



African Union Commission



**STATUS OF INTEGRATION IN AFRICA
(SIA IV)**

2013

TABLE OF CONTENTS

Acronyms	6
Acknowledgements	8
Executive Summary	9
1. INTRODUCTION.....	15
1.1 METHODOLOGY	16
1.2 STRUCTURE OF THE REPORT	17
1.3 OVERVIEW OF THE STATUS OF INTEGRATION IN AFRICA.....	18
2. STATUS OF INTEGRATION PER SECTOR	22
2.1 TRADE.....	22
2.1.1 TRADE FLOWS	22
2.1.1 TARRIF BARRIERS.....	26
2.1.2 NON-TARRIF BARRIERS (NTBs)	31
2.1.3 CUSTOMS ADMINISTRATION AND PROCEDURES	32
2.1.4 COMPETITION POLICIES	34
2.1.5 TRADE FACILITATION.....	35
ONE STOP BORDER POSTS (OSBPS)	35
2.2 INVESTMENT PROMOTION	41
2.3 INFRASTRUCTURE	47
2.3.1. TRANSPORT	47
ROAD TRANSPORT	48
RAIL TRANSPORT	55
AIR TRANSPORT	56
MARITIME TRANSPORT	61
2.3.2 ENERGY	61
2.3.3 WATER	70
2.3.4 INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)	74
2.4 FREE MOVEMENT OF PERSONS	79

2.4.1	Status.....	79
2.4.2	Challenges.....	84
2.4.3	Recommendation and Way forward.....	86
2.5	MACROPECONOMIC CONVERGENCE.....	88
2.6	AGRICULTURE AND FOOD SECURITY.....	95
2.7	PEACE AND SECURITY.....	100
2.8	SOCIAL AFFAIRS.....	106
2.8.1	HEALTH.....	106
2.8.2	GENDER.....	114
2.8.3	MIGRATION.....	118
2.8.4	EDUCATION.....	118
2.9	TOURISM.....	121
2.10	INDUSTRY.....	123
2.11	PLANNING, MONITORING AND EVALUATION.....	125
2.12	CHALLENGES AND CONSTRAINTS.....	127
3.	ACTIVITIES AT THE CONTINENTAL LEVEL: AFRICAN UNION COMMISSION.....	129
3.1	PROGRAMME FOR INFRASTRUCTURE DEVELOPMENT IN AFRICA (PIDA).....	129
3.2	COMPREHENSIVE AFRICA AGRICULTURAL DEVELOPMENT PROGRAMME (CAADP).....	144
3.3	AFRICAN FINANCIAL INSTITUTIONS.....	151
3.3.1	AFRICAN INVESTMENT BANK.....	151
3.3.2	AFRICAN CENTRAL BANK.....	152
3.3.3	AFRICAN MONETARY FUND.....	152
3.4	AFRICAN CHARTER ON STATISTICS (ACS) AND STRATEGY FOR THE HARMONISATION OF STATISTICS IN AFRICA (SHASA).....	153
3.5	CONTINENTAL FREE TRADE AREA (CFTA) AND BOOSTING INTRA- AFRICAN TRADE (BIAT).....	155

3.6	THE MINIMUM INTEGRATION PROGRAMME (MIP)	159
4.	BEST PRACTICES AND EXPERIENCES: THE EAC-COMESA-SADC TRIPARTITE ARRANGEMENT	163
4.1	BACKGROUND	163
4.2	SCOPE OF THE NEGOTIATIONS	164
4.3	MONITORING OF THE NEGOTIATION PROCESS	166
4.4	FINANCING	166
4.5	OUTCOME OF THE SECOND TRIPARTITE SUMMIT	168
4.6	OUTCOMES OF THE HIGH LEVEL TRIPARTITE & IGAD INFRASTRUCTURE INVESTMENT CONFERENCE	170
5.	CONCLUSION AND RECOMMENDATIONS	170
	ANNEXES	174
	ANNEX I: RECs programmes, projects and institutions per Sector	174
	ANNEX II: CAADP Implementation Progress Table, As of June 2012	178
	ANNEX III: Road Map for Establishing the Tripartite FTA - January 2011 to January 2016: activity matrix.....	180
	REFERENCES	181

Acronyms

AEC	African Economic Community
AfDB	African Development Bank
AMU/UMA	Arab Maghreb Union
APSA	African Peace and Security Architecture,
ASYCUDA	Automated System of Customs Data
AUC	African Union Commission
BIAT	Boosting Intra-African trade
CAADP	Comprehensive African Agricultural Development Programme
CASSOA	Civil Aviation Safety and Security Oversight Agency
CCIA	COMESA Common Investment Area
CEMAC	Central African Economic and Monetary Community
CEN-SAD	Community of Sahel-Saharan States
CET	Common External Tariff,
CEWARN	Conflict Early Warning and Response Mechanism
CFTA	Continental Free Trade Area
COMAI	Conference of African Ministers in Charge of Integration
COMESA	Common Market for Eastern and Southern Africa
CTN	Common Tariff nomenclature
CU	Customs Union
EAC	East African Community
ECCAS/CEEAC	Economic Community of Central African States
ECOSOCC	Economic, Social and Cultural Council
ECOWAS	Economic Community of West African States
EU	European Union
FTA	Free Trade Area

HS	Harmonized Commodity Description Coding System
ICAO	International Civil Aviation Organization's
ICT	Information and Communications Technology
IGAD	Intergovernmental Authority on Development
MFN	Most-Favoured Nation
MIP	Minimum Integration Programme
NEPAD	New Partnership for Africa's Development
NTBs	Non Tariff Barriers
OSBPs	One Stop Boarder Posts
PIDA	Programme for Infrastructure Development in Africa
RECs	Regional Economic Communities
RIA	Regional Investment Agreement
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAPP	Southern African Power Pool
SHASA	Strategy for Harmonisation of Statistics in Africa
UEMOA	West African Economic and Monetary Union
UNECA	United Nation Economic Commission for Africa
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
WTO	World Trade Organisation

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This report was prepared by Mr. Fliss Liwaaddine, Policy Officer, Integration at the Economic Affairs Department- African Union Commission.

Email: liwaeddinef@africa-union.org

Executive Summary

The African countries, as an economic bloc, occupy a very low position in the global economic classification. The African continent is home to 14% of the global population; it accounts for less than 3% of the global GDP and receives only 3% of foreign direct investment. As regards to global goods trade, the continent accounts for only 1.8 % of imports and 3.6 % of exports. These rates are even lower in the services sector: 1.7% and 1.8% of imports and exports, respectively. Beyond the relatively unfavorable general positioning, the situation is quite mixed if the countries are considered on individual basis. Intra-African trade stands at around 12 per cent compared to 60 per cent, 40 per cent, 30 per cent intra-regional trade that has been achieved by Europe, North America and ASEAN respectively. Even if allowance is made for Africa's unrecorded informal cross-border trade, the total level of intra-African trade is not likely to be more than 20 per cent, which is still lower than that of other major regions of the world.

The African Union recognises eight RECs, which consist primarily of trade blocs and, in some cases, involve some political cooperation. All these Communities form the 'pillars' of the African Economic Community (AEC). The RECs are moving towards implementing the Abuja Treaty with different rhythms. EAC is the most advanced Community which have launched its Common Market in 2010. COMESA has launched its Customs Union on June 2009. ECOWAS and SADC have made progress in building their FTAs and planning to launch their Customs Union in 2015 and 2013, respectively. ECCAS have launched its FTA in 2004 but is facing enormous challenges in implementing it. UMA, CEN-SAD and IGAD are moving slowly and still in the stage of cooperation amongst their Member States.

Apart from the problems in implementing the agreed FTAs, RECs are also facing Non-tariff barriers to trade. In this regard, RECs have different approaches in dealing with NTBs. The three RECs composing the tripartite arrangement have adopted one programme on elimination of NTBs which is an internet based system for use by stakeholders in the Member States to report NTBs as well as monitor the processes of their elimination. ECOWAS has put in place National Committees to deal with problems

of NTBs and complaint desks in the borders, whereas, the rest of the RECs are yet to establish such a system to eliminate NTBs.

Few RECs have elaborated competition policies and generally these are the Communities either moving towards the Customs Union and Common Market or have reached these stages. One of the main tools for trade facilitation is the initiative of One Stop Border Posts (OSBPs). The concept is used to minimise delays at cross border points on major transport corridors in the region, often as a result of poor facilities, manual processes, lengthy and non-integrated procedures and poor traffic flow. Under the OSBP concept, all traffic would stop once in each direction of travel, facilitating faster movement of persons and goods, and allowing border control officers from the two Partner States to conduct joint inspection. The concept was first used at the Chirundu OSBP between Zimbabwe and Zambia which was judged successful. The establishment of the OSBPs is now widely adopted in various RECs such as, COMESA, EAC, ECOWAS, SADC and ECCAS.

Lack of adequate physical infrastructure continues to impede the integration process at national, regional and continental levels. In this regard, RECs are continuing implementing their respective infrastructure development programs which are at various levels, such as, conceptualisation, mobilisation of funds, feasibility studies, procurement, construction and rehabilitation. At Continental level, the PIDA yielded a macro-outlook for infrastructure demand in each sector through 2040 (or 2020 for ICT), the projected gaps and bottlenecks created by mismatched supply and demand, the institutional inefficiencies previously highlighted and the options for identifying, preparing and funding projects. The programme is organized for the short and medium term (through 2020 and 2030) with a long-term view to meet demand through 2040. Given Africa's urgent infrastructure needs, the projects and programme list for short term implementation is included in the Priority Action Plan (PAP) of PIDA. The currently PIDA cost is estimated at more than \$360 billion, the overall capital cost of delivering the PAP from 2012 through 2020 is expected to be nearly \$68 billion or about \$7.5 billion annually for the next nine years. Mobilizing funds for the implementation of the PIDA continue to be challenge. Regarding the energy sector, majority of the RECs

are operating through their respective power pools in implementing regional programmes. In addition, some RECs have initiated projects on renewable energy.

The free movement of people and factors of production represents a perfect integration area where RECs could make significant and rapid progress and gains. Some RECs have normative texts to ensure the right to free movement in Africa, something that is not yet fully realised by other RECs. Regarding the free movement of people, enormous results have been achieved in certain regions such as ECOWAS EAC and AMU; on the other hand some RECs (SADC, ECCAS, CEN-SAD, IGAD and COMESA) are still facing challenges in this regard. Despite the progress made, several obstacles slow down, and even undermine the integration process. In this regard, the movement of people is faced with a number of problems, including infrastructure, especially road transport such as, the very high number of roadblocks erected by security forces as well as illegal barriers and insecurity on the roads. Countries usually evoke security as the main reason for delaying the implementation of decisions on free movement of persons, which have been taken at a regional level.

In implementing their Monetary Cooperation Programmes, RECs are at different stages of integration. COMESA has developed Multilateral Fiscal Surveillance Framework; adopted a Financial System Development and Stability Plan; designed an Assessment Framework for Financial System Stability. The COMESA Monetary Institute was also established in 2011 in Nairobi, Kenya, in order to undertake all the preparatory work for implementing all the stages of the COMESA Monetary Cooperation Programme. COMESA also operationalised the Regional Payment and Settlement System (REPSS). The preparatory works for the transition to the EAC Monetary Union (EAMU) is ongoing. The negotiations for the EAMU Protocol are in advanced stages and have covered most parts of the draft Protocol. The review of the EAC macroeconomic convergence criteria is towards completion. According to the roadmap adopted by the ECOWAS, it's planned to launch the second monetary zone (WAMZ) by 2015 and launch the larger monetary zone by merging the CFA and the WAMZ zones by the year 2020.

The AU Commission is working on the establishment of the African financial institutions. In this respect, the AUC is producing, with the Association of the African Central Banks (AACB), a Joint Strategy for the establishment of the African Central Bank (ACB). Regarding the African Monetary Fund, the Steering Committee has finalized its work on the Protocol and Statute establishing the Fund. The Protocol was considered by the January 2011 AU Summit who recommended that it be reviewed by Ministers of Justice before adoption. The Commission is working with the IMF to review the text before submission to Member States experts for consideration in February 2013 and to the Joint AU/ECA Conference of Ministers of Finance in March 2013. It is envisaged that the final text will be submitted to the July 2013 Summit for adoption.

The use of quality, reliable and comparable statistics is a must for any monitoring and evaluation process. In this regard, the African Charter on Statistics, which urges providers, producers and users of statistical data to collaborate more closely and effectively in order to enhance the quality and usefulness of statistical information, was adopted by Heads of State and Government in February 2009. To date, the Charter has been signed by 22 countries and ratified by only six countries. The strategy for the harmonization of statistics in Africa (SHaSA) was adopted by Heads of State and Government in July 2010 and is under implementation by the concerned stakeholders. The MIP has been elaborated by the AU Commission in close cooperation with the RECs and was adopted as "dynamic strategic continental framework for the integration process". The AU Commission developed an implementation Action Plan for the MIP which was adopted by the fifth COMAI and endorsed by the Heads of State and Government during the January 2012 AU Summit. The AUC was mandated to estimate the necessary funding requirements (costing) for the implementation of each activity and project contained in the MIP Action Plan. The overall cost of implementing the MIP Action Plan is estimated to be US\$ 110,950 million. The AUC is working with UNDP to develop a mobilization strategy for the MIP Action Plan as well as on setting up an Integration Fund.

Significant progress is registered in CAADP implementation in relation to agricultural spending and sectoral growth aimed at attaining the Maputo targets of allocating at least 10 percent annual public sector budget to agriculture and at least 6 percent annual sectoral growth respectively. Recent statistics show that up to 9 countries stand out as having reached or surpassed the 10% target. Nine countries are spending between 5 and 10 percent and 29 countries have devoted less than 5 percent of their total budgets to agriculture. The number of countries that have signed their national CAADP compacts has risen to Twenty Nine. Out of these 29 Country Compacts, 21 have completed the formulation of CAADP-based country investment plans which have also been independently reviewed.

At its 18th Ordinary Session, held on 29-30 January 2012 in Addis Ababa, Ethiopia, on the theme “Boosting Intra-African Trade”, the Assembly of Heads of State and Government of the African Union adopted a Decision (Assembly/AU/Dec.394 (XVIII)) and a Declaration (Assembly/AU/Decl.1(XVIII)), that reflect the strong political commitment of African leaders to accelerate and deepen the continent’s market integration. The Heads of State and Government agreed on a Roadmap for the establishment of a Continental Free Trade Area (CFTA) by the indicative date of 2017. During its 19th Ordinary Session of the Assembly of the Union, African Heads of State and Government adopted Decision Assembly/AU/Dec.426(XIX) highlighting, among others, the major achievements made in implementing the CFTA and boosting intra-African trade, especially the progress made in the operationalization of the High Level African Trade Committee (HATC) and the outcomes of the consultations of Committee of seven Heads of State and Government on the challenges of low levels of intra-African trade, infrastructure, and productive capacities to the fast tracking of the CFTA and the boosting of Intra-African trade.

The COMESA-EAC-SADC Tripartite arrangement represent best practice that the other RECs are encouraged to emulate in order to accelerate the harmonization of their programmes and activities. During their second Summit held in Johannesburg, South Africa on 12th June 2011, the Tripartite Heads of State and Government signed the Declaration Launching the Negotiations for the Establishment of the Tripartite Free

Trade Area; adopted the Roadmap for Establishing the Tripartite FTA and also adopted the Tripartite FTA Negotiating Principles, Processes and Institutional Framework. The Tripartite FTA comprise of three Pillars; Market Integration, Infrastructure Development and Industrial Development. The Movement of Business Persons shall be negotiated under a separate track.

Despite the progress achieved in all sectors, Africa is still faced with several difficulties, among others, difficulties stemming from harmonization of policies; inadequate political will to implement integration decisions; apprehension on the part of States to cede some of their competencies; the absence/ inefficiency of compensation mechanisms for the temporary losers in the integration process; the inadequacy of the physical integration infrastructure; lack of ownership of regional projects at the grassroots level: this could be explained by the top-down approach used in developing the various regional and continental policies and programmes with poor involvement of the private sector and civil society organisations; lack of ownership of Regional programmes at national level; inadequate financial resources; and inadequate Human resources.

The RECs are moving at different rhythms in the integration process. Whereas some RECs have achieved very good progress in various sectors, others are still hanging behind and struggelling. As way forward, the report recommends that: the RECs role as a “think tank” needs to be strengthened; the long and medium terms planning should be emphasized in translating the Community strategies and policies into a real comprehensive development programme; the RECs role of monitoring and evaluation of the integration process should be strengthened; Member States should prioritize the implementation of Regional programmes at national level; Member States need more assistance in implementing regional policy frameworks through increased advocacy and technical assistance at the national level; the ongoing work on the AU alternative sources of financing should be supported by the RECs and Member States in order to finance integration programmes and translate them into reality; and RECs, which have not done so, also should start reflecting on putting in place their own alternative sources of financing.

1. INTRODUCTION

Since the establishment of the Organisation of the African Unity (OAU), Regional integration has been the priority of the Continent, which was strengthened by the transformation of the OAU into the African Union (AU) in 2002. The Abuja Treaty (1994), establishing the African Economic Community (AEC), is the legal framework of the African Integration process which specified in its Article 6 (2) the six stages leading to the AEC. In addition, The Sirte Declaration of 1999 urged African countries to accelerate the implementation of the Abuja Treaty and the Accra Declaration of July 2007 stressed the need to accelerate the economic and political integration of the African Continent.

Taking into account the abovementioned, the AUC is mandated to monitor the integration process at Continental and Regional levels. The Commission uses, among others, the Conference of African Ministers in charge of integration (COMAI) as a platform to present a report on the status of integration in Africa. Five meetings have been held: the first on 30 and 31 March 2006 in Ouagadougou, Burkina Faso; the second on 26 - 27 July 2007 in Kigali, Rwanda and the third held on 22- 23 May 2008 in Abidjan, Cote d'Ivoire. The fourth meeting was held on 7-8 May 2009 in Yaoundé, Cameroon and the Fifth was held in Nairobi, Kenya on 8-9 September 2012.

As part of assessing progress in the implementation of Africa's Integration Programme in line with the Treaty establishing the African Economic Community, the African Union Commission conducted three assessments in 2008, 2009 and 2011 respectively. The assessment reports were presented and discussed during the Third, Fourth and Fifth Conference of African Ministers in charge of Integration. After their adoption by the various sessions of Conference of African Ministers in charge of integration, the reports were endorsed by the successive AU Assemblies.

The Commission has now prepared this fourth report in close collaboration with the RECs on the Status of Integration in Africa (SIA IV). This report contains information on the implementation process of the integration agenda by the RECs and the African Union as set out in the Abuja Treaty. The overall objective of this report is to inform the

political decision -makers of the continent on the status of integration in Africa and provide some recommendations on how to speed up the economic and political integration of the continent.

The specific objectives of this report are as follows:

- i. Assess the progress made by the RECs and the AU in implementing their integration programmes
- ii. Highlight the best practises among the RECs and create awareness by sharing information among all RECs
- iii. Identify challenges and constraints faced by the RECs in implementing their programmes
- iv. Identify areas where RECs can harmonise their programmes and policies
- v. Propose recommendations that can help in fast tracking the integration process

1.1 METHODOLOGY

The Report on status of Integration was developed based on a widely consultative process with the RECs and within the African Union Commission. The Report was conducted through desk research and field missions. The Desk research was done through various sources and publications from the AUC as well as from the RECs.

The African Union Commission prepared a questionnaire based on the 2011 Report on the status of integration and the recent progress made by the RECs in key integration areas. The questionnaire was sent to all the RECs for data collection. The AU Commission also visited the following RECs: IGAD, COMESA, EAC, ECOWAS and ECCAS. Discussions were held with their experts from various departments on overall RECs activities, progress as well as difficulties and constraints encountered during the implementation of their objectives and the Abuja Treaty.

Based on the information provided in the questionnaire and gathered during bilateral meetings with RECs staff, a first draft of the report was prepared and sent to the RECs for their input, comments and corrections, which were incorporated in the final Report.

1.2 STRUCTURE OF THE REPORT

This report is structured around three parts. The first part of the report is dedicated to the status of integration per Sector at regional level. The RECs are undertaking various activities and programmes in many areas of integration. This part is trying to capture the progress made in key integration areas, such as, Trade, investment promotion, infrastructure, free movement of persons, macroeconomic convergence, agriculture and food security, peace and security, social affairs, tourism, industry and planning, monitoring and evaluation. In this regard, analysis of the progress, the challenges and the future outlook of each of the abovementioned sectors are presented.

The Second Part of the Report is dedicated to the status of integration at Continental level, especially at the African Union level. It tries to capture the progress made regarding the implementation of the key African Union Integration programmes and initiatives. This covers the Programme for Infrastructure Development in Africa (PIDA), Comprehensive Africa Agricultural Development Programme (CAADP), African Financial Institutions, African Charter on Statistics (ACS) and Strategy for the Harmonisation of Statistics in Africa (SHASA), Continental Free Trade Area (CFTA) and Boosting Intra-African trade (BIAT) and the Minimum Integration Programme (MIP).

The third part is focused on the best practices and experiences in Africa. The EAC-SADC-COMESA Tripartite Arrangement is the experience presented in this part of the Report. The Progress made in the Tripartite negotiation process as well as implementation of various agreed programmes are highlighted.

Finally, before concluding, the report presents key recommendations on how the AUC and the RECs can overcome the challenges and problems encountered during designing, planning, implementing, coordination and monitoring the various priority programmes.

1.3 OVERVIEW OF THE STATUS OF INTEGRATION IN AFRICA

According to the Abuja Treaty, the major objectives of the African Economic Community were stated as follows:

- i. 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;
- ii. to establish, at a continental level, a framework for the development, mobilization and utilization of the human and material resources, in order to achieve a self-reliant development;
- iii. to promote cooperation in all fields of human endeavour, in order to enhance the standard of living of African peoples, and maintain and enhance economic stability, foster closer and peaceful relations among Member States and contribute to the development and the economic integration of the continent; and
- iv. to coordinate and harmonize policies among existing and future economic communities, in order to foster the gradual establishment of the Community.

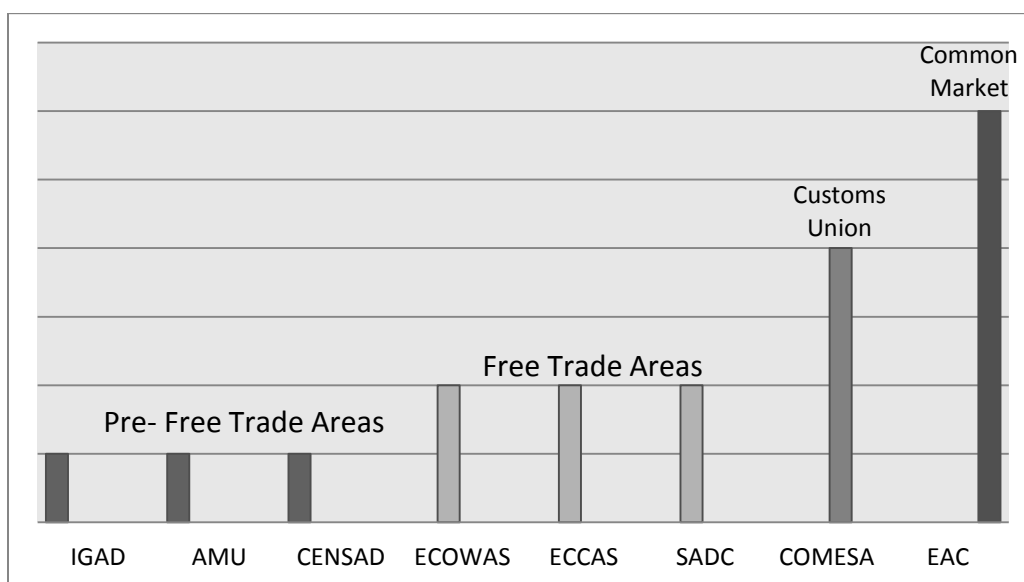
The stated stages of the Community include among others the creation of free trade areas, Customs Unions, a Common Market, and a single currency, all leading to the establishment of an Economic and Monetary Union. Currently the African Union recognises eight RECs, with overlapping Member States in many of them. The RECs consist primarily of trade blocs and, in some cases, involve some political cooperation. All these RECs form the 'pillars' of AEC.

The AEC founded through the Abuja Treaty, signed in 1991 and entered into force in 1994, is envisioned to be created in six stages:

- i. Stage One: (completed in 1999) creation of regional blocs in regions where such blocs do not yet exist ;
- ii. Stage two: (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; and all transition periods are expected to end in 2034 at the latest.

The following graph indicates the status of integration of the eight recognized RECs by the AU.

Graph 1: status of integration of the RECs



EAC is the most advanced Community in the integration stages. After five years operationalising its Customs Union, the EAC launched its Common Market in 2010. COMESA launched its Customs Union in 2009. ECOWAS and SADC have made progress in building their FTAs. ECCAS launched its FTA but is facing enormous challenges in implementing it. UMA, CEN-SAD and IGAD are still in the stage of cooperation amongst their Member States.

Table1: Status of implementation of the Abuja Treaty per REC

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
UMA	☑	☑	In progress	Not yet	Not yet	This stage will be achieved when all RECs have achieved Customs Union and harmonized their respective Common External tariff (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.
IGAD	☑	☑	In progress	Not yet	Not yet			
SADC	☑	☑	☑	☑	2013			
CENSAD	☑	☑	Not yet	Not yet	Not yet			
ECOWAS	☑	☑	☑	☑	2015			
COMESA	☑	☑	☑	☑	☑			
ECCAS	☑	☑	☑	☑	No date fixed			
EAC	☑	☑	☑	☑	☑			

Regarding the status of implementation of the Abuja Treaty per REC, the above mentioned table gives an idea about the stages reached by the RECs as well as their

planning for the next integration steps. UMA, IGAD and CEN-SAD are yet to provide a clear timeframe for moving towards the FTA. ECCAS is still on the verge of implementing its FTA and no date is fixed for the Customs Union, whereas SADC is planning to launch its CU in 2013.

PART ONE:

2. STATUS OF INTEGRATION PER SECTOR

This part of the report is focusing on the RECs programmes by sector, progress made in their implementation and challenges faced. For purposes of this publication, the integration sectors are: Trade, Investment Promotion, Infrastructure, Free Movement of Persons, Macroeconomic convergence, Agriculture and Food Security, Peace and Security, Social Affairs, Tourism and Industry. The last section is focusing on the RECs process of planning, monitoring and Evaluation.

2.1 TRADE

The trade section intends to consider the status of trade flows in Africa but also between RECs in terms of intra-African trade. In addition, this section is an assessment of the RECs programmes in the elimination of Tariff and non-tariff barriers, customs administration and procedures, and the trade facilitation in general.

2.1.1 TRADE FLOWS¹

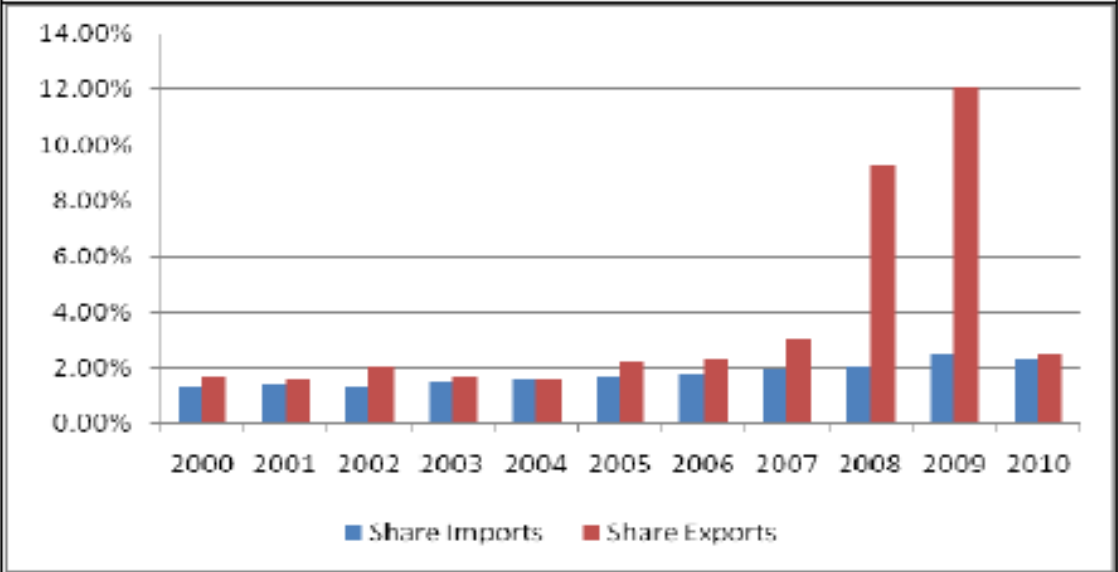
The African countries, as an economic bloc, occupy a very low position in the global economic classification. The continent is home to 14% of the global population; it accounts for less than 3% of the global GDP and receives only 3% of foreign direct investment. As regards to global goods trade, the continent accounts for only 1.8 % of imports and 3.6 % of exports. These rates are even lower in the services sector: 1.7% and 1.8% of imports and exports, respectively. Beyond the relatively unfavorable general positioning, the situation is quite mixed if the countries are considered on individual basis.

Between 2000 and 2010, the annual value of African imports was on average of USD 174 billion with an annual growth rate of 7.9 percent while the average annual value of exports from Africa was USD 418 billion with an annual growth rate of 14.4 percent.

¹ AUC (2012), Status of Intra-African Trade.

The trade balance remained in surplus throughout the period (except in 2004 where there has been a decline by USD -8 billion) with an average of USD 244 billion and an annual growth rate of 25.6 percent. The trade balance, the rate exports imports was significantly higher than 1, varying between 1.0 and 5.4.

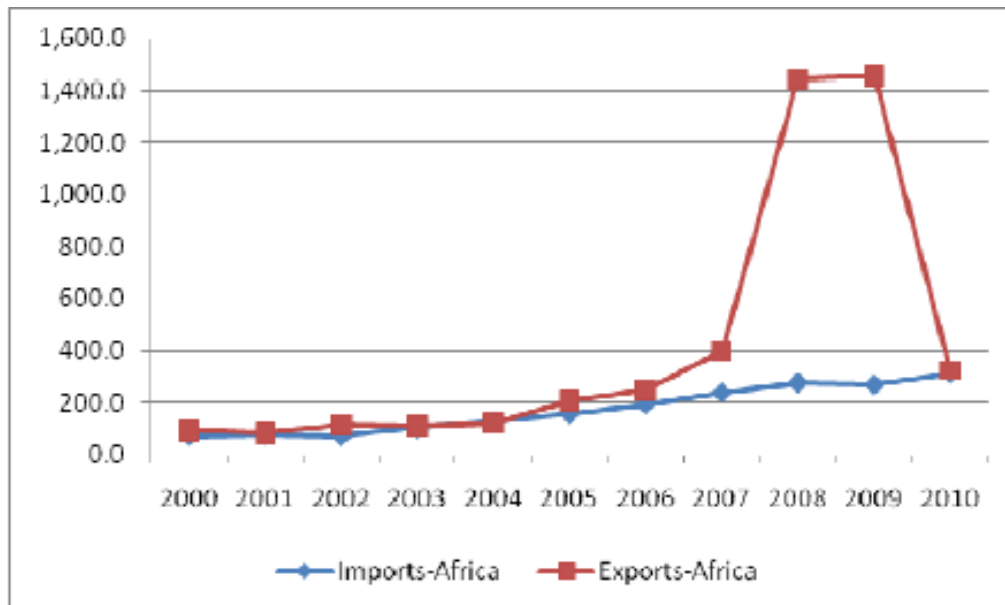
Graph 2: Share in foreign trade in world trade from 2000 to 2010



Source: Statistics Division, AUC

Africa’s share of world trade is not significant. Imports to Africa account for an average of only 1.8 percent of world imports. It varies between 1.3 percent and 2.5 percent. Exports from Africa represent 3.6 percent of world exports on average and it varies between 1.6 and 12.0 percent.

Graph 3: Intra-African trade from 2000 to 2010 (Billions of US Dollars)



Source: Statistics Division, AUC

Between 2000 and 2010, intra-African imports amounted to USD 29 billion with an annual growth of 14.4 percent. Furthermore, intra- African exports were on average of USD 30 billion with an annual growth rate of 14.6 percent. The intra-African imports represent an average of 14.2 percent of total African imports while the intra-African exports represent 10.4 percent of total African exports.

Graph 4: Share of intra- African trade in world imports and exports between 2000-2010



Source: Statistics Division, AUC

Although intra African- trade shows a growing trend, its share remains very low in the international trade. The share of intra-African imports is only 0.25 percent of world imports, while the intra-African exports represent 0.26 percent of world exports.

The level of inter-African trade remains low. African countries trade about 12% of their goods and services among themselves; even though some regions have relatively high trade levels:

Table 2: Intra and Inter-RECs trade in 2010 (% of their overall trade)

Trade in 2010	AMU	COMESA	ECCAS	ECOWAS	SADC	AFRICA
AMU	2.6%	0.7%	0.1%	0.5%	0.2%	4.0%
COMESA	0.8%	4.8%	0.5%	0.2%	6.5%	10.8%
ECCAS	0.3%	1.2%	0.8%	1.5%	3.0%	6.1%
ECOWAS	0.6%	0.2%	1.1%	9.1%	3.1%	12.8%
SADC	0.2%	5.1%	1.2%	1.5%	9.0%	12.9%
AFRICA	1.2%	2.6%	0.7%	2.6%	4.5%	12%

Source: TradeMap 2012.

The difference between ECOWAS, COMESA, EAC and SADC in terms of their inter-RECs trade may be explained by the comparatively more advanced stage of cooperation

and integration these RECs have attained, the dimension of each of these RECs, several members of which have heavy economic weight, and by their geographical circumstances which place them in a position to transact more intense trade. This state of cooperation for some of the RECs has considerable impact on the Continent's integration. It challenges the argument as to the poor complementarity among African countries which is supposedly at the root of the low level of trade between them.

2.1.1 TARRIF BARRIERS

RECs are moving towards implementing the Abuja Treaty with different rhythms. EAC is the most advanced Community which launched its Common Market in 2010. COMESA launched its Customs Union on June 2009. ECOWAS and SADC have made progress in building their FTAs. ECCAS launched its FTA in 2004 but is facing enormous challenges in implementing it. UMA, CEN-SAD and IGAD are moving slowly and still in the stage of cooperation amongst their Member States.

COMESA

The COMESA FTA was launched in 2000, after years of a liberalizing trade under the Preferential Trade Area for Eastern and Southern African States. The COMESA FTA uses the variable geometry approach (Article 56(3)) allowing countries to the FTA when they are ready to reciprocate its terms. According to the COMESA FTA, reduction of tariffs on intra-COMESA trade should be reduced by 60% in 1993, 70% in 1994, 80% in 1996, 90% in 1998, and 100% in 2000. Up to date, only 14 out of 19 COMESA Member states are full members of the FTA. Swaziland was given formal derogation to join the FTA since it is already a member of the Southern Africa Customs Union (SACU). The major problems of joining the FTA are fear of revenue losses and protection of local infant industry. The countries that are to join the FTA are: Ethiopia (10% Reduction MFN), Uganda and Eritrea (80% MFN) and DR Congo (100%).

After the launching of the Customs Union, the COMESA Authority provided for a three year transition period for all Member States to implement the key COMESA CU instruments namely the Common Tariff Nomenclature (CTN), the Common External Tariff and the Common Customs Management Regulations within the transition period. The COMESA CU is still in a transition period. However, according to the Council Regulations Governing the COMESA Customs Union, all Member States which granted membership or the contracting parties of COMESA under Article 1 of the Treaty are entitled to implement the COMESA CU. The agreed structure of the COMESA Customs Union Common External Tariff is (i) raw materials: 0%; (ii) capital goods: 0%; (iii) intermediate goods: 10% ; (iv) and finished goods: 25%.

ECOWAS

Regarding the consolidation of the Free Trade Area, the following activities undertaken within the framework of the ECOWAS Trade Liberalization Scheme (ETLS) focused on:

- analysis and validation of approval requests granted by the National Approval Committee, in order to notify all Member States of the approvals;
- continuation of discussions in order to harmonize the relevant legal texts of the two institutions UEMOA-ECOWAS Commissions on the Scheme; and
- continuation of correction to the list of approved products and companies for the creation of a Website devoted entirely to the ECOWAS Trade Liberalization Scheme.

Since the formal adoption in Niamey in January 2006 by the ECOWAS Authority of Heads of State of the structure of the ECOWAS Common External Tariffs (CET) and creation of the joint ECOWAS-UEMOA Committee for the completion of the project, notable progress has been achieved. Several meetings of the joint Committee and several technical and specialised meetings have been held to discuss the activities, leading to the following results:

- Coordination of the market access offer within the framework of EPA negotiations and the classification of products under the ECOWAS CET,

- Finalization of adjustment of the CET Tariff and Statistical Nomenclature due to the transition from HS2007 to HS2012,
- Ongoing discussions on the finalisation of CET support and safeguard measures; and
- The adoption of the 5th band at 35%, a draft common external tariff (CET) was prepared comprising 5794 tariff lines based on HS 2007. The draft nomenclature based on HS 2012, approved by the Joint CET Management Committee, was the subject of discussion with the World Customs Organization (WCO) and the observations made were included. The classification of tariff based on HS 2012 has been completed.

EAC

The EAC region moved to implement a Customs Union in 2005, fully operationalising it in 2010 and in the same year, embarked on the implementation of its Common Market Protocol signed in 2009. The EAC Partner States have implemented the following tariff structure:

- 0% on Raw materials;
- 10% on Intermediate Goods; and
- 25% on Finished Products.

The challenges faced by the EAC in implementing its common external tariff were faced by the lack of awareness by a cross section of the east Africans of the Customs Union and its instruments; fear of losing tax revenue, different rates of domestic taxes and multiple memberships to other RECs.

ECCAS

The ECCAS FTA started officially on 1 July 2004 by the Preferential Tariff (TP) which should gradually apply a customs tariff reduction in the Member States according to the following schedule:

- For products of traditional crafts and other crude products apart of mining products, there is applied a discount rate of 100% from 1 July 2004;
- For mining products and manufactured goods, the reduction of customs duty from importer Member States is:
 - 50% on 1 July 2004;
 - 70% on 1 January 2005;
 - 90% on 1 January 2006 ;
 - 100% on 1 January 2007.

The above mentioned timetable is not respected and as a result, the ECCAS FTA is not yet fully operational. The challenges faced in implementing the FTA are, among others, lack of political will of Member States, weaknesses of infrastructure, multiple controls, red tape, maintenance of customs duty, non-transposition of community legislation into domestic law of Member States, despite their formal notification by the ECCAS General Secretariat of, non-appropriation of instruments and tools of the FTA by the different actors (administrations, traders, intermediary organizations, etc.).

In order to assess the current situation of the implementation of the FTA, the ECCAS Secretariat was mandated by its 15th Heads of State Summit to undertake a joint evaluation mission of the FTA with CEMAC, the rationalisation steering Committee and ECA Central Africa Sub-regional Office. The mission is expected to visit various stakeholders at national level, such as, Ministers of finance, trade and regional integration. By the end of 2012, the report should be ready and recommendations made to fast track the integration process in Central Africa region.

IGAD

IGAD Heads of State and Government endorsed its Minimum Integration Plan (MIP) during the Summit held in Addis Ababa in January 2012. The inspiration of the IGAD MIP is premised on the objectives of the IGAD policy and strategy which originate from the three IGAD priority areas which are: 1. Economic cooperation and integration,

2. Food security and environment protection, and 3. Peace and security. Under the MIP, the focus areas are to: (i). Accelerate the implementation of a Free Trade Area in the region. (ii). Assist the Member States to ensure that the people of the region have access to sufficient and nutritious food at all times while protecting the natural resource base and the environment. (iii). Promote peace and stability in the region and address humanitarian needs of the people. At the present stage, IGAD Secretariat is working towards harmonising trade policies, procedures and standards for increased trade among Member States, and to facilitate and coordinate the development of intra-regional infrastructure.

CEN-SAD

CEN-SAD members agreed to build an FTA from 1 January 2007, to be fully established by 2010 (not achieved). They proposed a differentiated tariff elimination scheme. The region allocated a tariff phase down period of eight years in 2007–2014 for least-developed countries, with an annual tariff relief of 12.5 per cent. For the other countries, four years (2007–2010) was set to eliminate tariffs at 20 per cent in 2007 and 2008, and 30 per cent in 2009 and 2010.²

UMA Member States adopted a trade and Tariff Convention on 10/3/1991 in Ras Lanouf, Libya. This Convention provides for:

- the establishment of free trade area in conformity with WTO provisions;
- the free trade will be implemented after a transition period that may last 12 years from the date of entry into force of the Agreement;
- Tariffs will be phased out during the transition period.

Unfortunately, this agreement was not implemented like many others because of the political problems between the Community Member States.

SADC

² AU, UNECA, AfDB (2012), ARIA V.

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. The FTA was launched when 85 per cent of trade flows within SADC attained duty free status. Since 2008, the remaining tariff barriers related to sensitive products have been phased down, such that by January 2012, the tariff phase down process was largely completed. Despite achieving the FTA milestone however, some members are still lagging behind in their tariff phase down commitments.

Furthermore, the Customs Union had been initially planned to be realized in 2010, but has not been the case. In light of the delays in achieving the customs unions, owing to the existing challenges associated with the full implementation of the FTA, the launching of the CU was postponed to 2012. It is a hope for the Partner States to realize the planned CU by 2012, Common Market (CM) by 2015, Monetary Union (MU) by 2016 and the Single Currency by 2018.

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 and difficulty of harmonising the economic policies of various countries: agreeing on a single external tariff regime.

2.1.2 NON-TARRIF BARRIERS (NTBs)³

RECs have different approaches in dealing with NTBs. The three RECs composing the tripartite arrangement, namely COMESA, EAC and SADC, have adopted one programme on elimination of NTBs (box) while ECOWAS has put in place National Committees to deal with problems of NTBs. In addition, complaint desks in the borders were established to be used by the traders to make their complaints. The received written complaints are treated in the framework of the joint Task Force formed of the ECOWAS

³ Non-tariff barriers are laws, regulations, administrative and technical requirements other than tariffs imposed by a Member State whose effect is to impede trade.

secretariat, Director General of Customs and representatives of the Finance Ministries from the two concerned countries.

Apart from the RECs constituting the Tripartite Arrangement and ECOWAS, the rest of the RECs are yet to establish such a system to eliminate NTBs.

Box X: COMESA-EAC-SADC Programme on Elimination of Non-Tariff Barriers (NTBs)

The three RECs are implementing a comprehensive programme for the elimination of Non-Tariff Barriers (NTBs) in order to minimize their impacts on intra-regional trade. In order to achieve this objective of elimination of NTBs, the three RECs have developed an online NTBs reporting tool which is an internet based system for use by stakeholders in the Member States to report NTBs as well as monitor the processes of elimination. The system serves as a repository of all the reported NTBs. The web based NTB mechanism is intended to enhance transparency and easy follow-up of reported and indentified NTBs.

In pursuance of the elimination of NTBs, Member States established National Monitoring Committees (NMC) and National Enquiry Points (NEP)/National Focal Points (NFP). The main function of the NMC is to coordinate the elimination of reported NTBs through:

- Defining the process of elimination
- Defining mandate and responsibilities
- Confirming deadlines for action; and
- Agreeing on recourse to non-action.

The NEP/NFP on NTBs will be appointed from the Ministries of Commerce/Trade of External Trade. However, the facilitation of solutions to Non-Tariff Barriers is not intended to replace or otherwise affect the disputes settlement procedures and Member States rights and obligations.

2.1.3 CUSTOMS ADMINISTRATION AND PROCEDURES

Information System

ASYCUDA is the main customs IT system in sixteen COMESA Member States for all customs clearance procedures. For instance, the ASYCUDA/National configured server enables for authorized users along a transit route to access Transit declarations together

with the Transit Guarantee Carnet in advance. Other Member states also use different compatible Customs Computerized systems.

EAC Member States are using Revenue Authorities Digital Data Exchange System (RADDEX) which was established to connect Customs Administration for the purpose of exchanging customs information particularly import and export data. In addition, EAC is in the final stages of finalizing the interconnectivity project which will allow seamless flow of customs data. The systems is expected to be functional in 2013.

ECOWAS has a Customs Connectivity programme, which seeks to enable all customs software used by customs administration to interconnect and share data on the movement of goods in the region. The implementation plan of the Customs Connectivity programme has been completed. In addition, under the World Bank sponsored Abidjan-Lagos Trade and Transport Facilitation Programme, Benin and Nigeria are being supported to implement single window schemes for their customs administrations. The single windows scheme reduces time, procedures and documentation faced by traders and transporters, since information and goods declaration data is centralized and accessed by all Agencies involved in the processing.

SADC has developed its Customs Act which was adopted in 2007 as a benchmark model law for the harmonization of customs laws in the region. In addition, the SADC single Administrative Document and the Common tariff Nomenclature were developed.

Customs administrations are increasingly required to integrate their systems and procedures with the sophisticated global logistics networks used by international trade and transport operators. To cope with these pressures and challenges, the international customs community looks to the applied use of information technology (IT) as a catalyst for improving organizational and operational efficiency and effectiveness. SADC Customs Programme is currently developing an automated Transit Management Information System to expedite the movement of goods in the region. In this context, a Memorandum of Understanding was signed in March 2011 and May 2011 by the Secretary General of COMESA and the Executive Secretary of SADC to cooperate and develop a common COMESA-SADC Transit Management Information System which has been branded as SADCOM. Other ICT initiatives are:

- Development of a Customs ICT Strategy
- Implementation of the e-Certificate of Origin concept
- Implementation of the e-Learning
- Customs Interconnectivity

COMESA Simplification of Customs procedures for smooth and cheap cross border trade.

This component involves the development and refinement of customs procedures which are simple and easy to use encouraging small traders to apply them. The procedure commonly referred to as the Simplified Trade Regime (STR) is intended to attract small

informal traders into the formal system extending the benefits of free trade to them as well as allowing authorities to capture the much needed statistics of them. The STR is currently being implemented in 6 COMESA member states including Malawi, Zambia, Zimbabwe, Kenya, Uganda and Rwanda. Further to this, the COMESA secretariat has also embarked on another initiative called the Passenger and Cargo manifest system which will complement the STR in collecting data as well as facilitating clearance of passenger conveyances at borders.

2.1.4 COMPETITION POLICIES

Few RECs have elaborated competition policies and generally these are the Communities either moving towards the Customs Union and Common Market or have reached these stages.

Regional Competition Commission⁴

In order to ensure fair competition and transparency among economic operators in the region, COMESA has adopted a regional competition policy – namely the COMESA Competition Regulations. By promoting fair competition, the regional competition policy will help to boost regional trade and investment and maximise consumer welfare in the COMESA region. The Regulations establish the COMESA Competition Commission as a body corporate responsible for promoting fair competition and penalising uncompetitive practices in the region. Specifically, the statutory functions of the Commission include:

- To monitor and investigate anti-competitive practices of undertakings within the Common Market, and mediate disputes between Member States concerning anti-competitive conduct.
- To regularly review regional competition policy so as to advise and make representations to the Council with a view to improving on the effectiveness of the Regulations.
- To help Member States promote national competition laws and institutions, with the objective of the harmonisation of those national laws with the regional Regulations to achieve uniformity of interpretation and application of competition law and policy within the Common Market.
- To co-operate with competition authorities in Member States.
- To provide support to Member States in promoting and protecting consumer welfare.
- To be responsible for developing and disseminating information about competition policy and consumer protection policy

⁴ www.comesacompetition.org

ECOWAS is working on establishing its Regional Competition Authority (RCA). In this regard, a high level expert workshop was organised in Abuja on 26 and 27 April 2012 to propose appropriate measures for the establishment of the ECOWAS RCA. Furthermore, a study on the setting up of a regional informal trade regulation programme was undertaken during the first quarter of 2012 and validated at a workshop held on 26 and 27 April 2012. A thematic technical group comprising sector stakeholders including regional experts will be set up to follow up the implementation of the recommendations of the workshop.

The EAC already has in place the EAC Competition Policy and Law currently being implemented by the Partner States with an aim to deter any practice that adversely affects free trade within the Community.

ECCAS is planning to undertake a study on competition policy and the intellectual property right, while the rest of the RECs don't have in their planning the creation of competition organ.

2.1.5 TRADE FACILITATION

The major programme of trade facilitation that majority of the RECs are either implementing or planning to do is the creation of One Stop Boarder Posts (OSBPs). Other RECs, such COMESA, have moved further in establishing a Regional Procurement market which constitutes an innovative initiative among the RECs.

ONE STOP BORDER POSTS (OSBPS)

The initiative of One Stop Border Posts (OSBPs) is one of the main tools for trade facilitation. The concept is used to minimise delays at cross border points on major transport corridors in the region, often as a result of poor facilities, manual processes, lengthy and non-integrated procedures and poor traffic flow. Under the OSBP concept, all traffic would stop once in each direction of travel, facilitating faster movement of persons and goods, and allowing border control officers from the two Partner States to conduct joint inspection.

The key benefits of OSBPs promise are: less time spent crossing borders for travellers; simpler and more efficient clearance procedures for businesspeople; while border

agencies stand to gain through improved information sharing and risk management – leading to more effective controls.

The concept was first used at the Chirundu OSBP between Zimbabwe and Zambia which was judged successful. The establishment of the OSBPs is now widely adopted in various RECs namely, COMESA, EAC, SADC, ECOWAS and ECCAS.

In COMESA region, a number of border posts had already been launched and include Malaba between Kenya and Uganda and the Chirundu between Zimbabwe and Zambia while others were at a various stages of development in Kazungula, Nakonde, Namanga, Rusumo, Akanyaru, Kagitumba, Gatuna and Gisenyi/Goma.,Lungalunga, Busia, Isabenia, Taveta and Mutukula. Other OSBPs are planned for development in various borders in the region.

ECOWAS is embarked on constructing three Joint Border Posts (JBPs) at Seme-Krake (Nigeria/Benin), Noepe (Ghana/Togo) and Malanville (Niger/Benin) to ease cross-border movements curtail harassments and reduce time and costs associated with cross border movements. The JBPs are expected to reduce HIV/AIDS incidence associated with border crossing delays. The construction completion is expected in the 3rd quarter of 2013. Four (4) more have been fully designed (architectural and engineering) for construction once funds are available. As part of the Joint Border Posts project, a Regional Supplementary Act is being developed to guide the implementation of JBPs across the region. The Act will enable the cohabitation of border control personnel from two countries within the same facility to undertake simultaneous checking to reduce border crossing-time and cost. Operational manuals are also being developed to form the bases of ensuring uniformity in border crossing points across the region.

The EAC is adopting the use of OSBPs as trade facilitation. A draft One Stop Border Post Bill is undergoing conclusion. Once the draft Bill is cleared by the other key Organs of the Community, namely the EAC Council of Ministers and the East African Legislative Assembly, an EAC One Stop Border Posts Act is the envisaged outcome.

The Act would provide the legal framework for the operation of border posts of two Partner States under one roof, meaning they would become more efficient as Customs and Immigration checks, among other border operations, will be conducted in a “common control zone” that would eliminate the current practice that involves checks on both sides of a border between two Partner States. Components of the OSBP concept are already being implemented at the Malaba border post (Kenya/Uganda) as well as the Katuna/Gatuna border post (Uganda/Rwanda). Border posts earmarked for transformation into OSBPs in the region include: Malaba, Busia (Kenya/Uganda); Namanga, Taveta/Holili, Lunga Lunga/Horo Horo, Isebania/Serari (Tanzania/Kenya); Rusumo (Rwanda/Tanzania); Kobero/Kabanga (Burundi/Tanzania); Katuna/Gatuna, Mirama Hills/Kagitumba (Uganda/Rwanda), Mutukula (Tanzania/Uganda); Nemba/Gisenyi, Ruhwa, Akanyaru (Rwanda/Burundi); and Tunduma/Nakonde Tanzania/Zambia).

In all the ECCAS infrastructure projects, there is a provision of constructing One Stop Boarder Posts. ECCAS has given the coordinating role of the projects on the implementation of transport facilitation including the construction of OSBPs. Some of these posts are under construction and the rest are planned for.

COMESA

The COMESA Programme to Harmonise SPS measures for a Functional Free Trade Area (FTA).

COMESA has made progress under three broad areas (i) Training and technical support to address critical gaps in implementing international SPS standards (ii) Strengthening a network of regional SPS laboratories, targeting priority risks (iii) Strengthening collaboration with EAC and SADC, under the tripartite framework. SPS barriers persist in the tripartite region because of variations in the implementation of international SPS standards by both the public and private sectors, as required by the (WTO) Multilateral Trading System, specifically, the Agreement on Sanitary and Phytosanitary (SPS) measures. COMESA, EAC and SADC concluded the draft Annex on SPS, as an integral

part of the Agreement to establish the Tripartite Free Trade Area (FTA). The SPS Annex seeks to support implementation of SPS policy and regulatory reforms as tripartite countries strive to comply with commitments under the WTO SPS Agreement. In particular, the Annex provides principles to guide formulation of SPS policies and measures that are fully aligned with international standards and best practice. Activities and programmes are currently under implementation to address SPS capacity challenges and harmonize SPS measures in the three RECs, thus contributing to the creation of a functional tripartite FTA.

Box XX: COMESA Regional Procurement Market

The regional procurement market involves providing market access to national procurement markets (government Tenders) of Member States and subjecting all government Tenders above agreed thresholds to regional competition and to the discipline of the COMESA Public Procurement Regulations which was adopted in 2009 – the ultimate objective is to enhance COMESA intra-regional trade through public procurement. The thresholds are as following:

For goods \geq 1 million USD

For works \geq 2.5 million USD

For Consultant services \geq 200,000 USD

To date, 15 out of 19 COMESA Member States have modern procurement laws and regulations that are nearly compliant to the COMESA Procurement Directive of March 2003 that was passed by the COMESA Heads of States and Government in Khartoum, Sudan. This level of harmonization has created a good foundation for kick-starting the regional procurement market. Training has been provided to Member States particularly to the independent National Procurement Agencies.

COMESA has additionally developed a web-based portal called PROMIS which can be accessed at <http://promis.comesa.int>. Twelve countries out of the nineteen are already advertising on the PROMIS website. A number of Member States have been trained in the use of the PROMIS system and are now able to up-load Tenders of regional interest onto the portal – the hit rate count on these Tenders is also improving as more regional Suppliers for goods, works and consultancy services are getting increasingly aware of the website. In future, the PROMIS system will be expanded to include other processes on the procurement cycle such as electronic bid submission.

COMESA Small Scale Trade Facilitation Programme

Small scale cross border trade is increasingly becoming a very important subject in regional integration. Many have observed that the small traders, most of whom are informal business actors contribute significantly to the movement of goods and services within the region contributing to economic growth and food security. Owing to this realization, COMESA is currently implementing a small scale trade facilitation programme managed under a Cross Border Trade Desk. The programme was initiated under the Regional Food Security and Risk Management programme [REFORM] with support from the EU in order to help reduce vulnerability to food insecurity by our people. The REFORM programme closed in December 2011, but the activities have continued. The key elements of the programme are categorized as below:-

The second component deals with capacity building of private sector associations dealing with small traders. COMESA has been assisting small traders form into associations and helping in building their capacity to participate in policy as well as conduct business and trade more effectively. To date COMESA has helped form 8 cross border traders associations [CBTAs] in 8 member states⁵. These associations have been federated into a regional apex body which is charged with the mandate of policy advocacy on behalf of small cross border traders in the region.

Infrastructure development for small scale cross border trade.

COMESA is currently working with Member governments, potential investors from private sector as well as development partners in a quest to improve cross border trade/market infrastructure for small traders in main cities and/or border regions in order to help improve the trading conditions for increased profits and deeper regional integration. So far, a plan has been drawn from which several proposals will be developed in order to attract investment in this area. More work is currently underway in further strengthening these associations and other related bodies as well as improving the systems of customs clearance for the benefit of small traders in the region encouraging trade, poverty reduction and food security.

⁵ Malawi, Zambia, Zimbabwe, Uganda, Rwanda, Kenya, Burundi and DRC

Trade in Services

A COMESA policy framework on liberalization of services has been adopted in 2009 as well as guidelines and procedures for negotiations between Member States have been developed. Seven sectors have been agreed on for the negotiations process, such as, energy, construction, business, etc... The negotiations started and specific schedules have been committed.

ECOWAS

ECOWAS Regional Axle Load Control Supplementary Act

To protect investments made in road construction and ensure that corridor roads last their entire life span, a new ECOWAS Regional Axle Load Control Supplementary Act was adopted by the February 16th Summit of the ECOWAS Heads of State and Governments. With rigorous installation of equipment, sensitization and campaign activities, full implementation of the new limits is expected from 1st January, 2013.

SADC

The SADC Accreditation Service (SADCAS) was established as a regional accreditation body in 2009 and is based in Botswana. SADCAS offers accreditation in the areas of testing, calibration, certification and inspection.

SADC developed a draft Protocol on trade in services which was adopted in 2009 by the ministers of trade. While awaiting signature of the draft Protocol, the Committee of ministers of trade approved the commencement of negotiations on schedules of commitments. These negotiations are expected to result in market access commitments that will provide a predictable legal environment for trade and investment in the services sector in the region⁶.

⁶ SADC (2012)

2.2 INVESTMENT PROMOTION

IGAD

The IGAD Business Forum (IBF) offers hope to a population of 200 million people in the region the majority of who are living in precarious conditions due to internal conflicts, harsh environment, abject poverty and an unpredictable future. The ultimate solution for overcoming these challenges is development-underpinning private sector led integration. Whereas external aid can play a great role, it is trade and investment flows that can generate sustainable incomes and development for the whole region. IBF offers a unique forum for the member states of IGAD to harmonize relationships and remove all barriers to trade and investment in the region.

With the historic revival of IBF on the 5th May, 2010, in Kampala, there is an urgent need to further seize this opportunity and empower the entire member national Chambers to mobilize their business communities and advocate for changes to facilitate trade and investment. IBF is expected to play a leading role in several areas including:

- Trade facilitation through promoting access to inputs and trade finance, support to, production processes and quality assurance, facilitating compliance with non-tariff measures, marketing, promotion and branding, as well as access to trade and market information.
- Advocacy, public-private partnerships and dialogue to create an enabling environment for investment and domestic, cross-border and foreign trade.
- Promoting the objectives of harmonization of policies with regard to trade, customs, and transport facilitation, including infrastructure development and free movement of goods across the IGAD region.

It is envisaged that an action plan encompassing specific actions will be mapped out to prioritize and ensure that IBF gets set on its mission and that the member Chambers of Commerce and Industry will be well prepared to fulfill their roles in promoting trade and investment throughout the IGAD region.

COMESA

COMESA Common Investment Area (CCIA) which was launched in 1998 is the main program in the area of investment promotion. This program has the following core activities:

- i. Assist member states in creating a conducive and enabling environment for private investment
- ii. Assist member states in the promotion of cross border and foreign investments
- iii. promote COMESA REGION as a destination for investment
- iv. Create an information platform for networking and providing business and market intelligence
- v. Coordinate and monitor exchange of experiences among the national investment promotion agencies
- vi. Promote tourism development in the COMESA region

The following achievements have been made by COMESA in the investment promotion Area:

1. A COMESA regional investment agreement was adopted by the Heads of States in 2007.
2. A COMESA Regional investment Agency has been created. This agency is located in Cairo, Egypt and has a role to coordinate and strengthen the activities of the COMESA national investment promotion agencies.
3. Three countries (Djibouti, Zimbabwe and Swaziland) out of four targeted , have been assisted in investment related policies and institutional reforms through the formulation of a national related roadmap and the establishment of a high- level steering committee for the implementation of the roadmap;
4. COMESA has developed a model on Double Taxation Avoidance Agreements to be used as a reference by member countries. The tool is one of the means of promoting cross border investment in the region.

5. Four COMESA investment fora were held, aiming at promoting COMESA as an investment destination and creating business linkages between COMESA and non COMESA business actors

COMESA is planning to organize a workshop on Investment Promotion and Protection Agreements to build capacity of member states; to create an investment platform for networking and providing business and market intelligence; and to develop a COMESA regional tourism framework as a basis of the COMESA Tourism Master Plan for a sustainable tourism development in the region.

COMESA Business Council

The COMESA Business Council is a member based private sector institution of the Common Market of Eastern and Southern Africa. Established in 2003, the CBC has the key role and mandate as per the COMESA Treaty to represent the Private Sector as a key policy and advocacy platform, with the agenda of influencing policy at the highest level of decision making within the COMESA region

EAC

EAC has a model Investment Code in place and plans are underway to upgrade it into an EAC Legislation/Protocol to facilitate the promoting of the EAC as a single investment destination. EAC has also concluded a cooperation Agreement with World Bank's IFC to undertake business reforms which facilitate attainment of a functional EAC Common Market.

In addition, a study has been initiated to review regulatory and other business environment factors that otherwise hinder the development of Small and Medium Enterprises (SMEs) – it should inform the policy making on how to make the environment for SMEs development more facilitative. The following activities are envisaged: elaboration of a Charter for Development of SMEs; and a Regulatory Impact Assessment Framework linked to implementation of the EAC Industrialization Policy and Strategy, particularly focusing on issues pertaining to improving the business environment.

Private sector and Civil Society engagement

The engagement of the private sector in the EAC Affairs has been both informal and formal and the objective is to leverage this engagement to the next level. With the help from Development Partners , a framework for structured dialogue between EAC, Private Sector Organizations, Civil Society and other interest groups within the requirements of the Treaty has been prepared and, once fully implemented, would involve both formal and informal processes.

The Framework is dynamic and capable of adapting to key principles forming the Charter of Good Practice for Public-Private Dialogue. The objectives and principles of the framework include cooperation for mutual benefit, trust, respect and goodwill; active and constructive participation, consensus building, evidence based dialogue with a focus and result.

Also to be concluded is a Public-Private Partnership (PPP) Framework for the EAC which will also go a long way to enhance private sector participation in regional public sector projects such as rail, roads, water and sanitation, power/energy. It is expected that this will to a great extent facilitate addressing infrastructural challenges experienced in the region. Working with the World Bank, a study has been completed which presented a “needs assessment” on the formulation of a suitable Public- Private Policy framework and strategy and only awaits consideration and guidance by the policy organs. The proposed framework will facilitate private sector participation in public enterprises with a regional dimension particularly in industrial and infrastructure projects.

The East African Business Council

The East African Business Council (EABC) is the apex body of business associations of the Private Sector and Corporates from the five East African member countries. It was established in 1997 to foster the interests and participation of the Private Sector in the integration process of the East African Community. EABC’s overarching objective is to be an effective change agent for fostering an enabling business environment and to promote private sector’s regional and global competitiveness in trade and investment.

EABC therefore provides a regional platform through which the business community can present their concerns at the EAC policy level, with the overall aim of creating a more conducive business environment through targeted policy reforms. Additionally, EABC also work towards promoting private sector's regional & global competitiveness in trade and Investment through addressing challenges experienced by Members at organizational and firm level; and through provision of tailored market intelligence.

East African Business Directory

The East African Business Directory is the first and the most comprehensive business directory in East Africa. Besides listing information on businesses and investment opportunities in East Africa, it offers information on economic performance of different important sectors in the region as well as investment opportunities. The directory is widely read among corporate executives and public sector officials in East Africa. Published annually, the directory is distributed to more than 100,000 businesses across East Africa

ECOWAS

In the area of investment promotion and private sector support, ECOWAS is working in three areas, namely: creation of the ECOWAS Common Investment Market (ECIM), investment climate promotion and financial market integration.

Based on the outcome of the meeting of national consultants on country reports, the Commission assembled a team of experts in the areas of legal, development economics and investment from universities in the region and private sector in August 2011 in Accra to develop a Community Investment Code. It is envisaged that the draft text will be adopted in 2012. The Commission also trained Regional Consultants on the ECOWAS framework for Monitoring Investment Climate and launched a study on Investment Climate Indicators in the 15 Member States. The drafting of the ECOWAS Community Investment Code was completed and the process to develop Community Investment Policy was kick started. In addition, the Commission organised the second Investment Forum in September 2011, in Lagos, Nigeria.

The Commission initiated in April 2012 the development of a pilot Value Chain Business Incubator for Small Enterprises with ECOWAS-TEN under the EXPECT Initiative for the promotion of Exports & Enterprise Competitiveness for Trade. A Palm oil Stakeholders Meeting on the ECOWAS Trade Liberalization Scheme (ETLS) was held in order to gather their views on the improvements needed to enable the ETLS to promote its contribution to a regional Palm oil Value chain. The Commission concluded feasibility studies on the establishment of an Investment Guarantee mechanism and a Reassurance Agency and validated the report with actionable recommendations for Top Management.

Following the successful organization of the 3rd ECOWAS Business Forum and Awards in 2010, the Commission has continued to follow up and monitor the activities of the national and regional winners of the awards so as to provide necessary support and guidance with a view of ensuring the commercialization and sustainability of the winning business ideas. In the domain of Small and Medium Enterprise development, the Commission organized an SME summit in Accra in March, 2011 to deliberate on the challenges facing SMEs and their development with a view to developing an action plan for effective engagement of SMEs in the region

Box : ECOWAS Civil Society Participation

The civil society programmes are to promote and enhance the participation of regional Non-state Actors in the implementation of the ECOWAS integration process.

In relation to a Call for Proposals for the participation of Non state Actors in ECOWAS integration process, the Commission reviewed the financial reports of 17 successful Non-state Actors and finalised documentation for the payment of the remaining 20% of the budget.

Also, the Commission organized a meeting to validate thematic priorities of ECOWAS/Civil Society Engagement and Eligibility Criteria. This activity aims at strengthening the strategic functions of civil society thematic groups and increasing their relevance in the ECOWAS integration process. Priority thematic groups identified include Women and Gender, Democracy and Good Governance, Peace and Security, Agriculture, Trade and Infrastructure.

The Commission also provided financial support to Non-State Actors in the region. The West African Civil Society Forum (WACSOFF) is a major beneficiary of the support. WACSOFF Plan of action and those of the thematic groups will be reviewed at the meeting for financial support.

ECCAS

ECCAS is working on putting in place a Regional Strategy on investment promotion and establishing a Small and Medium Enterprises (SMEs) Guarantee Fund.

SADC

SADC has finalized a Protocol on Finance and Investment in 2006 and entered into force in April 2010. The protocol aims at achieving deeper regional integration through the harmonization of financial and investment policies in the member states. SADC launched an investment promotion programme in 2010 in which regional investment promotion agencies agreed to jointly participate at investment promotion events, including high level seminars, investor targeting mission and media promotional events. The first SADC investment Promotion Agencies CEOs Forum was held in Mauritius in January 2011. A study on the investment regimes in SADC was undertaken completed by a World Bank Assessment Study of the SADC Investment Climate. Based on the finding of the two studies, SADC is currently developing its investment portal. In addition, a Model SADC Bilateral Investment treaty Framework has been developed.

2.3 INFRASTRUCTURE

This section intends to look at the status of implementation of the various programmes of the RECs in the infrastructure sector including, transport, energy, water and ICT.

2.3.1. TRANSPORT

The programmes of the RECs in the transport sub-sector are covering the road, rail, maritime and air transport.

ROAD TRANSPORT

ECOWAS

Regarding Institutional Framework of the road transport, the followings have been achieved:

- In line with ECOWAS Decision A/DEC/09/01/05, National Road Transport and Transit Facilitation Committees with membership from all key public and private sector actors in trade and transport facilitation have been established in all member states to ensure the free flow of trade and transport along their respective corridors.
- Plans are far advanced to establish and operationalize a corridor development and management secretariat to promote the efficiency of the key corridors. The Abidjan-Lagos Corridor has been selected as a pilot.
- Strong collaboration established with the private and civil society sectors to strengthen their advocacy drive in forcing Member States to comply with Community statutes on trade and transport facilitation.

Under the Road and Bridge Construction projects, the followings are the achievements:

- Under the 10th EDF Road Map currently under preparation, the EU is supporting the implementation of regional Road and bridge rehabilitation activities including, the construction of three critical bridges in Sierra Leone (Sewa, Waanje and Moa)
- ECOWAS is coordinating an AfDB funded multinational highway and transport facilitation programme between Nigeria and Cameroon (Bamenda-Enugu Road Corridor. The Programme includes the development of a Joint Border Posts at the Mfum Border, rehabilitation of poor sections of the road as well as harmonization of axle load control modalities between the two countries and two RECs (ECCAS and ECOWAS)
- The World Bank is also supporting the development of the Abidjan-Lagos Road Corridor through its Abidjan-Lagos Trade and Transport Facilitation programme.

The programme includes the rehabilitation of road sections in Ghana, Benin and Togo. It also has allocation for the equipping of the Joint Border Posts being constructed as well as the implementation of single windows in Benin and Togo Customs. There are also aspects of road safety improvement and HIV/AIDS mitigation.

COMESA

The strategy adopted by COMESA in the implementation of the infrastructure programs is structured around the following intervention areas:

- a) Policy Harmonisation
- b) Facilitation and Regulatory Harmonisation
- c) Development of Physical Infrastructure
- d) Cooperation with other Regional Economic Communities

In order to take care of the current and increasing road infrastructure assets through proper maintenance and management, the COMESA countries had undertaken Road Sector Management and Funding Reforms. Most countries had set up both road funds and road development agencies in order to maintain both the regional and national road networks. In this respect, a good number of countries had already established dedicated road funds and road authorities responsible for construction and maintenance of road infrastructure. Among the countries that had established such funds and road authorities are: Congo DR, Djibouti, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda, Zambia and Zimbabwe. The main source of funding for road maintenance was the fuel levy while construction and rehabilitation were funded through government budget allocations, borrowing from development banks and funds from cooperating partners.

IGAD

IGAD supported by the European Union (EU) launched the Horn of Africa Initiative which focused on infrastructure area of transport, energy and water. Priority projects within these sectors were identified by Member States during Joint Assessment Missions (JAM) undertaken by Member States during the period between 2007 and 2009). IGAD has continued to lobby for/and mobilize funds for these projects

1. Nairobi - Addis Ababa Corridor (Isiolo – Moyale – Addis Ababa road): various section are at various stages of implementation, under procurement, construction and rehabilitation, financing from AfDB & EU)
2. Kampala – Juba Corridor: Nimule – Juba under Construction in South Sudan; Gulu – Nimule (Uganda) under procurement
3. Berbera Corridor (Somaliland – Ethiopia): feasibility study and detailed engineering design services under procurement
4. Djibouti – Addis Ababa Corridor: Remaining section of Arta – Guelile road section in Djibouti under procurement

It should be noted that within IGAD Region some countries are heavily working at bilateral level to build interconnection with neighbor countries. In some cases work of joint technical committees is supported by frequent meetings between cross boarder district Governors to look at progress made in implementing joint programs and projects as well as addressing common problems and challenges.

EAC

The EAC has identified five main corridors within the Community (a total length of about 15,000 km), which constitute a strategic priority and require rehabilitation, upgrading or both to complete the road network in the Community.

The Northern Corridor from Mombasa to Bujumbura is part of the Trans-African Highway (Mombasa – Lagos) while the Tunduma – Moyale road is part of the Cape to Cairo Highway. The development of the regional network has mainly been hampered by insufficient financial resources. The EAC in collaboration with member countries has initiated a development partner-co-ordinated assistance in order to mobilise funds for the development of the corridors.

Under the High Level Standing Committee on the East African Road Network, the EAC has facilitated sector reforms which include the formation of Roads Boards/Agencies,

participation of private sector, harmonisation of regional policies and axle loads control in the road sub-sector. All the Partner States have road fund boards and road agencies.

There are two transit corridors that facilitate import/export activities in the region.

- The Northern Corridor (1,700 km long) commencing from the port of Mombasa serves Kenya, Uganda, Rwanda, Burundi and Eastern DRC.

- The Central Corridor (1,300 km long) begins at the port of Dar es Salaam and serves Tanzania, Zambia, Rwanda, Burundi and Eastern DRC.

The five major transport corridors are:

1. Mombasa – Malaba – Kigali – Bujumbura
2. Dar es Salaam – Rusumo with branches to Kigali, Bujumbura and Masaka
3. Biharamulo – Sirari – Lodwar – Lokichogio
4. Nyakanazi – Kasulu – Tunduma with a branch to Bujumbura
5. Tunduma – Dodoma – Namanga – Isiolo – Moyale

The Arusha – Namanga – Athi River Road Construction Project

This is the first regional road project, which begins in Tanzania and ends in Kenya. The objective of the project is to construct a highway to boost regional trade and tourism and reduce transportation costs. The project road is 240km long and the implementation is being carried out in two lots, one in each country (Kenya and Tanzania). The role of EAC was to co-ordinate the activities in both countries to ensure the regional nature of the project is maintained. This included convening of technical meetings to discuss progress and constraints and overall liaison between the countries and ADB. Construction on the Kenyan side commenced in November 2007 while on the Tanzanian side, the contractor was given possession of site in June 2008.

The road construction was completed in July 2011 and provides a uniform width of 7.0m and 2.0m wide shoulders, thus providing a safe driving environment and reducing travel time between Nairobi and Arusha from the current 5 hours to 3 hours. The EAC Summit of Heads of State is expected to commission the road in November 2012.

The Feasibility Studies and Detailed Design of the Arusha – Holili – Taveta Road

This is an extension of the Arusha – Namanga – Athi River Road Development Project for which EAC received a grant from ADB for project preparation. The objective of the study is to determine the viability of rehabilitating the 140-km Arusha – Holili section and upgrading to bitumen standard the 120-km Taveta – Voi road in Kenya. Negotiations for the construction phase commenced between the African Development Bank and the Partner States (Kenya and Tanzania) in April 2012 and it is expected that construction will commence in April, 2013.

The Feasibility Studies and Detailed Design of the Malindi – Lunga Lunga and Tanga – Bagamoyo Road

This is another sub-component of the Development Project with the objective of determining the viability of rehabilitating the 240-km long Malindi – Lunga Lunga Road and upgrading to bitumen standard the 172-km long Tanga – Bagamoyo road. The road runs along the East African coastline which has a rich tourism and agricultural (horticultural) potential. EAC is the Implementing Agency assisted by the Ministry of Roads, Kenya and TANROADS, Tanzania.

Audit Consulting Services for the Arusha – Namanga – Athi River Road Development Project

Audit of the Development Project will be carried out by an external consulting firm and will involve financial, technical and management audits. Apart from auditing the Special Account maintained by EAC, the consultants will audit the systems within EAC, MOR and TANROADS and propose improvements that would enhance efficiency of project management.

A Study on the East African Transport Strategy and Regional Road Sector Development Programme

Under the East African Trade and Transport Facilitation Project (EATTFP), EAC received a grant from ADB for the regional components of the project under Customs, Trade and Infrastructure. The objective of the EAC Transport Strategy is to identify regional strategic priorities and resources for transport sector development and operational needs for the medium term in line with EAC development goals. The strategy will be the EAC key planning document guiding the regional policies and investments in the transport sector and roads sub-sector in particular for 2008 – 2018. EAC is in the process of mobilizing resources to prepare bankable projects contained in the Strategy.

A Study on the East African Transport Facilitation Project

This is also a sub-component of the EATTFP. The objective of the study is to implement the provisions of the Tripartite Agreement on Road transport, in particular to propose a framework for the harmonisation of standards, policies and regulations in the road transport sub-sector.

The East African Road Network Project

The project objective is to improve the efficiency of the regional road corridors by rehabilitating failed sections and upgrading gravel roads to bitumen standard. There are about 94 road links over five transit corridors that are under various stages of development. EAC plays a co-ordination role in monitoring and evaluating the progress of implementation of sub-projects. The Task Force on the EARNP has been meeting regularly to update the project parameters and present status of implementation of national and multinational projects. Projects for Rwanda and Burundi were officially included into the EARNP in May 2008 by the Council of Ministers.

ECCAS

The progress made in the implementation of the ECCAS Consensus Blue Print on Transport in Central Africa (PDCT-AC) and its priority projects is as follows:

Highway project Fougamou-Doussala- Dolisie (Gabon- Congo);

- Under the Gabon First Road Programme funded by AfDB, the paving works are running on the stretch-Fougamou Mouila (106 km). Studies are available for the stretch-Mouila Ndendé-Doussala (128 km).
- The stretch-Mouila Ndendé receives funding for the paving under the Second Gabon Road Programme.
- Studies on the stretch-Ndendé Doussala include the construction of the bridge over the Ngongo River.
- The studies are made for the stretch-Doussala Dolisie and cover, layout and paving of the border-Kibangou-Dolisie located entirely on Congolese territory, and transport facilitation program involving the construction of a one stop boarder post.
- The Gabon and Congo have signed a MoU on June 15, 2010. The two countries have entrusted to ECCAS the coordinating role of the project and the implementation of transport facilitation component. ECCAS will be assisted by a Joint Technical Committee composed of experts from both countries and CEMAC.
- Feasibility study of the bridge road / rail on the Congo River between Kinshasa and Brazzaville and the extension of the railway-Kinshasa Ilebo;
- Rehabilitation of transport infrastructure in Angola and the DRC;
- Facilitation of transport corridors on the Douala-Bangui and Douala-Ndjamená;

Project of development of the road-Ouesso Sangmelima and transport facilitation on the Brazzaville-Yaoundé road corridor.

- Updating the studies at the national level was funded entirely from the budget of the ECCAS Secretariat General of amounting to 300 million CFA francs. The objective was to correct the disparities, harmonize standards used, remedy certain shortcomings and restore the inclusiveness and multi-national project.

- The two countries have entrusted to ECCAS the role of overall coordination of the Executing Agency of the transport facilitation component including the construction of one stop boarder post. ECCAS is assisted by a Joint Technical Committee composed of experts from both countries and CEMAC.

RAIL TRANSPORT

COMESA

Due to the fact that similar experiences were shared in most of the concessions in the Eastern and Southern Africa region, the COMESA, EAC and SADC Tripartite had agreed to undertake a common study and prepare the Model Concession Agreement for application in the entire ESA region.

Many of the new railway development projects underway in the region are based on the framework of the Union of African Railways which advocates for the construction of standard gauge railways. The networks which shall be developed within the adopted corridor approach include the following:

- Rail link for Djibouti, Ethiopia, Southern Sudan and Sudan originating from Djibouti and terminating in Juba;
- Rail link linking Kenya, Southern Sudan and Ethiopia originating from Lamu port and terminating in Juba with a link to the Ethiopia/Djibouti network through Moyale. The Lamu Port-Southern Sudan-Ethiopia Transport (LAPSET) Corridor will ultimately be extended through Uganda, Rwanda, DRC up to Douala in Cameroon in order to create a land bridge across Africa that will facilitate trade and transport in the region“
- Kagera Basin Railway linking Tanzania, Rwanda and Burundi and originating from Isaka whose feasibility study was funded by AfDB.

Brand new rail networks being planned in East Africa are the Kagera Basin networks covering Burundi, Rwanda and Tanzania and the Lamu Corridor railway which is

designated to serve Kenya, Southern Sudan and Ethiopia through the port of Lamu in Kenya.

EAC

Ethiopia, Djibouti and the five East African Community countries namely; Burundi, Kenya, Rwanda, Tanzania and Uganda are committed to developing standard gauge rail networks to replace the existing narrow gauge networks. Part of the line network has already been covered above under COMESA, given the multiple membership of some of the countries in which the lines are passing.

ECCAS

The main Regional project in the area of rail transport is the extension of the railway Leketi-Franceville between Gabon and Congo. The joint application for funding was signed by Gabon and Congo and sent to the AfDB.

AIR TRANSPORT

COMESA

Transport is an important component of the COMESA integration agenda and the air transport liberalisation programme was based on the Regulations for the Liberalisation of Air Transport which were gazette through the COMESA Legal Notice No 2 of 1999. At the continental level the air transport liberalisation programme is based on the Yamoussoukro Decision (YD) that was ratified by the African Union (AU) in 2000.

The air transport liberalisation programme had now been broadened to cover the entire Eastern and Southern Africa and encompasses COMESA, EAC and SADC regions. In the previous year, a number of airlines had extended their route networks by adding new city pairs. Ethiopian Airlines is currently flying to Mombasa while Kenya Airways had introduced services to Juba, Luanda and resumed services to Gaborone. Egypt Air also commenced scheduled services to Lusaka via Dar es Salaam in January 2011 although

the services had been suspended for the time being due to the withdrawal of the fifth freedom traffic between Dar es Salaam and Lusaka.

Even though significant progress had been made in the granting of fifth freedom traffic rights which had seen the increase in the frequencies and city pair connections by the regional airlines, some airlines were still facing difficulties in getting fifth freedom traffic rights from member states and in some cases the fifth freedom traffic rights are withdrawn after having been granted. This is disrupting the plans of the airlines as they cannot plan with certainty for any future expansions of their services and networks.

On the implementation of the Yamoussoukro Decision (YD) at the continental level following the decision of AU Ministers responsible for Air Transport to entrust the functions of the Executing Agency of YD to the African Civil Aviation Commission (AFCAC), work has been ongoing to build capacity in AFCAC in order to discharge this additional mandate.

The COMESA Secretariat had been working together with the AU and RECs to review the legal and institutional aspect of AFCAC and a revised AFCAC constitution and Organisation Structure had been developed and AU was spearheading the process of their adoption in order to attain the full implementation of the YD.

EAC

EAC Civil Aviation Safety and Security Oversight Agency (CASSOA)

Following the signing of a Protocol, the Agency has already relocated to its permanent headquarters in Entebbe, Uganda.

A Governing Board with membership composed of the Heads of Civil Aviation in the Partner States, the CASSOA Executive Director and one aviation expert from each Partner States appointed by respective Minister responsible for civil aviation is in place. The Agency which is responsible for developing and provision of standardized air

transport safety, has managed to steer the harmonisation of civil aviation regulations and development of applicable technical guidance materials in the region.

The harmonised civil aviation regulations are in the areas of flight safety standards (personnel licensing, airworthiness and flight operations); aerodromes certification, aviation security and air navigation services. As a result of common efforts in addressing safety issues, the region was rated above the global average in terms of implementation of the critical safety elements during the ICAO audits under the Universal Safety Oversight Audit Programme (USOAP) conducted in November 2008 for the three States of Kenya, Tanzania and Uganda.

CASSOA successfully coordinated the development of a framework and guidance for the implementation of English Language Proficiency requirement and is already mandated in the harmonised Civil Aviation (Personnel Licensing) Regulations. Establishment of a technical database including personnel present in the region and their qualifications and experience, aviation data for the number and type of aircraft registered and operated in the region has been completed. Development of the regional pilots' examination database is in final stages. CASSOA has continued to provide advice, guidance and to coordinate assistance of sharing technical resources by Partner States. Implementation of the phased CASSOA Strategic Plan to enable it to move to the next structure in terms of its mandates has commenced. The next level involves designating to CASSOA more responsibilities related with safety and security oversight functions based on common regional regulations and procedures, and common regional aviation regulations.

ECOWAS

ECOWAS is focusing on fostering the implementation of the Yamoussoukro Decision on air transport liberalization through the adoption of Community Acts on the establishment of a common air transport legal framework for ECOWAS Member States by the ECOWAS Authority in February 2012.

In particular, the adoption of the Aviation Security Supplementary Act will protect civil aviation against any unlawful interference in ECOWAS Member States such as terrorist attacks, hijacking or hostage taking on board an aircraft or aerodrome.

ECOWAS is also working on strengthening aviation safety and security through the commissioning of two feasibility studies for the establishment of a regional aircraft maintenance centre and regional air transport database.

Negotiations between ECOWAS and Brazil on air services agreement and the setting up of an Aircraft Leasing Company in Rio de Janeiro and San Jose dos Campos were held in March 2012. The negotiations led to an agreement between ECOWAS and EMBRAER in Brazil for the commencement of studies on the establishment of a leasing company within ECOWAS or open channels of cooperation with the ECOWAS regional airlines.

A Coordinating Meeting of the Chief Executive Officers (CEOs) of regional airlines was held in Bamako, Mali on 14 and 15 March 2012. The meeting endorsed in principle the establishment of an Association of ECOWAS Region Airlines following the completion of a study on the issue by a specially constituted Steering Committee.

Aeronautical cooperation between ECOWAS and major stakeholders in aviation is being enhanced. In the framework of aeronautical cooperation with the WFP-UNHAS, three (3) training programmes on aviation safety were offered to two ECOWAS Programme Officers on Air Transport in March, April and May 2012 in Nairobi, Dubai and Sharjat respectively.

ECCAS

Capacity Building Program of Aviation Safety Oversight (COSCAP)

All ECCAS member countries are currently covered by the various programs of COSCAP. The main achievements are the followings:

- the Action Plan 2008-2015 adopted by the Ministers of Transport in charge of Civil Aviation in Kinshasa in September 2008 and adopted by the Conference of

Heads of State and Government plans to establish a regional agency regulating air space to ensure ECCAS solves all the problems of safety and security (technical regulation) as well as to the economic regulation of air transport in particular based on harmonized regulations (West Africa and Central Africa) adopted by the Ministers of Transport in Malabo in January 2010 . The Action Plan aims to:

- improve the institutional and regulatory sub-sector of air transport to better manage it;
 - improve air services between Member States to facilitate and increase exchanges to strengthen market integration of member states;
 - reduce the costs of air services to contribute to the competitiveness of the Central African markets;
 - accelerate the implementation of the Yamoussoukro Decision on the liberalization of air transport; and
 - ensure the safety and security of civil aviation in Central Africa to reduce the accident rate.
- The detailed Action Plan was developed. It presents the costs of different actions to be undertaken following a redesigned timeline and the draft Terms of Reference for the study of implementation of the Agency regional regulators have made. The Action Plan and the new schedule (2010-2015) were validated by the Ministers of Transport, 25 October 2010 in Brazzaville;
- For the implementation of this Action Plan, a Steering Committee consisting of Ministers of Transport in charge of Civil Aviation and the Secretary General of ECCAS is in place. He is assisted by the Commission of Experts composed of DG of ANAC and representatives of airlines, ECCAS, CEMAC, the BDEAC and ECA. The Vice-President of the Central Africa Region AFCAC-chairs this committee of experts;
- A resolution to improve air service has been adopted by Ministers of Transport;
- The Study Report of implementation of the Regional Agency for Civil Aviation in Central Africa including the draft Decision establishing it was adopted by the

Ministers responsible for Civil Aviation in Bujumbura on 11 June 2012. The Agency will include the structure being put in place to CEMAC (ARSA); and

- The Code of Civil Aviation of Central Africa was also adopted by the Ministers responsible for Civil Aviation in Bujumbura June 11, 2012.

MARITIME TRANSPORT

EAC

A study was undertaken to facilitate the improvement of Ports Statistics and Performance Indicators. This study was conducted under the COMESA, EAC, SADC Tripartite in collaboration with PMAESA Secretariat. The Study was funded by Trademark Southern Africa (TMSA)

For the ports in East Africa, the challenges identified at the Mombasa stakeholders' forum held in 2009 with respect to the conduct of shipping lines continued to afflict them. The challenges included a proliferation of charges especially by shipping lines such terminal handling charges, bills of lading release charges and piracy surcharges persisted in the East African ports. These additional charges resulted in increased the cost of freight hence raising the cost of imports and lowering the value of exports proceeds for shippers and reducing competitiveness in regional trade.

ECCAS

In the maritime transport, ECCAS has a project of Feasibility study of the Port of Mayumba. The feasibility study funded by the Islamic Development Bank has been finalized as well as the project's profitability.

2.3.2 ENERGY

IGAD

IGAD does not have a regional regulatory framework in place in the area of energy. Most of the energy projects are between countries and are at bilateral level. Ethiopia is the champion in this area. These projects are the followings:

- Ethiopia–Djibouti power interconnection has been commissioned in February 2012
- Ethiopia-Kenya power interconnection is now under procurement after mobilization of finances

IGAD signed a MoU with the East Africa Power Pool and has prepared an Action Fiche (AF) for study on renewable energy to be financed by EU.

COMESA

COMESA has recently embarked on an Energy Programme whose main thrust is to promote regional cooperation in energy development, trade and capacity building. The programme is intended to harmonize energy policy and regulatory frameworks through preparation of model policy and regulatory guidelines for the energy; and also establishment of a Regional Association of Energy Regulators for Eastern and Southern Africa. It also intended to facilitate trade in energy services through development of harmonized standards. Moreover, the programme is intended to develop regional energy infrastructure through development of medium to long-term energy master plan. The main areas in power are in generation and transmission to facilitate electric power trade and cross-border trade in electricity in order to narrow down the high discrepancies in the prices of electricity in various countries in the region.

The COMESA also has adopted in November 2007, the COMESA Model Energy Policy Framework. The main thrust of the COMESA Model Energy Policy Framework is to provide the COMESA member States with harmonized guidelines that would facilitate energy policy harmonization in the COMESA region in efforts to improve efficiency and increased investment. The main energy policy goal is to meet the energy needs, in an environmentally sustainable manner, through providing an adequate and reliable supply of energy at least cost; to support social and economic

development and sustainable economic growth and also to improve the quality of life of the people. Energy policy objectives of this model energy policy framework include improving the effectiveness and efficiency of the modern energy supply industries; improving the security and reliability of energy supply systems; increasing access to affordable and modern energy services as a contribution to poverty reduction; establishing the availability, potential and demand of the various energy resources; stimulating economic development; improving energy sector governance and administration; managing environmental, safety, and health impacts of energy production and utilization; and mitigating the impact of high energy prices on vulnerable consumers. The COMESA Model Energy Policy Framework focuses on key issues in the energy sector; supply and demand; side policy objectives and policy instruments; and cross cutting issues. This Model Energy Policy Framework is a flexible policy guideline which is expected to provide a framework for COMESA member States to customize their policies based on the country's specific socio-economic considerations and circumstances. The National Energy Policies of some COMESA countries, such as Democratic Republic of Congo, Egypt, Kenya, Malawi, Mauritius, Swaziland, Uganda, Zambia, and Zimbabwe are in line with the COMESA Model Energy Policy Framework. Some countries which are developing their National Energy Policies (in progress) such as Eritrea, Ethiopia and Rwanda have indicated that they will be using the COMESA Model Energy Policy Framework in order to secure compliance. Moreover, Sudan has already completed the development of its draft Energy Sector Policy and that the COMESA Model Energy Policy Framework was used to develop its draft Energy Sector Policy.

COMESA has the Regional Association of Energy Regulators for Eastern and Southern Africa (RAERESA) which was officially launched in March 16th, 2009 and came officially into existence at the signing of its constitution by seven energy regulators from COMESA countries. The main objectives of RAERESA fall into four broad categories, namely: capacity building and information sharing; facilitation of energy supply policy, legislation and regulations; inter regional cooperation; and regional energy regulatory co-operation. RAERESA is fully operational and had adopted its work programme in

2010. The objective of RAERESA's work programme is to give direction and impetus to the RAERESA and to enable it to commence work to meet its mission and objectives, as set out in its Constitution. A progress has been made in the implementation of the activities that are contained in RAERESA's work programme,

The COMESA Council of Ministers adopted, in December 2009, the integrated planning strategy in the development of the energy resources and a strategic policy on the development and use of renewable energy and nuclear. The overall objective of the integrated planning strategy in the development of energy resources and a strategic policy on the development and use of renewable energy resources and nuclear is to contribute to a more reliable, cost effect and sustainable energy supply in the COMESA region, through joint utilization of energy resources including their infrastructure such as electricity transmission and distribution networks, petroleum and gas pipelines, etc, so that they can be able to deliver their services to consumers in an affordable cost and a reliable way. A number of energy projects have been identified and will, therefore, be supported for the development and implementation such as Zambia/Tanzania/Kenya power inter-connector project, Ethiopia/Kenya power inter-connector project, Eritrea/Sudan power interconnector project, Uganda/South Sudan power interconnector project, and Djibouti Gas Natural Gas Terminal, among others. Moreover, the Nile Equatorial Lake Subsidiary Action programme (NELSAP) of the Nile Basin Initiative (NBI) is also fast tracking the implementation of the following power interconnectors: Uganda/Kenya, Uganda/Rwanda, Rwanda/Burundi and Upgrade of existing electricity system Burundi/DRC (Eastern part)/ Rwanda into 220 kV.

COMESA is also embarked on harmonizing standards in the energy sector. The overall objective of harmonized standards is to create a fully integrated and internationally competitive and unified region in which goods, services, capital and persons move freely. The principal route that has been chosen in order to realize this goal is economic integration through development of trade and investment. The specific objective of harmonized energy standards is to facilitate trade in energy services, in particular, trade in petroleum products. Given the urgent need for the development of standards for electrical energy sector, COMESA Council of Ministers adopted 65 electrical standards.

These are mainly based on International Standards. In the area of petroleum products, and in order to enhance trade in petroleum products, the Secretariat outsourced a consultant to develop harmonized standards for petroleum products specification. Sixty draft harmonized standards have been proposed and will be taken into the stakeholders' consultation process.

In the area of Renewable energy, a baseline renewable energy database was developed. The overall aim of the project was to facilitate the widespread introduction of renewable energy projects and in the region that are sustainable and contribute towards the availability of locally generated energy in COMESA. It was also aimed at facilitating commercialization of renewable energy technologies in the COMESA region and in particular identification of barriers of renewable energy in the COMESA region, preparation of recommendations on how to overcome barriers of renewable energy, and diversification of the energy mix of the COMESA region through promotion of environmentally sound and efficient energy production technologies and practices that reduce energy production inputs and reduce levels of pollution.

The Eastern Africa Power Pool (EAPP)

The Eastern Africa Power Pool (EAPP) was established on February 24, 2005. The Eleventh Summit of the COMESA Authority of Heads of State and Government held in Djibouti City, Djibouti on 15 – 16 November 2006 adopted the Eastern African Power Pool as a COMESA specialized institution and as a vehicle for the enhancement of energy interconnectivity in the region and the rest of Africa. The COMESA Council of Ministers in its meeting held in Djibouti City, Djibouti on 12 -13 November 2010 decided that the Eastern Africa Power Pool be incorporated as a Specialized Agency under Article 182 of the Treaty. This is in line with development of Power Pools in other RECs.

The main objectives of the EAPP include power supply security for the countries of the region; optimization of the use of energy resources available in the region by working out regional investment schemes in power generation, transmission and distribution

taking into account the socio-economic and environmental aspects; enhancement of power supply in the region to increase the access rate of the population to electricity; reduction of electricity costs in the region by using power systems interconnection and by increasing power exchanges between countries; negotiation of cooperation agreements in the power sector; creation of a conducive environment for investments; and facilitation, in the long-term, the development of an electricity market. To lay the necessary foundation for substantial power exchange among the various power utilities in the region and ultimately to create a regional power market, relevant studies and capacity building activities have been conducted. Under the technical assistance and capacity building to the EAPP some activities were completed which included, but not limited, to the following: the strategic road map to 2025, the regional market design. A regional power master plan and grid code were also developed. Moreover, an Independent Regulatory Body was also established. Model bilateral electricity trading agreements and the interconnection code and power transmission standards were also developed. A Regional Market Operations Centre (RMOC)/ Dispatch Centre (DC) has been established and yet to be operational,

EAC

The East African Power Master Plan was completed in May 2011 and approved in June 2011. The Power Master Plan outlines the least cost generation and transmission programme for meeting the region's electricity demand for 2013-2038. The Power Master Plan was developed together with an Interconnection Code which will govern the transmission system design and operational requirements for regional interconnection. It has already been applied in the ongoing feasibility study for Singida-Arusha-Isinga 400kV transmission line.

Following approval of the EAPMP, the EAC Secretariat was tasked to mobilize resources for the following priority projects that are critical for ensuring regional interconnectivity and for enhancing power generation with provisional timelines as below:

- Singida-Arusha-Nairobi 400kV interconnector by 2014;

- Masaka-Mwanza 220kV interconnector by 2014;
- Rusumo-Nyakanazi 220kV interconnector by 2015;
- Rusumo-Kigali 220kV interconnector by 2015;
- Rusumo-Bujumbura 220kV interconnector by 2015;
- Stieglers Gorge hydro-power project 2100MW by 2017;
- Kiwira coal plant in Tanzania 200MW by 2014;
- Rwanda Peat to Power to generate 200 MW by 2017;
- Burundi Peat Power Plant 200MW by 2015.
- Ayago hydro power plant 600MW by 2018; and
- Rusumo Hydro Power plant 90MW by 2016

ECOWAS

Given the energy problems encountered by Guinea Bissau and Guinea, the two Member States benefitted from ECOWAS Commission support. During 2011, an emergency programme to supply the city of Bissau with electricity, initiated since August 2010 by ECOWAS and UEMOA, was implemented in 2011. The project, valued at 10 million Dollars and jointly funded by the ECOWAS Commission (60%) and UEMOA (40%), led to a 34% increase in the energy produced on a monthly basis.

Furthermore, to support Guinea in its development efforts following the return to constitutional order in the country, ECOWAS initiated the Special Regional Programme to Support Guinea. As part of this programme, an analysis of the energy sector revealed that the country faces serious difficulties in electric power supply to the people, a situation which poses an enduring threat to its economic development. An Emergency power supply Programme to Conakry city was authorized by ECOWAS which granted financial support in the form of a Subvention and Loan. The total amount of the funding was USD 30 million and comprised a USD 10 million grant and a USD 20 dollars loan, refundable over 20 years with a 5-year grace period at an interest rate of 0.5%. All contracts were signed in November 2011 and the services will be completed within one year.

West African Power Pool (WAPP)

During 2011, the WAPP continued efforts to update the ECOWAS Master Plan for Production and Distribution. After several validation meetings, the Master Plan was adopted in November 2011. The structure coordinated the actions undertaken in the Emergency Programme for the cities of Bissau and Conakry.

ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)

The Centre organized its workshops and meetings and initiated projects on the promotion of renewable energy and energy efficiency in the Member States.

In the area of Advocacy, Awareness Raising, Knowledge Management and Networking, the Centre launched and evaluated offers for the design, development and testing of web-based Community Portal and Observatory for Renewable Energy and Energy Efficiency (EORE). A regional Bio-energy Forum for the ECOWAS Region was held from 19 to 21 March 2012 in Bamako, Mali as part of efforts to support the development of regional and national bio-energy strategies to assist Member States roll out modern bio-energy products and services to their people. The Centre also launched the assessment of renewable energy resources relating to bio-crops, solar and wind, and concentrated solar power.

With respect to Business and Investment Promotion, activities accomplished during the period under review included the conclusion of the appraisal phase of proposals for the ECOWAS Renewable Energy Facility (EREF), procurement and contracting of a consultant for the elaboration of a Pipeline of Medium and Large Scale Renewable Energy Infrastructure Projects in West Africa, and the launching of the Global Environment Facility (GEF) project. The ECREEE 2011 - 2016 Business Plan was finalized and formally approved by the Fifth Meeting of the Executive Board of ECREEE on 13 April 2012

ECOWAS Regional Electricity Regulatory Authority (ERERA)

With the last two members of the Regulatory Council taking office in January 2011, the Authority effectively entered its operational phase for the establishment of a regional electricity market, especially the organization of the second Regional Forum on the Regulation of the electricity sector in November 2011. This Forum afforded the opportunity to inaugurate three Consultative Committees to assist ERERA in regulatory actions. ERERA has also started the pricing study for the interconnection projects. In the first half of 2011, it also held training seminars for Member States' national regulators.

ECCAS

ECCAS Member States have established in April 2003, the Power Pool of Central Africa, (PEAC), became an ECCAS specialized agency by decision 021/CEEAC/2004. PEAC is responsible for implementing and coordinating regional energy policy, expanding the community infrastructure and managing the exchange activities of electric power on all ECCAS member countries. The PEAC is mandated to establish a regulatory framework for harmonization, technical and marketing to promote investment and trade in electricity in the region. The objectives of the energy policy are the following:

- Increased security of electricity supply in different countries of the region;
- Promoting studies and construction of national and regional infrastructure, including using hydropower potential, estimated at more than 650 000 GWh / year;
- Increase the rate of access to electricity populations;
- Improve power system reliability and quality of electricity supply throughout the region; and
- Organize and implement a regional electricity market.

Action areas of the policy will be defined at:

- the institutional level,
- in matters of national policy coordination in the context of particular regional master plan,

- facilitate the financing of shares or investments by the creation of a fund,
- promotion of energy efficiency,
- protection of the environment and
- Promotion of renewable energy.

The achievements of the projects implemented in the energy area:

- The Grand Inga project:
 - The feasibility reports of the study are available in draft form and it is expected that the study ends in late November 2012.
 - For the construction of the plant Inga 3 (first phase of Grand Inga), the recruitment process of the developer is underway. To date three groups of potential developers are identified and an examination of their records to identify the bidder is being processed at the Ministry of Water Resources and Electricity.
- Master Plan sub-regional energy interconnection:
 - This project was funded by the ADB through a grant agreement of U.S. \$ 3.5 million, and is now complete.
 - The study lasted 36 months instead of 24 months.
 - The round table of donors for resource mobilization to finance priority projects of interconnection is being prepared.
 - The completion report was published in September 2011.
 - The results of the study are the followings:
 - Preliminary study
 - Technical feasibility study, economic, financial, environmental and social
 - Detailed Pilot Study and Tender Dossiers
 - Synthesis report validated at the seminar organized for dissemination of results in Libreville from 26 to 30 November 2010.

2.3.3 WATER

EAC

The Status of Development of the EAC Water Vision, Policy and Integrated Water Resources Management Strategy (IWRM)

In accordance with the Third (and fourth) EAC Development Strategy, the East African Community ought to achieve the following with respect to cooperation on integrated water resources management and development:

- (i) Development of EAC Water Vision
- (ii) Development of EAC Water Policy
- (iii) Development of EAC Comprehensive Integrated Water Resources Management Strategy.

A work plan and budget for the development of an EAC Water Vision and Integrated Water Resources Management Strategy (IWRM) had been developed, following the review of the EAC Partner State' status of water resources management. A draft EAC Water Vision is due for consideration by the policy organs of the Community.

Other Water Related Activities in EAC Lake Victoria Basin Commission

- (i) Implementation of the Lake Victoria Environment Management Programme (LVEMP I) and preparation of LVEMP II.
- (ii) Adoption of a comprehensive Strategy for the control, eradication of water Hyacinth on Lake Victoria.
- (iii) Development of Regional Environmental Impacts Guidelines for Shared Ecosystems, which are integral part of the Protocol on Environment and Natural Resources Management.
- (iv) Development and implementation of Mount Elgon Regional Ecosystem Conservation Project (MERECP).

Lake Tanganyika Basin Development

The EAC is also prioritizing development of Lake Tanganyika Basin. To that end, the 1st EAC Lake Tanganyika Basin Development Conference was held from 27th to 29th

November 2011 in Bujumbura, Burundi under the theme: *unlocking the overflowing opportunities in trade and investment in the basin*. The overall objective of the conference was to harness the potential for trade, investment and socio-economic development in Lake Tanganyika Basin. The specific objectives included providing a communication, networking and business interaction platform on trade and investment opportunities within the basin; fostering business partnerships among the domestic, regional and international investors; enhancing public private partnership (PPP) in addressing the challenges inhibiting investment in the Basin; and promoting efficient exploration and utilization of environment and natural resources for sustainable development; and promoting research and technological advancement that support increased productivity and income generation in the basin.

The outcome of the Conference is contained in the Lake Tanganyika Declaration. Among the 24 key recommendations on key thematic areas include: promoting infrastructure development, addressing energy deficits, promoting tourism sector, promoting agriculture and enhancing food security, address the challenges to natural resource management, promoting foreign direct investments in regional trade and development, promoting women and youth development, promoting the role of development partners and media in socio-economic development.

ECCAS

Support for water resources management in Central Africa

The ECCAS Water Policy developed with the assistance of the United Nations Environment Programme (UNEP) and the Global Partnership for water was adopted by the Heads of State and Government of ECCAS in Kinshasa in October 2009;

The Regional Institutional Framework for implementation of the Regional Water Policy was also developed and adopted by the Heads of State and Government of ECCAS in Kinshasa in October 2009. This regional institutional framework is based on the structures of the African Ministers Council on Water (AMCOW)-Central Africa and includes three (3) Decision-making bodies and two advisory bodies:

- The Ministerial Steering Committee and Orientation = AMCOW Central Africa;
- The Technical Monitoring Committee = AMCOW-TAC;
- Coordination Centre Management of Water Resources which is the regional executive structure whose starting unit is installed within the General Secretariat of ECCAS since March 2010;
- The Regional Council for Water;
- The National Councils of Water;

The main results achieved to date are:

- The study of implementation of the Regional Coordination Centre for Water Resources Management (CRGRE) of Central Africa was adopted by the Ministers responsible for Water April 6, 2012 in Bangui;
- The feasibility study and implementation of the Information System on Water (ISW) was also adopted by the Ministers responsible for Water April 6, 2012 in Bangui;
- The Regional Action Plan for Integrated Water Resources of Central Africa (PARGIRE / AC) is being developed by the International Firm STUDI;
- Statements of IWRM places in the country and trans-boundary water infrastructure are launched since June 2012.

The outlook of the ECCAS water sector is part of the development of different outcomes of the proposed implementation of the Regional Water Policy, namely:

- i. The Regional Coordination Centre Management of Water Resources is functionally and operationally;
- ii. System Regional Water Information is functionally and operationally; and
- iii. The Regional Action Plan for Integrated Water Resources "PARGIRE" primary tool for implementation of the regional water policy is implemented from 2013 and funding programs in the PARGIRE is assured.

IGAD

The IGAD Inland Water Resources Management Programme (INWRMP)

The IGAD Inland Water Resources Management Programme (INWRMP) was launched on 9-10 July 2012 during the 1st Steering Committee of the INWRMP which took place at IGAD Headquarters. The project implementation has been delayed as a result of a very long gestation period and all stakeholders are urged to meet deadlines so as not to create another delay.

2.3.4 INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)

COMESA

COMESA Policy on Cyber Security

COMESA is implementing a Cyber Security project and developed recently a cyber-security policy and model bill as well as an implementation roadmap. The purpose of the Policy Guidelines is to assist member countries in the light of existing national, regional and international instruments, when developing policies on cyber security to do so in a manner that would ensure the harmonization of legal frameworks for purposes of establishing sound legal foundations that would ensure confidence and trust in using ICTs. The Model Bill is to assist Member States in the development or review of appropriate cyber security laws in line with international standards and where lacking for the Member States to make necessary amendments to facilitate the security of information infrastructure, protection of critical information infrastructure, and enable local law enforcement agencies to be able to co-operate with those in other countries in the investigation, and prosecution of cybercrime.

E-Learning strategy

COMESA adopted also e-Learning strategy which have objectives to operationalize an interactive and collaborative online platform that will increase access to and effectiveness of COMESA capacity building programs, supported by a regional pool of e-Learning experts. COMESA have also an E-Waste programme that has an objective of ensuring that the COMESA

region addresses E-Waste through the value chain from point-of-sale to end-of-life, including handling non-recyclable parts and substances and can productively dealing with it.

Programme on e-Government

A major programme on e-Government was adopted in COMESA to contribute to the regional integration agenda through an effective and efficient Information and Communications Technologies (ICT) environment geared towards the reduction of costs of trade and investment to stimulate economic growth and reduce poverty. The programme will foster the development of information systems to enable easy access to regional information for the promotion of good governance through the application and provision of best practices in Information and Communications Technology (ICT).

ECCAS

Program 1: Creating / strengthening of an enabling environment for ICT development

A regional policy of building a real economy and Society of the information in Central Africa, a strategy of infrastructure development and broadband networks in Central Africa, a program of infrastructure development in optical fibers and a regional frame of reference for the harmonization of national policies and regulations were adopted in January 16, 2012 by the Conference of Heads of State and Government of ECCAS.

Programme 2: Development of infrastructure / broadband networks and interconnection between Member States

- A consensual plan of deployment of interconnection facilities for member states of ECCAS and the latter to neighboring RECs was validated by experts from ECCAS Member States.

Subprogramme 1: harmonization of national regulations relating to infrastructure, networks and electronic communications services

- Five model laws relating respectively to general institutional framework, authorization, interconnection, spectrum and numbering resources and universal service have been validated and their incorporation into national legal frameworks is underway.

Subprogramme 2: harmonization of national regulations relating to cyber security

- Three model laws on the protection of personal data, electronic transactions including electronic commerce and the fight against cybercrime have been validated by experts from _____ members.

Subprogramme 3: Broadband Network for Central Africa, Phase 1 (CAB-1)

- Chad and Cameroon are interconnected
- Production underway in Chad and Central Africa Republic with support from the World Bank.

Subprogramme 4: Broadband Network for Central Africa, Phase 2 (CAB-2)

- All projects are identified; some of these projects are under implementation in Gabon, Congo, DRC and Burundi;
- Validation of the consensual action plan on deployment of interconnection infrastructure between Member States (PACDICE-AC).

ECOWAS

In order to promote market integration within the Community, the Commission supported the development of a sustainable regional telecommunications market in West Africa, essential for development and regional economic growth, with a focus on two main objectives of the ICT/Telecommunications sector namely,

- development of modern and reliable telecommunications infrastructure in the region through the INTELCOM II programme, alternative communication infrastructure comprising broadband and submarine cables,

- harmonisation of policies and the legal and regulatory frameworks for telecommunications, in view of the creation of a single liberalised telecommunications market within the Community.

To optimise use of available resources in the implementation of programmes and meet the particular needs of people in the region, ECOWAS Member States adopted in Lomé, Togo in March 2011, priority projects to be implemented over the next five (5) years.

ECOWAS Ministers responsible for Telecommunications and Information and Communication Technology adopted several documents at their meeting held in Yamoussoukro, Ivory Coast on 14 October 2011. These documents should lead to improved implementation of the priority projects contained in the ECOWAS 2011 – 2015 strategy paper.

Harmonisation of Policy and Regulatory frameworks

Since the adoption in January 2007, of the new policy and more enabling regulatory frameworks for the development of telecommunications and ICT by the Authority of Heads of State and Government, the ECOWAS Commission has supported Member States in transposing these texts in their national laws. In 2011, ECOWAS, ITU and the European Union provided support to Guinea, Niger and Togo in the transposition process. Presently, nine Member States have fully transposed the Community Acts in their domestic laws and six are at various stages of the transposition process.

EAC

Cooperation in the Communications sector is mandated by Articles 98 and 99 of the Treaty for the Establishment of the East African Community. Under the provisions of the Treaty, Partner States undertake to cooperate in the establishment and operation of communications infrastructure, the development and deployment of ICT applications and services and promotion of postal services.

The following are the four major strategic objectives of projects and programmes of the sector:

- Harmonization of ICT policies, laws and regulations among the EAC Partner States. An integral component of this strategic objective is the coordination and enhancement associated institutions;
- Promotion of establishment of communications infrastructure and services e.g. communications networks, e-government and e-commerce services, and geo-spatial information systems;
- Standardization of technologies and services to allow internetworking and interoperability;
- Communications markets - Investment strategies, competition management, and quality of service and consumer welfare.

East African Community Broadband ICT Infrastructure Network (EAC-BIN)

The aim of this project is to establish and operate a cross-border broadband infrastructure network within the EAC. A study on the detailed pre-investment analysis and technical design for this network and was commissioned in May 2009, and the Final Report was expected by the end of February 2010.

EAC Legal Framework for Cyber Laws

A legal framework for cyber laws provides guidelines on the enactment and enforcement of laws that promote the deployment of e-government and e-commerce services. A draft EAC Legal Framework for Cyber laws has been developed, and awaits consideration and adoption by the Council of Ministers.

Analog-to-Digital Broadcast Migration (ADB M)

From the year 2015, most countries will have switched their terrestrial broadcast systems from analog technologies to digital technologies. Digital terrestrial broadcasting offer several advantages over analog broadcasting. Besides providing more broadcast

channels, digital broadcasting offer more services than can be provided by analog technologies. ADBM requires government interventions on several areas including policy and regulatory regime, technology standardization, spectrum plans and business and consumer preparations. To that effect, the Secretariat is working with the International Telecommunications Union and the European Union to support a programme for harmonizing ADBM among EAC Partner States.

ICT Policy and Harmonization Framework

Two reference instruments have been developed: a Regional Framework for Harmonization of National ICT Policies and a Study on the EAC Communications Regime. Both documents provide recommendations on harmonizing the ICT policies and regulations of Partner States. Harmonized communications policies and regulations would enhance the realization and sustenance of the Common Market.

2.4 FREE MOVEMENT OF PERSONS

2.4.1 Status

The free movement of people and factors of production represents a perfect integration area where RECs could make significant and rapid progress and gains. Some RECs have normative texts to ensure the right to free movement in Africa, something that is not yet fully realised by other RECs. Regarding the free movement of people, enormous results have been achieved in certain regions; on the other hand some RECs are still facing challenges in this regard.

ECOWAS

As far as free movement of people is concerned, progress made within the ECOWAS is exemplary as visas are not required anywhere for nationals of Member States within the Community who travel across Member States of the ECOWAS region. Residents of West Africa now have the right to move freely and settle anywhere within the Community to carry out any legal activity.

In order to facilitate and simplify formalities governing movement of people across the borders of ECOWAS Member States, a travel document known as the "ECOWAS travel certificate" was instituted. The ECOWAS passport was introduced in December 2000 and has been proposed as a replacement to national passports. Its possession exempts his holder from filling the ECOWAS immigration and emigration form.

The ECOWAS has also adopted measures in order to facilitate the movement of persons transported in private or commercial vehicles:

Private vehicles

A private vehicle registered in the territory of a Member State may enter the territory of another Member State and remain there for a period not exceeding ninety (90) days upon presentation to the competent authority of that Member State of a valid driving license; matriculation certificate (ownership card) or log book; insurance policy recognized by Member States; and international customs documents recognized within the Community.

Commercial vehicles

A commercial vehicle registered in the territory of a Member State and carrying passengers may enter the territory of another Member State and remain there for a period not exceeding fifteen (15) days upon presentation of the documents listed hereunder to the competent authority of that Member State: valid driving license; matriculation certificate (ownership card) or log book; insurance policy recognized by Member States; and international customs documents recognized within the Community. During the period of fifteen (15) days the commercial motor vehicle shall however not engage in any commercial activities within the territory of the Member State to which it has entered.

The ECOWAS brown card relating to the insurance of motor vehicles

The ECOWAS brown card relating to the insurance of motor vehicles covers the civil responsibility of its owner within the ECOWAS area. It offers at least the same guarantees as those which are required by the laws in force on the territory of each Member State and it is worth certificate of insurance. Currently, twelve Member States have instituted the ECOWAS brown card: Benin, Burkina Faso, Ivory Coast, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

The ECOWAS Commission set up and operationalized 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 these areas, the Commission has been 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 from civil society, the judiciary, a parliament and the media.

The ECOWAS Commission also embarked upon a reflection with technical partners on the establishment of an electronic registration system at border entry and exit points and to issue the new ECOWAS electronic identity card which will replace national identity cards and ease the movement of ECOWAS citizens along Community borders.

The Commission also embarked on sensitization effort highlighting the benefits of the Free Movement Protocol in order to create ownership of the Protocol by stakeholders. This activity aims to have a positive impact on Community citizens' Right of Entry, Residence and Establishment in ECOWAS.

The ECOWAS plans to release the Eco-Visa for non-Community Citizens. This is an electronic travel document that is convenient to carry and it is expected to further boost tourism and business across the region. In this regard, the Commission set up a task force consisting of Experts from Member States that met in May 2010, in Cotonou, Benin, and adopted a new road-map for the implementation of the single visa policy within the region. The new road-map provides for arrangements that will result in the implementation of the Eco-Visa, by the year 2012.

COMESA

In the COMESA region, only four Member States have signed the Protocol on the Free Movement of Persons, labour, Service, Right of Establishment and Residence, namely: Kenya, Rwanda, Burundi and Zimbabwe. Only Burundi has ratified the Protocol, but more Member States are expected to sign and ratify the Protocol.

In order to ensure the effective implementation of the Protocol and address concerns that Member States have in terms of mainly security threats, COMESA Member States have agreed on a number of programmes such as:

- i. A joint capacity building programme on immigration issues;
- ii. The establishment of a database on the movement of persons, services and labour within the COMESA Region; and
- iii. The revision and harmonization of laws on the basis of the COMESA Model Immigration Law;

It should be noted that visas are treated with flexibility for residents of the community. In this regard, Eight Member States are currently giving visas to citizens of other COMESA countries on arrival at the airport.

ECCAS

In the Central Africa region, there has been no progress in accelerating the free movement of people. In fact, some ECCAS countries request visa to enter their territories, namely, Gabon, Equatorial Guinea, Sao Tomé and Principe and Angola. These countries underscore security problems as the main reason for delaying implementing decisions taken at the regional level on this matter. The lack of political will to solve the problem of free movement of persons is the main reason for the delay in implementing the ECCAS protocol on free movement and the right to settlement of nationals of Member States. However, between some countries of the region movement is relatively fluid.

SADC

In the SADC region, entry of citizens from a member country onto the territory of another member country is not subjected to obtaining a visa for a maximum period of ninety days per year. However, authorization to reside in the territory of a member country must be obtained by applying for a permit from the authorities of the concerned country in conformity with the legislation of the Member State in question.

IGAD

Currently, free movement of people within the IGAD region is being carried out among the Member States on a bilateral basis and it is not harmonized at the regional level. Traditionally, Ethiopia and Kenya waive visa requirements for nationals of the two IGAD Member States. Also Ethiopia and Djibouti have a similar bilateral agreement. IGAD have undertaken and validated in April 2012 a study to develop and implement protocol on free movement of persons in the region in line with the IGAD Minimum Integration Plan.

CEN-SAD

In the CEN-SAD region, holders of diplomatic and service passports are exempt from visa obligations. This privilege shall be extended to students, businessmen, athletes and academicians. Libyan authorities authorised CEN-SAD citizens who are holders of diplomatic and service passports to have free entry onto their territory. The measure of selective dispensation of visas has been formalised in a Decision that was signed by seventeen Member States in May 2009. Through this Decision, holders of duly issued and valid diplomatic passports, official passports, and special envoys duly mandated by State Authorities, are exempt from entry visas 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 sports teams, national artistic groups, duly invited academicians, and students duly registered in a public training centre.

EAC

The EAC is one of the Communities that have made significant progress in the area of free movement of people. In this regard, the EAC passport is operational and allows multiple entries to citizens from Partner States to travel freely within the EAC region for a period of six months. Its internationalisation has already been endorsed by the EAC Council of Ministers and the modalities for this step are being explored. The EAC Member States established special immigration counters for East African travelers at the region's airports. The EAC partner states committed 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 and studies on the “Harmonisation of employment policies in East Africa” and “Harmonisation of labour legislation in East Africa” have been undertaken and presented to the Stakeholders. The Council of Ministers recommended that similar studies should be conducted in the EAC members namely, Rwanda and Burundi, following which a Model EAC Labour Legislation and an EAC Labour Policy will be developed. Other initiatives are being implemented within the framework of the implementation of provisions of the EAC Common Market Protocol whose implementation started in 2010.

UMA

In the Arab Maghreb region, Tunisia is the only country that allows citizens of other Member States to access freely its territory. From the five countries of the UMA, the free movement of people is in place between three Member States, namely, Libya, Morocco and Tunisia. However, visa restrictions are still applied between the rest of countries on bilateral basis.

2.4.2 Challenges

Despite the progress made, several obstacles slow down, and even undermine the integration process. In this regard, the movement of people is faced with a number of

problems, including infrastructure, especially road transport such as, the very high number of roadblocks erected by security forces as well as illegal barriers and insecurity on the roads. Countries usually evoke security as the main reason for delaying the implementation of decisions on free movement of persons, which have been taken at a regional level.

Consequently, free movement of people is also hindered by the extremely fragile security situation in some African countries. The number of internal conflicts, ethnic unrest, political and social tensions and rebel activity has increased in the last few years, undermining, in some cases, social cohesion and the strengthening of democracy. Armed conflicts and proliferation of weapons generated by such instability compromise security along borders can destroy communication infrastructure and can cause severe mistrust between countries in the Continent.

In addition, the main sectors supportive of economic development such as transport, telecommunications and energy infrastructure and services suffer from poor quality and deficiency in terms of interconnectivity between countries and regions. Consequently, Africa remains the only Continent where its citizens travel less in the world especially by air.

Transport infrastructure plays a crucial role in building the economic integration of Member States. It creates the physical links between countries and one of the major foundations upon which to develop a national economy. Despite the fact that Infrastructure development is included in most treaties of the Regional Economic Communities, a lot of work should be done to provide the best framework for the alignment of sector policies, designing major regional plans, harmonizing regulatory regimes and investment codes at Regional level.

A number of protocols have not yet entered into force because of their ratification process. This problem is mainly due to the fact that Member States of the RECs do not transpose regional objectives in their national planning process. For example, in the

COMESA region, the Protocol on free movement of persons, labour, services, and the right to settlement and to residence is not yet effective, for it to do so it must be signed and ratified by at least seven States. However, since the adoption of the protocol by Heads of State and Government in May 2001, it has been signed by only three countries, namely Kenya, Rwanda and Zimbabwe. The SADC Protocol on the Facilitation of movement of persons is not yet in force but is awaiting two-thirds of the Community to deposit ratification instruments by Member States. In CEN-SAD, the draft agreement on 'Free movement and settlement of people on the territory of Member States of Sahel-Saharan Community States' is not yet in force, which means the Community is without a legal instrument on free movement of people, which would put pressure on Member States for its implementation. UMA is faced with the same problem where there are no legal texts to regulate the movement of people in the North Africa region.

The issue of multiple membership of more than one REC is also a major problem in Africa. Indeed, countries are facing a very complex situation in terms of implementation of decisions taken at the regional level. It is, therefore, necessary to resolve the problem of multi-membership to more than one REC. The Tripartite Arrangement provided an innovative example in terms of harmonisation and coordination of programmes between the three RECs in the same regional space. This initiative could be replicated in other regions especially in the area of the free movement of factors of production.

2.4.3 Recommendation and Way forward

Faced with this situation outlined earlier, which constitute major obstacles to economic integration, a number of policy and practical recommendations can be made:

The establishment of awareness committees within each REC and at a national level:

Pilot awareness on the free movement of people and goods at borders can be organized to familiarize citizens with their rights and obligations with regard to crossing the borders of member countries of the same REC. Organizing regional cultural events promoting regional integration and especially the movement of people in the

Communities could help in creating awareness about the issue. There is also need to educate people about the tools of integration with an emphasis on youth and to train different civil society actors.

The establishment at country borders of counters for RECs and African citizens: the integration process should be concrete and visible to the people of Africa. Impacting on the lives of its citizens could be done through simple acts and one of them is the facilitation of immigration procedures at country borders (airports, ports, border posts) for citizens of the RECs and African citizens as a whole.

Strengthening security coordination at the national level and among Member States: security threats are major problems hindering the facilitation of movement of people/labour cross borders. Strengthening security coordination is essential for the success of the integration process in Africa. Fighting terrorism, crime, drug trafficking and money laundering at the regional level should be a priority for the RECs as well as promoting cooperation and mutual legal assistance on extradition and transfer of funds.

Issuance of Community passports and car insurance for each REC: ECOWAS and EAC are the only RECs that have issued community passports. Many African people move across the continent using road transport especially cars. To ease the movement of people, the establishment of car insurance at the REC level must be priority as well as putting in place car insurance coordination mechanisms between the RECs.

The establishment or strengthening of banking cooperation at the regional level in order to avoid transit transactions by banks outside the continent: While moving within the continent, African peoples are faced with a major challenge in the form of the multiplicity of currencies. There is need to fast track monetary integration at regional level as well as at a Continental level.

Harmonization of curricula, examinations, standards, certification and accreditation of educational and training institutions: Measures should be taken by Member States to harmonize curricula, examinations, standards, certification and accreditation of

educational and training institutions. In particular, coordination is needed to address the absence of linkages between educational systems; employers and professional associations; and the users of services on the content of academic programmes. Member States are still in the process of developing regulations on mutual recognition. In this regard, regional conventions could be a solution to this problem.

Domestic regulations such as licensing and quantitative constraints on the entry and operation of professional services firms is also undermining competition in the professional services sector and prevents them from taking advantage of economies of scale. In this regard, the development of common regional standards, for example on accounting and auditing, could reduce the cost to firms operating across national borders.

2.5 MACROPECONOMIC CONVERGENCE

COMESA

In implementing its Monetary Cooperation Programme, COMESA has achieved the followings:

- i. Multilateral Fiscal Surveillance Framework was developed. This Framework is endorsed by the COMESA Summit in Malawi in October 2011. The Framework is a very important tool to ensure macroeconomic stability in the region. Achieving higher degree of macroeconomic stability is a prerequisite for achieving all the stages of the COMESA Monetary Cooperation Programme. Preparations are being made for implementation of the Framework.
- ii. Financial System Development and Stability Plan were adopted. The plan is being implemented by member countries as part of their Financial *Sector Reform Programme*. The System envisages diversified financial system and instruments in the region.

- iii. Assessment Framework for Financial System Stability was designed. The Framework is being implemented by member countries in order to ensure financial stability in the region.
- iv. COMESA Monetary Institute was established in 2011 in Nairobi, Kenya, in order to undertake all the preparatory work for implementing all the stages of the COMESA Monetary Cooperation Programme.

COMESA also operationalised the Regional Payment and Settlement System (REPSS). REPSS would stimulate economic growth through an increase in intra-regional trade by enabling importers and exporters to pay and receive payments for goods and services through an efficient and cost effective platform. Local banks access the payment system through their respective central banks. Any participating Bank is, therefore, able to make payments to, and receive payments from, any participating bank. The linkages through the central banks thus eliminate the complex payment chains through correspondent bank arrangement. Bank of Mauritius acts as a Settlement Bank for REPSS.

EAC

The preparatory works for the transition to the EAC Monetary Union (EAMU) is ongoing. The critical areas of focus include Monetary and exchange rate policy harmonization, statistics harmonization, fiscal policy coordination and harmonization, Financial markets coordination, banking supervision and financial stability, harmonization of payments and settlements system such as establishment of the East African payment and Settlement System, accounting and financial standards, harmonization of IT infrastructure and overall coordination of economic policies in order to achieve economic convergence

The negotiations for the EAMU Protocol are in advanced stages and have covered most parts of the draft Protocol. The review of the EAC macroeconomic convergence criteria is towards completion.

ECCAS

Regarding the monetary cooperation in Central Africa, CEMAC is very advanced in this area with its CFA monetary zone. ECCAS has started thinking on developing a macroeconomic model for the region by 2013. In this regard, a monitoring unit will be put in place in the ECCAS secretariat during a workshop to be organized during the last quarter of 2012.

The overall objective of this project is the establishment of a regional mechanism to monitor trends of economic activities and anticipate shocks to allow decision makers to have reliable, relevant and timely economic information. The specific objectives are:

- Establish a network of experts to conduct discussions and analyzes to help decision makers to anticipate economic shocks;
- Build capacity of member states and the ECCAS Secretariat in techniques, methods and tools of analysis and economic prevision.
- Increase the appropriation, response capabilities, information sharing and coordination of actions of countries in the region against economic shocks.
- Establish a system for disseminating information in the short term movements of aggregate economic activity and sector (real economy).
- Produce and disseminate on regular basis relevant information on economic activities.

Table 2: Main objectives of RECs/Inter-Governmental Organisations monetary cooperation

REC/IGO	Main objectives of REC monetary cooperation
CEMAC	1) To create in common the conditions of a harmonious economic and social development; 2) Having a single currency for all member States; 3) Ensure internal and external stability of common currency.
COMESA	1) Macroeconomic stability; 2) Reduction in transaction costs; 3) Free movement of persons.
EAC	The EAC Treaty provides for a Monetary Union as one of its 4 stages of integration (others are a Customs Union; Common Market and Political Federation)
ECOWAS	1) Creation of a monetary union through the observance of a set of macroeconomic convergence criteria and implementation of a set of structural reforms all aimed at ensuring and sustaining macroeconomic stability of member states.

REC/IGO	Main objectives of REC monetary cooperation
SADC	<ol style="list-style-type: none"> 1) Attainment to macroeconomic convergence in the region; 2) Harmonization of taxation policies and related matters; 3) Harmonization of monetary policies; 4) Convertibility of the regional currencies and elimination of exchange controls towards a single currency in the region; 5) Establishment of SADC Monetary Union.
UEMOA	<ol style="list-style-type: none"> 1) Manage monetary policy of member states; the policy aims at promoting economic growth; 2) Strengthen the monetary union and to achieve the economic integration of the Union's member states, namely through the strengthening of the competitiveness of economies; 3) Develop monetary discipline and solidarity; Promote commercial transactions and capital investments; 4) Create macroeconomic stability.

Source: AU, UNECA, AfDB (2012) , ARIA V

Table 3: Macroeconomic convergence criteria

REC/IGO	Primary criteria	Secondary criteria
CEMAC	<ul style="list-style-type: none"> -Budgetary basic balance of the GDP must be positive or nil; -Annual inflation rate has to be less than 3%; -Rate of public debt has to be less or equal to 70%; -Non accumulation by the State of internal and external debt in the current period. 	<ul style="list-style-type: none"> -Investment rate versus the GDP; -Raw outside Assets in month of import; -Ratio of the payroll brought back to the total budgetary receipts; -Current account on GDP.
COMESA	<ol style="list-style-type: none"> 1) Fiscal Deficit excluding grants to GDP ratio; 2) Inflation rate; 3) Reserve Accumulation. 	<ol style="list-style-type: none"> 1) Use of Indirect Monetary Policy Instruments; 2) Interest Rate Policy; 3) Achievement of Market Determined Exchanged Rates; 4) Growth; 5) Savings; 6) Investment; 7) External Current Account Excluding Grants; 8) External Debt
EAC	<p><i>(No differentiation between primary and secondary criteria)</i></p> <ol style="list-style-type: none"> 1) GDP Growth Rate: A high and sustainable rate of growth of real GDP of 7% as the minimal target annually by the year 2000; 2) Inflation: Maintenance of low and stable underlying inflation to single digit rates of less than 5% by the year 2000; 3) Current Account Deficit (Exc. Grants) / GDP: Reduction of the Current Account as a percentage of GDP to sustainable levels; 4) Budget Deficit (Exc. Grants) /GDP: Reduction of Budget deficit to less than 5% by the year 2000; 5) National Savings/GDP: Raising national savings to GDP ratio to at least 20% in the medium term.; 6) Gross foreign exchange reserves in months of imports of goods & services: Build gross foreign reserves to a level equivalent to six months of imports in the medium term; 7) Maintenance of low and stable market determined exchange rates; 	

	8) Maintenance of low market determined interest rates; 9) Pursuit of Debt reduction initiatives to reduce both domestic and foreign debt, including statutory borrowing limits; 10) Maintenance of prudential norms of banking regulation, effective supervision, improved corporate governance and transparency of all financial transactions.	
ECOWAS	1) Inflation rate = 5%; 2) Ratio of budget deficit (excluding grants) to GDP (commitment basis) 4%; 3) Ceiling on central bank financing of budget deficit to 10% of previous year's tax revenue; 4) Gross reserves not less than 6 months of imports.	. Prohibition of all domestic arrears and liquidation of all existing arrears; . Tax revenue/GDP ratio $\geq 20\%$; . Salary mass/tax revenue $\leq 35\%$; . Capital expenditure/tax revenue $\geq 20\%$; . Real exchange rate stability; . Positive real interest rate.
SADC	. Inflation; . Budget Deficit/GDP; . Debt/GDP; . Current Account/GDP.	. Economic Growth; . External Reserves/Imports; . Central bank credits/Government; . Domestic Investment/GDP; . Domestic Savings/GDP.
UEMOA	1) Budget deficit/GDP $\geq 0\%$; 2) Average annual inflation rate maintained at a maximum of 3,0% per year; 3) Ceiling on total public debt/GDP $\leq 70,0\%$; 4) Non accumulation of internal and external arrears.	1) Wage bill /tax revenue $\leq 35,0\%$; 2) Public investment /tax revenue $\geq 20,0\%$; 3) Tax revenue/ GDP $\geq 17,0\%$; 4) Current account deficit/GDP $\leq 5,0\%$.

Source: AU, UNECA, AfDB (2012) , ARIA V

ECOWAS

According to the roadmap adopted by the ECOWAS, it's planned to launch the second monetary zone (WAMZ) by 2015 and launch the larger monetary zone by merging the CFA and the WAMZ zones by the year 2020.

Within the framework of the ECOWAS Monetary Cooperation Programme, the followings are achieved:

- Guide for the formulation of ECOWAS Multi-year Convergence Programmes spanning five (5) years. It constitutes a harmonised framework for the drafting of the multi-year convergence programmes by Member States; these national programmes are to highlight the latest economic performance, prospects during the period of programme implementation and measures to facilitate the attainment of the stated objectives;

- Macro-economic Convergence and Stability Pact among ECOWAS Member States. The Pact is a formal undertaking by ECOWAS Member States to ensure: (i) coordination of economic policies; (ii) enhancement of the economic convergence of Member States' economies; (iii) strengthening of macro-economic stability; and (iv) consolidation of monetary cooperation.
- Revised Decisions A/DEC.17/12/01 relating to Multilateral Surveillance Mechanism and Decision A/DEC.7/12/99 relating to the adoption of Macro-economic Convergence Criteria. The review of the two decision is aimed at ensuring a better implementation of the multilateral surveillance mechanism in ECOWAS Member States while taking due account of the institutional changes that may have occurred.
- Furthermore, the multilateral surveillance mechanism has become well established through regular production by the National Coordination Committees (NCCs) of multilateral surveillance quarterly/half year/annual reports, which record the level of economic performance of each country in relation to the adopted convergence criteria and also the regular conduct of joint surveillance missions with WAMI, WAMA to assess performance on the macroeconomic convergence criteria in 2011 as well as policy harmonization and institutional framework required for the establishment of economic and monetary union in the ECOWAS region.
- Starting the process of drafting a common Regulation on Public Debt management, Public Procurement, statistics and accounting framework of public finance.
- Launch the Multilateral Surveillance Data base "ECOMAC" which is fully operational in the ECOWAS Web Side.
- For the monetary policy harmonization, WAMA is currently working on a draft proposal for the harmonization of monetary policy frameworks, building on an evaluation of existing systems in the region.
- ECOWAS Commission and WAMA have started the harmonization of the balance of payments statistics in ECOWAS member states.

Establishment of the West African Monetary Zone (WAMZ)

Regarding the establishment of the second monetary zone, the followings are achieved:

- Collaborating with the ECOWAS Commission and the West African Monetary Agency (WAMA) in conducting half yearly Joint Surveillance missions to WAMZ Member States to assess recent macroeconomic developments and the status of macroeconomic convergence;
- Organising half yearly convergence meetings of the Technical Monitoring Committee, Committee of Governors and WAMZ Convergence Council to assess the status of implementation of the WAMZ Programme;
- Attaining significant progress at macroeconomic stability and convergence at the zonal level in the WAMZ: In 2011, four out of the six Member States achieved the fiscal deficit to GDP Ratio; while five satisfied gross external reserves in excess of three months of import cover and all six complied with the Central Bank financing of fiscal deficit criterion;
- Significant progress, with support from the AfDB, is being made in the implementation of the WAMZ Payments Systems Development Project in four of the six Member States namely The Gambia, Guinea, Liberia and Sierra Leone. The project is aimed at developing a Real Time Gross Settlements System and Script less Security Settlement Systems (RTGS/SSS), among others;
- Assisting Member States in the formulation of their National trade Policies and commissioning a trade integration study in the WAMZ to assess the effective implementation of all trade related protocols and potentials for trade facilitation;

- Establishment of a West African College of Banking Supervisors in the WAMZ to harmonise policies and procedures for banking supervision and facilitate the migration to the International Financial Reporting Standards (IFRS) in the WAMZ;
- Commence a project to facilitate cross border transactions through the quoting and trading in WAMZ currencies as a means of achieving currency convertibility.

2.6 AGRICULTURE AND FOOD SECURITY

ECOWAS

ECOWAS Agricultural Policy (ECOWAP)

In implementation of the ECOWAS Agricultural Policy (ECOWAP), the Council of Ministers adopted the following documents in August 2011: (i) Regulation C/REG.1/08/11 creating the Regional Agency for Food and Agriculture, (ii) Regulation C/REG.2/08/11 creating the ECOWAS Regional Fund for Agriculture and, (iii) Regulation C/REG.3/08/11 creating the Watchdog Committee for Food and Agriculture. The adoption of these implementation mechanisms will accelerate the agricultural development of the region.

The Regional Charter for Aid, prevention and management of food crises

The Regional Charter was validated by the meeting of Ministers in charge of Agriculture in Conakry, Guinea in November 2011. The preparation of this Charter was jointly conducted by the ECOWAS Commission, CILSS and the Sahel and West Africa Club. The Charter is expected to lead to more effective management of international aid (from NGOs, technical partners) throughout the region when Member States are confronted with food crises.

Livestock Development Strategy and Action Plan

The strategic plan for the processing and development of the livestock sector was prepared and adopted. This constitutes an important aspect of ECOWAP implementation at the national and regional levels in the animal resources sector.

COMESA

The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA)

The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) is a regional Alliance organization and a Specialized Agency of COMESA. It was established in response to the 2003 Maputo Declaration by Africa Union. ACTESA was launched on 24th September, 2008 by COMESA's Ministers of Agriculture and officially endorsed on the 9th of June, 2009 by COMESA Heads of State and governments as a Specialized Agency of COMESA under Chapter 182 of the COMESA Treaty.

Following the approval of ACTESA FYDS by COMESA Council of Ministers in October 2011 in Lilongwe, Malawi, ACTESA was directed to develop an Operational Plan to make the strategy operational. The Council's decision was endorsed by partners and stakeholders during the Fifth ACTESA Stakeholder Forum held in Malawi, in November 2011. This Operational Plan clarifies ACTESA's objectives, enumerates its activities, tasks and targets, identifies the resources and the timeline required to implement these activities for the next five years (2012 – 2016).

During the first years of its establishment, ACTESA implemented several programs including COMESA Regional Agro-Inputs Program (COMRAP), Africa Agriculture Markets Program (AAMP), Strengthening Markets and Regional Trade for Food Security (SMART-FS), Biotechnology and Biosafety and Regional Livestock Trade.

CAADP Implementation

COMESA is building strategic partnerships and strengthening existing relations with various players involved in African agriculture and has a fully-fledged CAADP unit for this purpose. Achievements under CAADP include:

- 11 out of 19 member states of COMESA have signed the CAADP compact. These are Rwanda, Burundi, Ethiopia, Swaziland, Uganda, Malawi, Kenya, Zambia, DRC, Seychelles, and Djibouti
 - A Compact is a sign of commitment by key stakeholders in the agric and related sectors, to channel their energy and investment towards collaboratively and carefully selected potential growth areas of agriculture
- 6 out of the 11 Member States have developed their detailed and costed agricultural Investment Plans. These are Rwanda, Uganda, Kenya, Malawi, Ethiopia, and Burundi
- A COMESA Regional Compact that will facilitate investments in areas where individual countries cannot effectively invest has been drafted
- COMESA has intensified its communication and information sharing on CAADP implementation
- COMESA is implementing the continental CAADP M&E framework and member states are being encouraged to align to this framework.

SADC

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, SADC is implementing the SADC Seed Security Network (SSSN) which intends to facilitate the creation of a regional seed market. In addition, SADC is facilitating 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.

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.

IGAD

The IGAD Food Security Strategy for 2005-2008 envisaged 11 major projects. Of these, 6 have been fully implemented. IGAD is undertaking the formulation of a regional CAADP (with financial and technical support of the FAO) as well as programming for large-scale and long-term interventions to end drought emergencies in the Horn of Africa. Soon after the formulation, IGAD will undertake an update of its food security strategic documents and come up with one consolidated multi-sectoral food security strategy that is aligned with the food security strategies of its Member States.

Implementation of the IGAD Livestock Policy Initiative ended in February 2012. Its functions/activities will be continued under the IGAD Center Pastoral Areas and Livestock Development (ICPALD) under establishment. Meanwhile, IGAD is in the process of adopting the Somalia-based Sheikh Technical Veterinary School (STVS) as a regional institution of IGAD. IGAD, with the technical and financial support of FAO is undertaking a project to build capacity for trade in livestock and fish.

BOX XXX: Regional Disaster Risk Management (DRM)

IGAD has developed a regional Disaster Risk Management (DRM) Programme and has been endeavoring in implementing it. The programme complements to the African Strategy for Disaster Risk Reduction and the Programme of Action which was developed and adopted at the First African Ministerial Conference on Disaster Risk Reduction in Addis Ababa in December 2005. The IGAD programme like the Continental Strategy and Programme Action tries to accommodate emerging trends and challenges such as the strong linkages between Disaster Risk Reduction and Climate Change Adaptation, the concepts of Risk Transfer and local Investments in DRR. IGAD is a member of the African Working Group on Disaster Risk Reduction and guides the implementation of the Africa Regional Strategy and the Programme of Action.

The IGAD programme has been instrumental and has contributed to the member state policy review and development in disaster risk management with the emphasis on prevention and shift from reactive to proactive approach. Member States are requested to put in place dedicated entities to deal with disasters and coordinate the efforts at National level. Currently IGAD is engaged in the initiation of establishing a regional Disaster Fund and developing map and atlas of the mains hazards that cause disasters in the IGAD region.

EAC

EAC Food Security Action Plan (EAC FSAP)

An EAC Food Security Action Plan (2011 -12) was developed and approved by EAC Summit in April 2011 for implementation. The EAC Food Security Action Plan (EAC FSAP) is an ambitious plan that aims at improving food security in the EAC Partner States. Under this plan EAC aims at addressing issues ranging from policy, institutional and legislative issues, production, marketing, to nutritional and related matters. The EAC FSAP is in line with CAADP principles and is practical oriented.

EAC has a Strategy on Prevention and Control of Trans-boundary and Zoonotic Diseases. To this end EAC has an elaborate transboundary animal disease control plan that is being implemented. EAC has several initiatives to facilitate and accelerate development of the agricultural sector including development of a Food and Nutritional Policy, Regional Food Balance sheet, Early Warning System, a mechanism of monitoring Non-Tariff Barriers, Sanitary and Phytosanitary (SPS) issues and an EAC SPS Protocol that is being finalized. Furthermore, there ongoing development of a harmonized livestock policy and data capturing instrument in the livestock sector to inform policy making.

ECCAS

Regional Programme on food security (RPFS-ECCAS)

With support from FAO and at the request of Member States and following the regional consultation on the food crisis held in Kinshasa in July 2009, the Regional Programme on food security (RPFS-ECCAS) and CEMAC RPFS -are merged into a RPFS – Central

Africa validated by the experts in 2011 and is awaiting adoption by the Conference of Ministers of Agriculture of Central Africa in Brazzaville planned during 2012.

Common Agriculture Policy (CAP-ECCAS)

The draft document of the CAP-ECCAS developed with the support of FAO and the HUB RURAL just presented at the consultation workshop and launch of Regional CAADP held in Libreville on 30 and 31 May 2012.

The draft document of the CAP-ECCAS will be subject to the consideration of the experts and ministers in order to have a common position. The CAP-ECCAS will serve as the basis for the development of the Regional Agricultural Investment and Food Security Programme to be adopted in 2013.

2.7 PEACE AND SECURITY

IGAD

IGAD is involved in promoting peace and stability in the region and creating mechanisms for the prevention, management and resolution of interstate and intrastate conflicts through dialogue. This clearly shows the nexus within security, development and peace. Such a nexus is seen in promoting environmental stewardship, development, food security and prevention of conflicts. This is vital since the fundamental human needs should be met so as to advance development and curb avoidable conflicts. IGAD is central to the political and security architecture in the Horn of Africa and it has played a key role in the Sudan and Somalia Peace Processes. More recently, IGAD dealt with track II diplomacy by establishing a mediation support unit. To enable it playing a key role in peace and security, IGAD has the following organs/mechanisms: IGAD Security Sector Program (ISSP, countering terrorism, maritime security, transnational organized crime, security institution capacity building, Conflict prevention Management Resolution (CPMR), political affairs, Humanitarian affairs, Somalia Peace facilitation office, special envoy in Khartoum, liaison office in Juba, AU/IGAD Liaison office and Nairobi Liaison office.

IGAD Peace and Security Strategy, covering the period 2010-2014, builds upon the IGAD Peace Process on Somalia and Sudan of 2004 and 2005 respectively, as well as CEWARN and ICPAT (IGAD Capacity Building Programme Against Terrorism). Its overall goal is to achieve sustainable peace and security for the attainment of economic integration and development in the IGAD region. Specifically, it aims to:

- Strengthen and streamline conflict prevention, management and resolution in the IGAD region;
- Strengthen preventive (track 2) diplomacy in the region;
- Promote cooperation to address emerging common peace and security threats within the region; and
- Enhance cooperation in other areas incidental to peace and security, such as: environmental protection; disaster prevention, management and response; transit corridor management and management of trans-boundary water and energy resources; prevention, management and resolution of challenges relating to refugees and internally displaced persons (IDPs) as well as post-conflict reconstruction.

The Conflict Early Warning and Response Mechanism (CEWARN) is designed to serve the region to systematically anticipate and respond to violent conflicts in a timely and effective manner. It is part of the Africa Peace and Security Architecture.

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. 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).

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

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. In this regard, new five-year strategy is being developed 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. In this regard, Regular National and community consultations are being undertaken.

COMESA

COMESA has got programmes that cover a broad spectrum of outcomes including conflict prevention, conflict resolution and post conflict reconstruction and reconciliation. COMESA is also implementing programmes to address security including a joint programme to address piracy.

On conflict prevention, COMESA is putting in place a conflict early warning system (COMWARN) that primarily focuses on structural and economic factors of conflicts. COMWARN is an integral part of the AU Continental Early Warning system. Also to address conflict prevention, COMESA is implementing a programme on governance and democracy, which is done in close collaboration with EAC and IGAD. COMESA is leading on the component of democracy. The programme recently completed research in members states with the view of identify gaps and best practices in electoral systems and processes with the view of consolidating the democratization of the region.

COMESA's niche is on the economic dimensions of conflict. Two conflict management programmes, war economies component of the joint ESA CPMR programme. The programme is addressing the structural factors of war economies including the legal and legislative frameworks to dismantle war economies; and also targeting vulnerable groups affected by war economies and are piloting this aspect on the artisanal mining sector. The programme is also implementing a programme entitled trading for peace, a post conflict reconstruction programme targeting border communities at the eastern DRC at the borders with Uganda, Rwanda and Zambia. The objective of the programme is to use trade as a mechanism to enhance peace and security among communities previously in long drawn out conflicts. The programme has so far installed six Trade Information Desks at the various border posts which have continued to play an important role in addressing potential causes of conflict.

Recently, COMESA, EAC, IGAD and IOC have jointly developed a programme to combat maritime security and are currently implementing a first phase of the programme. COMESA is taking a lead role in the economic dimensions of piracy, with the aim of strengthening financial intelligence units to counter money laundering which are proceeds from piracy.

EAC

The EAC integration envisages a political federation of the member States. As such, peace and security are an imperative for the Community to attain this objective. To this end, the EAC adopted a Regional Strategy on Peace and Security in 2001 and has since development implementation instruments and mechanisms, albeit on an incremental and progressive manner.

In the area of peace and Security, EAC is implementing programmes under the following areas:

- Combatting illicit proliferation of small Arms in line with the Nairobi Protocol;
- Combating cattle rustling;
- Cooperation in combating drug trafficking;

- Cooperation in Counter Terrorism and Money Laundering;
- Development of a framework for Conflict Prevention ,Management and Resolution within the EAC Region;
- Establishment of an Early Warning Mechanism for the EAC Region;
- Establishment of common modalities for Refugee Management;
- Joint approach to and cooperation in Disaster Risk Reduction and Management ;
- Collective approach to combating Maritime Piracy;
- Combating cross border trafficking in persons and theft of motor vehicles;
- Regional confidence building through deepened Defense sector cooperation;
- Promotion of common standards in crime management and correctional practice across the EAC region;
- Information sharing on evolution of crime typologies;
- Review and update of security challenges facing the region and development of appropriate responses; and
- Fostering cooperation with other regional and continental bodies to promote peace and security, based on the principle of complementarity and comparative advantage.
- The member States have concluded negotiations for a Protocol on Peace and Security and will soon be signed. This will further facilitate implementation of programmes under the above areas.

ECOWAS

Mandated to collect and analyse data from which reports are prepared for the President of the Commission in the prevention, management and resolution of conflicts, the Directorate undertook several activities that were directed at realizing its mandate. Among the key activities that were carried out during the year were:

The Commission undertook timely production of Early Warning and Security Situation Reports. Twenty of such reports on various security situations in specific Member States were produced during the year. The ECOWARN Daily Highlights were also produced

on daily basis, seven days a week, which was a marked departure from the previous schedule when they were produced only on working days.

Missions were undertaken with regional experts and stakeholders for the collection and integration of GIS data for proper analytical response and planning

To make the ECOWAS Early Warning System an integration mechanism, the Commission held information sessions for all the directorates and plans to involve other structures (Ministries/agencies) in the ECOWAS Early Warning System.

ECCAS

ECCAS is the reference institution in terms of prevention, conflict management and peace building in Central Africa. The legal framework of its actions is based on the Protocol of the Peace and Security Council in Central Africa (COPAX), enriched by the signing of the Protocol for securing vital interests of ECCAS member States of the Gulf of Guinea.

The following meetings took place:

- 15 Conferences of Heads of State and Government,
- 5 Councils of Ministers of COPAX,
- 12 regular meetings and one extraordinary meeting of the Commission of Defense and Security (CDS).

On the ground, ECCAS led a mission of the Peace Council in Central Africa Republic (MICOPAX 1); and continue to coordinate the surveillance of the maritime security of ECCAS member States of the Gulf of Guinea, including the area known as "D": Cameroon, Gabon, Equatorial Guinea, and Sao Tome and Principe.

Early Warning Mechanism of Central Africa (MARAC) plays its full role as a tool for decision support while still facing weak capacity and construction of its decentralized system of Correspondents established in Member States.

Multinational Force of Central Africa (FOMAC) which develops its capabilities in relation to the African Standby Force (ASF), ensures the work of planning of MICOPAX and programming of a maritime security plans implemented in the framework of maritime surveillance areas of member states of the Gulf of Guinea.

In addition, the Regional Staff (EMR) is committed to the establishment of the Regional Maritime Security in Central Africa (CRESMAC).

2.8 SOCIAL AFFAIRS

The Social Affairs sector covers multitude of subsector and in this section of the report, focus has been put on Health, Gender, Migration and Education.

2.8.1 HEALTH

IGAD

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 adopted its Regional HIV and AIDS Partnership Program (IRAPP) in 2007. This unique program in the Continent was launched in January 2008 and at the same time; the Project Facilitation Office (PFO) of IRAPP was established in Kampala, Uganda. The program has the following objectives:

- Improve access to HIV/AIDS prevention, care, treatment and mitigation programs for cross boarder and mobile populations including refugees,

internal displaced persons(IDPs), returnees and surrounding host communities in IGAD Member States;

- Enable the scaling up of and sustainability of the provision of services to these populations by strengthening IGAD and establishing common approach to support the targeted population in IGAD Member States.

So far, IRAPP has succeeded in achieving the followings:

- Harmonizing protocols/procedures related to HIV/AIDS among IGAD Member States;
- Enhance the coordination by bringing health providers and key stakeholders together from various countries and putting in place Steering Committee of Directors of National Aid authorities twice a year. An annual plan of Action is developed and the progress is also monitored every year;
- Development of a five year regional health strategic plan for cross-border and mobile population which will serve as a platform for IGAD to mobilize resources for financing the regional efforts;
- Scale up IRAPP activities in the 37 hotspots within Member States;
- Integrate reproductive health and Tuberculosis in the IRAPP plan of Action;

COMESA

COMESA secretariat has already developed a Multi-sectoral programme on HIV/AIDS. The overall goal of the COMESA Multisectoral HIV & AIDS Programme is to contribute to the reduction of HIV and AIDS incidence and prevalence in the region and mitigate the negative impact of HIV & AIDS. The Programme lies in the articulation of strategies, basic approaches and principles which will guide the Secretariat towards addressing the issue of HIV/AIDS and TB. It recommends a response through institutional, coordination and financial management; and prevention, care and support and mitigation interventions by various stakeholders. It further defines, develop and strengthen COMESA Secretariat's mainstreaming capacity in policy, finance, technical

and procedural inputs to establish the basic essentials to the implementation of the program.

In this effect, COMESA will be focusing on the implementation of the Multi-sectoral – Programme on HIV/AIDS and TB. Attention will be also given to the development of programme on Sexual Reproductive Health and specifically, the Prevention of Maternal and child mortality. COMESA will recruit a Health Expert to support COMESA on the implementation of the Multi-sectoral Programme and the development of bankable projects on Health matters and provide Capacity building through sensitization training on Health, especially, HIV and AIDS.

ECOWAS

Campaign for the elimination of malaria in the ECOWAS region by 2015

The launch of the campaign for the elimination of malaria in the ECOWAS region by 2015 was held in Accra, Ghana under the chairmanship of the President of the Commission. The meeting adopted a roadmap for malaria elimination comprising the following major steps: (i) carrying out feasibility studies for the construction of three biolarvicide production factories, (ii) setting up of an ECOWAS Fund to promote strategic health products like biolarvicides, (iii) conducting studies on the socio-economic impact of malaria in ECOWAS, (iv) development of a malaria module in the T21 model and, (v) development of a cost strategic plan as well as a monitoring-evaluation mechanism and communication strategy

West Africa Health Organisation (WAHO)

WAHO is the ECOWAS specialized agency dealing with health issues. WAHO is carrying out activities within the framework of implementation of its 2009-2013 Strategic Plan. The strategic orientations of this Plan are as follows:

- Support for quality improvement of the health systems of the ECOWAS region;
- Support for health services improvement in the ECOWAS region;

- Support for development of sustainable financing of health;
- Institutional development of WAHO.

WAHO pursued its mission of improving the health conditions of the populations of the ECOWAS region and was enabled to achieve, among others, the following results:

Coordination and Harmonisation of Policies

- Strengthening the capacity of countries in the fight against epidemics and management of other diseases by providing vaccines and laboratory equipments to support the countries experiencing epidemic outbreaks;
- Interaction between health and agriculture in view of improving food security and publication of the 2nd edition of the Table of Contents on the nutritional value of local foods to contribute to the promotion of local products and improvement of nutritional education;
- Publication of nine monographs on Health Systems in order to put in place a database to monitor the evolution of health systems of the region and to ensure that interventions meet the actual needs of the Member States;
- Consolidation of the harmonisation of the training curricula and creation of criteria for the accreditation of thirty-two medical specialisations, nursing, pharmacy and related fields to ensure mutual accreditation of certificates.

Development of Human Resources for Health

- Creation of the enabling conditions to ensure mutual accreditation of certificates for Health Professionals in the ECOWAS region through harmonisation of the training curricula of various specialisations (nursing, pharmacy and related fields).
- Transformation of the eye clinic of the University of Ibadan Teaching Hospital into a centre of excellence for the training of about ten specialists per batch in

pediatric ophthalmology for the English speaking countries of the ECOWAS region with effect from 2012.

Medicines and Vaccines

- Capacity building in local production of medicines following the support provided to the Industries and capacity building of the laboratories for the control of epidemics;
- To strengthen the fight against illicit production and sale of medicines, WAHO put in place the ECOWAS Committee against illicit production of medicines (EMACCOM) in collaboration with the Focal Points in all countries with a view to developing and implementing the national operational plans based on the regional action plan.

Traditional Medicine

- Revitalisation of traditional medicine in the ECOWAS region.
- Finalisation of the monograph on the 1st edition of the catalogue (pharmacopoeia) of West African medicinal plants as well as the 1st volume of the information manuals on the basic processing of plants for the most common diseases in view of strengthening traditional medicine in the ECOWAS region.

ECCAS

Establishment of a health information system on HIV / AIDS in Central Africa

The 15th Session of the Summit of Heads of State and Government of ECCAS had adopted and promulgated a decision on strengthening the regional coordination of the fight against HIV / AIDS. Based on the Decision, in 2013, a technical consultation will be convened to develop the monitoring and evaluation plan declining from the regional strategic framework to fight against HIV / AIDS under preparation. The Heads of States

and Government decided to create a regional fund to fight against HIV / AIDS in Central Africa in particular financed by resources from the Community contribution for Integration (CCI) and the private sector.

Implementation of the Brazzaville Declaration

Regarding the implementation of the Brazzaville Declaration, which recommended giving absolute priority to the fight against HIV / AIDS at national and regional level and reinforcing the institutional capacity of agencies working in this area, almost all countries of the ECCAS region have developed national strategic frameworks and plans.

EAC

HIV and AIDS programme

EAC's regional response to HIV and AIDS is guided by the EAC regional Multisectoral HIV and AIDS Strategic Plan (2008 – 2013). The programme is managed by the EAC Secretariat and implemented through the National AIDS Control Councils (NACs), National AIDS and STI Control programmes (NASCOP) and the Ministries of Health in the Partner States. The goal of the HIV and AIDS Programme is “to reduce incidence of HIV infection in the East African region in order to secure sustained socio-economic development in the EAC region”. The development objective of the programme is “to attain a healthy population and mitigate the impact of HIV and AIDS among the infected and affected population through coordinated and harmonized efforts in East Africa”.

The programme has eight strategic objectives namely:

- To enhance the institutional capacity of the EAC Secretariat so as to secure effective implementation of regional and national responses to HIV&AIDS
- To mainstream HIV&AIDS in the EAC Organs, institutions and Sectors
- To improve the effectiveness of interventions through the harmonisation of EAC Member States' HIV&AIDS protocols, policies, plans, strategies, and legislation

- To improve the design and management of regional responses to HIV and AIDS through the generation of, and easy access to, strategic information and knowledge on the epidemic
- To scale-up regional and national Responses to HIV and AIDS through the strengthening of political leadership and commitment towards addressing the epidemic
- To consolidate effective partnerships among strategic partners both within and outside the EAC region in response to HIV and AIDS
- To improve the work environment by developing and operationalising an EAC Workplace Policy on HIV and AIDS
- To strengthen regional responses to mitigate the effects of vulnerabilities related to HIV/AIDS that result from internal and cross-border population mobility within the East African region through harmonized responses and interventions by various multi-sectoral stakeholders.

The programme will focus on the following key areas in the coming two years:

- Harmonisation of EAC Partner States HIV and AIDS policies, laws, protocols, guidelines and strategies.
- Accelerating responses to reduce spread and mitigate the impact of HIV and AIDS in the cross border areas with focus on the mobile populations and other most at risk populations.
- Generating and sharing information and knowledge on HIV and AIDS in the region to influence HIV and AIDS programming, policy and change in the EAC region

The East African Public Health Laboratory Networking Project (EAPHLNP)

The EAPHLNP is a World Bank Funded Project as is being implemented by the Partner States in collaboration with the East African Community Secretariat, the East Central

and Southern Africa Health Community (ECSA), the US Centers for Disease Prevention and Control (CDC) and the World Health Organization (WHO). The objective of the project is “to establish a network of efficient, high quality, accessible public health laboratories for the diagnosis and surveillance of Tuberculosis (TB) and other communicable diseases”.

The project supports 25 satellite laboratories in East Africa. The laboratories have been selected by the Partner States based on their proximity to or location in border areas which are known to have large numbers of vulnerable populations, including migrants and/or refugees; high risk of disease outbreaks and are predominant with indigenous populations. The EAPHLNP aims to achieve the following:

- Enhanced access to diagnostic services for vulnerable groups to contain the spread of diseases in the border areas
- Improved capacity to provide specialized diagnostic services and conducting drug resistance monitoring at regional level.
- Improved capacity for disease surveillance and emergency preparedness efforts through the availability of timely laboratory data to provide early warning of public health events
- Establishing a platform for conducting training and research

The East African Integrated Disease Surveillance Network (EAIDSNet)

EAIDSNet is a regional collaborative initiative of the National Ministries of the EAC Partner States responsible for human and animal health in collaboration with the national health research and academic institutions. The project is implemented with support from the Rockefeller Foundation and the main objectives of the initiative are to:

- Enhance and strengthen cross-country and cross-institutional collaboration through regional coordination of activities for the prevention and control of both human and animal (zoonotic) diseases under the “One Health” Initiative
- Promote exchange and dissemination of appropriate information on Integrated Disease Surveillance (IDS) and other disease control activities
- Harmonize integrated disease surveillance systems in the region
- Strengthen capacity for implementing integrated disease surveillance and control activities
- Ensure continuous exchange of expertise and best practices for integrated disease surveillance and control

2.8.2 GENDER

IGAD

The main achievements of IGAD in the area of Gender are as followings

- IGAD has developed its new Gender strategy, which is in line with the African Union Gender policy, with a more focused vision, mission and programs
- IGAD has established IGAD woman in business Forum and Women and Peace Forum;
- IGAD women and Peace Conference was held;
- The Africa Women Decade was launched regionally by IGAD;
- Gender Audit was undertaken
- Strategy for higher representation of women in legislative and executive power was elaborated.

ECOWAS

In the area of Gender, the major accomplishments during the year were: (i) completion of Action Plan for the “Women, Peace and Security” component of the ECOWAS Conflict Prevention Framework (ECPF), which was subsequently considered by the Ministers of Women Affairs from Member States; and (ii) the adoption of the ECOWAS Gender and Migration Action Plan by Ministry of Women Affairs. The Commission continued the study on Gender and Trade Dynamics in ECOWAS Region. In this respect, meetings were held to concretize the methodology for the study. Gender mainstreaming activities are ongoing with a view to assisting different directorates in mainstreaming gender in their activities.

The Commission also initiated processes for the production of a Documentary on Gender and Cross-border Trading. In order to mainstream gender into the Regional Agricultural Investment Plan, the Commission organized a workshop on Gender and ECOWAS Regional Agricultural Investment Programme in Accra from 22 – 25 May 2012.

COMESA

In line with Articles 154 and 155 of the COMESA Treaty, and in recognition of the fact that sustainable economic and social development of the region requires the effective participation of women, men and youth, the 7th COMESA Summit of the Heads of State and Government held in Addis Ababa, Ethiopia in May 2002 adopted the COMESA Gender Policy and the Addis Ababa Declaration on Gender. The COMESA Gender Policy advocates equal and full participation of women in all aspects of COMESA activities and other operations taking place in the region. It emphasizes the principle of Affirmative Action across all spheres of COMESA policies, systems, structures, programmes and activities in order to redress existing gender imbalances. Essentially, affirmative action will be employed to ensure that barriers that prevent women’s participation in core COMESA activities such as trade, the private sector, infrastructure development and science and technology are addressed and removed. Also, this will ensure that policies, programmes, projects, administrative procedures and practices of

COMESA Secretariat, COMESA institutions, COMESA structures and their budgets are gender sensitive.

The Gender Policy is also intended for facilitating the engendering of legislation and development policies in Member States in order to promote women's access to and control over production and productivity resources such as land, credit, technology and information. In line with article 143 of the COMESA Treaty, the policy also integrates the mainstreaming of cross-cutting issues such as HIV and AIDS, poverty, governance, environment, information, communication and technology, gender based violence, substance and drug abuse and related developmental issues into all its policies, structures and operations. In order to achieve, a full implementation of the Policy, the COMESA Secretariat has developed a Gender Mainstreaming Strategy and the five years action plan. Work is in progress to develop a COMESA Social Charter as a basis for formulating regulations and programmes for better implementation of social and cultural issues. The full implementation of the COMESA Gender Policy will significantly contribute to the overall attainment of COMESA's vision and strategy for the 21st century, which is: *integrating gender into the mainstream of the work of COMESA.*

Gender Mainstreaming

Since 2009, COMESA Secretariat has been implementing its five year Gender Mainstreaming Strategic Action Plan. The main achievements realized so far on Gender Mainstreaming include, the development of the Gender Mainstreaming manuals that will serve as guidelines to foster the mainstreaming of Gender perspectives in the COMESA's Regional Intergration agenda with special attention to Trade, Infrastructure, Investment Promotion and Private Sector Development, Environment, Peace and Conflict prevention, HIV and AIDS, Information and Communication and COMESA institutions. The manuals will also act as tools for monitoring the extent to which the Secretariat and Member States implement gender-focused programmes in line with the COMESA Gender Policy and the Strategic Action Plan. In addition, the Secretariat has

developed a specific strategy- Regional Strategy and Action Plan (RESTRAP) for mainstreaming Gender into COMESA's Agriculture and Climate Change programmes. COMESA is leading the implementation of the Women Economic Empowerment Program, through FEMCOM in Malawi, whose role is to promote and assist women in business. Profiling studies have been completed to map the SMEs in the region to be used as a data base. COMESA is also working on establishing Women Empowerment Fund and developing a Social Charter with the support of the African Union.

EAC

The EAC Gender and Community Development Framework is formulated within global, regional and national commitments. Gender and Community Development issues have been addressed in several international, regional and national fora in an effort to provide strategies and possible actions to mainstream gender in development. The global approach is to link Gender and Social Development in order to address cross-cutting socio-economic concerns and achieve the Millennium Development Goals.

In this regard, an EAC Social Development Framework covers four major pillars:

- (i) Health and Medical Services;
- (ii) Education, Science and Technology, Culture and Sports;
- (iii) Gender, Youth, Children, Persons with Disability, Social Welfare, Social Protection and Community Development and
- (iv) Environment and Natural Resources.

A comprehensive Strategic Plan for the 3rd pillar: EAC Strategic Plan Gender, Youth, Children, Persons with Disabilities, Social Protection and Community Development (2012-2016) has been adopted.

On the Gender Component, the EAC has undertaken a comprehensive gender audit for EAC policies, programmes and projects and analyzed EAC Organs and Institutions. Subsequent to the Gender Audit, a Gender mainstreaming Strategy and Action Plan, together with Gender mainstreaming Manual, Tools and Guidelines were prepared.

Furthermore, Gender sensitive outcome indicators for the 4th EAC Development Strategy (2011-2016) were also formulated in order to put in place tools for Monitoring and Evaluation of the Gender mainstreaming.

Specific studies were also undertaken in Gender, Trade and Infrastructure in order to identify the major challenges encountered by small scale traders, especially Women in Business across the region. A High Level Conference on Women in Business was organized where important recommendations have been made and were adopted by the Sectoral Council on Gender, Youth, Children, Social Protection and Community development and are being implemented.

The participation of the citizenry (women, youth, civil society organizations, etc.) as key stakeholders for the sustainability of EAC integration has been prioritized.

2.8.3 MIGRATION

IGAD

The IGAD Migration Policy Framework was developed in line with the African Union Migration Policy. An Action plan is to be prepared and a Regional Committee of Directors of Migration was put in place. IGAD signed a MoU with IOM to assist in the implementation of the policy framework and the elaboration of the Action Plan.

2.8.4 EDUCATION

ECOWAS

Implementation of the ECOWAS draft Technical and Vocational Training Programme (ETVTP)

The programme deals with the capacity building of Teachers, Inspectors, Administrators and ETVTP Programme Developers. It relates to issues regarding the competency-based approach to training and a review of existing programme through a harmonized approach including the UNESCO-ECOWAS Harmonized format. As of today, about

520 officials (Inspectors, education advisers, curriculum specialists and teachers) from 12 Member States have been trained.

Implementation of the ECOWAS Distance Learning Project

ECOWAS distance education initiative is aimed at increasing access to education, inclusion, quality and relevance in terms of the acquisition of qualifications for employment and the improvement of the skills of staff at post. In 2011, eight Project Implementation Documents (PIDs) were prepared and adopted in the Member States.

Establishment of the Educational Information Management System (EIMS)

The aim is to strengthen skills and put in place resources to enable EIMS efficiently sustain the Member States' education sector and monitor the implementation of the AU's Plan of Action (PA) for the second Education Decade for Africa as well as the intervention frameworks.

ECCAS

The Education Program of ECCAS revolves around ten integration projects inspired from priority areas of the Plan of Action for the Second Decade of Education, but also the African Union and NEPAD Consolidated Plan of Action on Science and technology and the priority projects of UNESCO in education for Sub-Saharan Africa. The development of early childhood education is an area added to COMEDAF IV.

The ten regional projects are built on:

- i. The use of African languages as languages of instruction;
- ii. Development of Information Systems for Management Education (EMIS);
- iii. Teacher education and training centers of excellence;
- iv. The development of higher education and an FTE level of quality and creating centers of excellence;
- v. Improving education and technical and vocational training at secondary level;

- vi. Taking into account the specific needs of marginalized groups (HIV / AIDS, children of post-conflict countries, rural children, the education of girls, the disabled);
- vii. Curriculum reform: Introduction of content in programs on HIV / AIDS, Environmental Education, Education for Peace);
- viii. Use of New Technologies of Information and Communication (NTIC);
- ix. Production of teaching aids at regional level (book and materials);
- x. Improving the quality management of education.

EAC

The Harmonization of the East African Education Systems and Training Curricula

The proposed harmonisation of curricular process started in 1998 with the three partners exchanging their national curricular documents for review/analysis. The process has produced country position papers on areas where the curricula of a particular country converges on diverges with the other partner states. The EAC has therefore been mandated to undertake a regional comparative study in the Partner States with a view to harmonise the National goals and philosophies of education, curriculum content, education structures, policies and legal framework.

The project will be implemented in 4 phases.

- Phase I: The first phase will include the undertaking of a regional study to harmonise the goals and philosophies of education, curriculum content, education structures, policies and legal frameworks.
- Phase II: The second phase will involve examining the curricula and approaches of delivering teacher, adult, vocational and technical education in the partner states with a view to identify gaps/overlaps and areas to be harmonised.
- Phase III: The third phase will involve the development of a relevant curriculum based on the recommendations of the regional study.

- Phase IV: The final phase will focus on the necessary reforms/review of structures/adjustments to be initiated by the partner states in order to implement the harmonised curricula.

2.9 TOURISM

EAC

Implementation of EAC Tourism and Wildlife Marketing Plan and Strategy

The Community has jointly participated in two major International Tourism Fairs i.e. World Travel Market in London in November and Internationale Tourismus Bourse (ITB) in Berlin and March since 2007. At the Fairs, the 5 Partner States stands are situated in the same area thus creating “the East African Community village”. Annually at the Fairs, the Secretariat also hosts a joint event whereby Ministers responsible for Tourism and Wildlife Management provide a joint statement at a press conference with one common message to the world. The Secretariat also produces a variety of promotional material with the “Destination East Africa” theme that are circulated to stakeholders at the Fairs and other strategic forums.

Intra-Regional and Inter-Regional Tourism:

Partner States have introduced EAC Resident rates when visiting national Parks and other tourist facilities in the Region encouraging domestic tourism. Partner States also develop regional tourist packages that encourage visitors to visit more than one country when in the region. Efforts are ongoing to collaborate with private sector as well.

Harmonization of Policies and Laws in Tourism and Wildlife

The harmonization of policies and laws on Tourism and Wildlife was initiated so that the region can develop a Model Policy Framework and a Model Legal and Regulatory Framework on Tourism and Wildlife Management. In addition, the conclusion of the Protocol on Tourism and Wildlife will serve as a policy guide for the Tourism and

Wildlife Sectors. This will among others promote the Region as a single tourist destination.

EAC Standards Criteria for Classification of Hotels, Restaurants and other Tourist Accommodation Facilities

The Partner States are in the process of classifying their Accommodation and Restaurant establishments using the EAC criteria. The united Republic of Tanzania completed the classification of Hotels for Dar es Salaam and Bagamoyo in March 2009; the Republic of Rwanda completed their classification exercise in 2011 and the Republic of Kenya piloted their classification in Nairobi and Coastal Province in 2010. Facilities that are classified are awarded a star rating and are issued with a plaque and Certificate of Classification approved by the Sectoral Council on Tourism and Wildlife. All Partner States are committed to completing this exercise as soon as possible.

Partner States have also trained EAC Assessors whose main aim is to assist in the assessing, advising and maintaining the standards of these facilities in the Region.

IGAD

It is in recognition of the importance of tourism, and the direction charted by the African Union Tourism Action Plan that IGAD initiated work aimed at working with Member States to support them realise the potential of this important sector. The 15th meeting of the Intergovernmental Committee of Experts (ICE) of the United Nations Economic Commission for Africa (ECA) Sub-Regional Office for Eastern Africa (SRO-EA) that took place in Djibouti, from 21 to 24 February 2011, focused on tourism under the theme Towards a Sustainable Tourism Industry in Eastern Africa. Two reports were presented at this meeting: (i) A Study on the Challenges and Opportunities for Tourism Development in Eastern Africa (which was launched recently in Kenya) and (ii) Eco-tourism in the IGAD Region: An untapped potential with considerable socio-economic opportunities.

The two studies highlighted the challenges facing the sub-region and identified a number of opportunities. The studies further made a number of recommendations, in particular

that a unified approach to tourism development under the umbrella of regional integration is urgently needed and that essential steps towards developing an IGAD Tourism Master Plan be given prominence among the member States. To strengthen this approach, a roadmap with detailed steps for the development and highest-level validation of a Sustainable Tourism Master Plan (STMP) for the IGAD region was approved. In this regard, a seminar for professionals and other stakeholders on developing sustainable tourism master plan was convened in Addis Ababa, Ethiopia, on 23 June 2012.

ECOWAS

Regarding tourism, ECOWAS Experts have adopted the format and content of the tour guide called “Destination ECOWAS” as well as the new standards for classifying hotels, motels and guest houses.

2.10 INDUSTRY

EAC

The EAC Partner States, like many developing countries, aspire to transform their economies to a modern and industrialised status that can sustainably generate sufficient outputs to satisfy both domestic and export markets and rapidly increase per capita incomes to improve the living standards of their people. Following a comprehensive and inclusive process, based on analysis and wide consultations with stakeholders in the Partner States we managed to formulate the EAC Industrialization Policy and Strategy. The Policy and Strategy for the period 2012-2032, was approved by the East African Community Summit of Heads of State on 30th December 2011 in Bujumbura, Burundi. The policy and strategy provides general contours of policy intentions and strategic areas of focus to guide EAC towards achieving the set goals and in particular, attaining industrialized economic status by 2032. The EAC Industrialization Policy is intended to address the challenges facing the region particularly, the need to build a more diversified regional economic structure. We have now prepared a draft Action Plan for the

implementation of the Policy to be validated by the end of this financial year paving way for the policy implementation.

Following our experience in the formulation of the Industrialization Policy and Strategy we were given the lead role in the preparation of a draft concept note on the Industrialization Pillar by the Tripartite Task Force of the EAC-COMESA-SADC free trade arrangement. The EAC Secretariat prepared the draft Concept Note which was adopted during the meeting of the Tripartite Task Force Sub-Committee on Industrial Development which took place on 20-24 February 2012, Nairobi Kenya; The Sub-Committee on Industrial Development Pillar has prepared a draft work plan detailing activities to be undertaken towards preparation of a roadmap for the tripartite industrialization pillar.

EAC undertakes special promotion of the Small and Medium Enterprises sector (SMEs) and has developed a comprehensive programme that aims at upgrading and modernizing small and medium enterprises sector (SMEs). The selected priority areas for pilot implementation of the programme are in the agro-food, leather & leather products, and pharmaceutical sectors. EAC is also developing a programme of measures aimed at promoting the development of extractive and mineral processing industries in the region. Areas to be covered include the development of a regulatory and institutional framework to facilitate more investments and enhance, and stimulate, industrial linkages within the region; strengthening of regional and national capacities in the field of industrial mineral extraction, prospecting and processing and improvement of knowledge on availability and utilization of industrial minerals resources through information dissemination and sharing mechanisms among Partner States.

Furthermore, EAC is a key stakeholder in the Conference of African Ministers in Industry and under CAMI 19, the Ministers endorsed the Resource Mobilization Strategy and the Monitoring and Evaluation mechanism for Implementation of the Accelerated Industrial Development of Africa (AIDA). The Ministers recommended that the AIDA Strategy and its Annexes should be internalised at regional and sub-

regional levels and that the member states through RECs should prioritize flagship projects with direct links to industrial development.

In order to fast-track implementation of the AIDA Strategy and boost intra-regional trade, CAMI 19 urged member States and RECs to prioritize the development of three sectoral value chains namely: local pharmaceutical manufacturing; agri-business and agro-industry (within the framework of the Africa Agro-business and Agro-industry Development Initiatives (3ADI); and mineral processing and beneficiation.

EAC have taken into account the recommendations of CAMI 19 on the need to prioritize the development of the three sector value chains and have prioritized the sectors.

ECOWAS

The ECOWAS prepared the West Africa Industrial Policy (WACIP) and its Action Plan, which were adopted by the ECOWAS Council of Ministers. The implementation of this policy which will occur over the next few years is expected to provide support to industries in the region, particularly against the backdrop of the Economic Partnership agreement between West Africa and the European Union. The 66th meeting of the Council of Ministers held in Abuja, Nigeria in August 2011, approved the ECOWAS Mining Development Policy (EMDP) and its Implementation Matrix and recommended that the Policy be submitted to the Authority of Heads of State and Government for adoption.

SADC

SADC developed a draft industrial Development policy in 2003 which its adoption was deferred pending the adoption of the Regional Indicative Strategic Development Plan (RISDP). The draft industrial Development policy and strategies framework is currently undergoing consultations in member states.

2.11 PLANNING, MONITORING AND EVALUATION

The process of monitoring and evaluation of the programmes implemented by the RECs is different from one REC to another. Some Communities produce Annual Reports (IGAD, EAC, COMESA, ECOWAS, ECCAS....) but the format is sometimes not comprehensive and usually uses narrative reporting style.

Regarding the planning process in the RECs, EAC have a five year development strategy (2012-2016) and COMESA also have a five year medium term Plan (2011-2015). ECOWAS has adopted its 2020 Vision and developed the first 2011-2015 Regional Strategic Plan, using a wide consultation process including civil society, as well as the Medium-Term Action Plan (MTAP) and the ECOWAS Capacity Development Support Programme (ECD-SP). SADC has developed its Regional Indicative Strategic Development Plan (RISDP) which is a 15 year regional integration development framework, setting the priorities, policies and strategies for achieving the long-term goals of the SADC. EAC, COMESA, SADC are using the Results Based Management system.

IGAD is elaborating its strategy and monitoring and evaluation schemes. A new institutional structure of monitoring and evaluation will be put in place soon. ECCAS don't have a strategic plan as well as monitoring and evaluation strategy.

Box IV: Online reporting and monitoring system

EAC and COMESA are the only Communities having a modern online reporting and monitoring system for the Integration process. This a pilot project having as objective of enhancing the reporting, monitoring and evaluation of the progress made by the Community in implementing its integration programme. The project in EAC started, in its first phase, by monitoring the implementation of Council Decisions taken by Member States and will be broadened to capture all the EAC integration process especially the Development Strategy, through the successive annual work plans and quarterly operational plans. Focal points in Member States have been identified to access the system and update the status of implementation of the decisions. The submitted informations have to be validated at the EAC Secretariat (Monitoring and Evaluation unit and

the Directorate in charge of the issue) before producing a comprehensive report which will be presented to the Council of Ministers for consideration.

In line with the COMESA annual work plans, Member States have to report on the status of implementation of the identified activities, projects and programmes included in the plans according to the various indicators. Sensitisation missions are undertaken every year to the Member States in order to enhance the performance of the system.

2.12 CHALLENGES AND CONSTRAINTS

Despite the progress achieved in all sectors, Africa is still faced with several difficulties. These constraints can be summarized as follows:

- Difficulties stemming from harmonization of policies: Majority of African Member States are belonging to more than one REC which results in managing the implementation of multitude of programs in the same area of integration. This impacts on the implementation of these adopted programs at national level but also on their monitoring and evaluation process, which constitute one of the big failures of the Communities;
- Inadequate political will to implement integration decisions. This is particularly perceptible in the slow pace of protocols signing and ratification process, the absence of mechanisms for execution of programmes and decisions and the lack or ineffective application of sanctions mechanisms against States that fail to honor their obligations;
- Apprehension on the part of States to cede some of their competencies: despite the fact that any meaningful integration process necessarily goes with voluntary, progressive and controlled transfer of ‘part of competencies in furtherance of Community objectives on the basis of the principle of subsidiarity’ African member States are still resilient in ceding part of their sovereignty for regional and continental bodies;

- The absence/ inefficiency of compensation mechanisms for the temporary losers in the integration process: in the African context, a substantial proportion of the income of most States is derived from custom duties;
- The inadequacy of the physical integration infrastructure: the low level if not inefficient or inadequate infrastructures, particularly transports and communications on the continent continue to slow the integration process and especially the intra-African trade.
- Lack of ownership of regional projects at the grassroots level: this could be explained by the top-down approach used in developing the various regional and continental policies and programmes with poor involvement of the private sector and civil society organisations.
- Lack of ownership of Regional programmes at national level: African countries have difficult choices to make in terms of whether to commit to regional integration or concentrate on the domestic problems. Benefits from integration are only somewhat accruable in the long run whereas its cost has to be met in the short term by members who obviously have more than enough social, political and economic problems to cope with at home.
- Inadequate financial resources: this was quoted as the major problem hindering the implementation of the programmes of all RECs, including those who have put in place a self-financing mechanism (ECOWAS). The RECs are relying on Development partners in financing their priority programs and activities.
- Inadequate Human resources: the RECs Secretariats are heavily understaffed which affects their performance in coordinating the implementation of the regional programs.

PART TWO:

3. ACTIVITIES AT THE CONTINENTAL LEVEL: AFRICAN UNION COMMISSION

This part of the report is focusing on the major Continental integration programmes developed and implemented by the African Union Commission. This include progress made in implementing the Programme for Infrastructure Development in Africa (PIDA), the Comprehensive Africa Agricultural Development Programme (CAADP), the establishment of the three African financial institutions, the African Charter on Statistics and Strategy for the Harmonisation of Statistics in Africa (SHaSA), the Continental Free Trade Area (CFTA) and Boosting Intra-African Trade (BIAT), and the Minimum Integration Programme.

3.1 PROGRAMME FOR INFRASTRUCTURE DEVELOPMENT IN AFRICA (PIDA)

Africa commands a powerful position on the world stage. It is seen as a land of opportunity —an emerging destination of choice for many investors and development actors as they look for high-growth markets, despite the ongoing economic turmoil and the lingering effects of the financial crisis and recession. In this rapidly changing global environment, Africa needs to take advantage of these emerging conditions that will substantially boost trade, spark growth and create jobs. But right now, it seems not to be capable of reaping the full benefits of its resources. One of the major problems is infrastructure gap and the solution is the Programme for Infrastructure Development in Africa (PIDA).

The 12th Assembly of Heads of State and Government adopted Declaration Assembly/AU/Decl.1 (XII) requesting the African Union Commission (AUC) to formulate the Programme for Infrastructure Development in Africa (PIDA), whose elaboration was officially launched in Kampala, Uganda, in July 2010. Africa's leading continental organizations, including AUC and its NEPAD Programme as well as the African Development Bank (AfDB), have worked for years to address the infrastructure deficit. In addition, the G20 Infrastructure Action Plan, Infrastructure Consortium for Africa (ICA), EU-Africa Infrastructure Trust Fund and Africa Infrastructure Country Diagnostic all highlight the importance of regional infrastructure for Africa's growth.

PIDA provides new analysis and insights to bring together, under one coherent programme, existing or previous continental infrastructure initiatives such as the NEPAD Short Term Action Plan, the NEPAD Medium to Long Term Strategic Framework, the AU Infrastructure Master Plans and the African water vision. It fills in gaps and, based on previous lessons, assigns appropriate weight to the value of local ownership, the necessity of both hard and soft interventions, the need for diverse financing and the importance of sound implementation strategies. Underpinned by an extensive consultation and analytical process, PIDA provides an agenda of achievable and affordable priority projects aligned with Africa's long-term goals. Simply put, PIDA will be different from previous regional infrastructure integration initiatives because it is designed to bring about effective investments.

OUTLOOK

PIDA assumes that the average economic growth rate for African countries will be 6% a year between 2010 and 2040, driven by a surging population, increasing levels of education and technology absorption. This growth implies that, over the 30 years to 2040, the GDP of African countries will multiply six fold, and the average per capita income will rise above \$10,000 for all countries. This continuing growth and prosperity will swell the demand for infrastructure, already one of the continents greatest

impediments to sustainable development. Assuming that this growth is achieved, Africa's infrastructure needs are starkly apparent:

- Power demand will increase from 590 terawatt hours (TWh) in 2010, to more than 3,100 TWh in 2040, corresponding, to an average annual growth rate of nearly 6%.² To keep pace, installed power generation capacity must rise from present levels of 125 gigawatts (GW; comparable with the United Kingdom) to almost 700 GW in 2040;
- Transport volumes will increase 6-8 times, with a particularly strong increase of up to 14 times for some landlocked countries. Port throughput will rise from 265 million tons in 2009, to more than 2 billion tons in 2040;
- Water needs will push some river basins—including the Nile, Niger, Orange and Volta basins—to the ecological brink;
- Information and communications technology (ICT) demand will swell by a factor of 20 before 2020 as Africa catches up with broadband. Demand, around 300 gigabits per second in 2009, will reach 6,000 gigabits per second by 2018.

This growing infrastructure demand presents a critical challenge for Africa as it competes in global and regional trade markets that rely on just-in-time production and flexible, speedy and reliable delivery. By just about any measure of infrastructure coverage—whether road density, telephone density, generation capacity or service coverage—African countries are lagging behind. In addition, the AfDB's Private Sector Development Strategy estimates that infrastructure services in Africa cost twice as much on average as those in other developing regions and notes that tariffs are exceptionally high. East Asian firms save close to 70% in transportation costs relative to their African counterparts, while Latin American and South Asian firms save approximately 50%.

Closing the infrastructure deficit is vital for economic prosperity and sustainable development. But it is a regional and continental problem that requires a regional and continental solution. Because Africa's economic geography is particularly challenging, and because its infrastructure needs are so great, regional integration is the best, and perhaps only, way for Africa to realize its growth potential and equitably share the benefits of an increasingly connected world marketplace.

PIDA's VISION AND IMPACTS

The importance of regional integration for supporting Africa's economic development has long been recognized by African leaders, who have consistently expressed their desire to build a common market for goods and services. PIDA's overall strategic objective aims at accelerating the regional integration of the continent and facilitating the creation of African Regional Economic as planned by the Abuja Treaty. By improving access to integrated regional and continental infrastructure networks, PIDA will allow countries to meet forecast demand for infrastructure services and boost their competitiveness by:

- Increasing efficiencies
- Accelerating growth
- Facilitating integration in the world economy
- Improving living standards
- Unleashing intra-African trade.

The essential benefits of a regionally integrated approach to infrastructure development are to make possible the formation of large competitive markets in place of small, isolated and inefficient ones—and to lower costs across production sectors. Despite robust GDP gains by many countries in recent years, Africa's staggering infrastructure inefficiencies have been choking integration efforts, stunting growth and sapping national resources, public and private.

Part of the problem is that Africa's framework of regional and continental policies is fundamentally sound, but those policies have not been thoroughly and consistently written into national legislation, even after treaties are signed and ratified. And where policies do appear in national legislation, they too often are not enforced. An extensive review of more than two dozen regional projects and development programmes revealed that weak policy alignment and harmonization were the principal drags on efficiency, despite inadequate funding. And in many instances, these inefficiencies are costing Africa billions of dollars—money needed to close the financing gap in infrastructure development.

Implementing PIDA will help solve this problem. It will enable African leaders to speak with one voice and reach for common goals. It offers policymakers a list of priorities that address physical infrastructure needs and the soft issues of governance. Most important, PIDA is based on a common vision of regional integration and a long-term agenda that will support the objectives of the Africa Union's (AU) Abuja Treaty. PIDA will enable countries to:

Reduce energy costs and increase access. Africa will reap savings on electricity production costs of \$30 billion a year, or \$850 billion through 2040. Power access will rise from 39% in 2009 to nearly 70% in 2040, providing access to an additional 800 million people.

Slash transport costs and boost intra-African trade. Transport efficiency gains will be at least \$172 billion in the African Regional Transport Integration Network (ARTIN), with the potential for much larger savings as trade corridors open. Steady advances in regional integration and services will finally create a shift from overseas trade to trade between countries and within and across regions, helping fulfill the promise of the 2028 African Common Market.

Ensure water and food security. Africa has the lowest water storage capacity and irrigated agriculture in the world, and about half the continent faces some sort of water

stress or water scarcity—and demand is going to surge. To deal with the coming crisis, PIDA will enable the water storage infrastructure needed for food production and trade.

Increase global connectivity. PIDA will boost broadband connectivity by 20 percentage points. Increasing broadband penetration by 10%, which can be expected by 2018, will increase GDP by 1% by strengthening connections between goods and markets and between people and jobs.

Trade and competitiveness are not the only considerations when planning Africa's infrastructure future. If Africa won't take its matters in on its own hands, Africa will not be in a position to generate the jobs for its growing population will need. In 2010 Africa had 51 cities with more than a million residents and two (Cairo, Lagos) with more than 10 million. In 2040 it is expected to have more than 100 cities of more than a million residents and at least 7 topping 10 million. Implicit in this surging population forecast³ is the rising number of Africa's workforce. The continent is poised as a manpower reservoir for Africa's economic growth and the world economy—and with PIDA providing the infrastructure base, Africa will have a powerful vehicle for strong, shared and sustainable growth.

DEVELOPMENT OF PROGRAMMES, PROJECTS PRIORITIZATION AND VALIDATION PROCESS

PIDA draws on lessons from regions such as Asia, Europe and South America. Its method of establishing priorities for such a large-scale and complex programme relied on an in-depth research and diagnostic review—and on a detailed analysis of needs and gaps in the short, medium and long terms, distinguishing PIDA from what's been tried before.

The study yielded a macro-outlook for infrastructure demand in each sector through 2040 (or 2020 for ICT), the projected gaps and bottlenecks created by mismatched supply and demand, the institutional inefficiencies previously highlighted and the

options for identifying, preparing and funding projects. The programme is organized for the short and medium term (through 2020 and 2030) with a long-term view to meet demand through 2040.

Given Africa's urgent infrastructure needs, the projects and programme list for short term implementation is included in the Priority Action Plan (PAP) of PIDA. Although the entire programme can be considered the pipeline for Africa's long-term regional infrastructure development, the PAP details the immediate way forward by presenting actionable projects and programmes that promote sound regional integration between 2012 and 2020.

Most important, the PAP represents what makes PIDA unique. The priority project list is the result not only of intense analytical work but also of a thorough extensive consultation process from the outset with the Regional Economic Communities (RECs), the power pools, the lake and river basin organizations, specialized agencies, sector ministers and other relevant development stakeholders. In addition, sector Ministers have been consulted for approval.

Projects were prioritized based on three criteria categories: (1) eligibility and regional integration, (2) feasibility and readiness and (3) development impacts. These detailed criteria were discussed and agreed as part of the extensive PIDA consultation process with stakeholders. Projects selected for the PAP have been assessed, selected and ranked based on sub-criteria within each of these three groupings and were validated during the regional consultations, review processes and endorsement from sector ministerial meetings

Two-day consultations were held with each REC and the related regional agencies to discuss selection criteria, debate potential projects and reach consensus on programme details. Altogether, more than 300 representatives from African states attended. Sector minister's meetings were held considering and endorsing PIDA outcomes. This broad participation, which led to a continent-wide consensus, laid the foundation for

continuing ownership through all phases of implementation. This bottom-up process infused PIDA with specialized quantitative measurements, such as national and regional investment programme details, as well as critical qualitative inputs, such as community desires and preferences.

The result is the PAP made up of 51 projects and programmes grouped into a set of general categories, though a number offer cross-sector benefits: 15 energy; 24 transport; 9 transboundary water; 3 ICT. The groupings are:

- **Energy:** hydropower, interconnections, pipelines;
- **Transport:** connectivity, corridor modernization, ports and railways modernization, air transport modernization;
- **Water:** multipurpose dams, capacity building, water transfer;
- **ICT:** capacity building, land interconnection infrastructure, internet exchange points.

Projects and programmes under the PAP represent the first batch of agreed priorities resulting from the analysis as per the set up criteria and consultations on the REC master plans. It represents the priority pipeline required to meet the PIDA outcomes. The PAP is not static and will be updated regularly to reflect progress and make way for new priorities as Africa's needs continue to evolve. This reflects the need to ensure coherence with REC master plans and consistency with the PIDA strategic framework. Therefore, the PAP should be viewed not as a single list cast in stone, but as the first (and necessary) step in a dynamic process for delivering the PIDA programme over the next three decades.

During the consultations, the particular conditions of island states and fragile countries were acknowledged. The maritime traffic and ports are essential elements in planning the transport corridors linking island states to the mainland and trade routes. The specific

regional infrastructure needs of fragile countries are acknowledged and will be continually reflected as PIDA is delivered over the next three decades.

Africa is already making significant progress on regional infrastructure through projects such as the Mombasa-Nairobi-Addis Road Corridor, Tema-Ouagadougou-Bamako Road Corridor, Trans-Maghreb Road Corridor (TAH 1), Kazungula Bridge and Bamenda-Enugu Road Corridor. Projects that are ongoing or that have reached financial close are not included

PROGRAMME COSTS

While it's difficult to accurately project the capital cost of PIDA's long-term implementation through 2040 (currently estimated at more than \$360 billion), the overall capital cost of delivering the PAP from 2012 through 2020 is expected to be nearly \$68 billion or about \$7.5 billion annually for the next nine years.

Region	Cost (US\$ billion)
Continental	3.0
North Africa	1.3
West Africa	6.2
Central Africa	21.5
Southern Africa	12.6
East Africa	23.3
TOTAL	67.9

Energy and transport projects and programmes represent around 95% of the total cost, demonstrating the critical need for transformative investments in these sectors to support African trade, promote growth and create jobs. The focus in the ICT sector is on enabling environment reforms to promote private sector investment, along with investments to improve broadband connectivity. Fiber-optic investments along power

transmission lines, road and railways are included in the energy and transport sector PAP. Many of the large water sector projects and programmes, such as hydropower facilities, are included among the energy sector costs. All projects and programmes in the PAP include accompanying soft measures to unlock the necessary investment requirements. The capital investment required for 2020 is far below 1% of African GDP. And some of the actions have almost no financial cost but require political will and willingness to act.

Regional infrastructure will benefit all countries through economies of scale. But some will bear a higher cost than others, and the regional financing differences reflect the scale of investment required in certain countries and regions, such as the optimal development of the Inga site and associated transmission (in the Democratic Republic of the Congo).

FINANCING STRATEGY

Under business-as-usual scenarios, funding sources for infrastructure for the PAP could optimistically amount to about \$30 billion by 2020. However, business-as-usual only is not an option because PIDA will cost \$68 billion through 2020. How will the gap be closed? Where will the resources come from?

Funding will rely on strong and committed national leadership to meet the expected financing gap. According to study estimates, financing expected from domestic sources (public or private) may represent over 50% of total PIDA funding as soon as 2020. The share would grow to about two-thirds in 2030 and as much as 75% in 2040. Official development assistance (ODA) will continue to play an important role, and major actors such as members of the Infrastructure Consortium for Africa (ICA)—which includes G20 countries, the EU-Africa Infrastructure Trust Fund, multilaterals, regional development banks and targeted funds, among other contributors—are called on to continue to increase assistance through 2040. But these ODA resources will not be enough, and they should not be relied on solely for a coherent financing strategy.

Countries will have to mobilize their own public and private domestic resources and attract foreign private investment. Private sector commitments to all infrastructures in Africa were nearly \$14 billion in 2010, rebounding to levels last seen in 2008, before the financial crisis. To attract private investment there is a need for countries to ensure a competitive market based on clear legislation with enforcement of commercial law and transparency in procurement. Also needed are more competitive markets and banking systems. The absence of enabling legislation and regulations, a lack of skills and a poor understanding of public-private partnership (PPP) risk management are all bottlenecks currently preventing many countries from fully attracting private sector interest, particularly on regional projects. If indeed put to broader use, PPPs will hold the potential for true transformational impact.

In addition to bringing in more private sector funds, Africa's leaders must also embrace new and innovative sources of financing, critical to PIDA's success. Innovative thinking is already at work. In recent years, some African institutions have proven nimble in mobilizing finance to take advantage of the improving macro environment, putting important—and in some cases interrelated—funding instruments in place for development.

- *Infrastructure bonds* are used by many countries today. With them, South Africa finances toll roads, while Kenya has raised nearly US\$1 billion over the last four years to fund road, energy, water and irrigation projects. The Southern Africa Development Community, Common Market for Eastern and Southern Africa and East African Community (Tripartite) is considering issuing regional infrastructure bonds in 2012.

- *Loan guarantees*, which help assure private investors, are crucial to implementing productive PPPs, as shown by the Maputo Development Corridor. When financing one of its toll-road projects, a road between Johannesburg and Maputo, South Africa found equity investors willing to put money in the project, but not without guarantees. Working with the Development Bank of South Africa, the South African government

issued subordinated debt to underwrite the risk, giving equity investors the comfort to invest in the first PPP in South Africa.

- At the regional level, the RECs can also play an important role in innovative financing. The Economic Commission for West African States (ECOWAS) has been implementing a 0.25% *community levy* for decades. Most other RECs just rely on ODA funding or member contributions, neither of which is being constantly replenished like the ECOWAS excise tax, which yields a steady revenue stream deposited into the general fund.

The scale of the required investments means that all possibilities need to be leveraged, including non-Organisation for Economic Co-operation and Development sources such as Arab Funds, Brazil, China and India. Opportunities for financial innovation, such as climate finance, must be recognized and seized.

Regional infrastructure development will not move forward without a sharper focus on project planning and preparation. The volumes of project preparation finance required for PIDA's transformative projects are substantial. The annual expenditures to prepare PIDA PAP projects are expected to be more than \$500 million, assuming that preparation costs average 7% of total investment costs. Preparation costs starting in 2012 will be smaller, at around \$200 million a year, and will build up progressively. A concerted effort is needed to ensure that an adequate volume of project preparation resources is made available from African domestic funding and other sources, such as multilateral development banks and project preparation facilities like the NEPAD Infrastructure Project Preparation Fund.

The efficiency of regional project preparation needs to substantially improve. For most African infrastructure initiatives, regional project preparation funding remains ad hoc, resulting in significant delays or repeated postponement of major projects. African countries and partners need to ensure that project preparation finance is aligned—and if

necessary, consolidated—to avoid duplication of products and facilities that will continue to act as a brake on project development and ultimately delivery.

IMPLEMENTATION

Implementation will rely on all actors at all levels of the African development process taking coordinated action—AUC and NPCA at the continental level, the RECs at the regional level and, at the national level, the individual countries on whose territory the projects will be constructed and whose populations should benefit from them.

The implementation process is grounded in the Institutional Architecture for Infrastructure Development in Africa (IAIDA) which general aim is to reinforce institutional capacities and to create conducive environment for resource mobilization. The architecture consists of structures for decision-making and implementation. Its decision-making component involves several existing actors or bodies with a new innovation in the form of a Council for Infrastructure Development (CID), a non-permanent body, consisting of members of the bureau of the Specialised Technical Committees of the four sectors. Based on IAIDA, the continental bodies (AUC, NPCA) will be focused on monitoring and advocacy of the implementation process at the continental level. At the project level, implementation progress will be monitored by RECs according to individual sector arrangements. The RECs have a key responsibility in assuring the harmonization and implementation of "soft" policy measures across countries. They will also inform the continental bodies responsible for keeping policymakers and Heads of State and Government informed of overall progress.

The responsibility for devising master plans and identifying integrative regional infrastructure lies at the regional and national levels. The responsibility for updating PIDA rests with the NPCA in close cooperation with the RECs and their specialized institutions. This periodic planning exercise will be undertaken at least every five years and include a revised outlook for the future and PAP.

As Africa's regional building blocks, RECs are considered the linchpins in planning and monitoring PIDA projects. With their long-term visions and regional interests at heart, they and their agencies are well positioned to plan and monitor the programme. Because the RECs and their agencies lack adequate human and technical capacity to fulfill their role, the Institutional Architecture and other ongoing programmes are helping them to address this challenge. Because RECs are not structured as implementing agencies, it is countries that will have to rely on experienced developers, public or private, to carry out implementation on the ground. It is countries that will drive and own projects. And it is countries that will create the specific structures needed for each project. That is why countries will have to marshal the resources and build the capacity essential for preparing, implementing, operating and maintaining projects. This process will not always be easy, but it is necessary, and it has already proven successful in Africa.

Implementing infrastructure is always complex—more so for regional projects with many stakeholders. For PIDA implementation to succeed, coordinated action must be taken all along the project chain, starting with the Heads of State and Government, who must provide political leadership. To that end, it is important to recall the catalytic role of the Presidential Infrastructure Champion Initiative (PCI) which facilitate implementation by removing bottlenecks. Country governments and financial institutions, such as the African Development Bank, must provide financial leadership. Political leadership, as well as financial leadership, is required to avoid the mistakes of past regional infrastructure efforts. At the regional level, RECs and the selected implementing agencies must ensure that countries involved are united and that project developers are skilled.

The requirements for different projects in different regions will naturally differ. Given these realities, PIDA's impact will rely on a few key success factors in the implementation process. Notably:

- *Adherence to AU values of subsidiarity and solidarity.* Decisions in a hierarchical system are best taken at the lowest level possible, where

accountability should also reside. For PIDA, this means that continental bodies should not undertake actions better handled by the RECs. The RECs in turn will defer to member states on items they are better equipped to handle. The actions at all levels should be complementary;

- *Strong local ownership.* PIDA will avoid previous traps associated with regional infrastructure development, whereby projects ended as incomplete or without adequate allocation of responsibility for further work and maintenance. All PIDA projects are aligned with regional priorities and are the result of extensive bottom-up consultation and review;
- *Quick starts and early wins.* Programme sponsors are interested in seeing quick progress on the ground in construction and commissioning of facilities. Several shovel-ready projects that are well advanced are included in the PAP: hydropower generation projects such as Rusumo Falls, Ruzizi III, Kaleta and Sambangalou, transport projects such as Gambia Bridge, and ICT land infrastructure;
- *Shared responsibilities.* PIDA is for all Africans. All Africans, in turn, must support it by whatever means they are capable. Obviously, the greatest weight of this responsibility falls on the shoulders of leaders.

Today, Africa is the least integrated continent in the world, with low levels of intraregional economic exchanges and the smallest share of global trade. Infrastructure inefficiencies are costing tens of billion dollars annually and stunting growth. For Africa to reach its potential there must be a shared commitment by all countries and by all stakeholders to work together on this common agenda and speak with one voice, so that the difficulties in launching and implementing regional infrastructure project can be addressed.

3.2 COMPREHENSIVE AFRICA AGRICULTURAL DEVELOPMENT PROGRAMME (CAADP)

Recent progress and developments in relation to Africa Union Commission's (AUC) support to the implementation of Comprehensive Africa Agricultural Development program (CAADP) are covered by this update which covers the progress made since 2008 to June 2012. The progress covers CAADP impact targets on poverty, hunger and outcomes such as agriculture spending and growth. It further covers process actions and outcomes and the extent to which this has influenced agricultural policy in Africa. Further, it covers mainly the mobilization of Member States to embrace and sign CAADP compacts; the formulation and implementation of agriculture and food security investment plans and mobilization of funding to finance these plans. While AUC does not claim 100 % attribution of the outcomes and impact, the report is presented noting the AUC's role in influencing the behavior and performance of these indicators.

Progress on agricultural spending and growth [Maputo Decision on 10 percent allocation and 6 percent sector growth]

There is registered progress in CAADP implementation in relation to agricultural spending and sectoral growth aimed at attaining the Maputo targets of allocating at least 10 percent annual public sector budget to agriculture and at least 6 percent annual sectoral growth respectively. Government spending on agriculture, however, remains a challenge in Member States. Since the 2003 Maputo Declaration, many African governments have increased their budgetary allocations to the agriculture sector although few have reached the set targets. For Africa as a whole, the average barely surpassed 6%. Recent statistics show that up to 9 countries stand out as having reached or surpassed the 10% target and these include: **Burkina Faso, Ethiopia, Ghana, Guinea, Malawi, Mali, Niger, Rwanda, and Senegal**. Nine countries are spending between 5 and 10 percent and 28 countries have devoted less than 5 percent of their total

budgets to agriculture. Mobilisation of Member States in the implementation of CAADP is creating fundamental progress in the direction of attaining MDG1 targets. Increasingly, more countries are allocating more of their public budget to agriculture. Although the share of agricultural spending has not reached or surpassed the CAADP targets of at least 10%, the trends are encouraging. In countries where CAADP implementation has advanced, additional resources are targeting growth enhancing policies, strategies and plans. Within the CAADP framework, it is noted that attaining the agricultural sector objectives and therefore CAADP targets require complementary investments in other sectors especially infrastructure, health and education. These complementary sectors are as critical in enhancing jobs.

Progress on achieving the necessary sectoral growth sufficient for effective poverty reduction varies within and across African countries. Recent trends show that average annual agricultural GDP growth rarely reached the CAADP target of 6 percent. The overall average agricultural growth for Africa during the 2003-2009 period was 4.5 percent. During the same period, average agricultural growth for specific regions has been increasing and influenced mainly by; **Ethiopia**, for Eastern Africa; **Angola, Malawi and Mozambique** and **South Africa** for Southern Africa; and **Benin, Ghana, Guinea, Niger and Nigeria** for Western Africa.

It should be noted that there are still challenges of linking the current levels of poverty, hunger and malnutrition with levels of agricultural spending and growth patterns and patterns. The AUC is working with support of relevant institutions and Member States to strengthen the quality of statistics and reporting. This will not only help to strengthen the linkages between the indicators, it will also help in identifying areas where a lot of emphasis is required to achieve the broader medium and long term targets. The fact that Africa, as a whole, is not on track to achieve MDG1, adds to the sense of urgency towards the speedy and effective implementation of CAADP by Member states.

Progress on halving hunger and poverty by 2015 – MDG-1

Reducing or halving poverty and hunger on the continent is still a big challenge for Africa. Member states are still struggling to achieve Millennium Development Goal (MDG) number one of halving hunger and poverty by 2015. Recall, CAADP was established to significantly contribute in responding to this challenge. Using the long-term average rate of change, the analysis on the other hand shows that while two of the five geographical regions of the continent (eastern and northern Africa) are on track to halve poverty, only northern Africa is on track to halve hunger⁷. This makes **north Africa** the only geographic region that is likely to meet MDG1. Analysis of the individual countries shows that 14 are on track to halve poverty by 2015 while 12 are track to halve hunger. Three countries are on track to meet both targets of MDG1—**Egypt, Ghana, and Mauritania**. Using the most recent data, the analysis shows that some countries which were on track my fall off. This shows that good progress made in the past is being compromised. However, given the unique situation of each country and the fact that these indicators are sparsely measured, a further research will be done to investigate these trajectories.

This, however, is based on the assumption that Member States will maintain current trends in agricultural spending and resulting sectoral growth. With adoption of CAADP scenarios, many countries have vowed to change the path and will be on track to halving poverty and hunger by 2015

Progress on CAADP Implementation

Africa is still facing challenges of hunger, malnutrition and poverty. The performance shown above, and following recent analysis, it is noted that continuing to do “business as usual” will not make Africa achieve both medium and long term targets. This was the basis for the Maputo 2003 Summit decisions on Agriculture. Although performance in pursuit of the Maputo targets has been less than optimal, recent developments in Member States demonstrate serious commitments and soon, many countries, if not all, will be on track towards reducing and/or eliminating both hunger and poverty.

⁷ only when a margin of error of 1 percentage point of the benchmark rate is allowed

Progress on Member States embracing CAADP – Signing of CAADP Compacts, design and increased funding of CAADP-based agriculture and Food Security Investment Plans

The AUC, with the NEPAD Planning and Coordinating Agency (NPCA) and Regional Economic Communities (RECs), has been able to mobilize Member States, Civil Society and Private sector including farmers, in the implementation of CAADP. This is why there has been rapid appreciation and signing of CAADP Compacts that demonstrate commitments by all national stakeholders in identification of right policies, strategies and programs sufficient for transforming agriculture in Member States. The number of countries that have signed their national CAADP compacts has risen to Twenty Nine, (8 in COMESA, 15 in ECOWAS; 3 in SADC, 2 in ECCAS and 1 in Arab Maghreb Union (AMU) regions). These include: Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, DRC, Ethiopia, Gambia, Ghana, Guinea, Guinea Bissau, Ivory Coast, Kenya, Liberia, Malawi, Mali, Niger, Nigeria, Rwanda, Sierra Leone, Senegal, Seychelles, Swaziland, Tanzania, Togo, Uganda, Zambia, and Zimbabwe. Due to multiple memberships among the RECs, it should be recognised that all countries in the EAC have signed the compacts.

Out of these 29 Country Compacts, 21 have completed the formulation of CAADP-based country investment plans which have also been independently reviewed. Up to 15 Member States have had their business meeting and financing modalities agreed (see Annex II).

At regional level, ECOWAS signed a regional Compact signaling commitment of all stakeholders at regional level to key policies, strategies and programs for transforming agriculture in line with CAADP. IGAD will be the next REC to develop and sign a regional CAADP Compact and with a Regional Investment Plan. Other RECs are consulting as part of formulation of regional compacts and plans.

Progress on support of CAADP implementation at Member States level after Compact signing –

Resources Mobilized to Finance CAADP

At the 2009 G-8 meeting in L'Aquila Italy, Heads of State and leaders of Bilateral and Multilateral agencies established a Global Food Security Initiative and pledged funds to the tune of US\$22 billion to respond to issues and challenges of hunger and food insecurity on the globe. In realization of 2009 G-8 and G-20 pledges in establishment of Global Food Security Initiative, a Trust Fund under the Global Agriculture Food Security Program (GAFSP) has been put in place to make resources available for Member States that have met the criteria set under CAADP and mainly for implementation of National Agriculture and Food Security Investment Plans.

As of November 2011, US\$971.5 million has been mobilized from various development partners to fund both private and public sector actions through GAFSP. For Africa, **Liberia, Niger, Ethiopia, Togo, Sierra Leone and Rwanda** received additional money from GAFSP to finance their country plan based on their demonstration of CAADP principles.

Direct Support from Bilateral funding agencies for CAADP process implementation

CAADP process implementation has benefitted from a series of other bilateral funding directly to a number of institutions. The United States Agency for International Development (USAID) has allocated substantial resources through its Feed the Future Program in support of CAADP. Others such as UK's Department for International Development (DFID) are supporting a series of CAADP-based programs.

The German International Cooperation (GIZ), has provided substantial resources in support to CAADP actions at country level and in process implementation and mainly in the area of capacity building for Africa institutions, notably AUC, NPCA, RECs and in Member States. GIZ has also allocated substantial amount of resources to support the engagement and involvement of non-state actors into the CAADP process at country,

regional and continental level. GTZ has further made resources available for implementation of a Capacity Development Plan for the CAADP mainly focusing on strengthening CAADP Country Teams to help in championing CAADP agenda at country level. Other countries directly providing support include; the Canada, Netherlands, Spain and Italy.

Progress to regional and sub-regional organizations through the establishment and operationalisation of Multi Donor Trust Fund

As part of CAADP implementation, the African Union requested for the establishment of a Multi-donor Trust fund to support the implementation of CAADP. As a result, a series of bilateral and multilateral development partners made resources available for CAADP process implementation to the tune of US\$ 50 million. The World Bank was identified as a Trust Fund administrator and has been supporting CAADP process activities at continental level (AUC, NPCA, and CAADP Pillar Institutions), at regional level (RECs) and Member States, farmer organizations and private sector and at country level. Out of this main Trust Fund, Child Trust Funds have been created to support African institutions (AUC, NPCA, RECS, Pillar Institutions, and Member States) activities. The basis for these Child Trust Funds is to allow the resources be managed by the institutions themselves and flexibility to allocate to critical priorities and strengthen capacities with these institutions.

So far, up to US\$17 million has been approved and allocated to African institutions as follows. US\$4 million for AUC, US\$4.5 million for COMESA, US\$1.1million for CAADP Pillar 2, US\$3.9 million for ECCAS and US\$3.5 million for NPCA. These CTFs are now operational and additional proposals for institutions such as ECOWAS and SADC have been approved for MDTF funding.

The Food and Agriculture Organization (FAO) of the United Nations, the United Nations Development program (UNDP) and the European Union have also mobilized resources from a number of developed countries to support CAADP. FAO Investment Centre is particularly supporting up to 10 countries in articulating and providing costing

details of these country investment plans. Part of the money FAO is using is from Spain and Italy. FAO is also support AUC in designing and formulating a regional CAADP Compact and Investment Plan for IGAD.

Creation and Strengthening of Public and Private Partnerships for alignment to Africa's Agriculture

Noting the relatively low speed at which private sector was providing own resources to fund private goods and services in country CAADP plans, the Africa Union, partnered with the World Economic Forum, to mobilize global, regional and national private sector companies to invest in a series of opportunities created by government. Building on initial partnership models piloted by the World Economic Forum, the AU and WEF established a an Agriculture Growth and Investment Task Force to support governments in engaging private sector partnerships to finance national priorities identified under CAADP. Up to now, 7 Member States have been supported to develop investment blueprints that are being used to rally private sector companies to engage with government and sign investment deals. So far, Ethiopia, Burkina Faso, Ghana, Kenya, Mozambique, Rwanda and Tanzania have these investments blue prints developed under specific agricultural growth corridors and food basket geographical regions to advance this type of investment.

Further, the AUC, working with NPCA and RECs, has also made progress in mobilization of, and working with, the Development Partner community towards coordination, harmonization and alignment of development assistance to African Agriculture through CAADP and in line with Paris Declaration on Aid effectiveness and Accra Agenda for Action. As part of this alignment process, a series of structures for Partnership engagements are in place to strengthen these commitments. A bi-annual CAADP Partnership Platform (CAADP PP) meeting has been used as an instrument to assess progress and devise mechanism for improvement in CAADP implementation. The CAADP PP is more and more used as an instrument for oversight and decision making in CAADP through the business meeting in the first day and experience sharing

in follow-on days. Joint priority actions resulting out of that are jointly addresses by Africa institutions and DPs in the spirit of mutual accountability.

Establishment of a Monitoring and Evaluation System and a Mutual Accountability Framework

Progress on agricultural development in Africa had faced a challenge of lack of a comprehensive system to monitor and report progress based on systematic indicators agreed upon by all African stakeholders. With support from Regional Strategic Analysis and Knowledge Support System (ReSAKSS) hosted by the International Food Policy Research Institute (IFPRI), a CAADP M&E system was established and is operational. The system is robust to provide progress on agricultural performance continent-wide and at country level.

A Mutual accountability framework (MAF) has also been developed. MAF uses the CAADP M&E outcomes and an additional set of accountability indicators to facilitate review, dialogue and therefore accountability. Mechanisms such as agricultural sector review at country level and annual CAADP partnership platforms are used as review and dialogue platforms are helping in fostering accountability for results and agriculture performance.

3.3 AFRICAN FINANCIAL INSTITUTIONS

According to Article 19 of the Constitutive Act of the African Union, three African financial institutions: the African Central Bank, the African Monetary Fund and the African Investment Bank should be put in place. The African Union Commission has set the establishment of these three financial institutions as its top priority.

3.3.1 AFRICAN INVESTMENT BANK

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.

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.

3.3.2 AFRICAN CENTRAL BANK

The process of the operationalization of the African Central Bank has been rather slow, however progress has been made. The Government of the Federal Republic of Nigeria, the host of the Steering Committee, provided office facilities and support staff for the Steering Committee. The Commission is working closely with the Association of the African Central Banks (AACB) on producing a Joint Strategy for the establishment of the African Central Bank (ACB). A team of Experts has been assembled to work on the Strategy and is expected to finalize its work by the end of the year. The strategy is expected to be submitted to the Conference of African Ministers of Economy and Finance in March 2013 for consideration and to the Assembly of Heads of State and Government in July 2013 for adoption.

3.3.3 AFRICAN MONETARY FUND

The Steering Committee for the African Monetary Fund has finalized its work on the Protocol and Statute establishing the Fund. The Protocol was considered by the January 2011 AU Summit who recommended that it be reviewed by Ministers of Justice before adoption. Financial and legal experts met in February and July 2011 to consider the

Statute and Annexes of the AMF but did not finalise discussions. Experts requested that the text be reviewed by Experts from the International Monetary Fund (IMF). The Commission is working with the IMF to review the text before submission to Member States experts for consideration in February 2013 and to the Joint AU/ECA Conference of Ministers of Finance in March 2013. It is envisaged that the final text will be submitted to the July 2013 Summit for adoption.

3.4. AFRICAN CHARTER ON STATISTICS (ACS) AND STRATEGY FOR THE HARMONISATION OF STATISTICS IN AFRICA (SHaSA).

The African Charter on Statistics, adopted by Heads of State and Government in February 2009, The African Charter on Statistics urges providers, producers and users of statistical data to collaborate more closely and effectively in order to enhance the quality and usefulness of statistical information. The Charter also beckons African policymakers to base the formulation, monitoring and evaluation of policies on reliable facts. Statistics should be considered as an essential public asset in any decision-making process.

The African Charter on Statistics articulates around six (6) major principles that must be enforced by members of the African Statistical System, African statisticians and all professionals working in the area of statistics in Africa. The African Charter on statistics is aimed at:

- serving as policy framework and advocacy tool for statistical development in Africa;
- ensuring improved quality and comparability of the statistics;
- 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;
- promoting adherence to fundamental principles of public statistics in Africa, and a culture of evidence based policymaking;

- building institutional capacity of statistics authorities ensuring their autonomy in operations, while paying attention to adequacy of human, material and financial resources; and
- To serve as a reference framework for the exercise of the profession of statistician in Africa, professional code of ethics and best practices.

To date, the Charter has been signed by 22 countries and ratified by only six countries. All member States are called to sign and ratify the Charter, for it to enter into force as soon as possible. The ratification and implementation of the Charter will eventually enable the six (6) goals mentioned by the Charter to be achieved and particularly:

- To contribute to the improvement of the quality and comparability of statistical data required for the monitoring of national policies and the process of Africa's social and economic integration. Comparable, better quality statistics, produced regularly and disseminated on time will enable Member States, not only to define relevant national policies, but also to better take a stand in regional, continental and international trade as far as the harmonization of African statistics should be compatible with international standards. It will enable the regional Economic Communities which are the pillars of African integration to achieve their objectives and better assess the progress made;
- To promote a decision-making culture based on facts insofar as statistical information will be produced more regularly, will be more relevant accessible and comprehensible;
- To contribute to the strengthening of coordination of statistical activities, not only at the national and continental levels but also facilitate the coordination of interventions from development partners, in conformity

with the Paris declaration on the effectiveness of assistance adopted in 2005;

- To have efficient advocacy tool to obtain the necessary resources and support for the development of statistical activities;
- To pool the rare resources to elaborate, in pursuance of the African Statistics system, common methodologies for the collection, production and dissemination of African statistics which will thus enable consideration of economies of scale to be achieved; and
- To have a framework for the exchange of mutually good practices.

The strategy for the harmonization of statistics in Africa (SHaSA) 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.

3.5 CONTINENTAL FREE TRADE AREA (CFTA) AND BOOSTING INTRA-AFRICAN TRADE (BIAT)

Trade is widely accepted as an important engine of economic growth and development. There are many regions and countries of the world that have been able to lift their peoples from poverty to prosperity through trade. In Africa however, trade has not served as a potent instrument for the achievement of rapid and sustainable economic growth and development due mainly to three interrelated basic features: size, structure, and direction. At around 3 per cent, the share of Africa in global trade is insignificant.

Another key feature of Africa's trade, which has had some adverse implications for its impact on economic growth and development, is its high external orientation and

relatively low level of intra-regional trade. Intra-African trade stands at around 12 per cent compared to 60 per cent, 40 per cent, 30 per cent intra-regional trade that has been achieved by Europe, North America and ASEAN respectively. Even if allowance is made for Africa's unrecorded informal cross-border trade, the total level of intra-African trade is not likely to be more than 20 per cent, which is still lower than that of other major regions of the world.

That African countries do not trade much with each other has meant that they have been unable to fully harness the synergies and complementarities of their economies and take full advantage of the economies of scale and other benefits (such as income and employment generation) that greater market integration would have provided. There are cases where products and services could have been sourced competitively from other African countries but were procured from outside the continent.

Due to the fact that Africa does the bulk of its trade with the outside world and the exports are heavily concentrated on primary commodities, the continent has been particularly vulnerable to external macroeconomic shocks and protectionist trade policies. This is evident from the recent global economic and financial crisis which, although not of the making of African countries, has had adverse impact on the continent's economic performance. Thus a major lesson to be drawn from the systemic shocks in the global economy is the need for Africa to promote intra-regional trade.

Boosting intra-African trade and deepening regional market integration constitute a necessary response to the challenges facing Africa in the multilateral trading system and the global economy. The boosting of intra-African trade and the deepening of Africa's market integration, by fostering competition among African countries, will assist in enhancing their capacity and prepare them to compete more effectively on the global market.

It is against the foregoing background that at its 18th Ordinary Session, held on 29-30 January 2012 in Addis Ababa, Ethiopia, on the theme "Boosting Intra-African Trade",

the Assembly of Heads of State and Government of the African Union adopted a Decision (Assembly/AU/Dec.394 (XVIII) and a Declaration (Assembly/AU/Decl.1(XVIII), that reflect the strong political commitment of African leaders to accelerate and deepen the continent's market integration and to harness its potentials for meeting Africa's development challenges in the dynamic global economy of the 21st Century. In the Decision and Declaration, the Heads of State and Government agreed on a Roadmap for the establishment of a Continental Free Trade Area (CFTA) by the indicative date of 2017. They also endorsed an Action Plan for Boosting Intra-African Trade. The Plan highlights the measures required at national, regional and continental levels to eliminate the barriers to the growth of intra-African trade.

If the historic Decision and Declaration of the 18th Session of AU Summit are effectively implemented, Africa will be on track towards the realization of the African Economic Community by 2028, as envisaged by the Abuja Treaty and confirmed by the Constitutive of African Union. Africa will also be better placed to use trade as an engine of economic growth and development, and to integrate effectively as a respected partner into the global economy. The slow progress by the RECs in becoming Customs Unions in the context of the Abuja Treaty framework has delayed the emergence of a Pan-African Customs Union. Consequently, Africa has not been able to take full advantage of its large continental market of about a billion people. The 18th AU Summit initiative on intra-African trade is expected to impart dynamism to Africa's integration agenda.

The following milestones have been decided based on a framework, Roadmap and Architecture:

- i. Finalization of the East African Community (EAC)- the Common Market for Eastern and Southern Africa (COMESA)- Southern African Development Community (SADC) Tripartite FTA initiative by 2014;
- ii. Completion of FTA(s) by Non-Tripartite RECs, through parallel arrangement(s) similar to the EAC-COMESA-SADC Tripartite Initiative or reflecting the preferences of their Member States, between 2012 and 2014;

- iii. Consolidation of the Tripartite and other regional FTAs into a Continental Free Trade Area (CFTA) initiative between 2015 and 2016;
- iv. Establishment of the Continental Free Trade Area (CFTA) by 2017 with the option to review the target date according to progress made.

During its 19th Ordinary Session of the Assembly of the Union, African Heads of State and Government adopted Decision Assembly/AU/Dec.426(XIX) highlighting, among others, the major achievements made in implementing the CFTA and boosting intra-African trade, especially the progress made in the operationalization of the High Level African Trade Committee (HATC) and the outcomes of the consultations of Committee of seven Heads of State and Government on the challenges of low levels of intra-African trade, infrastructure, and productive capacities to the fast tracking of the CFTA and the boosting of Intra-African trade. It was also decided that:

- Each region shall nominate one Head of State to serve as a member of the HATC for a period of two years;
- All Member States and the RECs should promote and actively support the realization of the CFTA and the Boosting of Intra-African Trade;
- There is need for the development of trade- related infrastructure and productive capacity building programmes and an enabling policy and legal framework by the AUC, RECs and Member States which build upon the frameworks of PIDA, AIDA, and CAADP so as to contribute specifically to the boosting of Intra-African Trade;
- The implementation of the CFTA and the Action Plan for Boosting intra-African Trade should be mainstreamed at the national level through various measures and actions including the identification of focal points at national and regional levels, taking into account the need for dedicated technical and financial resources from Member States, Regional Economic Communities and development partners for Africa;

3.6 THE MINIMUM INTEGRATION PROGRAMME (MIP)

The integration approach geared to the establishment of the African Economic Community (AEC) set forth by the Abuja Treaty was regional in orientation, and was anchored on the RECs, which constitute the pillars and building blocks of the Community. These regional communities have made tremendous progress in their respective domains since they were created, but the pace of implementation of programmes is still slow and needs the support of a broad range of integration players.

The slow performance by some of the RECs can be explained by the enormous challenges they are facing such as shortage of financial and human resources; membership of numerous Member States to more than one REC; inadequate physical infrastructure; in some cases a lack of coherence and correlation between sector cooperation programmes and the macro-economic policies implemented by RECs; lack of political will; poor institutional infrastructure; inadequate coordination among Pan-African institutions; and lack of cohesion vis-à-vis the numerous development partners, etc.

The above difficulties, stifling and constraining as they are, provide the *raison d'être* of and, indeed, justify the importance of the mandate given to the African Union Commission (AUC) by the competent authorities of the African Union (AU) to elaborate a Minimum Integration Programme (MIP) not only to overcome the difficulties outlined but also to infuse greater visibility into the implementation of the regional and continental integration agenda.

The MIP Action Plan is the instrument which was developed, in collaboration with the RECs, for the implementation of the MIP and is of capital importance because it builds consensus around the activities and projects to be executed to speed up the regional and continental integration process; it gives visibility to the process and clarifies the relationships between stakeholders or players in terms of policy coordination and harmonization.

The Minimum Integration Programme (MIP) is a mechanism for the convergence of the Regional Economic Communities (RECs), formulated on the basis of a number of priority areas to be implemented at regional and continental levels. Enabling the RECs to strengthen their cooperation and benefit from one another's comparative advantages, best practices and experiences in the area of integration. It forms the missing link between the Abuja Treaty and its realization. The MIP has been elaborated by the AU Commission in close cooperation with the RECs, and submitted to the Fourth Conference of African Ministers of Integration (COMAI IV) held in Yaoundé, Cameroon, in May 2009, where it was adopted as a "dynamic strategic continental framework for the integration process". Since then, it has been endorsed by the Assembly of the Union in Sirte, Libya, in July 2009. The MIP is to be implemented in three phases of four years each in accordance with the AU Strategic Plan and structured around the following eleven priority sectors:

- Free movement of persons, goods, services and capital;
- Peace and security;
- Infrastructure and Energy;
- Agriculture;
- Trade;
- Industry;
- Investment;
- Statistics;
- Political Affairs;
- Science and Technology; and
- Social Affairs.

These sectors are subdivided into relevant priority sub-sectors and within the latter key priority activities and projects have been identified after consultations with the RECs. The MIP, therefore, comprises activities and programmes relevant to the priority sectors and sub-sectors and it is a consensual programme of all the stakeholders in the regional and continental integration process. It embodies the projects and activities defined

under the various stages of the Abuja Treaty and will confer on the Treaty's implementation greater visibility and clarity to the continental integration agenda.

There is need to recall that the AU Commission, in collaboration of the RECs and others stakeholders in the integration process, have been requested by the Ministers of integration in their Fourth Conference held in Yaoundé to come up with, in each sector/sub-sector, implementable and bankable priority activities to be implemented during the phases enshrined in the MIP. In this regard, the Conference asked the AUC in collaboration with Member States, RECs and its partners to organize sectoral meetings to identify the prioritized sectors which are considered as accelerators of the integration process within a defined time schedule in accordance with the African Union strategic Plan. In implementing the above mentioned recommendation, the AUC organized two sectoral meetings in Nairobi, Kenya, 11- 12 May 2010 and in Lilongwe, Malawi, 1-2 June 2010.

In order to avoid duplication of work, it was agreed that since there already exist detailed and costed continental programmes/action plans elaborated in the sectors of Infrastructure and Energy, Agriculture, Science and Technology and Peace and Security, new ones should not be developed. Therefore, the total cost of the MIP should be considered in alongside these exiting costed programmes/action plans such as the Programme for Infrastructure Development in Africa (PIDA), the Comprehensive Agricultural Development Programme (CAADP), the second Decade for Education; the Action Plan for Science and Technology; and the Peace and Security Architecture (PSA). Consequently, the sectors to which these programmes/action plans belong were not considered during the sectoral meetings. The outcome of the sectoral meetings was the elaboration of the MIP Action Plan based on the following nine (9) sectors:

- Political Affairs;
- Industry;
- Social Affairs;
- Statistics;
- Trade;

- Free movement of persons and migration;
- Gender;
- Investment; and
- Capacity building and human resource development.

The AU Commission developed an implementation Action Plan for the MIP which was adopted by the fifth COMAI and endorsed by the Heads of State and Government during the January 2012 AU Summit. The AUC was mandated to estimate the necessary funding requirements (costing) for the implementation of each activity and project contained in the MIP Action Plan. The objective of this costing exercise was to have an idea about the financial requirements for the implementation of the MIP Action Plan in order to formulate an appropriate funding mobilisation strategy. The overall cost of implementing the MIP Action Plan is estimated to be US\$ 110,950 million. The AUC is working with UNDP to develop a mobilization strategy for the MIP Action Plan as well as on setting up an Integration Fund.

PART THREE:

4. BEST PRACTICES AND EXPERIENCES: THE EAC-COMESA-SADC Tripartite ARRANGEMENT

4.1 Background

The Tripartite is an arrangement comprising of three of Africa's Regional Economic Communities (REC's), namely:

- East Africa Community (EAC),
- Common Market for Eastern and Southern Africa (COMESA) and
- Southern African Development Community (SADC).

The initiative started in 2005, and the Tripartite Task Force, headed by the Secretaries General of COMESA and the EAC, and the Executive Secretary of SADC, has met at least twice per year since 2006. The main focus of deliberations remains the harmonisation of REC programmes in the areas of trade and infrastructure development. In 2007 the Tripartite Task Force recommended that a Tripartite Summit of Heads of State and the Government of COMESA, EAC and SADC be convened. The envisaged Summit would give important direction and political endorsement to the Tripartite's efforts to harmonise their various programmes and would increase buy-in of member states. The recommendation was accepted and the the 1st Tripartite Summit was held on 22nd October 2008 in Kampala, Uganda. The 2nd Tripartite Summit was held on 13th June 2011 in Sandton, Sotuh Africa, under the theme "*Deepening Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC)*".

The overarching objective of the Tripartite is to contribute to the broader objectives of the African Union (AU), namely accelerating economic integration of the continent and achieving sustainable economic development - thereby alleviating poverty and

improving quality of life for the people of the Eastern and Southern African Region. As such, the Tripartite works towards improving coordination and harmonisation of the various regional integration programmes of its member REC's. These regional integration programmes focus on expanding and integrating trade and include the establishment of Free Trade Areas (FTA's) as well as infrastructure development projects in transport, information and communications technology and energy.

With more than 527 million people and a Gross domestic product (GDP) of approximately 624 Billion US Dollars, the 26 member countries of the Tripartite make up 57% of the population of the African Union (AU) and just over 58% in terms of contribution to GDP. This makes the Tripartite vital to the envisaged single market and continental integration of the African Economic Community (AEC).

In line with the Africa Union's Vision of "An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena", The Tripartite Vision is "to improve the economic and social welfare of the citizens of the COMESA-EAC-SADC Tripartite region through promoting regional economic growth by creating a conducive environment for regional trade to take place."

In achieving this vision, the Tripartite will focus on nurturing strong working relationships between the Secretariats of COMESA, EAC and SADC with the Tripartite Task Force providing leadership.

Since, the twenty-six (26) countries are engaged in negotiations for the establishment of a Tripartite FTA, recognizing that substantial progress on trade liberalization has been achieved within their three RECs. The establishment of the Tripartite FTA will build upon and consolidate the RECs *acquis*.

4.2 SCOPE OF THE NEGOTIATIONS

The negotiations shall be in two phases as follows:

- The first phase will cover negotiations on the following areas: tariff liberalisation, rules of origin, dispute resolution, customs procedures and simplification of customs documentation, transit procedures, non-tariff barriers, trade remedies, technical barriers to trade and sanitary and phyto-sanitary measures. Movement of business persons will be dealt with during the first phase of negotiations as a parallel and separate track.
- The second phase will cover negotiations on the following areas: trade in services, intellectual property rights, competition policy, and trade development and competitiveness.

NEGOTIATING PRINCIPLES

The Tripartite FTA negotiations process shall be REC and/or Member driven and be guided by the following overarching principles:

- The negotiations shall be REC and/or Member/Partner State driven
- Variable geometry
- Flexibility and Special and Differential Treatment
- Transparency including the disclosure of information with respect to the application of the tariff arrangements in each REC
- Building on the *acquis* of the existing REC FTAs in terms of consolidating tariff liberalisation in each REC FTA
- A single undertaking covering Phase I on trade in goods
- Substantial liberalisation
- MFN Treatment
- National Treatment
- Reciprocity, and
- Decisions shall be taken by consensus.

NEGOTIATING INSTITUTIONAL FRAMEWORK

The Tripartite FTA will be negotiated within the context of the following institutional framework:

- Tripartite Summit of the Heads of State and Government
- Tripartite Council of Ministers
- Tripartite Sectoral Ministerial Committees
- Tripartite Committee of Senior Officials
- Tripartite Trade Negotiation Forum (TTNF)

The Tripartite Task Force, comprising Heads of Secretariats of the three RECs, will coordinate and provide technical and administrative support to the negotiation process.

4.3 MONITORING OF THE NEGOTIATION PROCESS

The Tripartite Sectoral Ministerial Committee shall be responsible for the overall monitoring of the negotiation process to ensure that a credible and development-oriented agreement is concluded expeditiously.

The Tripartite Sectoral Ministerial Committee will supervise and provide leadership to the negotiation process including resolving contentious issues that may arise. The Committee will ensure that the negotiating committees of senior officials and the TTNF adhere to the negotiation timeframes as provided in the Tripartite FTA Roadmap.

Progress will be monitored through quarterly reports by the Chairperson of the TTNF and six-monthly formal reviews by the Tripartite Sectoral Ministerial Committee responsible for trade. The outcome of the monitoring and evaluation will inform the pace of the negotiations.

4.4 FINANCING

Resource mobilisation is vital at addressing the infrastructure deficit that continues to stunt regional economic growth. The financial requirements to address this deficit are beyond the resources of the Individual Member States. Commercial financing does not, by itself, provide a viable solution due to the magnitude of the infrastructure

requirements as well as the poor credit ratings of many of the countries involved. Furthermore, resource mobilisation is required to finance negotiations of the Tripartite, implement Trade Facilitation programmes and provide institutional and technical support to finance the implementation of the trade-related measures.

In order to co-ordinate support to the Tripartite and its programmes, the Tripartite Task Force has selected as lead donor the Department for International Development of the United Kingdom, represented by DFID Southern Africa. This partnership is guided by a Memorandum of Understanding (MOU) between DFID and the Tripartite. According to the MOU DFID will provide financial, technical and institutional support to the Tripartite Task Force. DFID will also work with other donors and international finance institutions to support the Tripartite Task Force to establish a common framework for donor alignment and harmonisation with the Tripartite Task Force Plans.

As part of the Tripartite resource mobilisation strategy, Secretariats of COMESA, SADC and EAC will assist Member States to create the regulatory environments necessary for public-private partnership to operate. In addition, and in support, where possible, of public-private partnerships (PPPs), the following instruments will be used to mobilise resources:

Tripartite Trust Account

The Development Bank of Southern Africa (DBSA) established and manages the Tripartite Trust Account (TTA) on behalf of the Tripartite. The TTA is a catalytic grant fund that will leverage funds from commercial and quasi commercial sources. The TTA is open to all donors. An Investment Committee provides guidance to the DBSA in making investment decisions using the Tripartite Trust Fund according to an agreed set of project eligibility criteria.

Infrastructure Funds

COMESA, EAC and SADC have each either established or are in the process of establishing infrastructure funds. In addition some Member States have also established

national infrastructure funds. The intention is to prepare bankable regional projects for presentation to these infrastructure funds.

Cooperation with Donors and International Financial Partners

The main traditional donors and International Finance Institutions (IFI's) that have supported infrastructure projects in the Tripartite region (including the World Bank, the African Development Bank, the European Commission and various European and Asian bilateral donors) will be targeted to continue to support the region's infrastructure rehabilitation and development. New and emerging donor countries will also be approached.

Project Preparation and Implementation Units (PPIU)

The Tripartite will put significant effort into project identification and project preparation through the Project Preparation and Implementation Unit (PPIU). The PPIU will work with the appropriate donors, IFIs and project preparation facilities to prepare infrastructure projects and leverage funds. The PPIU will work closely with, and request additional technical and financial support from development banks (in particular the African Development Bank and the Development Bank of Southern Africa), the major International Finance Institutions and bi-lateral and multi-lateral donors.

4.5 OUTCOME OF THE SECOND TRIPARTITE SUMMIT

The 2nd COMESA-EAC-SADC Tripartite Summit of Heads of State and Government held in Johannesburg, South Africa on 12th June 2011 signed the Declaration Launching the Negotiations for the Establishment of the Tripartite Free Trade Area; adopted the Roadmap for Establishing the Tripartite FTA and also adopted the Tripartite FTA Negotiating Principles, Processes and Institutional Framework. The Tripartite FTA comprise of three Pillars; Market Integration, Infrastructure Development and Industrial Development. The Movement of Business Persons shall be negotiated under a separate track.

In regard to **Market Integration**, the Tripartite Trade Negotiation Forum which is the institution charged with the actual negotiations on this pillar, has met three times and achieved the following;

- Adopted a Work Plan for negotiations on Trade in Goods which have been planned to take place over 25 months between February 2012 and April 2014.
- Recognized the existence of the draft FTA Agreement and Annexes as the starting point for the negotiations and agreed that the text that will eventually be adopted will be the outcome of the negotiations.
- Established Working Groups on: Customs Cooperation, Documentation Procedures and Transit Instruments; Technical Barriers to Trade including Standards and Metrology), Sanitary and Phyto Sanitary Measures and NTBs; and Rules of Origin.

Meanwhile the Tripartite Task Force has circulated tariff and trade data for the Tripartite Member/Partner States for validation and confirmation whether it constitutes a reasonable basis for commencing technical negotiations. In addition, the Tripartite Task Force is in the process of preparing a draft paper on tariff negotiations modalities which should facilitate exchange of tariff concessions within the frame work of the TFTA.

On **Infrastructure Development Pillar**, the Tripartite Task Force has developed a comprehensive list of Priority Infrastructure Projects for the region and Administrative and Institutional arrangements have been finalized for mobilization of resources, assessment of bankable projects and disbursement of resources to bankable projects. These projects are in Energy, transport (all modes) and telecom sectors. A project Preparatory Implementation Unit has been established in addition to an Investment Committee.

On **Industrial Development Pillar**, the Tripartite Task Force has developed a Concept note on Industrial Development in the region to facilitate the development of a Tripartite Industrial Development Road Map and Work Programme.

4.6 OUTCOME OF THE HIGH LEVEL TRIPARTITE & IGAD INFRASTRUCTURE INVESTMENT CONFERENCE

The high level Tripartite and IGAD Infrastructure Investment Conference (TIIC) took place on 28th and 29th September 2011 in Nairobi, Kenya. The meeting aims to cover key transport corridors in Eastern and Southern Africa (ESA) region: focusing on the Northern and Central Corridors in East Africa, and the Lamu and Djibouti Corridors in the Horn of Africa, in addition to regional energy transmission interconnectors. These corridor networks and power interconnectors will also be targeted by the Tripartite and IGAD for significant improvements from 2011-2016 in surface transport, logistics and energy connectivity. These projects will underpin the implementation of the grand Tripartite Free Trade Area that was launched by the Second Tripartite Summit in Johannesburg, South Africa in June 2011.

The Tripartite and IGAD initiative developed the Tripartite and IGAD Corridor Programme (TICP) which seeks to make the ESA region more competitive by reducing the high costs of transport, trade and energy, thereby creating higher levels of economic growth, employment creation and poverty reduction. The efforts will focus on prioritising actions that ensure that efficient transport and energy supply is assured for the region to support the growing demand from industrial, commercial and domestic consumers.

This very important initiative could be considered crucial for the rationalization process which officially brings IGAD to work with the tripartite grouping through the Tripartite and IGAD Corridor Programme.

5. CONCLUSION AND RECOMMENDATIONS

RECs are moving at different rhythms in the integration process. Whereas some RECs have achieved very good progress in various sectors, others are still hanging behind and struggling. As shown in the section 2.12, these communities are facing almost the

same challenges and problems. One of the objectives of this report which is to exchange best experiences between RECs would probably help these organisations to benefit from the achievements of the most advanced ones. Taking into account the progress made and the challenges faced by the RECs, the following recommendations are made

- i. The RECs role as a “think tank” needs to be strengthened in order to provide more strategic and long term advice to their Member States and assist them in fulfilling their commitments to programme implementation;
- ii. The long and medium terms planning should be emphasized in translating the Community strategies and policies into a real comprehensive development programme taking into account the overall Continental milestones in the African Union Strategic Plan;
- iii. The RECs role of monitoring and evaluation of the integration process should be strengthened. In this regard, the use of innovative means such the online monitoring system used in COMESA and EAC could be replicated by the other RECs and be extended to cover the monitoring of implementation of all RECs programmes;
- iv. Member States should prioritize the implementation of Regional programmes at national level. This could be done through unpacking the regional strategies and policies and integrated them into the Member States national plans, budgets and priorities;
- v. Member States need more assistance in implementing regional policy frameworks through increased advocacy and technical assistance at the national level;
- vi. There is a need for more effective and efficient stakeholder participation in order to ensure the buy-in and support of the regional and continental programmes. Permanent structures should be established to consult citizens, private sector and civil society organisations in order to constantly involve them in developing, validating programme results and providing feedback as it’s the case between ECOWAS Commission and the Federation of West Africa Chambers of

- Commerce and Industry in developing policies in the investment and private sector promotion;
- vii. Developing Partnerships with regional and technical organisations, civil society and Governments structures should be encouraged to ensure that regional instruments are translated into real benefits to the citizens;
 - viii. The ongoing work on the AU alternative sources of financing should be supported by the RECs and Member States in order to finance integration programmes and translate them into reality;
 - ix. RECs, which have not done so, also should start reflecting on putting in place their own alternative sources of financing;
 - x. The AUC should build strong relationship with the RECs as the building blocks of the AEC through regular consultation visits not only at higher levels but also at experts levels;
 - xi. RECS should build strong horizontal relationship among themselves for genuine experience and expertise sharing.

Efforts at various levels should come together to support and reinforce the initiatives taken by the RECs and the African Union Commission aiming at accelerating the African integration process. The AUC should play fully its role as coordinator at Continental level and ensure a minimum level of harmonization between the RECs programmes in all sectors towards achieving the African Economic Community. Reinforcing the principle of subsidiarity and strengthening the institutional relations between the concerned institutions is essential for the sustainability of the integration process in Africa.

ANNEXES

ANNEX I: RECs programmes, projects and institutions per Sector

Competition Policies

RECs	Programmes/Projects/Institutions	Status
COMESA	Regional Competition Commission	functional
IGAD	NA	NA
EAC	EAC Competition Policy and Law	functional
ECCAS	Study on competition policy and the intellectual property right.	planned
SADC	NA	NA
ECOWAS	Regional Competition Authority (RCA)	Ongoing
CENSAD	NA	NA
UMA	NA	NA

OSBPs

RECs	Programmes/Projects/Institutions	Status
COMESA	OSBPs	Functional/ Ongoing /Planned
IGAD	NA	NA
EAC	OSBPs	Functional/ Ongoing /Planned
ECCAS	OSBPs	Planned
SADC	OSBPs	Functional/ Ongoing /Planned
ECOWAS	OSBPs	Functional/ Ongoing /Planned
CENSAD	NA	NA
UMA	NA	NA

Trade Facilitation

RECs	Programmes/Projects/Institutions
COMESA	The COMESA Programme to Harmonise SPS measures for a Functional Free Trade Area (FTA) COMESA Regional Procurement Market COMESA Small Scale Trade Facilitation Programme Infrastructure development for small scale cross border trade. Trade in Services
IGAD	NA
EAC	Being implemented within the context of the EAC Customs Union as well as in the implementation of the EAC Common Market Protocol
ECCAS	NA
SADC	SADC Accreditation Service (SADCAS)
ECOWAS	ECOWAS Regional Axle Load Control Supplementary Act
CENSAD	NA
UMA	NA

Investment Promotion

RECs	Programmes/Projects/Institutions
COMESA	COMESA regional investment agreement COMESA Regional investment Agency has been created COMESA has developed a model on Double Taxation Avoidance Agreements COMESA investment for a COMESA Business Council
IGAD	IGAD Business Forum
EAC	Model Investment Code Elaboration of a Charter for Development of SMEs The East African Business Council in place and actively mobilizing East African Business Directory produced regularly
ECCAS	Regional Strategy on investment promotion and establishing a Small and Medium Enterprises (SMEs) Guarantee Fund (planned)
SADC	Protocol on Finance and Investment SADC investment Promotion Agencies CEOs Forum
ECOWAS	Creation of the ECOWAS Common Investment Market (ECIM) Community Investment Code pilot Value Chain Business Incubator for Small Enterprises ECOWAS Business Forum and Awards SMEs Summit

CENSAD	NA
UMA	NA

Agriculture and Food Security

RECs	Programmes/Projects/Institutions
COMESA	The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) COMESA Regional Agro-Inputs Program (COMRAP) Africa Agriculture Markets Program (AAMP) Strengthening Markets and Regional Trade for Food Security (SMART-FS) Biotechnology and Biosafety and Regional Livestock Trade Implementation of CAADP
IGAD	Regional Disaster Risk Management (DRM) The IGAD Food Security Strategy IGAD Livestock Policy Initiative
EAC	EAC Food Security Action Plan (EAC FSAP) EAC Strategy on Prevention and Control of Transboundary and Zoonotic Diseases (2012-2017)
ECCAS	Regional Programme on food security (RPFS-ECCAS) Common Agriculture Policy (CAP-ECCAS)
SADC	Dar Es Salaam Declaration and Action Plan on agriculture and food security SADC Seed Security Network (SSSN)
ECOWAS	ECOWAS Agricultural Policy (ECOWAP) The Regional Charter for Aid, prevention and management of food crises Livestock Development Strategy and Action Plan
CENSAD	NA
UMA	NA

Health

RECs	Programmes/Projects/Institutions
COMESA	Multi-sectoral programme on HIV/AIDS
IGAD	Regional HIV and AIDS Partnership Program (IRAPP)
EAC	HIV and AIDS programme

	The East African Public Health Laboratory Networking Project (EAPHLNP) The East African Integrated Disease Surveillance Network (EAIDSNet)
ECCAS	Establishment of a health information system on HIV / AIDS in Central Africa Implementation of the Brazzaville Declaration
SADC	NA
ECOWAS	Campaign for the elimination of malaria in the ECOWAS region by 2015 West Africa Health Organisation (WAHO)
CENSAD	NA
UMA	NA

Planning, Monitoring and Evaluation Processes

RECs	Long term Vision and Medium term plans	Development strategy/Strategic Plan	Annual report	Reporting and monitoring system
COMESA	No	Five year medium term Plan (2011-2015)	Yes	Yes
IGAD	No		Yes	No
EAC	No	Development strategy (2012-2016)	Yes	Yes
ECCAS	No	No	Yes	No
SADC	Regional Indicative Strategic Development Plan (RISDP)	Action Plans	Yes	Yes
ECOWAS	2020 Vision and Medium-Term Action Plan (MTAP)	2011-2015 Regional Strategic Plan	Yes	Yes
CENSAD	No	No	No	No
UMA	NA	NA	NA	NA

ANNEX II: CAADP Implementation Progress Table, As of June 2012

REC	Countries that have signed Compacts	Dates when Compacts signed	Investment Plan Ready	Investment Plan reviewed	Business Meeting held	Countries got GAFSP money	Grow Africa "first Wave"
COMESA	1. Burundi	24-25 August 2009	Yes	Yes	14-15 March 2012		
	2. Djibouti	19 th April 2012	Yes	Not yet			
	3. Ethiopia	27-28 September 2009	Yes	Yes (Sept 10)	6 th -7 th Dec 2010	Ethiopia	Ethiopia
	4. Kenya	23-24 July 2010	Yes	Yes (6-14 Sept 10)	Yes (27 th Sept 10)		Kenya
	5. Malawi	19 th April 2010	Yes	Yes (10-16 Sept 10)	Yes	Malawi	
	6. Rwanda	30-31 March 2007	Yes	Yes (Dec 2009)	Yes (8-9 Dec 09)	Rwanda	Rwanda
	7. Seychelles	16 th Sept. 2011	In process	pending	pending		
	8. Uganda	3031- March 2010	Yes	Yes (2-10 Sept 10)	Yes (16-17 Sept 10)		
	9. Zambia	18 January 2011	In progress	No	No		
ECOWAS	10. Benin	15-16 October 2009	Yes	Yes (19-25 Sep 10)	Yes 6-7 June 2011		
	11. Burkina Faso	22 nd July 2010	Yes	11-17 September	March 2012		Burkina Faso
	12. Cape Verde	10-11 December 2009	Yes	Yes (19-25 Sep 10)	16-17 Nov 2010		
	13. Gambia	27-28 October 2009	Yes	Yes (19-25 Sep 10)	Yes (4-5 Nov 09)		
	14. Ghana	27-28 October 2009	Yes	Yes (June 10)	Yes (14-17 June 09)		Ghana
	15. Guinea	6-7 April 2010	Yes	Yes (19-25 Sep 10)	No		
	16. Guinea Bissau	17-18 January 2011	Yes	26 May-3 June 2011	No		
	17. Ivory Coast	26-27 th July 2010	Yes	April 2012	No		
	18. Liberia	5-6 October 2009	Yes	Yes (4-9 June 10)	Yes (14-17 June 09)	Liberia	
	19. Mali	12-13 October 2009	Yes	Yes (19-25 Sep 10)	Yes (4-5 Nov 10)		
	20. Niger	29-30 September 2009	Yes	Yes (19-25 Sep 10)	14-15 Dec 2010	Niger	
	21. Nigeria	12-13 October 2009	Yes	Yes (4-9 June 10)	Yes (14-17 June 10)		
	22. Seirra Leone	17-18 September 2009	Yes	Yes (4-9 June 10)	Yes (14-17 June 09)	Sierra Leone	
	23. Senegal	9-10 February 2010	Yes	Yes (4-9 June 10)	Yes (14-17 June 09)		
24. Togo	29-30 July 2009	Yes	Yes (4-9 June 10)	Yes (14-17 June 09)	Togo		
SADC	25. Mozambique	8-9 December	In process	pending	Pending		Mozambique
	26. Swaziland	3-4 March 2010	In process	No	No		
	27. Tanzania	6-8 July 2010	Yes	Yes	Yes		Tanzania
ECCAS	28. Central African republic (CAR)	15 April 2011					
	29. Democratic Republic of Congo (DRC)	18 th March 2011	In process	Pending	pending		
AMU	30. Mauritania	27-28 July 2011	Yes	Yes 5-16 Feb 2012			

Countries expected to sign compacts in 2012

1. South Africa
2. Southern Sudan
3. Algeria

Countries well to advance with pre-compact CAADP implementation

1. Namibia
2. Congo-Brazzaville
3. Cameroon
4. Lesotho
5. Madagascar
6. Sudan
7. Chad

Newly engaging/launching countries

1. Tunisia
2. Botswana

ANNEX III: Road Map for Establishing the Tripartite FTA - January 2011to January 2016: activity matrix

Thematic Area	Activity	Output	Responsibility	Time
Memorandum of Understanding	Signing of MoU establishing the Tripartite	Signed MoU	REC Chairs	By Jan 2011
Policy Organs Meetings to Launch TFTA Negotiations	Meetings of the Tripartite Ministerial Committee, Council and Summit	<ul style="list-style-type: none"> Approve principles, processes and institutional framework; Approve Roadmap with negotiation timeframes; Official launch of the FTA negotiations and Declaration signed Comprehensive publicity campaign initiated 	Member States with assistance of Tripartite Task Force	May-June 2011 On-going
Post-Launch Pre-Negotiations Preparations	Preparatory phase	<ul style="list-style-type: none"> Information exchange, including applied national tariffs and trade data and measures Adopt TORs and rules of procedure Adoption of schedule of negotiations Monitoring and evaluation mechanism established National negotiating positions prepared for core FTA items 	Member States with assistance of Tripartite Task Force	6-12 Months
Negotiations	Commencement and completion of Phase I negotiations	<ul style="list-style-type: none"> Agreement reached on trade in goods 	Member States with assistance of Tripartite Task Force	24-36 months
	Commencement and completion of negotiations on movement of business persons	Agreement reached on movement of businesspersons	Member States with assistance of Tripartite Task Force	24-36 months
	Review of progress in the FTA negotiations on Phase I	Revised roadmap	Ministerial Council	continuous
	Commencement of negotiations of Built-in Agenda under Phase II	Negotiations of Built-in Agenda commenced	Member States with assistance of Tripartite Task Force	After completion of Phase I
Finalisation of FTA Agreement and Entry into Force	Tripartite Summit	FTA Agreement on trade in goods approved by Summit and signed by Member States	Member States	At end of Phase I
Performance Monitoring	Monitoring and Evaluation	Monitoring and evaluation reports considered	Tripartite Council	continuous

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