TO DATE

234. Following is the progress made by COMESA up to date.

Status of COMESA in 2009	
	Progress made by COMESA up to date
<p>Customs Union (CU)</p> <p>Status of implementation of COMESA since its launching by COMESA at its 13th Summit of the COMESA Heads of State and Government on June 2009 in Victoria Falls – Zimbabwe</p>	<ul style="list-style-type: none"> • To date 11 countries have submitted their lists of sensitive products, namely, Burundi, Eritrea, Kenya, Madagascar, Malawi, Mauritius, RD Congo, Rwanda, Sudan, Swaziland and Uganda • The Committee on the Customs Union, and the Trade and Customs Committee, agreed that the draft schedules generated by the Secretariat will be starting points for Member States to start generating their schedules, and that they will work closely with the Secretariat, including in finalizing the various studies and assessments that are on-going. • Tariff alignment schedules, several analytical papers on key studies requested by Council, and key meetings have been held this quarter to assist the process of implementing the three-year transition period. • Progress in implementing the transition period and getting closer to a full Customs Union by June 2012 has been made, as follows: <ol style="list-style-type: none"> a. Member States are in a position to gazette Schedule I, because they have product lines with rates already aligned to the COMESA CET, in the case of the four EAC countries the alignment is by up to 70%; however, Member States would first need to agree to adopt the schedules that the Secretariat has generated b. Regarding Schedule II, 10 Member States should be in a position to gazette their schedules; the number would be 12 if Egypt and Zimbabwe agreed to use the draft schedules the Secretariat has generated c. Regarding Schedule III, Member States should be in a position to produce their lists of products to be excluded from the CET on religious and cultural grounds,

	<p>since they should be expected to know them right away</p> <p>d. Analytical work has been done on all key outstanding studies, and this work is in a state that can support concrete recommendations and decisions on ways forward.</p>
<p>Agriculture and food security: several programmes are implemented with a view to increasing agricultural productivity in the region. COMESA is a key player in the implementation of Comprehensive Africa Agriculture Development Programme (CAADP) and that it is implementing various projects under CAADP to address trade in agricultural products, sanitary and phytosanitary (SPS) issues, improving the livelihood of pastoralists</p>	<p>The CAADP road map has been prepared by the Secretariat and approved by the African Partnership Forum (APF) . The AU Commission and the different (RECS) have organised 5 regional Implementation planning meetings to specify regional priorities , define governance and coordination procedures and principles and explore opportunities and Alliances to support the implementation of the CAADP.</p> <p>COMESA has initiated the CAADP implementation Round Table process in 15 of its 19 Member States. To-date nine countries have signed the national CAADP Compacts namely Rwanda, Burundi, Ethiopia, Swaziland, Uganda, Malawi. Zambia, Kenya and Democratic Republic of Congo. Other Member States are in the process of signing it.</p> <p>Post-Compact activities leading to development of investment plans and mobilisation of resources have been successfully conducted in a number of countries. Rwanda has already benefited from the recently established Global Agriculture and Food Security Programme (GAFSP) under the World Bank management, Uganda , Ethiopia, Kenya and Malawi submitted proposals for funding to GAFSP.</p> <p>Further, at the regional level, COMESA commissioned FANRPAN to assist the Secretariat in preparing the CAADP regional compact, under which regional investment programmes will be developed and implemented. The final draft is near completion and a number of Development Partners have already manifested interest to support the regional investment programmes.</p> <p>With the approval of the Child Trust Fund managed by the World Bank, the CAADP Programme is now being fully implemented with three experts on board managing both the country and regional processes.</p> <p>The regional Compact which was commissioned to FANRPAN has also been completed, but is now being broadened to include the EAC and SADC under the tripartite framework</p>

<p>REFORM</p> <p>Regional Food Security and Risk Management</p> <p>To Contribute to the sustainable reduction of vulnerability to food insecurity and poverty in Eastern and Southern Africa (COMESA members).</p> <p>Working to develop and support Cross Border Trader Associations (CBTA) in 10 MS and to facilitate implementation and improvement of the Simplified Trade Regime (STR) designed to assist small traders.</p>	<p>The project has been implemented for a period of two years. It has 6 months further to run, ending on 30 June 2011. A request for a 6-month no-cost extension is under consideration.</p> <p>Expenditure up to December 2010: 1.2 million or 50% of budget.</p> <p>Currently there are 5 active Cross Border Trader Associations (CBTA). In addition Kenya and Uganda are building CBTA at their borders and expect to launch national CBTA in April 2011.</p> <p>The STR is being implemented in 6 MS out of the 10 pilot countries. Trade Information Desks (TID) assisting small traders are operating in 3 countries with support from REFORM. In 2011, these are being extended to a further 3 countries.</p>
<p>Transit facilitation</p> <p>COMESA is implementing a number of instruments in order to facilitate integration. These include, axle load limits, gross vehicle weights, harmonized road user charges, carrier licenses, regional customs transit guarantee (RCTG) among others. The RCTG once fully operational will save the COMESA region \$300-500 Million annually. As a result of COMESA traffic facilitation measures, transport costs have been reduced by a factor of about 25% and efforts are underway to reduce them further</p>	<ul style="list-style-type: none"> • A pilot exercise has been carried out in the Northern and a number of stakeholders meetings held to ensure the smooth operation of the scheme. Back up support has been provided and the scheme is now operational in Kenya, Burundi, Rwanda and Uganda though at a low scale as other issues like rationalization of the systems being used at different border posts is still to be finalized. The process is ongoing and another pilot exercise is underway on the southern corridor. • Regarding road traffic, the following are the agreed COMESA transit road user charges: Big buses carrying more than 25 people charges per 100 KMs is 5 US \$, Rigid heavy goods vehicles is US\$ 6 per 100 Kms and heavy goods Vehicle with more than three axles is 10 US \$ per 100 Kms.
<p>Infrastructure development (Air, road, rail, maritime and inland transport, ICT; energy etc); COMESA is actively working with NEPAD and ADB on infrastructure development</p>	<p>A COMESA medium to long-term power master plan will be developed by the Eastern Africa Power Pool (EAPP) which is a specialized institution of COMESA in the field of power, through funding to be provided by the African Development Bank (AfDB). The total cost is estimated to be US\$ 300,000.- to 350,000.-For instance, in order to address energy challenges of the COMESA region and meet the suppressed demand, the installed capacity should be increased by 50 %</p>

	<p>each five years, noting that the current installed capacity is around 38,000 mega watts.</p> <p>Capacity additions for some selected COMESA countries would be around 10400 mega watts up to 2011/12. The projects that are expected to be commissioned during the five year period of 2011-15 add up to over 20,000 megawatts and those beyond 2016 are about 30,000 mega watts. Moreover, many electric power interconnectors will be operational between 2012 and 2013 which means that power trade will be expanded in the region.”</p> <p>Regarding ICT development, a new strategy has been adopted to establish the COMTEL network as an Overlay Network utilizing the existing national Optic fibre. Currently a business plan is under preparation and once completed it will be submitted to the NTOs and other investors.</p>
<p>The harmonization of macro-economic policies throughout the region and monetary cooperation, including payments and settlement systems. COMESA Member States are currently implementing Monetary Harmonization Programmes with a view to achieving limited convertibility</p>	<ul style="list-style-type: none"> • The overall assessment of progress made in macro-economic convergence in COMESA in 2008 shows that the fiscal criterion was missed by 9 out of 19 countries. Assessment of the inflationary situation in 2008 indicates that 13 countries missed the criteria. The assessment shows that the performance of COMESA in respect of compliance with the secondary criteria as regards to the use of indirect monetary policy instruments, moving towards market determined exchange rates; adherence to the 25 Core Principles of Bank Supervision and adherence to the Core principles for Systematically Important Payment Systems were in the right direction. • To enhance implementation of limited currency convertibility in COMESA, member countries are proposed to be clustered into 4 sub-groups based on geographical proximity and potential for increased volume of trade. The clusters however do not exclude the possibility of member countries with larger volume of trade, having limited currency convertibility arrangement. with member countries, who are outside the cluster.

	<ul style="list-style-type: none"> • Northern and Eastern sub-group: Egypt, Sudan, Libya, Djibouti, Ethiopia, Eritrea; • Central and Eastern sub-group: Kenya, Burundi, , Congo (D.R.), , Rwanda, and Uganda; • Southern sub-group: Zimbabwe, Malawi, Swaziland and Zambia; • Indian Ocean Islands sub-group: Mauritius, Madagascar, Comoros and Seychelles <p>The currency convertibility is successfully implemented in the Eastern Sub-group under the EAC Currency convertibility arrangement.</p> <ul style="list-style-type: none"> • In order to enhance implementation of currency convertibility, COMESA established Regional Payment and Settlement System (REPSS) which is aimed at stimulating economic growth in the region through an increase in intra-regional trade, by enabling importers and exporters to pay and receive payments for goods and services using national currencies. The net balance are settled in US\$ or EuroTrade in Services.
<p>Trade in Services:</p> <p>A draft policy framework on liberalization of services has been prepared and is awaiting finalization, to facilitate trade in services like air transport, motor vehicle insurance, insurance, shipping and roads as well as a regional system of guarantee</p>	<ul style="list-style-type: none"> • The Committee on Trade in Services met on 17-19 May 2010 in Harare, Zimbabwe to reach consensus on the priority services sectors and to initiate work on the preparation of schedules of specific commitments in the COMESA region. • At the event, the Committee decided that the services liberalisation programme will start with the four sectors that the 13 Member States that submitted lists of their priority sectors indicated. These are communications, transport, finance and tourism services. • The third meeting of the Committee is tentatively planned for November 2010, when the Member States will undertake text-based negotiations on the extent they will open up the four sectors as well as select three more sectors for the next negotiating meeting. In addition, the Committee agreed that Member States can undertake commitments and open up the other additional sectors they indicated, as some Member States

	had indicated seven to ten sectors for liberalisation
<p>computerized Customs network</p> <p>Status of implementation of a unified computerized Customs network across the region among others.</p>	<p>During the last COMESA Council of Ministers, it was decided that:</p> <p>Member States should provide the necessary resources to support, maintain and modernise Customs systems, based on options provided in the study on sustainability, with high-level government support;</p> <ul style="list-style-type: none"> • The Secretariat should set up a Regional Customs Modernisation Centre to assist in customs modernisation and capacity building which will ensure ownership by COMESA of the implementation process; • The Secretariat, with UNCTAD support should develop an ASYCUDA online training for delivery on the COMESA e-Learning platform; • The Secretariat should provide a link on its web portal to the ASYCUDA website to facilitate discussions and sharing of information; • Member States should consider a staff retention strategy to ensure continued support of ASYCUDA systems; UNCTAD and COMESA Secretariat should work out a strategy for the upgrading of ASYCUDA implementation in the region
<p>The PTA Bank</p> <p>The PTA Bank has, over the years, been very active in promoting investments and providing trade financing facilities. The Bank's authorized capital was</p>	<p>The Bank assists Member States as its the objectives are mainly:</p> <ul style="list-style-type: none"> § To provide financial and technical assistance to promote the social and economic development of Member States; § To promote the development of trade among the Member States conducted in accordance to the

<p>increased to USD 2 billion in 2007. The Bank posted a profit of USD 4.5 million in 2006 from its operations. Project finance approvals for the year 2007 totalled USD 128 million and for Trade Finance were USD 156 million. Its status in terms of assisting Member States to implement their projects</p>	<p>provisions of the COMESA Treaty by financing activities related to such trade;</p> <ul style="list-style-type: none"> § To further the aims of the COMESA by financing projects designed to make the economies of the Member States increasingly complementary to each other; § To supplement the activities of national development agencies of the Member States by joint financing operations or lines of credit; and § To co-operate with other institutions and organizations which are interested in the economic and social development of the Member StatesWhat are activities that the Bank is undertaking particularly in assisting Member States? <ul style="list-style-type: none"> - A cardinal mandate of the Bank is to leverage on its balance sheet and mobilize financial resources from the international market for investment in commercially viable businesses in the region. The Bank therefore continues to lay emphasis in mobilizing resources from both international and local money markets in order to meet the demand for debt capital in the Member States. The level of resources available at any one time varies from period to period depending on the actual utilization and in some cases on repayments available for further drawing. Hence resources nominally available at one time may not remain available for a long period. However, the Bank ensures that, at all times, there is a good mix of resources available for lending between the short and long term windows. - At the regional level, the Bank has mobilized local currency resources in a number of Member Countries by way of bond issues to support its lending operations as well as playing its part in the development and deepening of the capital markets in the region. As part of this effort, the Bank issued a local currency bond in Uganda in October 2009 which was subsequently listed on the Uganda Stock Exchange. This is part of a Uganda Shilling 40 billion bond programme which will be fully issued by 31st July 2010. This is the second local currency bond by the Bank in Uganda, the first having been issued in 1999 and which has been fully retired. The proceeds of this bond programme will be utilized by the Bank to fund its investments in Project and Trade Finance activities in Uganda
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<p>COMESA Clearing House</p> <p>Numbers of decisions have been taken to make the COMESA Clearing House more responsive to the current needs of Member States, especially the private sector, including the introduction of payments system. The COMESA Clearing House has been mandated to implement a system to facilitate cross-border payment and settlement between Central Banks in the COMESA region. The Clearing House is currently putting in place a new system of multilateral regional payment system known as REPSS and the PTA bank</p>	<p>in various sectors of the economy including manufacturing, mining, tourism, energy, construction, etc.</p> <p>Current developments particularly in putting in place a new system of multilateral regional payment system (REPSS)</p> <ul style="list-style-type: none"> - REPSS is being aggressively promoted in all Member States through Sensitization Workshops organized by Central Banks and with the participation of commercial banks, exporters and importers and other stakeholders - Settlement Accounts have been opened by the Settlement Bank (Bank of Mauritius) for the following Central Banks that have been active participants in the design and implementation of REPSS: Burundi, Comoros, DR Congo, Egypt, Kenya, Libya, Madagascar, Malawi, Malawi, Swaziland, Egypt, Rwanda, Sudan, Tanzania, Zambia and Zimbabwe. - Draft Agreements were re-sent to all Central Banks by the Chairman of the COMESA Committee of Governors and Central Banks. The following Member States have signed all the agreements: Malawi, Mauritius, Swaziland, Uganda and Zambia. - Test runs in the live mode of operation have been carried out involving the Central Banks of Kenya, Mauritius, Swaziland and Madagascar.
<p>The Re-Insurance Company (ZEP-RE)</p> <p>The Re-Insurance Company (ZEP-RE) has, since its establishment in 1992, been able to carve out a reasonable share of the regional insurance business</p>	<ul style="list-style-type: none"> - ZEP-RE (PTA Reinsurance Company) has been appointed as the Managers for the COMESA Regional Customs Transit Guarantee (RCTG) Scheme. The 4th Meeting of Management Committee (MC) of the RCTG scheme held from 3 – 4 June 2010, in Bujumbura, Burundi, having assessed the applications for the post received from two

<p>and is now transacting business in some nineteen (19) countries. By the end of 2007, the premium income realized had increased to US \$27.3 million. Two additional Member States acceded to the ZEP-RE Agreement in August 1996</p>	<p>Reinsurance Companies and one direct Insurance Company from the COMESA Region, has selected ZEP-RE to be the Managers of the Reinsurance Pool.</p> <ul style="list-style-type: none"> - ZEP-RE has AA national rating and BBB International rating. ZEP-RE has proven record of successfully managing the Reinsurance Pool of the Yellow Card Scheme on contract management basis since 1998. The Yellow Card Reinsurance Pool, which handles 30% of the business, has been growing from strength to Strength and its total assets had reached \$6.2million as at December 2009. - ZEP-RE is expected to present a detailed Management plan and a reinsurance programme, before signing the Management Agreement during the 4th Meeting of the Council of Surety of the RCTG scheme, which will be held in August 2010 in DR Congo
<p>The COMESA Leather and Leather Products Institute (LLPI)</p> <p>It is currently implementing a project on Adding Value to African Leather (AVAL) in Ethiopia, Kenya, Sudan and Zimbabwe. The Institute is playing an important role in developing the leather industry in COMESA Member States</p>	<ul style="list-style-type: none"> - The Regional Leather and Leather Product Strategy (LLPS) was developed in 2007 and it was the first to be completed and is being implemented under PACT II. This has however, been reviewed to be completed and validated by September 2010. A series of National value chain validation workshops have been planned for three pilot countries Zimbabwe, Malawi and Uganda. The LLPI is the lead agency in the implementation working in collaboration with ESALIA. Pilot countries for implementation of the Leather strategy are; Kenya, Zimbabwe, Uganda, Burundi, Ethiopia and Sudan
<p>The African Trade Insurance Agency (ATI)</p> <p>By the end of 2007, ATI had issued insurance policies covering political and commercial risk in 7 countries for a total transaction value of USD 400million. The sectors include telecommunications, manufacturing, agribusiness,</p>	<ul style="list-style-type: none"> - The African Trade Insurance on 13 April, 2010 signed a Memorandum of Understanding (MoU) with the Export Credit Guarantee Company of Egypt (ECGE) which will see the two institutions work together to facilitate more domestic and Foreign Direct Investment and exports into Africa - The MoU underpins the strong growth trends in Africa that is reflected in each organisation's profile. The ATI, which is a COMESA institution, has seen its business double each year since 2008. The

<p>export services and mining</p>	<p>ECGE has also seen its portfolio in Africa grow with commitments to projects exceeding US\$25million. Investors and exporters are increasingly turning to Africa, where expanding populations, positive growth forecasts and high returns are in stark contrast to shrinking demand and growth in Europe and the United States.</p> <ul style="list-style-type: none"> - With a portfolio of US\$200million, the Egyptian Export Credit Guarantee Company covers exports to the African market of infrastructure-based products such as electric cables and cement, road improvements, energy, telecommunications among others. - According to the ATI, Africa will need to spend US\$93 billion a year on infrastructure in order to remain competitive. - In 2009, ATI facilitated Africa's infrastructure development with political risk insurance products that covered over US\$233 million worth of FDI into Africa and US\$75 million worth of African exports, both amounts represent well over a 100% increase from ATI's 2008 results.
<p>Cooperation with other Regional Organizations</p> <p>a number of other regional organizations in operation within the region also covered by COMESA, such as the East African Community (EAC), Inter-Governmental Authority on Development (IGAD), Indian Ocean Commission (IOC) and the Southern African Development Community (SADC)</p>	<ul style="list-style-type: none"> • Memorandum of Understanding has been signed with EAC, IGAD and IOC in order to adopt and implement the COMESA trade liberalization and facilitation programme. • COMESA and SADC have also set up a Joint Task Force to harmonize their programmes. Since 2007, EAC was also brought on board making the Task Force Tripartite. In addition to these, COMESA has built an array of cooperation agreements with multilateral and bilateral partners who are committed to support COMESA's regional integration agenda. These cooperation agreements provide COMESA with reliable support for the implementation of integration programmes • The Heads of State and Government of COMESA, EAC and SADC met in Kampala on 22 October 2008 to establish a single Free Trade Area covering the 26 countries of COMESA, EAC and SADC, which is called the Tripartite Arrangement. One of the objectives is to establish the FTA on a tariff-free, quota-free, exemption-free basis by simply combining the existing FTAs of COMESA, EAC and SADC. It is expected that by 2012, all

	these FTAs will not have any exemptions or sensitive lists.
Status of COMESA, EAC and SADC COMESA-EAC-SADC Ministerial Tripartite Meeting Held in Lusaka	<p>Ministers holding different portfolios related to integration from The Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African development Community (SADC met in Lusaka today Friday 13th May 2001 under the Tripartite framework. The Joint ministerial Meeting follows a two days meetings meeting by Permanent Secretaries and Senior Officials held on on 0-10 May 2011.COMESA, EAC and SADC are comprised of 26 member States that have since the year 2008, agreed to harmonise their programmes so that the combined population of 580 million people can integrate.</p> <p>The meeting looked at proposals aimed at streamlining trading arrangements among the membership of the three Regional Economic Communities(RECs). Secondly, it reviewed proposed solutions to the challenges of overlapping membership as regards trade and economic relations across the RECs. The meeting also discussed proposed modalities of establishing a single market by way of a grand Free Trade Areas-combining the Free Trade Areas of COMESA, EAC and SADC, and thus presenting a large market for promoting and attracting, both cross-border and foreign direct investment.</p> <p>To ensure better and more beneficial integration, COMESA-EAC-SADC have agreed to establish a grand Free Trade Area encompassing the 26 countries. The bloc will also promote the rule of law as evidenced by the establishment of the despite settlement institutions: COMESA and the EAC have Courts of Justice while SADC has established a Tribunal. “ The Grand FTA encompasses 26 countries, which is about half of Africa with a GDP of US\$875 billion and is expected to have a GDP of over US\$1 trillion by 2013.</p> <p>The limiting factors in the region has been the persistence of non-tariff barriers and poor</p>

	<p>infrastructure on which to move these goods, services and people. The other limiting factor has been inadequate energy generating and transmission facilities to power the development efforts of the business community.</p>
<p>Free movement of Persons, goods services and capital</p> <p>Visa problems are treated with a lot of flexibility for residents of the community. A Protocol on gradual relaxation of visa requirement is being implemented and several Member States are currently giving visas to citizens of other COMESA countries on arrival at the airport.</p>	<p>Status of implementation</p> <p>The protocol was adopted in 2001; so far it was signed by three Member States and ratified by one.</p>
<p>Four States had signed the Protocol on the Free Movement of Persons, Labor, Services, Right of Establishment and Residence. Those four are Kenya, Rwanda, Burundi and Zimbabwe. In addition Burundi had deposited her instrument of ratification.</p> <p>Member States have agreed to take measures that will gradually remove restrictions to free movement of persons, labour and residence and eventually fully comply with the provisions of the Protocol</p> <p>Promotion of peace and security</p>	<p>As of now the same is still valid</p> <p>- COMESA is working on five outcome areas that were highlighted in the 2009 plan and include achievements in (a) enhancing the role of non-state actors in conflict prevention and peace building, (b)</p>

	enhancing COMESA early warning capability, (c) strengthening COMESA ability in responding to conflicts rooted in war economies, (d), supporting the promotion of democratic governance and (e) enhancing trade as a mechanism of conflict prevention and peace building.
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4.2.4 CHALLENGES

235. Most if not all are challenges that apply to Africa in general and among these are high production costs, poor technological developments, poor networking within the region, supply constraints, poor infrastructural development, low foreign direct investment, lack of policy harmonisation, overlapping membership, human capacity and poor mobilisation of resources.

236. Specific challenges arising from programme implementation include;

- a. Accession of all Member States to the FTA prior to the launch of the COMESA Customs Union;
- b. Finalization of the regional framework on trade in services.
- c. Full implementation of the COMESA trade and transit transport facilitation instruments so as to enhance movement of transit and cross-border traffic. There is also a need to establish a seamless rail transportation system in the COMESA sub region.
- d. Establishment of the Joint Competition Authority in order to implement the Joint Air Transport Competition Regulations by the responsible Ministers of COMESA, Southern African Development Community (SADC) and East African Community (EAC).
- e. Acceleration of establishing a COMESA Monetary Institute, which would undertake necessary preparatory work leading to the creation of a COMESA Monetary Union in the zone. In this case, COMESA Clearing House needs to accelerate the establishment of the Regional Payment and Settlement System (REPS) in order to become operational.

- f. Signature and ratification of the Protocol of free movement of Persons labour, services, and the right to settlement by at least seven Member States so that it can become effective. Since the adoption of the protocol by Heads of State and Government in May 2001, only few Countries signed it.
- g. Implementation of the Joint COMESA, EAC, and SADC Tripartite Summit decisions in respect to harmonisation of Projects and Programmes of the three RECs.

4.2.5 FUTURE OUTLOOK

237. COMESA has established its Customs Union which is currently at its implementation stage. The Customs Union is an added milestone to the other Integration achievements of COMESA. However following the launch of the Tripartite Arrangement of COMESA/EAC/SADC in October 2008 it is expected that over the next few years COMESA will also work with the two sister RECs to establish a larger Free Trade Area and work towards convergence of the Customs Union covering 26 African Union States.

238. COMESA is also intending to have Harmonization of monetary, financial and fiscal policies by the year 2014, and Monetary Union by 2018 and a single trade and investment space in which tariff, non tariff and other impediments to the movement of goods, services, capital and people have been totally removed by 2025. For the coming years, COMESA plans to move forward by harmonising its regional agenda with those of sister RECS.

4.3. ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES (ECCAS)

239. ECCAS is composed of ten central African states: Angola, Burundi, Cameroon, Central African Republic (CAR), Chad, Democratic Republic of Congo (DRC), Republic of Congo, Equatorial Guinea, Gabon and Sao Tome and Principe. Rwanda, one of the founding Member States, quit ECCAS in June 2007 in favour of the East African Community (EAC).. The DRC, on the other hand, is embracing membership of both ECCAS and the Southern African Development Community (SADC). Withdrawals and divided loyalties pose a significant threat to the viability of ECCAS.

240. ECCAS was created in 1983 when the Customs and Economic Union of Central Africa (Union Douanière des Etats de l'Afrique Centrale-UDEAC) urged its Member States to widen the trading area. When the treaty establishing ECCAS was signed in Libreville on 18 October 1983 by UDEAC Member States (Cameroon, Central African Republic (CAR), Chad, Congo, Equatorial Guinea and Gabon) and the members of the Economic Community of the Great Lakes States –CEPGL (Burundi, DRC and Rwanda), a formidable trading bloc emerged.

241. ECCAS subsequently became operational in 1985 but soon found itself handicapped by conflicts in the region and by the failure of the members to pay their dues. It was during this period that the organization woke up to the need to go beyond economic issues and incorporate efforts towards peace and security into its wider operations. In February 1999, ECCAS Member States created the Council for Peace and Security in Central Africa (COPAX) with the aim of promoting, maintaining and consolidating peace and security in Central Africa. COPAX entered into force in January 2004.

242. With a sustained population growth rate of 2.7 percent per year, the region is expected to reach 164 million people in 2015. In 2002, more than 80 percent of the working population was employed in agricultural and informal sectors, with very low work productivity.

243. As regards economy, Central Africa is characterized by a wealth of resources:

Soil: coffee, cocoa, cotton, rubber, banana and tobacco. Stock rearing is also practised. The forestry potential of the region is important. Timber is the second export product in many countries, accounting for 200 million hectares which are yet insufficiently exploited.

Subsoil: oil, copper, cobalt, diamond, nickel, gold, tin, phosphate, uranium, manganese, iron.

4.3.1 OBJECTIVES OF ECCAS

244. ECCAS aims to achieve collective autonomy, raise the standard of living of its populations and maintain economic stability through harmonious cooperation. Its ultimate goal is to establish a Central African Common Market.

245. At the Malabo Heads of State and Government Conference in 1999, four priority fields for the organization were identified:

- § to develop capacities to maintain peace, security and stability, which are essential prerequisites for economic and social development;

- § to develop physical, economic and monetary integration;

- § to develop a culture of human integration; and

- § to establish an autonomous financing mechanism for ECCAS

246. The COPAX Protocol set up two important mechanisms: the Multinational Peace Keeping Force in Central Africa (FOMAC), and the Central African early-warning system (MARAC).

247. The following are the Technical organs of the COPAX council:

- § The Central African Early-Warning System (MARAC), which collects and analyses data for the early detection and prevention of crises.

- § The Defence and Security Commission (CDS), which is the meeting of chiefs of staff of national armies and commanders-in-chief of police and gendarmerie forces from the different Member States. Its role is to plan, organize and provide advice to the decision-making bodies of the community in order to initiate military operations if needed.

- § The Multinational Force of Central Africa (FOMAC), which is a non-permanent force consisting of military contingents from Member States, whose purpose is to accomplish missions of peace, security and humanitarian relief.

248. Both mechanisms have been largely ineffective. Conflicts have continued uncontrollably among ECCAS Member States, while funding to the organisation has shown little result.

249. Despite the challenges facing ECCAS, the organization continues to pursue new projects. One recent endeavour is a joint European Union (EU) and ECCAS project that is aimed at supporting the organisation's Department of Human Integration, Peace, Stability and Security (Département de l'Intégration Humaine, de la Paix, de la Stabilité et de la Sécurité -DIHPSS) in fulfilling its role of detection, prevention and management of conflict within the Central African region.

250. The project envisages equipping MARAC with early warning equipment that will enable MARAC to examine, analyse and react in a timely fashion to crises in the region. Another goal is to capacitate ECCAS in mediating in Member States' conflicts.

251. The project also aims to equip ECCAS to work closely with the Member States in the fight against factors promoting conflict, such as the illicit proliferation of small arms, cross border crime and the illegal exploitation of the region's natural resources. Another essential component of the EU support will be the establishment and coordination of a civil society network within Central Africa that will provide specialised support to ECCAS.

252. The project started in February 2007 and has a time frame of three and half years, with a total budget of € 4 million, financed by the European Development Fund (Fonds européen de développement - FED).

253. ECCAS has an Assembly of Heads of State and Government, Council of Ministers, General Secretariat and an Advisory Commission.

254. The specialized institutions include the Central African Power Pool (CAPP); which was set up in 2003, with an Objective of Organizing and managing an electric power market to satisfy all power demands in Central Africa through an interconnected electric network. Activities undertaken so far are: Administrative and physical installation of CAPP and preparation of additional legal management texts, Preparation of final report of preliminary study on master plan for establishment of an electric power market in Central Africa by 2025, Identification of priority integrating projects (PIP) and projects of the Pilot Cross-border Electrification Programme (PPET); preparation of data sheets and terms of reference for studies on the said projects, Production of communication documents and the Action Plan 2006-2010 and activities for CAPP capacity building.

255. Other programmes, includes trade liberalization, free movement of persons, goods and capital, infrastructure. In transport and

communications, ECCAS has developed a flexible, inclusive and dynamic master plan as well as priority plan which have been integrated in NEPAD short term plan on transport. Others are agriculture development; energy development, information and communications and technology, environment; and health; ECCAS Free Trade Area was established since July 2004, for a period of four years with a view to put in place a custom union with a common external tariff by the year 2008. Peace, security and stability has also been one the areas of concerned to ECCAS.

256. ECCAS aims to achieve collective autonomy, raise the standard of living of its populations and maintain economic stability through harmonious cooperation. Its ultimate goal is to establish a Central African Common Market.

257. At the Malabo Heads of State and Government Conference in 1999, four priority fields for the organization were identified:

- § To develop capacities to maintain peace, security and stability, which are essential prerequisites for economic and social development;
- § To develop physical, economic and monetary integration;
- § To develop a culture of human integration; and
- § To establish an autonomous financing mechanism for ECCAS

4.3.2 ACTIVITIES AND PROGRESS

258. ECCAS member countries defined three priority areas, namely: peace and security, infrastructure, energy, water and ICTs and the environment and natural resources.

259. ECCAS in this regard has made the following progress:

4.3.2.1 PROMOTING PEACE AND SECURITY IN THE REGION

260. On 28 May 1992, the Secretary-General established the United Nations Standing Advisory Committee on Security Questions in Central Africa and designated the then Centre for Disarmament Affairs in the Department for Political Affairs to serve as the Secretariat of the Committee.

261. The Committee's major goal is to promote peace, security and stability in the central African region through preventive diplomacy, peace-building, peacemaking and peace-keeping, which includes the

training of military and security personnel of Member States in the areas of good governance and peace operations.

262. The Member States of the Committee include: Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Rwanda and Sao Tome and Principe, which are also members of the Economic Community of Central African States (ECCAS).

263. Almost all these countries, except Cameroon, Gabon and Sao Tome and Principe, and to some extent Equatorial Guinea, have been theatres of violent internal and sometimes external armed conflicts. Since its establishment, the Committee has been involved in developing and promoting measures in the field of preventive diplomacy, peacemaking and peace building.

264. In the framework of the Multinational Force in the Central African Republic (FOMAC), a regional peacekeeping brigade was formed and the regional headquarters was established in Libreville. In addition, national observation units of the Rapid Warning Mechanism of Central Africa (RWMCA) will be progressively set up.

4.3.2.2 THE ADOPTION IN SEPTEMBER 1993 OF THE NON-AGGRESSION PACT

265. The adoption of September 1993 of the Non-Aggression Pact has made some progress that among others include ; the adoption in September 1993 of the Non-Aggression Pact among its States members; the adoption of the Pact for Mutual Assistance, the creation of an early-warning mechanism which is the Central African Early Warning Mechanism (MARAC) and the multinational force for Central African (FOMAC) states.

266. In 1999 these mechanisms were consolidated under the oversight of the Council for Peace and Security. In addition, over the years the Committee has also organized a number of events, such as conferences, seminars, workshops and consultations. It has also adopted a number of recommendations, decisions and resolution aimed at strengthening regional peace and security through close collaborative efforts among Member States of ECCAS.

267. The Committee meets twice a year at ministerial level to review political and security developments in the region and also organizes, annually, conferences, seminars and training workshops aimed at attaining its objective. While its two ministerial meetings are funded from the regular budget of the United Nations, the other activities are funded

primarily from voluntary contributions from Member States, international donors, foundations, NGOs and private individuals.

268. As concerns infrastructure, ECCAS adopted the Consensual Transport Master Plan of Central Africa (CTMP-CA) and the priority projects following from it. The latter are the subject of a number of preparatory studies at a donor Round Table, namely, the study on the interconnection of electrical networks of member countries and the implementation of priority projects of the short-term NEPAD Action Plan for Central Africa.

4.3.2.3 PRIVATE SECTOR INVOLVEMENT

269. ECCAS has also made progress in developing effective private sector involvement in decisions on integration matters, at regional and continental level. It has been able to put more emphasis on sectoral policies and programmes development.

270. Progress has also been made to develop the Central African Peace and Security Architecture, especially as regards the operational implementation of the Central African Multinational Force (FOMAC) and the Central African Early Warning System (MARAC) and the establishment of a Directorate for Political and Diplomatic Actions.

271. With regard to the environment, given that the forests of the Congo Basin are found in the ECCAS region, ECCAS receives multi-force support from some development partners notably the Global Environment Facility, the European Union in the framework of the 10th EDF and the Congo Bassin Forest Fund which has the support of Great Britain and Norway to the tune of 100 million Pounds Sterling.

4.3.2.4 ENERGY

272. With regards to energy, the objective of the Community is to achieve the interconnection of national electric networks of all Member States of the Community with a view to proper supplies of electricity, by relying mostly on the great dam of INGA in the Democratic Republic of Congo. For this purpose, a specialized regional institution of the Community was established. It is the Pool Energétique de l'Afrique Centrale/Energy Pool of Central Africa which is a legal framework for cooperation between Member States.

273. On the other hand, it also strives to promote the huge energy potential of the region with a view to providing households and industries of Member States with better supplies of energy.

274. Despite the considerable existing potential, hydropower in particular, no much development has taken place. The household consumption is currently dominated by biomass energy (firewood, charcoal, etc) and electric power supply is still confined to great urban centers, where a significant part of population lives in rural areas. However, the region is shaping up through the upgrading of the potential of INGA in DRC and the sharing of means of conveyance and generation of power of ECCAS Member States through the interconnection of electric networks.

4.3.2.5 TELECOMMUNICATION AND INFORMATION AND COMMUNICATION TECHNOLOGIES

275. Compared to other RECs, ECCAS region lags behind to integrated developments in the area of ICTs. Although the mobile phone sector in the in the last 10 years developed quickly, communication costs are high and there is no direct interconnection of infrastructure and telecommunications networks within Countries. Moreover, the development level of infrastructure and wideband networks is very insufficient.

276. Recognizing the importance of the infrastructure of information and communication technologies in the process of development and regional integration, ECCAS General Secretariat decided to work out a regional programme for the development of information and communication technologies for the benefit of its Member States.

277. In this regard, it requested and obtained from UNECA the necessary technical and financial support for the working out of the strategy for the development of ICT for Central Africa. Community sub programmes on infrastructures, wide-band networks, interconnection, capacity building, harmonization of policies and statutory frameworks are being worked out. It is also envisaged to set up a body in charge of the evaluation and monitoring of the impact of the implementation of those various programmes on the development of the Community. The implementation of various ICT programmes requires financing that ECCAS wishes to obtain from its partners. In this regard, ECCAS need partners to support implementation of its programmes.

4.3.2.6 AGRICULTURE AND AGRO-BASED INDUSTRY

278. ECCAS developed a Regional Food Security Programme known as PRSA and is also working for the establishment of a Common Agricultural Policy. The promotion of initiatives for private sector and

partnership for small and medium-sized units for the processing of agricultural produce is one of the programmes adopted within the framework of ECCAS Regional Food Security Programme (PRSA).

279. sized on the basis of a demand the solvency level of which is not well known. Generally these units orient their activities to the processing of export products (coffee, cotton, cocoa, timber, etc...) and are seldom involved in the processing of foodstuffs, whereas the processing of those products could increase their added value and improve producers' revenue.

280. Very often, certain products markets are very limited and several operators from the same country or neighbouring countries are involved in the processing of the same products. On the other hand these firms do not have sufficient capacity to guarantee the quality of processed products and therefore to improve these products competitiveness.

281. To meet this challenge, the dissemination and use of technologies for small food industries which are adapted and likely to help improve the quality of product are essential. They form a solution to the processing of low-value products by bringing therein an increase in value and by enhancing the efficient use of workforce and the increase in opportunities for additional revenues particularly for women.

4.3.2.7 HEALTH (FIGHT AGAINST HIV/AIDS)

282. To cope with the progression of HIV/AIDS in Central Africa, ECCAS developed a strategic framework as well as plan of action. To this effect, it is envisaged:

- To set-up a health information system on HIV/AIDS in Central Africa;
- To create a regional FUND for fight against HIV/AIDS in Central Africa, fed notably by resources from the Community Contribution for Integration (CCI) and private sector;
- To take into account HIV/AIDS dimension in COPAX activities;
- To develop a special regional programme for men in uniform, in joint peace keeping exercises and in military academies;
- Institutional capacity building for organs in charge of the implementation of Brazzaville Declaration, which recommends to

give top priority to fight against HIV/AIDS at national and regional levels.

4.3.2.8 FREE MOVEMENT OF PERSONS

283. In March 2006, the Council of Ministers of Foreign Affairs, the Ministers in charge of Immigration and Ministers for Justice adopted in Brazzaville (Congo), Convention on cooperation and " mutual legal assistance. The convention is supposed to enable the effective implementation of the decision on the free movement of certain categories of nationals of Member States of ECCAS within the Community.

284. Decision No. 99/07-UEAC-07OU-042-CM-16 also requires establishing a committee for monitoring and evaluation in the context of free movement in CEMAC.

285. ECCAS General Secretariat has the support of the ADB and the ACBF for capacity building and contacts with the other Regional Economic Communities, particularly, from ECOWAS as concerns free movement and establishment of data base

286. Concerning free movement of persons, there has been very little progress. However, between some countries of the ECCAS region movement is relatively fluid. No significant progress has been made on the ground.

4.3.2.9 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

287. ECCAS Member States adopted a plan for gradual scrapping of tariff fees on intra-community trade known as the ECCAS Preferential Tariff. The time frame for the planned reduction of tariff fees presents is as follows: for traditional handicraft and local products (other than mineral products), 100 percent reduction from 1st July 2004, for the mineral and manufactured products the origin status, 50 percent from 1st July 2004, 70 percent in January 2005, 90 percent in January 2006, and 100 percent in January 2007.

288. The ECCAS undertook a process of harmonization of commercial policies (rules of origin, tariff reduction) with the CEMAC. The CEMAC and ECCAS agreed on issues such as VAT, rules of origin and means of identifying the origin of a product.

289. A Convention on cooperation and legal aid has been concluded and its adoption by the Assembly of Heads of State and Government is

the last of the measures required for the implementation of free movement of persons from January 2007.

290. Initiatives on harmonization of sector policies, especially in the areas of agriculture, transport and communication and energy infrastructure have been taken.

291. The launching of a Consensus Blue Print on Transport in Central Africa (PDCT-AC), which aims in the short-term to make it possible by 2010 to travel on a tarmacked roads from one capital to another, in the medium-term to have a consensus framework for negotiations in order to mobilize investments in the area of transport infrastructure and in the long-term to ensures the region has a transport system (all modes of transport included) whose infrastructure and services encourage free movement of persons and goods.

4.3.3 PROGRESS MADE UP TO DATE

292. The following matrix indicates the progress made by ECCAS up to date.

<p>ECCAS Member States created the Council for Peace and Security in Central Africa (COPAX) with the aim of promoting, maintaining and consolidating peace and security in Central Africa. COPAX entered into force in January 2004</p>	<p style="text-align: center;">Status of ECCAS up to date</p> <ul style="list-style-type: none"> • The creation of the Council for Peace and Security in Central Africa (COPAX), in order to promote, maintain and consolidate peace and security in Central Africa, what is its status and progress in this regard? • COPAX has been implemented since its inception, that its authorities are gradually Commission on Defence and Security, the Council of Ministers of COPAX and the Summit of Heads of State and Government, dealing with issues of peace and security function normally. • The main instruments that are COPAX Early Warning Mechanism of Central Africa (MARAC) and the Multinational Force of Central Africa (FOMA) is in advanced stage of operationalization. Both instruments play the role as prescribed by COPAX. • Unlike other organizations, the Council of Peace and Security Council of ECCAS has not yet begun to operate on the basis of regular meetings of the Committee of Ambassadors as is the case in the African Union level, but Since October 2007, the Summit of Heads of State and Government decided to refer matters relating to Peace and Security Committee of Ambassadors of the sub-region, residents in Libreville. Once this mechanism is functional, COPAX has reached a new level of operation.
<p>The adoption in September 1993 of the Non-Aggression Pact :</p> <p>The adoption of the Pact for Mutual</p>	<p style="text-align: right;">108</p> <ul style="list-style-type: none"> • The non-aggression pact has not been a specific implementation, but endeavors COPAX cover all issues

<p>Assistance, the creation of an early-warning mechanism which is the Central African Early Warning Mechanism (MARAC) and the multinational force for Central African (FOMAC) states</p>	<p>related to the peace and security.</p> <ul style="list-style-type: none"> • In the early 90s, the United Nations Secretariat has created on behalf of ECCAS region, the UN Permanent Committee on Security Questions in Central Africa? EC Comit2 works to date. It is worth remembering that seven (7) of the eleven (11) were in open war simmering. • The MARAC operates in two main components: information collection and their analysis to enable policy makers to prevent conflicts detected in the sub-region. The MARAC has a decentralized network of correspondents within five (5) countries: Burundi, DRC, CAR, Cameroon, and Chad and has completed within five (5) other countries. • FOMAC, operates within the ECCAS form of General Staff participates in regional and capacity building of the military in their respective states. • FOMAC recently held its certification exercise in Angola in 2010 .it has proved its capacity for keeping the peace.
<p>joint European Union (EU) and ECCAS project that is aimed at supporting the organisation's Department of Human Integration, Peace, Stability and Security (Département de l'Intégration Humaine, de la Paix, de la Stabilité et de la Sécurité -DIHPSS) in fulfilling its role of detection, prevention and management of conflict within the Central African region</p>	<ul style="list-style-type: none"> • The collaboration between the EU and ECCAS in the field of peace and security has reached a high peak. • Since 2006 the European Union is funding a project to support the Peace and Security Department with specific emphasis on conflict prevention in Central Africa. • The EU is also involved in the instrument of "Peace Africa3 facility to finance the activities of FOMA MARAC and the particular aspect of capacity building • This cooperation is believed to be sustainable and PAPS project in June 2011 will be its successor under the 10th EDF.

<p>The Central African Power Pool (CAPP); set up in 2003, with an Objective of Organizing and managing an electric power market to satisfy all power demands in Central Africa through an interconnected electric network.</p>	<ul style="list-style-type: none"> • The code of the Electricity Market in Central Africa was adopted by the 14th Ordinary Session of the Conference of Heads of State and Government of 24 October 2009, and currently under implementation. • Activities undertaken so far are: Administrative and physical installation of CAPP and preparation of additional legal management texts, Preparation of final report of preliminary study on master plan for establishment of an electric power market in Central Africa by 2025,
<p>In transport and communications, ECCAS has developed a flexible, inclusive and dynamic master plan as well as priority plan which have been integrated in NEPAD short term plan on transport</p>	<p>Road Transportation.</p> <p>ECCAS is continuing the implementation of projects PDCT-AC particularly on:</p> <ul style="list-style-type: none"> (i) the launch and the actual beginning of the study projects the road-rail bridge and the extension of the railway-Kinshasa Ilebo, (ii) the work of the first tranche of the road-Ketta Djoum, (iii) the road Doussala / Dolisie, (iv) of the road-Ouessou Sangmelima on the route Yaoundé-Brazzaville, (v) Launch of first pilot program transport facilitation along the corridor ECCAS Brazzaville and Yaounde including the construction of the first single border checkpoint between Cameroon and Congo (vi) the signature of joint funding applications and protocols agreement and the actual beginning of studies on bridge projects on the river Ntem

	<p>between Cameroon and Equatorial Guinea,</p> <p>(vii) proposed bridge across the Oubangui river from Bangui and Zongo, (viii) the revival of the preparatory work the first round table of donors on the financing of the first priority program PDCT-AC;</p> <p>Air transport.</p> <p>The Secretariat General undertakes the implementation of 2008-2015 Action Plan for improving air transport in Central Africa. The following is expected to be done from 2010-11:</p> <ul style="list-style-type: none"> (i) the organization of the meeting of the Steering Committee, (ii) validation of detailed action plan, and (iii) initiation of the study on the establishment of air traffic control agency; <p>Telecom / ICT.</p> <p>The Secretariat will continue the process of harmonization of national policies and regulations of telecommunications and ICT with emphasis on: (i) the validation of regional policy and strategy for broadband ECCAS,</p> <p>(ii) ARTAC development and</p> <p>(iii) the launching of the feasibility study of the Regional Observatory of Telecommunications / Tics in Central Africa</p>
<p>Free Trade Area was established since July 2004, for a period of four years with a view to put in place a custom union with a common external tariff by the year 2008</p>	<p>FTA</p> <ul style="list-style-type: none"> • Little progress was made by Member States to implement FTA • Customs Union is yet to be established within ECCAS region
<p>ECCAS developed a flexible, inclusive</p>	

<p>and dynamic master plan as well as priority plan which have been integrated in NEPAD short term plan on transport.</p>	<p>The effectiveness of this plan is the achievement of physical integration of states through</p> <ul style="list-style-type: none"> • elimination of missing links in road networks States • improved access for landlocked countries • construction inter-capital links and • the construction of additional port and airport infrastructure to increase trade interstate. • In terms of progress to date, ECCAS has been put in place the foundations for the implementation of priority projects selected by the Member states. • Studies of some projects are underway. These include road-Ouesso Sangmelima between Yaounde (Cameroon) and Brazzaville (Congo), the road-rail bridge between Kinshasa-Ilebo; an action plan for improvements, especially in the service and flight safety has been adopted and provides for the establishment of a regional agency for air transport in Central Africa.
<p>Environment and Natural Resources</p> <p>Given that the forests of the Congo Basin are found in the ECCAS region, ECCAS receives multi-force support from some development partners notably the Global Environment Facility, the European Union in the framework of the 10th EDF and the Congo Basin Forest Fund which has the support of Great Britain and Norway to the tune of 100 million</p>	<p>Environmental and natural resource management.</p> <p>The activities planned under the 2010 plan year will include:</p> <p>(i) Monitoring the implementation of the regional development and ecosystem conservation in the Congo Basin (PACEBco), which receives a grant from the ADB, over 24 billion CFA francs over five years,</p> <p>(ii) Organize a joint workshop ECCAS / EU validation of the assessment study ECOFAC4,</p> <p>(iii) the formulation of action of EDF resources allocated to the conservation of renewable natural resources in Central Africa, particularly in the management of protected areas in the region.</p>

Pounds Sterling	
<p>Energy</p> <p>The objective of the Community is to achieve the interconnection of national electric networks of all Member States of the Community with a view to proper supplies of electricity, by relying mostly on the great dam of INGA in the Democratic Republic of Congo.</p>	<p>Energy.</p> <ul style="list-style-type: none"> • The sub-region can provide electricity to most African countries if the proposed development of the Inga in the DRC is realized in the short term, the rehabilitation centers of Inga 1 and 2, and medium and long terms by the construction of Inga 3 and Grand Inga. • The Secretariat will undertake under this section, the following actions in close collaboration with the Central African Power Pool (CAPP): <ul style="list-style-type: none"> (i) validation study on interconnection of power systems of member countries of ECCAS (EIRE) (ii) developing a common energy policy in Central Africa and (iii) implementation of the Action Plan 2007-2010 quadrennial Power Pool of Central Africa (PEAC) adopted by the Council of Ministers in October 2007 namely in Brazzaville: studies of priority projects, physical implementation of some cross-border electrification projects, mobilization of funds required and the implementation of the instruments of the regional market for electricity <p>Water</p> <p>Planned activities in 2010-11 under this component will include:</p> <ul style="list-style-type: none"> (i) the establishment and strengthening of capacities Management Unit, and (ii) the organization of the workshop to launch the project,
<p>Information and Communication Technology</p> <p>Requested and obtained from UNECA the necessary</p>	<ul style="list-style-type: none"> • With the support of partners, a detailed diagnosis of the telecommunications / ICT has been achieved and validated by experts from Member States in October

<p>technical and financial support for the working out of the strategy for the development of ICT for Central Africa.</p>	<p>2008.</p> <ul style="list-style-type: none"> • The main framework documents were developed and validated by experts from Member States meeting in Douala from 14 to 18 December 2009. These documents include: regional policy of building a genuine information society in Central Africa, the development strategy of broadband transmission infrastructure, the program of infrastructure development and wireline broadband framework for the harmonization of national policies and regulations. • The Ministers in charge of telecommunications / ICT ECCAS member states, meeting for the first time in Douala, December 19, 2009, unveiled the Declaration of Douala on the development of telecommunications and information technology and decided to hold a second meeting during March 2010 for the adoption of the framework documents validated by their experts
<p>sub programmes on infrastructures</p> <p>Community sub programmes on infrastructures, wide-band networks, interconnection, capacity building, harmonization of policies and statutory frameworks are being worked out.</p>	<p>The following actions are planned:</p> <ul style="list-style-type: none"> • Finalization of consensual program of infrastructure development of interconnection of member states; • Raising awareness of stakeholders in Member States; • Continued implementation of the planned harmonization of national regulations; • Identification of sections of the submarine cable of Central Africa; • Feasibility studies for the Centre of telecom / ICT;
<p>Free movement of persons</p>	<ul style="list-style-type: none"> • Concerning free movement of persons, there has been very little progress. However, between some countries of the ECCAS region movement is relatively fluid. No significant progress has been made on the ground

	<ul style="list-style-type: none"> • ECCAS Member States adopted a plan for gradual scrapping of tariff fees on intra-community trade known as the ECCAS Preferential Tariff. • The time frame for the planned reduction of tariff fees presents is as follows: for traditional handicraft and local products (other than mineral products), 100 percent reduction from 1st July 2004, for the mineral and manufactured products the origin status, 50 percent from 1st July 2004, 70 percent in January 2005, 90 percent in January 2006, and 100 percent in January 2007 • The launching of a Consensus Blue Print on Transport in Central Africa (PDCT-AC), which aims in the short-term to make it possible by 2010 to travel on a tarmacked roads from one capital to another, in the medium-term to have a consensus framework for negotiations in order to mobilize investments in the area of transport infrastructure and in the long-term to ensures the region has a transport system (all modes of transport included) whose infrastructure and services encourage free movement of persons and goods.
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4.3.4 CHALLENGES

293. ECCAS, like other Regional Economic Communities is facing some challenges which among others, are the need to speed up its harmonization on common external tariff, with a view to achieving a

customs union in the year 2008 which could did take place due to lack of political will and financial support within their region; removal of non-tariff barriers; harmonization of customs documents; free movement of people, in particular economic operators; development of supporting infrastructure, such as adoption of the transport master plan, creation of an energy pool for the sub region; and adoption of a food security programme;

294. There is also a need to form a Committee, made up of AUC, ECA and AfDB, to develop a framework for harmonization of the programmes and activities of CEMAC and ECCAS and eventually the integration of the two institutions.

295. There is no free movement between some countries. Some countries require a visa to enter their territories. These countries evoke security as main reason for delay in implementing decisions taken at the regional level. The lack of political wills to solve the problem of free movement of persons is the main reason of the delay in implementing the protocol. In the short term, there is no action planned to make movement of people in the region more fluid and free. Instruments on the establishment free movement are already in place. All that needs to be done now is implement what has been agreed upon

296. The implementation of various protocols aimed at facilitating movement of goods, services and capital is hindered mainly by lack of stability and the lack or absence of infrastructure linking the countries in the ECCAS region.

297. The timing of the implementation of agreements in the presence and the harmonization of national laws remains a challenge. The provision under the Community preference is still the domain of the project. ECCAS, CEMAC, CEPGL and Portuguese-speaking countries need to work on coordination mechanisms as the pattern of concentric circles and ECCAS should be the implementation of synergies created or strengthened.

298. ECCAS which was supposed to launch customs Union in the year 2008, could not do so due to political and financial reasons within its region. Member States instead tend to focus more on security matters which although is a priority area, it could have been addressed in line with the accelerating of launching customs union which would ensure and facilitate Regional as well as Continental Integration. Moreover, the low development level of transport infrastructure and services in all modes, exacerbated by the absence of networks integration; the weakness of production facilities in the sector of industry, mining

production and electricity. The vast potentialities of the region are generally under exploited; and the complete lack of integrated financial market at ECCAS level likely to support trade and finance economy.

299. ECCAS achieved in completing the first stage in strengthening existing REC and creation of new RECs where they do not exist. It has also adopted a trade liberalization scheme; the free trade area, which has been launched in 2004.

4.3.5 FUTURE OUTLOOK

300. ECCAS is aiming to have its customs union by the year 2011.

4.4. SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

301. About 70 percent of the SADC population is rural-based where agriculture and utilisation of natural resources are the main economic activities for food security and livelihood support. Agriculture alone is the largest land use and contributes to about 35 percent of the regional Gross Domestic Product (GDP).

302. SADC Member States are Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

4.4.1 OBJECTIVES OF SADC

303. The objectives of SADC are to:

- i Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration;
- ii Evolve common political values systems and institutions; Promote and defend peace and security;
- iii Promote self-sustaining development on the basis of collective self-reliance, and the interdependence of Member States;
- iv Achieve complementarity between national and regional strategies and programmes;
- v Promote and maximise productive employment and utilisation of resources of the Region;
- vi Achieve sustainable utilisation of natural resources and effective protection of the environment;
- vii Strengthen and consolidate the long-standing historical, social and cultural affinities and links among the people of the Region

4.4.2 ACTIVITIES AND PROGRESS

304. Following are the activities and progress made by SADC.

4.4.2.1 FREE TRADE AREA (FTA)

305. SADC FTA entered into force in January 2008 and was officially launched by Summit during its Ordinary Session of August 2008, in Sandton, South Africa. However, the main challenges facing the SADC FTA include, effective implementation, full participation of those members which are still finalising the respective offers or consultations to that effect, full engagement of the region's business community and the public in general.

306. The Secretariat also concentrated efforts in conducting preliminary studies leading to preparations of the negotiations for the SADC Customs Union (CU). The first two studies are related to the Model of Customs Union and the compatibility of Trade Policies. As a result of the consultations and discussions that were generated around these studies, Council approved the establishment of technical working groups (TWGs) to initiate work in the key areas of CU, namely: common external tariff; revenue collection, distribution and/or sharing mechanism (including the development fund); legal and institutional arrangements; and harmonization of industrial, agricultural, infrastructure, competition and other sectoral policies.

4.4.2.2 INFRASTRUCTURE AND SERVICES

307. In the area of Infrastructure and Services SADC attentions have focused mainly on the energy crisis. Power deficits are expected to persist until around 2012; by which time some additional power estimated to 44 000 Mega Watts could be generated as a result of implementation of key regional projects.

308. However, short term measures to address the current power crisis may help to minimize the difficulties in this area. These include the projected supply of additional 400 mega Watts from Hidroeletrica de Cabora Bassa, and the rehabilitation of other generation units in Botswana, Democratic Republic of Congo, Republic of South Africa, Zambia and Zimbabwe. Which may provide 1 700 Mega Watts during 2008/09. At the last Summit of 2010, it was noted that the region needed to apply science and technology for infrastructure development, climate change management and for energy development, adding that these were essential for sustainable growth and development.

- TELECOMMUNICATIONS, POSTAL AND ICT

309. Recommendations made by the Regional Alliance Task Team (RATT) for the adoption of a policy statement including the following policy objectives: transparency; cost based pricing; effective competition; regulatory certainty and predictability; regional development; and infrastructure development were approved by the Ministers responsible for Telecommunications, Postal and ICT held from 10 to 13 May 2010 in Luanda, Angola. The Ministers also approved that a second phase of the Regional Impact Assessment Study (RIA) related to cost information be undertaken as soon as possible. The recommended ICT Consumer Protection Guidelines in SADC were adopted and would be expanded to include issues relating to elderly people and consumer education. The revised SADC Frequency Band Plan was agreed upon for adoption and harmonisation with the national Frequency Band Plan in the respective Member States.

310. The SADC Roadmap on Digital Broadcasting Migration was reviewed and the Ministers recommended that, due to the importance and the urgency of the issues, an ad-hoc sub-committee be set up whose mandate will be to undertake further investigations and advise Member States on the viability of the different technical standards, with a view to the Region moving towards adoption of one common standard. The Ministers further agreed that there should be a special session of their meeting to discuss and make a decision on the standard to be adopted in the SADC Member States.

311. The Ministers approved the e-SADC Strategic Framework that aims at harnessing ICT for enhancing socio-economic development and regional integration. The proposed regional priorities for 2011/2012 which included, amongst others, the setting up of National and Regional Internet Exchange points; harmonisation of Cyber Security Regulatory Frameworks in SADC; and a Regional project to improve interconnection among physical, electronic and financial postal networks were agreed upon.

4.4.2.3 ENERGY

312. On energy sector, the Southern African Power Pool (SAPP) was established in 1995 to expand electricity trade, reduce energy costs and provide greater supply stability for the region's national utilities.

313. The region is guided by two basic policy documents, namely, the Regional Indicative Strategic Development Plan (RISDP) and the SADC Energy Activity Plan. Regarding Power Conservation Programme, given the challenge of power shortages, against a backdrop of non

availability of additional power, optimization of energy has to be implemented as a matter of necessity. To this end, the SADC region is implementing the following measures:

(i) A 10% reduction in consumption through rationing, power-buy-back arrangements and penalties, based on Southern African Power Pool, Regional Electricity Regulatory Association and ESKOM experiences learned from utility producers/suppliers in California, USA.

(ii) ESKOM of South Africa has also adopted a power conservation model following lessons that it learnt from Brazil which have already started paying off, where implemented. ESKOM has committed itself to continue supplying power to other SADC Member States, in line with its existing commitments to the States concerned. ESKOM shall, however, reduce its commitments to the region by 10% in line with its programme of reducing power to consumers in South Africa by the same margin.

(iii) Based on the experiences of the SAPP, Regional Energy Regulatory Association (RERA), ESKOM as alluded to above, as well as experiences of other Member States, a regional harmonised framework on Power Conservation Programme has been developed for implementation across the region, and is currently coordinated by the SAPP.

4.4.2.4 COMMUNICATION AND METEOROLOGY

314. The availability of communications networks characterized by a high degree of integration and interconnectivity is a guarantee for intra-regional, interregional trade. Communications services including the advent of advanced services are without doubt critical for remote business transactions including e-commerce, which would facilitate trade within the region and beyond. The use of communications and more recently information communications technologies (ICT) has gained prominence and importance as an integrating tool for the continent and also in promoting the socio economic development of the region.

315. In Tele-Communications, SADC Regional Information Infrastructure's objective (SRII) is to provide the necessary telecommunications infrastructure and connectivity within the SADC region as well as to bridge the digital divide. In view of the foregoing the SADC Summit in Malawi made a declaration on ICT, which among other issues, called for turning SADC into information based economy.

316. The SADC Regional Information Infrastructure is the regional telecommunications backbone, provided at Member States level, with inter-state connectivity, to integrate the SADC telecommunications network. ICM noted that the implementation of the SADC Region Information Infrastructure (SRII) was apportioned into three stages of short-, medium- and long-term. The project has progressed very well with short-term (digitalisation of transmission links) and medium-term (expansion of the digitalised transmission links) being completed. Still to be completed is the long-term implementation plan, which comprises of all fibre regional transmission highways. It is gratifying to note the progress being achieved in the implementation of this project. It stood at 70% same time last year, it now stands at 80%.

317. SADC through the Southern African Telecommunications Association (SATA) has a working group called Backhaul Working Group which looks at implementing the identified SATA Minimum Network that if completed, will interconnect all its members and connect each Member State to the Eastern Africa Submarine cable System (EASSy), with state of the art broadband fibre system. This minimum network is part of the long-term SRII Project implementation.

4.4.2.5 WATER

318. Through funding from the Global Environmental Fund, administered by the World Bank, SADC is implementing the Ground Water Drought Management Project (GDMP), which was launched in 2007 following the setting up of the Project Management Unit with all the requisite staff. The project is currently implementing the following components:

- i Development and Testing of Groundwater Drought Management Plan for the Limpopo River Basin Pilot Areas (signed in February 2008);
- ii Regional Groundwater Drought Management Support in SADC; and
- iii Identification and Establishment of the Groundwater Management Institute of Southern Africa (GMISA). The Ground Water Institute of Southern Africa shall be hosted by South Africa.

4.4.2.6 TOURISM

319. . The region agreed that the Regional Tourism Organization of Southern Africa (RETOSA) was best placed to develop the region's

communication strategy and that the current Regional Brand - “The Essence of Africa” - be used by RETOSA and SADC Member States in all communication about region. The forthcoming Republic of South Africa FIFA Soccer World Cup and Angola Africa Cup of Nations (AFCON) 2010, as well as the Zambia All Africa Games in 2011 have necessitated the development and implementation of a framework for the Trans-frontier Conservation Areas and the UNIVISA and SADC Visa Exemption programme.

4.4.2.7 FOOD, AGRICULTURE AND NATURAL RESOURCES (FANR)

320. SADC is continuing with the monitoring and implementation of the Dar es Salaam Declaration and Action Plan on agriculture and food security as well as the RISDP priorities on food security and natural resources. Further, it has concluded phase one of the SADC Seed Security Network (SSSN) in March 2007 which intends to facilitate the creation of a regional seed market. In addition, it has developed and mobilized resources from the Swiss Government for phase two of this project which will facilitate the implementation of the harmonized seed system in all SADC Member States. With regards to the food security situation in the region, the region recorded overall increased food production, but noted that the access to food and malnutrition of households’ level remained a challenge.

321. Member States were urged to support the African food Basket Initiative which is aimed at transforming food sufficiency. The council’s decision on the establishment of the Regional Poverty Observatory which will facilitate the implementation of the SADC Declaration on Poverty Eradication and Sustainable Development was also endorsed.

4.4.2.8 HEALTH

322. SADC has made progress particularly in the areas of Malaria and TB control. In the case of Malaria, Member States continued to intensify their joint efforts predominantly in prevention (through provision of long lasting nets (LLN), and Indoor Residual Spraying) and case management. Positive trends have been reported in the malaria cross border control programme implemented in the Lubombo Spatial Development Initiative (LSDI). From the baseline malaria season of 1999/2000 to 2006/2007, these improvements in malaria control have resulted in dramatic reductions in malaria incidence of over 90% in the countries involved in LSDI. At the regional level, a SADC Malaria

Elimination Plan was developed to complement efforts undertaken by Member States.

323. With regard to the control of Tuberculosis Positive developments had been made including increased levels of trainings of various cadres and 100% geographical coverage in terms of access to TB treatment using Direct Observation Treatment Strategy (DOTS). In addition, there is an increasing detection of XDR cases within Member States. In this regard, SADC Member States increased the sharing of experiences and cooperation in addressing MDR/XDR TB with technical support from World Health Organisation (WHO).

4.4.2.9 HIV AND AIDS

324. HIV and AIDS has been one of the main challenges facing SADC region. In 2006, the Region contributed to a third of World's new infections and death from AIDS. However, some of the major policy frameworks have been developed which includes; SADC Regional HIV Prevention Strategy and Action Plan for Universal Access (2008-2010), Framework of Action for Harmonisation, Alignment and Monitoring of HIV and AIDS Funds, Regional HIV and AIDS Research Agenda, Framework of Action for Building Effective Partnerships between National AIDS Authorities and Civil Society Organisations and Training Guide on Mainstreaming HIV and AIDS for Policy Makers. These initiatives are expected to strengthen the capacity of SADC Member States towards universal access to prevention, treatment, care and support in the Region.

4.4.2.10 FREE MOVEMENT OF PERSONS

325. Regarding free movement of persons, following are the progress made by SADC:

- Entry of citizens from a member country on the territory of another member country is not subjected to obtaining a visa for a maximum period of ninety days per year.
- Authorization to reside on the territory of a member country must be obtained through application of a permit from the authorities of the concerned country in conformity with the legislation of this member state.
- The right to settlement consists of a permit given to a citizen of another member country by a member state in conformity to its

national legislation to undertake an economic activity or a profession, either as a salaried person or as an investor.

- Member States are currently required to conclude bilateral Visa Exemption Agreements for SADC citizens by the end of 2009. In case of non-compliance, Member States are required to submit status reports to Council in the first quarter of 2009 giving reasons for non-compliance and the assistance they need for compliance.

4.4.2.11 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

326. Some progresses have also been made on accelerating free movement of goods, services and capital. These are as follows:

- i Initiatives aiming at harmonising custom procedures and instruments (including electronic exchange of customs data) were undertaken.
- ii A single customs administrative document (SADC CD) was developed to facilitate harmonisation of customs declaration in SADC region.
- iii A law on customs model to facilitate harmonisation of customs national legislations.
- iv A nomenclature of common tariffs was adopted.
- v A proposal of regional transit framework was developed.
- vi A review of rules of origin started in 2007.
- vii A software of trade facilitation: for example, Promotion of a single counter at border posts and the implementation of SADC Transit Chain Bond Guarantee regulations;
- viii Updating non tariff obstacles undertaken on 2007 with an action plan aiming at informing, monitoring and eliminating non tariff obstacles,
- ix Harmonisation of trade liberalisation through a Task Force formed by SADC, COMESA and EAC;
- x A draft protocol on trade and service; a protocol on free movement of people, goods, Capital and services,

- xi Regional qualifications frameworks, harmonisation of education systems in the region in order to facilitate free movement of people and man power.

4.4.3 PROGRESS MADE UP TO DATE

327. The following table shows the progress made by SADC up to date.

	Status of SADC up to date
<p>Free Trade Area (FTA)</p> <p>SADC FTA entered into force in January 2008</p> <p>challenges facing the SADC FTA include, effective implementation, full participation of those members which are still finalising the respective offers or consultations to that effect, full engagement of the region's business community and the public in general</p>	<p>By July 2009, agreement was reached on all outstanding tariff lines (under the review of rules of origin exercise) except on the issue of movement to single stage transformation rule for textiles and clothing tariff lines (HS headings 5808 to 5212, 5407 to 5408, 5512 to 5516; chapter 60; 61; 62 1nd 63). As part of the outstanding of the outstanding rules of origin to be reviewed, possible new rules covering HS heading 1901 (wheat flour/wheat flour products) as well as HS. 8544 (insulated wire, cable and other insulated electric conductors), were to be considered.</p> <ul style="list-style-type: none"> • Progress was made in addressing outstanding issues in the implementation of the SADC (FTA) in particular the following: <ul style="list-style-type: none"> i The implementation of tariff phase downs ii Review of the rules of origin iii Elimination of non tariff barriers • Guidelines for accession to the Protocol on trade to facilitate Member States who are not yet party to the Protocol have been approved by the Committee of Ministers of Trade at its meeting held in Cape Town, South Africa, in June 2009.

Studies in progress. First two studies are related to the Model of Customs Union and the compatibility of Trade Policies.

Energy and Infrastructure

Status of Power availability in the region

Power deficits are expected to persist until around 2012, by which time some additional power estimated to 44 000 Mega Watts could be generated as a result of implementation of key regional projects.

- The work of the Technical Working Groups (TWGs) on the Customs Union was commissioned in July 2008 following the adoption of their Terms of Reference
- At its meeting in July 2009, the Ministerial Task Force on Regional Economic Integration reviewed progress made by the TWGs and noted that a lot of work was still outstanding
- The Ministerial Task Force reflected on the feasibility of the 2010 deadline for the SADC Customs Union and concluded that it was not feasible to establish the Customs Union by 2010.

- The overall SADC region has installed capacity of 55,927 MW, but only about 48,649 MW is available as at April, 2009
- For the interconnected Southern African Power Pool (SAPP) grid, the installed capacity is 53,445 and the available capacity is 46,772 MW.

Status of implementation on the generation projects and the associated financial gaps that have been identified:

- i Rehabilitation will add a total of 1,379 MW at a cost of US\$ 1 by 2008-2010.

	<p>Financing gap of US\$ 86 m for 130 MW identified</p> <ul style="list-style-type: none"> ii Short-term generation projects will add 5,961 MW at a cost of US\$ 3.9 billion by 2008-2010. Financing gap of US\$ 85 m for 100 MW identified iii Medium term generation projects will cost US\$ 13.5 billion and deliver 8,800 MW between 2011-2013 identified <p>In the long term, planned generation projects will add a total of 44,000 MW at an estimated total cost of US\$ 41.5 billion by 2011-2025.</p>
<p>Based on the experiences of the SAPP, Regional Energy Regulatory Association (RERA), ESKOM as alluded to above, as well as experiences of other Member States, a regional harmonised framework on Power Conservation Programme has been developed for implementation across the region, and is currently coordinated by the SAPP.</p>	<ul style="list-style-type: none"> • The regional Electricity Association of Southern Africa (ERERA), continues to facilitate the creation of a conducive environment for implementation of power sector projects in the SADC Electricity Supply Industry (ESI) • RERA with the support of USAID Southern Africa Global Competitiveness Hub (USAID Trade Hub), carried out a survey of policy of institutional and regulatory frameworks in the SADC ESI for the purposes of comparing, monitoring and benchmarking. • The study recommended the following: <ul style="list-style-type: none"> i Member States should complete the ESI industry reforms in line with adopted policies ii Ensure sustainable electricity prices and tariffs in the sector

<p>Transport</p> <p>Status of implementation of the Yamoussoukro Decision</p>	<p>and develop strategies to move towards cost effective levels in order to make the ESI viable</p> <p>iii Develop and harmonise legal and regulatory to promote regional trade by strengthening the sector institutional capacity</p> <p>The regional structures driven by Member States to implement power projects, comprising Project Committees, Project Steering Committees and Ministerial Joint Committees have been put in place</p> <ul style="list-style-type: none"> • The Secretariat established institutions to facilitate implementation of measures necessary for the liberalization of air transport markets within COMESA, EAC and SADC • Currently in collaboration with the EAC and COMESA undertaking measures to operationalise the systems and procedures for the Joint Competition Authority (JCA) • The JCA comprises seven members, two members from each EAC, COMESA and SADC plus a Chairperson on a rotational basis will oversee the full implementation of the Yamoussoukro Decision on Air Transport in the three RECs <p>SADC undertook a study on “Assessment of the Potential Impact of the implementation of the Yamoussoukro Decision on Open Skies Policy in the SADC Region” and its findings</p>
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<p>Communication and Meteorology</p> <p>SADC through the Southern African Telecommunications Association (SATA) has a working group called Backhaul Working Group which looks at implementing the identified SATA Minimum Network that if completed, will interconnect all its members and connect each Member State to the Eastern Africa Submarine cable System (EASSy), with state of the art broadband fibre system. This minimum network is part of the long-term SRII Project implementation</p>	<p>and recommendations were brought to the Ministers in charge of transport in May 2009 in Namibia. These were:</p> <ul style="list-style-type: none"> i On sectors where there is improved connectivity through more frequencies per week, the airfares have become more affordable and passenger traffic volumes have increased; ii There is need for cooperation to ensure mutual benefit and the survival of all players in the air transport industry; and iii It is critical that safety oversight, airport and airspace capacity be strengthened to meet the anticipated growth <p>SADC Regional Information Infrastructure (SRII) Project</p> <ul style="list-style-type: none"> • The project is part of the SATA Minimum Network • The project is 80% complete • To interconnect SADC to the rest of the world, the SRII shall be connected through various undersea cable systems including the Eastern Africa Submarine System (EASSy) comprising state of the art broadband fibre system <p>With regard to implementation of the EASSy Project, considerable progress has been made and the submarine cable is expected to be ready for service by end this year (2010).</p> <p>Meteorology</p>
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	<ul style="list-style-type: none"> • Meteorological Association of Southern Africa (MASA) was approved by the Ministers in charge of transport and meteorology in Gaborone, Botswana in October 2007 • At the MASA extraordinary meeting held in Swakopmund, Namibia on 11th May, 2009 , nine Member States signed the constitution
<p>Water</p> <p>SADC is implementing the Ground Water Drought Management Project (GDMP), which was launched in 2007 following the setting up of the Project Management Unit with all the requisite staff. The project is currently implementing the following components:</p> <p>(i) Development and Testing of Groundwater Drought Management Plan for the Limpopo River Basin Pilot Areas (signed in February 2008);</p> <p>(ii) Regional Groundwater Drought Management Support in SADC; and</p> <p>(iii) Identification and Establishment of the Groundwater Management Institute of Southern Africa (GMISA). The Ground Water Institute of Southern Africa shall be hosted by South Africa.</p>	<ul style="list-style-type: none"> • some five of the Integrated Water Resources Management (IWRM) demonstrations projects have been implemented in the respective SADC Member States through the support of Danida • these projects are targeted at poor communities in rural areas in order to help alleviate poverty <p>Projects already implemented are as follows:</p> <ul style="list-style-type: none"> i Malawi: IWRM and improved rural livelihoods project for Dzimphutsi area ii Namibia: Sustainable IWRM in the Omaruru-Lower Swakop Basin iii Mozambique: improving livelihoods in lower Limpopo Catchment iv Swaziland: Lavumisa Irrigation Development Projects v Zambia: IWRM and Food Security for the Kafue River Basin <ul style="list-style-type: none"> • Progress also made with the Kunene Transboundary Water Supply and Sanitation Project between Namibia and Angola as the first pilot project under Regional strategic Water Infrastructure Development

	Programme (RSWIDP)
Tourism Status of Regional Tourism Organization of Southern Africa (RETOSA)	<ul style="list-style-type: none"> • Among the target of SADC Member States is the introduction of a universal visa, crafted along the same lines as the Schengen Visa by 2009-2010 • Launching of a 2010 Tourism Strategy, which encompasses joint tourism hosting and promotion during the ended South Africa 2010 FIFA World Cup
Food, Agriculture and Natural Resources (FANR) Status of Dar-es Salaam Declaration and Action Plan on agriculture and food security as well as the RISDP priorities on food security and natural resources.	<ul style="list-style-type: none"> • Monitoring and implementation of Dar-es - Salaam Declaration and an Action Plan on agriculture and food security as well as facilitation of the RISDP is still SADC strategic priority for attaining food security and sustainable management of natural resources • The Secretariat has embarked on developing a regional agricultural policy which will take on board the changing global climate <ul style="list-style-type: none"> • On implementation of Dar-es - Salaam Declaration, the supply key agricultural inputs remain a challenge to agricultural production in the region • The Secretariat implemented the Seed Security Network Project for the region. The system aims at increasing the availability and accessibility of improved seeds to farmers in the region • The Secretariat has started developing a Regional Agricultural

Policy (RAP) which will facilitate and guide Member States towards achieving harmonization of key agricultural policies. RAP is expected to be a binding legal instrument for implementation of the region's food, agriculture, natural resources management and environmental strategies in the region.

HIV and AIDS

Status of SADC Regional HIV Prevention Strategy and Action Plan for Universal Access (2008-2010),

Framework of Action for Harmonisation, Alignment and Monitoring of HIV and AIDS Funds, Regional HIV and AIDS Research Agenda,

Framework of Action for Building Effective Partnerships between National AIDS Authorities and Civil Society Organisations and Training Guide on Mainstreaming HIV and AIDS for Policy Makers

- The region continued to scale up efforts to implement comprehensive responses to prevention and mitigation. This has resulted in increased HIV and AIDS awareness and education campaigns yielding positive results
- Some countries have shown significant decline in both prevalence and incidence of HIV especially among the youth aged 15 to 24 years and pregnant women attending ante natal clinic
- There has been increase in the provision of Prevention of Mother to Child Transmission (PMTCT) services

<p>Free Movement of persons, goods, services and</p>	<ul style="list-style-type: none"> • Inspired by the Protocol on the facilitation of
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<p>capital</p> <p>Member States are currently required to conclude bilateral Visa Exemption Agreements for SADC citizens by the end of 2009. In case of non-compliance, Member States are required to submit status reports to Council in the first quarter of 2009 giving reasons for non-compliance and the assistance they need for compliance.</p> <p>.</p> <p>.</p>	<p>movement of persons in the SADC signed in August 2005, at least seven countries in the region have signed bilateral agreements to waive visa requirements for each other's citizen.</p> <ul style="list-style-type: none"> • Harmonization of tourism and immigration policies, legislation and standards is on course <p>Progress has also been made on the followings:</p> <ul style="list-style-type: none"> i Initiatives aiming at harmonising custom procedures and instruments (including electronic exchange of customs data) were undertaken. ii A single customs administrative document (SADC CD) was developed to facilitate harmonisation of customs declaration in SADC region iii A law on customs model to facilitate harmonisation of customs national legislations iv A nomenclature of common tariffs was adopted v A proposal of regional transit framework was developed.
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4.4.4 CHALLENGES

328. Customs union that SADC plans to achieve in the year 2010 could possess a challenge that SADC need to have a strategy in order to accomplish it on time. Within SADC there is also SACU, which is at an advanced stage of integration. There is a need to get all the SADC Member States to the level of that customs union. Some SADC Member States are also members of COMESA, which are already in Customs Union. Member States cannot be part of two customs unions at the same

time. This contravenes Member States belonging to the same RECs (SADC and COMESA); therefore Member States would have to join only one custom union which could possess a challenge for both COMESA and SADC to convince. Therefore there is a need for both RECs to share their formulation and see how they could merge and make the integration process moves forward.

329. With SACU already existing, the EAC having adopted a Common External Tariff (CET) in 2005 and Common Market for Eastern and Southern Africa (COMESA) already established. SADC Member States need to assess the impact of multiple memberships and decide on the best approach to proceed.

330. The tripartite Summit between SADC, COMESA and EAC is the right step towards covering the overlapping of memberships for Member states belonging to different RECs. A coordinated regional and continental wide approach to infrastructure financing, institutional harmonisation and policy coordination needs to be pursued to ensure that the benefits and opportunities accruing from preferential access are optimised. This can be achieved within the overarching framework of the NEPAD initiative. Improving the transport infrastructure on the continent is critical to enhancing trade.

331. Broader infrastructural development and investment in the energy and telecommunications sectors is also needed. Public investment and development assistance targeting infrastructural development and maintenance is essential in the absence of domestic and foreign private investment and may also act to stimulate private investment.

332. A number of critical challenges face the region in the process of deepening regional integration, particularly taking into account the targets established by the Regional Indicative Strategic Development Plan (RISDP). These include, among others, the issue of overlapping membership, differentiated levels of economic integration within the region, the pace of implementation, capacity constraints, both at Member States and Regional/Secretariat level.

333. The development of adequate infrastructure in the region remains the linchpin of Regional Integration. In this regard, regional efforts have continued to concentrate on the implementation of critical programmes and projects in the area of Infrastructure and Services. Special attention has been dedicated to the Energy Sector where the region could not avoid a supply/demand crisis which is currently affecting the region.

334. In this context, the region has agreed on a number of short term measures to address power shortages in the Region. These include the preparation of Short Term Utility Power Projects, the Power Conservation Programme, enabling Environment for Power Sector Growth and Sustainability, Mobilisation of Extra Resources to Finance Power Projects. Other sectors in the Infrastructure and Services area include Water, Tourism, Transport and Communication. In the area of Tourism, efforts have continued to finalise the UNIVISA system in order for, among other things, the region to maximise benefits from the 2010 FIFA World Cup, in South Africa.

335. Implementation and follow up of trade liberalisation is confronted by lack of data and capacity in Member States at SADC national committee level.

336. Regional integration, economic growth and achievement of a sustainable pattern of development in any region require peace to prevail. SADC region has experienced considerable difficulties in the area of Democracy, Peace and Security. Clearly, this is a challenge that SADC has to address if Member States are to remain committed Democracies within the framework of the Strategic Plan for the Organ.

4.4.5 FUTURE OUTLOOK

337. SADC has strategic objectives that amongst others are:

- § To establish a SADC Customs Union by 2010, which includes the establishment of a Common External Tariff and harmonization of behind-the border policies;

- § To improve the overall business and investment climate and achieve convergence on selected macro-economic indicators;

- § To enhance industrial competitiveness and diversify SADC economies by promoting intra-regional trade, productive investment and technology cooperation; and

- § To accomplish a Common Market by 2015, Monetary Union by 2016 and Economic Union by 2018.

338. Towards a common market, SADC is in the process of drafting a Competition Policy Model suitable for SADC. According to the road map the harmonisation framework would be in place by 2009 for implementation by 2010. The objective is to create conditions which

allow markets to function competitively for the benefit of consumers and businesses. Competition policy ensures that there is undistorted competition, in particular by removing and preventing States and private barriers to competition.

339. SADC is currently working towards preparations of achieving Customs Union. Some studies have been undertaken including; “an appropriate model for a SADC Customs Union” and on “Assessment of the Compatibility of the National Trade Policies” were undertaken and provided an input for further work and negotiations.

4.5 INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD)

340. IGAD is the successor of the Intergovernmental Authority on Drought and Development (IGADD). Established by an international agreement in 1986, IGADD as a sub-regional organisation had an initial membership of six drought afflicted member states of Djibouti, Ethiopia, Kenya, Somalia Sudan and Uganda. In 1993, its membership expanded by the admission of Eritrea as the 7th member.

341. Between 1974 and 1984, severe droughts and other natural disasters hit the Eastern Africa region and caused widespread famine, ecological degradation and economic hardships. Although the individual countries made substantial efforts to cope with the situation and received generous support from the international community, the magnitude and extent of the problem argued strongly for a regional approach to supplement national efforts.

342. In 1983 and 1984, six countries in the Horn of Africa - Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda - took action through the United Nations to establish an intergovernmental body to coordinate their development aspirations and mitigate drought effects in their region. Subsequently, the Assembly of Heads of State and Government sitting in Djibouti signed on 16 January 1986 the Agreement, which officially launched IGADD with its Headquarters in Djibouti.

343. In April 1995 in Addis Ababa, the Assembly of Heads of State and Government made a Declaration to revitalise IGADD and expand cooperation among Member States. On 21 March 1996 in Nairobi, the Assembly of Heads of State and Government signed the 'Letter of Instrument to Amend the IGADD Charter / Agreement' and establish a revitalised IGADD with the new name of "Intergovernmental Authority on Development (IGAD)".

344. The Revitalised IGAD with expanded mandate, areas of regional cooperation and integration as well as a new organisational structure was launched by the IGAD Assembly of Heads of State and Government on 25 November 1996 in Djibouti, the Republic of Djibouti. The expanded mandate and scope was to, *'inter alia'*

- promote joint development strategies and harmonisation of macro-economic policies;

- harmonize trade, customs, transport, communication and natural resource policies;
- harmonize production and marketing structures; and to
- create an enabling environment for foreign, cross-border and domestic investments.

345. In February 1998, IGAD signed with the African Economic Community (AEC), the Protocol on Relations between AEC and Regional Economic Communities (RECs).

4.5.1 OBJECTIVES OF IGAD

346. The aims and objectives of IGAD are as follows:

- i Promote joint development strategies and gradually harmonize macro-economic policies and programmes in the social, technological and scientific fields;
- ii Harmonize policies with regard to trade, customs, transport, communications, agriculture, and natural resources, and promote free movement of goods, services, and people within the region.
- iii Create an enabling environment for foreign, cross-border and domestic trade and investment;
- iv Achieve regional food security and encourage and assist efforts of Member States to collectively combat drought and other natural and man-made disasters and their natural consequences;
- v Initiate and promote programmes and projects to achieve regional food security and sustainable development of natural resources and environment protection, and encourage and assist efforts of Member States to collectively combat drought and other natural and man-made disasters and their consequences;
- vi Develop and improve a coordinated and complementary infrastructure, in the areas of transport, telecommunications and energy in the region;

- vii Promote peace and stability in the region and create mechanisms within the region for the prevention, management and resolution of inter-State and intra-State conflicts through dialogue;
- viii Mobilize resources for the implementation of emergency, short-term, medium-term and long-term programmes within the framework of regional cooperation;
- ix Promote and realize the objectives of the Common Market for Eastern and Southern Africa (COMESA) and the African Economic Community;
- x Facilitate, promote and strengthen cooperation in research development and application in science and technology.

4.5.2 ACTIVITIES AND PROGRESS

347. While the Agreement establishing IGAD identified a number of areas of cooperation among Member States, the following three priority areas were identified as the immediate entry points for cooperation:

- Ø Food security and environmental protection;
- Ø Conflict prevention, management and resolution; and,
- Ø Economic cooperation and integration.

To this effect, IGAD has made a number of successful inroads in implementing its mandate by establishing effective and efficient mechanisms, networks, processes, specialized institutions and partnerships for the execution of its regional activities. To this end, IGAD has established specialised institutions including the Conflict Early Warning and Response Mechanism (CEWARN) in Addis Ababa, IGAD Business Forum in Asmara later revitalized and shifted to Kampala , the IGAD Climate Prediction and Application Centre for Monitoring and Forecasting (ICPAC) in Nairobi, IGAD Capacity Building Programme against Terrorism (ICPAT) in Addis Ababa and IGAD Regional HIV/AIDS Partnership Programme (IRAPP) in Kampala.

4.5.2.1 CONFLICT EARLY WARNING AND RESPONSE MECHANISM (CEWARN)

348. The Conflict Early Warning and Response Mechanism (CEWARN) is an IGAD institution which is designed to serve the region as a mechanism that systematically anticipates and responds to violent conflicts in a timely and effective manner.

349. The establishment of CEWARN in 2000 followed from IGAD's revitalization in 1996 and the expansion of its mandate to cover Peace and Security as well as broader development issues. It was also based on IGAD's realization that timely intervention to prevent the escalation or to mitigate the worst effects of violent conflicts is more cost effective in terms of human and material resources than dealing with full-blown crises.

350. The Protocol establishing CEWARN was signed by the Council of Ministers of IGAD in January 2002 and entered into force in August 2003. The CEWARN office was officially opened in Addis in June 2003. CEWARN's vision is embodied in the tagline; stakeholders empowered to prevent violent conflicts. Accordingly, its mission is to establish itself as an effective and sustainable sub-regional mechanism that undertakes conflict Early Warning and Early Response and fosters cooperation among relevant stakeholders in order to respond to potential and actual violent conflicts in the region in a timely manner.

351. Although the Horn of Africa is a region that is ravaged by conflicts that range from intra-state and Inter-state to cross border community conflicts, CEWARN has adopted an incremental approach initially focusing exclusively on pastoralist conflicts – of both inter-communal and cross-border nature - before expanding to other types of conflicts in due course.

352. Since its establishment, through its network of Field Monitors, Country Coordinators, National Research Institutes and Conflict Early Warning and Response Units (CEWERUs) at the national level, CEWARN has been monitoring and reporting on pastoralist conflicts in two pilot areas: the Somali cluster (that incorporates parts of Kenya, Ethiopia and Somalia) and the Kamaroja cluster (that incorporates parts of Ethiopia, Kenya, Sudan and Uganda).

353. CEWARN has established itself as a sub-regional mechanism with the most developed data-based regional Early Warning System in Africa. It has developed an effective state-of-the-art field monitoring and data analysis tool. It has conducted capacity building for Conflict Prevention,

Management and Resolution (CPMR) in the region through skill training of stakeholders at various levels.

354. CEWARN has also managed to build confidence and collaboration amongst various stakeholders including governments, and CSOs.

355. Like any other young and learning institution, however, CEWARN recognizes existing gaps in its work such as the inadequate response component and the need to expand its information base and areas of reporting to cover all IGAD Member States and other kinds of conflicts.

356. CEWARN developed a five-year strategy (2007-2011) to fill in these gaps so that it can undertake its role as an effective and sustainable sub-regional mechanism for Conflict Early Warning and Early Response. Consequently, various assessments have been conducted, monitoring areas increased and the mandate of the Early Warning mechanism is to be extended to cover all member countries.

4.5.2.2 GENDER AFFAIRS

357. In 1999, a Women's Desk was established at the Intergovernmental Authority on Development (IGAD) Secretariat level. This has been made possible through the initiation of the IGAD sponsored Women in Business Workshop conducted in Nairobi, Kenya in 1998, and endorsement by the 18th session of the IGAD Council of Ministers. The desk right after its creation had carried out gender focused activities at the secretariat level as well as in the member states. These include: organizing and conducting capacity building training programs, meetings such as that of the Ministers in charge of Women/Gender Affairs of Member States, mobilizing fund for institutional capacity building and project activities, networking with relevant organizations, attending workshops and conferences on gender and related issues, etc.

358. In 2003, IGAD developed a new strategy for 2004 to 2008, with a more focused vision, mission and programs, and the importance of an IGAD Gender Policy and the harmonization of the national gender policies in the sub-region was recognized. As a result of this, an IGAD Gender Policy and Strategy was formulated and launched in 2004. The main objective of the policy is to facilitate the mainstreaming of gender perspectives into all activities of IGAD, in order to make them gender responsive and contribute to the achievements of sustainable socio-

economic development in the region. The policy has also articulated its specific objectives as follows:-

- Generate and hold itself accountable to creating an enabling environment for gender mainstreaming for purpose of achieving gender equity and equality goals;
- Strengthen and secure IGAD institutional framework for upholding equality and equity principles and goals;
- Facilitate a harmonized way of achieving gender mainstreaming at all levels within IGAD;
- Mainstream gender into IGAD structures, organs, sectoral programs and themes;
- Establish IGAD Gender and Development Indicators that will enhance its regional harmonization and integration processes and goals.

359. Upon the launching of the Gender Policy and strategy, the scope of work of the Women's Desk had expanded and hence a Gender Affairs Program was institutionalized at the IGAD Secretariat level in March 2005. The program since its establishment has been undertaking various tasks such as popularization of policy objectives, convening Annual Meetings of Ministers in charge of Women/ Gender Affairs of Member States, conducting technical workshops related to gender mainstreaming issues, mainstreaming gender into IGAD sectoral programs and projects, publication and distribution of relevant documents as well as facilitating project interventions to the Sudanese and Somali Women in Peace Making and Reconstruction Processes.

360. In the last two years as well more emphasis has been placed on the implementation of the Gender Policy and subsequent directions given by the Women/Gender Affairs Ministerial Meetings held earlier. Consequently, many tasks have been accomplished and these include: working closely with IGAD Member States on gender and related issues, ensuring incorporation of gender issues into IGAD programs/projects, attending relevant conferences and workshops, fund mobilization for program activities, collaborating with the Women, Gender and Development Directorate of the African Union Commission as well as the African Center for Gender and Social Development of the United Nations Economic Commission for Africa on pertinent issues.

361. Other tasks undertaken were: networking with bilateral and other multi-lateral organizations, conducting Situational Assessment on Participation and Representation of Women in Decision Making positions in IGAD Member States, Convening Women Parliamentary Conference, Developing a Strategy for Higher Representation of Women in Decision Making Positions, Conducting a Stakeholders Workshop to Validate Strategy, Implementing a Gender Mainstreaming Capacity Enhancement Package at IGAD Secretariat and its Specialized Offices, etc.

362. Presently, it has become more evident that gender equality and women's empowerment are crucial to the attainment of sustainable development, peace and security in the IGAD Region. To this end, the consolidation of the positive outcomes of the tasks undertaken by the Gender Affairs Program earlier, forging ahead with the vision and mission of the newly developed IGAD Strategy and consideration of emerging global and regional issues have become of paramount importance. In light of these, the following major tasks are planned for the year 2011:-

- Facilitating endorsement of Strategy for Higher Representation of Women in Decision Making Positions at IGAD Council of Ministers Meeting as well as Heads of State and Government Summit levels;
- Monitoring implementation of strategy in IGAD Member States;
- Exploring and facilitating the establishment of a Women Parliamentary Unit within the IGAD Parliamentary Union;
- Making a follow up on mainstreaming gender issues into IGAD's priority programs and projects;
- Conducting an IGAD Women in Business Conference and establishing a unit to be part of the IGAD Business Forum;
- Launching a study on access to productive resources, with particular emphasis on women and land rights in rural areas in the region;
- Revisiting the 2004 IGAD Gender Policy and Strategy;
- Preparing monitoring and evaluation indicators of the strategy;
- Conducting Annual Meetings of Experts and Ministers in charge of Women/Gender Affairs of Member States;
- Advocacy for the combat of gender-based violence which is highly prevalent in the region;
- Collaborating in the implementation of Sexual and Reproductive Health as well as HIV/AIDS programs;

- Conducting a situational assessment of women and children in post conflict areas; and
- Expanding network with pertinent organizations and mobilizing fund from bi-lateral and multi-lateral organizations.

4.5.2.3 ENVIRONMENT

363 Achievements on Environment Protection Section include:

1. Support to member states in the development and formation of national action programmes (NAPs) to implement the UNCCD
2. Development and implementation a sub-regional action programme (SRAP) to complement the NAPs in the implementation of the UNCCD
3. Development of the Sub-regional Environmental Action Plan to implement the environment component of NEPAD
4. Development and publication of the IGAD environment Outlook Report
5. Development of the IGAD Environment and Natural Resources Management Strategy

364. The Environment Protection is also participating in the implementation of the project called “African Monitoring of the Environment for Sustainable Development “, which is hosted by the African Union. The project aims to use satellite data / information to monitor the environment for sustainable development. Each REC has selected a thematic area and an implementing centre. IGAD has selected ICPAC as the implementing centre and monitoring of land degradation and habitat loss through satellite data as its thematic area.

§ Implementation of IGAD Sub-regional Action Programme (IGAD-SRAP) in the context of the UN Convention to Combat Desertification (UNCCD)

365. IGAD with the support of the Global Mechanism (GM) has established an IGAD Sub-regional Support Facility (SSF). GM has provided some seed funds to “kick start the facility. The purpose of SSF is to enable IGAD support Convention to Combat Desertification (CCD) activities in the sub-region by facilitating identification and formulation of concepts for projects and programmes development under SRAP or NAPs.

366. The United Nations Convention to Combat Desertification (UNCCD) is one of the most significant achievements emanating from the 1992 United Nations Conference on Environment and Development (UNCED).

367. Its aims are to combat desertification and mitigate the effects of drought through effective interventions at all levels, supported by international co-operation and partnership arrangements in the fields of technology transfer, information collection and dissemination, scientific research and development as well as mobilization of financial resources. Complimentary National, Sub-regional and Regional Action Programmes have been developed and are being implemented to fight the scourge of desertification in Africa and worldwide as called for in the Convention.

368. In 2006, several activities were undertaken to consolidate the direction and activities of the SSF and implementation of the UNCCD in the sub-region. These include: support to the implementation of the sub-regional action plan (SRAP) and national action plans (NAPs); Community Exchange and Training Project (CETP); and Strengthened IGAD SSF Partnership base.

§ Natural Resources

369. In shared transboundary natural resources, a number of projects and programmes are under formulation. Among them is the launching of IGAD Platform in the Euro10 million IGAD water programme. IGAD is also implementing the water-harvesting project in Kenya, Uganda and Sudan where the water could be used during the dry spell periods to boost food security. Programmes are currently being developed for food storage facilities to boost food security. This project ended in 2009.

370. Several key plans and specific activities listed below were designated for implementation in 2010:

- a. Conducting a study and workshop to identify existing problems in the current flow of marketing chains and recommend subsequent value addition of products from the arid and semi-arid lands (ASALs). The goal is to expand the marketing of products featuring local value addition in order to create wealth and enhance livelihoods. This is viewed as achievable at both regional and national levels, especially in light of renewed international interest in natural products and the promotion of bio-enterprises.

- b. Seeking the incorporation of natural resource issues into existing bilateral committees of policy makers who currently address security issues separately. Convinced that most conflicts arise over the use of natural resources, particularly in border areas, IGAD will foster activities and map out areas of transboundary natural resources that demonstrate the interdependence of natural resource and security issues.
- c. Preparing sensitisation materials and a policy brief on the findings and lessons learned from the Member of Parliament (MPs) tour. These will be based on the new theme and presented to the Council of Ministers for endorsement. The materials were prepared in both soft and hard copies and a film was also readied. In the year 2010, IGAD and international for conservation of nature (IUCN) organised the Biennial Conference of Directors of Finance and Directors of Conservation in Entebbe, Uganda. In addition, a study has been commissioned to focus on the contribution of ASALs to national economies which will support government justification for investing in these lands. This report will be ready in 2010.
- d. In 2010, IGAD will contract with UNESCO to create the IGAD Policy and Science network for the management of shared water in the region. It is a forum for policy makers(Members of Parliament) and the scientific and academia from the region dealing with water issues.

371. Early warning Systems that are related to weather, droughts and rainfall patterns have been established. Example is the creation of IGAD Climate Prediction and Application Centre-Nairobi (ICPAC), which coordinates the weather and climate Early Warning Systems in the region.

§ IGAD Climate Prediction and Application Centre (ICPAC)

372 The Horn of Africa, like many other parts of the tropics, is prone to extreme climate events such as droughts and floods. These extreme events have severe negative impacts on key socio-economic sectors of all the countries in the sub-region. ICPAC relays reports after every 10 days, warning on climate changes. The centre also serves Tanzania, Rwanda and Burundi and IGAD has a livestock promotion project aimed at promoting livestock development and food security to enhance the availability of food in the region.

373. In an effort to minimise the negative impacts of extreme climate events and take advantage of the good years, 24 countries in the eastern and southern African sub-region under the auspices of UNDP established a regional Drought Monitoring Centre (DMC) in Nairobi and a sub-centre in Harare in 1989.

374. At the end of the UNDP funded Project in 1998 and due to the increased demand for climate information and prediction services, the Nairobi and Harare components now operate independently and are referred to as the Drought Monitoring Centre, Nairobi (DMCN) and the Drought Monitoring Centre, Harare (DMCH). DMCN caters for countries in IGAD and other countries in the Horn of Africa region, while DMCH is responsible for countries in southern Africa.

375. There are three parallel objectives, which, taken together capture ICPAC's capacity to perform sound scientific work and apply the results through collaboration with an expanding and educated base of users.

- I. To improve the technical capacity of producers and users of climatic information, in order to enhance the input and use of climate monitoring and forecasting products;
- II. To develop an improved, proactive, timely, broad-based system of information and product dissemination and feedback, at both sub-regional and national scales through national partners; and
- III. To expand the knowledge base within the sub-region in order to facilitate informed decision making, through a clearer understanding of climatic and climate-related processes, enhanced research and development, and a well managed reference archive of data and information products.

376. Its Operational activities include:

- § Development and achieving of regional and national quality controlled databanks. Calibration of satellite derived climate records.
- § Data processing including development of basic climatological statistics.
- § Timely acquisition of near real time climate and remotely sensed data.
- § Monitoring space-time evolutions of weather and climate extremes over the region.
- § Generation of Climate Prediction and Early warning products.

- § Delineation of risk zones of the extreme climate events.
- § Networking with the National Meteorological and Hydrological Service (NMHS) and regional and international centres for data and information exchange.
- § Timely dissemination of early warning products.
- § Public awareness and education of sectoral users of meteorological products.
- § Development of sector specific climate information and prediction products.
- § Organisation of Climate Outlook Forums.
- § Interactions with users through regional and national users' workshops and pilot application projects, etc.
- § Climate change monitoring, detection and attribution.
- § Assessment of the impacts and vulnerability associated with climate extremes.
- § Research in climate and related fields.

§ Monitoring of past climate

377. The recent past climate over the Horn of Africa is monitored on a dekadal (ten day), monthly and seasonal time scales in order to detect the evolution of any significant anomalies that could impact negatively on the socio – economic activities of the region. These are provided through, Dekadal, monthly and seasonal summaries of rainfall and drought severity monthly temperature anomalies.

378. These products are disseminated to all National Meteorological and Hydrological Services of the participating countries to serve as early warning information to a variety of sectoral users of meteorological information and products including policy makers, planners, health, agricultural and water resource sectors, farmers as well as research institutions among others.

379. A major strength of IGAD is the large and diverse population in the Region and the political commitment of the leadership of the Member Countries towards the idea of regional cooperation. Despite prevailing bilateral differences between some Member States, there is a positive commitment towards IGAD as an institution. This can be exemplified by the regular participation of all countries in the meetings of the IGAD

policy organs, financial contributions paid for the up-keep of the Secretariat and the establishment of highly political instruments such as CEWARN, which has implications for the individual states. This political will for regional cooperation is one of the strongest assets of IGAD.

380. Strength of IGAD is the creation of platforms and fora for technical experts from the Member States for discussing issues in the mandate/programmes. These platforms are created specifically for the purpose of exchange of views on a specific topic e.g. the IGAD Ministerial Transport Sector Committee (MTSC) and IGAD Ministerial Committee for women, Regional committees on Meteorology, Energy and technical meetings for the elaboration and coordination of joint concepts and positions.

381. The IGAD Secretariat has gained substantial experience in organising and facilitating processes leading to meetings, fora and workshops that are particularly important for exchange of information and experience, and formulation of compatible development policies and concepts.

- Agriculture, Livestock and Food Security

382. Activities in this Programme Area were based on the Regional Food Security Strategy that envisaged regional actions in three main areas: boosting food production, improving marketing and providing safety nets for vulnerable populations. Although the timeframe for this strategy had ended in 2008, implementation of funded projects and programmes is ongoing. The strategy will be updated in 2010 to bring it in line with the IGAD Minimum Integration Plan (MIP) still under development.

- Boosting diverse food production

383. IGAD region has a structural food deficit reaching 5 million tons of cereals in 2009. In addition, over 4 million people, mostly in the Arid and Semi-Arid Lands (ASALs) of the region, face chronic food insecurity and at least 2 million are dependent on food aid. The region receives over 40% of the world's food aid and the situation has been exacerbated by the severe drought as well as rising food and fuel prices world-wide.

384. The region however does have enormous potential to increase food production for self-sufficiency, with a sizeable surplus for export. IGAD has therefore embarked on a number of projects and other regional actions to boost food production, particularly in the pastoral and agro-pastoral areas, home of the most chronically food insecure persons in the region.

- Improving agricultural and food marketing

385. It is increasingly acknowledged that the single biggest challenge to agricultural and food production in the region is inadequate marketing. A lack of markets and poor marketing infrastructure has made agriculture an unprofitable venture in the past. Notwithstanding, IGAD is determined to tackle this challenge by promoting intra-regional marketing through the provision of marketing information needed to facilitate the entry of traders and to increase market transparency and efficiency.

- Providing food security safety nets

386. Food security safety nets are local-level interventions designed to hedge vulnerable populations against hunger and malnutrition. Regional interventions in this area are mostly in terms of policy development, information exchange on impending famines and knowledge sharing on the appropriate responses to such crises.

- IGAD Livestock Policy Initiative Project

387. Livestock contribute nearly 60% of the combined agricultural Gross Domestic Product (GDP) of the IGAD Member States, in proportions ranging from 20% in Uganda to nearly 90% in Somalia. The livestock sector is an important component of the livelihoods of an estimated 40 million people in the region. However, the Member States do not have policies in place to optimise the contribution of this sector. Under the 8th EDF, IGAD secured funding from the European Union to finance a regional livestock policy project. In September 2005, IGAD signed a Financing Agreement for this project, worth € 5.7 million over 5 years, with implementation beginning in January 2006. The project is executed by the FAO under a Contribution Agreement.

388. The overall objective of the Project is to enhance the contribution of the livestock sector toward sustainable food security and poverty reduction in the region. This is being accomplished by strengthening the capacity of IGAD, its Member States, regional organizations and other stakeholders, to formulate advanced livestock sector and related policies that will reduce food insecurity and poverty.

389. Some of the activities accomplished this year include:

- i. Establishing multidisciplinary policy forums, through which stakeholders engaged in policy development in all Member States;

- ii. Establishing information nodes, equipped with a range of information technology in five Member States and furthermore deploying a web-based information system;
- iii. Ministers responsible for livestock in the IGAD Member States agreeing on a regional policy framework on animal health in the context of trade and vulnerability that will be developed through a bottom-up process using the above policy hubs;
- iv. Implementing regional gender and livestock training followed by national courses in Djibouti and Kenya; and
- v. Supporting working groups in five Member States to commence analysis of their countries' PRSPs in order to mainstream livestock-related livelihoods into the national budgeting process.

390. Based on a series of case studies, an analysis report was also produced detailing the ways that poorer livestock keepers participate in markets and the policy implications of these choices and activities. In addition, a Communications Officer for the project was recruited.

391. Some of the planned activities to be undertaken in 2010 include:

- i. Facilitating agreements and logistics for the establishment of a livestock and pastoralist unit in IGAD;
- ii. Enhancing the profile of livestock within national resource allocation through the PRSP and the CAADP processes;
- iii. Encouraging Member States to agree on acceptable risk levels, with respect to the movement of livestock and livestock products, in support of regional economic integration;
- iv. Assisting Member States with incorporation of emergency response into national development planning; and
- v. Implementing training on livestock and related livelihoods in all Member States and on gender and livestock in Ethiopia, Somalia, Sudan and Uganda.

392. It is also hoped that information nodes within the IGAD Secretariat and Somalia will be established in the course of the year as well as assisting the latter, through stakeholder working groups, to formulate a position on livestock development priorities.

- Fertilizer and Inputs Programme

393. Fertilizers are a critical technological input needed to accelerate and sustain agricultural production anywhere in the world and more particularly in the IGAD region. Current levels of fertilizer application are low and most fertilizers are imported from outside the region. There is a limited flow of information in the region regarding fertilizer markets and the constraints to intra-regional trade in fertilizers.

394. As a first step to addressing the fertilizer issues in the region, IGAD seeks to formulate a common regional fertilizer policy, in line with the Declaration of the NEPAD/AU Fertilizer Summit held in Abuja, Nigeria in June 2006.

395. Resource mobilisation efforts will be continued in 2010, while awaiting the operationalisation of the African Fertilizer Facility of the ADB.

- Participating in standards setting

396. IGAD, together with other African Regional Economic Communities (RECs) supported the efforts of the African Union Inter-African Bureau for Animal Resources (AU/IBAR) to attain Intra-ACP funding. The funding will support a continental project that promotes effective participation of African Nations in the standard-setting organisations that affect African exports of livestock, crops and animal products. The Financing Agreement, with donor funding of € 3.35 million, was signed between AU/IBAR, the European Commission and the ACP Secretariat in September 2007, and the project became operational in May 2008. The Project is scheduled to end in December 2011.

397. Following the new policy of the AU to implement projects through RECs, the regional bodies have been signing Memoranda of Understanding with AU/IBAR for the implementation of the Participation of African Nations in Standards Setting Organisations (PANSPSO) project. IGAD and AU/IBAR signed the MOU in December 2009, and implementation is to begin in early 2010 with an initial disbursement of €110,000.

398. Some of the planned activities to be undertaken in 2010 include:

- Introducing PANSPSO project to the Member States;
- Establishing and supporting **SPS** national committees;
- Providing training to the trainers in SPS issues;
- Supporting Member States' participation in SPS related meetings; and
- Applying for IGAD observer status in the WTO SPS Committee.

- Livestock exports

399. AU/IBAR, in conjunction with the FAO, is implementing the Somali Livestock Export Certification Project (SOLICEP) funded by the EC. Although it is a national project, SOLICEP has implications for livestock exports from the neighbouring countries of Djibouti, Ethiopia and Kenya. FAO and IBAR have therefore sought the collaboration of IGAD in handling the regional aspects of SOLICEP, including nurturing favourable interactions between the IGAD region and the livestock importing countries of the Gulf Cooperation Council (GCC). To this end, FAO posted a Livestock Trade Expert in the IGAD Secretariat in December 2009 to actualise the regional role of the project.

400. Some of the planned activities for 2010 include:

- i. Identifying the key stakeholders/players in livestock trade between the IGAD region and the GCC countries;
- ii. Identifying the requirements of livestock importers;
- iii. Facilitating dialogue between importers, exporters and other stakeholders; and
- iv. Introducing a new livestock certification model/approach.

- Regional Food Security Programme for Eastern and Southern Africa

401. Under the provisions of the EU/ACP Cotonou Agreement of 2003, the regional programming of the European Development Fund (EDF) for the Eastern and Southern African (ESA) region has been undertaken as a joint effort of the four Regional Integration Organizations (RIOs), namely: the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Commission (IOC), the East African Community (EAC) and IGAD.

402. Implementation of the 9th EDF - Regional Indicative Programme, with an indicative budget in the amount of €223 million, has been in effect since early 2003 with the establishment of the Secretariat of the Inter Regional Coordination Committee (IRCC) based at the COMESA Secretariat in Lusaka.

403. Through joint programming under the IRCC, IGAD was chosen to be the lead regional organization for the formulation and implementation of the Regional Food Security and Risk Management (REFORM)

programme. The Financing Agreement for the REFORM project costing €10 million was signed in May 2007.

404. The project consists of three components: Social Protection, Disaster Risk Management and Cross-border Traders' Associations. The latter 2 components are implemented respectively by the IGAD Peace and Security Division and COMESA. Following the signing of a Contribution Agreement between COMESA and the EC, a sum of €2.366 million was transferred to COMESA to implement the CBTA component. Full implementation of this five-year programme started in January 2008.

405. One of the major activities successfully accomplished this year was the holding the second Technical Advisory Committee of the Social Protection (SP) component in Adama, Ethiopia to determine activities for the second Programme Estimate (PE 2). Thereafter, the PE 2 was developed and at the same time, several national SP officers were sponsored to attend a two-week training workshop in South Africa.

406. In 2010, some of the planned activities include:

- i Developing an IGAD Social Development Framework;
- ii Supporting the Djibouti National Social Protection Platform;
- iii Supporting a revision of the Ethiopia Welfare Policy Framework;
- iv Promoting/popularising the Kenya Social Protection Policy and Strategy;
- v Supporting formulation of the Uganda Social Protection Policy;
- vi Supporting establishment of sub-national SP Platforms in Sudan;
- vii Supporting short-term training in SP including exposure visits;
- viii Holding the third and fourth SP TAC meetings; and
- ix Establishing a regional network of dryland agriculture researchers.

407. The DRM and CBTA components of the REFORM Project are reported separately by the Peace and Security Division and COMESA Secretariat respectively.

408. With regard to early warning, resource mobilisation will be jointly pursued with WFP after signing an MOU of cooperation between IGAD and WFP in January 2010.

4.5.2.4 ACTIVITIES ON CAPACITY BUILDING

409. Activities on capacity building are another major strength of IGAD. These include identification of training needs, development of training concepts, mobilising funds, organising, conducting or facilitating workshops covering the whole range of IGAD activities including cross

cutting themes like information management, gender and mediation processes.

410. Over the years, the Secretariat acquired and built up particular skills in guiding and facilitating processes and workshops for development of concepts, strategies, policies and programmes. These capabilities offer a big potential for the optimisation of such processes and for the transfer of these skills to key professionals in the IGAD member countries.

411. The IGAD Secretariat plays an increasingly important role in enhancing efforts towards regional coordination and working towards common position of the Member States in various regional and international fora, meetings, and conferences.

4.5.2.5 TRADE AND MARKETING

412. Under trade, IGAD has worked hand in hand with COMESA to promote common and mutual programmes on trade to avoid duplication of efforts and resources. This includes the FTA, WTO negotiations and Economic Partnership Agreement (EPA). IGAD and COMESA have an MoU that is complementing one another on trade issues but with the recent Tripartite Summit between COMESA, SADC and EAC, that was held in Kampala on October 18-22, 2008, it is of great importance that IGAD reviews its programmes with COMESA in order get them harmonised and accommodated in their MoU and attain an entry point in the Tripartite.

413. In the area of trade and macro-economic policies, the Minimum Integration Plan (MIP) meeting that was held in Addis Ababa from 5 to 7 November 2008 agreed that conducting a study to design a road map leading up to the development of a Free trade Area-FTA was of top priority and required urgent intervention to achieve the barest and minimum level of regional integration. This was to be done by developing and implementing regional integration policies and programmes necessary to entrench IGAD as building block of the African Economic Community.

414. Trade related issues are given high importance in the promotion of economic integration in the region especially after the directives given by the IGAD Assembly in June 2008. Consequently IGAD aims at creating an FTA in the near future without reinventing the wheel in the region and taking into consideration the principle of variable geometry.

415. On marketing IGAD has established Marketing Information Systems for Crops and Livestock on the Internet, established websites and networking points in the Member States.

4.5.2.6 TRANSPORT AND COMMUNICATIONS

416. IGAD through collaboration with the Economic Commission for Africa (ECA) for sub-regional office in Kigali finalised a study to develop regional strategies for transport, information and communication technology (ICT) and industry in the IGAD region. The consultant has drafted a report which was reviewed by experts from IGAD Member States during a regional workshop that took place in Addis Ababa on November 2008. The strategies have been validated by Member States and the recommendations have been adopted..

4.5.2.7 REGIONAL ICT SUPPORT PROGRAMME (RICTSP)

417. The Regional Information Communications Technology Support Programme (RICTSP) is within the Transport and Communications Focal Sector. The Financing Agreement was commenced on 18th May 2004 and ends on 30th June 2011. The operational implementation phase has ended on 30 June 2009. Currently, the RICTSP has been finalized and the programme is now closed.

418. The Regional ICT Support Programme intended to contribute to the overall objectives of the region's integration process, as defined in the ESA RSP and RIP, by providing an effective and efficiently functioning ICT environment whose impact is to reduce the costs of doing business, provide new opportunities for economic activities to take place, especially in the services sectors, and improve the prospects for economic growth and the reduction of poverty. The purpose of the programme was to achieve a reduction in the digital divide by removing some of the constraints to the use of information and communications technologies, including those to do with the regulatory environment, poor communications infrastructures, and poor access to information useful to entrepreneurs, and low skills levels.

419. The stakeholders and beneficiary countries on this ICT Support Programme were Djibouti, Eritrea, Ethiopia, Somalia, and Sudan.

4.5.2.8 INFRASTRUCTURE

420. IGAD equally sees the needs to strengthen its activities in infrastructure development in order to promote regional integration. IGAD has played a role of advocacy to support the Member States in improving

infrastructure interconnectivity among its Member countries, for example, Djibouti-Addis Ababa road/rail links. IGAD is now following on the implementation of the Isiolo-Moyale Corridor connecting Kenya and Ethiopia with funding from the ADB and EC.

421. IGAD has been advocating for cross border electricity power pools to increase electricity access in the region e.g. Ethiopia has enormous water resources for hydropower. There is already sharing of power between Kenya and Uganda. Several agreements have been anticipated on energy interconnectivity between Uganda-Sudan and Eritrea-Sudan.

422. IGAD is also playing the following role:

- Facilitation among the IGAD Member States
- Advocacy and lobbying among the IGAD Member States
- Coordination between the IGAD Member States

423. Progress made as of now is that under the Horn of Africa Initiative (HOAI), the second Joint Assessment Mission (JAM11) took place during 12 to 15 May, 2009, in Mombasa, Kenya. The experts agreed on concrete priority project proposals in the area of transport and energy interconnectivity. Four priority road corridors were proposed at a cost of 1267 MEURO: Sudan-Kenya (360 MEURO), Kenya-Ethiopia (372 MEURO), Sudan-Uganda (385 MEURO), Berbera corridor, Ethiopia-Somalia, (150 MEURO), As far as the energy interconnectivity is concerned, four priority regional power projects were identified at a cost of 2389 MEURO: Sudan(Juba)- Uganda(Karuma) (207 MEURO), Sudan-Eritrea (154 MEURO), Ethiopia-Kenya (797 MEURO), Ethiopia-Sudan- Egypt (1231 MEURO)

424. in addition to a transport facilitation program of 20-25 MEURO to supplement the program. Two rail connections were also proposed (Uganda-Sudan and Djibouti- Ethiopia), but not with the same priority.

4.5.2.9 PEACE AND SECURITY

425. IGAD is widely acknowledged on the peace processes of Sudan and Somalia to bring peace and stability in the Region. In Sudan, the IGAD spearheaded peace process had culminated in the signing of the Comprehensive Peace Agreement (CPA) in 2005. Member States of IGAD also appointed a Special Envoy to follow up the implementation of the Agreement located in Khartoum. As part of their continued efforts to bring peace and stability and ensure smooth implementation of the CPA,

IGAD Heads of State in their 14th extra- ordinary Summit which was held on March 9, 2010 in Nairobi instructed the Secretariat to establish a Liaison Office in Juba in order to closely follow the implementation of the CPA and also assist the Government of Sothern Sudan in this regard. The Liaison Office has now been established and is operational as of September, 2010 in juba, Sothern Sudan.

426. With Regard to Somalia, IGAD has also established a Peace Facilitation Office located in Addis Ababa, Ethiopia to support efforts to bring peace to Somalia. Building up on its experiences in peace mediation processes in the Region IGAD has currently initiated a process leading towards institutionalisation of peace mediation efforts in the Region.

Democracy, Governance, and Human Rights

427. Considering their contribution to peace, security and sustainable development in the Region, IGAD Secretariat decided to step up its involvement in issues of Democracy, Governance, Election and Human Rights and set up a Political Affairs Program under the Peace and Security Division.

428. The main objective of the program is to contribute to regional peace and security by assisting member states in the adoption and implementation of the existing Regional, Continental and International conventions, protocols and charters on democracy, good governance, election and human rights.

429. In this connection, the 8th Assembly of the IGAD Heads of State and Government that took place on 23 November, 2000 being convinced of the importance of the role that Parliaments of IGAD member states could play in the areas of political stability and development, decided to establish the IGAD Inter-Parliamentary Union which is one of the major millstones in the year 2009.

430. Regarding the engagement of non-state actors in the Region, CSOs/NGOs have positively contributed towards the realization of peace and development in the Region more importantly supporting objectives of the Conflict Early Warning and Response Mechanism [CEWARN]. In an effort enhance efforts in this respect, IGAD has established an IGAD Civil Society Forum and also a Regional Steering Committee for Region wide engagements.

431. IGAD has also established a Regional pool of election observers in 2010 and carried out election observation in Sudan's 2010 election and the Kenyan Constitutional Referendum in 2010.

432. Other Achievements are:

- § Creation of a climate data bank that is constantly updated
- § Capacity building in data processing, climate monitoring & modelling, and prediction
- § Upgrading of ICPAC computing facilities Improved regional climate modelling and prediction capacity.
- § Uninterrupted and timely production and dissemination of early warning information
- § Enhanced collaboration between NMHSs of the participating countries especially in the area of data exchange.
- § Collaboration between ICPAC, NMHSs and advanced regional diagnostics Centres has been enhanced especially with regard to climate modeling and prediction capabilities.
- § Climate capacity building workshops, Capacity building users' workshops and climate outlook forums has been successfully held.
- § Enhanced capacity of NMHSs in statistical modelling for diagnostic analysis and prediction.
- § Enhanced computing capacity of the NMHSs.
- § Close collaboration between climate scientists and users of climate information has been fostered.
- § Pilot application projects have been initiated with some sectoral users

4.5.2.10 IGAD REGIONAL HIV/AIDS PARTNERSHIP PROGRAMME (IRAPP)

433. The IGAD region is among the areas hard hit by the HIV and AIDS epidemic and the Member States have established national strategies and HIV & AIDS control programmes to combat the spread of the epidemic. Based on the evidences generated from the mapping exercise done in 2005/6 and motivated by a shared readiness to develop inter-country collaboration to fight the epidemics and to address the HIV and AIDS needs of the cross border mobile populations (CBMPs) in the Horn of Africa, the

IGAD Ministerial Committee on Health, HIV and AIDS created the its Regional HIV and AIDS Partnership Program (IRAPP) in 2007. To initiate the 4 year project, 15 Million USD funds was secured from African Catalytic Growth Fund (ACGF) from United Kingdom which is managed by the World Bank that has extensive experience in HIV and AIDS Multi Sectoral Programs at country, regional and international levels. The program was launched in January 2008 and at the same time; the Project Facilitation Office (PFO) of IRAPP was established in Kampala, Uganda.

434. Activities accomplished during 2009 under the above sector are as follows:

- i Follow up with UNHCR implementation of IRAPP at the selected refugee camps;
- ii Harmonization of the protocols/procedures related to HIV/AIDS for the IGAD region;
- iii Development of a five year regional health strategic plan for cross-border and mobile population;
- iv Conducting Steering and Ministerial meetings of IRAPP;
- v Develop IGAD/IRAPP communication advocacy guideline; and
- vi Mobilize additional resources for IRAPP and others related disease

4.5.2.11 SUPPORT TO REFUGEE, IDPS, RETURNEES, SURROUNDING HOST COMMUNITIES AND CROSS- BORDER AND MOBILE POPULATIONS

435. The objective of this component is to scale up HIV interventions in size and geographical areas for refugees, IDPs, returnees and surrounding host communities, as well as for vulnerable cross-border and mobile populations. This component will include two sub-components: (a) Refugee, IDPs, returnees and surrounding host populations; and (b) Cross-border and Mobile Populations (CBMPs).

436. The achievements of the component 1 (a) of the project during 2008 included:

- i The approval by the World Bank and the signing of implementation agreement/ contract between IGAD and

UNHCR to enable IGAD transfer the component 1 (a) funds to UNHCR. The funds will be disbursed to them as soon as possible.

- ii The questionnaire to use to collect basic information from selected refugees and IDPs camps was finalised and the collection of demographic data by UNHCR on the selected refugees/IDPs camps was undertaken during the year. In addition there has been communication with UNHCR to update countries refugees action plan.

Component 1(b):

- i. The Hot Spot Rapid Assessment toolkit was developed and approved by World Bank and distributed to all IGAD countries for implementation.
- ii. The field work was completed in Sudan and Djibouti and the Project Facilitation Office (PFO) is waiting for their country final reports.
- iii. National criteria for selection of Implementing Partners have been collected from Kenya. The Kenya MoU is signed by both partners and are yet to receive their funds.
- iv. Member States of Djibouti, Ethiopia, Sudan and Uganda have received funds for the implementation of national Project activities.
- v. The national project activities were launched in Uganda, Ethiopia and Sudan during 2008.

4.5.2.12 COORDINATION MECHANISMS WITH OTHER REGIONAL ECONOMIC COMMUNITIES

437. IGAD is a member of Inter Regional Coordination Committee (IRCC) that deals with coordination mechanisms with other regional economic grouping namely COMESA, EAC, IOC, and SADC under EDF funding. The role of the IRCC is to ensure the overall coordination and monitoring of the implementation of the Regional Indicative Programme by the Eastern and Southern Africa Regional Organisations under the Authority of their respective Chief Executives in the RIOs as Regional Authorising Officers (RAO).under the IRCC Support Project, IRCC has successfully embarked on the 10th EDF AAP/2010, implementation of the 9th EDF of EC Funded Projects and Programming is on course and IRCC has expanded its mandate to include other areas on: Aid effectiveness

coordination, undertaking emerging issues on region relevant to the ESA 10 region.

4.5.2.13 RATIONALIZATION WITH THE REGIONAL ECONOMIC COMMUNITIES (RECS)

438. IGAD Secretariat was involved in the process of rationalization with other RECs. During the last IGAD Policy Organ meetings, IGAD Secretariat appraised the meetings of the on-going debate on rationalization of the Regional Economic Communities (RECs) within the AU/AEC/RECs framework of cooperation. Pursuance to the exercise, IGAD Secretariat was directed by the Council of Ministers of IGAD to “Follow closely the on-going rationalization of the RECs in Africa and ensure that IGAD remains a REC as defined under the Abuja Treaty and the AU Constitutive Act”.

439. In this regard, the Secretariat prepared an IGAD Position Paper, which was presented to the Meeting of Experts on the Rationalisation of the RECs in Lusaka, Zambia for the ESA region, and also at the Ministerial Meeting of the AU/RECs in Ouagadougou, Burkina Faso on rationalisation of the RECs.

4.5.2.14 FREE MOVEMENT OF PERSONS

440. Regarding free movement of persons, a regional suggestion on the management of migratory influxes and capacity building is being formulated. IGAD-IOM collaboration on migration is in place and a resource center on migration has been set up at the IGAD Secretariat. Further, this activity will be undertaken under the proposed MIP FTA Programme within the IGAD region.

4.5.2.16 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

441. A study on the harmonisation of investment codes in IGAD region was undertaken in this regard. Both the free movement of persons, goods, services and capital shall be evaluated under the FTA.

4.5.3 PROGRESS MADE UP TO DATE

442. The following table highlights progress made by IGAD up to date

IGAD AS OF MAY 2009	PROGRESS MADE BY IGAD UP TO DATE
<p>Conflict of Early Warning System Mechanism</p> <p>CEWARN developed a five-year strategy (2007-2011) to be able to play its role as an effective and sustainable sub-regional mechanism for Conflict Early Warning and Early Response.</p> <p>Environment</p> <p>Status of implementation of the water-harvesting project in Kenya, Uganda and Sudan where the water could be used during the dry spell periods to boost</p>	<ul style="list-style-type: none"> Some areas have been assessed and monitoring areas are increased. The mandate of the Early Warning mechanism is planned to be extended in order to cover all member countries. Conducting a study and workshop to identify existing problems in the current flow of marketing chains and recommend subsequent value addition of products from the ASALs. The goal is to expand the marketing of products featuring local value addition in order to create wealth and enhance livelihoods. This is viewed as achievable at both regional and national levels, especially in light of renewed international interest in natural products and the promotion of bio-enterprises.

<p>food security. Programmes are currently being developed for food storage facilities to boost food security.</p>	<ul style="list-style-type: none"> • Seeking the incorporation of natural resource issues into existing bilateral committees of policy makers who currently address security issues separately. Convinced that most conflicts arise over the use of natural resources, particularly in border areas, IGAD will foster activities and map out areas of transboundary natural resources that demonstrate the interdependence of natural resource and security issues. • Preparing sensitization materials and a policy brief on the findings and lessons learned from the MPs tour. These will be based on the new theme and presented to the Council of Ministers for endorsement. The materials were prepared in both soft and hard copies and a film was also readied. • In this year 2010, IGAD and IUCN will organise the Biennial Conference of Directors of Finance and Directors of Conservation in Entebbe, Uganda. In addition, a study has been commissioned to focus on the contribution of ASALs to national economies which will support government justification for investing in these lands. This report will be ready by end 2010.
<p>Status of IGAD MIP</p>	<ul style="list-style-type: none"> • The Minimum Integration Plan of IGAD as well as the FTA road map was approved by the Council of Ministers

	<ul style="list-style-type: none"> • A study on the MIP viability will be undertaken in due course
<p>Transport and Communications</p> <p>status of a study a study to develop regional strategies for transport, information and communication technology (ICT) and industry in the IGAD region. The consultant has drafted a report which was reviewed by experts from IGAD Member States during a regional workshop that took place in Addis Ababa on November 2008</p>	<ul style="list-style-type: none"> • The strategies have been validated by Member States • Recommendations have been adopted by the IGAD Council of Ministers
<p>Regional ICT Support Programme (RICTSP)</p> <p>Status of RICTSP?</p> <p>The Regional Information Communications Technology Support Programme (RICTSP) is within the Transport and</p>	<ul style="list-style-type: none"> • The IGAD Regional ICT Support Programme has been finalized • The Regional ICT Support Second Programme Estimate ended on 17 May, 2009. • Funds that had been requested for replenishment in January were not processed until April. However, the problem was resolved and the project was concluded as planned.

<p>Communications Focal Sector. The Financing Agreement commenced on 18th May 2004 and ends on 30th June 2011. The operational implementation phase ends on 30 June 2009.</p>	
<p>IGAD has been advocating Infrastructure within the region</p>	<p>IGAD is also playing the following role:</p> <ul style="list-style-type: none"> • Facilitation among the IGAD Member States • Advocacy and lobbying among the IGAD Member States • Coordination between the IGAD Member States <p>Progress made as of now is Under the Horn of Africa Initiative (HOA), the second Joint Assessment Meeting (JAM11) was held from 12 to 15 May, 2009, in Mombasa, Kenya. The experts agreed on concrete priority project proposals in the area of transport interconnectivity. Four priority road corridors were proposed at a cost of 1267 MEURO: Sudan-Kenya (360 MEURO), Kenya-Ethiopia (372 MEURO), Sudan-Uganda (385 MEURO), Berbera corridor, Ethiopia-Somalia, (150 MEURO),</p> <p>in addition to a transport facilitation program of 20-25 MEURO to supplement the program. Two rail connections were also proposed (Uganda-Sudan and Djibouti- Ethiopia), but not with the same priority.</p>
<p>Peace and Security</p> <p>Status of Peace and security in the region</p>	<ul style="list-style-type: none"> • In an effort to secure peace and stability in the Region, IGAD has been making an effort in the areas of four strategic directions. The first one is Early warning where it has achieved a lot mainly alerting member states on conflicts in pastoral areas like in Karamojda clustre . There is a mid-

	<p>term review of this mechanism to examine efforts in this regard and further extend the mandate of the Early warning mechanism to cover other areas and types of conflicts in the Region.</p> <ul style="list-style-type: none"> • The Second strategic direction is to build capacities in preventive diplomacy through institutionalizing mediation efforts and also following up the already signed peace agreements in the Region like the CPA in Sudan and to assist peace processes in Somalia. To this end, two offices are being operational i.e. the office of the IGAD special Envoy in Khartoum and the Somalia peace facilitation office in Addis Ababa. Other efforts to build capacities in mediation are also being initiated at the Secretariat leading towards establishment of the Mediation Support Unit in the Future. • Thirdly, the IGAD is also making an effort to transform the currently existing capacity building program against Terrorism to a comprehensive security sector program and the study towards this has been completed. • The fourth strategic direction is looking at the cross-cutting issues like gender and environment in view of linking to peace and security issues and efforts are going on in this regard. •
Coordination mechanisms with other Regional Economic Communities	<ul style="list-style-type: none"> • Strengthening coordination and collaboration between IGAD and AU,

<p>IGAD is a member of Inter Regional Coordination Committee (IRCC) that deals with coordination mechanisms with other regional economic grouping namely COMESA, EAC, IOC, and SADC under EDF funding. Currently, IGAD is chairing the IRCC</p>	<p>between IGAD and EAC/COMESA in the area of CPMR.</p> <ul style="list-style-type: none"> • A ST expert of German national was recruited in September 2009 to design CPMR M&E system. The initial methodology of gathering information from each CPMR component parts was discarded and in its place a collective participatory approach was put in motion. IGAD, EAC, COMESA, IRCC, ECD Lusaka and two M&E experts of COMESA took part in the validation workshop of 19 and 20 September 2009, held in Lusaka. <p>Inter-regional Coordinating Committee (IRCC) Meetings</p> <ul style="list-style-type: none"> • In 2009, the IGAD Executive Secretary holds Chair of Inter-Regional Coordinating Committee (IRCC) which brings together the chief executives of IGAD, EAC, COMESA and IOC. • In September, the IRCC Secretariat, hosted by COMESA in Lusaka, organized a high level meeting of Ministers and National Authorizing Officers of the member States of COMESA, EAC, IGAD and IOC, their Chief Executives, and High Official of the European Commission. • The Meeting was held in Lusaka, Zambia on 14 and 15 September 2009 under the theme of “Enhancing Delivery on the ESA-IO Regional Integration Agenda”. It was concluded
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	<p>with a Declaration that addresses many pressing issues such as:</p> <ul style="list-style-type: none"> • Deepening regional integration; • Aid for Trade and regional integration; • Peace and Security; • The Joint Africa-European Union Strategy (JAES).
Status of Free movement of goods, services and capital	<ul style="list-style-type: none"> • This activity will be undertaken under the proposed IGAD Region Minimum Integration Plan/Free Trade Area Programme

Sources: African Union Commission

4.5.4 CHALLENGES

443. Due to insufficient agricultural technology, agriculture in the IGAD region still possesses a challenge. There is need for having an efficient mechanization scheme that would result into sufficient agricultural produce. Lack of low level of infrastructure, proper storage facilities for the produce is still a challenge that IGAD region needs to work on. In the short term, IGAD could develop some marketing skills by making sure that products produced are sold immediately. However there is need of putting the storage facilities in place in order to have reliable mechanism in the region.

444. IGAD is also facing a challenge due to lack of employment within the region. Rural people move to urban regions seeking employment opportunities. There is a need of extending education in the rural areas and create awareness campaign in order to encourage school education.

445. Diseases, such as Malaria and HIV/AIDS have also posed a major challenge in the region.

446. There is need for IGAD region to sort out inter-state conflict such as Ethiopia and Eritrea. Conflicts derail the growth of the economy and as such there is a need for IGAD together with the AU to speed up the peace initiatives in order for the development of the region.

447. Since members of IGAD region also belongs to COMESA, there is need for coherence and avoiding of duplication, for the region to integrate. The programmes that COMESA is proceeding with should be parallel with IGAD region, and this would need both RECs to share their information and update themselves on the day-to-day activities .There is also absence of a legal instrument promoting people's mobility in the IGAD region.

448. IGAD has made great strides as a REC and still has a bright future as there is plenty of challenges in its member states that are still evolving which continue to require IGAD's mid wifery role in facilitating the advance of their interests towards the envisaged African Economic Community (AEC). Out of six members who are also members of COMESA, only three are in COMESA FTA (Djibouti, Kenya and Sudan). However, given that IGAD and COMESA have a Memorandum of understanding (MoU) that is complementing one another on trade issues, there is need to harmonise their trade activities and this would need a follow up and speed up of implementation of a MoU. The proposed FTA is aimed at harmonising with the Tripartite FTA.

4.5.5 FUTURE OUTLOOK

449. In order to move the integration process forward, IGAD's current activity is as follows:

- i. IGAD is in the process of having its own Free Trade Area (FTA) as well as developing a Protocol on Free Movement of People in the IGAD Region.
- ii. In the implementation of the Minimum Integration Plan that will create FTA, IGAD intends to have a provision for free movement persons, services, goods and capital to be implemented through a protocol. Its proposed FTA would also follow the model of existing FTA s in the region due to the dual membership of its member states in order to have coherence and harmony of all the policies in the region and to gain an entry point into the Tripartite FTA.
- iii. The 12th IGAD Assembly of Heads of State and Government which met on 14th June 2008 in Addis Ababa and directed the

Secretariat to undertake an inventory of what has been achieved so far in terms of harmonisation and regional integration, and make recommendations on the way forward. It further directed the Secretariat to develop regional integration policies and programmes to make IGAD relevant as building block of the AU. The Secretariat has drafted the IGAD Minimum Integration Plan (MIP).

4.6 COMMUNITY OF SAHEL-SAHARAN STATES (CEN-SAD)

450. The Community of Sahel-Saharan Countries (CEN-SAD) was established by the Treaty of February 4th 1998. Since June 2008, it is composed of 28 countries spread in North, West, Central, and East Africa: Benin, Burkina Faso, Central African Republic, Comoros, Côte d'Ivoire, Republic of Chad, Djibouti, Egypt, Eritrea, Ghana, Guinea Bissau, Guinea, Gambia, Kenya, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone, The Somali Democratic Republic, Sudan, Togo, and Tunisia.

451. CEN-SAD is the largest African regional organisation in terms of its members states, population and area. The economies of most of the countries within CEN-SAD area depend essentially on the agricultural sector that generates an average of 30% of the Gross Domestic Product (GDP). However, despite its important contribution to the GDP, this sector lacks investments. For example, the proportion of national budget allocated for the agricultural sector remains below 10% in most of the Member States, despite their commitments made at African and regional levels. Thus, the agriculture developed within CEN-SAD area remains, in general and except the Northern part of the area, pluvial and very dependent on natural resources.

452. The main trading partner of the CEN-SAD region is the European Union, which accounts for 36% of exports. Africa accounts for less than 10% of Community trade flows. Inter-community trade is slightly under 6% (2003). These figures provide a picture of the trade volume opportunities for agricultural products, livestock breeding and fishing that need to be exploited and developed. In 2008, the overall goods trade among CEN-SAD countries stood at over US \$3 billion, representing a non-negligible 7.5% of intra-regional trade.

4.6.1 OBJECTIVES OF CEN-SAD

453. Its establishment was to achieve the following objectives with the Abuja Treaty (June 1991) as road map.

- a) Establishment of a comprehensive economic union based on a strategy implemented in accordance with a developmental plan that would be integrated in the national development plans of the

Member States. It includes investment in the agricultural, industrial, social, cultural and energy fields.

- b) Elimination of all obstacles impeding the unity of its Member States through adopting measures that would guarantee the following:
 - i. Facilitating the free movement of individuals, capital and meeting the interest of Member States citizens.
 - ii. Freedom of residence, work, ownership and economic activity.
 - iii. Freedom of the movement of national goods, merchandise and services
 - iv. Encouragement of foreign trade through drawing up and implementing an investment policy for Member States.
 - v. Enhancement and improvement of land, air and sea transportation and telecommunications among Member States through the implementation of joint projects.
 - vi. Consent of the community Member States to give the citizens of Member States the same rights and privileges provided for in the constitution of each member state.
 - vii. Coordination of pedagogical and educational systems at the various educational levels, and in the cultural, scientific and technical fields.

4.6.2 ACTIVITIES AND PROGRESS

4.6.2.1 POLITICAL, PEACE, SECURITY

454. CEN-SAD has high level and regular political consultation, in pursuance of the provisions of the United Nations Charter (Chapter VIII) and the protocol establishing the Peace and Security Council, dealing with impending crises through specific mechanisms. It has concerted and coordinated fight against factors of crisis and insecurity. CEN-SAD covers 28 member countries and helps in non-interference conflict. It organizes meetings of security, defence, chief of defence staff, heads of external security department, justice ministers in order to try and tackle problems jointly which among others are; cross boundary, arms traffic, drugs, human traffic and illegal immigration.

455. To manage these problems, the security ministers meet every year to review and put in place measures of solving problems. Focal points are in every country to solve security problem in order to act quickly when problem arises. Early Warning System is in place in order to avoid conflict. For the case of Sudan and Chad conflict, CEN-SAD played a role by bringing the two parties together.

455. CENSAD has the following Protocols on peace

- i. Protocol on mechanism of prevention , management and conflict prevention
- ii. Convention of cooperation on matters of security
- iii. Charter of Security

4.6.2.2 TRADE, INTEGRATION AND SOCIAL

456. CEN-SAD launched the following:

- § The trade liberalization process in accordance with the 3 June 1991 Abuja Treaty, with the technical assistance and guidance of UNECA and AfDB.
- § Launched the process for the free movement of people which is bearing fruit and believes in doing more to facilitate the freely movements of the people in the region
- § Launched the process aimed at improving the living conditions of women and children

4.6.2.3 RURAL DEVELOPMENT WATER AND DESERTIFICATION CONTROL

457. In June 2007 in Sirte (Libya), the 9th Conference of Leaders and Heads of State of CEND SAD adopted, through the Rabat Declaration, the rural development and natural resource management strategy, and instructed the General Secretariat to take useful steps for its implementation. The 16th Session of the Executive Council held in Cotonou (Benin) in June 2008 noted the positive progress made and recommended the implementation of the budget action programs:

- Mapping of the agricultural potentials;

- Regional Food Security Program (RFSP/CEN-SAD);
- Monograph of the water resources in CEN-SAD region;
- Green wall program: plan of action 2008 – 2010.

458. The major achievements of the period under consideration are summarized as follows in the light of the four axes provided for in the strategy.

459. For instance, following are some of the support mechanism to the development of sustainable, diversified and regionally integrated agriculture, to ensure food security and poverty alleviation.

- Mapping the agricultural potentials

460. CEN SAD region is characterized by a great diversity in terms of physical potential for natural resources (farming lands, water and forest) and production capacity, which may be collectively and rationally enhanced with a view to a harmonious and sustainable development. The region also has varied experiences and lessons drawn from the development initiatives embarked upon by Member States and the sub regional and international organizations for decades. In relation to the fundamental objectives of the Community having to do with the establishment of strong and prosperous economic union, pooling these assets and opportunities is indispensable and requires a cartographic reading of these potentials and an analysis of the momentum in terms of policies and strategies, especially at regional level. This analysis will help map out agricultural investment policies that enhance complementarities as identified.

461. Thus, the objective of agricultural potential mapping in CEN SAD is to develop a work tool that can promote the adaptation of the agricultural policies of the CEN SAD various agro ecological sub sets. The terms of reference drafted under this study were shared with the other regional economic communities of the CENSAD region and the relevant regional international organizations. Talks were also initiated with technical and financial partners (FAO, ADB, IDB and BADEA) with a view to foster their involvement and contribution in its implementation.

- Regional Food Security Program (RFSP/CEN-SAD)

462. The first phase of the regional food security program of CEN SAD started in January 2004 in five member countries of the Community (Burkina Faso, Mali, Niger, Chad and Sudan), with the 9.3 million USD financial support provided by Libya. This program was satisfactorily

completed in June 2007. The final program evaluation mission was conducted from the 3rd – 31st January 2009; it noted that the various actors involved in the implementation of the program were satisfied with the performance and outcomes of the program and that the latter had achieved its objectives, at an appreciable rate. Progress made as of 2010, is that CENSAD is currently making efforts to mobilise resources for its implementation. It discussed with the Bank of BADEA in Khartoum to see the possibility of funding this phase. It was agreed that Member States should formulate a request prior to its approval. 12 member states are involved in this programme: Burkina Faso, Mali, Niger, Chad and Sudan and seven others Benin, Central African Republic, Eritrea, Guinea Bissau, Senegal, Sierra Leone and Togo.

463. The second phase of the program is defined and designed to reinforce, at the national level, the gains of the program interventions in 12 member countries, and to build technical partnership at the community level. With a budget of 29.25 million USD, CENSAD intends to implement this phase over a 5 years period.

464. Talks were held, especially with development banks (ADB, BADEA, IDB and Libyan Funds) and the Italian cooperation to explore project funding opportunities.

465. However, for CENSAD region to cope with the current food crisis crippling the economies and populations of its Member States, partners have to commit themselves in the funding and successful implementation of this programme.

- Monograph of water resources in CEN-SAD sub region

466. Monograph of water resources in CEN-SAD region was designed to reinforce knowledge on water resources, with a view to optimizing planning and management to foster an integrated development in the CEN SAD sub region. Currently, CENSAD is collaborating with the AfDB that already noted its agreement for funding this project to allow its launching. A technical workshop was organized between experts of Africa Water Facility and Observatory of Sahel and Sahara (OSS), in February 2010 in Tunis to amend the monography document according to the comments made by the project Committee of the Facility at its session of August 28, 2008. Official letter of the new amended document of the monography to the facility for the next step of the funding process was submitted on 27 April 2010. The document clearly indicates the approach, the added value and the elements of sustainability of this project intervention.

467. The expects of this project are :

- § A knowledge on water resources is well analyzed and better valorized within the CEN-SAD area;
- § Some strategic policies and programs are defined to develop water resources in perspective of regional integration;
- § An adaptative mechanism is put in place for sustainable planning and development of water resources within the CEN-SAD area.

468. Talks with the African Water Facility and UNESCO (International Hydraulic Programme) are underway, and should help raise at least 70% of the project budget, estimated at 1,15 million Euros. The International Hydraulic Program of UNESCO confirmed its scientific and financial support to the project.

- The Great Green Wall Programme in CEN-SAD Sub Region

469. The Great Wall Initiative was adopted by the 7th ordinary session of the Conference of Leaders and Heads of State, held in Ouagadougou in June 2005 to contribute to the promotion of desertification control efforts and to the socio economic development of degraded and vulnerable zones.

470. The various efforts exerted to come up with the definition of the programme concept are pooled together, and eventually helped with the adoption of a Plan of Action 2008 – 2010 which will be implemented under the auspices of the Commission of the African Union and CEN-SAD, with the participation of Senegal, OSS and CILSS. This consolidated action plan, with a provisional budget of 2.7 million USD proposes the following activities over the next two years:

- § The articulation of investment programmes (national and regional);
Capitalization of experiences in desertification control;
- § Drafting of individual project guides;
- § Identification of priority zones to consider at national level (country questionnaires);
- § Spelling out, implementation and monitoring of pilot actions and
- § Setting up of steering structures and programme launch.

471. This plan was adopted by the 16th Council of Cotonou and an activity programme (2008/2009), costing 0.98 million USD was prepared.

At the end of 2009, CENSAD was contacted by the AU under the department of Agriculture and Rural Economy to define a project with assistance of FAO to submit to the EU for funding under the joint AU/EU initiative on food for Africa. Under the umbrella of the AU, the said document was submitted to the AU for its funding by the development partners and the funding is progressing well. On March 2010, AU, CENSAD, CILLS and OSS exchange views on how to finalize the list of member States that would be involved during the first phase of the Great Green Wall initiative in the Sahel.

4.6.2.4 INFRASTRUCTURE AND SERVICES DEVELOPMENT

472. Infrastructure plays a fundamental role in the integration, development and poverty eradication processes. The biggest challenge facing CEN-SAD region is to reduce the level of poverty which, according to some surveys, is partly due to the well-known absence of infrastructure.

473. CENSAD Community Plan is comprised of a set of actions concerning transport, energy, mining and telecommunications with the sole aim of increasing incomes of its population in order to reduce or even eradicate poverty. Infrastructure and services development has a crucial role in terms of promoting sustainable development of the region.

474. Given the configuration of CENSAD region which includes States that belong to several economic communities, the vision of CEN-SAD is to promote their global integration through programmes of action that will constitute linkages between these different entities, by addressing the constraints that limit the integration between the North and the South, on one hand, and between the West and the East, on the other hand.

475. However, for CENSAD to address the challenges involved in regional integration, the Plan should be a unifying element of plans and programmes drawn up in the context of other Regional Economic Communities and for some on-going programmes.

476. The orientations of the Plan will involve mainly:

- Improving planning and co-ordination of actions and investments at regional level,
- Creating new transit routes and/or corridors,
- Maintaining and improving the quality of infrastructure services,

- Integration and co-ordination of policies as well as harmonization of laws, standards, regulations and procedures,
- Involving the private sector in financing projects,
- Exchange of information relating to best practices.

4.6.2.5 TRANSPORT SECTOR

477. The selected priority for the transport sector concerns the construction of infrastructure to support regional integration and reduce poverty; the main objective is the implementation of sufficient, efficient and integrated infrastructure to facilitate regional integration.

478. The specific objectives selected to address the challenges in order to remove impediments to the regional integration process are as follows:

- i. Ensure the extension and maintenance of the (corridors) network
- ii. Improve the operational efficiency of the services
- iii. Deregulate the regional transport market
- iv. Promote the safe and secure use of integrated systems
- v. Improve accessibility to rural areas

4.6.2.6 ENERGY SECTOR

479. With regard to this sector that has a vital importance for the industrial development, the construction of infrastructure to support growth and development is deemed as a priority. The main objective targeted here is to provide the population with reliable and secure infrastructure that is accessible to all, in order to support economic growth and industrial development. The following specific objectives are designed to support the development of the CEN-SAD region: improving safety and reliability of energy supply; promoting alternative sources of energy; promoting renewable sources of energy; and ensuring that people living in rural areas have access to affordable energy services.

4.6.2.7 MINING SECTOR

480. The priority of this sector is to establish a competitive mining industry in a healthy environment with the main objective of creating a regional market. Transforming the CEN-SAD region into a mining destination and guaranteeing a competitive mining sector are two specific objectives that aim at addressing the challenges in order to remove constraints hindering the profitable development of the region's huge mining potential. Ministers in charge of mining recommended the adoption of an Action Plan for the development of mines.

481. At the meeting of Ministers of Mining and Energy of 3rd to 4th December 2009, in Rabat, Morocco, it considered the followings:

- i. Cooperation in energy production and distribution (hydrocarbons, renewable energy, interconnection of electricity grids and energy efficiencies)
- ii. Cooperation in the area of mining resources (geological infrastructure, local and small scale mining, trade in mined products, mining legislation, management of mining titles and registries, and research and development in the area of mining)
- iii. Cooperation in the area of security power and mining installations and environmental protection. In this regard, CENSAD Member States will forward a technical memorandum reflecting their proposals on the conditions for accessing the Community Market and preferential measures for promoting trade in mining products.

4.6.2.8 ICT SECTOR

482. With regard to ICT, the priority of CENSAD is to create an environment that is conducive to the reduction of the digital divide; and in line with commitments made by Member States during the Digital Society World Summit. The main objective targeted through this priority is to popularize the use of ICT, among the people in their daily life. The specific objectives to be achieved are institutional capacity building, transformation and improvement of accessibility to telecommunications network.

4.6.2.9 SAHEL SAHARAN BANK FOR INVESTMENT AND TRADE

483. The Bank which is a CENSAD Community Organ and monitored by the General Secretariat is aimed at supporting economic and social sectors of CENSAD Member States with a view to providing financial support to assist public and private sectors. It operates under the

authority of the General Assembly and the Board of Directors who direct BSIC's activities towards achieving the specific objectives agreed by the leaders and Heads of State of the Community.

4.6.2.10 FREE MOVEMENT OF PEOPLE

484. Free movement of people and services ranks high among the basic objectives of CEN SAD; Paragraph 2 of Article I of the Treaty on the Establishment of the Community provided the removal of the restrictions that prevent the gathering of CEN -SAD members States by taking measures likely to ensure the free movement of persons, goods ,capital and interest of the nationals of the Member States; the freedom of residence, ownership and economic performance; the freedom of trade and movement of goods, products and services from signatory countries.

485. Currently, holders of diplomatic passports are exempted from visa obligations in the CEN-SAD zone. This privilege shall be extended to students, businessmen, athletes, and academicians. Libyan authorities and many other Member States authorised CEN-SAD citizens who are holders of diplomatic and service passports to have free entry on their territory.

486. CEN-SAD is in the process of elaborating a Protocol on Free Movement, inspired by the texts in force in ECOWAS, and for the time being, it has adopted a transition measure, exempting holders of diplomatic and service passports, as well as special envoys, from visas. According to Article 2, those that are exempted from entry visa are as follows:

- Holders of diplomatic passports, special passports and service passports;
- Members of official delegations, holders of regular passports whose entry would have been the subject of prior arrangements;
- Spouse and infant children of a resident who is in possession of a valid residence permit.

487. The measure of selective dispensation of Visa has been formalised in a Decision that was signed by seventeen Member States since May 2009. Through this Decision, holders of duly issued and valid diplomatic passports, official passports, and special envoys duly mandated by State Authorities, are exempted from entry visa for visits not exceeding 30 consecutive days in signatory Member States. However, the remaining Member States should also sign in order to move on to the next stage of

extending the same to other categories of citizens, especially national sport teams, national artistic groups, duly invited academicians, and students duly registered in a public training centre as recommended by the 10th meeting of Ministers in charge of Security.

488. CENSAD has also the following Articles on free movement of persons:

- i. Article 3: The right of residence is guaranteed to the citizens of Member States of the community subject to the decided purpose and duration, and in accordance with laws and regulations of each of the Member states.
- ii. Article 4: Any Member State of the Community shall have the right to refuse entry or to expel from its territory a citizen of another Member State on security or health ground, or for expiration of his residence permit. However, any expulsion must be first notified to the Country of origin.
- iii. Article 5: Fraudulent entry to a Member State territory may entail immediate expulsion to the Country of origin, supported by the State undertaking the expulsion.
- iv. Article 6: The departments in charge of cooperation on security in the Member States shall be, in coordination with the Permanent Bureau of the General Secretariat of the Community, entrusted with the follow-up of the implementation of the provisions of this Agreement.
- v. Article 7: The duration of this Agreement is unspecified.
- vi. Article 8: This Agreement comes into force temporarily after its signature by two third of the Member States and permanently after submission of the ratification instrument by two third of the Member States, to the General Secretariat, in conformity with their respective constitutional procedures.

4.6.2.11 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

489. Concerning the free movement of goods, CEN-SAD worked with the technical assistance of the ADB, towards the establishment of a Free Trade Area (FTA). CEN-SAD organs recommended that the Secretary General ensure that this FTA should be in line and compatible with other ongoing programmes particularly those in COMESA, ECOWAS and AMU. A Protocol on free movement of persons, goods and services is in progress.

4.6.3 PROGRESS MADE UP TO DATE

490. The following table highlights progress made by CENSAD up to date.

Status of CENSAD in 2009	Progress made as of 2010
Status of Peace and Security	<p>The region has been able to maintain peace through a process of normalization of relations to the countries affected by external conflicts. However, crisis in Somalia still affects the horn of Africa region</p> <p>CENSAD has managed to have the following Protocols on peace</p> <ul style="list-style-type: none"> • Protocol on mechanism of prevention , management and conflict prevention • Convention of cooperation on matters of security • Charter of Security
<p>Regional Food Security Programme (RFSP/CEN-SAD)</p> <p>The final programme evaluation mission was conducted from the 3rd – 31st January 2009;</p> <p>The second phase of the programme is defined and designed to reinforce, at the national level, the gains of the programme interventions in 12 member countries, and to build technical partnership</p>	<ul style="list-style-type: none"> • The implementation of this phase is on financial mobilization step. A Mission was undertaken by CENSAD to BADEA in Khartoum to discuss on the possibility of a bank to assist in funding this phase. Bank was willing to assist and it was agreed that Countries should submit request for funding. Countries have now been informed to formulate their request and submit. The progress is ongoing. • Member States involved in the first phase are Burkina Faso, Mali, Niger, Chad and Sudan plus 7 others Benin, Central African Republic, Eritrea, Guinea Bissau, Senegal, Sierra Leone and Togo

<p>at the community level. With a budget of 29.25 million USD, CENSAD intends to implement this phase over a 5 years period.</p>	
<p>Status of Monograph of water resources in CEN-SAD sub region designed to reinforce knowledge on water resources, with a view to optimizing planning and management to foster an integrated development in the CEN SAD sub region.</p>	<ul style="list-style-type: none"> Currently, CENSAD is collaborating with the AfDB that already noted its agreement for funding this project to allow its launching. A technical workshop was organized between experts of Africa Water Facility and Observatory of Sahel and Sahara (OSS), in February 2010 in Tunis to amend the monograph document according to the comments made by the project Committee of the Facility at its session of August 28, 2008. Official letter of the new amended document of the monograph to the facility for the next step of the funding process was submitted on 27 April 2010. The document clearly indicate the approach, the added value and the elements of sustainability of this project intervention
<p>The Great Green Wall Programme in CEN-SAD Sub Region</p> <p>adoption of a Plan of Action 2008 – 2010 which will be implemented under the auspices of the Commission of the African Union and CEN-SAD, with the participation of Senegal, OSS and CILSS</p>	<ul style="list-style-type: none"> At the end of 2009, CENSAD was contacted by the AU under the department of Agriculture and Rural Economy to define a project with assistance of FAO to submit to the EU for funding under the joint AU/EU initiative on food for Africa. <p>Under the umbrella of the AU, the said document was submitted to the EU for its funding and the funding is progressing well. On March 2010, AU, CEN-SAD, CILSS and OSS exchange views on how to finalize the list of member States that would be involved during the first phase of the Great Green Wall initiative in the Sahel.</p>

494. Several constraints delay the realisation of the community's immense potentialities: weak transport infrastructure that make it difficult to link agricultural production areas to urban consumption markets as well as export markets, poor state of telecommunication infrastructure, insufficient energy production. Most of the CENSAD Country's economy is based on agriculture. However agriculture is not well developed and less than 10% of their budget is spent on agriculture. Maputo decision requires Member States to reach 10% of their budget on agriculture. There is an urgent need for Member States to extend their budget in order to develop agriculture sector. Further, only three countries (Egypt, Morocco and Tunisia) re-carpeted more than 50% of their road network, while only eight out of 23 have railway lines. These insufficiencies pose problems to the land locked countries.

495. CENSAD must work towards establishing its own FTA that is currently in progress in order to catch up with other RECs that have done so.

4.6.5 FUTURE OUTLOOK

496. CENSAD among other issues is currently working on achieving its own Free Trade Area (FTA). Since the 5th Conference of Leaders and Heads of State, the General Secretariat of the CEN SAD initiated activities to kick-start the process towards the implementation of the project that currently covers twenty eight (28) countries.

497. With the support the African Development Bank (ADB) a study was carried out as a technical basis for the construction efforts of the free trade area, by helping member countries of the Community to identify tariff and non tariff obstacles and to adopt measures to intensify intra community trade.

498. The findings of the study are roughly structured around three proposed tariff elimination scenarios:

i. Scenario 1: Solidarity

499. This scenario takes into account the difference in development levels among member countries. It proposes a specific tariff elimination scheme. For the Least Developed Countries (LDC): a period of eight (8) years (2007-2014), with an annual tariff relief of 12.5%; For the other countries, a period of four (4) years (2007- 2010) to eliminate tariffs:

- 20% per year for 2007 and 2008,
- 30% per year for 2009 and 2010.

ii. Scenario 2: Equality

500. This scenario does not accommodate discrimination. It provides for an identical tariff elimination scheme for all countries, starting from the 1st of January 2007:10% for the first two years, 20% for the remaining four years.

iii. Scenario 3: Freedom

501. In this case, each State presents a tariff elimination scheme over eight (8) years (from 1st of January 2007 to 31st of December 2014). However, with a delay of about two (2) years in the implementation of one of the scenarios of the study, the deadline of 2014 for total tariff elimination could be a challenge to be complied with. The findings of this study were examined and enriched at the meeting of experts held in Tunis from 28 to 29th of April 2006. The Tunis meeting requested the holding of another meeting to consider and adopt the consolidated documents of the Study, taking on board inputs from the partners, in the run up to the 3rd Meeting of Ministers in charge of trade.

502. Scenarios 1 and 2 were preferred by the Tunis meeting, and on-going reflection efforts are expected to help identify a hybrid alternative. Although the conclusion of the study were reviewed and improved at the CENSAD experts meeting held in April 2006, in Tunis, is yet to be validated by all CENSAD Member States.

Social Affairs

503. The convergence of CEN-SAD member States' efforts to ensure a better life to their people is done through a process in which the socio-economic development is made up of interdependent elements that needs to be mutually strengthened. This explains the community's interest in the economic, social and cultural areas and it is translated by CEN-SAD General Secretariat's constant support to the organization of Ministerial committees sessions (Health, Arts and Culture; Youth and Sports) or the Community's Bodies, in order to help improving the living conditions and the well-being of member States' populations.

504. These Sessions dedicated to the consideration of the Community's various concerns, are held yearly and make recommendations. The implementation of these recommendations by the General Secretariat should help meeting the community's objectives.

505. Education for all is also at the heart of CEN-SAD concerns and in this framework, it considers, with the support of one of its partners (UNESCO), organizing the meeting of the Ministers of this sector with a

view to setting the community's objectives for the coming years. Moreover, the highest Bodies of the community have instituted an event called CEN-SAD Games, a crucible for mixing and cultural exchanges for the youth in particular and member States' populations in general.

4.7. EAST AFRICAN COMMUNITY (EAC)

506. The East African Community (EAC) is the regional intergovernmental organization of the Republics of Burundi, Kenya, Rwanda, Uganda and the United Republic of Tanzania with its Headquarters in Arusha, Tanzania. The Treaty for Establishment of the East African Community was signed on 30th November 1999 and entered into force on 7th July 2000 following its ratification by the Original 3 Partner States – Kenya, Uganda and Tanzania. The Republic of Rwanda and the Republic of Burundi acceded to the EAC Treaty on 18th June 2007 and became full Members of the Community with effect from 1st July 2007.

507. East Africa is credited with one of the longest experiences in regional integration. As early as 1900, Kenya and Uganda operated a Customs Union, which was later joined by Tanzania, the then Tanganyika, in 1922. More elaborate regional integration arrangements in East Africa have included the establishment of the East African High Commission (1948-1961), the East African Common Services Organization (1961-1967) and the former East African Community which lasted from 1967 to 1977.

508. The collapse of the former East African Community in 1977 dealt a major blow to the East African region and was widely regretted, particularly so since the former Community had made great strides and was considered the world's model of successful regional integration and development. At its height, the East African Community was, in all but name, a federal government. The former Community operated the common services of over thirty institutions, including the four major corporations - East African Railways, East African Harbours, East African Posts and Telecommunications and the East African Airways besides a formidable array of joint research institutions.

509. Many reasons have been cited for the collapse of the Community, among them structural problems which impinged on the management of the common services; inadequate involvement of the people in the decision-making processes; lack of compensatory mechanisms for addressing inequalities in the sharing of the costs and benefits of integration; ideological differences, vested interests and lack of vision an integrationist on the part of some leaders.

510. However, following that collapse, a process was engaged to mediate between the EAC countries to avoid a disastrous break up. With the Mediation Agreement of 1984 which ensued, the East African States, among other undertakings, agreed to explore ways to resume regional

co-operation. This eventually led to a meeting of the Heads of State of the East African countries held in Harare, Zimbabwe in 1991 where they agreed to revive cooperation in the region. That decision culminated in the signing of the Agreement for the Establishment of a Permanent Tripartite Commission for East African Cooperation on 30th November 1993.

511. Full operations of the East African Co-operation started on 14 March 1996 when the Secretariat for the Permanent Tripartite Commission was established in Arusha. The first Secretary General of the East African Community, Ambassador Francis Muthaura of Kenya was appointed in March 1996 for a 5 year term and oversaw the development of the 1st and the 2nd EAC Development Strategies. The 1st Development Strategy focused on the development of the policy framework for regional co-operation, while the 2nd laid out the roadmap for deeper integration. Its implementation culminated into the signing of the Treaty for the Establishment of the East African Community on 30th November 1999.

512. The second Secretary General of the East African Community, Hon Amanywa Mushega of Uganda, was appointed on 24th April 2001. His immediate task was to implement the 2nd EAC Development Strategy covering a broad range of areas of co-operation, including the implementation of prioritized regional projects and programmes, institutional development and, most significantly, the establishment of the Customs Union in January 2005.

513. The third Secretary General of the East African Community, Amb. Juma Volter Mwapachu of Tanzania was appointed on 2nd April 2006. His immediate task was to oversee the conclusion of the formulation of the 3rd EAC Development Strategy (2006-2010) and is following through on its implementation. The Development Strategy aimed at the consolidation of the Customs Union; establishment of the East African Common Market; deepening infrastructure development, industrialization, promoting East African agricultural and rural development programmes and the Lake Victoria Basin Development Programme.

514. The 4th Secretary General, Ambassador Dr. Richard Sezibera, who was appointed on 19th April 2011, has underscored the realization of a single Customs territory, making the Common Market work, negotiating and launching the EAC Monetary Union, infrastructure development and industrialization as the key priorities for his term.

515. As the Community embarks on the development of the 4th EAC Development Strategy, focus is also put on developing a sustainable financing of regional infrastructure and other critical development projects and programmes.

- Enlargement of the Community and its current status

516. The regional integration process reached a high pitch in 2007 with the enlargement of the Community following the admission of Rwanda and Burundi. There has also been encouraging progress in the operationalisation of East African Common Market which was launched in July 2010, along with other processes towards East African Federation. All underscores the serious determination of the East African leadership and citizens to construct a powerful and sustainable East African economic and political bloc.

517. The realization of a large regional economic bloc encompassing Burundi, Kenya, Rwanda, Tanzania and Uganda with a combined population of over 120 million, land area of approximately 1.85 million sq kilometres and a combined gross domestic product of over \$ 41 billion, bears great strategic and geopolitical significance and prospects of a renewed and reinvigorated East African Community.

- Investment climate and opportunities

518. EAC's focus is to boost productivity through promotion of investments, industries and trade. The region has rich and varied natural resource base of vast fertile lands, mineral, water, energy, forestry and wildlife resources offering great scope for agricultural, industrial, tourism and trade development and expansion. The EAC countries uphold good governance, free market economy and rule of law, peace, security and stability as the prerequisites for regional development and global partnership.

519. East Africa is thus positioned as a competitive and attractive, new investment and market area with vast investment opportunities in the agro-processing, mining, tourism and fishing industries, manufacturing and services as well as investments in regional infrastructure, including roads, railways, telecommunications, energy and the Lake Victoria Development Programme.

520. The EAC aims at widening and deepening co-operation of the Partner States in, among others, political, economic and social fields for their mutual benefit. According to the EAC Treaty, the vision of the Community is to be realised in an incremental progression through the stages of a Customs Union; a Common Market; a Monetary Union; and ultimately a Political Federation. To this extent the EAC countries established a Customs Union in 2005, which became fully operational on January 1st 2010, launched the EAC Common Market on 1st July 2010, and are working towards establishing a Monetary Union by 2012 and thereafter a Political Federation of the East African States.

521. The main goal for the East African Community, as an economic and political entity, stems from the desire by the governments of the EAC countries to improve the standard of living of the population through increased competitiveness, value-added production, trade and investment. This is aimed at promoting the sustainable development of the region with a view to creating a prosperous, internationally competitive, secure, stable and politically united region. The five EAC Partner States are keenly aware that by pooling their resources and potential, they are in a better position to realize and sustain common development goals more easily than by national efforts alone.

522. The justifications for many regional integration arrangements are mainly economic. In the case of East Africa however, the common history, language, culture and strong inter-personal ties invoke a deep-rooted and longstanding commitment by the Partner States to deepen co-operation in a broad range of political, economic, social and cultural programmes.

4.7.2 ACTIVITIES AND PROGRESS

523. Since its establishment, the East African Community has made steady progress based on the series of its Development Strategies. Among the significant achievements are those in confidence building measures and harmonization of Partner States' policies and programmes. A primary objective is to reinforce a common East African identity within the vision of a fully integrated East Africa.

524. Steps already taken in this regard include: an operational Customs Union, the introduction of the East African Passport and harmonization of vehicle transit procedures and requirements to ease border crossing. In addition, the Community continues to pursue policies towards application of national status treatment to East African nationals in any of

the Partner States with respect to access to services in the fields of health, education and training, legal and judicial affairs, tourism and communications, among others.

525. Other measures include the already established convertibility of East African currencies (since 1997) and preparations towards the realization of a Monetary Union by 2012; revival of regional co-operation in research, human resource, and science and technology development. Co-operation in political affairs involve activities in the areas of legal and judicial affairs, regional defence and security and joint co-ordination of Partner States' common foreign policies. Similarly, progress is being made in the promotion of investments and trade as well as identification and development of various regional infrastructure projects including roads, railways, civil aviation, posts and telecommunications, energy and the Lake Victoria Development Programme.

526. The prospects are high that the region would realize its great potential to turn into an epicentre around which a wider Community could be built. Already, with the entry of Rwanda and Burundi, the resource base of the Community has been raised with exciting prospects for rapid progress towards EAC's transformation into a middle income economy by the year 2020. The East African Community is thus strategically poised to become the economic hub for the wider Eastern Africa region, beyond its current membership of 5 countries.

4.7.2.1 EXPANDING REGIONAL PROGRAMME

527. The full operations of the Lake Victoria Basin Commission as well as the establishment of new Commissions, notably the East African Science and Technology Commission, East African Health Research Commission, East African Kiswahili Council provide potential for a phenomenally expanded the regional integration programme. The East African Community Civil Aviation Safety and Oversight Agency (CASSOA) has been operationalised to steer the programs under civil aviation. The regional programmes have also been expanded to cater for the enlarged Community following the entry of Rwanda and Burundi.

4.7.2.2 TRADE, FINANCE, AND INVESTMENT

528. There is significant leveraging of the regional programme in the promotion of trade and investments as well as development of regional infrastructure. The Customs Union, has taken on a life of its own with

positive impact by way of increased intra-EAC trade and growth of revenue which is felt and shared in all the Partner States. All the EAC countries have reported increased revenues since the operations of the EAC Customs Union were launched. Five years of implementing the Customs Union have given confidence and comfort where, at the beginning, there were expressions of fear over its establishment. Consequently, the mood is upbeat as the region implements the Common Market that was launched in July 2010.

4.7.2.3 TRANSPORT AND COMMUNICATIONS

529. In the Infrastructure sub-sector, steady progress is maintained on the East African Road Network Project, in particular the Mombasa – Katuna Road (Northern Corridor) and the Dar es Salaam - Mutukula Road (Central Corridor), which have been taken to the implementation stages. The Arusha-Namanga-Athi River Road Project is 70% complete. with over 200km out of 240km completed and completion expected by November 2011. Feasibility Studies for the Arusha-Holili-Voi Road have also been completed and the work on the detailed Designs is ongoing. It is hoped that loan negotiations will commence by November, 2011. JICA has been approached to co-finance the construction. Bids for the Feasibility Studies have been completed for the Malindi-Lunga Lunga-Bagamoyo Road and Detailed Design evaluated a contract awarded and what is awaited is the review of the inception report..

530. On the Railways sub sector, The Master Plan was concluded in July, 2009 and approved by the EAC Council of Ministers. It awaits the repackaging process of the project and implementation of studies. EAC has requested ADB for capacity building support to set up a Project Implementation Unit for the Railways sub-sector at the Secretariat.

531. In the Civil Aviation sub-sector, the East African Community established the regional agency to oversee the implementation of the International Civil Aviation Organization's (ICAO) standards and recommended practices towards the enhancement of aviation safety and security. The Protocol for the Establishment of the EAC Civil Aviation Safety and Security Oversight Agency (CASSOA) was signed in April 2007. The first Executive Director of CASSOA, among other staff of the Agency, was appointed and the Agency became operational in May 2007. The Agency (CASSOA) has since 15th March 2010 relocated to its Headquarters in Entebbe, Uganda. It has developed and is implementing its first Five-Year Strategic and Organisation Development Plans which define key strategic objectives and strategies to guide the Agency operations and evolution to achieve the broad objective of developing a

sustainable safe, secure and efficient civil aviation sub-sector in the region in line with the EAC and Agency objectives.

4.7.2.4 AGRICULTURE AND FOOD SECURITY

532. EAC continues to place emphasis on agriculture and food security. During 2006, the EAC Partner States adopted and signed the instruments in the development of Agriculture and attainment of Food Security for the Community, including the Agriculture and Rural Development Policy and the Agriculture and Rural Development Strategy. The Agriculture and Rural Development Programme was one of the identified major planks of the 3rd EAC Development Strategy and will remain high priority in the period ahead.

4.7.2.5 ENERGY

533. The serious effects of the drought on the regional economies experienced in the recent past have galvanized attention on urgent measures to redress the energy deficit in the region. The East African Power Master Plan envisages a timeframe of up to seven years to a fully fledged Regional Power System with the creation of a Power Pool as a central feature. The implementation of the Power Master Plan will cover both power generation and transmission projects at an estimated cost US\$ 1.2 billion and US\$ 600 million respectively for generation and transmission projects over the implementation period. Implementation of the projects identified in the East African Power Master Plan (EAPMP) is ongoing at national levels and the various projects are at different levels of implementation and financing. Given that the EAPMP was done before the Republics of Rwanda and Burundi joined the EAC, and considering that planning parameters and assumptions required updating, and also taking into account new developments in the power sector in the region, it was found necessary to update the Master Plan. Funding was secured from NEPAD-IPPF. The update assignment, which started in October 2009 and whose draft Interim Report was submitted in June 2010, is expected to be completed by this year. The EAC power pool has not yet been established but plans are underway to develop the required instruments for its establishment.

534. The 4th East African Petroleum Conference was held in Mombasa, Kenya in March 2009 against the background of the positive developments in the discoveries of oil and gas in the region. Uganda has discovered oil and gas in the Albertine Graben and has expressed the desire to construct a top-up oil refinery to exploit some of the oil for local use. In Tanzania, natural gas has been found at Songo Songo and Mnazi Bay. Tanzania is already tapping the gas resources for generation of electricity and as fuel used in industry. Rwanda has methane gas that is generated annually in Lake Kivu. A pilot plant for tapping the methane gas has been constructed, with an aim of scaling up to a fully fledged power plant. In Burundi petroleum exploration is on-going in the Rusizi and Tanganyika Basins. Currently there are several International Oil Companies carrying out petroleum exploration in Kenya. The development of the geothermal potential is ongoing in the Great Rift Valley.

4.7.2.6 TOURISM AND WILDLIFE MANAGEMENT

535. A major breakthrough has been made in the tourist sector with the launching of joint marketing of East Africa as a single tourist destination. EAC participates in the World Travel Market (WTM) in London and also in the International Tourism Fair in Berlin at which Partner States hold joint promotion under one common exhibition area. The Partner States' tourism boards plan to extend such joint promotion and marketing to the Asian, Far Eastern and American markets in the period ahead.

4.7.2.7 LAKE VICTORIA DEVELOPMENT PROGRAMME

536. The Lake Victoria Basin Commission was launched on 11 July 2007. The Commission is rolling out the development programmes of the Lake, including safety of navigation, environmental protection and conservation and overall sustainable development of the Lake and its basin. The activities include the management of the Mount Elgon Regional Ecosystem Conservation Programme (MERECP) which embraces parts of Uganda and Kenya; and the Lake Victoria Region Water and Sanitation Initiative project is being implemented in partnership with UN - HABITAT. Meanwhile the Lake Victoria Fisheries Organization (LVFO) continues to coordinate measures for sustainable utilization of the fisheries resources of Lake Victoria, in particular the reorganization of the fishing communities in the management and collaborative activities on the fishery of the Lake.

4.7.2.8 EAST AFRICAN DEVELOPMENT BANK

537. The East African Development Bank continues to pursue programmes designed to enhance the Bank's capacity to play a more substantive and sustainable role as a regional development finance institution. The Bank's financial performance has constantly registered growth mainly through issues of bonds, administration of lines of credit and cross-currency swaps. It is also pursuing negotiations with other Banks with a view to accessing credit lines to make it finance a bigger portion of EAC's development agenda. Pursuant to a Summit directive, the EADB has submitted to the EAC concrete proposals on how it can transform itself into a lead agency for promoting regional integration projects.

4.7.2.9 SOCIAL SECTORS

538. Under the social sectors great strides were made with the establishment of the various Commissions, including the East African Science and Technology Commission, East African Kiswahili Commission and the East African Health Research Commission whose programmes would be rolled out during the life of the 4th EAC Development Strategy (2011-15). The Inter-University Council for East Africa (IUCEA) whose current membership stands at 46 affiliated universities drawn from both public and private universities in the region, is pursuing activities aimed at transforming the IUCEA into an effective regional advocate and catalyst for the strategic development and management of higher education in East Africa. The institution is managing several strategic research programmes. It is worthy to note that the other aspects of the sector have been handled through the recently concluded negotiations of the Common Market Protocol while others are still under consideration under the ongoing negotiations of the Protocol's Annexes and Schedules on Free Movement of Persons, Labour, Services, Right of Establishment and Residence.

4.7.2.10 BUSINESS AND INVESTMENT CLIMATE OPPORTUNITIES

539. Like most parts of Africa and the developing world, the EAC region is not spared the harrowing effects of the prevailing unfavourable terms of trade. In general, the region imports twice as much as it exports or it consumes twice as much as it produces in traded value terms. The EAC

countries export mainly primary unprocessed products and import mainly finished consumer and capital goods.

540. The region's principal exports are tea, horticulture, coffee, cement, cotton, tobacco, diamonds, fish and fish products, soda ash, gemstones, limestone, hides and skins. On the other hand, East Africa's principal imports are machinery and other capital equipment, industrial supplies, motor vehicles and chassis, parts and accessories; fertilizers, crude and refined petroleum products.

541. This skewed production and trade pattern, reflecting an underdeveloped industrial base, has led to the EAC countries' current high levels of dependency and debt. The upshot of this is that the region has not managed to sustain optimal development and growth levels.

542. The need to reverse this trend is clear and urgent. The challenge to the EAC is primarily to address the poverty issue and to boost the productive base through promotion and attraction of domestic and foreign investments and promotion of manufacturing industries. In their commitment to deepen regional integration, the EAC Partner States will take advantage of economies of scale and scope, market enlargement in stimulating productivity. Considering the region's vast potential, it is envisaged that the 4th EAC Development Strategy will place a high priority on promoting a regional industrialization strategy and realizing industrial take off. In this respect, peace and stability constitute the EAC's strongest intangible asset.

543. The leading economic activities of the EAC Partner States today are Agriculture contributing an average of 39% of GDP and providing employment to 85% of the population; Tourism contributing an average of 14% of GDP with investments worth US\$ 3,230 million; and Manufacturing contributing an average of 10.4% of GDP with investments worth US\$ 2,131 million. Evidently, a great deal more effort needs to be applied to boost the region's industrial and manufacturing sector, as well as enhance food security.

544. Considering all these factors, East Africa presents an attractive investment area. There are significant investment opportunities in commercial agriculture, agro-processing, mining, manufacturing, tourism and fishing industries. Also of great interest are investment opportunities in regional infrastructure projects, including roads, railways, telecommunications and energy, not to mention the inestimable potentials in the field of oil and gas. Lake Victoria also offers unique opportunities, not only in the exploitation of its resources, but also in Lake Transport.

4.7.2.11 NEGOTIATING AS A BLOC

545. Equally crucial, is the need to promote and articulate the interests of the EAC as a bloc and negotiate in that context. A commitment was made by the EAC Partner States in 2002 to act collectively in global trade issues. During 2007, this commitment was rendered even more urgent by the EU –ACP structures as regards the negotiations of the Economic Partnership agreements (EPAs) and the fulfillment of the World Trade Organization (WTO) requirements. The Secretariats of the EAC, COMESA and SADC are taking collaborative measures to minimize the dysfunctions of dual or multiple memberships in regional economic organizations.

4.7.2.12 GOVERNANCE, PRIVATE SECTOR AND CIVIL SOCIETY PARTICIPATION

546. The EAC regional integration process is anchored on a firm foundation of peace, stability and prosperity, based on good governance, rule of law, respect for democratic and human rights; and the participation of the people in a market-led regional integration process. This recognition has placed good governance at the centre of East African regional integration and development. Good governance is enshrined in the Treaty for the Establishment of the East African Community as among the fundamental principles of the EAC.

547. The EAC Treaty takes a holistic approach in the quest for regional peace and security, having regard to the imperative to address the root causes of conflicts. Rivalry for resources and struggle for power are often the causes of conflicts. Therefore, through its broad range of areas of cooperation, EAC seeks to entrench systems of good governance in guaranteeing equal opportunities and equal participation of all sections of the population in the allocation and management of political and economic resources. Effective mechanisms are brought to bear on the redistribution of resources, both among and within the Partner States, in a manner that would reduce tensions and eliminate conflicts.

548. In that regard, a regional Framework on Good Governance is currently being negotiated using a multi-stakeholder approach driven by the Community's principles of a private sector driven and people-centered integration. Its pillars are Democracy and Rule of Law; Anti-corruption, Ethics and Integrity; Social Justice and Equal Opportunities; Human Rights and Gender Equality. The Council of Ministers, the

Community's policy organ, has already recommended that once finalized, the framework on good governance gets adopted as a Protocol.

549. Under Chapter 25 of the Treaty for the Establishment of the East African Community, far reaching provisions are contained for the promotion of a partnership between the EAC Partner States and the private sector towards the creation of "an improved business environment"(Art.127). The Community thus puts emphasis on strengthening the private sector to enable it to play a leading role in regional integration and development.

550. To this extent, the East African Business Council (EABC), comprising of apex bodies of private sector organizations in the five Partner States was formed and is operational. Together with the East African Trade Union Council (EATUC), the East Africa Law Society and other civil society organizations, the EABC is enabled to play active role in influencing decision-making in the Community.

4.7.2.13 EAST AFRICAN COURT OF JUSTICE (EACJ)

551. To concretize this commitment, the East African Court of Justice (EACJ) was established as "a judicial body which shall ensure the adherence to law" in the activities of the Community. Although the Court is principally charged with jurisdiction over the application of the Treaty, the Treaty provides that the Court shall in due course have "such other original, appellate, human rights and other jurisdiction". Already, the Treaty vests in the Court jurisdiction the arbitration of commercial contracts or agreements (Art. 32) and formulation of a business and business related dispute settlement mechanism (Art. 129).

552. Following the amendment of the Treaty in December 2006, the East African Court of Justice was re-constituted by establishing two divisions, namely a Court of First Instance with jurisdiction as per Article 23 of the Treaty and an Appellate Division with appellate powers over the Court of First Instance. The re-constituted Court became operational on 1st July 2007. The Community prepared a Protocol aimed at extending the jurisdiction and competences of the EACJ, which was considered by the Council. The draft protocol is undergoing wide consultations in the Partner States, involving all stakeholders (including Judiciary, National Assemblies, and Office of the Attorney General, Bar Associations, Civil Society Organizations and Business Community).

553. The EAC also has an East African Legislative Assembly (EALA) with an important role in promoting good governance over and above exercising the normal legislative, oversight and representation functions. Since its launching in 2007, the East African Legislative Assembly has maintained a steady legislative programme as well as a robust oversight role. The Assembly aims at conducting a broad-based outreach programme in the Partner States. The term of the first Assembly ended in 2001 after the expiry of five years, and the second EALA commenced its term in June 2007. The membership per Partner States is nine (9) members, whose electoral colleges are the respective national parliaments.

554. A foremost realization is that effective regional integration and development requires the mobilization of vast resources, both within and outside the region. Despite its enormous potential, on its own the EAC cannot raise adequate resources to meet the huge and often capital-intensive investments required.

555. For instance, the East African Road Network Project, a primary and basic requirement for empowering a regional economic take-off, was estimated in 1998 to involve a capital outlay of \$ 9 billion. EAC therefore recognizes the need to engage regional and international financial institutions as well as development agencies in mobilizing resources that can finance such projects. Currently, the development partners contribute to a basket fund, known as the Partnership Fund, from which the EAC finances its priority programmes. However, it is also increasingly becoming a reality that dependency on outsiders for funding sources is not sustainable. The EAC is thus exploring alternative ways to create an East African financial vehicle that can be used to mobilize East African capital to meet the finance needs of the regional projects and programmes. This would take the form of an EAC Development Fund.

556. Similarly, it is recognized that the process of globalization will continue to influence the position of the EAC in the world markets. Market access will increasingly become more difficult for small and weak economies. To this extent, the formulation of the EAC Development Strategies and prioritisation of the regional programmes have been guided by the strong desire to forge partnership with global institutions like the EU and regional organizations like COMESA and SADC. Indeed, the EAC is undertaking activities at the global level through agreements

and arrangements such as EU-ACP, AGOA, WTO, AU-NEPAD and the International Conference on the Great Lakes (IC/GLR) with a view to tapping the opportunities available in such arrangements and striving to access other markets.

557. Today, EAC enjoys very good relations with a large number of international aid and development agencies, including World Bank, European Union, European Investment Bank, African Development Bank, China, India, Japan, South Korea, Swedish International Development Co-operation Agency (Sida), United Nations Economic Commission for Africa, German Agency for Technical Co-operation (GTZ), East African Development Bank, United Kingdom Department for International Development (DFID), Norwegian Agency for Development (NORAD), Commonwealth Secretariat and Danish International Development Agency (DANIDA).

558. What is emerging as critical however, is the strengthening of the capacity of EAC's own autonomous institution, the East African Development Bank (EADB) in financing regional projects, especially with focus on small and medium scale enterprises (SMEs); and promotion of the EAC Agriculture and Rural Development Strategy. Specifically in collaboration with the African Development Bank (ADB), the EAC has identified priority projects and programmes aimed at strengthening the institutional capacities for Trade and Transport facilitation and infrastructure development including roads, railways, inland waterways, civil aviation, ports, energy and power and telecommunications.

4.7.2.16 STRATEGIC REGIONAL INTEGRATION

559. The realization of a large regional economic bloc bears great strategic and geopolitical significance, imposing on the EAC Partner States enormous responsibility for regional defence and security.

Regional Defence and Security

560. The East African Community has an emphatic developmental mission and acknowledges fact that peace and security are the prerequisites for social and economic development. In this context, the EAC's defence and security policy is rooted in the empirical observation that, so long as the countries of the region are co-operating among themselves, in pursuit of human and economic development, they will have neither reason nor cause to resort to violent conflict among them.

561. Within the context of Article 124 of the EAC Treaty, a regional strategy for Peace and Security has been adopted by the Council of Ministers. The Partner States have negotiated a Protocol on Regional Peace and Security whose conclusion is in the final stages and will pave way for the establishment of fully fledged Directorate of Peace and Security to closely follow-through on the implementation of security programs.

§ **Cooperation in Defence**

562. In reviving the East African Community in 1999, the Founding Fathers declared solemn commitment to good neighbourliness, good governance and peaceful resolution of conflicts as the cornerstones of sustainable regional integration and development. Thus prominently enshrined in the Treaty for the Establishment of the East African Community, under Article 5, are the fundamental principles of peace, security and good neighbourliness.

563. These principles are elaborated in the EAC Treaty, on the basis of which the EAC Partner States are engaged in negotiating the upgrading of the existing MOU on Cooperation in Defense into a Protocol, with an elaborate programme of activities, including military training, joint operations, technical assistance, visits, information exchange, sports and cultural activities and regular meetings of defence chiefs and other cadre of the defence forces. The defence co-operation has operationalized military training exchange programmes for Directing Staff and Students at Command and Staff Colleges in the Partner States. A Sectoral Council on Defence is already in place and provides policy direction on matters of the sector.

§ **International Dimensions of Peace and Security**

564. The EAC is not oblivious to the international dimensions and dynamics in peace and security, particularly the existence of an elaborate and all-powerful alliance of the armaments industry, international arms merchants and governments that use or support arms trade which fuel regional and global conflicts. As a neighbour and contiguous area to a region that has been susceptible to illicit small arms and light weapons proliferation, the East African Community is taking a robust and vigilant stance in arresting and containing such destabilizing situations.

565. The East African countries also have a compelling and strategic mission in establishing wider areas of peace and security beyond the confines of their own borders. EAC's involvement in the Burundi and

IGAD peace processes, the Sudan and Somalia have thus been and are driven by noble intention. This also explains EAC's close collaboration with the International Conference on the Great Lakes Process in the implementation of the Pact for Security, Stability and Development of the Great Lakes Region which was signed in December 2006.

§ Regional Police Co-operation

566. Within the context of a collective responsibility in the maintenance of regional peace and security, the Partner States collaborate in combating cross border crime. Regular meetings of the Chiefs of Police of the EAC Partner States and the Inter-State Security Committee (the latter comprising of Police technical and operational personnel) are held to monitor the implementation of measures agreed in combating crime and maintaining peace and security in the region. The law enforcement agencies have adopted as their Vision, "a secure and peaceful environment for development" and as their Mission, "to provide security within the region through enhanced co-operation".

567. Among their activities, the Chiefs of Police of the EAC Partner States exchange criminal intelligence and other security information, involving operation of databases and sharing crime intelligence, using advanced ICT, radio communications, among other advanced technologies. The Police co-operation is geared to mobilize joint operations, patrols and overall vigilance in cross border monitoring and prevention of crime, including "hot pursuit" of criminals.

568. Not only co-operation in the operations, but also co-operation in the exchange of visits and training programmes and other confidence building measures among the Police Chiefs and rank and file. These measures are intended to contribute to benefiting from each other in promoting best practices and achievement of the highest standards for effective performance in meeting the challenges of combating crime. Specifically, in combating Illicit Drug Trafficking, money laundering, cattle rustling, in the management of refugees and asylum seekers, and tracking of criminals, the EAC Partner States are applying relevant EAC Protocols and international conventions to strengthen existing institutions and establish co-ordination among them as well as sensitizing communities on the dangers, futility and, on the whole,

inadmissibility of crime in society, let alone in the development of the East African Community.

569. Similar co-operation is pursued with respect to rapid response, disaster management, early warning, management and prevention, including establishment of disaster management centres in the Partner States and combating terrorism, having regard to the global nature and response to the terrorist threat.

570. At a policy level, a Sectoral Council on Inter-state Security was established in 2008. Its main mandate is to address policy issues in a sustained manner so as to effect expeditious decision making on peace and security matters.

§ Co-operation in Foreign Policy Co-ordination

571. The EAC Partner States have been implementing a Memorandum of Understanding on Foreign Policy Co-ordination which was signed in 1999. Within this framework, Partner States undertook to coordinate their foreign policies in order to optimally exploit the advantages of collective action. Among other things, the Partner States' Diplomatic Missions co-ordinate their positions and hold joint briefings and presentations on matters, activities and other initiatives of interest or concern to the Community as well as joint promotion of EAC regional projects.

572. These joint activities are emphasized especially at the Partner States' Diplomatic Missions in multilateral stations through the holding of regular consultations to harmonize positions and undertake joint lobbying in their relations at multilateral levels and presenting joint statements where applicable. The activities include Collaboration in Economic and Social Activities whereby joint promotional activities are held in the Partner States' Diplomatic Missions such as under , trade, investment, tourism and culture to market the Community within the region and abroad. Co-ordination of Candidatures for positions in international system is another area that has registered tangible results.

573. Pursuant to the directive of the Council of Ministers, the hitherto MOU on Foreign Policy Coordination was upgraded into a Protocol, which was signed in December 2010 and is undergoing ratification by the Partner States. The Protocol lays out the modalities for multi-layered forms of engagement for collective and joint action in the pursuit of Partner States' common foreign policies. Furthermore, for purposes of effective and timely policy guidance and a decision making, a Sectoral

Council on Foreign Policy Coordination was established in 2008. It is envisaged that in accordance with Article 123 (2) of the EAC Treaty, Partner States shall beyond coordination ultimately adopt a common foreign policy.

4.7.2.17 TOWARDS POLITICAL FEDERATION

574. East African regional integration is viewed as strategic and important from both a regional and continental perspective. With the growing recognition and appreciation of this fact, the stage is set for widening and deepening regional integration. The prevailing view is that the determination of regional issues and the pace of the integration process would be more expeditious if they are conducted within a clear, definite and enabling political framework.

575. To this extent, EAC is already implementing programmes through the already established Organs such as the East African Legislative Assembly and the East African Court of Justice. Under Defense, the Partner States established a Defense Liaison office in Arusha where they each send a senior officer not below the rank of a Colonel to coordinate mutual defense affairs. Similarly, the co-ordination of foreign policies, police operations, monetary and fiscal policies and other programmes relate more to the higher stage of integration i.e. Political Federation.

576. During the Special Summit held in Nairobi on 27-29 August 2004, the East African Heads of State made the declaration on fast tracking the Political Federation of East Africa and established the Committee on Fast Tracking East African Federation (the Wako Committee). The Committee submitted its report to the Summit in November 2004 recommending, among others, the establishment of the East African Federation by the year 2013.

577. During their Extraordinary Summit held in Dar es Salaam on 29-30 May 2005, the Heads of State reaffirmed the vision of a Federation. The Heads of State established the post of Deputy Secretary General at the EAC Secretariat in charge of co-coordinating the fast track process towards Political Federation. The Heads of State also directed the establishment of national consultative mechanisms for wider consultations with the East African people on the Federation. The National Consultations on the East African Federation were launched in October 2006 and concluded in June 2007. The National Consultations revealed the overwhelming support of the East African people for the Political Federation, although with preference to a phased and systematic build up through the earlier stages of integration to the Federation stage. During their Extraordinary Summit of August 2007 in

Arusha, the Heads of State directed that more sensitization of the citizens on the political federation be intensified and also steps be taken to expedite the establishment of the Common Market by 2010 and Monetary Union by 2012 as the region moves on towards the establishment of Political Federation. At the signing of the Common Market Protocol in November 2009, the Heads of State underscored the need for deeper sensitisation of the east Africans on the political federation. In that regard, a comprehensive communications and sensitisation strategy which will lead to consolidation of the Common Market and lay firm ground for the subsequent stages is being developed. The Summit in April 2011 set as part of the agenda for its next Summit in November 2011, the review of progress and determination of the way forward towards attaining the EAC Political Federation.

4.7.2.18 FREE MOVEMENT OF PERSONS

578. Regarding free movement of persons, EAC has made the following progress:

- § The EAC passport is operational and allows multiple entries to citizens Partner States to travel freely within the EAC region for a period of six months. The internationalisation of the EAC passport has already been endorsed by the EAC Council of Ministers and the modalities for its implementation are being explored.
- § Partner states commit themselves to cooperate in putting in place a social partnership between governments, employers and employees so as to increase manpower productivity through efficient production. Partner States have agreed to develop a framework for mutual recognition of professional qualifications;
- § Studies on the “Harmonisation of employment policies in East Africa” and “Harmonisation of labour legislation in East Africa” were finalised and presented in stake holders’ workshops. The Council of Ministers directed that the similar studies be conducted in the new EAC members, Rwanda and Burundi, following which a Model EAC Labour Legislation and an EAC Labour Policy will be developed.
- § Under the Common Market Protocol, the right to free movement of persons entails the abolition of any discrimination based on nationality and free movement include, among others:

- the right to enter the territory of a Partner State without a visa;
 - the right to move freely within the territory of a Partner State;
 - the right to full protection by the laws of a Partner State.
- The related Annexes and Schedules spell out the timeframes for implementation and associated procedures.

4.7.2.19 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

579. Following are the achievements made on the free movement of goods, services and capital:

- § The full implementation of the Customs Union took effect on 1st January 2010;
- § A zero tariff is applied effectively on trade in goods from the Partner States, with a few exceptions based on agreed upon “list of sensitive goods”.
- § Free movement of goods between the Partner States is governed by the provisions of the Customs Law of the Community, the provisions of the EAC Protocol on Standardisation, Quality Assurance, Metrology and Testing and the EAC Standardisation, Quality Assurance, Metrology and Testing Act, 2006 and other aspects are to be covered under the Annexes and Schedules being negotiated as part of the recently concluded Common Market Protocol;
- § Establishment of jointly managed border points to facilitate expedited movement across borders and pilot border points have registered success.
- § There are also a number of activities being carried out as part of the implementation of the Common Market:
- § The EAC, through international funding undertook a study on the strategy plan for the EAC Capital Markets Regionalisation, with a view to creating a Capital Market and a Stock Exchange regime for East Africa; this will permit Capital to freely flow and the Capital Markets’ actors to freely operate across the EAC region. A partial liberalisation of capital markets in almost all Member States is in place and company shares can be exchanged at Stock markets of some of the Member States. Plans to cover the entire EAC region in place;
- § Regular meetings for Central Bank Governors and regular pre- as well as post budget consultations by all Partner States;;

- § Currencies of EAC countries are convertible amongst themselves;
- § EAC Partner States' citizens are regarded as local investors and their stocks are sold or exchanged on this basis and a model of Investment Code was developed;
- § The Development Committee of the capital market has continued to lead the process of harmonization of policies on financial markets to develop a regional capital market in East Africa.;
- § The implementation of the tripartite agreement EAC for road transport to facilitate and reduce the cost of transit transport in the region through the reduction of documentation procedures for transit transport, including those procedures related to customs, immigration and police checks.

4.7.3 ACTIVITIES UP TO DATE

580. Following matrix indicate the progress made up to date.

	Progress made by the EAC up to date
<p>Transport and Communications</p> <p>Progress made on the East African Road Network Project, (Mombasa – Katuna Road (Northern Corridor) and the Dar es Salaam - Mutukula Road (Central Corridor), which were at the implementation stages.</p>	<ul style="list-style-type: none"> • Implementation stages of the East African Road Network Project, (Mombasa – Katuna Road (Northern Corridor) and the Dar es Salaam - Mutukula Road (Central Corridor). • EAC engaged a consultant in 2009 to prepare a Regional Road Sector Development Programme for the EAC Road Network, using scientific methods to prioritize projects. The programme will be a guide document for the development of the road network over the next 10 years under the overall EAC Transport Strategy.

The construction of the Arusha-Namanga- Athi River road and feasibility and design studies continue for the Arusha – Holili – Taveta – Voi; and investment preparations for the Tanga – Horohoro – Malindi road.

Railways sub sector, status of the the East African Railways Master Plan Study for which the Partner States have set aside US\$ 350,000.

- On the construction of the Arusha-Namanga- Athi River road and feasibility and design studies continue for the Arusha – Holili – Taveta – Voi; and investment preparations for the Tanga – Horohoro – Malindi road, following progress have been made:.
 - i The Arusha-Namanga-Athi River Road Project over 70% complete. Over 200km out of 245km have been rehabilitated. Completion is scheduled November, 2011.
 - ii Feasibility Studies were completed for the Arusha-Holili-Voi Road and work on the Detailed Designs is ongoing. . JICA has been approached to co-finance the construction;
 - iii The contract for the Malindi-Lunga Lunga-Bagamoyo Road has been awarded and review of the inception report is awaited.

- The Master Plan was concluded in July, 2009 and approved by the Council of Ministers. It is waiting repackaging of the project and implementation of studies. EAC has requested ADB for capacity building support to set up a Project Implementation Unit for the Railways sub-sector at the Secretariat.

<p>In the Civil Aviation sub-sector, the East African Community established the regional agency to oversee the implementation of the International Civil Aviation Organization's (ICAO) standards and recommended practices towards the enhancement of aviation safety and security. The Protocol for the Establishment of the EAC Civil Aviation Safety and Security Oversight Agency (CASSOA) was signed at the Extra-Ordinary Council of Ministers Meeting in Arusha on 18 April 2007. The Extra-Ordinary Council also appointed the first Executive Director of CASSOA among other staff of the Agency and the Agency became operational in May 2007.</p>	<ul style="list-style-type: none"> • Since the Protocol for the Establishment of the EAC Civil Aviation Safety and Security Oversight Agency (CASSOA) was signed at the Extra-Ordinary Council of Ministers Meeting in Arusha on 18 April 2007, the status of implementation of this Protocol is as follows: • CASSOA started functioning officially from 1st June, 2007 following the signing of the Protocol. The 5th Extraordinary Summit of the EAC Heads of State held in Kampala, Uganda on 18th June, 2007 formally established the Agency as an institution of the Community. The Protocol was ratified by all the Partner States and came into force in April 2008. In this aspect the Protocol has been implemented. • The Agency (CASSOA) has relocated to its Headquarters in Entebbe, Uganda with effect from 15th March 2010. It has developed and implementing its First Five-Year Strategic and Organisation Development Plans which define key strategic objectives and strategies to guide the Agency operations and evolution to achieve the broad objective of developing a sustainable safe, secure and efficient civil aviation sub-sector in the region in line with the EAC and Agency objectives.
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<p>Agriculture and food security</p> <p>Status of implementation of The Agriculture and Rural Development Programme</p>	<p>The status of implementation of the Agriculture and Rural Development Programme and its benefits to Members States</p> <ul style="list-style-type: none"> • A harmonized regional Policy and Strategy for the Agriculture Sector is in place. The SPS Instruments have been completed and a draft SPS Protocol has been developed. The EAC has also developed a harmonized Food Security Action Plan. In addition there is a joint plan action for control of transboundary diseases. The benefits include policy convergence and harmonization, creation of synergies in addressing food security. Another benefit is the joint action on resource mobilization. .
<p>Energy</p> <p>Status of the East African Power Master Plan which envisages a timeframe of up to seven years to a fully fledged Regional Power System with the creation of a Power Pool as a central feature</p>	<p>Status of the East African Power Master Plan which envisages a timeframe of up to seven years to a fully fledged Regional Power System with the creation of a Power Pool as a central feature.</p> <ul style="list-style-type: none"> • Implementation of the projects identified in the East African Power Master Plan (EAPMP) is ongoing at national levels and the various projects are at different levels of implementation and financing. Given that the EAPMP was done before the Republics of Rwanda and Burundi joined the EAC, and considering that planning parameters and assumptions required updating, and also taking into account new developments in the power sector in the region, it was found necessary to update the Master Plan. Funding was secured from NEPAD-IPPF. The update assignment, which started in October 2009 and whose draft Interim Report was submitted in June 2010, is expected to be completed by this year. The EAC power pool has not yet been established but plans are underway to develop the required instruments for its

	establishment.
Status of Tourism and Wildlife Management	<p>Since the launching of joint marketing of East Africa as a single tourist destination, current progress and achievements made are:</p> <ul style="list-style-type: none"> • The EAC is working on the harmonisation of tourism policies and laws. • A study on introduction of a single tourist visa for the entire region is being finalized, expected by end of 2011 • The study will provide modalities on how single tourism visa will be introduced. <p>The East African tourist boards was also planning to extend joint promotions and marketing to the Asian, Far Eastern and American markets in the period ahead. For now the East African Community has identified fairs in these different markets and modalities to promote the Community at these fairs including by exhibitions are being worked out.</p>
Status of the East African Court of Justice (EACJ)	<ul style="list-style-type: none"> • In 2005, the Common Market decided that a Protocol to operationalise the extended jurisdiction of the EACJ should be prepared. The Community prepared a Protocol which was considered by the Council. The Council directed the Sectoral Council on Legal and Judicial Affairs (SCLJA) to consider the draft Protocol. • The SCLJA directed Partner States to subject the draft protocol to wide consultations involving all stakeholders (including Judiciary, National Assemblies, and Office of the Attorney General, Bar Associations, Civil Society Organizations and Business Community). The Partner States are yet to conclude their consultations.
Status of Free movement of persons, goods , services and capital	<ul style="list-style-type: none"> • The negotiations of the Protocol on Free Movement of persons, labour, services, right of establishment and residence were undertaken jointly with the negotiations of the East African Common Market whose establishment had been prioritized in the Third Development Strategy. • The negotiations were concluded, the Protocol signed

<p>During their Extraordinary Summit of August 2007 in Arusha, the Heads of State directed that more sensitization of the citizens on the political federation be intensified and also steps be taken to expedite the establishment of the Common Market by 2010 and Monetary Union by 2012 as the region moves on towards the establishment of Political Federation. Given that the Common Market launched early this year, what is the status of its implementation?</p> <p>Customs Union</p> <p>The full implementation of the Customs Union was planned between 2005 and 2010</p>	<p>in November 2009 and the EAC Common Market launched on 1st July 2010. The Summit of Heads of State endorsed the negotiations of the details on the full implementation of the envisaged freedoms in the above areas. The related Annexes spell out the modalities for facilitating full implementation of the EAC Common Market Protocol.</p> <ul style="list-style-type: none"> • A comprehensive communications and sensitisation strategy is being developed to inform deeper sensitization activities on EAC's holistic integration. Regarding the Common Market, it was launched on 1st July 2010. For those provisions that required further negotiations, the EAC Partner States are engaged in the negotiations of the related Annexes. <p>Status of its implementation</p> <p>Five years after its launch in 2005, the EAC Customs Union became fully operational in January 2010 in all the EAC Partner States. Partner States continue to address challenges emerging out of the implementation of the Protocol on a case by case basis. However, some of the freedoms that largely relate to the Common Market (free movement of persons and capital) and the comprehensive enjoyment thereof will be attained in line with the timeframes agreed upon in the Common Market Protocol Annexes</p> <p>However, some of the freedoms that largely relate to the</p>
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<p>The Development Committee of the capital market to the agreed study for greater integration of financial markets in the region in conformity with the Development Strategy 2006-2010</p> <p>Road Transport</p> <p>The status of</p>	<p>ongoing, funded by World Bank and expected to be ready by September 2011.</p> <ul style="list-style-type: none"> All others are either in procurement or design stages and funded under a WB grant. It is expected that by Dec 2012 when the grant expires, all the borders will have been converted to OSBPs. EAC has prepared a bill to be debated by EALA which will operationalise the OSBPs <p>Capital Market</p> <ul style="list-style-type: none"> The study on the EAC Capital market regionalization strategy and plan has been concluded. The Capital Market, Insurance and Pension Committee recommended the need for stakeholders in the Partner States to discuss and own the inputs. EAC Secretariat in collaboration with the World Bank and other development partners is preparing the EAC Financial Sector Development and Regionalization Project. Its objective is to support the development of the financial sector through the establishment of a single market in financial services among EAC Partner States. <ul style="list-style-type: none"> The Tripartite Agreement on Road Transport was
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implementation of the tripartite agreement for road transport to facilitate and reduce the cost of transit transport in the region through the reduction of documentation procedures for transit transport, including those procedures related to customs, immigration and police checks	<p>signed in 2001 and its main objective was to provide a framework for the Partner States to cooperate in developing the region's road network in order to promote regional integration and trade. The funds for its implementation were made available in 2005, following ADB's decision to extend a grant to EAC. In 2007, a grant agreement was signed for about USD 3.5 million to cover the:</p> <ul style="list-style-type: none"> (a) preparation of an EAC Transport Strategy and Road Sector Development Programme and (b) preparation of a framework for harmonization of transport policies, laws, regulations and standards. <ul style="list-style-type: none"> • Both studies are ongoing and it is expected that the Transport Strategy would be ready by November 2011 while the harmonization framework is expected to be completed by July 2011.
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4.7.4 CHALLENGES

581. The effectiveness and sustainability of EAC depends on resolute political will and greater involvement of the people in awareness and participation in the integration and development process; maintenance of peace and security, including good governance; active promotion of a science-based entrepreneurial culture; development of indigenous capacity for investment, including human resource capacity; and development of good and principled relations with other African Regional Economic Communities and the international community at large within a competitive world economic system. A critical look at the current status of the EAC activities, mapping out future direction of the Community, prioritizing regional programmes and activities and, on the whole, putting the EAC integration process on a rapid flight path to progress will constitute the key challenges.

4.7.5 FUTURE OUTLOOK

582. The good progress made by the EAC since its launching into full operation in 1996 lays a strong foundation for the fulfillment of its mission of regional integration, development and progress. Having fully operationalised the Customs Union in January 2010, launched the

Common Market in July 2010 and with the Monetary Union envisaged for 2012, preparations for the establishment of a Political Federation continue in earnest. However, they will require substantial resources and firm commitment from the Partner States.

5. ACTIVITIES AT THE CONTINENTAL LEVEL

583. Following are the current activities undertaken at the Continental level.

5.1 PROGRAMME FOR INFRASTRUCTURE DEVELOPMENT IN AFRICA (PIDA)

584. The Programme for Infrastructure Development in Africa (PIDA) was officially launched on 24 July 2010 in Kampala, on the sidelines of the XV African Union Summit in Uganda.

585. Previous African Union Summits, particularly those of January 2009 on the development of Transport and Energy and January 2010 on the development of Information and Communication Technologies, supported the strengthening of infrastructure in Africa and notably endorsed PIDA as a program for integrating all regional and continental initiatives.

586. The PIDA is an initiative of the AU Commission (AUC), the AfDB and the NEPAD Planning and Coordinating Agency. It covers the Energy, Transport, Information & Communication Technology (ICT) and Water (Transboundary) sectors, and will be implemented in two major phases: the study phase and implementation phase.

587. The main objective of PIDA is to maximize efforts and use of resources and to enable African stakeholders to speak with one voice on the basis of a common agenda and a common vision for infrastructure development.

588. The specific objectives of the PIDA are to enable African decision-makers to:

- i. Establish and implement a strategic framework for development of regional and continental infrastructure (energy, transport, information and communication technology and transboundary water) based on a development vision, strategic objectives and sector policies;

- ii. Establish and implement a program of development of such infrastructure, prioritized and divided into short, medium and long term phases; and
- iii. Prepare a strategy and the program's implementation phase, including a priority action plan

589. The planning deadline considered by the PIDA is 2030. It is divided into short-term or priority action plan from 2010-2015, medium term from 2016-2020, and long term from 2021-2030. The total budget for the PIDA Study is estimated at € 7.781 million covering eighteen (18) months. Thus, the study should be completed by the end of 2011.

590. The study's various governance organs are in place. The PIDA sector studies practically began on 20 May 2010, following the selection and the signing of a contract with a Consortium of Consulting Firms led by SOFRECO.

5.2 COMPREHENSIVE AFRICA AGRICULTURAL DEVELOPMENT PROGRAMME (CAADP)

591. The CAADP, is supported by the Africa Union (AU) to provide a framework for accelerating agricultural growth in Africa. It was endorsed in 2003 by the African Union Heads of State and Government, and aims to achieve an annual growth rate of at least 6 percent in the sector, as well as sensitizing policymakers on the need to act on selected fronts in order to make quick strides towards solving Africa's agricultural predicaments. Since its establishment in 2003, CAADP has become a proven platform for collaboration, partnerships, and alliance building as well as enabled African countries to determine their own agricultural priorities. At the G8 and G20 summits, donors and development partners have endorsed CAADP and committed to aligning their support to the African agricultural agenda through its framework.

592. The CAADP has moved from strategy to implementation at the country level through the process of country roundtables and compacts. The country roundtable process involves (i) stock-taking and analysis of growth options to align national efforts; (ii) building partnerships and alliances to accelerate progress; and (iii) tracking budget and expenditures to the sector. This process culminates in a CAADP Compact which guides country policy and investment responses to meet the 6% growth target and 10% budget allocation to agriculture. Number of countries signing compact has increased from 1 in 2009 to 18 in 2010.

Quoting the example of Malawi, there is need for Member States to commit 10% of their national budgets to agriculture (Maputo declaration).

593. It is necessary for RECs to use and emulate Malawi's example to develop policies for quick wins. Areas for consideration may include: subsidizing agric inputs, infrastructure and marketing systems.

5.3 FINANCIAL INSTITUTIONS

594. African Union is currently taking steps to establish the following institutions.

- Status on the African Financial Institutions

595. Article 19 of the Constitutive Act of the African Union provides for setting up of the three African financial institutions, being: the African Central Bank, the African Monetary Fund and the African Investment Bank. The establishment of these three financial institutions has been set as a priority by the African Heads of State and Government and the Commission has set targets for operationalisation of these institutions.

5.3.1 AFRICAN INVESTMENT BANK

596. Following the adoption of the Protocol on the establishment of the African Investment Bank (AIB) by the African Union Assembly in February 2009, a Joint AUC/ECA Conference of African Ministers of Finance, Planning and Economic Development was held in Cairo in June 2009, which endorsed the Statute of the AIB, and this was further adopted by the Assembly of the African Union Heads of State and Government in Sirte, Libya, that took place from 1-3 July 2009.

597. The African Investment Bank shall have an initial capital stock of 25 billion dollars of which 75% is allocated to member states and 25% to the African private sector. The initial capital stock shall be divided into paid-in shares (\$4,000,000,000), and callable shares (\$21,000,000,000). Up to now, only fifteen countries have signed the Protocol and one ratified it.

5.3.2 AFRICAN CENTRAL BANK

598. The process of the operationalisation of the African Central Bank has been rather slow, however progress has been made. A technical working group will be set up to carry out a joint AUC/Association of African Central Banks (AACB) strategy for the establishment of the

African Central Bank. The recommendations of the study will be submitted to the joint AUC/AACB technical committee for consideration before submission to the Conference of African Ministers of Economy and Finance.

5.3.3 AFRICAN MONETARY FUND

599. Work on the establishment of the African Monetary Fund has progressed quite well, after delays in the beginning. The Protocol and Statute establishing the African Monetary Fund, as well as other relevant technical documents have been finalized and should be presented to the Extra-Ordinary Conference of Ministers of Economy and Finance to be held in November 2010 for adoption by the AU Summit in January 2011.

600. The main challenge to the facilitation of the operationalisation of the African Union financial institutions has been the issues of financial resources. The commencement of the work of the various Steering Committees has been hampered because of insufficient funds. The current mechanism for financing the activities of the African Union which are subject to statutory contributions from Member States and from development partners has many inadequacies.

5.4. AFRICAN CHARTER ON STATISTICS (ACS) AND STRATEGY FOR THE HARMONISATION OF STATISTICS IN AFRICA (SHASA)

5.4.1 BACKGROUND AND RATIONALE

601. During the 1960s African countries initiated a process of continental integration intended to ultimately provide critical ingredients for economic and social development as well as political stability. The African integration agenda, as outlined in treaties and protocols passed by African Heads of State and Government, addresses three main areas, namely political integration, economic integration as well as social and cultural integration. For it to fully succeed, it requires not only quality statistical information, but also harmonised data across time and space.

602. Great strides have been made so far towards the production of quality statistics to inform public decisions, and these include both nation-specific programmes and continental statistical development frameworks such as the Addis Ababa Plan of Action (AAPA); the

Reference Regional Strategic Framework (RRSF) and the Africa Symposium on Statistical Development.

603. Despite progress made, there are still a number of challenges facing the African Statistical System, particularly with regards to current and topical events such as HIV/AIDS, environment and climate change, and more recently food and financial crises. Statistics are produced using methodologies that do not always reflect African realities and are not always comparable across countries. This is due to a number of hindrances including, among others, inadequate resources allocated to statistical activities, lack of institutional capacity, low profile of statistics on the continent, inadequate coordination of statistical activities, and minimal consideration of African specificities in setting up international standards. Regional Economic Communities (RECs)' statistical harmonisation programmes vary from one region to another and hardly meet the demand for harmonised statistics. The African Statistics System (ASS) is therefore expected to further scale up its efforts towards continental statistical integration to address continental need for harmonised and quality statistical information.

5.4.2 AFRICAN CHARTER ON STATISTICS

604. The African Charter on Statistics, adopted by Heads of State and Government in February 2009, is aimed at:

- i serving as policy framework and advocacy tool for statistical development in Africa;
- ii ensuring improved quality and comparability of the statistics;
- iii strengthening the coordination of statistical activities and facilitate the harmonisation of development partners' intervention in order to avoid duplications in the implementation of statistical programmes;
- iv promoting adherence to fundamental principles of public statistics in Africa, and a culture of evidence based policymaking; and
- v building institutional capacity of statistics authorities ensuring their autonomy in operations, while paying attention to adequacy of human, material and financial resources.

605. To date, the Charter has been signed by 20 countries and ratified by only one country. All member States are called to sign and ratify the Charter, for it to enter into force as soon as possible.

Table4: Countries that have signed and ratified African Charter on Statistics

Countries	Date of signature	Date of ratification	Date of accession
Benin	17/08/2009		
Cote d'Ivoire	11/06/2009		
Congo	28/06/2009		
Gambia	30/06/2009		
Ghana	28/06/2009		
Mozambique	17/06/2009		
Niger	12/05/2009		
Rwanda	15/05/2009		
Sierra Leone	18/06/2009		
Togo	12/05/2009		
Comoros	02/02/2010		
DRC	02/02/2010		
Gabon	29/01/2010		
Kenya	25/01/2010		
Mauritius	21/01/2010	27/10/2010	09/02/2010
Sao Tome	01/02/2010		
Zambia	31/01/2010		
Senegal	24/02/2010		
Burkina Faso	06/07/2010		
Malawi	04/08/2010		

Source: African Union Commission

5.4.3 STRATEGY FOR THE HARMONIZATION OF STATISTICS IN AFRICA (SHA SA)

606. The strategy for the harmonization of statistics in Africa (SHA SA) was adopted by Heads of State and Government in July 2010. It has four pillars which are: to Produce Quality Statistics for Africa; to Coordinate the Production of Quality Statistics for Africa; to build sustainable Institutional Capacity of the African Statistical System; and to Inculcate a Culture of Quality Decision-making. Currently, this strategy is under-implementation. All African statistics system, development partners and other stakeholders should support this effort in order to fast-track its implementation.

5.5 THE AFRICAN CHARTER ON DEMOCRACY

607. The African Charter on Democracy, Governance and Elections adopted by AU Heads of State and Government in 2007, is one of the clearest and most decisive indicators of the shift from indifference towards shared and collective responsibility. The Charter stands at the centre of Africa's collective resolve to act in unison when required. The Charter provides African Union with a collective vision and a basis to promote democracy building, but also, very importantly; it provides the union the foundation on which it could enhance its capacity to prevent and respond to the structural causes of conflicts on the continent.

608. A careful reading of the Charter indicates that it is a step beyond adopted declarations and decisions, as it firmly and unequivocally seeks to establish a political culture of change, based on the holding of regular, free, fair and transparent elections conducted by competent, independent and impartial national electoral bodies. The Charter also serves to fulfil a determination to promote and strengthen good governance through the institutionalisation of transparency, accountability and participatory democracy. To enter into application as an instrument of the African Union, the Charter has to be ratified by a minimum of Fifteen Member States of the African Union.

609. The Charter furthermore provides a consolidated point of reference for all of the African Union efforts to enhance the overall state of democracy, elections and governance across Africa. Through its adoption and ratification Member States of the Union are committing themselves to a set of broad common standards and approaches to governance and democracy. Within its various provisions, the Charter also provides a platform for Member States to engage with each other on democracy, governance and elections practices and approaches that

would be most relevant and appropriate to the collective commitments established through the African Union.

610. For the time being Six Member States have ratified the Charter and Thirty Seven have signed. The primary responsibility for ratifying and implementing the African Charter on Democracy, Elections and Governance rests with Member States. The Charter however belongs to all Africans and serves as a reference point for Member States on African Union shared values. It has also emerged as a primary document for articulating African common perspectives on democratic principles and practices.

611. As a document developed by the African Union for its Member States, the Charter is considered a positive example for other regions of the world. The details embodied in the Charter create the most basic standards and principles for governance, democracy and elections in Member States and are built upon and congruent to the Constitutions of Member States. The Assembly of the Union has taken a lead by adopting the Charter, in anticipation that Member States will sign and ratify the instruments as soon as is possible. An updated list of signatures and ratifications is attached for reference.

5.6 HUMAN RESOURCES, SCIENCE AND TECHNOLOGY

612. The African Union under Human Resources, Science and Technology executes development programmes aimed to enhance development, regional integration and cooperation through specific programmes in education, youth development, science and technology and ICTs.

5.6.1 EDUCATION

613. In education, the guiding framework is the Plan of action for the second Decade of Education for Africa (2006-2015) which was launched by the AU Summit in 2006. This plan articulates African's collective vision, and is therefore a guide for member states through RECs. All bona fide development agencies working in education in Africa are also called upon to align their activities with this plan of action, by the AU summit of January 2008. Already, there has been progress with a number of RECs having domesticated the Plan of Action. The Commission has developed a continental Education Management Information System, through which all RECs are reporting on progress in the implementation of the Plan of Action.

614. The Education Programme promotes revitalisation and harmonisation of education systems and policies; and development and retention of high level African human resources. The Mwalimu Nyerere African Union Scheme for intra-African academic scholarship and mobility for students and staff, established in 2005 is funded by AU Member States. The Scheme has received extra support for 300 post graduate scholarships from the Indian Government; and 40 million Euro to support expansion of the intra-African scholarship and academic mobility, from 2011. The Commission has established the African Education Observatory to build the continent's capacity in education management information systems while supporting knowledge based education planning. This will involve collaboration between the Pan African Institute of Education for Development (IPED) and the International Centre for the Education of Women and Girls in Africa (CIEFFA), with support from UNICEF, UNESCO and the Association for the Development of Education in Africa (ADEA). The Pan African University project, that will involve an array of 5 regional hubs each networked to 10 satellite institutions of higher education and research across Africa, has received overwhelming support from Member States as well as UNESCO, Germany, Japan and other international partners. The Pan African University will exemplify excellence in higher education and research, and enhance relevance, attractiveness and global competitiveness of African higher education. RECs are corner stones in the implementation of all these programmes.

5.6.2 SCIENCE AND TECHNOLOGY

615. The AU Science and Technology (S&T) Programme aims at promoting the use of S&T to confront Africa's challenges with scientific solutions. With assistance of development partners, the Commission designed a system of competitive research grants programme, at pan-African level, as a financial instrument dedicated to support research in Africa; to enforce funding for research and to promote inter-regional, intra-Africa and international scientific collaboration. The African Research Grants will receive from the African Caribbean Pacific (ACP) Research for Sustainable Development Programme Envelope about €15 million to launch Research Calls for proposals to implement R&D programmes within the AU science policy. The programmes on water and food security in Africa have been included in the €63 million FP7-Africa Call 2010 that was launched by the European Commission under the Africa-EU Joint Strategy. The Commission further launched African Scientific Awards at national level for younger researchers, regional level for women scientists, and open to all at continental level, to promote

scientific development, recognize excellence among African scientists and raise the profile of science and technology sector on the continent.

616. In the **ICTs**, one of the major achievements was the good preparation for the AU 2010 January summit theme on ICT, where the department organized an exhibition on the best practices and also prepared a comprehensive document on the sector. the AU Commission, within the framework of Africa-EU Joint Strategy, is coordinating and supporting the implementation following key projects among others (i) Africa Connect for Research and Education with a total cost of 11.8 million euro, aimed at establishing an (Internet based) interconnection between the European and African research networks; (ii) The African Internet Exchange System to establish an African internet infrastructure through providing policy and regulatory reform, capacity building, technical assistance for ISP Associations and Internet Exchange Points in Africa; and (iii) the African Leadership ICT Program designed to empower future leaders by building and strengthening their strategic capacities on ICTs' role in the development of inclusive and sustainable knowledge societies in Africa.

5.6.3 THE YOUTH PROGRAMME

617. The Youth Programme in the African Union Commission is aimed at strengthening the youth's capacities in Africa and to drive performance improvement for professionals, skills development and meaningful participation for the young people. The programme promotes the creation of a common platform that engenders skills reinforcement in order to facilitate access of the youth in development process, but also for them to be involved in the decision making processes. Also, there is necessity to promote appropriate incentives to contain efficiency and effectiveness of human resources and to raise awareness of the Member States to favour a well motivated Human Resource, including the youth, by considering them as positive social Capital in Africa for the sustainability of public sector partnership and projects. This requires the establishment of an operational integrated development framework to support the reinforcement of human capacity, the youth empowerment and skills development.

618. The youth volunteer programme that is to be launched soon aims to promote regional and inter-countries integration by posting the young volunteers in different countries and regions to improve their knowledge and skills and to contribute to African development wherever they are and through the volunteer work. The African Youth Charter, already ratified by 22 member States, the 10-year plan action to support

the implementation of the declared Decade (2009-2018) for youth development and efforts towards lifelong learning are, among others, the frameworks that address the above-mentioned issues, in terms of rights, obligations and needs to facilitate programmes that contribute to HR development in member States as well as in regions.

6. COMPARATIVE ANALYSIS OF THE RESULTS ACHIEVED

619. The African Economic Community (AEC) is an organization of African Union states establishing grounds for mutual economic development among the majority of African states. The stated goals of the Community include among others the creation of free trade areas, customs unions, a Common Market, and a single currency, all leading to the establishment of an economic and monetary union. Currently the African Union recognises eight RECs, with overlapping Member States in many of them. The RECs consist primarily of trade blocs and, in some cases, involve some political and military cooperation. All these RECs form the 'pillars' of AEC.

620. Following is the outline of how the African Economic Community is to be realised:

6.1 STAGES FOR ACHIEVING THE AFRICAN ECONOMIC COMMUNITY (AEC)

621. The AEC founded through the Abuja Treaty, signed in 1991 and entered into force in 1994, is envisioned to be created in six stages: stage One: (To be completed in 1999) creation of regional blocs in regions where such blocs do not yet exist ;stage two: (To be completed in 2007) strengthening of intra-REC integration and inter-REC harmonisation; stage three: (To be completed in 2017) establishment of a free trade area and customs union in each regional bloc; stage four: (To be completed in 2019) Coordination and harmonisation of tariff and non-tariff system among the RECs with a view of establishing a Free Trade Area culminating in a continent-wide customs union; stage five: (To be completed in 2023) establishment of a continent-wide African Common Market (ACM);stage six: (To be completed in 2028) establishment of a continent-wide economic and monetary union and a Parliament; and all transition periods are expected to end in 2034 at the latest.

622. Progress made as of August 2010; Stage 1: Completed; Stage 2: Completed (except IGAD and CENSAD. IGAD is in the process of finalising a study on its FTA including gradual elimination of its tariff and non tariff barriers) As for CENSAD, Proposals have been formulated and are being studied by the Member States; Stage 3: In progress (EAC, SADC, COMESA, ECCAS and ECOWAS achieved FTA. EAC and COMESA also achieved CU. COMESA currently under implementation process and EAC fully implemented. Remaining RECs are exerting efforts to launch and implement them; Stage 4: no progress yet (Continental Customs Union); Stage 5: no progress yet (establishment of a Common Market) and Stage 6: no progress yet (Monetary and Economic Union not achieved as steps to implement Continental Free Trade Area, Customs Union and Common Market have to be achieved, except that the Pan African Parliament established, but it is still playing an advisory role.

623. The following table indicates the status of implementation of the Abuja Treaty per each REC from stage one to stage three. Stages four to six are continental stages that lead to the establishment of the African Economic Community.

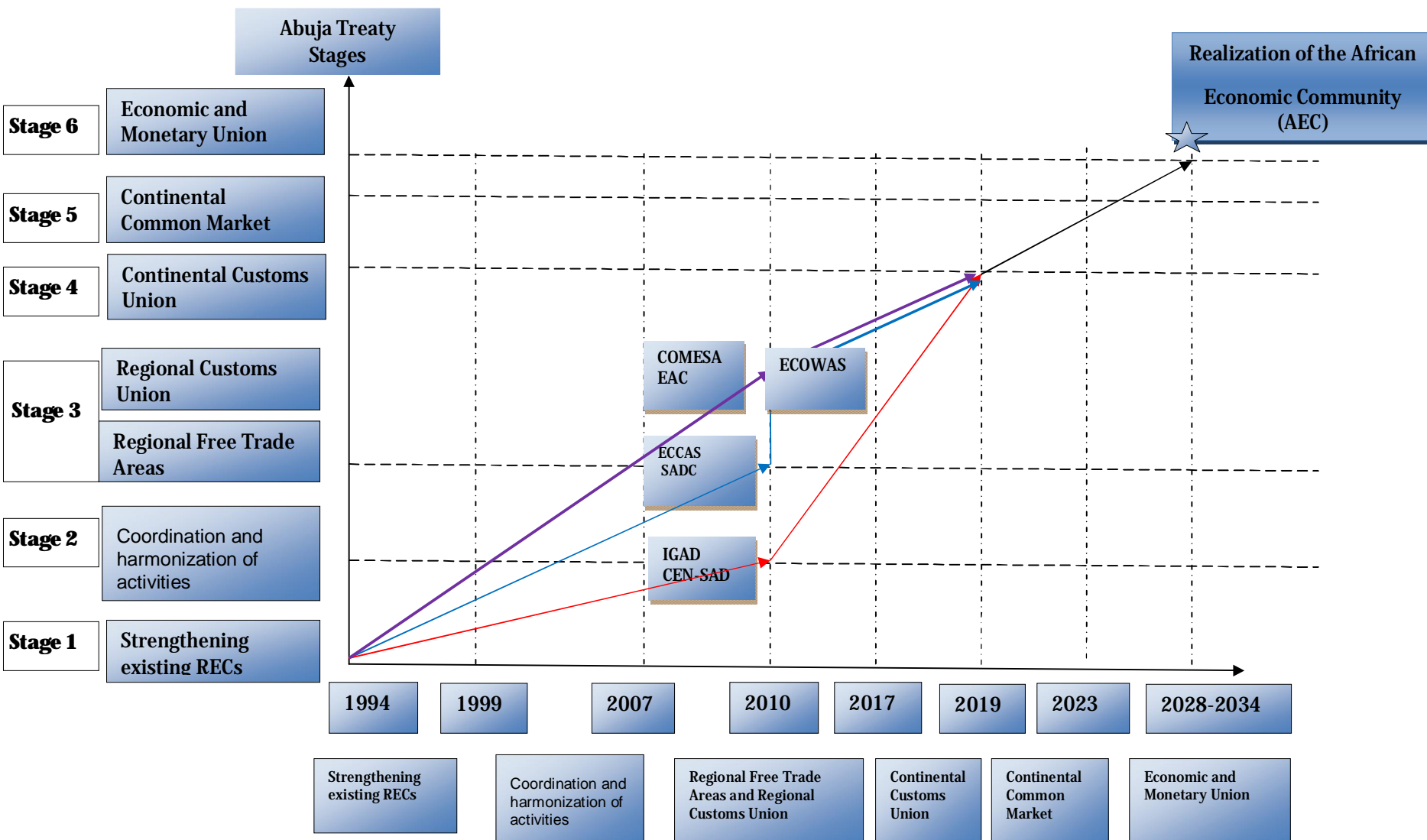
TABLE 5. STATUS OF REGIONAL ECONOMIC COMMUNITIES

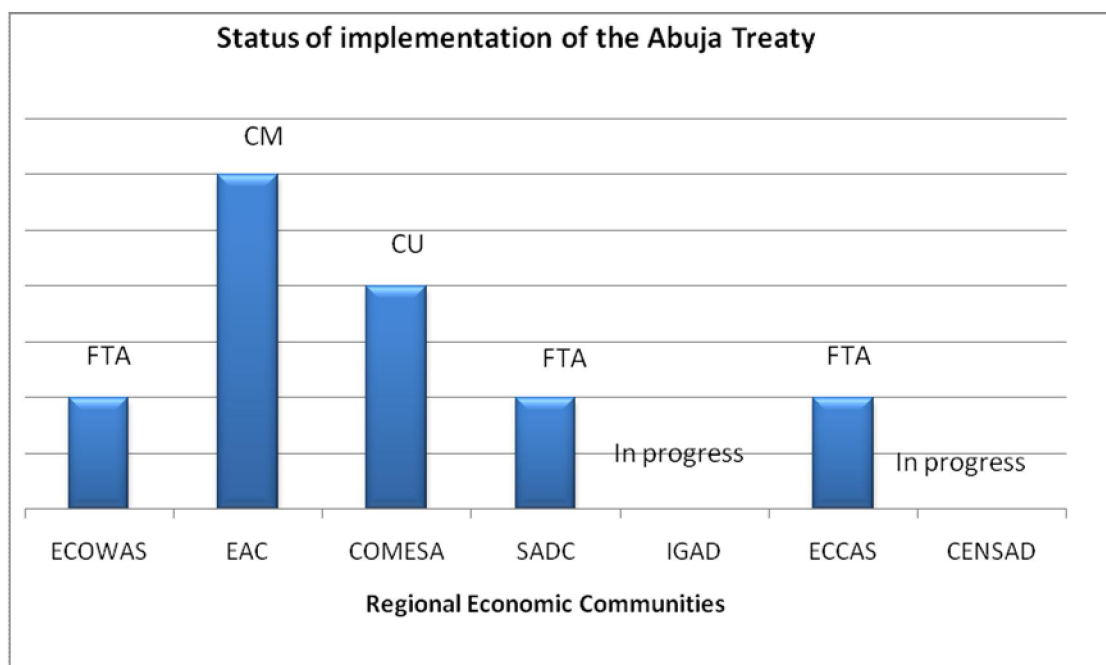
Stages of the Abuja Treaty	Stage one: 1994-1999	Stage two: 2000- 2007		Stage three: 2008-2017		Stage four: 2018-2019	Stage five: 2020-2023	Stage six: 2024-2028 latest 2034
RECs	Strengthening existing RECs and creation of new RECs where they do not exist	Coordination and harmonization of activities	Gradual elimination of tariff and non tariff barriers	Free Trade Area	Customs Union	Continental Customs Union	Establishment of an African Common Market	Monetary and Economic Union
IGAD	ü	ü	study in progress	in progress	Not yet	This stage will be achieved when all RECs have achieved Customs Union and harmonized their respective CET, with a view of creating one single continental CET.	This stage will be achieved when all RECs have achieved continental customs union as well as free movement of labour and capital.	This stage will be achieved when all RECs have achieved African Common Market at which time there will be a common currency, issued by the African Central Bank.
SADC	ü	ü	ü	ü	2011			
CENSAD	ü	ü	ü	in progress	Not yet			
ECOWAS	ü	ü	ü	ü	2015			
COMESA	ü	ü	ü	ü	ü			
ECCAS	ü	ü	ü	ü	2011			
EAC	ü	ü	ü	ü	ü			

African Union Commission

Source:

Status of Implementation of the Abuja Treaty





Sources: African Union Commission

Note:

FTA: Free Trade Area

CU: Customs Union

CM: Common Market

6.2 CURRENT STATUS OF THE REGIONAL ECONOMIC COMMUNITIES

624. It is clear from the above tables and graphics that RECs have made some progress in the integration initiative. However, major efforts are still needed to harmonize their policies, particularly at the continental level. Some RECs such as COMESA, ECOWAS, SADC, EAC, and ECCAS have achieved Free Trade Area while CENSAD and IGAD are in the process of having their own. COMESA and EAC are the only RECs that established their own Customs Union. COMESA launched its customs union in June 2009 and its implementation is planned for three years period. EAC Customs Union is fully in force.

625. On the one hand, ,ECCAS and SADC aims to launch their Customs by 2011, while ECOWAS in 2015.. Remaining RECs are exerting efforts towards the attainment of this goal.

6.3 HARMONISATION AND COOPERATION ACTIVITIES BETWEEN THE RECS

626. It should be noted that among the inter-REC activities entail collaboration by the EAC particularly with COMESA, SADC and IGAD. A number of activities are taking place within the context of the Inter-Regional Coordination Committee. Furthermore, EAC, COMESA and SADC held a Tripartite Summit in October 2008, during which it was institutionalised to steer the process of integrating the three (3) RECs, starting by establishing a Free Trade Area. Key programmes are also planned to be carried out in the area of infrastructural development,

627. COMESA, EAC and SADC are implementing regional integration programmes in the areas of trade and economic development covering the establishment of Free Trade Areas, Customs Unions, Monetary Union and Common Markets as well as regional infrastructure development programmes in transport, information and communication technologies and energy as a first step and a contribution to the realisation of continental integration leading to the establishment of the AEC.

628. Similarly, in West Africa, there is a growing rapport between ECOWAS and UEMOA, which has borne fruit by the adoption of a common programme of action on a number of issues, including trade liberalization and macro-economic policy convergence. The ECOWAS and UEMOA Commissions engaged in the implementation process of a consultation and cooperation framework for West Africa intergovernmental Organizations. The various meetings held in December 2007, August, September and December 2009 made it possible to finalize and adopt Cooperation and Partnership Memorandum of understanding

between West African intergovernmental Organizations in December 2009, in Accra, Ghana. This MOU aims at promoting and speeding up the coordination, complementarity and efficiency of their respective common actions for the development and integration of West Africa and at fostering the principle of subsidiarity.

629. In Central Africa, ECCAS and CEMAC are increasingly working towards harmonizing their programmes.

630. In the Eastern and Southern Africa sub-regions, IGAD and IOC are already applying most of the integration instruments adopted within COMESA. The EAC and COMESA have a memorandum of understanding to foster the harmonization of their policies and programmes, while COMESA and SADC have set up task forces to deal with common issues and invite each other to their policy and technical meetings.

631. However, one of the main challenges facing COMESA, EAC and SADC in the implementation of their integration programmes is the overlapping membership. EAC is already a customs union, but EAC shares four Member States with COMESA and one Member State with SADC. Five of SADC member States are members of Southern African Customs Union (SACU). There are, therefore, ten countries in the region that are already members of customs unions but all ten are also involved in negotiations aimed at establishing alternative customs unions to the one they currently belong. COMESA and SADC have seven Member States in common that are not part of a customs union but are all involved in preparing customs unions. Therefore, of the twenty-six countries that constitute the combined membership of COMESA, EAC and SADC, seventeen (or almost two-thirds) are either in a customs union and participating in negotiating an alternative customs union to the one they belong, or are in the process of negotiating two separate customs unions.

632. This has led to the recognition by the three RECs of the need to initiate a process of coordination and harmonization of their regional integration programmes as a way of mitigating the challenge of multiple membership. The table below indicate the RECs recognised by the African Union and other existing RECs.

Table 6: RECs recognised by the AU and other existing RECs

Eight RECs recognised by the African Union	Other existing Communities that are not recognised by the AU
Economic Community of West African States (ECOWAS)	Southern African Customs Union (SACU)
Common Market for Eastern and Southern Africa (COMESA)	Economic Community of Great Lakes countries (CEPGL)
Community of Sahel-Saharan States (CENSAD)	West African Economic and Monetary Union (UEMOA)
Southern African Development Community (SADC)	Central African Economic and Monetary Community (CEMAC)
Inter-Governmental Authority on Development (IGAD)	Indian Ocean Commission (IOC)
Economic Community of Central African States (ECCAS)	Economic Community of Great Lakes countries (CEPGL)
East African Community (EAC)	
Arab Maghreb Union (UMA)	

Source: African Union Commission

633. Attempts to harmonise all RECs in preparation for the fourth stage which is the continental customs union that has to be achieved by the year 2019, face a challenge. A lot of efforts are required on the part of the AU Organs as well as RECs and Member States. The proposed alternative is to make sure that FTA's, customs union, common market, economic and monetary union are achieved at the regional level, the remaining RECs that have not achieved FTA as well CU should exert efforts to do so and all RECs should persuade Member States to implement FTAs as well as CU.

634. Furthermore, while RECs are moving towards the accomplishment of these stages in line with the Abuja Treaty, the Minimum Integration Programme (MIP) that was adopted as a dynamic strategic framework has prioritized some sectors to be implemented at the continental integration. Its prioritised programmes and activities have already been agreed upon by the RECs during two sectoral meetings organised in Nairobi from 10-11 May 2010 and Lilongwe from 1-2 June 2010. These programmes could be used as guidelines on the

harmonisation of RECs to gradually achieve the remaining stages at the continental level, beginning from 2018.

6.4. CHALLENGES

635. It is clear that Africa is faced with challenges including, the global namely: food, energy and financial crisis. This is a clear indication that there is need to strengthen coordination among the RECs in order to overcome these challenges as individual countries cannot face it alone. This constitutes an opportunity for African leaders to speed up the integration process by revisiting the method adopted so far towards integration, removing all obstacles that hinder the integration process, making strong commitments to reach these goals and providing more resources to the AU to implement the Continental Programmes.

636. Energy access and security constitute another serious constraint to Africa's efforts to attain sustainable and inclusive growth. Despite the continent's vast energy resources, its levels of energy access lag far behind the rest of the world. In addition, energy supply has been hampered by inefficient utilities. Cross-border collaboration in energy trade is also weak in the regions. Thus, additional efforts are needed, in some sub-regions, to harness the benefits accruing from regional energy policy frameworks and coordination mechanisms, such as gas and power pools and the integration of regional energy markets.

637. The integration process on the Continent is also constrained by the numerous conflicts in some Member States which hinder integration and development by curtailing economic activities, destroying infrastructure and posing a serious impediment to the flow of trade and investment. The effectiveness of the process is also being limited by the multiplicity of schemes, which imposes a huge burden on the limited administrative and financial capacities of the countries concerned and leads to conflicting obligations.

638. The absence of self-financing mechanisms for the regional integration organizations; the inadequacy of mechanisms to ensure that the benefits of integration are equitably distributed among the Member States; the lack of involvement of the private sector and civil society in the integration process; and the disproportionate time allocated to conflict-related issues have implications on skills and competencies required by the RECs, and are significantly impacting negatively on the integration process.

639. Africa's regional integration process has also been hampered by the poor design and sequencing of the arrangements. This is reflected in the heavy emphasis of most of the schemes on trade liberalization and market integration without much regard for fostering production , integration and regional complementarities or the development of regional infrastructure (especially transport and communication) to drive market integration.

640. In light of the foresaid, the following observations can be made:

- i Since IGAD Member States also belong to COMESA, IGAD should adopt similar programmes with the latter and the study that it intends to carry out on FTA should be in line with that of COMESA;
- ii IGAD should also be part of the tripartite agreement that is taking shape between COMESA, EAC and SADC;

641. The creation of a SADC/COMESA/EAC Tripartite Agreement represents an option for fast tracking the attainment of the African Economic Community. In this regard, SADC, EAC and COMESA could begin working towards the harmonization of their CETs and the eventual realization of AEC with other RECs. IGAD could be invited to join the process, given that all its Member States also belong to COMESA. IGAD's formation of its (FTA) should also take into account the Tripartite programmes in order to avoid duplication.

642. CEN-SAD, which also includes ECOWAS Member States, should be invited to closely study the status of ECOWAS and harmonize its programmes with those of the latter. As for CEN-SAD Member States, which belong to ECCAS, they could enter into customs union with the latter.

643. Continental projects such as energy, infrastructure, agriculture, among others, cannot be achieved given the current state of independence prevailing among the RECs. The absence of harmonization and coordination through having common continental projects, could pose a challenge that RECs may find themselves in a difficult situation.

644. Furthermore, the numerous roadblocks and checkpoints on African highways raise transport costs and contribute to increased delays in the delivery of goods. They also limit the free movement of commodities, persons, inputs and investments. African customs administrations are generally inefficient, contributing to barriers to trade within and outside the continent. Customs regulations require excessive documentation, which must be done manually because the process is not automated as information and communication technologies (ICTs) are absent in most of the customs offices., coupled with outdated customs procedures and lack of transparency, predictability and consistency. These inefficiencies result in delays that raise transaction costs.

645. Additional barriers to trade include payment and insurance systems, which are also not well developed. Furthermore, foreign trade financing, export credit facilities and export insurance systems are not available in most African countries. Because monetary and financial regulations are not harmonised at the regional, sub-regional and national levels, there is no inter-convertibility of African currencies.

646. Africa's trade would not improve significantly with the current poor state of Africa's infrastructure. Africa needs safe, reliable, efficient, affordable and sustainable physical infrastructure to support economic activities and to provide basic social services, especially for the poor. In addition, Africa needs to develop energy infrastructure such as electricity grids and oil and gas pipelines that will facilitate cross-border energy trade, thereby enhancing security and reliability of energy supply. Trade between countries can also be strengthened with shared common water resources if shared rivers and lakes are developed into waterways for the transport of goods and people.

647. A major challenge confronting the development of African infrastructure is also lack of adequate funding. Recent estimates by the World Bank indicate that annual infrastructure investment requirement in Africa is about USD 93 billion over the next decade. These investments are required for the development of new electric power generation plants, cross-border transmission lines, intra-regional fibre optic network and submarine cables, all-season roads to access agricultural land, water and sanitation, and ICTs. Consequently, the financial support programmes that would target Africa's infrastructure development must be scaled up. The World Bank, EU, AfDB and other multilateral agencies need to increase their funding for the development of Africa's infrastructure as African governments lack the financial capacities to do so. It is also necessary to increase support for the Infrastructure Consortium for Africa (ICA).

648. To address the challenges, African countries, with the assistance of the RECs and development partners, have embarked on programmes to strengthen infrastructural development on the continent. They are working to develop an integrated road network, railways, maritime transport, inland waterways and civil aviation. In addition, the RECs are developing and implementing harmonised laws, standards, regulations and procedures to ensure the smooth flow of goods and services and to reduce transport costs. The PIDA which aims at improving Africa's infrastructure was launched by the AU Commission, AfDB the RECs and the NEPAD Planning and Coordinating Agency. Under PIDA various studies will be conducted with the goal of providing African decision makers with analytical and decision-making tools for the formulation of policy, priority infrastructure development programmes and related strategies and processes.

649. Africa is facing numerous difficulties as it attempts to fast-track its political and economic integration. Concerning the issue of financing, so far, many projects have been identified in various areas, but the challenge is to find substantial, stable and long term sources of financing. Regarding this particular issue, Africa is trying to put in place Pan-African Financial Institutions like the African Investment Bank (AIB), the African Monetary Fund (AMF) and the African Central Bank (ACB); as stated in Article 19 of the Constitutive Act of the AU.

650. In addition to setting-up new financial institutions, the Commission is in the process of proposing for adoption a mechanism to generate autonomous funds, as is the case in the EU since 1970, and, in ECOWAS and ECCAS since the 2000 . If the proposed mechanism is adopted by the Heads of States at the January-February 2011 Summit, the AU will have at its disposal a substantial stable financing mechanism for the various budgets of its Organs.

651. In tandem with these internal efforts, to find substantial resources, the AU can also count on the contribution of its various partners. In this regard, stakeholders are considered as important partners for enhancing support in the implementation of the Abuja Treaty. That is why it is imperative to implement the Abuja Treaty effectively within the specified time frame. Development partners should support African Union's efforts to push for the African integration. Development partners such as AfDB and ECA should support AUC in finding better ways to finance the identified programmes and projects agreed within the context of MIP. MIP covers the following priority areas: Trade, Free Movement, Industry, Investment, Social Affairs, Political Affairs, Statistics, Capacity-Building and Gender.

652. To finance the MIP, the AU Heads of State and Government, at the request of the African Ministers in charge of Integration, decided to set-up an African Integration Fund, in collaboration with the African Development Bank. The creation of this fund is in the pipeline and the autonomous mechanism of generating funds will play a vital role in the replenishment of the fund.

7. RECOMMENDATIONS

653. Given the current progress in the enhancement of regional integration in Africa, and the challenges facing the process, the following recommendations are being made for the attention of the African Union Organs, the RECs and the Member States.

- i. Member States should implement decisions, treaties and protocols. Member states should also commit themselves to the integration process beyond signatures
- ii. There is need for additional effort to harmonise the activities of the RECs. Although some RECs have cooperation agreements between them in various sectors of activity, it is necessary to speed up the integration process through confidence building measures. Instead of RECs being seen as competing against each other, the focus should be on greater complementarity and a common vision of continental integration. This will necessarily require effective management which will undoubtedly have a positive impact on integration.
- iii. There is need to have reliable information and knowledge about Member States' commitment to the integration process ,which will, no doubt, offer an avenue for stakeholders to get a sense of the performance of Member States, serve as an agency of restraint, and motivate Member States to deliver on their commitments.
- iv. It is imperative to involve the African peoples, including the civil society, professional groups and trade unions in the integration efforts. Stakeholders also need to be empowered to participate in monitoring Africa's integration process in order to enhance the accountability of the regional institutions mandated to spearhead the process within their respective sub-regions. A platform for holistic information and knowledge about Africa's integration agenda and processes would provide a means by which they can probe and scrutinize what transpires within these institutions and thus facilitate the popularization and democratization of the integration process.
- v. AUC should invite the Pan -African Financial Institutions to support the continental projects adopted by the AU particularly by assisting RECs to implement the Minimum Integration Programme (MIP)

- vi. AU has to strengthen institutional infrastructure such as the African Court of Justice to facilitate adjudication, among others, on business related matters on the continent.
- vii. AU has to speed up the establishment of its financial institutions i.e the African Central Bank, African Monetary Fund and African Investment Bank in order to accelerate the monetary integration and develop African economies.
- viii. Sectoral Meetings between AUC and the RECs, although should be further encouraged to assist in enhancing the integration process. Such meetings could tackle issues pertaining to accelerating continental integration as well as putting in place a strategy for the implementation of recommendation made.
- ix. RECs should be encouraged to share information on the use of best practices, especially on institutions that have been created and are making progress in furthering the integration process.
- x. Capacity for monitoring and evaluating the integration process as well as assessing results, should be enhanced.
- xi. Beneficiaries/citizens should be actively involved in the planning and popularization of the integration process, which is hitherto confined to only a small group of people. The creation and operationalisation of a regional and social committee could serve this purpose. RECs should also strive to mobilize the necessary resources by implementing projects that are supported by the people of the region and by ensuring the judicious use of such resources.
- xii. A viable Development Communications Strategy should be formulated by the African Union Commission to support the integration process and the strategic plan of the AU.
- xiii. The African Union in collaboration with RECs and other partners' such as the ECA and ADB should build up support for regional mechanisms for crisis prevention and also promote effective regional recovery and peace consolidation.
- xiv. The ongoing efforts to elaborate a comprehensive Programme for Infrastructure Development in Africa (PIDA) and an Institutional Architecture for coordinating and managing infrastructure development programmes/projects in the continent should be given

full support by all the partners in order to ensure that concrete results are realised with regard to physical development of infrastructure in Africa in the foreseeable future

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- xv. It is necessary to strengthen communication using media such as website, television, conferences and symposia to provide a public awareness and their commitment to the integration process, in order to facilitate the implementation of some sectoral programs;
- xvi. Involvement of Member States, the private sector, civil society and development partners is crucial for the implementation of the activities of regional and continental integration.

8. CONCLUSION

654. This report has taken stock of progress made by all stakeholders in the integration process in Africa. It is a platform of what each REC is doing as well as a window of experiences of RECs activities and programmes. It also gives an overall picture of initiatives being taken by the African Union to fast track the integration process.

655. This exercise has shown clearly that a lot of effort has been made. Three of the RECs, are currently in Free Trade Area (FTA), one is at the stage of a Customs Union, one at the Common Market and two are exerting efforts to reach the various stages set by the Article 6 of the Abuja Treaty.

656. The success of this exercise will depend on the will and determination of each stakeholder to play its efficient role in the realization of the African Economic Community through implementation of the Abuja Treaty. Regional Economic Communities on the other hand, will have to coordinate their programmes and share best practices and experiences through various programmes and activities that fall within their regions. The AU should play its leadership role in the integration process while the Member States should support the process.

657. In this regard, African Union in close collaboration with the RECs should work together in implementing the Minimum Integration Programme that was adopted on 7-8 May 2009 in Yaoundé, and translated into an Action Plan that involves all the stakeholders.

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