
AFRICAN UNION



الاتحاد الأفريقي

UNION AFRICAINE

UNIÃO AFRICANA

*ADDIS ABABA, ETHIOPIA P. O. BOX 3243 TELEPHONE 517 700
CABLES: AU, ADDIS ABABA*

STATUS OF INTEGRATION IN AFRICA (SIA)

Second Edition

April 2009

TABLE OF CONTENTS

STATUS OF INTEGRATION IN AFRICA (SIA).....	1
ACKNOWLEDGEMENTS.....	4
1. EXECUTIVE SUMMARY	8
2. INTRODUCTION	11
2.1 Background.....	11
2.2 Methodology.....	13
3. STATUS PER REGIONAL ECONOMIC COMMUNITY.....	14
3.1 ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)	14
3.1.1 Objectives.....	15
3.1.2 Activities and progress	15
3.1.3 Challenges.....	29
3.1.4 Future outlook.....	31
3.2 COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)	32
3.2.1 Objectives of COMESA	32
3.2.2 Activities and progress	32
3.2.3 Challenges.....	43
3.2.4 Future outlook.....	44
3.3 ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES (ECCAS)	45
3.3.1 Objectives of ECCAS.....	46
3.3.2 Activities and progress	49
3.3.3 Challenges.....	54
3.3.4 Future outlook.....	56
3.4 SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)	57
3.4.1 Objectives of SADC	57
3.4.2 Activities and progress	58

3.4.3	Challenges.....	64
3.4.4	Future outlook.....	66
3.5	INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD).....	67
3.5.1	Objectives of IGAD.....	68
3.5.2	Activities and Progress	69
3.5.3	Challenges	82
3.5.4	Future outlook.....	83
3.6	COMMUNITY OF SAHEL-SAHARAN STATES (CEN-SAD)	84
3.6.1	Objectives of CEN-SAD	84
3.6.2	Activities and Progress.....	85
3.6.3	Challenges	93
3.6.4	Future outlook.....	94
3.7.	EAST AFRICAN COMMUNITY (EAC)	96
3.7.1	Objectives.....	99
3.7.2	Activities and Progress	99
3.7.3	Challenges.....	117
3.7.4	Future Outlook	117
4.	COMPARATIVE ANALYSIS OF THE RESULTS ACHIEVED.....	118
4.1	Stages for achieving the African Economic Community(AEC)	118
	STATUS OF REGIONAL ECONOMIC COMMUNITIES.....	120
4.2	Current Status of the Regional Economic Communities.....	121
5.	CONCLUSION AND RECOMMENDATIONS.....	124
	BIBLIOGRAPHY	127

ACKNOWLEDGEMENTS

The Commission would like to thank all the Regional Economic Communities (RECs), colleagues of the African Union Commission and the United Nations Economic Commission for Africa (UNECA) for their invaluable support which made it possible for the team of the Commission to come up with this document.

Focal point:

Islam Swaleh

Email: i_swaleh@yahoo.com

ACRONYMS AND ABBREVIATIONS

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

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

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

1. EXECUTIVE SUMMARY

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

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

3. This report contains information on the activities and progress made by each Regional Economic Community (REC). It underlines the status of each sector which the RECs are pursuing in order to achieve their set objectives. Some of the sectoral programmes carried out by RECs relate to: water, agriculture, energy, and infrastructure. Out of these sectors, some progress has been made to tackle matters pertinent to the region as well as accelerating the overall Regional Integration Process. However, although these sectors are vital for the integration process, the focus and the approach within the RECs differ, as does the implementation of the activities agreed upon. Whilst RECs are implementing their own activities, they also need to focus on a broader continental vision.

4. As per Article six of the Abuja Treaty on the modalities for the establishment of the Community, there are specified activities that have to be implemented in six stages by the Regional Economic Communities recognised by the AU.

5. Overall, the RECs have made some progress in the integration process. However, major efforts are still needed to harmonize their policies. COMESA, ECOWAS, SADC, EAC, and ECCAS have achieved Free Trade Area while IGAD and CENSAD are in the process of having their own. COMESA, ECOWAS and ECCAS had planned to have their own Customs Union by the year 2008, but this has not yet materialised; instead COMESA and ECOWAS are now intending to launch their Customs Union by 2009, while ECCAS in 2010. SADC on the other hand plans to have its Customs Union by 2010. EAC is already in Customs Union and hope to fully implement all programmes to support the Customs Union by 2010, while the remaining RECs are exerting efforts towards the attainment of this goal. However there are certain challenges that hinder the integration process.

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

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

8. The continent's development endeavours are also compounded by numerous challenges, prominent among which are the HIV/AIDS, malaria and tuberculosis pandemics, which pose serious threats to human capital development. The current global economic crisis may also pose its own challenges as well as create opportunities for regional economic integration in Africa. On the one hand, it could spin-off a slow down in trading and economic activities, and adversely affects the revenue of Member States; while on the other hand; it could force African

countries to trade more amongst themselves and engage in higher volume economic transactions with each other, thus facilitating the integration process.

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

2. INTRODUCTION

2.1 BACKGROUND

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

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

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

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

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

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

14. As part of assessing progress in the implementation of Africa's Economic Integration Programme in line with the Treaty establishing the African Economic Community, the African Union Commission (AUC) conducted the first assessment in 2008. The assessment report was presented and discussed during the Third Conference of African Ministers in charge of Integration held in Abidjan, in Cote d'Ivoire from 22 to 23 May, 2008. Further, the report was submitted for adoption by the Assembly of the African Union held in Sharm-El-Sheikh, Egypt, from 30 June to 1 July 2008.

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

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

17. It contains information on the status of implementation of programmes of each REC based on the objectives set by the latter in the following areas: Free Trade Area, Customs Union, Monetary Union and Economic Union. It analyses the progress made in their activities as well as the challenges encountered. Further, it gives an overview of the harmonization process among the RECs, taking into consideration the

challenges facing them. Lastly, it contains recommendations on the way forward.

2.2 METHODOLOGY

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

19. The study was conducted through desk research and field missions. The approach adopted consisted of consultations and discussions held with Regional Economic Communities. The Commission prepared a draft report on the status of each REC, based on the set objectives, which was later on sent to the latter for further updating and inputs.

20. While visiting the RECs, the Commission also held discussions with their various departments and seized the opportunity to discuss the overall RECs activities, progress as well as difficulties and constraints encountered during the implementation of their objectives as well as the Treaty Establishing the African Economic Community. Secondary research was also done through various sources, such as library and some documents related to the activities of each REC. In this respect, the following documents among others were used for secondary research: ARIA I, ARIA II, Abuja Treaty, Rationalisation of the Regional Economic Communities (RECs), Review of the Abuja Treaty and Adoption of Minimum Integration Programme.

21. In terms of coverage, the draft report was transmitted to all RECs recognised by the AU (except AMU). The RECs visited were: COMESA, ECOWAS, ECCAS, SADC, CENSAD, IGAD and EAC.

3. STATUS PER REGIONAL ECONOMIC COMMUNITY

3.1 ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

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

23. In actuality, ECOWAS was an attempt to overcome the isolation of most West African countries following the colonial period, and the period of post-independence nationalism. Less than a year after its founding, the heads of State of Nigeria and Togo proposed a formal defence treaty that resulted two years later in a non-aggression-Pact. This pact entered into force in September 1986. In July of 1991, members agreed to a declaration of political principles, committing them to uphold democracy and the rule of law. Member States includes; Benin, Burkina Faso, Cape Verde, Cote d'ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo.

24. ECOWAS is characterized by the existence in its midst of a bloc of eight countries belonging to the west African Economic and monetary union (UEMOA) and which not only have a common currency, the CFA franc, tied to the Euro, but also a common colonial past with the exception of Guinea Bissau. It enjoys undeniable political recognition from Member States and notable support from Nigeria, which has made considerable effort in the resolution of many regional conflicts. Since its establishment, it has embarked on a diversity of programmes to strengthen the regional economic bases and to improve the mobility of factors between Member States.

25. This, since 1975, Member States decided to set up a Clearing House for West Africa (WACH) intended to resolve problems pertaining to inconvertibility of several national currencies. In 1986, WACH became

the West African Monetary Agency (WAMA), in order to supervise the implementation of the monetary cooperation programme adopted in the framework of the project to create a single ECOWAS monetary zone.

26. The economic crises, which arose in all countries during the 80s, not only paralyzed the monetary compensation mechanism, in particular between UEMOA countries, but also slowed the process of integration.

27. The region experienced positive developments in its economic activities. Its GDP increased from \$216 billion in 2006 to 261.7 billion in 2007. Economic growth also increased from 3.6% in 2002 to 5.6% in 2007. However, as a result of the current triple tragedy (oil, food and financial crisis) facing the global economy, the growth rate is projected to decline to 4.7% in 2009.

3.1.1 OBJECTIVES

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

3.1.2 ACTIVITIES AND PROGRESS

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

3.1.2.1 FINANCIAL INSTITUTIONS

30. For the smooth running of the financial and services transactions, ECOWAS has developed a Bank for Investment and Development (EBID), which took over from the ECOWAS Fund. EBID is the principal financial institution established in 1999 by Member States of the Economic Community of West African states. It is a banking group comprising a holding company EBID and two specialized subsidiaries, ECOWAS Regional Development Fund (ERDF) and ECOWAS Regional Investment Bank (ERIB). EBID's objective is to finance, promote and facilitate economic growth and development within the ECOWAS

Member States. EBID offers a range of financial products and services to business seeking to get involved in viable commercial projects.

3.1.2.2 WEST AFRICAN HEALTH ORGANISATION (WAHO)

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

32. WAHO 's goal is to mobilise adequate resources to improve health indices and achieve better control of major diseases through coordination of health policies, capacity building, research and information management.

33. Similarly, the objective of the West African Health Organisation is to attain the highest possible standard and protection of health of the peoples in the sub-region through the harmonisation of the policies of the Member States, pooling of resources, and cooperation with one another and with others, for a collective and strategic combat against the health problems of the sub-region.

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

3.1.2.3 ECOWAS SPECIALIZED AGENCIES

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

I) WEST AFRICAN MONETARY AGENCY (WAMA)

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

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

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

39. Due to the slow progress in implementing the fast track approach to realising the ECOWAS common currency, the ECOWAS Authority at its summit of June 2007 mandated the ECOWAS Commission to collaborate with other regional institutions to review the current strategy with a view to recommending a single and accelerated approach to achieving the regional common currency. In pursuit of this mandate, the ECOWAS Convergence Council at its meeting in Abuja in November 2008 established an Inter-Institutional Working Group to develop a term of reference for a revised strategy for achieving the single currency initiative. Consistent with the approved terms of reference, a new strategy for achieving the regional common currency is expected to be adopted following a retreat of regional institutions involved in the implementation of the ECOWAS Monetary Cooperation Programme in February 2009 and statutory meeting of the ECOWAS Convergence Council in March 2009.

40. Within the framework of WAMA, it is important to look into what ECOWAS has achieved in its monetary integration prior to its transformation. Below are the progress made by WAMA.

- § WAMA has contributed to sustaining the West African Unit of Account (WAUA), which is an integral part of the sub-regional payment system adopted by member countries to settle financial transactions between them without involving their scarce foreign reserves.
- § WAMA has contributed to the development of an effective payment systems among member Central Banks in West Africa. In this respect, WAMA has been working with the West African Bankers Association (WABA) to harmonize payment systems in the private sector of the sub-regional economies.
- § WAMA has contributed to the establishment and monitoring of the Second Monetary Zone, that is expected to launch a Common Currency for the non-UEMOA member countries of ECOWAS by December 2009
- § WAMA, in collaboration with the ECOWAS Commission, is also spearheading the implementation and monitoring of the ECOWAS Monetary Cooperation Programme that provides the framework for the realisation of the ECOWAS Single Currency Initiative. .
- § WAMA is also coordinating the Harmonization of Policies on Exchange Rates, Banking Laws, Statistics and Payment Systems in the sub-region.

II) WEST AFRICAN MONETARY INSTITUTE (WAMI)

41. Member States of the WAMI are the Gambia, Ghana, Guinea Nigeria and Sierra Leone. Liberia (also a member of ECOWAS) has expressed interest in joining. WAMI was set up in 2001 in order to facilitate the creation of the common Central Bank and the introduction of a common currency among the participating Member States.

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

43. ECOWAS Commission collaborates with the WAMI in monitoring the effective implementation of the Second West African Monetary Zone (WAMZ) through participation in evaluation meetings such as the ones organised in Freetown from 16 to 19 June 2008 and in Banjul from 2 to 7 November 2008. Although progress towards convergence by the Member States remains mixed, WAMI has been mandated to undertake an assessment and feasibility study on the state of preparedness for the launching of the WAMZ by 2009.

44. The West African Monetary Zone (WAMZ) is a group of 5 countries in ECOWAS that plan to introduce a common currency, the Eco, for the five member countries of the West African Monetary Zone (WAMZ), by December 2009. The 5 Member States are Gambia, Ghana, Guinea, Nigeria and Sierra Leone. Liberia (also a member of ECOWAS), has expressed an interest in joining and is currently on an observer status.

45. All five states signed the 2000 Accra Declaration for the creation of the second monetary zone, agreeing to reform their economies to meet specific convergence targets prior to the introduction of the Eco. It is planned that the Eco would circulate simultaneously with the CFA Franc, with the ultimate goal of creating a single monetary zone for the entire Community. Both Liberia and Cape Verde have shown interest in becoming members of the WAMZ.

III) WATER RESOURCES COORDINATION UNIT (WRCU)

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

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

a regional approach to the energy crisis aimed at taking advantage of natural gas from the West Africa Gas Pipeline to establish sub-regional Power Parks with 'Free Zone Status' with a total capacity of 950MW. Within the framework of the WAPP Programme, ECOWAS Member States adopted the concept of establishing Regional Regulatory Body (RRB) which aims at fostering open and transparent cross-border electricity exchanges within the ECOWAS region.

3.1.2.4 ENERGY

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

i) West Africa Gas Pipeline Project (WAGP)

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

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

151. In February 2000, an Inter-Governmental Agreement was signed. The WAGP implementation agreement was signed in 2003. The construction started in 2005 and the Project has been fully completed with about 70% of the on-shore installations in situ. Measures have also been taken to by-pass the Lagos Beach Compression Station in the meantime and that the pipeline is now ready for the free flow of gas. A

feasibility study is underway for the extension of the project to Cote d'Ivoire and the oil and gas discovery in Ghana adds further impetus to the project. The offshore activities, including the laying of the pipeline have been completed. Another important step for the development of the gas sector was undertaken in 2008 by forging a technical cooperation with the Government of Trinidad and Tobago in the oil and gas sector.

ii) West Africa Power Pool

52. The Authority of ECOWAS Heads of State and Government established the West African Power Pool (WAPP) organisation that became functional in February 2006, to provide a mechanism and institutional framework for integrating the national power systems of member countries. This is to help meet the energy needs of ECOWAS member countries by providing reliable and sustainable electricity supply for economic development. The Business Plan of the WAPP, as adopted by its General Assembly in 2006, defines the implementation strategy that would be employed by the WAPP in realising an infrastructure programme up to the Year 2020 of approximately US\$ 16 billion and this should result in a regional electricity market. The infrastructure programme represents the implementation of approximately 5,500 kilometres of high voltage transmission lines interconnecting all the national power utilities of ECOWAS Member States coupled with an injection of about 10,000 Megawatts of new capacity to be realised within the period.

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

currently being developed with the concerned countries and institutional partners.

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

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

56. The WAPP is working in close association with the OMVG to conclude the fund mobilisation for the OMVG Energy Programme to interconnect the Gambia, Guinea, Guinea Bissau and Senegal while additional hydropower capacity is in the process of being installed for the already interconnected states of Mali, Mauritania and Senegal. In addition, medium voltage Cross Border Electrification Project targeted at communities in the rural, peri-urban areas and remote islands estimated at €3.6 million for Ghana – Togo, €1.5 million for Ghana – Burkina Faso, and €9.6 million for Cote d'Ivoire – Liberia are under implementation while funding is being sourced for those between Senegal – The Gambia and Senegal Guinea Bissau.

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

iii) West Africa Power Sector Regulation Project

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

iv) Regional Energy Access Program

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

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

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

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

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

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

already bought into the project and requested that assistance be extended to them even before the completion of the pilot phase.

3.1.2.5 PEACE AND SECURITY

65. The security situation in the region has witnessed some positive change since the beginning of 2008 notably Côte d'Ivoire. However developments in the Northern Mali and Northern Niger is still a source of concern that ECOWAS is subjected to assist in close collaboration with the Countries affected in order to come up with the lasting solution to this crisis.

3.1.2.6 HIV/AIDS PREVENTION

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

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

3.1.2.7 SCIENCE AND TECHNOLOGY

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

state of Science and Technology in each Member States through designated focal persons and Civil Society.

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

3.1.2.8 FREE MOVEMENT OF PERSONS

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

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

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

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

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

74. In agricultural development, ECOWAS prioritised mainly in two action areas, in the year 2008. These are: continued implementation of the activities programmed in the 2005-2010 action plan for implementation of ECOWAS Agriculture Policy (ECOWAP) and the Comprehensive Africa Agricultural Development Programme of the New Partnership for Africa's Development (CAADP-NEPAD); and formulation of the Agricultural Investment Programme to operationalise ECOWAP and CAADP-NEPAD.

3.1.2.9 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

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

76. The establishment of the FTA involves a mechanism of compensating loss of revenue by the Member States due to removal of tariff on the intra-community trade. The duration of the financial compensation arrangement period was set to last four years with effect from 1st January, 2004. The amounts to compensate depend on the loss of customs revenue incurred by a State arising from importing approved origin industrial products. They depend on discounted rates as follows: (i) 100% decrease incurred in 2004; (ii) 80% decrease incurred in 2005; (iii) 60% decrease incurred in 2006; (iv) 30% decrease incurred in 2007; and (v) 0% depreciation incurred with effect from 1st January 2008. The

functioning of this mechanism is, however, mitigated because the compensation budget depends on payment of State contributions.

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

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

79. The ECOWAS traveller's check was officially launched on 30 October 1998 during the 21st Summit of the Heads of State and Government and managed by the Monetary West African Agency to facilitate trade and payment of regional transactions within the community. Transport facilitation programs and inter-States road transit are ongoing at the community level. As far as physical integration is concerned, ECOWAS has developed various sector programs in transport, energy and telecommunications infrastructure. It has also taken considerable initiatives to encourage the development of the private sector.

3.1.3 CHALLENGES

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

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

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

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

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

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

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

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

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

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

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

91. Ultimately, ECOWAS is expected to fit into the African Economic Community as envisaged by the Abuja Treaty. The aims of that Treaty

fits very much into those of ECOWAS except that it seeks to extend the integration to the entire African continent.

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

3.1.4 FUTURE OUTLOOK

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

94. Five ECOWAS Anglophone-members, the Gambia, Ghana, Guinea, Nigeria and Sierra Leone, have proposed setting up a second West African Monetary Zone (WAMZ) in December 2009 and launching a new (common currency, the Eco). ECOWAS facilitated the establishment of a Task Force for the realisation of the regional common currency. The Task Force consists of senior officials of the ECOWAS Commission, WAMA, WAMI, UEMOA Commission and the Central Banks in the region. It has been mandated to identify a strategy for the attainment of monetary unification in the region leading to a single currency of ECOWAS by March 2009.

3.2. COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)

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

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

3.2.1. OBJECTIVES OF COMESA

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

3.2.2 ACTIVITIES AND PROGRESS

3.2.2.1 COMESA’S FOCAL AREAS OF INTEGRATION

98. COMESA’s focal areas of integration are; Trade in goods and services, Monetary integration, including payments and settlement arrangements; Investment promotion and facilitation; Infrastructure

development (Air, road, rail, maritime and inland transport, ICT; Energy etc); Electronic commerce; and Peace and security.

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

- (a) A full free trade area guaranteeing the free movement of goods and services produced within COMESA and the removal of all tariffs and non-tariff barriers;
- (b) A customs union in which goods and services imported from non-COMESA countries will attract an agreed single tariff in all COMESA States;
- (c) Free movement of capital and investment supported by the adoption of a common investment area so as to create a more favourable investment climate for the COMESA region;
- (d) A gradual establishment of a payment union based on the COMESA Clearing House and the eventual establishment of a common monetary union with a common currency; and
- (e) The adoption of common visa arrangements, including the right of establishment leading eventually to the free movement of bona fide persons.

3.2.2.2 INTRA COMESA TRADE

99. Intra COMESA trade grew by 35 percent in 2007 over 2006 levels, a dramatic swell compared to the 8 percent increase of 2006 over 2005 levels. Overall intra-COMESA trade has continued to grow in both exports and imports, with 2007 levels reaching a US\$ 9 billion mark as depicted in Table 1 and Figure 1 below. This high percentage growth is partly attributed to the increased demand for intra regional products in countries such as Zimbabwe (522% intra import growth), Burundi (157% intra import growth), Democratic Republic of Congo (90% intra import growth) and Kenya (76% intra import growth)

Table 1: Intra-COMESA Trade 1997 to 2007 Values in US\$ Millions

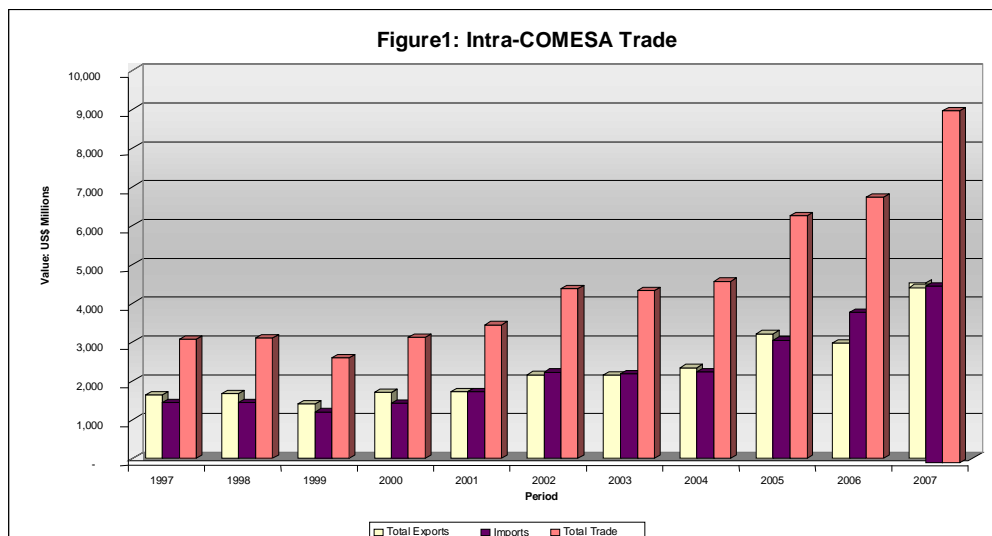
IMPEXP	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Exports	1,505	1,571	1,380	1,497	1,319	1,882	1,670	1,804	2,583	2,702	3,950
Re-Exports	128	97	21	200	400	267	475	531	625	268	570

Total Exports	1,632	1,669	1,401	1,697	1,719	2,149	2,145	2,335	3,208	2,970	4,520
Imports	1,434	1,437	1,192	1,419	1,718	2,218	2,173	2,223	3,046	3,757	4,553
Total Trade	3,066	3,106	2,593	3,116	3,437	4,368	4,318	4,558	6,254	6,728	9,074

Source: COMSTAT Database

Note: Total Exports = Domestic Exports + Re-Exports

Source: COMSTAT Database.



100. The percentage of intra-COMESA trade to total COMESA trade has remained low on average at 4 percent for the last 4 years. This in part can be attributed to the fact that third country trade consist of raw material exports some of which have had significant price increases in recent year. Hence this surge in third country exports potentially implies a lower intra COMESA trade to total trade ratio.

3.2.2.3 THE COMESA CUSTOMS UNION

101. The focus of COMESA in year 2009 is the launch of the Customs Union which will lead the region to the creation of a Common Market. To that end, COMESA has developed a number of market oriented programmes. Of cardinal importance is the development of an export led strategy which focuses on supply chains and value creation.

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

103. The structure of the Common External Tariff, that is, substantially the same duties to be applied by each of the members to the trade of territories not included in the region have been agreed to. What is now left is the harmonisation of other regulations of commerce, the schedule of national tariff alignments to the Common External Tariff, conclusion of sensitive products lists and implementation modalities for the seven principles of the Customs Union that have already been agreed to by Council.

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

- I. Trade liberalization and Customs co-operation, in this respect a Free Trade Area covering 14 States.
- II. A robust programme for the elimination of Non Tariffs Barriers (NTBS) consisting of organisational structures at the regional and national levels involving institutional systems and modalities.
- III. Trade in Services: A draft policy framework on liberalization of services has been prepared and is awaiting finalization, to facilitate trade in services like air transport, motor vehicle insurance, insurance, shipping and roads as well as a regional system of guarantee;
- IV. Implementing a unified computerized Customs network across the region among others.
- V. Regional Competition Policy; COMESA has established a regional competition commission to implement competition policy.

- VI. The harmonization of macro-economic policies throughout the region and monetary cooperation, including payments and settlement systems. COMESA Member States are currently implementing Monetary Harmonization Programmes with a view to achieving limited convertibility
- VII. Investment promotion and facilitation.
- VIII. Infrastructure development (Air, road, rail, maritime and inland transport, ICT; energy etc); and peace and security. COMESA is actively working with NEPAD and ADB on infrastructure development
- IX. Transport facilitation and communications to ease the movement of goods and people and provision of services between and among the countries. In the sector of telecommunications, special emphasis has been placed on network development to enable direct telecommunication links through more reliable infrastructure in order to avoid third country transit systems, which prove to be very costly. Policy and regulatory harmonisation has also been given high priority in order to develop an appropriate environment and build capacity to manage a liberalized ICT environment.
- X. Transit facilitation; COMESA is implementing a number of instruments in order to facilitate integration. These include, axle load limits, gross vehicle weights, harmonized road user charges, carrier licenses, regional customs transit guarantee (RCTG) among others. The RCTG once fully operational will save the COMESA region \$300-500 Million annually. As a result of COMESA traffic facilitation measures, transport costs have been reduced by a factor of about 25% and efforts are underway to reduce them further.
- XI. Creating an enabling environment and legal framework. This will encourage the growth of the private sector, the establishment of a secure investment environment, and the adoption of common sets of standards.
- XII. Promotion of peace and security in the region.
- XIII. Agriculture and food security: In the sector of Agriculture, COMESA is implementing several programmes with the view to increasing agricultural productivity of the region. COMESA is a key player in the implementation of Comprehensive Africa Agriculture Development Programme (CAADP) and that it is implementing various projects under CAADP to address trade in agricultural products, sanitary and phytosanitary (SPS) issues, improving the livelihood of pastoralists etc.

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

3.2.2.4 INSTITUTIONS

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

Among the important institutions established by COMESA are;

- The PTA Bank

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

- COMESA Clearing House
-

107. Numbers of decisions have been taken to make the COMESA Clearing House more responsive to the current needs of Member States, especially the private sector, including the introduction of payments system. The COMESA Clearing House has been mandated to implement a system to facilitate cross-border payment and settlement between Central Banks in the COMESA region. The Clearing House is currently putting in place a new system of multilateral regional payment system known as REPSS and the PTA bank.

- The Re-Insurance Company (ZEP-RE)

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

August 1996. This shows the great business potential of the COMESA region in terms of RE-Insurance.

109. With regard to Investment, COMESA was declared to be a single investment area and that an Investment Agency is established to promote investment. The ZEP-RE and African Trade Insurance (PTA) are providing useful services to the region

- The COMESA Leather and Leather Products Institute (LLPI)

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

111. It has also designed and executed several projects to help Member States develop their sectors. It is currently implementing a project on Adding Value to African Leather (AVAL) in Ethiopia, Kenya, Sudan and Zimbabwe. The Institute is playing an important role in developing the leather industry in COMESA Member States.

- The African Trade Insurance Agency (ATI)

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

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

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

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

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

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

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

3.2.2.5 COOPERATION WITH OTHER REGIONAL ORGANIZATIONS

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

119. COMESA has good working relations, both formally and informally, with all of these regional organizations. Memorandum of Understanding has been signed with EAC, IGAD and IOC such that these organizations

have agreed to adopt and implement the COMESA trade liberalization and facilitation programme.

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

3.2.2.6 FREE MOVEMENT OF PERSONS

121. COMESA has made great progress in free movement of persons to the extent that visa problems are treated with a lot of flexibility for residents of the community. In this regard, a protocol on gradual relaxation of visa requirement is being implemented and several Member States are currently giving visas to citizens of other COMESA countries on arrival at the airport.

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

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

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

124. The Visa Protocol was concluded by the Member States as part of the need of creating conditions favourable to achieving the integration objectives set out by the Member States, and the promotion of physical cohesion of their territories through the facilitation of greater movement of their nationals within the PTA/COMESA. Secondly, the Member

States recognized that the PTA was intended to be a first step towards the establishment of a Common Market and eventually of an Economic Community for Eastern and Southern African States as was provided under Article 29 of the PTA Treaty.

3.2.2.7 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

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

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

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

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

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

129. With regard to the Free Movement of Persons, the aim is the adoption of common visa arrangements, including the right of establishment leading eventually to the free movement of bona fide persons. Chiefs of Immigration Officers of COMESA started to put together a mechanism to facilitate movement of COMESA citizens. A key issue studied was the harmonization of visas so that by 2014 there can

be total free movement of people as well as freedom of residence and establishment within COMESA.

The COMESA timetable for free movement of people leading to right of establishment and residence is as follows:

- 2000-2002: Gradual removal of visa requirements
- 2002-2006: Movement of skilled labour and movement of services
- 2006-2010: Right of establishment
- 2014: Right of residence (20 years from date of entry of COMESA Treaty)

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

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

3.2.3 CHALLENGES

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

132. Specific challenges arising from programme implementation include;

- a. Accession of all Member States to the FTA prior to the launch of the COMESA Customs Union;
- b. Finalization of the regional framework on trade in services.
- c. Full implementation of the COMESA trade and transit transport facilitation instruments so as to enhance movement of transit and cross-border traffic. There is also a need to establish a seamless rail transportation system in the COMESA sub region.
- d. Establishment of the Joint Competition Authority in order to implement the Joint Air Transport Competition Regulations by the responsible Ministers of COMESA, Southern African Development Community (SADC) and East African Community (EAC).
- e. Acceleration of establishing a COMESA Monetary Institute, which would undertake necessary preparatory work leading to the creation of a COMESA Monetary Union in the zone. In this case, COMESA Clearing House needs to accelerate the establishment of the Regional Payment and Settlement System (REPS) in order to become operational.
- f. Signature and ratification of the Protocol of free movement of Persons labour, services, and the right to settlement by at least seven Member States so that it can become effective. Since the adoption of the protocol by Heads of State and Government in May 2001, only few Countries signed it.
- g. Implementation of the Joint COMESA, EAC, and SADC Tripartite Summit decisions in respect to harmonisation of Projects and Programmes of the three RECs.

3.2.4 FUTURE OUTLOOK

133. As per the Abuja Treaty, COMESA is in the process of establishing the Customs Union in the 2009 which will usher in a large economic space providing a level playing field for all producers and exporters in the region. The Customs Union will be an added milestone to the other Integration achievements of COMESA. However following the launch of the Tripartite Arrangement of COMESA/EAC/SADC in October 2008 it is expected that over the next few years COMESA will also work with the two sister RECs to establish a larger Free Trade Area and work towards convergence of the Customs Union covering 26 African Union States.

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

3.3 . ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES (ECCAS)

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

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

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

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

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

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

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

3.3.1 OBJECTIVES OF ECCAS

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

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

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

§ to develop physical, economic and monetary integration;

§ to develop a culture of human integration; and

§ to establish an autonomous financing mechanism for ECCAS

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

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

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

§ The Defence and Security Commission (CDS), which is the meeting of chiefs of staff of national armies and commanders-in-chief of police and gendarmerie forces from the different Member States. Its role is to plan,

organize and provide advice to the decision-making bodies of the community in order to initiate military operations if needed.

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

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

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

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

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

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

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

150. The specialized institutions include the Central African Power Pool (CAPP); which was set up in 2003, with an Objective of Organizing and managing an electric power market to satisfy all power demands in Central Africa through an interconnected electric network. Activities

undertaken so far are: Administrative and physical installation of CAPP and preparation of additional legal management texts, Preparation of final report of preliminary study on master plan for establishment of an electric power market in Central Africa by 2025, Identification of priority integrating projects (PIP) and projects of the Pilot Cross-border Electrification Programme (PPET); preparation of data sheets and terms of reference for studies on the said projects, Production of communication documents and the Action Plan 2006-2010 and activities for CAPP capacity building.

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

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

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

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

3.3.2 ACTIVITIES AND PROGRESS

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

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

3.3.2.1 PROMOTING PEACE AND SECURITY IN THE REGION

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

157. The Committee's major goal is to promote peace, security and stability in the central African region through preventive diplomacy, peace-building, peacemaking and peace-keeping, which includes the training of military and security personnel of Member States in the areas of good governance and peace operations.

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

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

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

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

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

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

163. The Committee meets twice a year at ministerial level to review political and security developments in the region and also organizes, annually, conferences, seminars and training workshops aimed at attaining its objective. While its two ministerial meetings are funded from the regular budget of the United Nations, the other activities are funded primarily from voluntary contributions from Member States, international donors, foundations, NGOs and private individuals.

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

3.3.2.3 PRIVATE SECTOR INVOLVEMENT

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

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

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

3.3.2.4 ENERGY

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

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

3.3.2.5 INFORMATION AND COMMUNICATION TECHNOLOGY

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

171. In this regard, it requested and obtained from UNECA the necessary technical and financial support for the working out of the strategy for the development of ICT for Central Africa. Community sub programmes on infrastructures, wide-band networks, interconnection, capacity building, harmonization of policies and statutory frameworks are being worked out. It is also envisaged to set up a body in charge of the

evaluation and monitoring of the impact of the implementation of those various programmes on the development of the Community. The implementation of various ICT programmes requires financing that ECCAS wishes to obtain from its partners. In this regard, ECCAS need partners to support implementation of its programmes.

3.3.2.6 AGRICULTURE AND AGRO-BASED INDUSTRY

172. ECCAS developed a Regional Food Security Programme known as PRSA and is also working for the establishment of a Common Agricultural Policy. The promotion of initiatives for private sector and partnership for small and medium-sized units for the processing of agricultural produce is one of the programmes adopted within the framework of ECCAS Regional Food Security Programme (PRSA).

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

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

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

3.3.2.7 HEALTH (FIGHT AGAINST HIV/AIDS)

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

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

3.3.2.8 FREE MOVEMENT OF PERSONS

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

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

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

180. Concerning free movement of persons, there has been very little progress. However, between some countries of the ECCAS region

movement is relatively fluid. No significant progress has been made on the ground.

3.3.2.9 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

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

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

183. A Convention on cooperation and legal aid has been concluded and its adoption by the Assembly of Heads of State and Government is the last of the measures required for the implementation of free movement of persons from January 2007.

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

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

3.3.3 CHALLENGES

186. ECCAS, like other Regional Economic Communities is facing some challenges which among others, are the need to speed up its harmonization on common external tariff, with a view to achieving a customs union in the year 2008 which could did take place due to lack of

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

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

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

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

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

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

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

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

3.3.4 FUTURE OUTLOOK

193. ECCAS is intending to have its customs union by the year 2010.

3.4. SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

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

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

3.4.1 OBJECTIVES OF SADC

196. The objectives of SADC are to:

§ Achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of the people of Southern Africa and support the socially disadvantaged through regional integration;

§ Evolve common political values systems and institutions; Promote and defend peace and security;

§ Promote self-sustaining development on the basis of collective self-reliance, and the interdependence of Member States;

§ Achieve complementarity between national and regional strategies and programmes;

§ Promote and maximise productive employment and utilisation of resources of the Region;

§ Achieve sustainable utilisation of natural resources and effective protection of the environment;

§ Strengthen and consolidate the long-standing historical, social and cultural affinities and links among the people of the Region

3.4.2 ACTIVITIES AND PROGRESS

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

3.4.2.1 FREE TRADE AREA (FTA)

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

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

3.4.2.2 INFRASTRUCTURE AND SERVICES

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

201. However, short term measures to address the current power crisis may help to minimize the difficulties in this area. These include the projected supply of additional 400 mega Watts from Hidroeletrica de Cabora Bassa, and the rehabilitation of other generation units in Botswana, Democratic Republic of Congo, Republic of South Africa,

Zambia and Zimbabwe. Which may provide 1 700 Mega Watts during 2008/09.

3.4.2.3 ENERGY

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

203. The region is guided by two basic policy documents, namely, the Regional Indicative Strategic Development Plan (RISDP) and the SADC Energy Activity Plan. Regarding Power Conservation Programme, given the challenge of power shortages, against a backdrop of non availability of additional power, optimization of energy has to be implemented as a matter of necessity. To this end, the SADC region is implementing the following measures:

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

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

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

3.4.2.4 COMMUNICATION AND METEOROLOGY

204. The availability of communications networks characterized by a high degree of integration and interconnectivity is a guarantee for intra-regional, interregional trade. Communications services including the advent of advanced services are without doubt critical for remote business transactions including e-commerce, which would facilitate trade

within the region and beyond. The use of communications and more recently information communications technologies (ICT) has gained prominence and importance as an integrating tool for the continent and also in promoting the socio economic development of the region.

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

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

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

3.4.2.5 WATER

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

- (i) Development and Testing of Groundwater Drought Management Plan for the Limpopo River Basin Pilot Areas (signed in February 2008);

- (ii) Regional Groundwater Drought Management Support in SADC; and
- (iii) Identification and Establishment of the Groundwater Management Institute of Southern Africa (GMISA). The Ground Water Institute of Southern Africa shall be hosted by South Africa.

3.4.2.6 TOURISM

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

3.4.2.7 FOOD, AGRICULTURE AND NATURAL RESOURCES (FANR)

210. SADC is continuing with the monitoring and implementation of the Dar es Salaam Declaration and Action Plan on agriculture and food security as well as the RISDP priorities on food security and natural resources. Further, it has concluded phase one of the SADC Seed Security Network (SSSN) in March 2007 which intends to facilitate the creation of a regional seed market. In addition, it has developed and mobilized resources from the Swiss Government for phase two of this project which will facilitate the implementation of the harmonized seed system in all SADC Member States.

3.4.2.8 HEALTH

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

countries involved in LSDI. At the regional level, a SADC Malaria Elimination Plan was developed to complement efforts undertaken by Member States.

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

3.4.2.9 HIV AND AIDS

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

3.4.2.10 FREE MOVEMENT OF PERSONS

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

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

- The right to settlement consists of a permit given to a citizen of another member country by a member state in conformity to its national legislation to undertake an economic activity or a profession, either as a salaried person or as an investor.
- Member States are currently required to conclude bilateral Visa Exemption Agreements for SADC citizens by the end of 2009. In case of non-compliance, Member States are required to submit status reports to Council in the first quarter of 2009 giving reasons for non-compliance and the assistance they need for compliance.

3.4.2.11 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

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

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

- A draft protocol on trade and service; a protocol on free movement of people, goods, Capital and services,
- Regional qualifications frameworks, harmonisation of education systems in the region in order to facilitate free movement of people and man power.

3.4.3 CHALLENGES

216. Customs union that SADC plans in the year 2010 could possess a challenge that SADC need to have a strategy in order to accomplish it on time. Within SADC there is also SACU, which is at an advanced stage of integration. There is a need to get all the SADC Member States to the level of that customs union. Some SADC Member States are also members of COMESA, which plans to have its own customs union in the year 2009. Member States cannot be part of two customs unions at the same time. This contravenes Member States belonging to the same RECs (SADC and COMESA); therefore Member States would have to join only one custom union which could possess a challenge for both COMESA and SADC to convince. Therefore there is a need for both RECs to share their formulation and see how they could merge and make the integration process moves forward.

217. With SACU already existing, the EAC having adopted a Common External Tariff (CET) in 2005 and Common Market for Eastern and Southern Africa (COMESA) also in the process of establishing its Customs Union in the year 2009, SADC Member States need to assess the impact of multiple memberships and decide on the best approach to proceed.

218. The tripartite Summit between SADC, COMESA and EAC is the right step towards covering the overlapping of memberships for Member states belonging to different RECs.

219. A coordinated regional and continental wide approach to infrastructure financing, institutional harmonisation and policy coordination needs to be pursued to ensure that the benefits and opportunities accruing from preferential access are optimised. This can be achieved within the overarching framework of the NEPAD initiative. Improving the transport infrastructure on the continent is critical to enhancing trade.

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

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

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

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

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

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

3.4.4 FUTURE OUTLOOK

226. SADC has strategic objectives that amongst others are:

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

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

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

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

227. Towards a common market, SADC is in the process of drafting a Competition Policy Model suitable for SADC. According to the road map the harmonisation framework would be in place by 2009 for implementation by 2010. The objective is to create conditions which allow markets to function competitively for the benefit of consumers and businesses. Competition policy ensures that there is undistorted competition, in particular by removing and preventing States and private barriers to competition.

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

3.5 INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD)

229. The Intergovernmental Authority on Development (IGAD), in Eastern Africa was created in 1996 to supersede the Intergovernmental Authority on Drought and Development (IGADD) that was founded in 1986.

230. In 1983 and 1984, six countries in the Horn of Africa - Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda - took action through the United Nations to establish an intergovernmental body for development and drought control in their region. The Assembly of Heads of State and Government met in Djibouti in January 1986 to sign the Agreement, which officially launched IGADD with its Headquarters in Djibouti.

231. The recurring and severe droughts and other natural disasters between 1974 and 1984 caused widespread famine, ecological degradation and economic hardship in the Eastern African region. Although individual countries made substantial efforts to cope with the situation and received generous support from the international community, the magnitude and extent of the problem argued strongly for a regional approach to supplement national efforts.

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

233. The Revitalised IGAD with expanded areas of regional cooperation and a new organisational structure was launched by the IGAD Assembly of Heads of State and Government on 25 November 1996 in Djibouti, the Republic of Djibouti.

234. With the exception of Djibouti, agriculture is the mainstay of the economies of the IGAD Countries contributing over 30% to the total GDP. Over 80% of the population are rural dependent on smallholder agriculture for their livelihood. The agriculture and environment priority areas are: agriculture, livestock and food security, natural resources and

energy, environment and protection and dry land agricultural research and technology.

235. In July 2008, IGAD Secretariat joined COMESA, EAC, SADC and IOC and drew up a joint regional programme to increase food production in face of the cut-back in food exports by the major food producers and the escalating food process.

3.5.1 OBJECTIVES OF IGAD

236. The main objectives of IGAD are as follows:

- § Promote joint development strategies and gradually harmonize macro-economic policies and programmes in the social, technological and scientific fields;
- § Harmonize policies with regard to trade, customs, transport, communications, agriculture, and natural resources, and promote free movement of goods, services, and people within the region.
- § Create an enabling environment for foreign, cross-border and domestic trade and investment;
- § Achieve regional food security and encourage and assist efforts of Member States to collectively combat drought and other natural and man-made disasters and their natural consequences;
- § Initiate and promote programmes and projects to achieve regional food security and sustainable development of natural resources and environment protection, and encourage and assist efforts of Member States to collectively combat drought and other natural and man-made disasters and their consequences;
- § Develop and improve a coordinated and complementary infrastructure, in the areas of transport, telecommunications and energy in the region;
- § Promote peace and stability in the region and create mechanisms within the region for the prevention, management and resolution of inter-State and intra-State conflicts through dialogue;
- § Mobilize resources for the implementation of emergency, short-term, medium-term and long-term programmes within the framework of regional cooperation;

- § Promote and realize the objectives of the Common Market for Eastern and Southern Africa (COMESA) and the African Economic Community;
- § Facilitate, promote and strengthen cooperation in research development and application in science and technology.

3.5.2 ACTIVITIES AND PROGRESS

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

3.5.2.1 CONFLICT EARLY WARNING AND RESPONSE MECHANISM (CEWARN)

238. The conflict Early Warning and Response Mechanism (CEWARN) is an initiative of the Inter-governmental Authority on Development (IGAD), designed to serve the region as a mechanism that systematically anticipates and responds to violent conflicts in a timely and effective manner. A conflict Early Warning System (CEWAN) relays information, on a daily basis on the possible point of conflict for preventive or mitigating measures to be taken.

239. IGAD's decision to establish CEWARN at its 8th Summit in 2000 followed from its revitalization in 1996 and the expansion of its mandate to cover Peace and Security as well as broader development issues. It was also based on IGAD's realization that timely intervention to prevent the escalation or to mitigate the worst effects of violent conflicts is more effective and would also prove much cheaper both in terms of human and material resources than dealing with full-blown crises.

240. The Protocol establishing CEWARN was signed by the Council of Ministers of IGAD in January 2002 and entered into force in August 2003. The CEWARN office was officially opened in Addis in June 2003.

CEWARN's vision is embodied in the tagline; stakeholders empowered to prevent violent conflicts. Accordingly, its mission is to establish itself as an effective and sustainable sub-regional mechanism that undertakes conflict Early Warning and Early Response and fosters cooperation among relevant stakeholders in order to respond to potential and actual violent conflicts in the region in a timely manner.

241. 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.

242. 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).

243. CEWARN has established itself as a sub-regional mechanism with the most developed data-based regional Early Warning System in Africa. It has developed an effective state-of-the-art field monitoring and data analysis tool. It has conducted capacity building for Conflict Prevention, Management and Response (CPMR) in the region through skill training of stakeholders at various levels.

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

245. It recognizes, however, that there exist gaps in its early years of operationalization including the lack of an effective response component for the mechanism and the need to expand its information base and areas of reporting to cover all Member States.

246. In this regard, CEWARN developed a five-year strategy (2007-2011) to fill in these gaps and be able to play its role as an effective and sustainable sub-regional mechanism for Conflict Early Warning and Early Response.

3.5.2.2 GENDER AFFAIRS

247. Within the Framework of IGAD Strategy, the secretariat has developed the Gender Policy/Strategy Document outlining what will be achieved in the coming years. The Gender Mainstreaming is one of the main areas of IGAD priorities. Implementation of the IGAD gender policy such as gender mainstreaming in all IGAD priority areas, violence against women, empowerment and elimination of all forms of discrimination are some of the activities that IGAD intends to achieve. It has ensured the participation of women in the Somalia National Reconciliation Conference and on the Sudan Peace Process. The major milestone for IGAD in this area is the signing of the various Peace Protocols. In these two processes women have played a central role.

3.5.2.3 ENVIRONMENT

§ Natural Resources

248. In shared water resources, a number of projects and programmes are under formulation. IGAD is also implementing the water-harvesting project in Kenya, Uganda and Sudan where the water could be used during the dry spell periods to boost food security. Programmes are currently being developed for food storage facilities to boost food security.

§ Early Warning Systems

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

§ IGAD Climate Prediction and Application Centre (ICPAC)

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

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

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

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

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

254. Its Operational activities include:

- § Development and achieving of regional and national quality controlled databanks. Calibration of satellite derived climate records
- § Data processing including development of basic climatological statistics.
- § Timely acquisition of near real time climate and remotely sensed data.

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

§ Monitoring of past climate

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

256. These products are disseminated to all National Meteorological and Hydrological Services of the participating countries to serve as early warning information to a variety of sectoral users of meteorological information and products including policy makers, planners, health, ,

agricultural and water resource sectors, farmers as well as research institutions among others.

§ Implementation of IGAD Sub-regional Action Programme (IGAD-SRAP) in the context of the UNCCD

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

258. The United Nations Convention to Combat Desertification (UNCCD) is one of the most significant achievements emanating from the 1992 United Nations Conference on Environment and Development (UNCED). Its aims are to combat desertification and mitigate the effects of drought through effective interventions at all levels, supported by international co-operation and partnership arrangements in the fields of technology transfer, information collection and dissemination, scientific research and development as well as mobilization of financial resources. Complimentary National, Sub-regional and Regional Action Programmes have been developed and are being implemented to fight the scourge of desertification in Africa and worldwide as called for in the Convention.

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

260. In 2006, several activities were undertaken to consolidate the direction and activities of the SSF and implementation of the UNCCD in the sub-region. These include:

- (i) Support to the implementation of the SRAP and NAPs;
- (ii) Community Exchange and Training Project (CETP); Ps.
- (iii) Strengthened IGAD SSF Partnership base.

261. A major strength of IGAD is the large and diverse population in the Region and the political commitment of the leadership of the Member Countries towards the idea of regional cooperation.

262. Despite prevailing bilateral differences between some Member States, there is a positive commitment towards IGAD as an institution. This can be exemplified by the regular participation of all countries in the meetings of the IGAD policy organs, financial contributions paid for the up-keep of the Secretariat and the establishment of highly political instruments such as CEWARN, which has implications for the individual states. This political will for regional cooperation is one of the strongest assets of IGAD.

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

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

3.5.2.4 ACTIVITIES ON CAPACITY BUILDING

265. Activities on capacity building are another major strength of IGAD. These include identification of training needs, development of training concepts, mobilising funds, organising, conducting or facilitating workshops covering the whole range of IGAD activities including cross cutting themes like information management, gender and mediation processes.

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

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

3.5.2.5 TRADE AND MARKETING

268. Under trade, IGAD has promoted the COMESA programme on trade to avoid duplication of efforts and resources. This includes the FTA, WTO negotiations and Economic Partnership Agreement (EPA). IGAD and COMESA have an MoU that is complementing one another on trade issues but with the recent Tripartite Summit between COMESA, SADC and EAC, that was held in Kampala on October 18-22, 2008, it is of great importance that IGAD reviews its programmes with COMESA in order get them harmonised and accommodated in their MoU and attain an entry point in the Tripartite. In the area of trade and macro-economic policies, the Minimum Integration Plan (MIP) meeting that was held in Addis Ababa from 5 to 7 November 2008 agreed that conducting a study to design a road map leading up to the development of a Free trade Area-FTA was of top priority and required urgent intervention to achieve the barest and minimum level of regional integration. This was to be done by developing and implementing regional integration policies and programmes necessary to entrench IGAD as building block of the African Economic Community.

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

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

3.5.2.6 TRANSPORT AND COMMUNICATIONS

271. IGAD through collaboration with the Economic Commission for Africa (ECA) for sub-regional office in Kigali finalised Terms of Reference for a consultant to undertake a study to develop regional strategies for transport, information and communication technology (ICT) and industry in the IGAD region. The consultant has drafted a report which was

reviewed by experts from IGAD Member States during a regional workshop that took place in Addis Ababa on November 2008.

§ *Regional ICT Support Programme (RICTSP)*

272. The Regional Information Communications Technology Support Programme (RICTSP) is within the Transport and Communications Focal Sector. The Financing Agreement was commenced on 18th May 2004 and ends on 30th June 2011. The operational implementation phase ends on 30 June 2009.

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

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

3.5.2.7 INFRASTRUCTURE

275. IGAD equally sees the needs to strengthen its activities in infrastructure development in order to promote regional integration. IGAD has played a role of advocacy to support the Member States in improving roads connecting countries, for example, Djibouti-Addis Ababa road/rail links. IGAD is now following on the implementation of the Isiolo-Moyale Corridor connecting Kenya and Ethiopia with funding from the ADB.

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

3.5.2.8 CONFLICTS

277. IGAD is widely acknowledged on the peace processes of Sudan and Somalia. It has established an early warning on conflicts organization known as conflict Early Warning Mechanism CEWARN.

Other Achievements are:

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

3.5.2.9 IGAD REGIONAL HIV/AIDS PARTNERSHIP PROGRAMME (IRAPP)

278. The IGAD region is among the areas hard hit by the HIV and AIDS epidemic and the Member States have established national strategies and HIV & AIDS control programmes to combat the spread of the

epidemic. Based on the evidences generated from the mapping exercise done in 2005/6 and motivated by a shared readiness to develop inter-country collaboration to fight the epidemics and to address the HIV and AIDS needs of the cross border mobile populations (CBMPs) in the Horn of Africa, the IGAD Ministerial Committee on Health, HIV and AIDS created the its Regional HIV and AIDS Partnership Program (IRAPP) in 2007. To initiate the 4 year project, 15 Million USD funds was secured from African Catalytic Growth Fund (ACGF) from United Kingdom which is managed by the World Bank that has extensive experience in HIV and AIDS Multi Sectoral Programs at country, regional and international levels. The program was launched in January 2008 and at the same time; the Project Facilitation Office (PFO) of IRAPP was established in Kampala, Uganda.

279. Activities planned for 2009 under the above sector are as follows:

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

3.5.2.10 SUPPORT TO REFUGEES, IDPS, RETURNEES, SURROUNDING HOST COMMUNITIES AND CROSS- BORDER AND MOBILE POPULATIONS

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

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

- The approval by the World Bank and the signing of implementation agreement/ contract between IGAD and UNHCR to enable IGAD transfer the component 1 (a) funds to UNHCR. The funds will be disbursed to them as soon as possible.
- The questionnaire to use to collect basic information from selected refugees and IDPs camps was finalised and the collection of demographic data by UNHCR on the selected refugees/IDPs camps was undertaken during the year. In addition there has been communication with UNHCR to update countries refugees action plan.

Component 1(b):

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

3.5.2.11 PEACE AND SECURITY

282. Resolving and preventing conflict cannot be pursued in isolation from issues of economic growth. For any region to prosper, stability has to prevail. IGAD is one of the regions that have experienced political instability in some Member States. However, the year 2008 saw several developments in the peace, security and humanitarian affairs sectors particularly regarding Somalia and Sudan.

3.5.2.12 COORDINATION MECHANISMS WITH OTHER REGIONAL ECONOMIC COMMUNITIES

283. IGAD is a member of Inter Regional Coordination Committee (IRCC) that deals with coordination mechanisms with other regional economic grouping namely COMESA, EAC, IOC, and SADC under EDF funding. Currently, IGAD is chairing the IRCC. The role of the IRCC is to ensure the overall coordination and monitoring of the implementation of the Regional Indicative Programme by the Eastern and Southern Africa Regional Organisations under the Authority of their respective Chief Executives in the RIOs as Regional Authorising Officers (RAO).

3.5.2.13 RATIONALIZATION WITH THE REGIONAL ECONOMIC COMMUNITIES (RECS)

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

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

3.5.2.14 FREE MOVEMENT OF PERSONS

286. Regarding free movement of persons, a regional suggestion on the management of migratory influxes and capacity building is being formulated. IGAD-IOM collaboration on migration is in place and a resource center on migration has been set up at the IGAD Secretariat.

3.5.2.16 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

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

3.5.3 CHALLENGES

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

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

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

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

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

293. IGAD is still behind in Regional Integration due to the conflict in the region and unlike other RECs it is still at the level of harmonization of policies. Out of six members who are also members of COMESA, only three are in COMESA FTA (Djibouti, Kenya and Sudan). However, given that IGAD and COMESA have a Memorandum of understanding (MoU) that is complementing one another on trade issues, there is need to harmonise their trade activities and this would need a follow up and

speed up of implementation of a MoU. The proposed FTA is aimed at harmonising with the Tripartite FTA.

3.5.4 FUTURE OUTLOOK

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

- i. IGAD is in the process of having its own Free Trade Area (FTA) as well as developing a Protocol on Free Movement of People in the IGAD Region.
 - ii. In the implementation of the Minimum Integration Plan that will create FTA, IGAD intends to have a provision for free movement persons, services, goods and capital to be implemented through a protocol. Its proposed FTA would also follow the model of existing FTAs in the region due to the dual membership in order to have coherence and harmony of all the policies in the region and to gain an entry point into the Tripartite FTA.
-

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

295. CENSAD is the largest African regional organisation in terms of its population and area. The economies of most of the countries within CEN-SAD area depend essentially on the agricultural sector that generates about 20 to 40% of the Gross Domestic Product (GDP) and employs 70 to 80% of the active population. However, despite its important contribution to the GDP, this sector lacks investments. For example, the proportion of national budget allocated for the agricultural sector remains below 10% in most of the Member States, despite their commitments made at African and regional levels. Thus, the agriculture developed within CEN-SAD area remains, in general and except the Northern part of the area, pluvial and very dependent on natural resources.

296. The main trading partner of the CEN-SAD area is the European Union, which accounts for 36% of exports. Africa accounts for less than 10% of Community trade flows. Inter-community trade is slightly under 6%. These figures provide a picture of the trade volume opportunities for agricultural products, livestock breeding and fishing that need to be exploited and developed.

297. Member States of CEN-SAD comprised of Benin, Burkina Faso, Central African Republic, Comoros, Côte d'Ivoire, Republic of Chad, Djibouti, Egypt, Eritrea, Ghana, Guinea Bissau, Guinea, Gambia, Kenya, Liberia, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone, The Somali Democratic Republic, Sudan, Togo, and Tunisia.

3.6.1 OBJECTIVES OF CEN-SAD

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

- § Establishment of a comprehensive economic union based on a strategy implemented in accordance with a developmental plan that

would be integrated in the national development plans of the Member States. It includes investment in the agricultural, industrial, social, cultural and energy fields.

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

3.6.2 ACTIVITIES AND PROGRESS

3.6.2.1 POLITICAL, PEACE, SECURITY

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

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

3.6.2.2 TRADE, INTEGRATION AND SOCIAL

301. CEN-SAD launched the following:

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

3.6.2.3 RURAL DEVELOPMENT WATER AND DESERTIFICATION CONTROL

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

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

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

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

- Mapping the agricultural potentials

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

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

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

307. The first phase of the regional food security program of CEN SAD started in January 2004 in five member countries of the Community (Burkina Faso, Mali, Niger, Chad and Sudan), with the 9.3 million USD financial support provided by Libya. This program was satisfactorily completed in June 2007. The final program evaluation mission was conducted from the 3rd – 31st January 2009; it noted that that the various actors involved in the implementation of the program were satisfied with the performance and outcome of the program and that the latter had achieved its objectives, at an appreciable rate.

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

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

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

- Monograph of water resources in CEN-SAD sub region

311. Monograph of water resources in CEN-SAD region is designed to reinforce knowledge on water resources, with a view to optimizing planning and management to foster an integrated development in the CEN SAD sub region. This project will help put in place the following:

- § A geographical information system that can help develop an adapted thematic mapping, a better orientation of sub regional projects to be implemented in the area of water resource development;
- § Water resource monitoring tools and indicators;
- § A periodic updating mechanism based on other relevant actors of the sub region and national networks.

312. Talks with the African Water Facility and UNESCO (International Hydraulic Program) are underway, and should help raise at least 70% of the project budget, estimated at 0,566 million Euros. The International Hydraulic Program of UNESCO confirmed its scientific and financial support to the project.

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

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

314. The various efforts exerted to come up with the definition of the program concept are pooled together, and eventually helped with the

adoption of a Plan of Action 2008 – 2010 which will be implemented under the auspices of the Commission of the African Union and CEN-SAD, with the participation of Senegal, OSS and CILSS. This consolidated action plan, with a provisional budget of 2.7 million USD proposes the following activities over the next two years:

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

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

3.6.2.4 INFRASTRUCTURE AND SERVICES DEVELOPMENT

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

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

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

319. However, for CENSAD to address the challenges involved in regional integration, the Plan should be a unifying element of plans and

programs drawn up in the context of other Regional Economic Communities and for some on-going programs.

320. The orientations of the Plan will involve mainly:

- Improving planning and co-ordination of actions and investments at regional level,
- Creating new transit routes and/or corridors,
- Maintaining and improving the quality of infrastructure services,
- Integration and co-ordination of policies as well as harmonization of laws, standards, regulations and procedures,
- Involving the private sector in financing projects,
- Exchange of information relating to best practices.

3.6.2.5 TRANSPORT SECTOR

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

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

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

3.6.2.6 ENERGY SECTOR

323. With regard to this sector that has a vital importance for the industrial development, the construction of infrastructure to support growth and development is deemed as a priority. The main objective targeted here is to provide the population with reliable and secure infrastructure that is

accessible to all, in order to support economic growth and industrial development. The following specific objectives are designed to support the development of the CEN-SAD region:

- *Improving safety and reliability of energy supply;*
- *Promoting alternative sources of energy;*
- *Promoting renewable sources of energy;*
- *Ensuring that people living in rural areas have access to affordable energy services.*

3.6.2.7 MINING SECTOR

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

3.6.2.8 ICT SECTOR

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

3.6.2.9 FREE MOVEMENT OF PEOPLE

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

residence, ownership and economic performance; the freedom of trade and movement of goods, products and services from signatory countries.

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

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

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

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

- i. Article 3: The right of residence is guaranteed to the citizens of Member States of the community subject to the decided purpose and duration, and in accordance with laws and regulations of each of the Member states.
- ii. Article 4: Any Member State of the Community shall have the right to refuse entry or to expel from its territory a citizen of another Member State on security or health ground, or for expiration of his residence permit. However, any expulsion must be first notified to the Country of origin.
- iii. Article 5: Fraudulent entry to a Member State territory may entail immediate expulsion to the Country of origin, supported by the State undertaking the expulsion.

- iv. Article 6: The departments in charge of cooperation on security in the Member States shall be, in coordination with the Permanent Bureau of the General Secretariat of the Community, entrusted with the follow-up of the implementation of the provisions of this Agreement.
- v. Article 7: The duration of this Agreement is unspecified.
- vi. Article 8: This Agreement comes into force temporarily after its signature by two third of the Member States and permanently after submission of the ratification instrument by two third of the Member States, to the General Secretariat, in conformity with their respective constitutional procedures.

3.6.2.10 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

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

3.6.3 CHALLENGES

331. CEN-SAD like other regional economic communities, need to have coordinated regional and continental wide approach to infrastructure financing, institutional harmonisation and policy coordination. Improving the transport infrastructure on the continent is critical to enhancing trade as stated at the beginning of the CEN-SAD trade within and outside the region.

332. CEN-SAD main trading partner area is the European Union, which accounts for 36% of exports. Africa accounts for less than 10% of Community trade flows. Inter-community trade is slightly under 6%. There is a need for Member States to open up its market in order to allow intra trade activities taking place and hence accelerate the process of regional integration.

333. The creation and launched of activities of a Regional Bank “Sahelo-Sahelian Bank for Investment and Trade – BSIC-SA” with branches in member countries is the right move towards integration.

334. Several constraints delay the realisation of the community’s immense potentialities: weak transport infrastructure that make it difficult to link agricultural production areas to urban consumption markets as well as export

markets, poor state of telecommunication infrastructure, insufficient energy production. Most of the CENSAD Country's economy is based on agriculture. However agriculture is not well developed and less than 10% of their budget is spent on agriculture. Maputo decision requires Member States to reach 10% of their budget on agriculture. There is an urgent need for Member States to extend their budget in order to develop agriculture sector. Further, only three countries (Egypt, Morocco and Tunisia) re-carpeted more than 50% of their road network, while only eight out of 23 have railway lines. These insufficiencies pose problems to the land locked countries.

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

3.6.4 FUTURE OUTLOOK

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

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

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

i. Scenario 1: Solidarity

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

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

ii. Scenario 2: Equality

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

iii. Scenario 3: Freedom

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

342. Scenarios 1 and 2 were preferred by the Tunis meeting, and on-going reflection efforts are expected to help identify a hybrid alternative.

3.7. EAST AFRICAN COMMUNITY (EAC)

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

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

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

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

347. However, following that collapse, a process was engaged to mediate between the EAC countries to avoid a disastrous break up. With the Mediation Agreement of 1984 which ensued, the East African States, among other undertakings, agreed to explore ways to resume regional co-operation. This eventually led to a meeting of the East African Heads of State held in Harare, Zimbabwe in 1991 where they agreed to revive cooperation in the region. That decision culminated in the signing of the Agreement for the Establishment of a Permanent Tripartite Commission for East African Cooperation on 30th November 1993.

348. Full operations of the East African Co-operation started on 14 March 1996 when the Secretariat for the Permanent Tripartite Commission was established in Arusha. The first Secretary General of the East African Community, Ambassador Francis Muthaura of Kenya was appointed in March 1996 and served for a period of 5 years up to March 2001. It was during Ambassador Muthaura's tenure that the first EAC Development Strategy was formulated. The 1st Development Strategy focused on the development of the policy framework for regional co-operation. Its implementation culminated into the signing of the Treaty for the Establishment of the East African Community on 30th November 1999. In addition, the 2nd Development Strategy (2001-2006) was formulated during Amb. Muthaura's tenure.

349. The second Secretary General of the East African Community, Hon Amanywa Mushega of Uganda, was appointed on 24th April 2001. His immediate task was to implement the 2nd EAC Development Strategy covering a broad range of areas of co-operation, including the implementation of prioritized regional projects and programmes, institutional development and, most significantly, the establishment of the Customs Union in January 2005. The third Secretary General of the East African Community, Amb. Juma Volter Mwapachu of Tanzania was appointed on 2nd April 2006. His immediate task was to oversee the conclusion of the formulation of the 3rd EAC Development Strategy (2006-2010) and is following through on its implementation.

350. Under Amb. Mwapachu's administration, the Third East African Community Development Strategy (2006-2010) was launched in November 2006. The Development Strategy focuses on the consolidation of the Customs Union; establishment of the East African Common Market; deepening infrastructure development, industrialization, promoting East African agricultural and rural development programmes and the Lake Victoria Basin Development Programme. Under the Strategy, the EAC is also expected to develop a sustainable financing of regional infrastructure and other critical

development projects and programmes. To this extent, activities are ongoing in the development of a vibrant regional capital market for the mobilization of domestic resources and transformation of the East African Development Bank into an effective financial vehicle for regional integration.

§ Enlargement of the Community and its current status

351. The regional integration process reached a high pitch in 2007. The encouraging progress of the East African Customs Union, the enlargement of the Community with the admission of Rwanda and Burundi, the negotiations of the East African Common Market as well as the underpinning process towards East African Federation all underscored the serious determination of the East African leadership and citizens to construct a powerful and sustainable East African economic and political bloc.

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

§ Investment climate and opportunities

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

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

3.7.1 OBJECTIVES

355. The EAC aims at widening and deepening co-operation of the Partner States in, among others, political, economic and social fields for their mutual benefit. To this extent the EAC countries established a Customs Union in 2005 and are working towards the establishment of a Common Market in 2010, a Monetary Union by 2012 and thereafter a Political Federation of the East African States.

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

357. The justifications for many regional integration arrangements are mainly economic. In the case of East Africa however, the common history, language, culture and personal ties invoke a deep-rooted and longstanding commitment by the Partner States to deepen co-operation in a broad range of political, economic, social and cultural programmes. According to the EAC Treaty, the vision of the Community is to be realised in an incremental progression through the stages of a Customs Union; a Common Market; a Monetary Union; and ultimately a Political Federation.

3.7.2 ACTIVITIES AND PROGRESS

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

359. Steps already taken in this regard include the introduction of the East African Passport and harmonization of vehicle transit procedures and requirements to ease border crossing. In addition, policies continue to be pursued towards application of national status treatment to East African nationals in any of the Partner States with respect to access to services in the fields of health, education and training, legal and judicial affairs, tourism and communications, among others.

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

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

3.7.2.1 EXPANDING REGIONAL PROGRAMME

362. The launching in 2007 of the full operations of the Lake Victoria Basin Commission as well as the establishment of new Commissions, notably the East African Science and Technology Commission, East African Health Research Commission, East African Kiswahili Council and the East African Community Civil Aviation Safety and Oversight Agency have phenomenally expanded the regional programme. Coupled with this expansion of the regional programme, is the enlargement of the Community itself with the entry of Rwanda and Burundi.

3.7.2.2 TRADE, FINANCE, AND INVESTMENT

363. There is significant leveraging of the regional programme in the promotion of trade and investments as well as development of regional infrastructure. The Customs Union, launched in 2005 has taken on a life of its own. The Customs Union's positive impact on increased intra-EAC trade and growth of revenue is felt and shared in all the Partner States. All the EAC countries have reported increased revenues since the operations of the EAC Customs Union were launched. These developments give confidence and comfort where, at the beginning, there were expressions of fear and diffidence over the introduction of the Customs Union. Consequently, the mood is upbeat as the region proceeds to the establishment of the Common Market.

3.7.2.3 TRANSPORT AND COMMUNICATIONS

364. In the Infrastructure sub-sector, steady progress is maintained on the East African Road Network Project, in particular the Mombasa – Katuna Road (Northern Corridor) and the Dar es Salaam - Mutukula Road (Central Corridor), which have been taken to the implementation stages. The construction of the Arusha-Namanga- Athi River road is in progress while feasibility and design studies continue for the Arusha – Holili – Taveta – Voi; and investment preparations for the Tanga – Horohoro – Malindi road.

365. On the Railways sub sector, the East African Railways Master Plan Study for which the Partner States have set aside US\$ 350,000 is ongoing. Similarly, the projects of railways concession have been well sustained.

366. In the Civil Aviation sub-sector, the East African Community established the regional agency to oversee the implementation of the International Civil Aviation Organization's (ICAO) standards and recommended practices towards the enhancement of aviation safety and security. The Protocol for the Establishment of the EAC Civil Aviation Safety and Security Oversight Agency (CASSOA) was signed at the Extra-Ordinary Council of Ministers Meeting in Arusha on 18 April 2007. The Extra-Ordinary Council also appointed the first Executive Director of CASSOA among other staff of the Agency and the Agency became operational in May 2007.

3.7.2.4 AGRICULTURE AND FOOD SECURITY

367. EAC continues to place emphasis on agriculture and food security. During 2006, the EAC Partner States adopted and signed the instruments in the development of Agriculture and attainment of Food Security for the Community, including the Agriculture and Rural Development Policy and the Agriculture and Rural Development Strategy. The Agriculture and Rural Development Programme is one of the identified major planks of the 3rd EAC Development Strategy whose implementation would be placed on a high priority in the period ahead.

3.7.2.5 ENERGY

368. The serious effects of the drought on the regional economies experienced in the recent past have galvanized attention on urgent measures to redress the energy deficit in the region. The East African Power Master Plan envisages a timeframe of up to seven years to a fully fledged Regional Power System with the creation of a Power Pool as a central feature. The implementation of the Power Master Plan will cover both power generation and transmission projects at an estimated cost US\$ 1.2 billion and US\$ 600 million respectively for generation and transmission projects over the implementation period.

369. The 4th East African Petroleum Conference was held in Mombasa, Kenya in March 2009 against the background of the positive developments in the discoveries of oil and gas in the region. Uganda has discovered oil and gas in the Albertine Graben and has an intention of constructing a top-up oil refinery to exploit some of the oil for local use. In Tanzania, natural gas has been found at Songo Songo and Mnazi Bay. Tanzania is already tapping the gas resources for generation of electricity and as fuel used in industry. Rwanda has methane gas that is generated annually in Lake Kivu. A pilot plant for tapping the methane gas has been constructed, with an aim of scaling up to a fully fledged power plant. In Burundi petroleum exploration is on-going in the Rusizi and Tanganyika Basins. Currently there are several International Oil Companies carrying out petroleum exploration in Kenya. Although 31 exploration wells have been drilled in the country, no commercial discoveries have yet been made. In Kenya, the development of the geothermal potential is ongoing in the Great Rift Valley.

3.7.2.6

TOURISM AND WILDLIFE MANAGEMENT

370. A major breakthrough has been made in the tourist sector with the launching of joint marketing of East Africa as a single tourist destination. EAC participates in the World Travel Market (WTM) in London and also in the International Tourism Fair in Berlin at which Partner States hold joint promotion under one common exhibition area. The East African tourist boards plan to extend such joint promotion and marketing to the Asian, Far Eastern and American markets in the period ahead.

3.7.2.7

LAKE VICTORIA DEVELOPMENT PROGRAMME

371. The Lake Victoria Basin Commission was officially launched on 11 July 2007. The Commission is rolling out the development programmes of the Lake, including safety of navigation, environmental protection and conservation and overall sustainable development of the Lake and its basin. The activities include the management of the Mount Elgon Regional Ecosystem Conservation Programme (MERECP) which embraces parts of Uganda and Kenya; and the Lake Victoria Region Water and Sanitation Initiative project is being implemented in partnership with UN - HABITAT. Meanwhile the Lake Victoria Fisheries Organization (LVFO) continues to coordinate measures for sustainable utilization of the fisheries resources of Lake Victoria, in particular the reorganization of the fishing communities in the management and collaborative activities on the fishery of the Lake.

3.7.2.8

EAST AFRICAN DEVELOPMENT BANK

372. The East African Development Bank continues to pursue programmes designed to enhance the Bank's capacity to play a more substantive and sustainable role as a regional development finance institution. The Bank's financial performance has constantly improved with net profits rising by over 100% in each of the last 4 years through issues of bonds, administration of lines of credit and cross-currency swaps. The Bank is currently engaged in discussions with the African Development Bank for an eighth line of credit of USD 120 million and is finalizing negotiations with the China Development Bank for a USD 30 million line of credit. Pursuant to a Summit directive, the EADB has submitted to the EAC concrete proposals on how it can transform itself into a lead agency for promoting regional integration projects.

3.7.2.9 SOCIAL SECTORS

373. Under the social sectors great strides were made with the establishment of the various Commissions, including the East African Science and Technology Commission, East African Kiswahili Commission and the East African Health Research Commission whose programmes would be rolled out during the life of the 3rd EAC Development Strategy (2006-10). The Inter-University Council for East Africa whose current membership stands at 46 affiliated universities drawn from both public and private universities in the region, pursued activities aimed at transforming the IUCEA into an effective regional advocate and catalyst for the strategic development and management of higher education in East Africa. The institution is managing several strategic research programmes. Also, under the social sectors, the negotiations of the Protocol on Free Movement of Persons, Labour, Services, Right of Establishment and Residence are being undertaken jointly with the negotiations of the East African Common Market whose establishment has been prioritized in the Third Development Strategy.

3.7.2.10 BUSINESS AND INVESTMENT CLIMATE OPPORTUNITIES

374. Like most parts of Africa and the developing world, the EAC region is not spared the harrowing effects of the prevailing unfavourable terms of trade. In general, the region imports twice as much as it exports or it consumes twice as much as it produces in traded value terms. The EAC countries export mainly primary unprocessed products and import mainly finished consumer and capital goods.

375. The region's principal exports are tea, horticulture, coffee, cement, cotton, tobacco, diamonds, fish and fish products, soda ash, gemstones, limestone, hides and skins. On the other hand, East Africa's principal imports are machinery and other capital equipment, industrial supplies, motor vehicles and chassis, parts and accessories; fertilizers, crude and refined petroleum products.

376. This skewed production and trade pattern, reflecting an underdeveloped industrial base, has led to the EAC countries' current high levels of dependency and debt. Kenya, Uganda and Tanzania's total external debt currently stands at over USD 20 billion dollars and the debt service ratio is at a high 20 per cent. The upshot of this is that the

region has not managed to sustain optimal development and growth levels.

377. The need to reverse this trend is clear and urgent. The challenge to the EAC is primarily to address the poverty issue and to boost the productive base through promotion and attraction of domestic and foreign investments and promotion of manufacturing industries. In their commitment to deepen regional integration, the EAC Partner States will take advantage of economies of scale and scope, market enlargement in stimulating productivity. Considering the region's vast potential, the 3rd EAC Development Strategy has placed a high priority on promoting a regional industrialization strategy and realizing industrial take off.

378. Moreover, the EAC region is endowed with a rich and varied natural resource base, including vast fertile land, minerals, water, energy, forestry and wildlife. All these offer a huge potential for agricultural, industrial, tourism and trade development and expansion. With a combined population currently about 120 million, the EAC region has a considerable human resource base to stimulate and sustain the development of a viable single market and investment area, currently with a combined GDP of USD 41 billion. In this respect, peace and stability constitute the EAC's strongest intangible asset.

379. The leading economic activities of the EAC Partner States today are Agriculture contributing an average of 39% of GDP and providing employment to 85% of the population; Tourism contributing an average of 14% of GDP with investments worth US\$ 3,230 million; and Manufacturing contributing an average of 10.4% of GDP with investments worth US\$ 2,131 million. Evidently, a great deal more effort needs to be applied to boost the region's industrial and manufacturing sector, as well as enhance food security.

380. Considering all these factors, East Africa presents an attractive investment area. There are significant investment opportunities in commercial agriculture, agro-processing, mining, manufacturing, tourism and fishing industries. Also of great interest are investment opportunities in regional infrastructure projects, including roads, railways, telecommunications and energy, not to mention the inestimable potentials in the field of oil and gas. Lake Victoria also offers unique opportunities, not only in the exploitation of its resources, but also in Lake Transport.

3.7.2.11 NEGOTIATING AS A BLOC

381. Equally crucial, is the need to promote and articulate the interests of the EAC as a bloc and negotiate in that context. A commitment was made by the EAC Partner States in 2002 to act collectively in global trade issues. During 2007, this commitment was rendered even more urgent by the EU –ACP structures as regards the negotiations of the Economic Partnership agreements (EPAs) and the fulfillment of the World Trade Organization (WTO) requirements. This commitment of EAC negotiating as a bloc also has come under severe pressure given the dual membership of the Partner States in COMESA and SADC. It is a challenge that the EAC is committed to address with objectivity and courage. Seized of the complexity the challenge poses, the Secretariats of the EAC, COMESA and SADC are taking collaborative measures to minimize the dysfunctions of dual or multiple memberships in regional economic organizations.

3.7.2.12 GOVERNANCE, PRIVATE SECTOR AND CIVIL SOCIETY PARTICIPATION

382. The EAC regional integration process is anchored on a firm foundation of peace, stability and prosperity, based on good governance, rule of law, respect for democratic and human rights; and the participation of the people in a market-led regional integration process. This recognition has placed good governance at the centre of East African regional integration and development. Good governance is enshrined in the Treaty for the Establishment of the East African Community as among the fundamental principles of the EAC.

383. A regional Framework on Good Governance is currently being negotiated using a multi-stakeholder approach. Its pillars are Democracy and Rule of Law; Anti-corruption, Ethics and Integrity; Social Justice and Equal Opportunities; Human Rights and Gender Equality. The Council of Ministers has already recommended that it gets adopted as a Protocol, once finalised. Driven by its principles of a private sector driven and people-centered integration, the EAC is involves in deeper sensitisation of East Africans on the integration process.

384. Under Chapter 25 of the Treaty for the Establishment of the East African Community, far reaching provisions are contained for the promotion of a partnership between the EAC Partner States and the private sector towards the creation of "an improved business environment"(Art.127). The Community thus puts emphasis on

strengthening the private sector to enable it to play a leading role in regional integration and development.

385. To this extent, the East African Business Council (EABC), comprising of apex bodies of private sector organizations in the five Partner States was formed and is operational. Together with the East African Trade Union Council (EATUC), the East Africa Law Society and other civil society organizations, the EABC is enabled to play active role in influencing decision-making in the Community.

3.7.2.13 EAST AFRICAN COURT OF JUSTICE (EACJ)

386. To concretize this commitment, the East African Court of Justice (EACJ) is established as “a judicial body which shall ensure the adherence to law” in the activities of the Community. Although the Court is principally charged with jurisdiction over the application of the Treaty, the Treaty provides that the Court shall in due course have “such other original, appellate, human rights and other jurisdiction”. Already, the Treaty vests in the Court jurisdiction in arbitration of commercial contracts or agreements (Art. 32) and formulation of a business and business related dispute settlement mechanism (Art. 129).

387. Following the amendment of the Treaty in December 2006, the East African Court of Justice was re-constituted by establishing two divisions, namely a Court of First Instance with jurisdiction as per present Article 23 of the Treaty and an Appellate Division with appellate powers over the Court of First Instance. The re-constituted Court became operational on 1st July 2007. Under the EAC 3rd Development Strategy, it is envisaged that the EAC Treaty will be amended to extend the jurisdictional competence of the Court.

3.7.2.14 THE EAST AFRICAN LEGISLATIVE ASSEMBLY (EALA)

388. The EAC also has an East African Legislative Assembly (EALA) with an important role in promoting good governance over and above exercising the normal Legislative responsibility. Since its launching in 2007, the East African Legislative Assembly has maintained a steady legislative programme as well as a robust oversight role. The Assembly has also conducted a broad-based outreach programme in the Partner States.

389. The term of the first Assembly ended in 2001 after the expiry of five years, and the second EALA commenced its term in June 2007. The

membership per Partner States is nine (9) members, whose electoral colleges are the respective national parliaments.

3.7.2.15

GLOBAL PARTNERSHIP

390. A foremost realization is that effective regional integration and development requires the mobilization of vast resources, both within and outside the region. Despite its enormous potential, on its own the EAC cannot raise adequate resources to meet the huge and often capital-intensive investments required.

391. For instance, the East African Road Network Project, a primary and basic requirement for empowering a regional economic take-off, was estimated in 1998 to involve a capital outlay of \$ 9 billion. EAC therefore recognizes the need to engage regional and international financial institutions as well as development agencies in mobilizing resources that can finance such projects. Currently, the development partners contribute to a basket fund, known as the Partnership Fund, from which the EAC finances its priority programmes. However, it is also increasingly becoming a reality that dependency on outsiders for funding sources is not sustainable. The EAC is thus exploring alternative ways to create an East African financial vehicle that can be used to mobilize East African capital to meet the finance needs of the regional projects and programmes. This is to be referred to as the EAC Development Fund.

392. Similarly, it is recognized that the process of globalization will continue to influence the position of the EAC in the world markets. Market access will increasingly become more difficult for small and weak economies. To this extent, the formulation of the EAC Development Strategy and prioritisation of the regional programmes have been guided by the criticality to forge partnership with global institutions like the EU and regional organizations like COMESA and SADC. Indeed, the EAC is undertaking activities at the global level through agreements and arrangements such as EU-ACP, AGOA, WTO, AU-NEPAD and the International Conference on the Great Lakes (IC/GLR) with a view to tapping the opportunities available in such arrangements and striving to access other markets.

393. Today, EAC enjoys very good relations with a large number of international aid and development agencies, including World Bank, European Union, European Investment Bank, African Development Bank, China, India, Japan, South Korea, Swedish International Development Co-operation Agency (Sida), United Nations Economic

Commission for Africa, German Agency for Technical Co-operation (GTZ), East African Development Bank, United Kingdom Department for International Development (DFID), Norwegian Agency for Development (NORAD), Commonwealth Secretariat and Danish International Development Agency (DANIDA). What is emerging as critical however, is the strengthening of the capacity of EAC's own autonomous institution, the East African Development Bank (EADB) in financing regional projects, especially with focus on small and medium scale enterprises (SMEs); and promotion of the EAC Agriculture and Rural Development Strategy. Specifically in collaboration with the African Development Bank (ADB), the EAC has identified priority projects and programmes aimed at strengthening the institutional capacities for Trade and Transport facilitation and infrastructure development including roads, railways, inland waterways, civil aviation, ports, energy and power and telecommunications.

3.7.2.16 STRATEGIC REGIONAL INTEGRATION

394. The realization of a large regional economic bloc bears great strategic and geopolitical significance, imposing on the EAC Partner States enormous responsibility for regional defence and security. These could be further elaborated below.

§ Regional Defence and Security

395. Whereas the East African Community has an emphatic developmental mission, it is a generally acknowledged fact that peace and security are the prerequisites for social and economic development. East Africa's post-independence experience is replete with lessons underlining the virtual interface between peace and security and the pursuit of development. In this context, the EAC's defence and security policy is rooted in the empirical observation that, so long as the countries of the region are co-operating among themselves, in pursuit of human and economic development, they will have neither reason nor cause to resort to violent conflict among themselves. Both the causes and disastrous effects of the regrettable collapse of the former Community in 1977 can be attributed to peace and security factors.

396. A regional strategy for Peace and Security has already been adopted by the Council of Ministers. By the end of 2009, it is also envisaged that the Protocol on Regional Peace and Security will have been concluded, from which the Directorate of Peace and Security will derive its existence.

§ Memorandum of Understanding on Cooperation in Defence

397. In reviving the East African Community in 1999, the Founding Fathers declared solemn commitment to good neighbourliness, good governance and peaceful resolution of conflicts as the cornerstones of sustainable regional integration and development. Thus prominently enshrined in the Treaty for the Establishment of the East African Community, under Article 5, are the fundamental principles of peace, security and good neighbourliness.

398. These principles are elaborated under the EAC Treaty Articles 124 and 125 on the Co-operation in Regional Peace and Security. On the basis of these Treaty provisions, the EAC Partner States pursue a Memorandum of Understanding for Co-operation in Defence Matters within an elaborate programme of activities, largely of confidence building among the defence forces. These activities include military training, joint operations, technical assistance, visits, information exchange, sports and cultural activities and regular meetings of defence chiefs and other cadre of the defence forces. The defence co-operation has operationalized military training exchange programmes for Directing Staff and Students at Command and Staff Colleges in Kimaka, Uganda, Karen-Nairobi and Monduli-Arusha. Of equal importance in confidence building among the EAC armed forces are training of Officer Cadets at Tanzanian Military Academy Monduli.

399. The EAC Treaty takes a holistic approach in the quest for regional peace and security, having regard to the imperative to address the root causes of conflicts. Rivalry for resources and struggle for power are often the causes of conflicts. Therefore, through its broad range of areas of cooperation, EAC seeks to entrench systems of good governance in guaranteeing equal opportunities and equal participation of all sections of the population in the allocation and management of political and economic resources. Effective mechanisms are brought to bear on the redistribution of resources, both among and within the Partner States, in a manner that would reduce tensions and eliminate conflicts.

400. A Sectoral Council on Defence is already in place and provides policy direction on matters of the sector.

§ International Dimensions of Peace and Security

401. By the same token, the EAC is not oblivious to the international dimensions and dynamics in peace and security, particularly the existence of an elaborate and all-powerful alliance of the armaments industry, international arms merchants and governments that use or support arms trade which fuel regional and global conflicts. As a neighbour and contiguous area to a region that has been susceptible to illicit small arms and light weapons proliferation, the East African Community is taking a robust and vigilant stance in arresting and containing such destabilizing situations.

402. The East African countries have a compelling and strategic mission in establishing wider areas of peace and security beyond the confines of their own borders. EAC's involvement in the Burundi and IGAD peace processes, involving Burundi, the Sudan and Somalia have thus been and are driven by noble intention and enlightened self interest. This also explains EAC's contribution to the International Conference on the Great Lakes Process culminating in the signing of the Pact for Security, Stability and Development of the Great Lakes Region in December 2006.

§ Regional Police Co-operation

403. The EAC Development Strategy calls for collective responsibility in the maintenance of regional peace and security, hence the Partner States collaborate in combating cross border crime. Regular meetings of the Chiefs of Police of the EAC Partner States and the Inter-State Security Committee (the latter comprising of Police technical and operational personnel) are held to monitor the implementation of measures agreed in combating crime and maintaining peace and security in the region. The law enforcement agencies have adopted as their Vision, "a secure and peaceful environment for development" and as their Mission, "to provide security within the region through enhanced co-operation".

404. Among their activities, the Chiefs of Police of the EAC Partner States exchange criminal intelligence and other security information, involving operation of databases and sharing crime intelligence, using advanced ICT, radio communications, among other advanced

technologies. The Police co-operation is geared to mobilize joint operations, patrols and overall vigilance in cross border monitoring and prevention of crime, including “hot pursuit” of criminals. In particular, the Police co-operation would install common communications facilities and systems for border and interstate security and, to this extent, constantly scale up connectivity of the existing Police operation systems through linking up the Partner States’ Police Headquarters by telecommunications and Internet systems.

405. Not only co-operation in the operations, but also co-operation in the exchange of visits and training programmes and other confidence building measures among the Police Chiefs and rank and file. These measures are intended to contribute to benefiting from each other in developing best practices and achievement of the highest standards for effective performance in meeting the challenges of combating crime. Specifically, in combating Illicit Drug Trafficking, money laundering, cattle rustling, in the management of refugees and asylum seekers, and tracking of criminals, the EAC Partner States are applying relevant EAC Protocols and international conventions to strengthen existing institutions and establish co-ordination among them as well as sensitizing communities on the dangers, futility and, on the whole, inadmissibility of crime in society, let alone in the development of the East African Community.

406. Similar co-operation is pursued with respect to disaster early warning, management and prevention, including establishment of disaster management centres in the Partner States that would involve rapid response as well as harness regional response in the events of disaster; and in combating terrorism, having regard to the global nature and response to the terrorist threat. The measures to combat proliferation of illicit small arms and light weapons include well elaborated International and Regional Instruments by which the Partner States establish high preparedness in dealing with the menace.

407. At a policy level, a Sectoral Council on Inter-state Security was established in 2008. Its main mandate is to address policy issues in a sustained manner so as to effect expeditious decision making on peace and security matters.

§ Co-operation in Foreign Policy Co-ordination

408. The EAC Partner States are implementing a Memorandum of Understanding on Foreign Policy Co-ordination which was signed in

1999. Within this framework, Partner States undertook to coordinate their foreign policies in order to optimally exploit the advantages of collective action. Among other things, the Partner States' Diplomatic Missions co-ordinate their positions and hold joint briefings and presentations on matters, activities and other initiatives of interest or concern to the Community as well as joint promotion of EAC regional projects.

409. These joint activities are emphasized especially at the Partner States' Diplomatic Missions in multilateral stations through the holding of regular consultations to harmonize positions in multilateral organizations; consult and harmonize positions as well as undertake joint lobbying exercises in multilateral meetings; and co-ordinate positions where appropriate and present joint statements in the multilateral fora. The activities include Collaboration in Economic and Social Activities whereby joint promotional activities are held in the Partner States' Diplomatic Missions and within the Partner States in marking important EAC Anniversaries such as the EAC Day, 30th November, and other promotional activities in, among other areas, trade, investment, tourism and culture to market the Community within the region and abroad. Another area of co-operation which has worked very well is the Co-ordination of Candidatures for positions in international system to pursue effective representation and full participation in the international fora.

410. Pursuant to the directive of the Council of Ministers, the process to upgrade the hitherto MOU on Foreign Policy Coordination into a Protocol is in its final stages. Furthermore, for purposes of effective and timely policy guidance and a decision making, a Sectoral Council on Foreign Policy Coordination was established in 2008.

3.7.2.17 TOWARDS POLITICAL FEDERATION

411. East African regional integration is viewed as strategic and important from both a regional and continental perspective. With the growing recognition and appreciation of this fact, the stage is set for widening and deepening regional integration. The prevailing view is that the determination of regional issues and the pace of the integration process would be more expeditious if they are conducted within a clear, definite and enabling political framework.

412. To this extent, EAC is already implementing programmes or has established organs and institutions such as the East African Legislative Assembly, East African Court of Justice, the Defence Liaison office, co-

ordination of Foreign Policy and co-ordination of monetary and fiscal policies which relate more to the higher stage of integration i.e. Political Federation than to the current stage reached in the integration process.

413. During the Special Summit held in Nairobi on 27-29 August 2004, the East African Heads of State made the declaration on fast tracking the Political Federation of East Africa and established the Committee on Fast Tracking East African Federation (the Wako Committee). The Committee submitted its report to the Summit in November 2004 recommending, among others, the establishment of the East African Federation by the year 2013.

414. During their Extraordinary Summit held in Dar es Salaam on 29-30 May 2005, the Heads of State considered the report of the Wako Committee and reaffirmed the vision of a Federation. The Heads of State established the post of Deputy Secretary General at the EAC Secretariat in charge of co-coordinating the fast track process towards Political Federation. The Heads of State also directed the establishment of national consultative mechanisms for wider consultations with the East African people on the Federation. The National Consultations on the East African Federation were launched in October 2006 and concluded in June 2007. Whereas the report of the National Consultations revealed the overwhelming support of the East African people for the Political Federation, it also recorded the expressions of the people for a phased and systematic build up to the Federation stage. During their Extraordinary Summit of August 2007 in Arusha, the Heads of State directed that more sensitization of the citizens on the political federation be intensified and also steps be taken to expedite the establishment of the Common Market by 2010 and Monetary Union by 2012 as the region moves on towards the establishment of Political Federation.

3.7.2.18 FREE MOVEMENT OF PERSONS

415. Regarding free movement of persons, EAC has made the following progress:

- § The EAC passport is operational and allows multiple entries to citizens Partner States to travel freely within the EAC region for a period of six months;
- § Its internationalisation has already been endorsed by the EAC Council of Ministers and could be introduced by 2011. Due to large stocks of national passports held by EAC Partner States,

- § Partner states commit themselves to cooperate in putting in place a social partnership between governments, employers and employees so as to increase manpower productivity through efficient production. Partner states agree to develop a mutual recognition of professional qualifications;
- § Studies on the “Harmonisation of employment policies in East Africa” and “Harmonisation of labour legislation in East Africa” were finalised and presented in stake holders’ workshops. The Council of Ministers directed that the similar studies be conducted in the new EAC members, Rwanda and Burundi, following which a Model EAC Labour Legislation and an EAC Labour Policy will be developed.
- § Under the Common Market Protocol that is in its final stages of conclusion, the right to free movement of persons shall entail the abolition of any discrimination based on nationality and free movement shall include, among others:
 - the right to enter the territory of a Partner State without a visa;
 - the right to move freely within the territory of a Partner State;
 - the right to full protection by the laws of a Partner State.

3.7.2.19 FREE MOVEMENT OF GOODS, SERVICES AND CAPITAL

416. Following are the achievements made on the free movement of goods, services and capital:

- § The full implementation of the Customs Union is planned between 2005 and 2010. The 1st round of reduction on products from Kenya to Tanzania and Uganda was implemented on 1 January 2006 and the 2nd round, was made on 1 January 2007;
- § The programme for the elimination of tariffs is underway as planned to reach 0% on all items traded within the EAC on 1 January 2010. A zero tariff is applied effectively on trade in goods from Uganda and Tanzania, Kenya and between Uganda and Tanzania; Phased operationalisation of the Customs Union provisions by Burundi and Rwanda planned for July 2009.
- § Free movement of goods between the Partner States shall be governed by the provisions of the Customs Law of the Community, the provisions of the EAC Protocol on Standardisation, Quality Assurance, Metrology and Testing and the EAC Standardisation, Quality Assurance, Metrology and

Testing Act , 2006 as well as the provisions of the Common Market Protocol which is being negotiated.

- § Establishment of jointly managed border points to facilitate expedited movement across borders and pilot border points have registered success.
- § There are also a number of activities being carried out as part of the implementation of the Common Market: negotiations on the Protocol of the Common Market are in final stages; it is expected that the EAC Common Market should be launched by 2010;
- § A partial liberalisation of capital markets in almost all Member States;
- § Regular meetings for Central Bank Governors;
- § The EAC, through international funding undertook a study on the strategy plan for the EAC Capital Markets Regionalisation, with a view to creating a Capital Market and a Stock Exchange regime for East Africa; this will permit Capital to freely flow and the Capital Markets' actors to freely operate across the EAC region.
- § A company quotation for different companies is in the process;
- § Currencies of EAC countries are convertible amongst themselves;
- § Company shares can be exchanged in all Stock markets of some of the Member States and plans to cover the entire EAC region in place;
- § A model of Investment Code was developed and adopted;
- § All Member States are regarded as local investors and their stocks are sold or exchanged on this basis;
- § The Development Committee of the capital market has continued to lead the process of harmonization of policies on financial markets to develop a regional capital market in East Africa. At their meeting in April 2007, they agreed to a study for greater integration of financial markets in the region in conformity with the Development Strategy 2006-2010;
- § The implementation of the tripartite agreement EAC for road transport to facilitate and reduce the cost of transit transport in the region through the reduction of documentation procedures for

transit transport, including those procedures related to customs, immigration and police checks.

3.7.3 CHALLENGES

417. The effectiveness and sustainability of EAC depends on resolute political will and greater involvement of the people in awareness and participation in the integration and development process; maintenance of peace and security, including good governance; active promotion of a science-based entrepreneurial culture; development of indigenous capacity for investment, including human resource capacity; and development of good and principled relations with other African Regional Economic Communities and the international community at large within a competitive world economic system. A critical look at the current status of the EAC activities, mapping out future direction of the Community, prioritizing regional programmes and activities and, on the whole, putting the EAC integration process on a rapid flight path to progress will constitute the key challenges.

3.7.4 FUTURE OUTLOOK

418. The good progress made by the EAC since its launching into full operation in 1996 lays a strong foundation for the fulfillment of its mission of regional integration, development and progress. Getting the Customs Union fully in place by 2010, launching the Common Market in 2010 and Monetary Union by 2012 and preparing for the establishment of a Political Federation will require substantial resources and firm commitment from the Partner States.

4. COMPARATIVE ANALYSIS OF THE RESULTS ACHIEVED

419. The African Economic Community (AEC) is an organization of African Union states establishing grounds for mutual economic development among the majority of African states. The stated goals of the organization include the creation of free trade areas, customs unions, a single market, and a common currency, all leading to the establishment of an economic and monetary union. Currently African Union recognise eight RECs, many of which have an overlap in some of their Member States. The RECs consist primarily of trade blocs and, in some cases, some political and military cooperation. All these RECs form the 'pillars' of AEC. Several of these pillars also contain subgroups with tighter customs and/or monetary unions of their own:

420. The following is the outline of how the African Economic Community is to be realised:

4.1 STAGES FOR ACHIEVING THE AFRICAN ECONOMIC COMMUNITY(AEC)

421. 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: (To be completed in 1999) Creation of regional blocs in regions where such do not yet exist ;
- ii. Stage two: (To be completed in 2007) Strengthening of intra-REC integration and inter-REC harmonisation;
- iii. Stage three: (To be completed in 2017) Establishment of a free trade area and customs union in each regional bloc;
- iv. Stage four: (To be completed in 2019) Coordination and harmonisation of tariff and non-tariff system among the RECs with a view of establishing a free trade area culminating in a continent-wide customs union;
- v. Stage five: (To be completed in 2023) Establishment of a continent-wide African Common Market (ACM);
- vi. Stage six: (To be completed in 2028) Establishment of a continent-wide economic and monetary union and a Parliament;
- vii. All transition periods: are expected to end in 2034 at the latest.

422. Progress made as of March 2009

- i. Stage 1: Completed
- ii. Stage 2: Completed (except IGAD which is in the process of conducting a study on its FTA including gradual elimination of its tariff and non tariff barriers)
- iii. Stage 3: In progress
- iv. Stage 4: no progress yet
- v. Stage 5: no progress yet
- vi. Stage 6: no progress yet (Except that Parliament established but it is still playing an advisory role)

423. The following table indicates the status of each REC from stage one to stage three. Stages four to six are continental stages that lead to the African Economic Community, which the RECs have not yet reached.

STATUS OF REGIONAL ECONOMIC COMMUNITIES

Stages of the Abuja Treaty	Stage one: 1994-1999	Stage two: 2000- 2007		Stage three: 2008-2017		Stage four: 2018-2019	Stage five: 2020-2023	Stage six: 2024-2028 latest 2034
RECs	Strengthening existing RECs and creation of new RECs where they do not exist	Coordination and harmonization of activities	Gradual elimination of tariff and non tariff barriers	Free Trade Area	Customs Union	Continental Customs Union	Establishment of an African Common Market	Monetary and Economic Union
IGAD	ü	ü	study in progress	to be fixed	to be fixed	This stage will be achieved when all RECs have achieved Customs Union and harmonized their respective CET, with a view of creating one single continental CET	This stage will be achieved when all RECs have achieved continental customs union as well as free movement of labour and capital	This stage will be achieved when all RECs have achieved African Common Market at which time there will be a common currency, issued by the African Central Bank.
SADC	ü	ü	ü	ü	2010			
CENSAD	ü	ü	ü	in progress	to be fixed			
ECOWAS	ü	ü	ü	ü	2009			
COMESA	ü	ü	ü	ü	2009			
ECCAS	ü	ü	ü	ü	2010			
EAC	ü	ü	ü	ü	ü			

Source: African Union Commission

4.2 CURRENT STATUS OF THE REGIONAL ECONOMIC COMMUNITIES

424. It is clear from the above table that RECs have made some progress on the integration initiative. However, major efforts are still needed to harmonize their policies, particularly at the continental level. Some RECs such as COMESA, ECOWAS, SADC, EAC, and ECCAS have achieved Free Trade Area while CENSAD and IGAD are in the process of having their own. COMESA, ECOWAS and ECCAS had planned to have their own Customs Union by the year 2008 but this has not yet materialised; instead COMESA and ECOWAS are now intending to launch their Customs Union by 2009, while ECCAS by 2010. SADC on the other hand plans to have its Customs Union by 2010. EAC plans to have the Customs Union fully in place by 2010, while the remaining RECs are exerting efforts towards the attainment of this goal.

425. In the light of the foresaid, the following observations can be made:

- i. Since IGAD Member States also belong to COMESA, IGAD should adopt similar programmes with the latter and the study that it intends to carry out on FTA should be in line with that of COMESA;
- ii. IGAD should also be part of the tripartite agreement that is taking shape between COMESA, EAC and SADC;

426. The creation of a SADC/COMESA/EAC Tripartite Agreement represents an option of fast tracking the attainment of the African Economic Community. In this regard, SADC, EAC and COMESA could begin working towards harmonization of their CETs and the eventual realization of AEC with other RECs. IGAD could be invited to join the process, given that all its Member States also belong to COMESA. IGAD's formation of its (FTA) should also take into account the Tripartite programmes in order to avoid duplication.

427. CEN-SAD, which also includes ECOWAS Member States, should be invited to closely study the status of ECOWAS and harmonize its programme with that of the latter. As for CEN-SAD Member States, which belong to ECCAS, they could enter into customs union with the latter in 2009.

428. Continental projects such as energy, infrastructure, Financial Institutions, agriculture among others, cannot be achieved given the current state of independence prevailing among the RECs. Unless there is harmonization and coordination through having common continental projects, this could pose a challenge that RECs may find themselves in a difficult situation.

429. It is notable that among the inter-REC activities is the collaboration of the EAC particularly with the COMESA, SADC and the IGAD. A number of activities are taking place within the context of the Inter-Regional Coordination Committee. Furthermore, the EAC, COMESA and the SADC held a Tripartite Summit in October 2008, at which a permanent tripartite Summit was established to steer the integration of the three (3) RECs, starting by establishing a Free Trade Area. Key programmes are also planned to be carried out in the area of infrastructure development, but whether the focus is also with other RECs to see that there is harmonization of programmes for achieving the AEC goal is an issue that surely awaits the African Union Commission to look into. The results achieved so far are not enough since RECs do not share experience from each other in order to push for the continental common goal i.e AEC.

430. The question remains on how to move to the fourth stage which is the continental customs union that has to be achieved by the year 2019. This would require a lot of efforts on the part of the AU organs as well as RECs and Member States. One way is to make sure that at regional level, FTA's, customs union, common market, economic and monetary union are achieved. Secondly, while RECs are moving to accomplish these stages in line with the Abuja Treaty, a study that is being initiated by the AUC in close collaboration with the RECs on the Minimum Integration Programme (MIP) which prioritized some sectors to be implemented at the continental integration once completed and agreed upon, could be used as guidelines towards bringing RECs to achieve the remaining stages at the continental level, beginning from 2019.

431. Similarly, the new global crisis namely: food, energy and financial is a clear indication that there is a need to strengthen the coordination among the African Community in order to overcome these challenges as individual countries cannot face it alone. This constitutes an opportunity for African leaders to speed up the integration process by revisiting the method adopted so far towards the integration and removed of all obstacles that hinder the integration process, committing strongly to reach these goals and provide more resources to the AU to implement the Continental Programmes

432. The Continent's great enthusiasm for regional integration has not been matched by commensurate political will and commitment of Member States to effectively implement agreements reached under various integration arrangements.

433. Energy access and security constitute another serious constraint to Africa's efforts to attain sustainable and inclusive growth. Despite the continent's vast energy resources, its levels of energy access lag far behind

the rest of the world. In addition, energy supply has been hampered by inefficient utilities and end-uses. Cross-border collaboration in energy trade is also weak in the region. Thus, additional efforts are needed, in some sub-regions, to harness the benefits accruing from regional energy policy frameworks and coordination mechanisms, such as gas and power pools and the integration of regional energy markets.

434. The integration process on the Continent is also constrained by the numerous conflicts in some Member States. Conflicts hinder integration and development by curtailing economic activities, destroying infrastructure and constituting a serious impediment to the flow of trade and investment. Effectiveness of the process is also being limited by the multiplicity of schemes, which imposes a huge burden on the limited administrative and financial capacities of the countries concerned and leads to conflicting obligations. This explains why most Member States find it difficult to adequately meet financial obligations to integration schemes and the failure of such schemes to effectively implement their programs and policies.

435. The absence of self-financing mechanisms for the regional integration organizations; the inadequacy of mechanisms to ensure that the benefits of integration are equitably distributed among the Member States; the lack of involvement of the private sector and civil society in the integration process; and the disproportionate time allocated to conflict-related issues, which has implications for the skills and competencies required by the RECs are significantly impacting negatively on the integration process.

436. Africa's regional integration process has also been hampered by the poor design and sequencing of the arrangements. This is reflected in the heavy emphasis of most of the schemes on trade liberalization and market integration without much regard for fostering production integration/regional complementarities or the development of regional infrastructure (especially transport and communication) to drive market integration.

5. CONCLUSION AND RECOMMENDATIONS

437. Given the current progress in the enhancement of regional integration in Africa, and the challenges facing the process, the following recommendations are being made for the attention of the African Union Organs, the RECs and the Member States.

- i. Member States should implement decisions, treaties and protocols. The lack of implementation by governments tends to show that there is lack of political will. For instance, if REC Member States are required to ratify and implement a protocol on trade liberalization or free movement of people, the citizens of that REC and other stakeholders may be dissatisfied with the Member State which does not ratify and implement the protocol. Member states should commit themselves to the integration process beyond signatures since lack of transparency and scrutiny without adequate structures of communication shall result into utter failure.
- ii. There is need for additional effort to harmonise the activities of the RECs. Although some RECs have cooperation agreements between them in various sectors of activity, it is necessary to speed up the integration process through confidence building measures. Instead of RECs being seen as competing against each other, the focus should be more on complimentarity and a common vision of continental integration. This will necessarily require “effective” management which will undoubtedly have a positive impact on integration.
- iii. There is need to have transparent information and knowledge about Member States’ commitment to the integration process which will, no doubt, offer an avenue for stakeholders to get a sense of the performance of Member States, serve as an agency of restraint, and motivate Member States to deliver on their commitments.
- iv. It is imperative to involve the African people, including the civil society, professional groups and trade unions in the integration effort. Stakeholders also need to be empowered to participate in monitoring Africa’s integration process in order to enhance the accountability of the regional institutions mandated to spearhead the

process within their respective sub-regions. A platform to provide holistic information and knowledge about Africa's integration agenda and processes would provide a means by which they can probe and scrutinize what transpires within these institutions and thus facilitate the popularization and democratization of the integration process.

- v. AUC should invite the Pan African Financial Institutions to support the continental projects adopted by the AU particularly by assisting RECs to implement Minimum Integration Programme (MIP).
- vi. AU has to strengthen institutional infrastructure such as Africa Court of Justice to facilitate adjudication, among others, on business related matters on the continent.
- vii. AU has to establish its financial institutions i.e African Central Bank, African Monetary Fund and African Investment Bank in order to speed up the monetary integration and develop the African economies.
- viii. Sectoral Meetings between AUC and the RECs, although already agreed upon, should be further encouraged to assist in enhancing the integration process. Such meetings could tackle issues pertaining to accelerating continental integration as well as putting in place a strategy for the implementation of recommendation made.
- ix. RECs should be encouraged to share information on the use of best practices, especially on institutions that have been created and are making progress to further the integration process.
- x. Capacity for monitoring and evaluating the integration process as well as assessing results, should be enhanced.
- xi. Beneficiaries/citizens should be actively involved in the planning and popularization of the integration process, which hitherto is confined to only a small group of people. The creation and functioning of regional and social committee could serve this purpose.
- xii. RECs should also strive to mobilize the necessary resources by developing projects that are supported by the people of the region and by ensuring the judicious use of such resources.

- xiii. A viable Development Communications Strategy should be developed by the African Union Commission to support the integration process and the strategic plan of the AU.
- xiv. The African Union in collaboration with RECs and other partners' such as ECA and ADB should build up support for regional mechanisms for crisis prevention and also promote effective regional recovery and peace consolidation.
- xv. Regional integration is however beset by some notable challenges as mentioned earlier. However, most of these challenges can be overcome, given strong political will on the part of Member States.

BIBLIOGRAPHY

African Union Commission. (2007) "Rationalisation of the Regional Economic Communities (RECs), Review of the Abuja Treaty and Adoption of a Minimum Integration Programme".

ACBF. (2004) "Meeting the Challenge of Enhancing Trade and Investment for Poverty Reduction in Africa" African Capacity Building Foundation (ACBF) Newsletter, October-December.

ACBF (2002 – 2006). "Strategic Medium Term Plan".

African Union Commission (2007) "African Integration Review", Volume 1, number 1 and 2.

CEN-SAD (2006) 'Establishment of a Free Trade Zone between CEN-SAD Member States, Final Report'. CEN-SAD Secretariat, Tripoli, Libya.

CEN-SAD (2007) 'Rapport De l'Atelier de Travail avec les Communautés Economiques Regionales Pour la Promotion Concertée du Secteur Rural', CEN-SAD Secretariat, Tripoli, Libya.

CEN-SAD (2007) 'Rural Development Strategy and the Management of Natural Resources in the CEN-SAD Region: Priority Areas for 2010'. CEN-SAD Secretariat, Tripoli, Libya.

COMESA (2006) COMESA Annual Report 2006'. Secretariat, Lusaka, Zambia.

COMESA (2004) "Report of the Secretary General to the 9th Summit of the COMESA Authority of Heads of State and Government, June.

COMESA (2006) 'COMESA Strategic Plan'. COMESA Secretariat, Lusaka, Zambia.

COMESA (2007) 'COMESA Heads of State and Government Summit' Nairobi Kenya May 2007. Souvenir Magazine and Report 2007. COMESA Secretariat, Lusaka, Zambia.

COMESA (Undated) 'The COMESA Programme for Peace and Security'. COMESA Secretariat, Lusaka, Zambia.

COMESA (2007) COMESA in Brief'. 3rd Edition'. COMESA Secretariat, Lusaka, Zambia.

COMESA (Undated) 'The process of Regional Integration in COMESA' COMESA Secretariat, Lusaka, Zambia.

COMESA (2007) 'COMESA Fund'. COMESA Secretariat, Lusaka, Zambia.

Daya, Y., Ranoto, T.R. and Letsoalo, M.A. (2006) "Intra-Africa Agricultural Trade: A South African Perspective" Department of Agriculture, Pretoria, South Africa.

EAC (2006) 'Report of the 8th Summit of the East African Community Heads of State' Arusha Tanzania, 30th November. EAC/SHS/08/2006. EAC Secretariat, Arusha, Tanzania.

EAC (2008) '15th Meeting of the Council of Ministers: 17th-18th March 2008, Report of the Meeting (Ref: EAC/CM15/2008)'. Final Report. EAC Secretariat, Arusha, Tanzania.

EAC (2007) 'EAC Annual Report 2006: (Doc: EAC/AR/06 – Rev 4 /(301107)'. EAC Secretariat, Arusha, Tanzania.

EAC (undated) 'EAC Development Strategy 2006-2010'. EAC Secretariat, Arusha, Tanzania.

ECA and AUC (2006) "Assessing Regional Integration in Africa II": Rationalizing Regional Economic Communities, ARIA II. Addis Ababa.

ECCAS (2007) 'Etude de Priorisation des Projets du Plan Directeur Consensuel des Transports en Afrique Centrale (PDCT-AC)'. 1st Edition. ECCAS Secretariat, Libreville, Gabon.

ECCAS (Undated) 'Economic Community of Central African States ECCAS: Brochure'. ECCAS Secretariat, Libreville, Gabon.

ECCAS (2008) 'India-Africa Summit Meeting Central Africa's Priorities'. ECCAS Secretariat, Libreville, Gabon.

ECOWAS (undated), "Achievements of ECOWAS, Market integration programme". Website: <http://www.sec.ECOWAS.int/sitecedea0/english/achievements-1.htm>.

ECOWAS (1999) 'Protocol Relating to Conflict Prevention, Management, Resolution, Peace-Keeping and Security'. ECOWAS Executive Secretariat, Abuja, Nigeria.

ECOWAS (2006) 'Transformation of Community Institutions: Re-positioning ECOWAS for Effective Regional Development'. ECOWAS Executive Secretariat, Abuja, Nigeria.

ECOWAS (2006) 'ECOWAS Convention on Small Arms and Light Weapons, Their Ammunition and Other Related Materials'. ECOWAS Executive Secretariat, Abuja, Nigeria.

ECOWAS (Undated) 'A Compendium of Protocols, Conventions and Decisions Relating to Free Movement of Persons, Goods and Services'. ECOWAS Executive Secretariat, Abuja, Nigeria.

ECOWAS (2007) 'ECOWAS Annual Report: Consolidation of the Restructured Community Institutions for the Effectiveness and Accelerated Regional Integration and Development'. ECOWAS Executive Secretariat, Abuja, Nigeria.

Fajana. O. (2004) "Enhancing Africa's Integration in a Globalizing World: A Challenge for the African Union", PASU.

Gonzales. A. (2000) "Proposals for an ACP Agenda for Capacity Building, Dialogue and Information for International Trade Negotiations, September.

IGAD (1996) "Agreement establishing the Inter-Governmental Authority on Development (IGAD)", Inter-Governmental Authority on Development (IGAD). 2003. "IGAD strategy",

IGAD (1996) 'Assembly of Heads of State of Government: Agreement Establishing the Inter-Governmental Authority on Development (IGAD)'. IGAD/SUM-96/AGRE-Doc. IGAD Executive Secretariat, Djibouti.

IGAD (2003) 'IGAD Strategy'. IGAD Executive Secretariat, Djibouti.

IGAD (2003) 'IGAD Strategy Implementation Plan 2004-2008. IGAD Executive Secretariat, Djibouti.

IGAD (2006) 'Annual Report of IGAD Executive Secretariat for 2006 and Planned Activities for 2007'. Final Report. IGAD Executive Secretariat, Djibouti.

IGAD (2008) 'Final Report of the Second Inter-Regional Coordination Committee Technical Meeting on the Preparation of the 10th EDF Annual Action Plan for 2009'. IGAD Secretariat. Djibouti, Republic of Djibouti

Mulat. T. (1998) "The AEC Treaty, Trade Liberalization and Regional Integration" in OAU (ed.). Trade Liberalization and Regional Integration: Proceedings of the Workshop on Trade Liberalization and Regional Integration. OAU: Addis Ababa, 95-122.

N'Guettia Kouassi. R. (2007) "Keys to African Union success" the bulletin, African Union Commission.

Ogiogio. G. (2002) "Some Issues in the Building of Trade Policy Development Capacity in Africa", ILEAP Launch Conference.

SADC (2006) 'Food and Agriculture Resource Directorate: Priorities, Programmes and Achievements'. SADC Secretariat, Gaborone, Botswana.

SADC (2007) 'SADC Infrastructure Projects Profile'. SADC Secretariat, Gaborone, Botswana.

SADC (2007) '2007/2008 Official SADC Trade, Industry and Investment Review'. 11th Edition (1997-2008). SADC Secretariat, Gaborone, Botswana.

SADC (Undated) 'Implementation of Programmes and Strategies Through a Decentralised Approach: The Case of the Directorate of Infrastructure and Services'. SADC Secretariat, Gaborone, Botswana.

SADC (Undated) 'Trade Industry, Finance and Investment' Presentation. SADC Secretariat, Gaborone, Botswana.

SADC (Undated) 'Plan Stratégique Indicatif de Développement Régional'. SADC Secretariat, Gaborone, Botswana.

UNECA (2008) 'Assessing Regional Integration in Africa (ARIA): Towards Monetary and Financial Integration in Africa'. United Nations Economic Commission for Africa, Addis Ababa, Ethiopia.

