African Union 20 YEARS


**2021**

# Putting Free Movement of Persons at the Centre of Continental Integration

African Union

An Integrated, Prosperous and Peaceful Africa

# CONTENTS

# FOREWORD

**Moussa Faki Mahamat**, Chairperson, Africa Union Commission

The African Integration Report, which focuses on the Status of Regional Integration on the continent is an important reference document for policymakers. During the 1st AU-RECs Coordination Meeting held on 8 July 2019 in Niamey, Niger, the Heads of State and Government recommended that the African Union Commission should produce an annual report on the Status of Regional Integration in Africa. This Report - the African Integration Report - monitors the progress of the African Union and the RECs in implementing the African integration agenda.

Regional integration has been a key economic and political ambition in Africa. The formation of the Organisation of African Unity (OAU) in 1963 provided a major cross-continental push towards the vision of a truly independent and integrated African continent where the barriers brought about by the colonial borders are broken down to create a shared experience of what it is to be African.

This Report comes at a trying time for the continent due to the COVID-19 pandemic. COVID-19 has exposed the challenges that the continent faces, but it has also brought its strengths and resilience to the surface. When global supply chains got disrupted, neighbouring countries became the source of imports; regional integration became the solution, and remains at the centre of the continent's post-COVID recovery. The coordinated continental and regional responses to COVID-19, including the AU's leadership in the efforts to secure vaccines, further highlights what can be achieved when the continent works together. This will require more work though; the African Union, the RECs, the States, the Private Sectors and Civil Society all have an important role to play.

One of the important messages emerging from the 2021 African Integration Report is that while the pace of regional integration has been generally slow in some RECs, significant progress has been made in various thematic areas; such as the free movement of persons, customs unions, tariff and non-tariff barriers, transport corridors and regional infrastructure. It is encouraging that the Report shows that it is possible to foster regional integration for the continent's socio-economic transformation, with a good number of RECs providing practical success stories based on strategies and initiatives that can easily be adopted by other RECs.

It is important to point out that the viability and effectiveness of regional integration are ultimately determined by the internal strengths and weaknesses of Member States and their level of commitment to the process. This means that states should go beyond just signing agreements onto ratifying and implementing them. As a start, implementing the now operational African Continental Free Trade Area (AfCFTA) agreement is fundamental to the post-pandemic economic recovery.

This Report should therefore serve as an important reference for decision-makers to foster regional integration in Africa and to address the remaining as well as the emerging challenges for the continent's socio-economic transformation.

# ACKNOWLEDGEMENTS

The 2021 African Integration Report is based on the African Multidimensional Regional Integration Index. The Index was developed by the African Union Commission and the Regional Economic Communities with the participation of the Association of African Central Banks and national statistical agencies.

Equally, the preparation of the Report brings together a diverse team of experts to whom the AUC owes a great deal of gratitude. The production of the Report was informed by and made possible thanks to the RECs, which contributed substantively to the development of the document. The drafting of the Report was done under the overall guidance of the AU Commissioner for Economic Development, Trade, Industry and Mining, Albert M. Muchanga, whereas the day-to-day leadership was provided by Jean-Denis Gabikini, Acting Director at the Department. The Economic Affairs Division provided technical and administrative support. Besides carrying out the statistical analysis, Pierre Dje N'Guessan was the focal point for the production of the Report while Mandy Mauyakufa provided administrative support. Other team members from the Economic Affairs Division include Manasseh Ntaganda, Laurette Francette Ecko and Papa Djibril Faye (Intern).

The AUC would also like to sincerely thank the Chief Executives of the RECs who made their technical staff available to the AU Commission throughout the production of the Report. The team comprised of Imed Ben Hadj Hamouda and Rabhi Sakhi (AMU), Abdoulaye Sabre and Mamadi Kourma (CEN-SAD), Simal Opino Amor and Salvator Matata (COMESA), Aggrey Niringiye and Samson Manirakize (EAC), Jules Rommel Touka Tchakonte and Alfred Ikaka (ECCAS), Mutahi Kagwe (IGAD), Iliyasu Mustapha Bobbo and Kouenkoun Millogo (ECOWAS), and Hobby Musaka Simuchile and Jevin Pillay (SADC).

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# ABBREVIATIONS & ACRONYMS

| | |
|---|---|
| **AACB** | Association of African Central Banks |
| **ACB** | African Central Bank |
| **ACBF** | African Capacity Building Foundation |
| **ACM** | African Common Market |
| **AEC** | African Economic Community |
| **AIF** | African Integration Fund |
| **AIR** | African Institute for Remittances |
| **AfCFTA** | African Continental Free Trade Area |
| **AfDB** | African Development Bank |
| **AIB** | African Investment Bank |
| **AMF** | African Monetary Fund |
| **AMRII** | African Multidimensional Regional Integration Index |
| **AMU** | Arab Maghreb Union |
| **AU** | African Union |
| **AUC** | African Union Commission |
| **AUDA-NEPAD** | African Union Development Agency-NEPAD |
| **ASYCUDA** | Automated System for Customs Data |
| **BDEAC** | Development Bank of Central African States |
| **BEAC** | Bank of Central African States |
| **BIAT** | Boosting Intra-African Trade |
| **CCRT** | Catastrophe Containment and Relief Trust |
| **CEMAC** | Economic and Monetary Community of Central Africa |
| **CEN-SAD** | Community of Sahel-Saharan States |
| **CET** | Common External Tariff |
| **COMESA** | Common Market for Eastern and Southern Africa |
| **COPAX** | Peace and Security Council |
| **COVID-19** | Corona Virus Disease 2019 |
| **EAC** | East African Community |
| **EACSO** | East African Common Services Organisation |
| **EAMI** | East African Monetary Institute |
| **EAMU** | East African Monetary Union |
| **EAPI** | East African Parliamentary Institute |
| **ECCAS** | Economic Community of Central African States |
| **ECOWAS** | Economic Community of West African States |
| **EPAs** | Economic Partnership Agreements |
| **EU** | European Union |
| **FAO** | Food and Agriculture Organization |
| **FTA** | Free Trade Area |
| **IATA** | International Air Transport Association |
| **ICT** | Information and Communication Technology |
| **IGAD** | Intergovernmental Authority on Development |
| **IGADD** | Intergovernmental Authority on Drought and Development |

| | |
|---|---|
| **IMF** | International Monetary Fund |
| **IOM** | International Organisation for Migration |
| **LPA** | Lagos Plan of Action |
| **LVBC** | Lake Victoria Basin Commission |
| **M&E** | Monitoring and Evaluation |
| **MoU** | Memorandum of Understanding |
| **NEPAD** | New Partnership for Africa's Development |
| **NTBs** | Non-Tariff Barriers |
| **OAU** | Organization of African Unity |
| **PAP** | Pan-African Parliament |
| **PAU** | Pan African University |
| **PTA** | Preferential Trade Area |
| **RAIP** | Regional Agricultural Investment Plan |
| **RECs** | Regional Economic Communities |
| **RoO** | Rules of Origin |
| **RO** | Regional Organisation |
| **RPAs** | Regional Parliamentary Assemblies |
| **RTA** | Regional Trading Arrangement |
| **SAATM** | Single African Air Transport Market |
| **SACU** | Southern African Customs Union |
| **SADC** | Southern African Development Community |
| **SCT** | Single Customs Territory |
| **SDGs** | Sustainable Development Goals |
| **SMEs** | Small and Medium Enterprises |
| **T-FTA** | Tri-Partite Free Trade Area |
| **ToRs** | Terms of Reference |
| **UEMOA** | West African Economic and Monetary Union |
| **UMOA** | West African Monetary Union |
| **UNDP** | United Nations Development Programme |
| **UNICEF** | United Nations Children's Fund |
| **UNIDO** | United Nations Industrial Development Organization |
| **WAMZ** | West African Monetary Zone |
| **WFP** | World Food Programme |
| **WHO** | World Health Organization |
| **WTO** | World Trade Organization |

# BACKGROUND AND CONTEXT

## INTRODUCTION

No independent African state today by itself has a chance to follow an independent course of economic development, and many of us who have tried to do this have been almost ruined or have had to return to the fold of the former colonial powers. This position will not change unless we have a unified policy working at a continental level.

**Kwame Nkrumah, 1963**

All African states participate in regional integration through membership of one of the many regional and sub-regional organisations, the Regional Economic Communities, and the African Union. The states agree to cooperate by setting up of common institutions and having common rules to create stability, grow their economies, improve market efficiency, share costs of public goods or large infrastructure projects, and address other issues such as epidemics and pandemics as well as peace and security. Regional integration can also strengthen the voices of small nations that often face disadvantages in dealing with the rest of the world because of their low bargaining power and high negotiation costs. That is why regional integration is so important for Africa's small and fragmented states. These benefits notwithstanding, we witness slow progress in African integration in spite of the many interventions and projects to advance regional integration over the years.

The third edition of the African Integration Report comes at a time when the Corona Virus Disease 2019 (COVID-19) continues to ravage economies around the world, and the continent is no exception. The economic impact of the pandemic on the African continent is already clear: the first recession in 25 years, with economic activity falling by more than 3% in 2020, according to a recent report by the World Bank. Returning the world to any kind of recognizable 'normal' will take years.

In Africa, regional integration has long been viewed as a catalyst for long-term prosperity. With COVID-19 placing severe strain on economies across the continent, regional coordination can be an effective approach to manage the response and promote post-pandemic recovery. The African Continental Free Trade Area (AfCFTA), which has now been operationalised, has created a platform and dialogue to support this. In a COVID-19 environment that has been defined by the closure of national borders and the collapse of global supply chains, the continent will become more interdependent than ever.

While COVID-19 has slowed down regional integration, Africa was not performing well even before the pandemic, as documented in the previous African Integration Reports. According to the 2020 and even the 2021 African Integration Report, the level of integration on the continent is low overall.

This Report takes cognisance of the significant evolutions in the regional integration process and ambitions of the AU and the Regional Economic Communities (RECs) and the challenges faced over the past year. The AU has expressed enhanced ambitions for its regional integration agenda and launched major continental initiatives - the flagship projects - that are captured in Agenda 2063, as well as revitalising its work towards the attainment of the goals of the Abuja Treaty through the AfCFTA.

While assessing the integration process, this Report captures the opportunities and challenges that come with these significant developments in the African regional integration agenda.

The Report provides a comprehensive and structured review of the status of integration and gives innovative policy recommendations for accelerating the ongoing regional integration process. It is an initiative by African Heads of States and Governments to refocus the discourse on integration and related emerging issues, and make recommendations to achieve an "integrated, prosperous and peaceful Africa, representing a dynamic force in the concert of nations."

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

## THE PURPOSE OF THE AFRICAN INTEGRATION REPORT

The African Integration Report contributes to filling the gap in the tracking and measuring the progress made in regional integration on the continent. This Report is a working document for the AU-RECs mid-year Coordination Summit; it is intended to assist the Summit in making evidence-based decisions in order to speed up the integration process both within the RECs and at the continental level.

The objectives of the report are to;

- Present an analytical assessment of the regional integration process on the continent based on AMRII
- Produce an in-depth analytical study on topical issues related to the African integration process
- Present the achievements made by the Member States, the RECs and the AUC. In accordance with their respective mandates, the report identifies and reports on the status of the agreements and initiatives that have been put in place for the implementation of the integration agenda;
- Review the challenges hindering the African integration process. The approach here is to consider these challenges as opportunities that African countries and institutions in charge of integration can harness to accelerate the process of creating AEC and foster the structural transformation needed to tackle poverty, inequalities and the marginalization of Africa at the international level;
- Analyse the perspectives in terms of integration for the Member States, the RECs and the AUC. New visions of integration are tackled with innovative solutions that serve as recommendations to stimulate a new dynamic in the integration process.
- Help African leaders in their decision-making to accelerate the integration process.

The Report assists policymakers to delve into a number of questions. Some of these are:

- What are the characteristics of the regional integration processes in Africa?
- What are the stages of the regional integration processes?
- What are the goals of the regional integration processes?
- What are the requirements for these regional integration processes to be successful?
- What are the programmes and projects?
- What agreements and commitments - laws, directives and decisions - have been reached?
- What institutions exist or are required to implement these programmes and projects as well as the laws directives and decisions?
- We could also ask ourselves further two questions: Where are we in the Integration Process and what do RECs need to do and what do States need to do to meet our goals?
- These questions help to understand how effective the AU and the RECs have been in achieving their stated objectives.

The Report further helps to shed light on the impact of the policy preferences of the AU and the RECs on ordinary citizens and the extent to which they bring about development and poverty reduction. Answering these questions crucially hinges on the availability of high-quality data and indicators. Without these basic analytical tools, it becomes virtually impossible for policymakers to monitor the impact of existing regional integration initiatives and to assess the extent to which expectations have been met and whether policy adjustments might be warranted. Besides, a robust set of results-based indicators can help illuminate the costs and benefits of policy initiatives, thus, informing the broader public dialogue on complementary reforms.

# TECHNICAL APPROACH AND METHODOLOGY

## Introduction

The methodology adopted to meet the objectives mostly consisted of a compilation of the reports produced at the level of each REC based on desk reviews of the projects and programmes undertaken by the various RECs and the AUC during the review period. Wherever possible, the reports and information provided were complemented by interviews and exchanges with the experts from the RECs and the AUC. Furthermore, the RECs were involved in the validation of every stage of the development of the Report.

The African Multidimensional Regional Integration Index (AMRII) serves as the basic tool for assessing the integration process on the Continent. This index establishes an assessment based on the strategies, programmes and impact of initiatives taken on regional integration within the RECs. The evaluation is done in 3 stages: an overall evaluation which gives a brief perception of the level of integration, then a dimensional evaluation based on the integration domains selected during the design of AMRII, and finally a comparative analysis of the level of integration within set thresholds.

## The African Multidimensional Regional Integration Index:

The African Multidimensional Regional Integration Index is composed of eight (8) dimensions and thirty-three (33) indicators; thresholds for each of the indicators. The dimensions are:

1. Free Movement of Persons
2. Social Integration
3. Trade Integration
4. Financial Integration
5. Monetary Integration
6. Infrastructure Integration
7. Environmental Integration
8. Political and Social Integration

## Selection of Indicators

For each of the 8 dimensions, indicators have been duly defined to assess the level of progress of the RECs for these different dimensions. There are 2 types of indicators:

(i) Qualitative indicators and

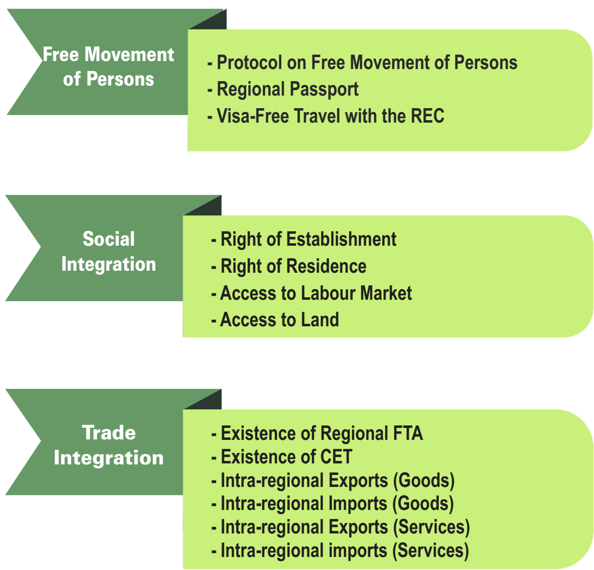
(ii) Quantitative indicators.

Qualitative indicators describe the instruments and agreements that must be implemented during the integration process, whereas quantitative indicators refer to directly quantifiable objectives for which values are obtained during the data collection.

**AMRII:**

I. Identifies the indicators and the outputs for each dimension, and then links them to the objectives/priorities of the African Integration Agenda as outlined in the Abuja Treaty and Agenda 2063.

II. Defines the methodology for calculating the Regional Integration Indicators and the Thresholds against which the Indicators shall be measured to assess performance and evaluate progress taking into account the sub-steps for achieving the instruments, agreements, initiatives and objectives mentioned in the Integration Agenda.



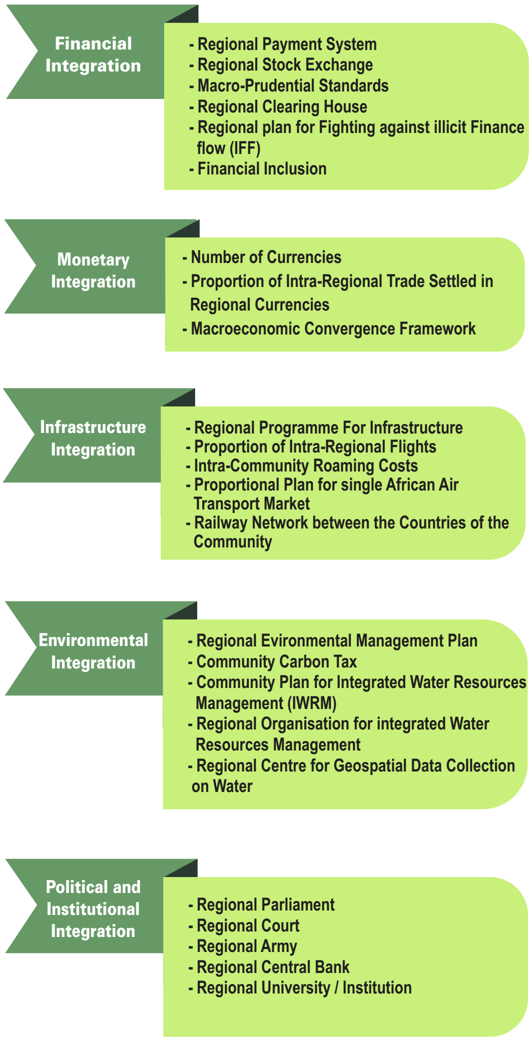



**Figure 1:** AMRII Dimensions and Indicators
**Source:** AUC, 2021

## Key Steps in the Analysis

The study went through the following steps:

1. Desktop Study and Development of Questionnaires
2. Administration of Questionnaires
3. Calculation of the Indicators
4. Calculation of the Thresholds
5. Summary of the Calculations
6. Analysis, Writing and Validation of the Report

## THE STRUCTURE OF THE AFRICAN INTEGRATION REPORT 2021

AMRII...

- AMRII is a composite index developed by the AUC and the RECs in collaboration with the National Statistical Agencies and African Central Banks and which makes it possible to assess the efforts to integrate the RECs in relation to the objectives and priorities of Agenda 2063, the Abuja Treaty and the regional REC Treaties.
- AMRII is made up of 8 dimensions and 33 indicators. These eight dimensions are: Free Movement of Persons, Social Integration, Trade Integration, Infrastructure Integration, Financial Integration, Monetary Integration, Environmental Integration and Political and Institutional Integration.
- AMRII considers the different stages of the implementation of the integration instruments and agreements provided for in the Abuja Treaty and Agenda 2063. The different stages considered are Consultation, Negotiation, Signature, Ratification and Domestication. For each of the indicators, the REC score is obtained by verifying the completion of each of these 5 steps.
- AMRII takes into account quantitative indicators whose collected values are compared with the values contained in the objectives of Agenda 2063 and the Abuja Treaty.
- AMRII considers fixed thresholds which serve as a dashboard for users, academics and decision-makers. These thresholds are defined on the basis of the objectives set and the chronograms of Agenda 2063 and the Abuja Treaty.
- AMRII is the main tool for drafting the annual report of African regional integration which is one of the working documents of the coordination meeting.

The 2021 African Integration Report retains the traditional report format with two parts:

**PART 1** - Evaluation Section: The first part gives an assessment of the Status of Regional Integration on the Continent based on AMRII. This section:

a. Evaluates the level of integration on the Continent with reference to the Abuja Treaty and Agenda 2063.

b. Presents good practices and experiences from the different RECs that the other RECs could learn from.

**PART 2** - Analytical Section: Addresses a set of themes on regional integration in Africa that have been selected by the AUC and the RECs.
Here is the layout of the Chapters:

**PART I: This Section is made up of two Chapters**

**Chapter 1: Assessment of Regional Integration in Africa - AMRII 2021**: This Chapter Analyses the Status of Regional Integration on the Continent using the African Multidimensional Regional Integration Index (Revised AMRII II).

**Chapter 2: Lessons and Trends from AMRII 2021:** This Chapter highlights the lessons that can be learnt from the Trends in the integration process both at the continental as well as REC level.

**PART II: This Section is made up of four Chapters and the Conclusion**

**Chapter 3: Free Movement of Persons for African Integration:** This Chapter considers the need to go beyond the AfCFTA and address the Free Movement of Persons as an essential step towards the achievement of the African Economic Community. It looks at the Free Movement of Goods, Services, Capital, People as being essential for African integration and being collectively reinforcing.

**Chapter 4: The Role of Regional Integration in Africa's post-COVID-19 Recovery:** This Chapter addresses Africa's challenges in the Global Economic/Financial Ecosystem which have now been exacerbated by COVID-19 and then makes recommendations on how Regional Integration can help Africa to build Back Better.

**Chapter 5: The need for Inclusivity in the Integration Process: Gender and Youth:** This Chapter calls for enhanced inclusivity in the African integration process. It addresses the role of gender and youth in African integration; including in the AfCFTA and in post-COVID Recovery on the Continent. Inclusivity of the otherwise marginalised sectors of society is essential for the continent's development.

**Chapter 6: Financing Regional Integration in Africa: Operationalising the African Integration Fund:** This Chapter builds on the 2020AIR and gives the key steps necessary to operationalise the African Integration Fund.


**Figure 2:** The Eight (8) AMRII Dimensions
**Source:** AUC, 2021

**AMU**

- Algeria, Libya, Mauritania, Morocco, Tunisia

**ECCAS**

- Angola, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Equatorial Guinea, Gabon, Republic of the Congo, São Tomé and Príncipe

**ECOWAS**

- Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo

**SADC**

- Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe

**IGAD**

- Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda

**CEN-SAD**

- Benin, Burkina Faso, Central African Republic, Chad, Comoros, Côte d'Ivoire, Djibouti, Egypt, Eritrea, Gambia, Ghana, Guinea-Bissau, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Togo and Tunisia

**COMESA**

- Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eswatini, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, Zimbabwe

**Figure 3:** Membership of RECs
**Source:** AUC, 2021

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# ASSESSMENT AND TRENDS IN REGIONAL INTEGRATION IN AFRICA

We all want a united Africa, united not only in our concept of what unity connotes, but united in our common desire to move forward together in dealing with all the problems that can best be solved only on a continent basis.

Kwame Nkrumah

## INTRODUCTION

Regional Integration is critical in growing Africa's economies; this explains why it is an important pursuit of the continent. Since independence in the 60s, regional integration has been an integral part of Africa's development strategies; indeed, regional integration has been the continent's most important goal over the past six decades. The Africa-wide development agenda, as championed by the African Union (AU), is based on regional integration and the formation of an African Economic Community (AEC).This was laid out in the Abuja Treaty of 1991 and now, in Agenda 2063. The Africa regional integration roadmap considers the Regional Economic Communities (RECs) as the building blocks of the AEC which was envisaged to come in six phases over a period of 34 years.

This chapter looks at the trends in regional integration on the Continent giving insights into the dynamics at play, the milestones attained, key lessons, challenges and recommendations.

## THE OVERALL STATUS OF REGIONAL INTEGRATION IN AFRICA

Over the years, continental programmes and projects have been developed for the realisation of the continental vision. From the launch of the Organization of African Unity (OAU) to Agenda 2063, the will of African leaders to harmonise the policies of States is strengthened year after year.

This section focuses on the assessment of the integration process at the continental level using the African Multidimensional Regional Integration Index (AMRII). Adopted in September 2018, AMRII is used to understand the progress as well as the challenges of the integration process both in the RECs and at the continental level.

### Successes: Key Continental Achievements in 2020 -2021

- The integration process on the continent has seen progress during the past year in some dimensions. In terms of trade, the launch of trading under the African Continental FreeTrade Area (AfCFTA) commenced on 1 January 2021. Under the trade agreement, tariffs on 90% of goods will be phased out within ten years.

- At the health level, the pandemic situation has made it necessary for the continent to develop a harmonized policy for the management of COVID-19. After several high-level meetings, the Ministers of Health adopted a continental strategy to fight COVID-19. The AU has also coordinated Member States to secure vaccines at a lower price that is negotiated jointly.at the continental level.

- At the financial level, the African States have appointed the Head of State of Ghana as Champion of Financial Institutions to help the Commission in advocacy with African States in order to accelerate the ratification and the implementation of pan-African financial institutions.

- In February 2021, the AU held successful elections for the AU Commission under the new structure proposed in the ongoing reforms.

Some of these successes, as well as others, are discussed in greater detail later on in this chapter.

### Continental Assessment based on AMRII

Regional integration can be promoted through common policies as well as physical and institutional infrastructure. Specifically, regional integration requires cooperation between States in trade and investment, transport, information and communication technologies and energy infrastructure, macroeconomic and financial policies, management of shared or transborder natural resources, security, education and financial and political institutions. Cooperation in these areas may take different institutional forms, with different levels of policy commitments and priorities and having different levels of shared authority. AMRII identifies eight (8) areas of cooperation - dimensions - and thirty-three (33) indicators. It also sets thresholds for each of the indicators. The dimensions are: (i). Free Movement of Persons; (ii). Social Integration; (iii). Trade Integration; (iv). Financial Integration; (v). Monetary Integration, (vi). Infrastructure Integration, (vii). Environmental Integration; and (viii) Political and Institutional Integration. Some of the 33 indicators associated with the 8 dimensions are: a community passport, non-existence of visa between countries, right of establishment, right of residence, access to the labour market, access to land, the existence of a free trade area, existence of a common external tariff, intra-regional exports, intra-regional imports, the proportion of regional flights, the existence of regional programme for infrastructure, roaming costs in the regions, regional payment system, regional stock exchange, macro-prudential standards, regional clearing house, number of currencies, the proportion of intra-trade settled in local/regional currency and convergence criteria; among others.

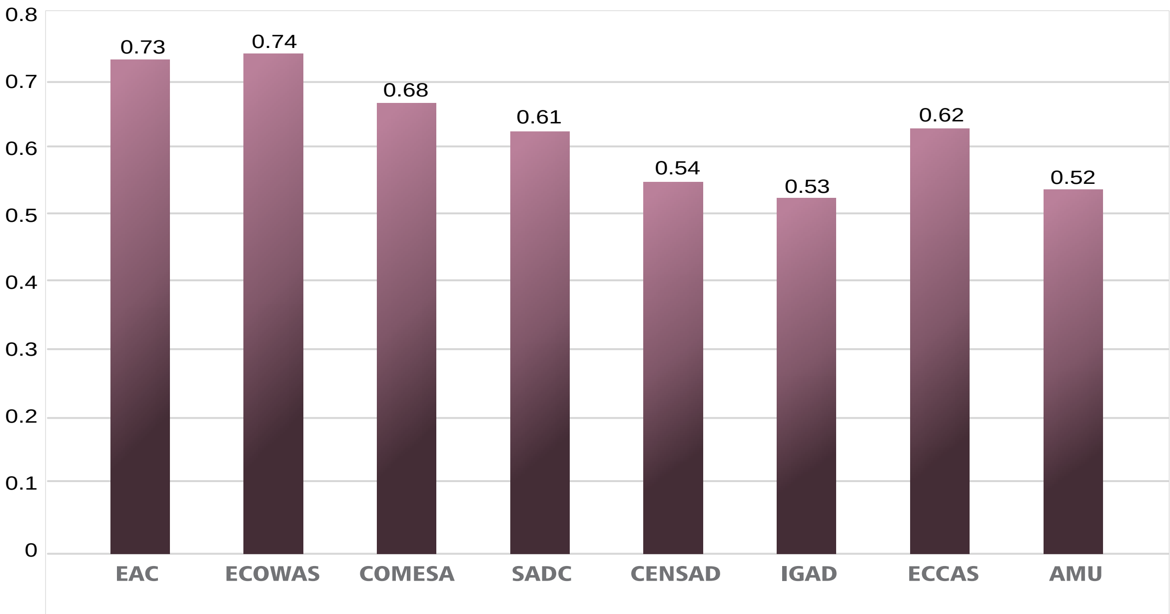
The African Multidimensional Regional Integration Index which is comprised of 8 dimensions and 33 AMRII has been used to assess the regional and continental integration processes. This section presents the analysis at the continental level.

## Overall Analysis of Integration in the Regional Economic Communities

The overall assessment score for the integration process within the continent is 0.62 on a scale of 0 to 1.

The overall AMRII scores for each of the RECs are the arithmetic mean of the scores obtained in the 8 dimensions of the index. These scores are a reflection of the efforts made within each of the RECs.

The RECs which are making the most effort are EAC, ECOWAS, COMESA, SADC and ECCAS. Overall, they have scores exceeding 0.6 in a rating range between 0 and 1. On the other hand, IGAD, CEN-SAD and AMU are just above the average value of 0.5. The fact of not having defined plans or programmes in certain dimensions of integration such as free movement, financial and monetary integration is one reason for the poor overall performance of these RECs.




**Graph 1.1:** Overall AMRII Scores by REC
**Source:** AUC, 2021

## CONTINENTAL ASSESSMENT BY DIMENSION

This subsection discusses the continental assessment from a dimensional perspective. Dimensional scores are calculated on the basis of the scores obtained previously for each of the RECs. The continental dimensional score is the arithmetic mean of the regional dimensional scores of the 8 RECs.

At the continental level, the best scores are in the dimension of free movement and trade. These two dimensions have respective scores of 0.68 and 0.66 in an evaluation interval between 0 and 1. Nevertheless, these two were most affected by the pandemic.

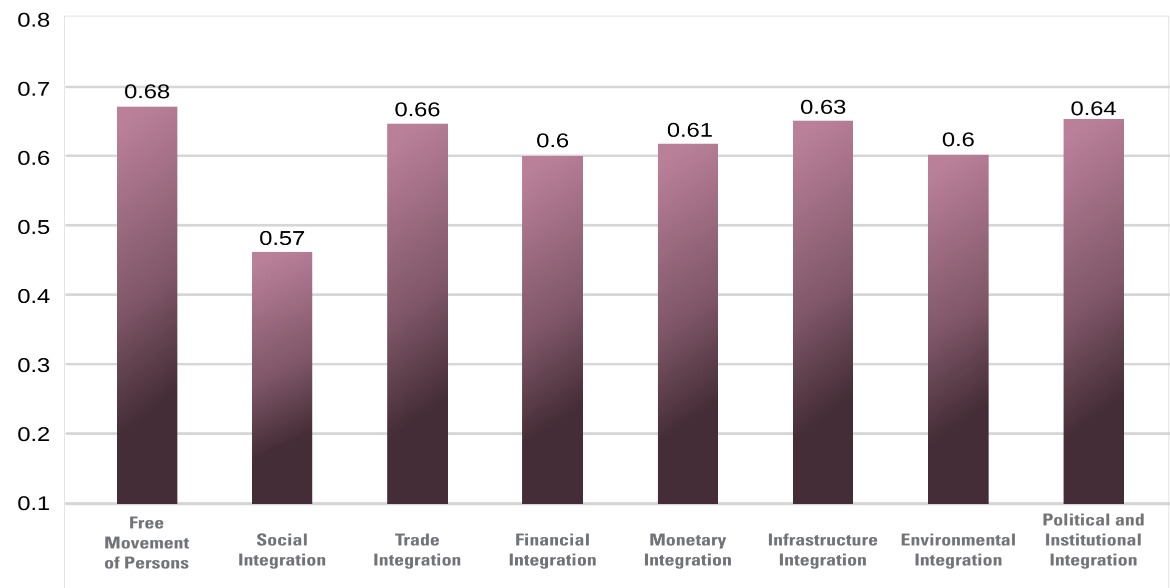
Excluding these two dimensions, Africa achieves encouraging scores overall. This would mean that the average efforts made by the RECs are at an acceptable level of performance. However, the existence of disparities in efforts by individual RECs is a reality that should be addressed.

## Dimensional Analysis

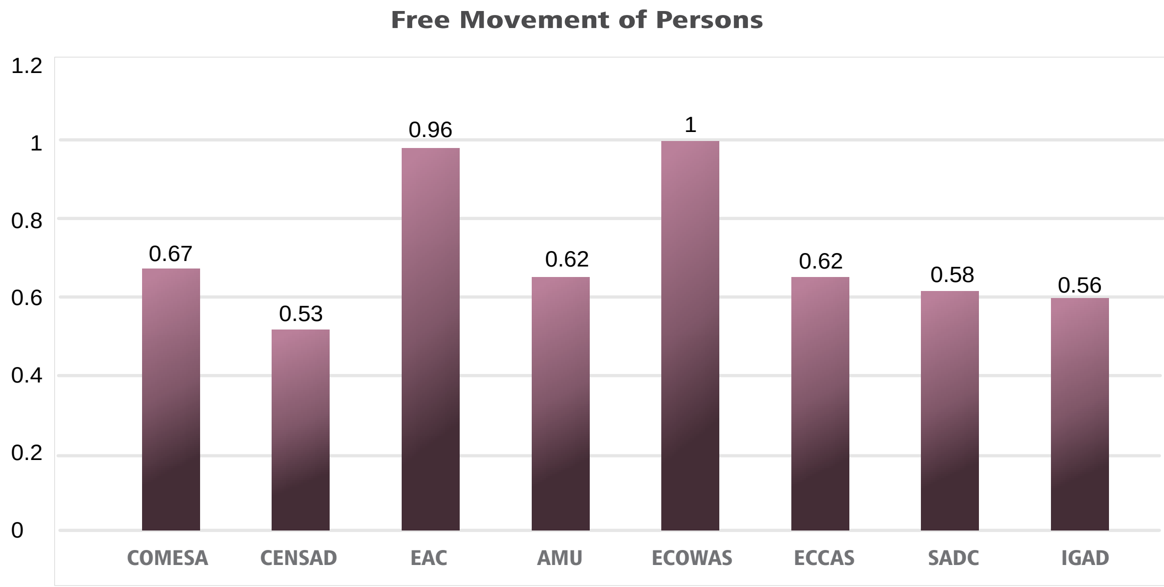
### Free Movement of Persons

The average progress of the RECs in terms of the implementation of the process of free movement of persons is moderate. The average value of the AMRII index for this dimension is 0.68 on a rating scale between 0 and 1.

However, the RECs have varied assessments. Indeed, ECOWAS and EAC have almost fully achieved the instruments taken into account by AMRII. Thus, they stand out from other RECs in the evaluations with respective ratings of ECOWAS (100%) and EAC (96%); all the other RECs score below 65%. This can be explained by the difficulties experienced in either implementing the regional free movement protocols or the abolition of visas in their Member States.



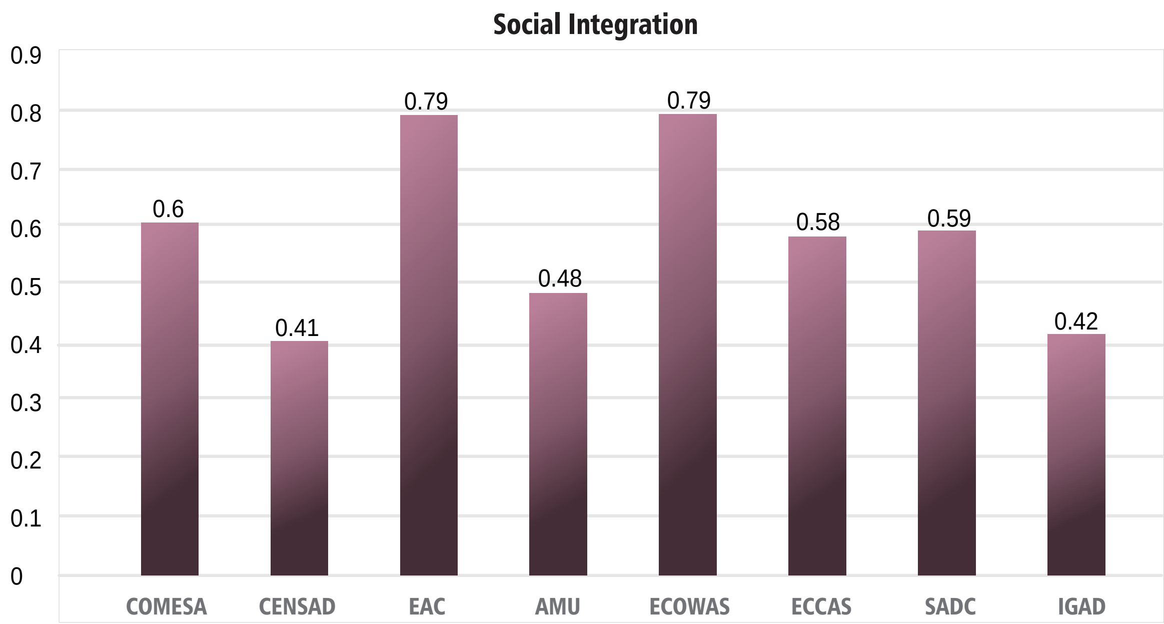

**Graph 1.2:** Continental Score by Dimension
**Source:** AUC, 2021




**Graph 1.3:** Free Movement of Persons in The RECs
**Source:** AUC, 2021

## Social Integration

Social integration is a dimension that serves to deepen the free movement of persons. On average, the RECs have an average progression of 58%. As with the free movement of people, the values obtained with the evaluation make it possible to have 2 categories within the RECs: (i) ECOWAS and the EAC, which have good performances and (ii) the other RECs which achieve low scores. The theory that a better social integration policy helps accelerate free movement seems to hold when comparing the 2 dimensions: free movement of persons and social integration. This could be explained by the fact that most of social integration indicators are contained in the protocols for the free movement of people. This is the case for indicators related to the right of residence and the right of establishment.



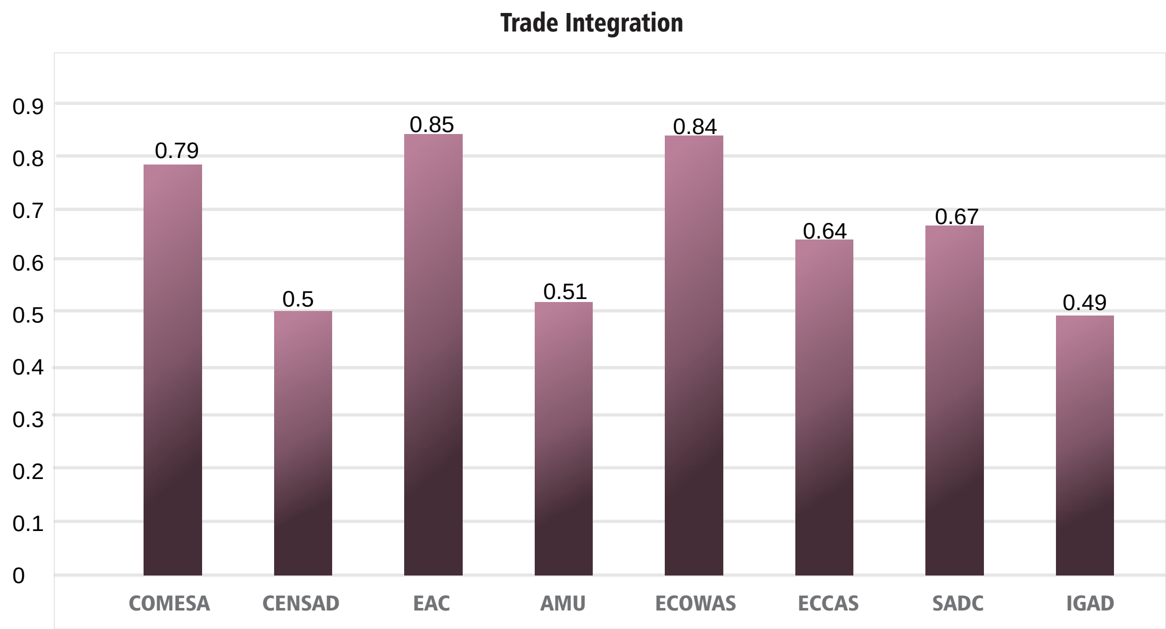

**Graph 1.4:** Social Integration in The RECs
**Source:** AUC, 2021

### Trade Integration

In terms of trade integration, the RECs that perform best on the basis of the AMRII assessment are ECOWAS, COMESA and EAC with scores above 75%. These RECs have been able to implement the main instruments identified in AMRII as the essential steps for achieving trade integration. These instruments are free trade zones and a common external tariff among others.

### Infrastructure Integration

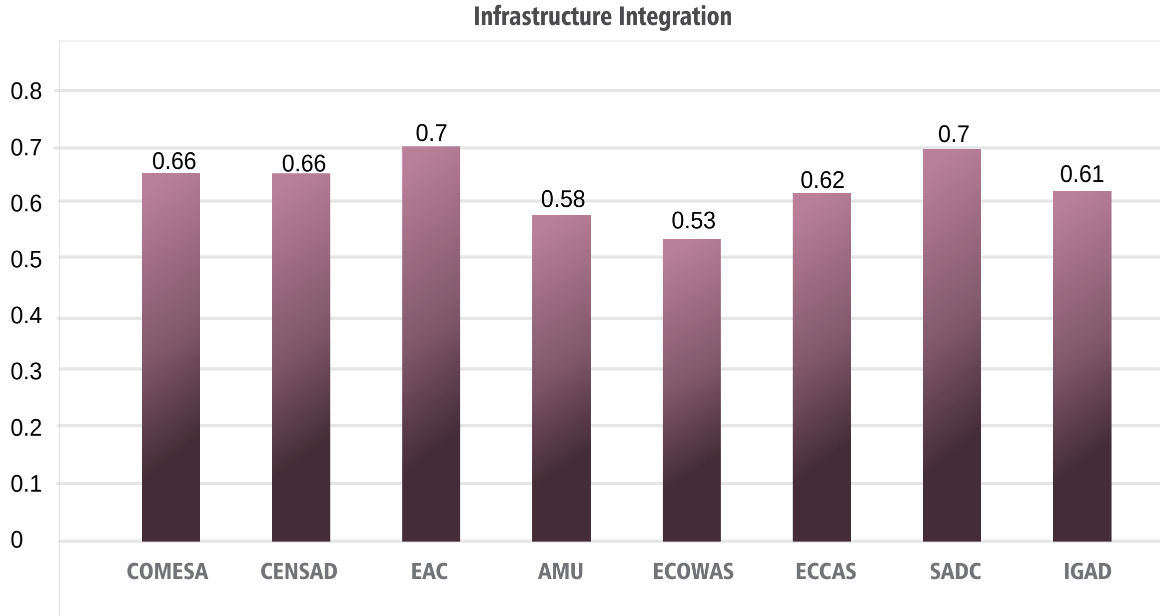
At the infrastructural level, the RECs have almost similar developments. This highlights the general problem of infrastructure in Africa which cannot effectively support the integration process. With an average progression of 63%, no REC stands out significantly in terms of the achievements and progress made.




**Graph 1.5:** Trade Integration in The RECs
**Source:** AUC, 2021

The other RECs have strengths that must be capitalized on. Indeed, ECCAS and SADC have within them sub-regional organizations - CEMAC in ECCAS and SACU in SADC - which are more advanced in implementing the previously mentioned integration milestones. It should also be added that SADC and COMESA have been able to support trade integration through various mechanisms for the creation of institutions to support intra-regional trade.

The challenges related to the financing of infrastructure and more generally the slow progress in the implementation of regional infrastructure projects are the main reasons. To this must be added the poor quality of these infrastructures in certain regions.




**Graph 1.6:** Infrastructure Integration in The RECs
**Source:** AUC, 2021

## Monetary Integration

The dimension of monetary integration is one of the dimensions of AMRII where the RECs are still struggling to move forward in accordance with the Abuja Treaty.

The graph below shows the results of the evaluation process in the RECs recognized by the African Union. The scores show that SADC and EAC are the RECs that are making the best progress towards monetary integration.

These two RECs have preparatory institutions for monetary integration, such as a Monetary Institute and a committee for the harmonization of convergence criteria. ECOWAS and ECCAS certainly have the West African Monetary and Economic Union (WAEMU) and the Central African Economic and Monetary Community (CEMAC), respectively, but there is real difficulty in capitalising on the efforts of the sub-regional organisations at the regional level. The above-average score by IGAD is the result of the membership of some of its Member States in the EAC.

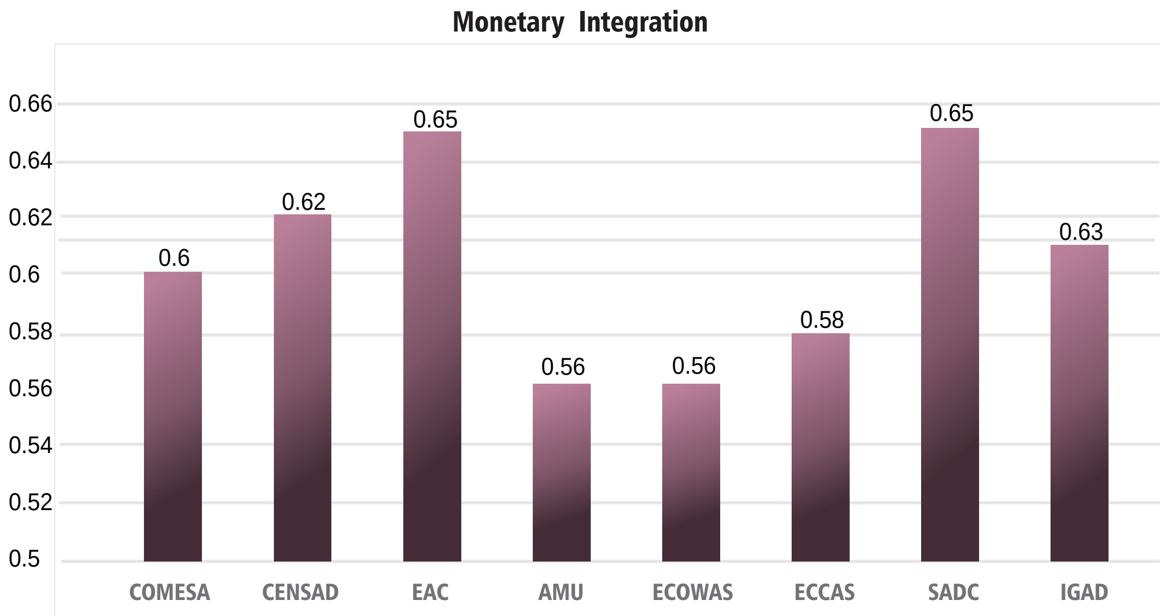



**Figure 1.7:** Monetary Integration in The RECs
**Source:** AUC, 2021

## Environmental Integration

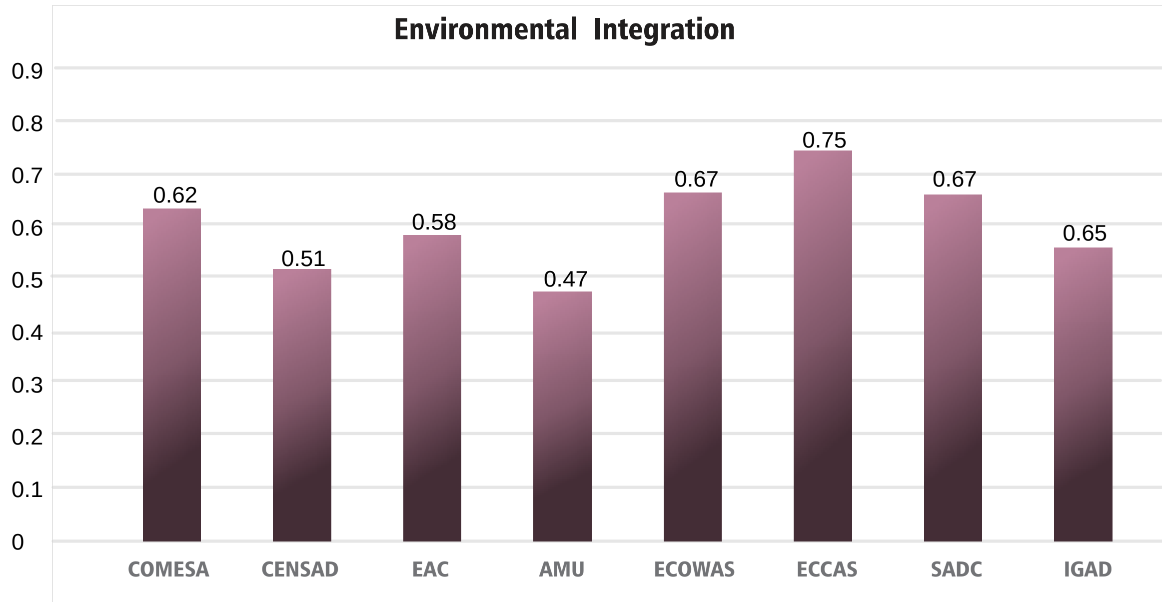
Environmental integration is an emerging area in the integration process. With the challenge of climate change and the numerous impacts on populations, the environment has become a key factor in the process of regional integration. Its inclusion in AMRII has focused on primary instruments such as policy and regional institutions put in place for the protection and management of the environment.

The graph below gives the scores of the RECs in the environmental domain. ECCAS, SADC, ECOWAS and COMESA have scores above 60%. These RECs have been able to develop plans and programmes focused on environmental protection. ECCAS is even more advanced with several institutions involved in environmental management.

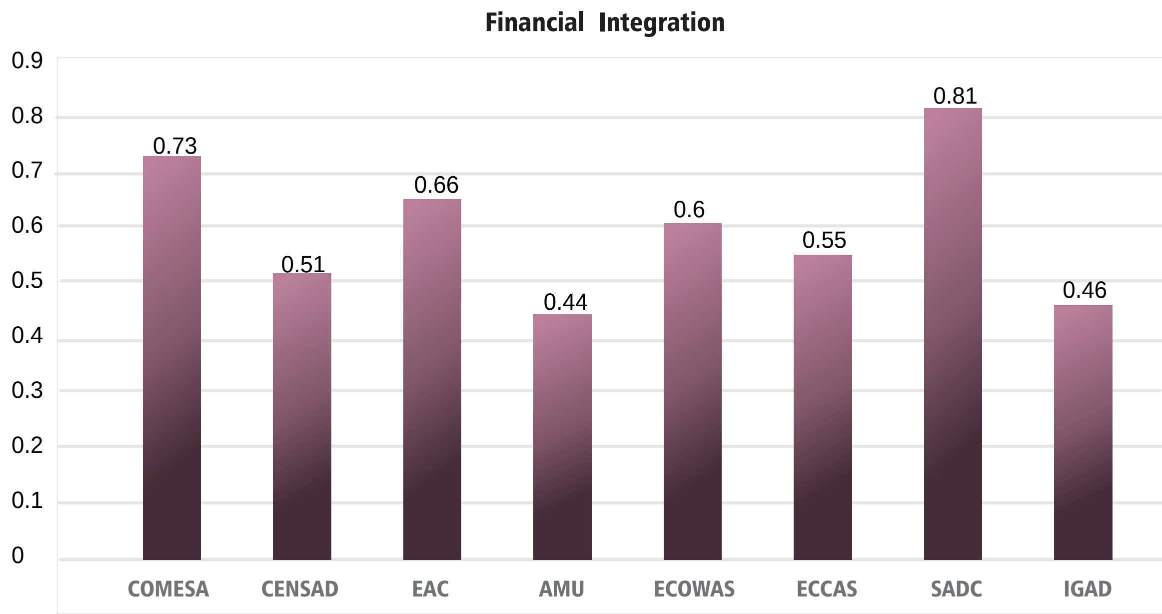
## Financial Integration

Financial integration is one of the important dimensions to support Free Trade Areas, Customs Unions, and Common Markets, be they at the regional or continental level. This is a key step that enables resource mobilization, which facilitate the exchange of goods and services. The main steps that characterize the process of financial integration are the harmonization of financial policies at the regional level and the establishment of a regulatory institution; among others.

For this dimension, SADC and COMESA are the RECs that have put in the most effort in achieving financial integration. RECs such as ECOWAS, ECCAS and CEN-SAD certainly have strengths such as the membership of some of their Member States to other organizations with notable advances in the field of finance. Still, these strengths have not yet been capitalized on.




**Graph 1.8:** Environmeantal Integration in The RECs
**Source:** AUC, 2021

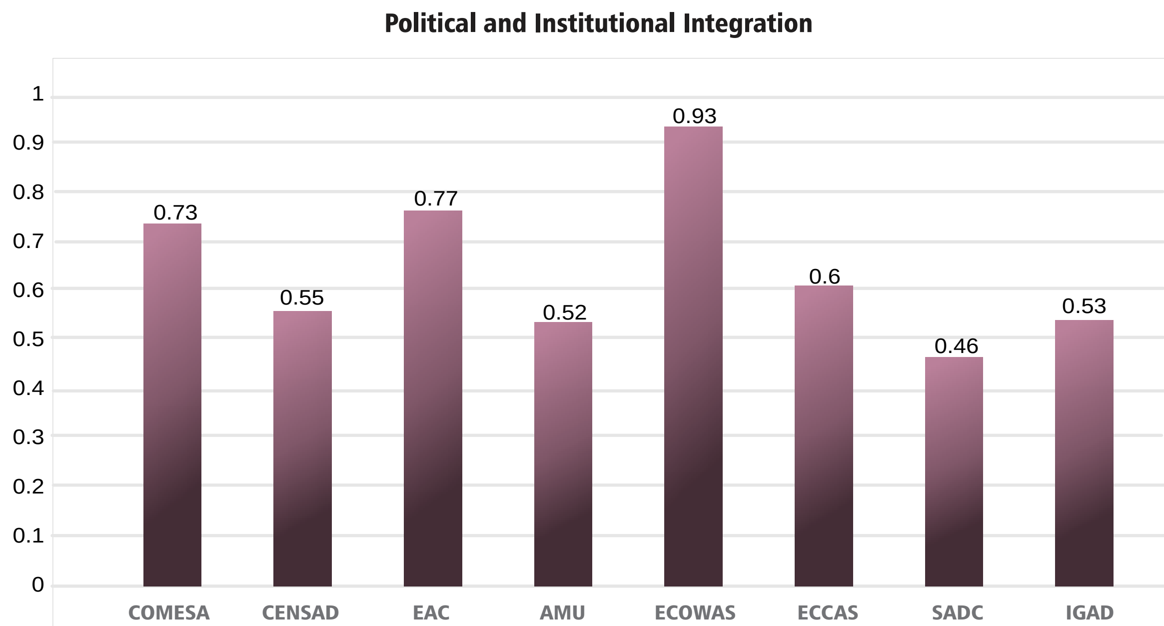



**Graph 1.9:** Financial Integration in The RECs
**Source:** AUC, 2021

## Political and Institutional Integration

Institutional and political integration stands out as the final step in the regional integration process. For many areas or regions that are fairly integrated with any part of the world, this step is presented as optional. Indeed, this is the step that absolutely requires a ceding or more pooling of state sovereignty especially with regards to the political aspects.

Apart from ECOWAS and the EAC, which have set up various institutions linked to political and institutional integration, such as the court of justice and a regional parliament, the other RECs are still evolving slowly. This is due to the fact that this step is either not part of the priorities of the RECs, or this step needs the Common Market to be effective before its implementation begins in practice. Besides, there is the need to assess the specific roles of the various institutions further since not all institutions contribute to political integration.




**Graph 1.10:** Political and Institutional Integration in The RECs
**Source:** AUC, 2021

## A MIXED RECORD FOR REGIONAL INTEGRATION IN AFRICA

Close to 60 years since the establishment of the OAU and the additional programmes over the years, the achievements are undeniable. The strong growth rates observed on the continent, especially since the beginning of the new millennium, is palpable proof of this. Several regions have managed to achieve important steps in the establishment of the African Economic Community (AEC). The continent has achieved encouraging performance in intra-African trade through the establishment of regional free trade areas and currently, the operationalisation of the AfCFTA. The movement of populations within regions and the continent is increasingly facilitated by free movement protocols. The harmonization of financial, monetary and environmental policies has seen notable progress in more Regional Economic Communities (RECs).

However, there are challenges and delays in meeting deadlines; and there are many cases of this. As opposed to a clear picture, an assessment of regional integration on the continent, therefore, produces a mixed record. Several RECs have been unable to move forward in the spirit of the Abuja Treaty. The challenges inadequate of financing, conflict, terrorism, multiple membership, lack of political will and poor infrastructure have greatly slowed down the implementation of the African Integration agenda.

To these challenges, we must and the corona virus pandemic (COVID-19) that has affected the world since the beginning of 2020. The social difficulties facing states have increased with the disastrous effects of COVID-19 on employment, businesses, and exchanges. To cope with this pandemic, several states have been forced to resort to requests to restructure their debt. Socio-economic bailouts have been observed across states. According to the African Development Bank (AfDB), Africa entered recession in 2020 with a growth rate of -2.6%. Unemployment on the continent has increased since then with millions of job losses according to the International Labour Organisation (ILO). Sectors such as tourism, hotels and aviation have suffered huge losses. Therefore, if a coherent stimulus policy is not applied, the pandemic crisis risks wiping out the progress made in recent decades.

Whereas, the Regional Economic Communities (RECs) have made enormous progress in terms of implementing the key studies show that in general, RECs have not been able to achieve the objectives set out in these programmes and a lot remains to be done. The RECs should therefore work to resolve the funding and infrastructure challenges and encourage policymakers to translate their desire for integration into the ratification of key treaties and protocols in all areas and go further to implement the commitments made.

In order for regional integration to provide the expected benefits in trade, investment, peace, security and above all, economic transformation and sustainable development, continental institutions, RECs and the responsible Ministries, Departments and Agencies (MDAs) at the national level need to have the requisite capacity and competence. These institutions should be able to identify and understand the key issues and constraints, formulate and coordinate appropriate strategies and policies, and successfully implement the different regional development projects and programmes. Related support institutions and other actors such as the private sector and civil society also need to play their role effectively. This requires the appropriate and sufficient human and institutional capacity, knowledge management, legal framework, the support of the private sector and the people and the required financial resources to put together the necessary infrastructure and to implement the projects and programmes.

## CHALLENGES AND OPPORTUNITIES FOR CONTINENTAL INTEGRATION

### Challenges facing regional integration in Africa

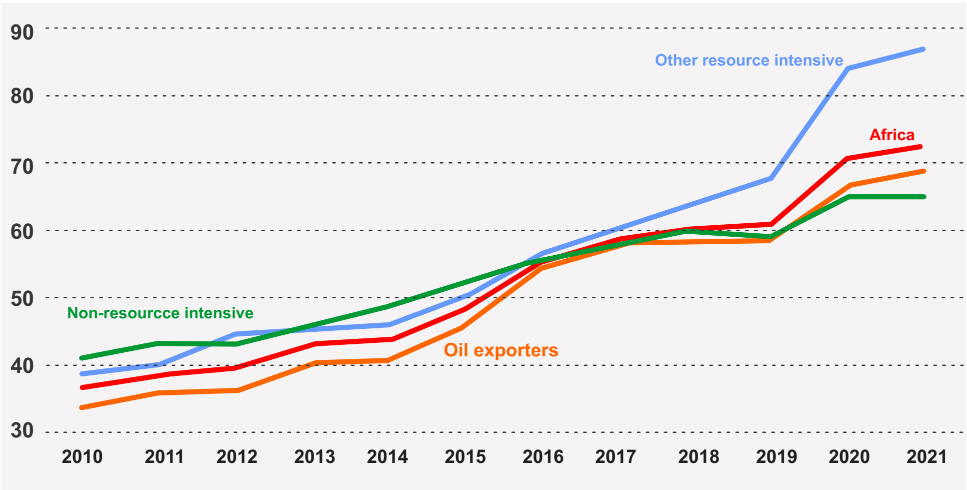
The African integration agenda has been facing the following challenges:

The role of integration as a catalyst for development, peaceful co-existence, economic growth and insulation from global shocks, such as COVID-19, makes regional integration even more attractive to Africa. The continent's 55 states, many of which are sparsely populated and fragmented, and whose economies are often isolated make regional integration a compelling case. African economies need to integrate regionally to gain from efficiency, exploit economies of scale and reduce the thickness of borders by facilitating the free movement of goods and people.

Regional integration is therefore essential for Africa to deal effectively with other development challenges that are internal in origin.These include; the challenges of widespread conflicts that impose enormous costs on the countries involved as well as on neighbouring countries and the RECs; the containment of COVID-19 and other health challenges as well as humanitarian emergencies and environmental pollution, which do not respect borders. COVID-19 has also highlighted the urgent need for cooperation in research and technology, which have significant economies of scale and may be too costly for individual African states. The development of basic economic infrastructure - transport, communication and power - could also be delivered through a coordinated regional investment approach. The prevailing economic strain is exacerbated by high debt, thus, Africa needs greater regional integration for a common front and stronger voice to engage the rest of the world towards the reshaping of the global economic, financial and political systems.

A regional approach in major structural areas such as tariff reduction and harmonisation, legal and regulatory reforms, rationalisation of payments systems, financial sector reform, investment incentive and tax system harmonisation, and labour market reform, among others, enables participating countries to pool their resources and take advantage of regional institutional and human resources. The regional approach also allows countries to have a common front for asserting their interests from a stronger and more confident position in the global market and in international economic relations.

- The continent's 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.




**Graph: 1.11:** Gross Government Debt on the Continent has seen a steep increase over the past year.
**Source:** AfDB 2021

Given the nature of the continent's economies, regional cooperation and integration are important for facilitating the integration process.The success of the European Union (EU) since the 1950s shows robust evidence to the potential benefits of regional integration. If properly conceived and implemented, regional integration offers numerous advantages to developing economies. Closer trade links among such economies have the potential of strengthening their capacity to participate in world trade. Countries can thus overcome obstacles caused by the relatively small size of the domestic markets, by offering producers opportunities to realize greater economies of scale and benefit from the establishment of regional infrastructure.

Few countries on the continent seem to be prepared for the partial surrender and the pooling of sovereignty, which is critical for the success of any regional integration scheme. Many protocols have been signed but remain unimplemented, due to the absence of effective sanctions against defaulting Member States and weak enforcement and implementation capacity. Lack of political will and commitment has been reflected in the failure to meet target dates set for the attainment of objectives.

- The integration process on the continent is also constrained by the high incidence of conflicts among Member States. Conflicts hinder integration and development by curtailing economic activities, destroying infrastructure and constituting a serious barrier 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 states 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 programmes, policies and projects.

integration organisations; 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 significant implications for the skills and competencies required by the RECs.

The operationalisation of the AfCFTA means that Africa is ready for business. However, more needs to be done to make the AfCFTA work; this goes beyond ratification. Goods to be traded, infrastructure, and a conducive environment should be in place. The continent needs regional integration to broaden its market and attract foreign investment. Africa's failure to attract a fair share of global investment, in spite of

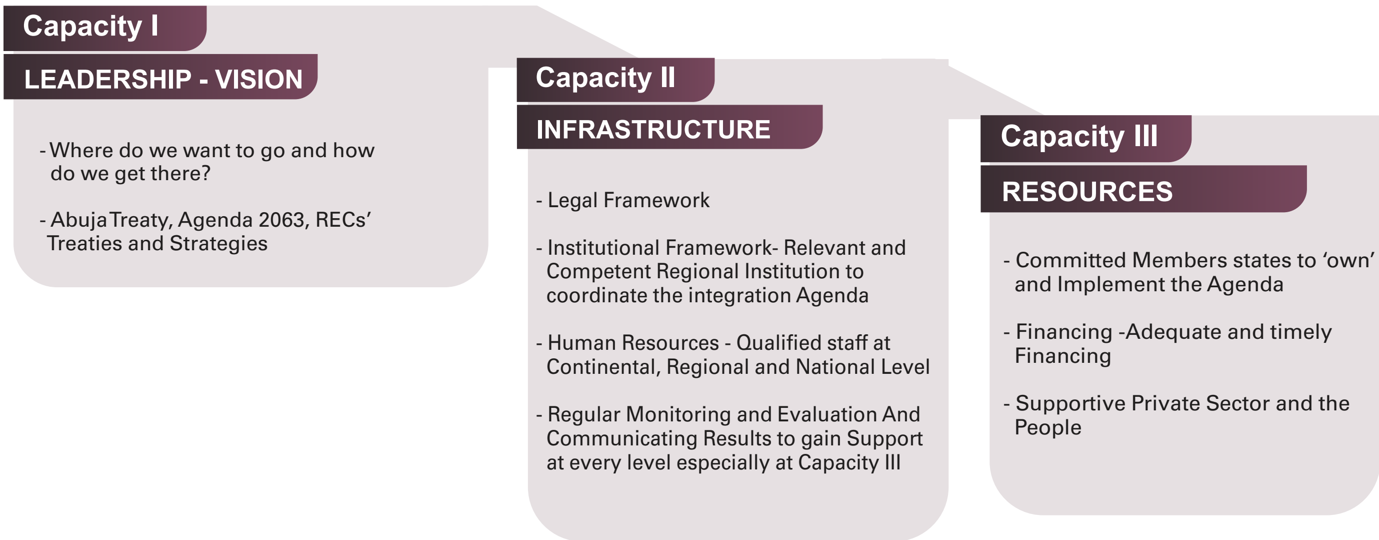



**Figure 1.1:** Capacity to Deliver Sucessful Regional Integration.

- Africa's regional integration process has also been set back by the poor design and sequencing of the arrangements.

This is reflected in the heavy emphasis of most of the schemes on trade liberalisation and market integration without much regard for the fostering of production integration and regional complementarities or the development of regional infrastructure - especially transport and communication - to drive market integration; the inability to adequately handle issues relating to human rights, good governance, accountability, and transparency, which are vital for political stability, peace and security and required for the attainment of economic objectives of integration; the absence of self-financing mechanisms for the regional integration organisations;

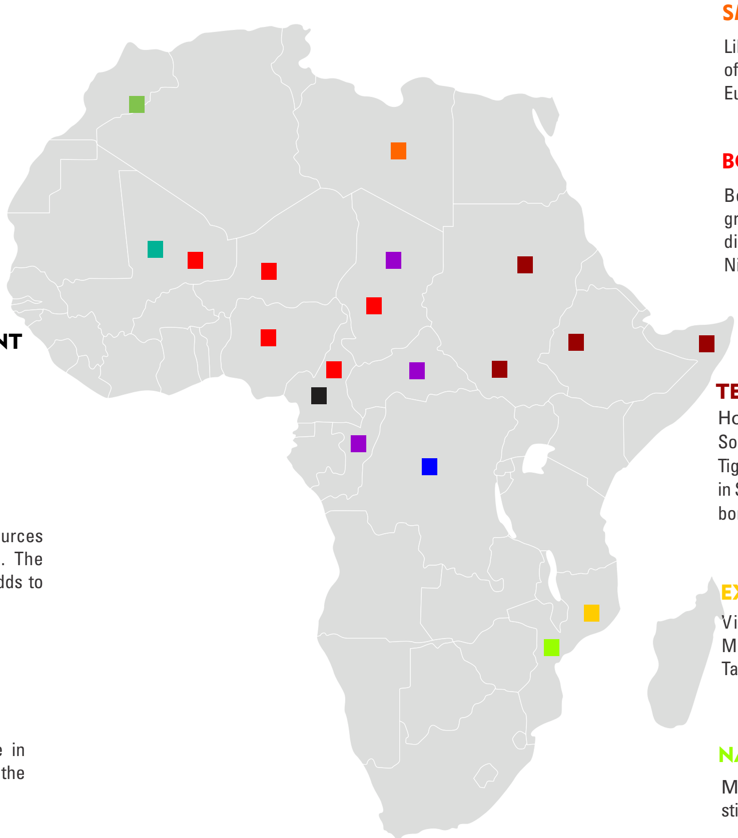
its rich endowment of natural resources, has been largely due to the perception of the continent as the world's riskiest place to do business. The high risks of doing business derive not only from the high incidence of conflicts and political instability and the good governance deficit but also from high business costs associated with the inadequacy of transport, communications and power infrastructure. A well-designed and effectively implemented regional integration process can help to address these problems.

The comprehensive list of challenges that hold back the African Union, the RECs and the States from realising their aspirations in integrating the continent is listed in the figure below:

A number of challenges hold the African Union, the RECs and the states back from realising their aspirations in integrating the continent. Some of these are:

- Lack of political will to mainstream regional commitments and agreements into national plans to ensure the success of the process.
- Weak national and regional institutions which lead to poor coordination and poor implementation of projects and programmes.
- Weak or inadequate human and institutional capacity for the design and implementation of regional policies, programmes and projects.
- High incidences of conflict have led to the disproportionate allocation of resources highly skewed in favour of conflict related issues as opposed to economic cooperation and integration issues. Conflict also disrupts productive activities and destroys key infrastructure and thereby impeding the production of goods as well as the free movement of goods and people.
- Lack of coordination and harmonisation of economic policies.
- Lack of complementarity of member countries' production structures.
- Poor value addition and lack of developed value chains leading to unnecessary competition and/or reliance on markets outside the continent for the sale of raw materials and importation of manufactured goods.
- Poor perception and assessment of costs and benefits associated with the process. These include public revenue loss due to tariff reduction; lack of assurance of market integration benefits to individual Member States; unequal distribution of integration benefits; and long-term benefits as against short-term losses.
- Poor design and inadequate sequencing of regional integration arrangements
- Multiplicity and overlapping membership of regional integration schemes and mandates.
- Poor involvement of the private sector and civil society in the integration process.
- Inadequate infrastructure.
- Lack of financing and the resultant dependence on donors which then distorts priorities.
- Lack of or poor monitoring frameworks.

## Conflicts and Humanitarian Emergencies in Africa



**BORDER CLOSURE**

The land border between Algeria and Morocco is closed.

**POLITICAL INSTABILITY**

In Mali.

**CONFLICT AND DISPLACEMENT**

in Cameroon Anglophone Region.

**CONFLICT OVER RESOURCES**

DRC**:** Long standing conflict over resources and massive displacement of people. The explosion of the Nyiragongo Volcano adds to the suffering.

**GOVERNANCE CHALLENGES**

Governance challenges and civil strife in Chad, the Central Africa Republic and the Democratic Republic of Congo

**INTERNAL INSTABILITY AND SMUGGLING PEOPLE**

Libya's internal instability and smuggling of people across the Mediterranean to Europe.

**BOKO HARAM**

Boko Haram menace and other violent groups engaging in murder, abductions and displacement of populations in Nigeria, Niger, Mali, Chad and Cameroon.

**TENSION AND CONFLICTS**

Horn of Africa: Tensions in Sudan and South Sudan. Internal conflict in Ethiopia's Tigray Region and long-standing instability in Somalia. This has led to deaths and cross border displacement.

**EXTREMISM**

Violent extremism in the north of Mozambique with spill-over to Southern Tanzania.

**NATURAL DISASTER**

Mozambique: Effects of Cyclone Idai still evident.

**COVID-19**

Entire Continent affected. Health systems stretched to the limit, many deaths, loss of livelihoods due to lockdowns and restrictions on mobility and border closures, drop in trade and collapse of value chains, economies in recession, high debt levels, poor access to vaccines.

**Figure 1.2:** Conflicts and Humanitarian Emergencies in Africa.

## Opportunities for Regional Integration in Africa

The opportunities for the regional integration process on the continent to perform better relies on the following

- **Capacity should be Strengthened**

Weak institutional capacity, poor research and knowledge management mechanisms and lack of competent staff at RECs' Secretariats/Commission and other regional institutions as well as at the integration units of the Ministries responsible for regional integration at the national level are some of the factors that have been identified to be slowing down regional integration processes on the continent. This is manifested in several ways both at the regional and national levels, top of which is poor, slow or total non-implementation of what has been agreed upon. All these, coupled with the need for efficient use of resources, requires strong internal systems in RECs for better coordination and facilitation of Member States in implementing regional commitments. Therefore, for RECs to contribute to the outcome and impact of regional integration through their mandate, they need to be supported in strategic planning, financial management, performance management and monitoring and evaluation.

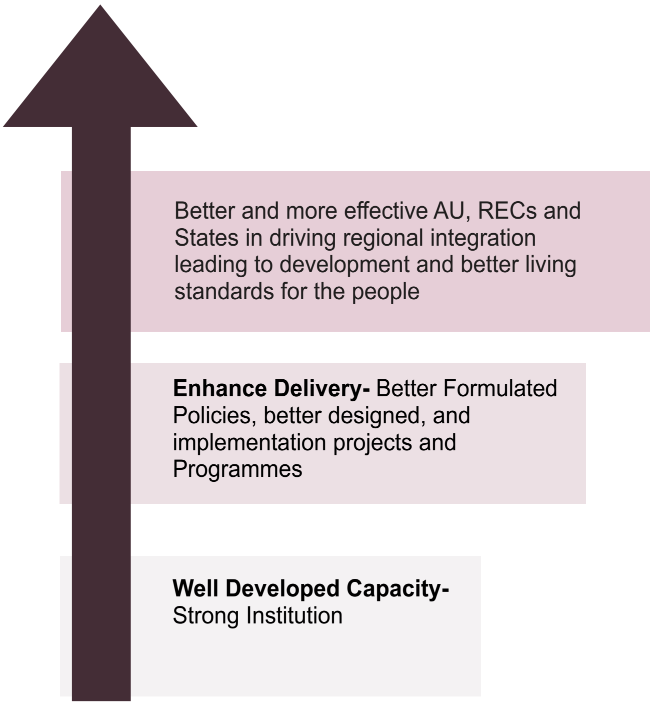



**Figure 1.3:** RECs and States with better capacity deliver to successful Regional Integration

- **Institutions and Leadership**

There is need to strengthen institutional frameworks to achieve the objectives of the RECs. Currently, most RECs are based on inter-governmental coordination coupled by weak Secretariats which have no supranational decision making and implementing power. This is made worse by the lack of clarity in many of the protocols negotiated by the RECs since they are quiet on obligations and how they should be implemented. Giving more power to the Secretariats to enforce regional commitments and to hold Member States accountable for non-compliance could reinforce integration.

Drawing from the European integration experience, and considering Africa's current challenges, one major bottleneck that stands in the way of achieving deeper integration in Africa is the Member States' reluctance to cede sovereignty to key organs of the African Union. In its early stages of integration, the EU faced the same problems.

States should create regional institutions that are fit for their purpose. Currently, many RECs have Secretariats that are responsible for coordinating the implementation of the regional integration agenda but have difficulty in carrying out its mandated responsibilities because they have weak institutional capacity, inadequate human resource capacity and are under-resourced and heavily reliant on donor financing.

Besides, States have not always considered that regional organisations perform better under well-informed and inspirational leaders with the potential to identify priorities, mobilise their team and Member States to achieve their intended goals. As such, States should nominate qualified persons to lead the RECs. Looking at European integration in the early days, visionary leadership exercised by Robert Schuman of France and Konrad Adenauer of Germany, who advanced a new approach to politics based on the supranational "community method" rather than the traditional balance-of-power model, played a central role. Africa is yet to come up with dedicated champions, powerful enough to influence Africa's integration agenda. Africa Union's habit of abandoning good projects without much reflection remains a challenge. In equal measure, African governments' averseness to strong institutions and laws is a key obstacle to following in the footsteps of EU's best practices.

Some RECs do not hold regular meetings of the Summit or Council of Ministers; how can the agenda be driven if policy organs do not meet? Besides, most implementation is by Member States and their failure to meet denies them of the opportunity to appreciate the existing issues and priorities, which stalls progress. AMU and CEN-SAD face serious institutional challenges at the moment; without effective RECs and working REC Secretariats, continental integration suffers and not just integration in these RECs.

- **Adequate Resourcing Vis-a-vie Donor Dependency**

Over the years, donors and international financing institutions have contributed the bulk of the funding for the activities of most RECs and the African Union. This means that although most Member States have been independent for 50 years or more, they still rely primarily on European donors to finance their integration agenda. Reliance on donors distorts priorities since they influence what projects to finance as well as making input into programme design and policy formulation which then means that African RECs/States implement donor/European priorities as opposed to their own.

- **Successful Sub-Regional Organisations within RECs that do not perform well**

Whereas ECCAS and SADC reports s good scores on AMRII, their performance gets a boost from the achievements of sub-regional organisations within them: the Economic and Monetary Community of Central Africa (CEMAC), a sub-regional organisation that is nested within ECCAS, and the Southern African Customs Union (SACU) which is within SADC. CEMAC, which has six members - Gabon, Cameroon, the Central African Republic (CAR), Chad, the Republic of the Congo and Equatorial Guinea - has been able to achieve numerous milestones. But this has not been replicated in the larger ECCAS that also comprises Angola, Burundi, the Democratic Republic of Congo (DRC) and São Tomé and Príncipe. It is important to delve deeper and explain why it is more challenging to build on the achievements of CEMAC or to coordinate policy with the additional non-CEMAC members even though Angola and the DRC are much bigger economies and populations with Angola and São Tomé and Príncipe being Portuguese speaking and DRC having internal challenges. Nonetheless, some CEMAC members also face the same challenges.

## LESSONS FROM THE RECs: INSTITUTIONS, FREE MOVEMENT, PEACE AND SECURITY AND FINANCING

Some RECs have made tremendous achievements, some in a very innovative manner, which are worth emulating. This 'best practice' is visible across the continent. For example, ECOWAS has made significant achievements in the areas of free movement of persons; developing innovative mechanisms for funding integration programmes and projects through the strict enforcement of a Community Levy; the adoption of good governance and democracy protocols, and the establishment of mechanisms for the maintenance of regional peace and security including the National Early Warning Systems. The EAC being the most advanced REC has not only operationalised a Customs Union and a Common Market, but it is also on course to achieve a Monetary Union and Political Confederation. Similarly, COMESA has done a lot in deepening trade integration by developing innovative instruments in areas of customs harmonisation, such as Automated System for Customs Data (ASYCUDA), and free restrictions on the movement of goods and services, as well as establishing strong financial institutions such as the Trade and Development Bank (TDB) and ZEP-RE to facilitate trade within the COMESA region. These few examples are worth emulating by the other RECs.

These measures, currently adopted in each of these individual RECs, should be scaled across all RECs. There is absolutely no need to 're-invent the wheel'. This will not only save limited resources but also help accelerate Africa's integration process. Some notable good examples are worth mentioning, including ECOWAS and EAC, where the use of identity cards across the Communities has enhanced the free movement of persons.

Such good initiatives are worth mentioning because they can fundamentally change for the better the dynamics of free movement of goods, services, labour and even capital in a wider regional or continental sense. These noble initiatives also help remove artificial barriers to trade and movement. In this respect, the quick ratification and implementation of the Protocol on Free Movement of Persons cannot be overemphasized. In terms of free movement of persons, ECOWAS and the EAC are the RECs that have made the most progress in not only adopting legal frameworks such as the abolition of visas, the establishment of community passports and facilitating the free movement of persons but also by signing them, ratifying them and fully implementing them.

Some of the successes are discussed below in greater detail:

## COMESA: Success in Building Regional Institutions to Support Trade

COMESA established a free trade area in 2000. To enhance trade integration, COMESA has designed and implemented various programmes and instruments related to cross-border trade and transit facilitation. Such include coordinated border management through one-stop border posts; the resolution of non-tariff barriers to trade; digital free trade; effective customs instruments such as ASYCUDA; and simplification of customs documentation.

This REC is a leader in setting up successful regional institutions and schemes that facilitate trade. The high performance of COMESA in financial and monetary integration is justified by the fact that the region has set up functional regional institutions and schemes that facilitate trade, such as the COMESA Clearing House, the PTA Reinsurance Company (ZEP-RE), the Trade and Development Bank (TDB) and the Regional Payment and Settlement System which perform quite well; and support trade in the region. The reach of the COMESA financial institutions is now beyond the region. COMESA also has an operational Competition Commission, the Yellow Card, that facilitates the movement of vehicles across the region.

The REC is also implementing a Financial System Development and Stability Plan for the region. COMESA continues to work in ensuring that there is harmonisation of the financial and monetary system.

## ECOWAS: A Leader in Free Movement and Social Integration

ECOWAS has defined the free movement of persons as a priority since its creation. This vision was supported by the creation of a framework favourable to the movement of populations. With the new biometric card, this vision of an ECOWAS dedicated to social integration is further reinforced. Many programmes on gender, education, health, youth, and women's empowerment have been developed to support social integration within the region.

Indeed, soon after its creation, ECOWAS signed the Protocol on Free Movement of Persons, Right of Residence and Establishment in May 1979. Subsequent legal frameworks such as the Citizenship Protocol (May 1982, Cotonou), the Right of Residence Protocol (July 1986) and the Banjul Protocol (May 29, 1990) relating to the Right of Establishment further advanced the level of free movement and social integration recorded in the region. These decisions gave rise to the ECOWAS Community Passport, which was followed in 2016 by the ECOWAS Biometric Identity Card.

## Peace and Security: A Sector of Historical Significance for IGAD

IGAD is in the Horn of Africa; a part of the continent that has experienced numerous conflicts. An evaluation of IGAD in the dimension of peace and security reveals that the REC has created a framework for the prevention and management of conflicts and violence within the region. The IGAD Conflict Early Warning and Response Mechanism (CEWARN) was established in 2002. CEWARN's mandate is to receive and share information concerning potentially violent conflicts as well as their outbreak and escalation in the IGAD region; to undertake and share analyses of that information; to develop case scenarios and formulate options for response; to share and communicate information analyses and response options; and, to carry out studies on specific types and areas of conflict in the IGAD region. In addition, another institution dedicated to the fight violent extremism - the IGAD Centre of Excellence for Preventing and Countering Violent Extremism (ICEPCVE) is operational.

The REC has also developed a broad peace and security strategy in the region covering the period 2016-2020. This programme aims at Conflict Prevention Management and Resolution, Transnational Security Threats, Governance, Democracy, Rule of Law and Human Rights, Post-Conflict Reconstruction and Development and Humanitarian Affairs and the Coordination of cross-cutting issues.

## Financing Regional Integration: Lesson From ECOWAS

One major reason for the slow or failed implementation of regional projects and programmes is a lack of resources. While States have been accused of failure to commit resources to finance regional projects and programmes, sometimes, these resources are just not available. Without assured resources, it is not possible to plan for the future; a problem that the AU and the RECs face.

Unlike other RECs and even the AU, ECOWAS has been able to fulfil its objectives better because of its better financing mechanism that provides the Community with assured resources. In order to raise funds to implement regional projects and programmes, ECOWAS utilizes the Community Levy Protocol of 1996.

The Community Levy is the main source of funding for ECOWAS; it accounts for 70% of the community's income. Resources mobilized from Development Partners represent just about 27% of ECOWAS income.The levy is a 0.5% tax that is imposed on goods imported into the region from non-ECOWAS Member States.

This is important since some RECs such as the EAC raise up to 70% of the resources from Development Partners which is not sustainable. Besides, whereas most other RECs such as COMESA, EAC and SADC have Resource Mobilization Units, their resources are scattered in various baskets. For example, the EAC has the EAC Partnership Fund and the EAC Development Fund; among others.The multiplicity of funding pots for different purposes results in poor coordination, more management costs and reporting channels for the REC and even inefficiencies in utilisation.

The main lessons from the ECOWAS example are:

- Ownership of the integration process is with the people. It is not the Member States that fund the integration process, but the people; the people are taxed directly, and the States only collect, deposit and remit. Public awareness on the integration process is therefore high.

- The Community is able to plan well since its revenue is almost assured and within it’s control as opposed to over-reliance on donors whose priorities may change and on whom the Community has no control.

- Assured financing leads to more effective planning and implementation of regional projects and programmes- well-financed RECs perform better.

- RECs Secretariats should be strengthened and given the capacity to perform. ECOWAS is run by a Commission, the only one among RECs, which is entrusted with the region's resources which they utilise for the region's good.

## REGIONAL INTEGRATION IN THE MAGHREB: INERTIA IN THE ARAB MAGHREB UNION

A number of RECs face serious challenges that threaten their very existence. For instance, CEN-SAD has faced numerous operational difficulties since the onset of Libya's socio-political crisis in 2011. No summit of Heads of State and Government has been held since 2013. CEN-SAD no longer occupied its headquarters in Tripoli since 2011. This made the daily operations of the CEN-SAD Secretariat difficult - it has now relocated to N'Djamena in Chad. There is currently the challenge of revitalising CEN-SAD through meaningful involvement of the Member States in the implementation of the programmes and plans it has adopted.

However, this section will focus on the Arab Maghreb Union where regional integration is almost at a standstill. What has been accomplished in each Maghreb country separately is important, but joint efforts within the framework of the Arab Maghreb Union are still at a standstill.

The Maghreb, in Northern Africa, is the perfect example of a region whose countries have been unable to find their way to deeper integration. Only the most basic level of cooperation exists between the region's five states - Algeria, Libya, Mauritania, Morocco and Tunisia - despite the fact that the Maghreb Arab Union was created more than 25 years ago with the aim of building a powerful economic bloc in the region. AMU has great potential but there is still a long way to go before activating the institutions of the Maghreb Union and obtaining tangible results on the ground for the benefit of Maghreb citizens - the Maghreb Union is slow to activate its institutions for political reasons. The crisis the world is going through today will inevitably have a long-term impact on the development of our regional groups.

To succeed in establishing a more fruitful and deeper integration, the Maghreb countries should work closely together to implement the free movement of goods, people, services and capital. This starts with opening up borders between neighbours. The borders between Algeria and Morocco - the region's two largest countries - have been closed since 1994, and movement between them is only possible via daily flights between Casablanca and Algiers. It is unfortunate that goods need to transit between these neighbours via the French port of Marseilles when they could simply cross over by land.

An effective and integrated infrastructure between the countries, especially railways and roads, will be key to the success of this objective - and it cannot be successful, of course, without the lifting of tariffs, trade barriers and quotas in order to have a truly single market.

AMU should also engage with the rest of the continent; it should not isolate itself from the rest of the continent. The Maghreb countries should not turn their backs on sub-Saharan Africa, which is sometimes perceived by the region as a threat in terms of migration, crime and political ideology. The rest of the continent is a land of opportunity and a viable partner for sustainable economic and political cooperation and it can be a worthy partner to finding solutions to Maghreb's problems. While the Maghreb states are major funders of the African Union, their participation and commitment to African integration when it comes to ratification and implementation of agreements remains lacklustre.

The region's potential is enormous, especially if the states can work together. However, trade between the Maghreb countries represents just 4.8% of their trade volume, according to the United Nations Economic Commission for Africa - and it represents less than 2% of the sub-region's combined Gross Domestic Product (GDP), according to the World Bank. This region is one of the lowest-performing trading blocs in the world. If the five Maghreb states were integrated, each would gain a minimum 5% rise in GDP. A report by the World Bank on economic integration in the Maghreb estimated that deeper integration, including the liberalising of services and reform of investment rules would have increased the per capita real GDP between 2005 and 2015 by 34% for Algeria, 27% for Morocco and 24% for Tunisia.

# TRADING UNDER THE AfCFTA AGREEMENT COMMENCES

## Introduction and Background

At the moment, there is an increasing commitment to regional integration and a heightened recognition that collaborative action and regional approaches are critical to achieving Africa's development goals. This impetus is exhibited, for example, by the unveiling of the Agreement establishing the African Continental Free Trade Area (AfCFTA) - one of the Continent's Flagship Projects - at the Kigali Summit in 2018, and its subsequent launch in Niamey in 2019 and its operationalisation from 1 January 2021 is a historic opportunity towards deepening the integration of the Continent.

The AfCFTA paves the way for African states to boost trade with each other which will, in turn, drive the economic growth and development of the continent. The AfCFTA creates an opportunity for Africa to bring together its 55 small and fragmented markets and renew its people's faith in regional integration again. The momentum should therefore not be lost. The establishment of the AfCFTA is a major milestone in the long march of African integration as foreseen in the Treaty Establishing the African Economic Community (the Abuja Treaty) .

The AfCFTA aspires to liberalise trade between African countries across the continent and to build on the considerable successes already achieved within Africa's regional economic communities (RECs). By doing so, the AfCFTA is set to facilitate intra-African trade; foster regional value chains that can facilitate integration into the global economy; and energize industrialization, competitiveness and innovation - and thereby contribute to African economic and social progress and development.

The AfCFTA's developmental approach is solidly grounded in Africa's political economy realities and development challenges. An ambitious initiative for the world's second-largest continent, the AfCFTA comprises the 55 member states of the African Union (AU) and 8 AU-recognized RECs with varying trade liberalization legal frameworks, plus a tripartite trade integration initiative for 3 of those regions.

## Trading under the AfCFTA Commences

Trading under the AfCFTA commenced on 1 January 2021. The critical task now is to match ambition with implementation.

The AfCFTA is more than a traditional free trade agreement, as it contains several elements of a single market. The scope of the AfCFTA Agreement covers trade in goods and services, investment, intellectual property rights and competition policy, whereas a traditional free trade agreement would often require only the elimination of tariffs and quotas on trade in goods. For instance, norms and regulations related to services are typically harmonised when a single market is set up. The inclusion of services for negotiation alongside trade in goods recognises that, in the present day value chains, services are critical inputs into the production of trade in goods. The services sector already contributes a substantial share to the output of most African economies.

At the heart of the AfCFTA is a developmental approach that recognises the need for trade liberalisation to proceed, and at the same time, address supply capacities and promote structural transformation. This approach is not only unconventional but also sidesteps many aspects of the carefully defined schedule of the Abuja Treaty's progression towards the African Economic Community.

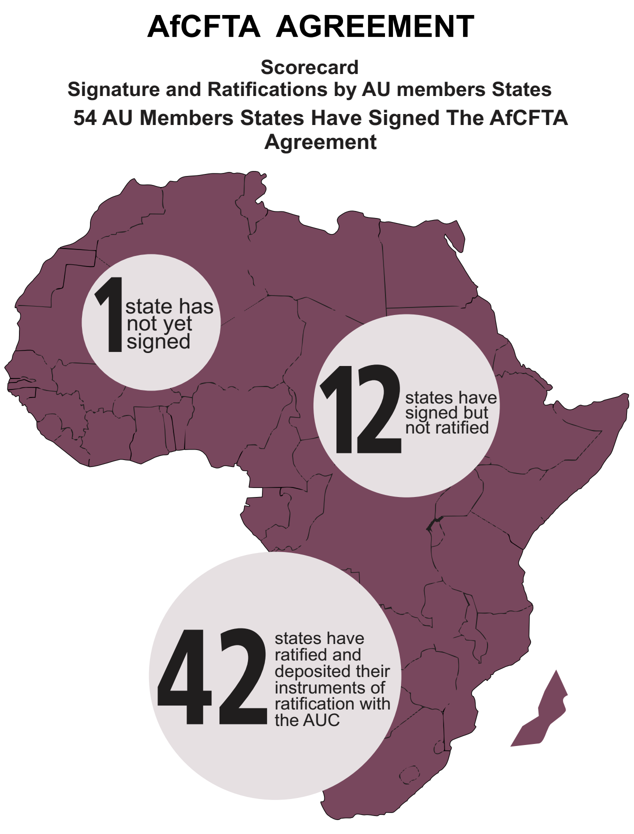



**Figure 1.4:** Scorecard- Signature and Ratification of the AfCFTA Agreement as at 16-10-2021
**Source:** AUC

With the start of implementation of the AfCFTA, Africa commenced a bold journey that will stitch together currently disjointed economies, trade practices and rules and make it easier for goods and services to flow across the 55 economies of the continent. The AfCFTA is a monumental commitment to creating the largest free trade area in the world. If executed according to plan, the agreement will boost economic growth, produce employment, create and improve infrastructure, and foster the positive socio-cultural externalities that usually emanate from economic connectedness and integration. For this to happen, AU, RECs and Member States, who have excelled at creating initiatives for development, must follow through to implementation. Those that are yet to ratify the agreement should do so in order for the continent to move together as one.

## THE KAZUNGULA BRIDGE EASES MOVEMENT AND CUTS COST OF DOING BUSINESS IN SADC

### Introduction

Infrastructure deficiency is one of the strongest arguments for the weak regional integration in Africa. This is understandably so given the continent's large infrastructure gap and deficiency. Transport costs in Africa have been adjudged one of the highest in the world. Only 30% has access to electricity, lowest telephone penetration of 14% compared to the world average of 52%, and the lowest internet penetration of 3% compared to the world average of 14%. Currently, shipping within Africa is more expensive than shipping from outside the region, and some flights connecting some African countries still fly out of the continent to arrive at the final destination.

A major objective of Africa's regional transport infrastructure is to enhance the competitiveness of its countries, particularly those that are landlocked. Improved infrastructure, both hard, physical and soft policy/service would boost intra-African trade. Most regional infrastructure programmes on the continent have trade and transport facilitation aspects that deal with non-physical barriers to transport and trade. A combination of strong cross-border infrastructure and efficient transport services is required. Africa's trade facilitation initiatives are vital to cope with the predicted increases in trade.

The Kazungula Bridge across the Zambezi River linking Botswana and Zambia was opened by the Heads of State of the two countries in May 2021. The construction of the bridge, which replaces the longstanding, slow ferry service across the river, means trucks on regional routes can now cross the river in a few hours, or less, rather than the previous three days to a week. It also means they can avoid using the biggest crossing between the ports and factories of South Africa and the rest of southern Africa, Beit Bridge, which is also one of the most congested borders in Africa. A one-stop border post at the bridge will allow easier thoroughfare. This project embodies the benefits that good infrastructure and joined-up bureaucracy offer regional trade, both of them generally in short supply. More than 250 trucks a day should be able to cross the Zambezi instead of the handful that were able to cross before, bringing down costs, increasing the security of cargo and providing an alternative route for trade to the sea for inland markets.

These initiatives are in line with the provisions of the WTO agreement on trade facilitation, which deals with issues on the release and clearance of goods, border agency cooperation, and formalities connected with import, export and transit among other things.

Africa is currently the least integrated continent, with the lowest economic intra-regional exchange level and the smallest share in world trade. Infrastructure inefficiency costs billion dollars per year and hampers growth.

For Africa to realise its potential, all countries and all stakeholders should work together on the common agenda so that issues related to the launching and implementation of regional infrastructure projects are tackled.

## The Kazungula Bridge and One-Stop Border Post

The Kazungula Bridge and One-Stop Border Post that connects Botswana and Zambia was inaugurated on 10 May 2021 marking the completion of a multi-million-dollar project that is aimed at easing congestion at border crossings and boosting trade on Africa's busiest corridor - the North-South corridor that stretches from the port of Durban in South Africa to the Democratic Republic of Congo. The curved bridge that stretches for 923 metres over the Zambezi River provides a much-needed road and railway link for goods and people.

It is expected to open avenues for increased trade across the southern African region. The Kazungula Bridge and One-Stop Border Post highlight the role of infrastructure and its transformational impact on African integration and, more specifically, the movement of goods and people on the Continent; in this case, it is also about sustaining livelihoods and ensuring safe access by people to various services.

The usually congested Beitbridge Border Post on the South Africa-Zimbabwe border should now see shorter queues thanks to a new route. The Bridge should have a significant impact on South Africa, relieving congestion at the Beitbridge Border crossing for freight truckers. Freight truckers from the Durban Port and from elsewhere in South Africa now have the option of travelling to Lusaka or the Democratic Republic of Congo via Botswana, with the opening of the Kazungula Bridge. The Kazungula Bridge allows trucks to and from South Africa to bypass Zimbabwe entirely.

This marks the end of the Kazungula Ferry that has been carrying trucks, small vehicles and people across the 400m wide river over the years. Scenes of traders, travellers, fishermen and women crossing the crocodile and hippo-infested Zambezi River on floating planks, ferries, rickshaw boats and canoes should disappear - the bridge has eliminated these dangers and opened up the region for the safe movement of people.

The one-stop border posts at both ends ensure that travellers will be processed once at the exit point. This will save time when compared with the previous practice where travellers made stops in both Botswana and Zambia to be processed by immigration officials. This is meant to enhance intraregional trade in the Southern African Development Community (SADC), with the bridge linking trade from the Durban port to Botswana, Zambia, Malawi, Mozambique, Zimbabwe, Tanzania and the Democratic Republic of Congo

The bridge will also ease traffic congestion and reduce travel times for those who have been using the Beit Bridge Border-Post from South Africa into Zimbabwe enroute to other SADC states.

**Image 1.1:** The Kazungula Bridge
**Source:** Ministry of Transport and communication, Republic of Botswana

**Image 1.2**: The Kazungula Bridge and One-Stop Bridge Post.
**Source:** Lusaka Times

At the inauguration, Zambia's President Edgar Lungu said that the bridge would lower the cost of doing business which could then lead to an increase in trade and competitiveness, job creation, tourism and other positive ripple effects.

Botswana's President Mokgweetsi Masisi said that the bridge would open avenues for improved trade, adding that his country regarded Zambia as a key strategic partner in development, and that the project was a demonstration of the continued growing relations.

Construction of the USD259million Kazungula Bridge and One-Stop Border Post began in December 2014, co-funded by the African Development Bank (AfDB), the Japan International Cooperation Agency (JICA), regional governments and other grants. This project embodies the benefits that good infrastructure and joined-up bureaucracy offer regional trade, both of them generally in short supply and requiring to be upscaled on the continent. More than 250 trucks a day should be able to cross the Zambezi instead of the handful that were able to cross before, bringing down costs, increasing the security of cargo and providing an alternative route for trade to the sea for inland markets. People that live in the vicinity will be able to cross the river faster and safely, a plus for safe and free movement.

Our thinking and how we view infrastructure and connectivity needs a shift. Regional integration is all about connectivity and exchanges which are driven by the free movement of goods, services, capital, people and ideas; infrastructure is required to move these factors. Competitive connectivity is the arms race of the twenty-first century. A country's competitiveness is no longer about the endowment of natural resources, minerals, land, habitat, wildlife or beaches. It is about connectivity - how well a country is connected with other countries. There is no better investment than connectivity, priority-wise. Parag Khanna writes, 'The transition beyond export-led growth toward higher value-added services and consumption begins with infrastructure investment.' He goes on to posit that 'Borders tell us who is divided from whom by political geography. Infrastructure tells us who is connected to whom via functional geography. As the lines that connect us supersede the borders that divide us, functional geography is becoming more important than political geography.' To Khanna, 'the paramount factor in determining the importance of a State is not its location or population but its connectedness-physically, economically, digitally-to flows of resources, capital, data, talent and other valuable assets.

## Promising signs of Progress elsewhere on the Continent - Other efforts towards Connecting the Continent

While the Kazungula Bridge and One-Stop Border Post project, which has been completed and launched, stands out, investment in transport infrastructure has been increasing across the continent, contributed by major continental initiatives such as the Programme for Infrastructure Development in Africa (PIDA) as well as regional and bilateral initiatives. Investment in infrastructure now accounts for over half of the improvements in economic growth in Africa witnessed over the last decade and has the potential to contribute much more, given a conducive environment.

Reliable transport infrastructure in all four subsectors - roads, railways, air transport, and ports - is an essential component of any country's competitiveness. It is particularly crucial for landlocked countries, for which it is a prerequisite to opening up production zones. Reliable transport must be in place for firms to import and export goods, to fill orders, and to obtain supplies. Cross-border corridors are also being used to link markets - which is particularly important for landlocked countries - and to enhance intra-African trade.

**Some of the ongoing projects on the Continent include:**

- The Trans-Africa Highway from Cairo to Dakar is another ambitious project. This road network comprises nine interlinked highways with a total length of 56,683km. Other planned or ongoing regional projects include the Abidjan-Ouagadougou-Bamako Transport corridor, connecting Côte d'Ivoire, Burkina Faso, and Mali.

- The 4,010km Trans-West African Coastal Highway road project linking 12 West African coastal countries from Mauritania in the north-west of the region to Nigeria in the east, with feeder roads already existing to two landlocked countries, Mali and Burkina Faso. The corridor between Dakar and Lagos follows mostly along the coastal line and it connects the capitals of the countries involved.

- In Eastern Africa, the Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Corridor Programme is East Africa's largest and most ambitious infrastructure project, bringing together Kenya, Ethiopia and South Sudan. Kenya is also building a railway from Mombasa to Malaba on the country's western border with Uganda while Tanzania is also doing the same to link with Rwanda and Uganda. Tanzania is also constructing the standard gauge railways that will cover 2561km from Dar es Salaam to the shores of Lake Victoria, connecting with

- There is also the network of roads and a rail line linking Ethiopia and Djibouti that continues to facilitate trade.

- In North Africa, we have the Trans-Maghreb Highway - from Western Sahara to Libya - whose works started in 2015. It will serve 55 towns with a total population of over 60 million inhabitants which is more than half of the region's total population, 22 international airports, the main ports, rail terminals, the main Universities and research centres, the largest hospitals as well as the main industrial and tourist areas.

- The development of infrastructure in Africa is critical for fostering economic growth and improving the living standards of the people. Better transport links can improve productivity, reducing Africa's prohibitively high transport and logistics costs, and in turn enhance the competitiveness of African businesses. This will be essential for their integration into global value chains, which could also play an important role in the continent's economic transformation. The roads and railways would help to create major economic and development corridors.

Addressing infrastructure gaps will in essence be addressing one of the biggest obstacles to realising the AfCFTA's full economic potential. Better transport infrastructure that makes local, national and regional journeys easier is vital for fostering trade across the continent. It is also critical for enhancing the connectivity of many landlocked African countries to the sea and for ensuring that natural minerals can be brought from

# RECOMMENDATIONS AND CONCLUSION

## Recommendations

Below are a number of recommendations for action at different levels in the integration process: AU level, REC level and Member States level.

**AU Member States should:**

- Speed up the signing and ratification of AU agreements, protocols and treaties, especially those related to Free Movement and Trade.

- Contribute to strengthening health systems at the national, regional and continental level through funding, research and integration of the health sector.

- Explore the means of mobilising domestic resources on the continent through a reduction in illicit financial flows, a restructuring of taxation and formulating a more attractive banking and financial policy.

- Rethink the formalisation of the informal sector through putting in place progressive policies that will transform the sector.

**RECs should:**

- Strengthen their collaboration with Member States and the AUC in order to align their projects, programmes and policies in terms of integration in the economic sector, health and free movement of people.

- Work with their Member States to develop a harmonised and coordinated approach to the restrictive measures being put in place so that the economic effects can be mitigated.

- Set up or support regional research centres in the field of health to address infectious diseases

- Rethink the post-COVID recovery of the economies in their regions by encouraging and coordinating the formulation of better policies especially in the financing of the economy, industrialisation and governance.

- Set up regional mechanisms or specialised units for the monitoring and evaluation of agreements, protocols and treaties dedicated to raising awareness and promoting the aforementioned instruments.

**The AUC should:**

- Encourage Member States to continue the fight against COVID-19 as well as formulate measures for economic recovery in a spirit of unity by aligning themselves with a common African position. One key issue is the low vaccination rate in Africa - it is still less than 3%. This should be addressed. Availing vaccine manufacturing initiatives in Africa should be supported by the AUC.

- Accelerate the implementation of projects intended to strengthen the continental health system

- Create a continental monitoring and evaluation unit for tracking Agreements, Protocols and Treaties which will have the main role of sensitizing and promoting the aforementioned instruments at the continental level.

- Rethink and propose to Member States, as well as to the RECs, a coherent post-COVID economic recovery plan that is based on increased internal financing, a more ambitious industrialisation policy and a more effective governance policy.

## Conclusion

While assessing the integration process, this report captures the opportunities and challenges that come with these major developments in the African regional integration agenda. Although it is necessary to recognise the many achievements made in African integration it should also be remembered that much remains to be done. The slow or total non-implementation of continental and regional policies, projects and programmes is a big and recurring challenge on the continent.

The viability and effectiveness of regional integration is ultimately determined by the internal strengths and weaknesses of Member States and their level of commitment to meeting legal obligations. Regional integration requires effective states that fulfil their core functions.

The AU and the RECs have excelled at creating initiatives for development, however, following through and implementation is lacking. There is need a for increased commitment, passion and a results-driven approach toward mobilising the population and driving development endeavours.

Genuine investment by Member States in regional integration is essential. While not always politically expedient, national governments would be wise to put the long-term goal of cooperation above more immediate domestic priorities. More importantly, if integration is to succeed, governments and the public should believe that it is in their vital national interest. Without such commitment, regional groupings will crumble at the first bump in the long road to integration. Africa needs continuous and consistent political commitment to regional integration in order to deliver on its priorities.

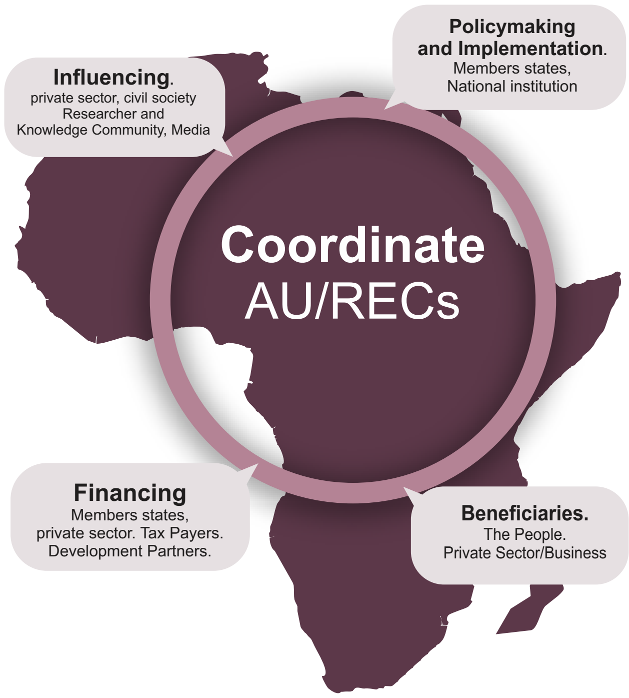



**Figure 1.5:** Identify, manage, engage with and gain the support of all stakeholders.
**Source.** AUC

African Union

An Integrated, Prosperous and Peaceful Africa

# ASSESSMENT OF INTEGRATION IN THE REGIONAL ECONOMIC COMMUNITIES

## INTRODUCTION

The continental development agenda is based on regional integration and the formation of the African Economic Community (AEC). This is laid out in the Abuja Treaty of 1991 and expounded further in Agenda 2063. The Africa regional integration roadmap considers the Regional Economic Communities (RECs) as the building blocks of the AEC which was envisaged to come in six phases over a period of 34 years.

https://au.int/sites/default/files/treaties/37636-treaty-0016_-_treaty_establishing_the_african_economic_community_e.pdf

The Africa We Want. Available at: 33126-doc-01_background_note.pdf (au.int)


41 AFRICAN INTEGRATION REPORT 2021

One of the recurring concerns of African integration is the challenge associated with the lack of effective monitoring and evaluation of the implementation of the integration agenda, which includes the Abuja Treaty, Agenda 2063 and other initiatives. This is reflected in the inability to accurately track and measure progress in order to capitalise on opportunities and to help the various segments of the African integration process to address challenges. The African Multidimensional Regional Integration Index (AMRII) has been developed to meet this challenge. This chapter covers the assessment of the regional integration process in the RECs using AMRII. Monitoring is important for policymaking since it helps us to assess whether we are on track with our goals and whether we are really integrating or not. It also tells us how we are integrating, the challenges encountered, and the possible solutions. This is especially important for Africa, where there is widespread agreement that the implementation of existing integration initiatives has generally been inadequate such that the economic development and poverty reduction potential from expanded intra-regional trade has remained untapped.

From a policy-making perspective, better monitoring has the capacity to make integration policies more development-effective and integration processes more transparent, involving a higher degree of participation and legitimacy, therefore, making the processes more sustainable. Effective monitoring processes could help to raise the profile of the prevailing implementation deficits and provide policymakers at the national, regional and continental levels and the private sector and civil society with the necessary information to push for corrective action.

## The Regional Economic Communities (RECs)

RECs are regional groupings of African Union (AU) and are the pillars of the AU. All were formed prior to the launch of the AU; they have developed individually and have differing roles and structures. The purpose of the RECs is to facilitate regional economic integration between members of the specific regions. The RECs are closely integrated with the AU's work and serve as its building blocks. The relationship between the AU and the RECs is mandated by the Abuja Treaty and the Constitutive Act of the African Union and guided by the Protocol on Relations between the RECs and the AU (2008); and the Memorandum of Understanding (MoU) on Cooperation in the Area of Peace and Security between the AU, RECs and the Coordinating Mechanisms of the Regional Standby Brigades of Eastern and Northern Africa. While some RECs have made significant progress, others are far from achieving their visions and goals, as specified in their founding treaties. Overlapping memberships in many RECs continue to pose a significant challenge and remain an intractable obstacle to deeper regional and continental integration. Overlapping memberships not only exacerbate persistent funding and human capacity problems in support of regional programmes, but also lead to challenges of effective coordination of policies and programmes to foster closer regional and continental integration. The potential role of harmonisation of RECs in addressing challenges brought about by the multiplicity of memberships should be emphasised. Harmonisation could be done through inter-REC coordination where initiatives such as the COMESA-EAC-SADC Tripartite should be encouraged.

While some progress has been achieved, significant bottlenecks stand in the way of deeper integration, including narrow markets, poor infrastructure networks, cumbersome administrative procedures that impede trade integration, undiversified production bases coupled with weak backward and forward linkages between agriculture and industry, as well as weak institutional and legal mechanisms for implementing regional and continental programmes and projects. In addition, the reluctance of Member States to share their sovereignty with key organs of the African Union and the RECs stands in the way of accelerated continental integration. Persistent conflicts in Central Africa, the Horn of Africa, Northern Africa and West Africa also present challenges to integration.

This chapter utilises the AMRI to assess the regional integration process in the eight RECs that are recognised by the AU. The RECs are:

- The Arab Maghreb Union (AMU)
- The Common Market for Eastern and Southern Africa (COMESA)
- The Community of Sahel-Saharan States (CEN-SAD)
- The East African Community (EAC)
- The Economic Community of Central African States (ECCAS)
- The Economic Community of West African States (ECOWAS)
- The Intergovernmental Authority on Development (IGAD)
- The Southern African Development Community (SADC)

# THE ARAB MAGHREB UNION (AMU)

The Arab Maghreb Union (AMU) was created in 1989 by Algeria, Libya, Mauritania, Morocco and Tunisia at a meeting in Marrakech, Morocco, where the Treaty Instituting the Arab Maghreb Union was signed. With only five Member States, AMU has the smallest number of Member States for any Regional Economic Community on the Continent.

AMU rose from several old organizations created for the common interests of the Maghreb countries. Thus, within the framework of the struggle against the occupation, the States founded a commission for the liberation of the Maghreb in 1927 in Cairo. About twenty years later, in 1945, a conference of national movements in North Africa was established. Then, in 1958, the meeting was held in Tangier between the heads of the national movements of Morocco, Algeria and Tunisia with the aim of starting the creation of this union. On February 17, 1989, the Constitutive Treaty of the Arab Maghreb Union was signed at the royal palace in Marrakech by the five heads of state, after the meeting of 10 June 1988 in Zéralda which had prepared it.

Recommendations: The AMU region has enormous potential but political obstacles have made it difficult for the organisation to speed up the integration process. Much remains to be done if AMU Member States are to achieve regional integration. To drive integration, AMU Member States should: focus on unity as being in the higher interest of the people, setting aside their differences as a way to enhance Maghreb economic integration; pool efforts to combat insecurity and terrorism in the region; speed up the ratification of agreements and protocols at the regional level; fast-track the implementation of already adopted programmes and to hold a summit to agree on a new vision for AMU. In fact, when it comes to financing, AMU has the largest portion of the financiers of the African Union; resources should therefore not be such a problem for this region; the missing ingredient could be the commitment to the AMU integration process.

## Vision, Priorities and Objectives

Since the constituent summit, six other summits of its Presidency Council have been held and 34 agreements focusing on different sectors have been adopted. All these have been geared towards fulfilling the initial objective of building economic and political unity among Arab states of the Maghreb in North Africa.

The AMU Member States aim to work progressively towards the realization of the free movement of persons, goods, services and capital between them. AMU's common development strategy that was approved by the Presidency Council in March 1991 remains the blueprint for achieving economic integration of the Maghreb. The aim of this strategy is to achieve the common interest of all members, to provide the necessary capacity to serve federal objectives and encourage national and bilateral institutions to give a Maghreb dimension to all their activities.

**Quick Facts About AMU**

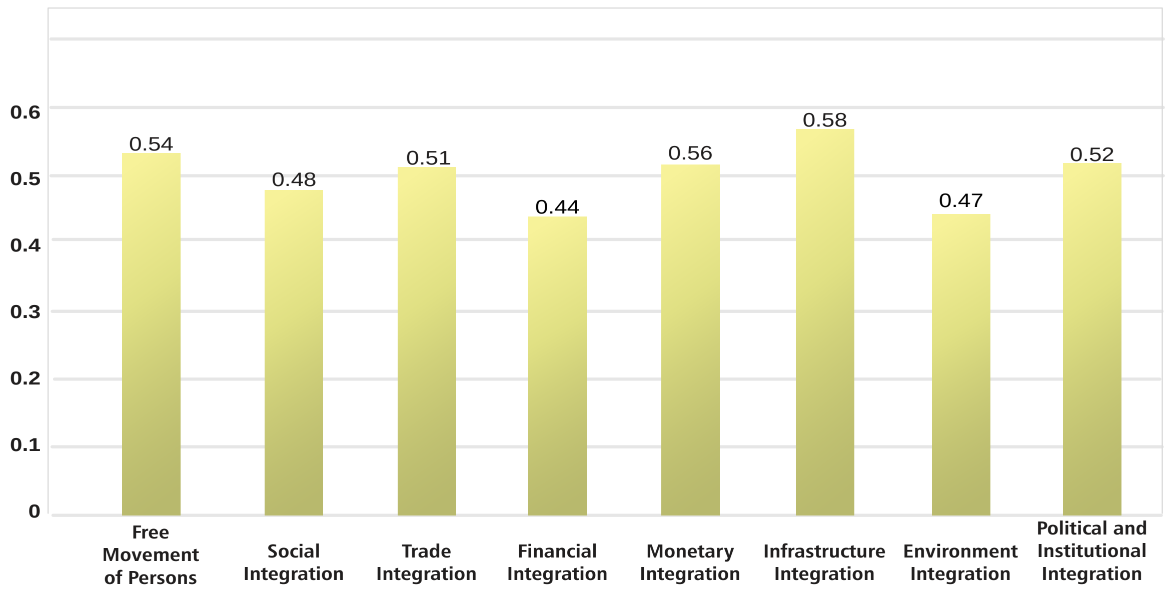
| | |
|---|---|
| **Area** | 5.7 mm sq km |
| **Population** | 103. 4 Million |
| **GDP** | USD 630 Million |
| **Headquarters** | Rabat, Morocco |
| **Established** | 1989 |
| **Official language** | French, Arab |
| **Chairperson, The presidency council**<br>**Secretary General** | Hon. Taieb Baccouche from Tunisia |

**Table 2.1:** Facts about AMU, AUC 2021

## Assessment of Regional Integration in AMU

The process of regional integration in AMU is decades old. With the many objectives pursued by AMU, it is most often necessary to carry out an evaluation to understand the achievements and difficulties that the Community faces.

Thus, this section is devoted to the evaluation of the regional integration process in AMU in 8 areas of regional integration as defined by the African Multidimensional Regional Integration Index (AMRII)).




**Graph 2.1:** Scores of the 2021 assessment of the integration process in AMU
**Source:** *AUC, 2021*

The process overall is rated at 0.51 on a rating scale between 0 and 1.This is a general score that shows the average level of integration of the community.

The score in infrastructure and free movement are above average, respectively 0.58 and 0.54. It is important to emphasise that finance, social and environment are sectors that have not experienced progress at the regional level.

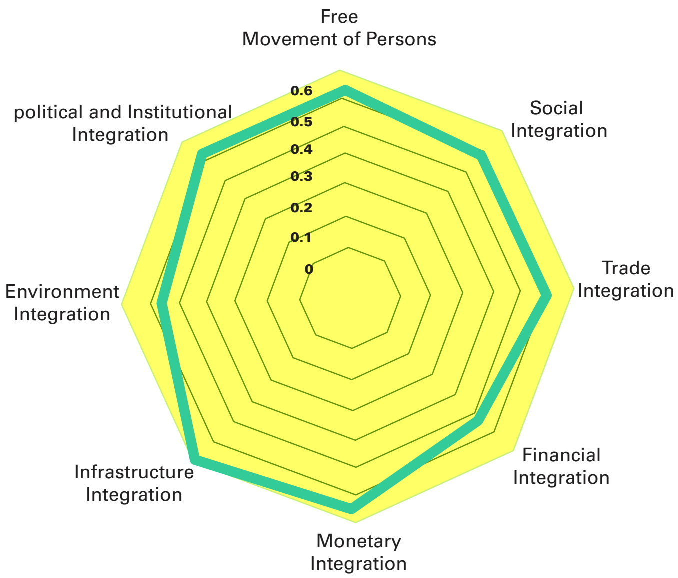


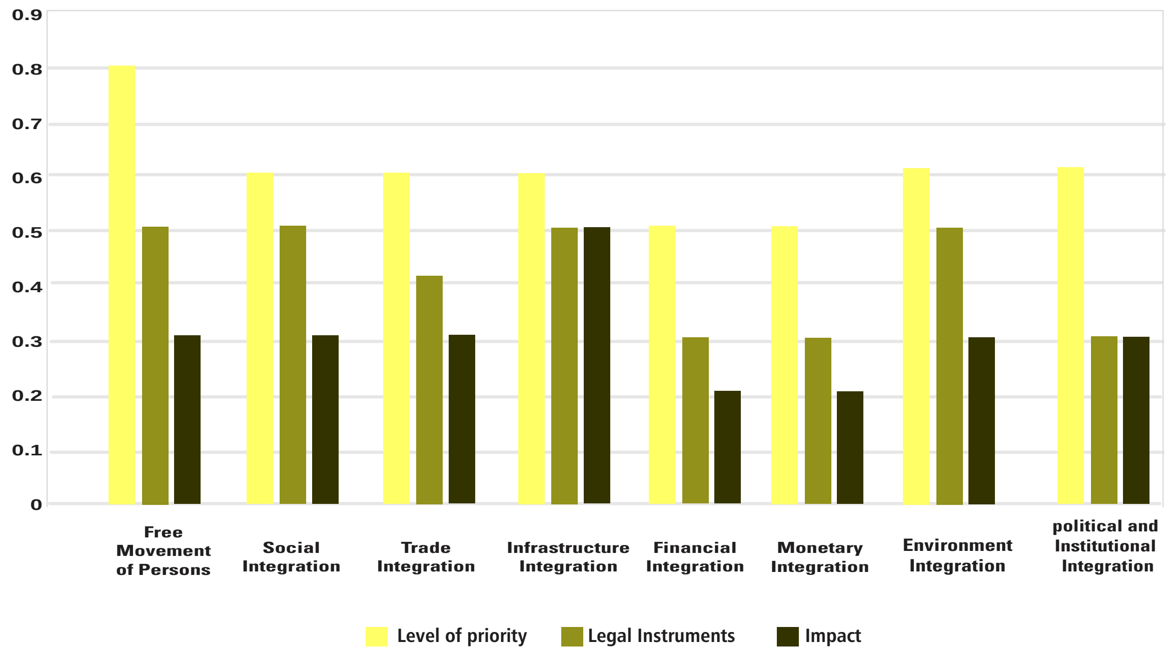

**Figure 2.1 :** Performer of AMU in terms of regional integration.
**Source:** AUC, 2021

Although AMU has not completed the implementation of its free movement protocol, some of its members have bilateral agreements that facilitate the movement of their nationals.

## Assessment of the steps of regional integration in AMU

Assessment in each of the dimensions of integration required a more detailed approach to understand where the strengths and challenges of the AMU integration process lie. Thus, this section presents an assessment based on 3 specific stages of the integration process. These three steps are considered for each of the dimensions. These are: (i) the level of priority, (ii) the development of legal and (iii) the impact of the instruments.

The areas of trade integration, free movement of persons, infrastructure and the environment are given higher priority than the other dimensions of integration. The instruments and agreements that AMU has managed to put in place have had some impact within the region in order to contribute to the achievement of the objectives of the Union. However, the impact is very low and AMU has not managed to mobilise Member States towards delivering on its vision as defined in the Constitutive Treaty.



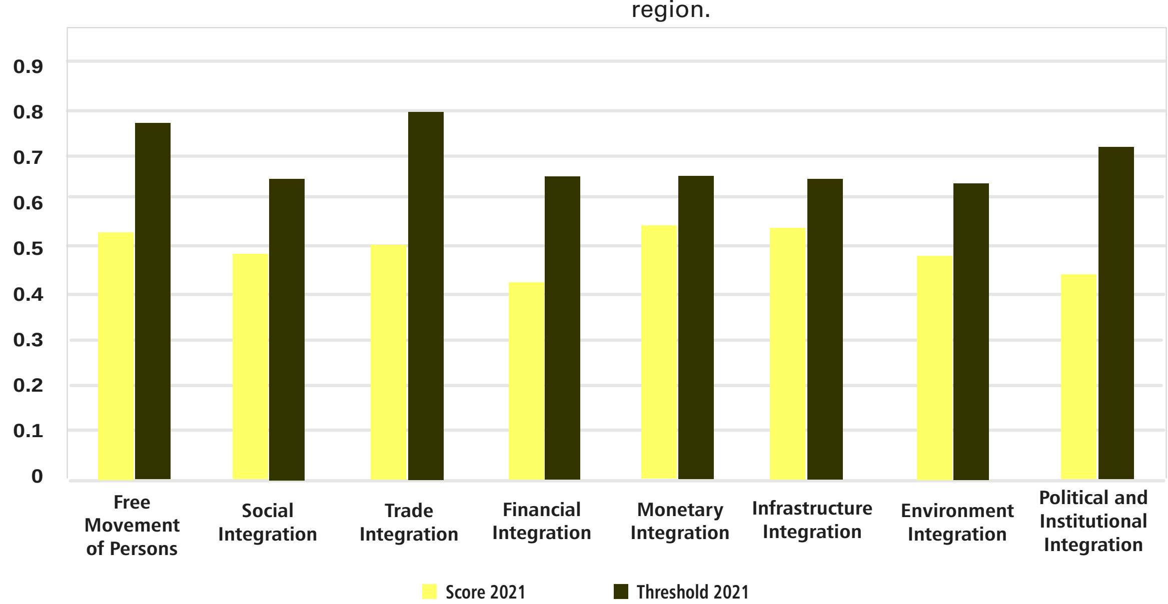

**Graph 2.2:** Detailed assessment of the steps taken to facilitates regional integration in AMU
**Source:** AUC, 2021

## Comparison between the scores and the thresholds

The AMRII-based monitoring and evaluation framework has defined evaluation thresholds that are based on the priorities and objectives defined at both regional and continental levels. These thresholds serve as an independent arbiter between what was done and what was planned to be done. The threshold represents the value of the score if the established chronogram is respected.

For the 8 dimensions in which the assessments were carried out over the two years considered, the scores for 2021 are higher than those obtained in 2020 except that of the environment.

This difference is far from being attributable to the achievements over the past year within the AMU. Indeed, the assessment of the integration process by AMRII is a recent activity and is refining the entire assessment process. For the year 2021, the data collection was as inclusive as possible by giving the experts of the RECs the latitude to send the data in their possession so that the evaluation reveals as much as possible the reality of the integration process within of the region.




**Graph 2.3:** 2021 assessment score and threshold within AMU
**Source:** AUC, 2021

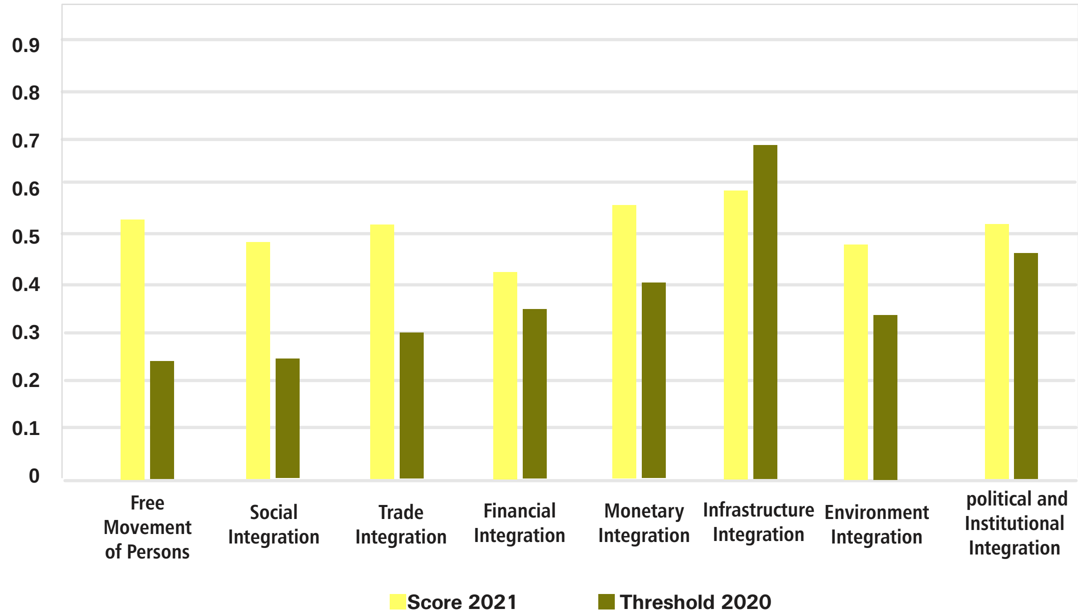
With regards to the comparison presented in the graph above, it must be remembered that AMU has not achieved any of its planned initiatives. The Union has not achieved the objectives it set for itself in its Constitutive Treaty and in its strategic plan.

## Comparison between the 2020 and 2021 scores

This section is devoted to an analysis of assessment scores from 2020 to 2021. This exercise helps to understand the progress, the difficulties as well as to determine the reasons for them.

## The potential and the challenges of regional integration in AMU

Security and political cooperation between the Maghreb and Africa south of the Sahara is essential to transform Africa into a stable, secure and conflict-free zone. AMU serves as the exit route for immigrants to Europe and cooperation is essential to address the welfare of the people of the Continent and to prevent the hazardous crossings in the Mediterranean Sea.




**Graph 2.4:** Scores of the 2020 and 2021 assessment of AMU
**Source:** AUC, 2021

For the 8 dimensions in which the assessments were carried out over the two years considered, the scores for 2021 are higher than those obtained in 2020 except that of the environment dimension.

This difference is far from being attributable to the achievements over the past year within the AMU. Indeed, the assessment of the integration process by AMRII is a recent activity and is refining the entire assessment process. For the year 2021, the data collection was as inclusive as possible by giving the experts of the RECs the latitude to send the data in their possession so that the evaluation reveals as much as possible the reality of the integration process within the region.

AMU has great potential and has indeed made some commendable progress based on its Treaty objectives. For example, AMU Ministers of Trade have signed the Free Trade Agreement (FTA). However, the AMU region faces challenges of political instability, insecurity, limited cooperation among Member States and limited infrastructural links. For many years, the fact that AMU had limited cooperation with AUC posed another key challenge. As a recommendation, AMU Member States need to put in place strategies to address these challenges, including working closely with other RECs to emulate their lessons, such as ECOWAS's method of self-financing. In fact, when it comes to financing, AMU has the largest portion of the financiers of the African Union; resources should therefore not be such a problem for this region; the missing ingredient could be the commitment to the AMU integration process.

Political instability in Libya coupled with geopolitical differences between Algeria and Morocco have negatively impacted regional integration in north Africa. It has even made it more difficult to hold a Summit of its highest organ, the Presidential Council. Other challenges are captured in the matrix below

Security and political cooperation between the Maghreb and Africa south of the Sahara is essential to transform Africa into a stable, secure and conflict-free zone. AMU serves as the exit route for immigrants to Europe and cooperation is essential to address the welfare of the people of the Continent and to prevent hazardous crossings in the Mediterranean Sea.

Despite the great vision displayed at its creation, AMU is faced with various obstacles that are halting or slowing down the integration process. Although the region has been able to make progress in some areas, the implementation of its strategy which is supposed to lead to the integration of all its constituent states, has come up against numerous challenges.

| Dimension | Challenges |
|---|---|
| **Free Movement of Persons** | • Lack of political coordination<br>• Non approval of certain agreements signed by all countries<br>• Failure to update laws and regulations governing AMU bodies<br>• Slow elimination of visa among the member states<br>• Sub-Saharan clandestine immigration |
| **Trade Integration** | • Absence of harmonisation of norms and standards<br>• Slow harmonisation of commercial, customs, transport, exchange, etc. regulations<br>• The failure of the establishment of a Maghreb free trade zone represents a challenge for the trade integration of the Maghreb Union |
| **Infrastructure Integration** | • Persistent high cost of intra-Maghreb transport and telecommunications |

**Table 2.2:** Challenges to the integration process within the AMU
**Source:** AUC,2021

# THE COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)

## Introduction

With 21 Member States, COMESA straddles the Continent from Eswatini in Southern Africa all the way to Tunisia on the Mediterranean coast in North Africa. It is the second-largest Regional Economic Community (REC) in terms of membership. With a population of over 586 million, a Gross Domestic Product (GDP) of USD805 billion, a global export/import trade in goods worth USD346 billion, COMESA forms a major marketplace for both internal and external trading. COMESA covers almost two-thirds of the African Continent with an area of 12 million sq. km.

The Common Market for Eastern and Southern Africa (COMESA) which is composed of 21 Member States was founded in December 1994 to replace the Preferential Trade Area (PTA). According to the COMESA Treaty, its priority is to set up a common market. COMESA therefore aims to harmonize and structure national policies with a view to adopting regional policies in the fields of trade, infrastructure, productive sector, social sector as well as financial and monetary cooperation.

| | |
|---|---|
| Area | 12 million sq km |
| Population | 586 million |
| GDP | USD 805 Million |
| Economic Growth rate | 63.6%- annual 9HCPI |
| Intra-Regional Trade | 7% |
| Numbers of Member States | 21% |
| Headquarters | Lusaka, Zambia |
| Established (as PTA) | 1981 |
| Established (as COMESA) | 1993 |
| Official Language | French, English, Arabic |
| Chairperson COMESA | President Andry Nirina Rajoelina of Madagascar |
| Secretary General, COMESA | Ms. Chileshe Mpundu Kapwepwe from Zambia |

**Table 2.3:** Fact about COMESA
**Source;** COMESA

COMESA is pursuing its integration objectives in accordance with the Pan-African Integration Agenda as set out in the Abuja Treaty and Agenda 2063. COMESA continues to deepen economic integration through implementation of various trade facilitation and investment promotion programmes. The region however experienced a slowdown in growth in recent past due to reduced commodity prices in global markets and the adverse effects of the COVID-19 pandemic. COMESA's 2021-2025 strategic plan focuses on four strategic pillars: Market Integration, Physical Integration/Connectivity, Productive Integration and Gender and Social Integration. The pillars fulfil COMESA's mission which is "to endeavour to achieve sustainable economic and social progress in all Member States through increased co-operation and integration in all fields of development particularly in trade, customs and monetary affairs, transport, communication and information, technology, industry and energy, gender, agriculture, environment and natural resources."

## Origins of COMESA

The decision to establish a sub-regional economic community for the Eastern and Southern Africa region was recommended in March 1978 at a meeting of Ministers of Trade, Finance and Planning in Lusaka, Zambia. The sequential approach which was adopted envisaged the implementation of a sub-regional preferential trade area that would be gradually updated over a period of ten years in view of a common market and a real economic community. To this end, the meeting adopted the 'Lusaka Declaration of Intent and Commitment to the Establishment of a Preferential Trade Area for Eastern Africa and Southern Africa (PTA)' and also created an Intergovernmental Negotiating Team on the Treaty for the establishment of the PTA. The meeting also agreed on an indicative timetable for the work of the Inter-governmental Negotiating Team.

On 21 December 1981, the Heads of State and Government of Eastern and Southern Africa signed the PTA Treaty. The Treaty entered into force on 30 September 1982, after having been ratified by more than seven Signatory States as provided for in Article 50 of the Treaty. It is important to underline the fact that the establishment of the PTA and its transformation into the Common Market for Eastern and Southern Africa (COMESA), was in conformity with the objectives of the Lagos Plan of Action (LPA) and the Final Act of Lagos (FAL) of the Organization of African Unity (OAU).

The two regional cooperation frameworks (LPA and FAL) envisaged an evolutionary process in the economic integration of the continent in which regional economic communities would be key elements, with a view to the eventual establishment of an African Economic Community (AEC).

On 5 November 1993, the Treaty on the Transformation of the PTA into a Regional Economic Community was signed in Kampala, Uganda and by 8 December 1994, the Treaty was ratified by 12 of the 21 Member States marking the establishment of COMESA effective.

## Vision, Priorities and Objectives of COMESA

The vision of COMESA is "to be a fully integrated, internationally competitive regional economic community with high standards of living for all its people ready to merge into an African Economic Community." Further, its mission is "to achieve sustainable economic and social progress in all Member States through increased cooperation and integration in all fields of economic activity.''

COMESA has more than ten specialised institutions that help it to effectively realize its vision in the different sectors of integration.

The aims and objectives of COMESA are:

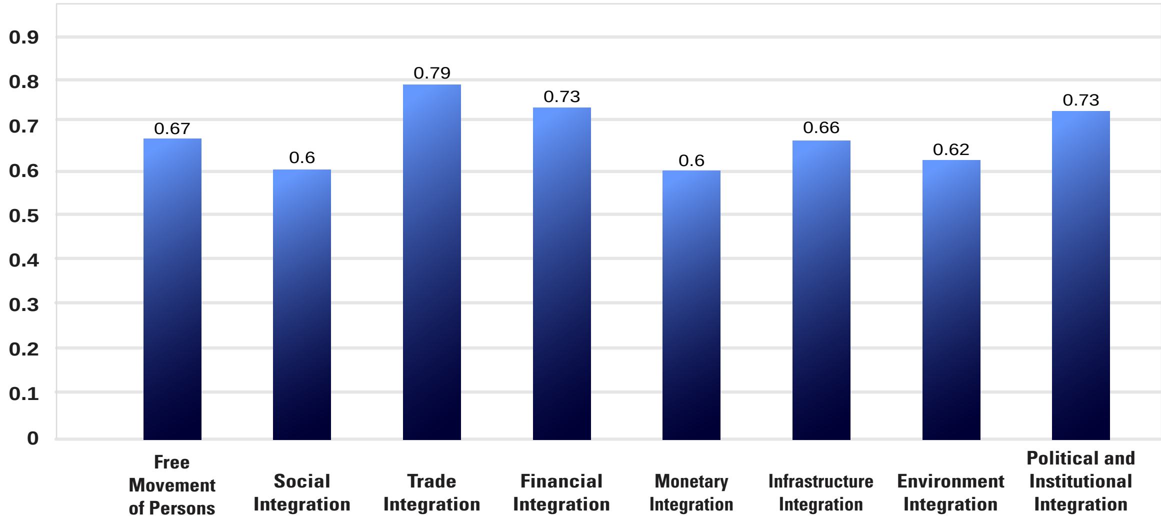
- To attain sustainable growth and development of the Member States by promoting a more balanced and harmonious development of its production and marketing structures;
- To promote joint development in all fields of economic activity and the joint adoption of macro-economic policies and programmes to raise the standard of living of its peoples and to foster closer relations among its Member States.
- To co-operate in the creation of an enabling environment for foreign, cross border and domestic investment including the joint promotion of research and adaptation of science and technology for development.
- To co-operate in the promotion of peace, security and stability among the Member States in order to enhance economic development in the region.
- To co-operate in strengthening the relations between the Common Market and the rest of the world and the adoption of common positions in international fora; and
- To contribute towards the establishment, progress and realization of the objectives of the African.

## Regional integration in COMESA

To determine the state of integration accurately and regularly in the RECs, the AUC in collaboration with the RECs, central banks and national statistical institutes have developed a monitoring-evaluation framework based on the African Multidimensional Regional Integration Index (AMRII).

This section is dedicated to the assessment made on the basis of AMRII.

The graph below captures the integration process within COMESA for the year 2021. The graph gives the state of play of regional integration in COMESA. It shows a varied evolution from one dimension to another. The overall score is 0.67 in an evaluation interval between 0 and 1.




**Graph 2.5:** Assessment of the COMESA regional integration.
**Source:** AUC, 2021

COMESA scores best when it comes to institutions, trade, finance, free movement of persons and infrastructure. The scores recorded in these dimensions are above 0.65 on a comparison scale between 0 and 1.

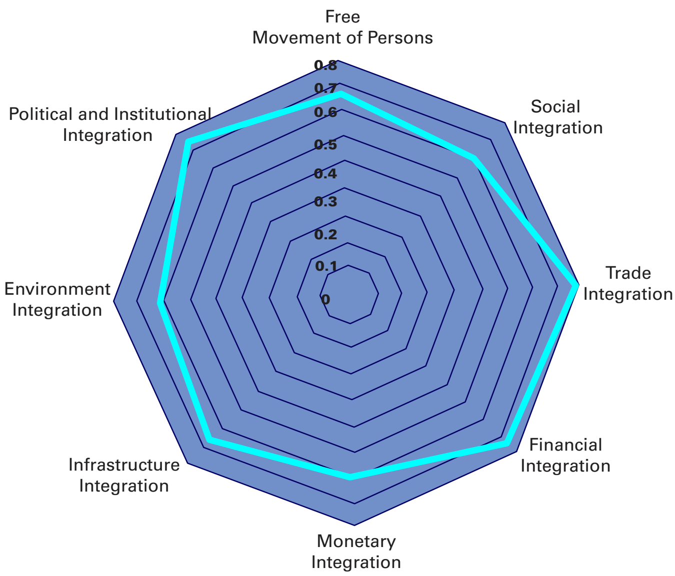



**Figure 2.2:** Perfomers of COMESA in terms of regional integration.
**Source:** AUC, 2021

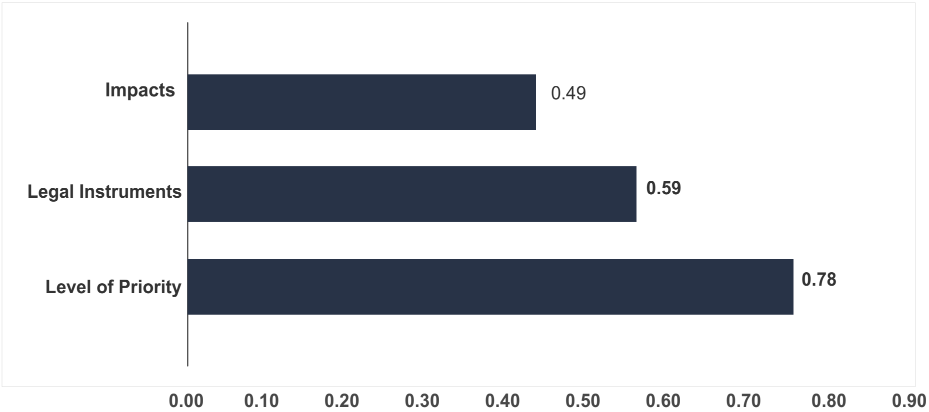
However, in areas such as social, currency and environmental integration, COMESA scores below average on the AMRII scale. This assessment does not allow a priori to identify the challenges facing COMESA in order to pinpoint the stages of integration where COMESA is successful or not.

## Assessment of the steps of regional integration in COMESA

The COMESA integration process was seen as a precise 3-step movement. Thus, for each of the dimensions, this section serves to assess COMESA in each of the stages. The 3 stages are: The level of priority, the implementation of instruments and agreements and the impact.

The 3 stages identified allow us to know in more depth the reason for COMESA's performance in each of the dimensions.

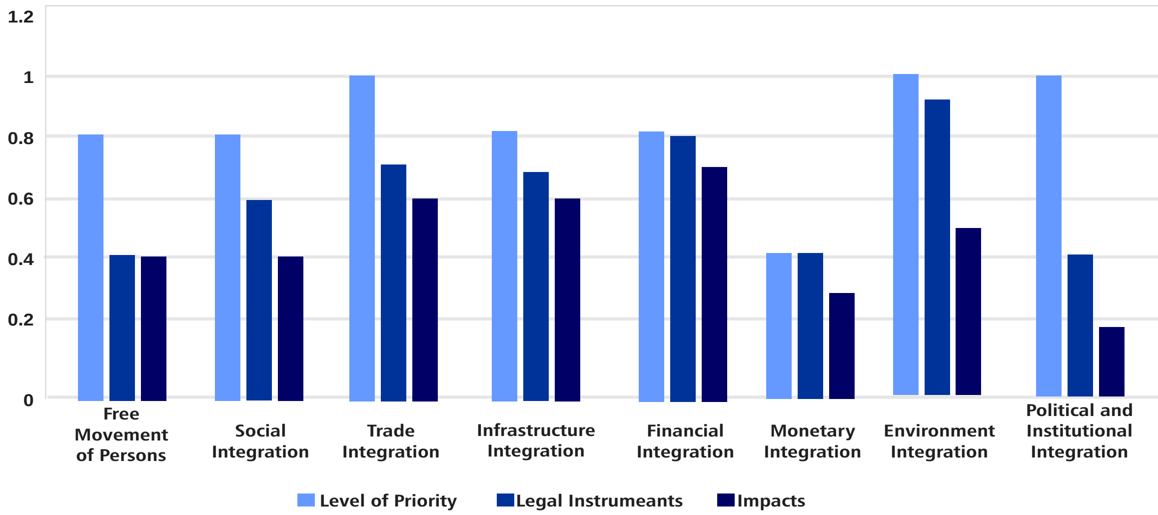
Generally, and overall, this further step of assessment shows whether the integration process is a real priority within COMESA with an overall score of the priority level equal to 0.78. The instruments and agreements implemented to achieve regional integration are evaluated at 0.59. This is an average score, indicating that COMESA should develop more instruments for the process to be carried out and for its impact to be even more noticeable. With an average impact below the average rating, COMESA could do more to use the process to significantly improve the lives of people in the region.




**Graph 2.5:** Assessment of the step of regional integration in COMESA
**Source:** AUC, 2021

The figure below summarizes the same assessment in each of the 8 dimensions of AMRII. Thus, the dimension that appears to be less of a priority or even considered as a future project within COMESA is the monetary sector. However, it is necessary to underline the establishment of the COMESA Monetary Institute which will have to lay the foundations and the bases of a monetary union.

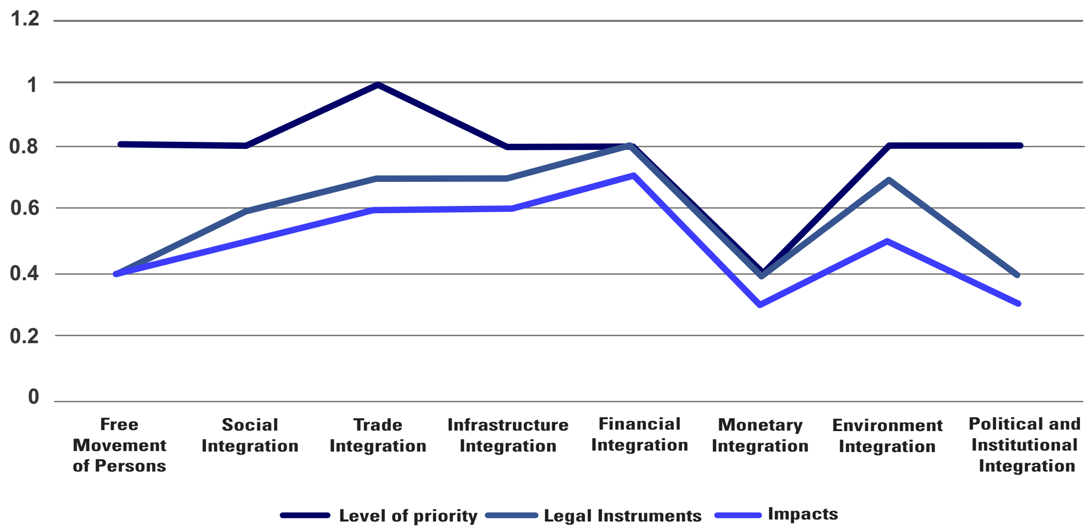
It is only in recent years that this REC has made governance a priority because of the close link between development and peace, security and governance. However, political integration is not a priority for COMESA and therefore it cannot be expected to put in place institutions to support this dimension.




**Graph 2.7:** Detailed Assessment of the steps of the COMESA regional integration
**Source:** AUC, 2021

This evaluation reveals that in the fields of politics, political institutions, currency and free movement. COMESA has not been able to put in place the main institutions that can enable integration within the region.

The majority of COMESA institutions concern is trade and investment apart from the Khartoum-based COMESA Court of Justice which responds to the need to settle questions related to the implementation of theTreaty.



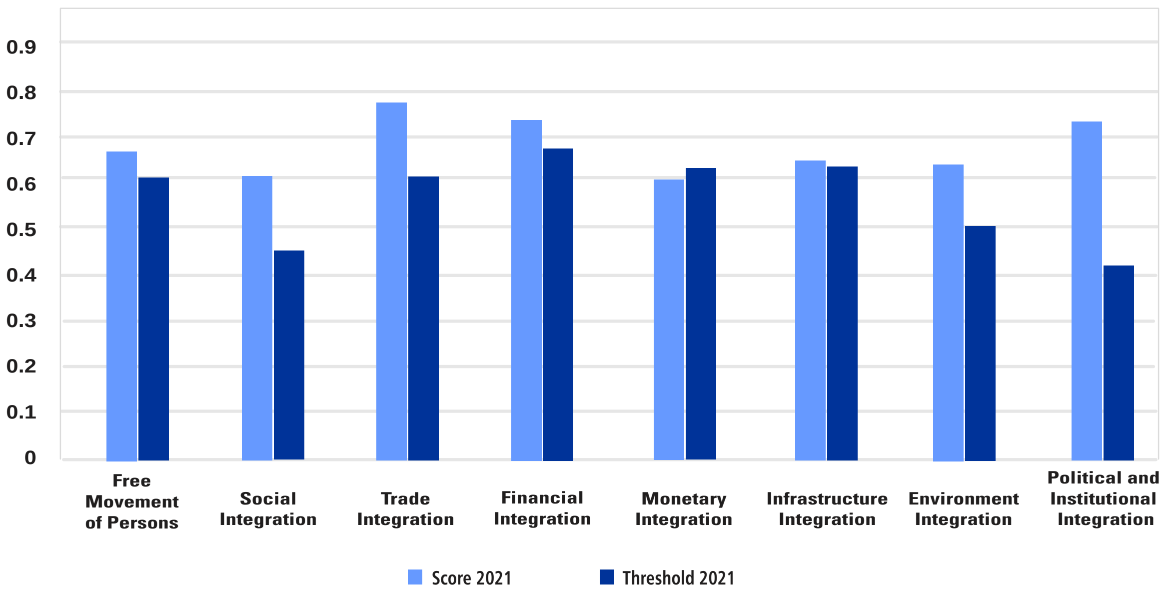

**Graph 2.8:** Detailed Assessment of the steps od regional integration in COMESA
**Source:** AUC, 2021

## Comparison between the 2020 and 2021 Assessments

In this section, a comparative analysis between the scores obtained in 2021 and those obtained in 2020 is carried out.

The data collection process has been revised to allow the RECs to send data to the AUC so that it in turn does not use data from other sources which may not clearly reflect the level of integration of the REC.

The figure above reveals that COMESA scores have improved slightly in all areas except monetary integration. Far from being the result of a great success achieved by COMESA during this year, these scores would have appreciated due to the revision of the data used to carry out the 2021 assessment.




**Graph 2.9:** Scores of the 2020 and 2021 assessment of COMESA
**Source:** AUC, 2021

## The 2021 Assessment and the 2021 Thresholds

The thresholds which are calculated as part of the implementation of the REC monitoring and evaluation tool are used to understand whether the current level and pace of integration in the REC is in line with the objectives set out at the regional level as well as at the continental level.

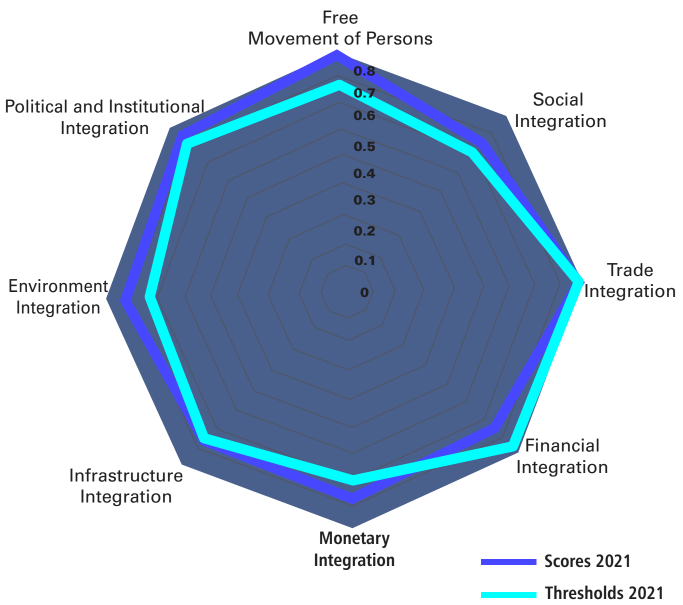



**Figure 2.3** scores of the 2021 assessment and 2021 threshold:
**Source:** AUC, 2021

COMESA has been able or nearly achieved its objectives in the areas of institutions, finance, trade and infrastructure. On the other hand, in the areas of social integration and free movement of persons and the environment, the objectives have not been achieved. These objectives are those fixed at the regional and continental level for the acceleration of the regional integration process.

## Achievements of the COMESA regional integration process

In terms of key achievements, COMESA has developed several initiatives covering trade integration: establishment of a free trade area by eliminating tariffs and non-tariff barriers (NTBs), including removal of exchange restrictions, removing foreign exchange taxes, eliminating import and export quotas as well as roadblocks, simplifying customs formalities and extending working hours at borders. To enhance trade integration, COMESA has designed and implemented various programmes and instruments related to cross border trade and transit facilitation including coordinated border management through one-stop border posts; a simplified Trade Regime, established NTBs National Monitoring Committees, the short messaging system for reporting and monitoring elimination of NTBs, initiated the digital free trade area e-commerce, e-legislation and e-logistics; the yellow card scheme, the Regional Customs Bond Guarantee Scheme, effective customs instruments such as ASYCUDA and simplification of customs documentation.

COMESA launched a customs union in 2009 although it is not yet operational. So far, the Member States have registered an overall average Customs Management Regulations (CMR) alignment of 98.33%. On the other hand, 18 Member States have aligned an average of 69% of their Common Tariff Nomenclature (CTN) to the COMESA CTN (based on HS 2012 Version).

In order to facilitate cross-border trade during the advent of the COVID-19 Pandemic, COMESA developed guidelines to facilitate movement of essential goods and services across the region while safeguarding health. COMESA also developed an online platform that aims at sharing information about the availability of goods and services in the region, especially essential commodities and services.

In terms of financial integration, COMESA has made remarkable progress. It has established several important institutions and arrangements, such as the COMESA Trade and Development Bank (TDB), the Africa Trade Insurance Agency (ATI), the COMESA Clearing House, a regional payment system and the COMESA Reinsurance Company (ZEP-RE). COMESA implements the Financial System Development and Stability Plan for the region.

The fast growth of COMESA's financial institutions allows the REC to serve Member States beyond COMESA region and therefore will contribute immensely to the attainment of the continental integration in that area.

On Social integration, COMESA has developed and launched a digital platform to support women in business in all the Member States through access to information on financial and non-financial services, and networking opportunities, and access to markets and capacity building. COMESA has continued to promote implementation of the Gender Policy, Social Charter and Youth engagement initiatives.

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The high performance of COMESA in financial and monetary integration is justified by the fact that the region has set up functional institutions and mechanisms such as the COMESA Clearing House, the PTA Reinsurance Company (ZEP-RE), the Trade and Development Bank (TDB) and the Regional Payment and Settlement System which perform quite well; and which support trade in the region. COMESA is also implementing a Financial System Development and Stability Plan for the region. COMESA continues to work

## Key Constraints and Challenges

While the progress achieved by COMESA is laudable, this REC still faces some challenges that include high costs of doing business, low level of trade complementarity, supply side constraints, inadequate infrastructure and costly linkages, Multiplicity of Memberships to various RECs, limited information on available market opportunities and potential within the region high donor dependence in funding key regional integration programmes, persistent macroeconomic vulnerability; limited policy coordination; and human capacity constraints. Some of these challenges are discussed below:

**Slow implementation of decisions**

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

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

**High donor dependency**

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

**Infrastructure deficit**

Despite efforts made in trade facilitation, the level of intra-COMESA trade has remained low, partly due to the poor transport network, unstable electricity and water supplies, as well as the existence of non-tariff barriers.

**Macroeconomic vulnerability**

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

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

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

Quotations and transactions in COMESA national currencies by deposit banks and bureaux de change remained limited due to the absence of stable exchange rates and the absence of a mechanism for clearing and settling accumulated long positions by banks.

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

### Social challenges

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

Emerging challenges such as the proliferation of epidemics and pandemics are hindering COMESA's progress towards full regional integration. Epidemics and pandemics such as COVID-19 has affected COMESA economies, mobility and livelihoods heavily.

## Recommendations

With respect to financial constraints, it is recommended that COMESA borrows a leaf from ECOWAS in developing sustainable sources of financing. Given that COMESA is a huge market, it is also recommended that Member States focus on improving value chains and also investing in industries that can significantly improve processing through value addition processes

Greater priority should be directed to the development of blue economy, which has a great potential of growth and economic diversification of more than half the membership of COMESA.

The digital conomy and the consolidation of the Tripartite programmes in trade, industrialization, Infrastructure development and free movement of persons will constitute another area of focus for the next three years. Efforts will also be made to address the critical challenges of donor's dependency, slow implementation of decisions as well as inter REC cooperation to accelerate the implementation of continental agenda such as the free movement of people and the continental free trade area.

There is also a need to strengthen institutional frameworks to achieve COMESA's objectives. Currently, COMESA is based on inter-governmental coordination assisted by a Secretariat that has no supranational decision making and implementing power. This is made worse by the lack of clarity in many of the COMESA protocols on obligations and how they should be implemented. Giving more power to the COMESA Secretariat to enforce the regional agenda and hold countries accountable for non-compliance could reinforce integration.

**Image 2.1:** Trade in times of COVID 19: A Banana Consignment crosses the border from Uganda to DR Congo, at the Bunagana Border Post, for delivery to small scale Traders.
**Source:** COMESA

# THE COMMUNITY OF SAHEL-SAHARAN STATES (CEN-SAD)

## Introduction

The Community of Sahel-Saharan States (CEN-SAD) is the largest REC in terms of the number of Member States. It was created on 4 February 1998 in Tripoli, Libya, at the end of a Summit bringing together the Heads of State of Libya, Burkina Faso, Mali, Niger, Sudan and Chad. CEN-SAD became an AU recognised Regional Economic Community during the 36th Ordinary Summit of the Organization of African Unity (OAU) in Lomé, Togo, in July 2000. Today, CEN-SAD has a membership of 25 states and has its headquarters in Tripoli, Libya. However, due to the socio-political challenges that Libya faces at the moment, the REC's headquarters have temporarily relocated to N'Djamena in Chad.

### Quick Facts About CEN-SAD

| | |
|---|---|
| Area | 13,58 million sq km |
| Population | 640 million |
| GDP | USD 1,248.7 Million |
| Economic Growth rate | 10.18%- annual 9HCPI |
| Intra-Regional Trade | Intra-CEN-SAD export 7.6%; CEN-SAD Imports; 5.5% |
| Headquarters (Temporary) | N'Djamena, Chad |
| Headquarters (Permanent) | Tripoli, Libya |
| Established | 1998 |
| Official Language | French, English, Arabic |
| Executive Secretary, Executive Secretariat | Amb. Ibrahim Sani Abani from Niger |

**Table 2.4:** facts about CEN-SAD, AU. CEN-SAD
**Source;** CEN-SAD 2021

CEN-SAD has been faced with numerous operational difficulties since Libya's socio-political crisis in 2011. No summit of Heads of State and Government has been held since 2013. CEN-SAD no longer occupies its headquarters since 2011. This made the daily operations of the CEN-SAD Secretariat difficult, it has now relocated to N'Djamena in Chad. There is currently the challenge of revitalizing CEN-SAD through meaningful involvement of the Member States in the implementation of the programmes and plans it has adopted.

## Objectives, Priorities, Vision of CEN-SAD

According to the CEN-SAD Treaty, its priority is to set up an Economic Union based on the implementation of a community development plan that complements the local development plans of Member States and which comprehends the various fields of sustained socio-economic development in agriculture, industry, energy, social, culture and health.

The first Treaty, the Treaty Establishing the Community of Sahel-Saharan States, specified the following objectives:

- 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: facilitating the free movement of individuals, capital, and meeting the interest of member states citizens; freedom of residence, work, ownership and economic activity; freedom of the movement of national goods, merchandise and services; encouragement of foreign trade through drawing up and implementing an investment policy for Member States; enhancement and improvement of land, air and sea transportation and telecommunications among Member States through the implementation of joint projects; and, the 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.

- Coordination of pedagogical and educational systems at the various educational levels, as well as in the cultural, scientific and technical fields.

- The revised CEN-SAD Treaty, which was adopted on 13 February 2013 and entered into force in 2019, alters the focus and the objectives of CEN-SAD.

The Community now focuses its action on two major areas: regional security and sustainable development. To this end, it pursues the following objectives:

a. Preservation and consolidation of peace, security and stability in the CEN-SAD region;

b. Promotion of political dialogue and the fight against cross-border crime with its related scourges such as trafficking in drugs, arms, human beings, money laundering and terrorism;

c. Combating desertification, drought and climate change through the preservation of natural resources and research in the field of renewable energy;

d. Economic, trade, scientific and socio-cultural cooperation;

e. Infrastructure development;

f. Promoting the free movement of people, goods and services.

These objectives are to be achieved through the formulation and implementation of community sectoral policies adopted by the Conference of Heads of State and Government and through additional protocols; among other ways.

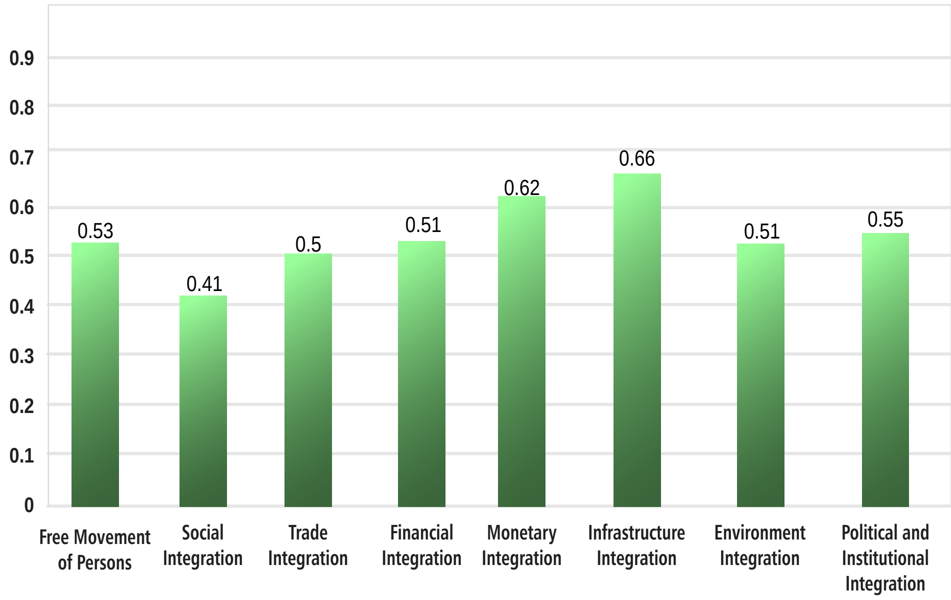
## Assessment of the regional integration process in CEN-SAD

The integration process within CEN-SAD has achieved mixed results. This section focuses on the assessment of the regional integration process based on the African Multidimensional Regional Integration Index (AMRII).

The CEN-SAD regional integration process is scored at 0.53 on a scale of 0 to 1. This reflects the mixed results of CEN-SAD. The achievements in trade, financial and monetary fields are attributable to the achievements of COMESA, ECOWAS and ECCAS where many CEN-SAD Member States also belong. Thus, the advances made by these RECs in their integration process have been taken into account in the evaluation of CEN-SAD. The logic behind this approach is that in all these areas, it would be easier for CEN-SAD to build on the achievements of these Member States which belong to the other RECs.

Nevertheless, in the area of finance, CEN-SAD has set up a commercial bank, the Sahelo-Saharan Bank for Investment and Trade Bank - Banque Sahélo-Saharienne pour l'Investissement et le Commerce (BSIC), which continues to expand and is already present in fourteen Member States.

In terms of free movement of persons, social integration and trade integration, CEN-SAD aspires to achieve integration, but the implementation is very slow. Thus, the scores are very low and below 0.55. Still, the Community is taking some measures in this dimension. For instance, the CEN-SAD Conference of Heads of States and Government has taken a Decision on a selective visa dispensation that has been adopted by 17 Member States; it has been in force since May 2019. This important Decision is obviously the first milestone in the implementation of a plan for the free movement of people in the Sahel-Saharan region.




**Graph 2.10:** Assessment of the CEN-SAD regional integration.
**Source:** AUC, 2021

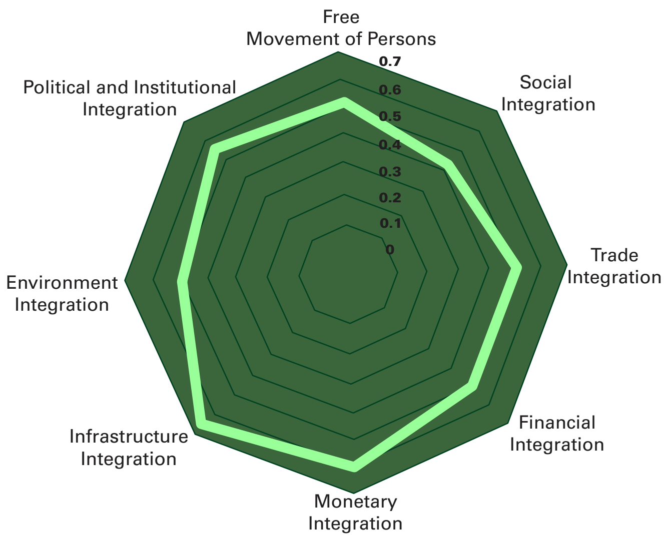



**Figure 2.5 Perfomance of CEN-SAD 2021 regional integration**
**Source:** AUC, 2021

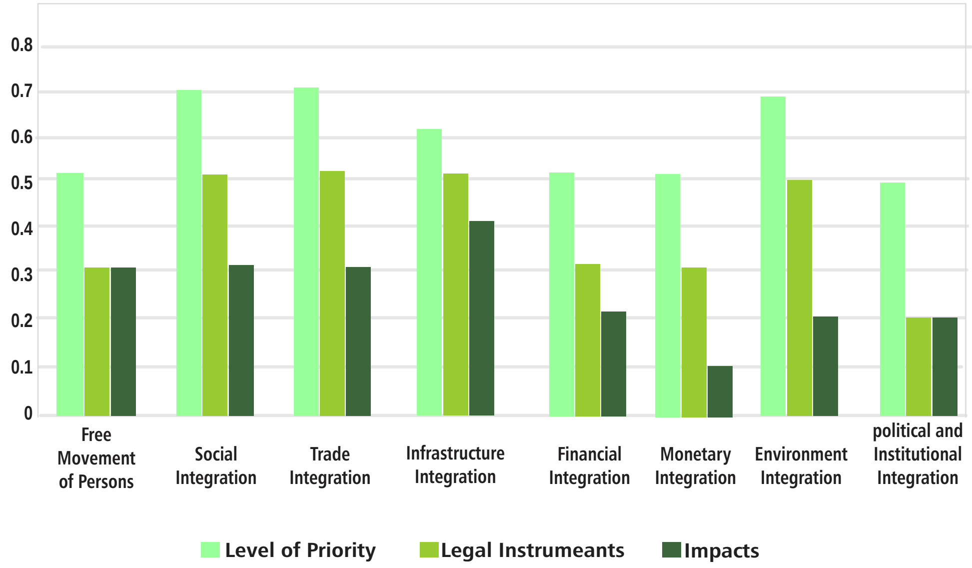
CEN-SAD's performance is average in all areas except in the area of infrastructure, which recorded a higher score (0.66). This is attributable to the African Union's Programme for Infrastructure Development in Africa (PIDA). It is also necessary to highlight the project of the great green wall, which is considered a flagship project of CEN-SAD. Half of the CEN-SAD Member States were able to join the Single African AirTransport Market (SAATM).

On the other hand, CEN-SAD has no plan when it comes to trade, finance and currency integration at the moment. Action remains at the level of studies undertaken or incomplete studies.

The socio-political difficulties experienced by the states coupled with terrorism and armed conflicts have not allowed CEN-SAD to lay the foundation for political and institutional integration.

## Assessment of the steps of regional Integration within CEN-SAD

The integration process within CEN-SAD can be divided into 3 stages: level of priority, creation of legal instruments and the impact of the implementation of the instruments. Following this approach, this section assesses the efforts made by CEN-SAD to accomplish each of the dimensions.

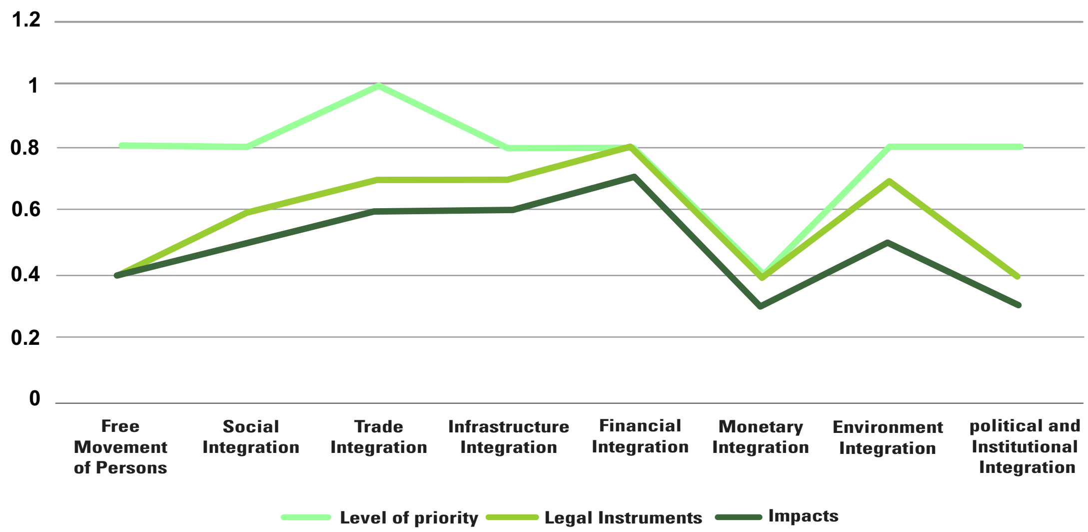



**Graph 2.11:** Detailed Assessment of the steps of the CEN-SAD regional inegration
**Source:** AUC, 2021

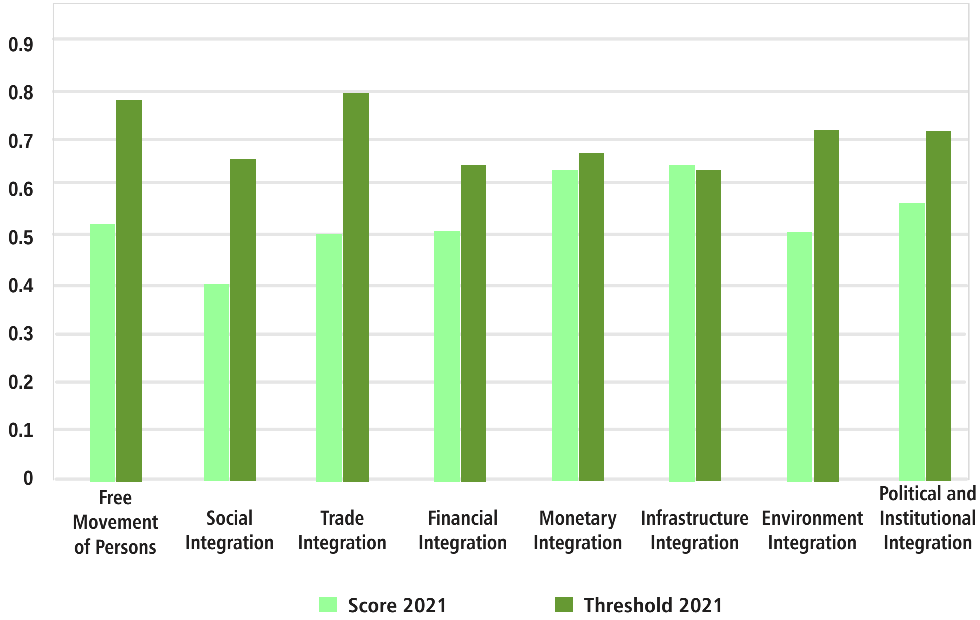
The graph below shows that the priority level in all areas remains low (less than 0.75). When it comes to the instruments in place and the impact, the scores attained are below average. This is further illustrated in the diagram below:

## CEN-SAD performance and thresholds

The AMRII-based monitoring and evaluation framework has thresholds that allow the scores obtained after the CEN-SAD evaluation to be assessed as objectively as possible. The objectivity of this approach lies in the fact that CEN-SAD is compared to its vision and its objectives.




**Graph 2.12:** Performance of CEN-SAD in the 3 stage of integration




**Graph 2.13:** Scores of the 2020 and 2021 assessment of CEN-SAD
**Source:** AUC, 2021

According to the graph below, CEN-SAD remains below its regional and continental objectives defined in the defined plans and programmes.This reveals the need for CEN-SAD to proceed with a restructuring of priorities and objectives taking into account multi-membership and new continental priorities.

## Comparison between 2020 and 2021 scores

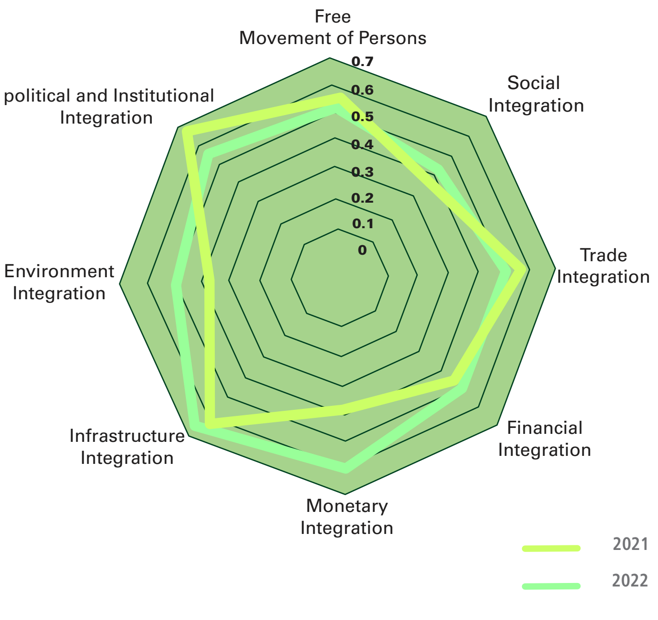



**Figure 2.6: Comparison of CEN-SAD for 2022 and 2021**
**Source:** AUC, 2021

The assessment for the year 2021 shows a slight increase in scores in most of the dimensions of AMRII. However, this is not based on improved performance but the use of new data solely provided by CEN-SAD as opposed to last year's data which came from external sources as well. The open questions in the data collection tools also made it possible to appreciate the bilateral as well as other multilateral efforts of the Member States.

## Challenges of the Regional Integration Process within CEN-SAD

The many crises that have emerged in the various CEN-SAD countries have not only undermined peace and security, but also exacerbated the phenomenon of irregular migration and human trafficking in the region. It is crucial for CEN-SAD countries to define a strategy to eradicate this phenomenon, the consequences of which are disastrous for the states

In terms of challenges, CEN-SAD lacks the necessary funds to finance its ambitious regional integration programmes and projects. Its heavy reliance on donors to fund key projects makes progress unpredictable and disruptive. The ongoing security challenges in Libya and terrorist incidents caused by Boko Haram and ISIS pose serious challenges to deepening integration within the CEN-SAD region. In terms of key recommendations, there is an urgent need to redefine CEN-SAD's five- or ten-year priorities in line with its vision and the new dynamics in the region and to devise means of addressing protracted security problems.

## Challenges and Opportunities for Integration in CEN-SAD

CEN-SAD was created with many ambitions for the new millennium under the then Libyan leader. It had a vision to fast-track the socio-economic development of the region while ensuring and guaranteeing peace and security. Thus, the Community wasted no time in developing initiatives to achieve this vision. The outcomes show that CEN-SAD has been able to make numerous achievements. However, there are still several actions to be taken to attain the objectives that it has set for itself, namely the FTA and the Customs Union; among others.

But in implementing the strategies it has developed to accelerate integration in the region, CEN-SAD is constantly faced with enormous challenges and obstacles. Some of these are:

### Organizational and operational challenges

CEN-SAD has been faced with numerous operational difficulties since Libya's socio-political crisis in 2011. No summit of Heads of State and Government has been held since 2013. CEN-SAD no longer occupies its headquarters since 2011. This makes the daily operations of the CEN-SAD Secretariat difficult, leading to its relocation to Chad. There is currently the challenge of revitalizing CEN-SAD through meaningful involvement of the Member States in the implementation of the programmes and plans it has adopted.

CEN-SAD is subject to the difficulties associated with multiple membership of its Member States to other RECs. This constitutes a real challenge when especially when it comes to the establishment of certain integration instruments such as the FTA and the Customs Union.

### Financial Challenges

The funding of CEN-SAD has become a huge challenge impeding the Community in its commitment to implement its defined strategies. Several activities are in jeopardy as funding has been halted either by partners or due to non-payment of contributions on the part of the Member States who have their loyalties focused on other RECs. CEN-SAD has a resource mobilization challenge for the implementation of infrastructure projects and for achieving its statutory integration objectives. The problems in Libya extensively diminished its resources and source of financing.

### Political, Peace and Security Challenges

The major political, peace and security challenges today require leadership that promotes political commitment at the level of Heads of State and Government. There is the need to redefine CEN-SAD's priorities in line with its vision and the new dynamics in the region. Then, new strategies will need to be defined to implement plans and programmes that can revitalise the organisation. There is the challenge of finding a seat in the Executive Secretariat of the Community as soon as possible to improve its performance.

The many crises that have emerged in the various CEN-SAD countries have not only undermined peace and security but also exacerbated the phenomenon of irregular migration and human trafficking in the region. It is crucial for CEN-SAD countries to define a strategy to eradicate this phenomenon, the consequences of which are disastrous for the States.

Terrorism is a huge challenge impacting the functioning and development of CEN-SAD. With the crises in Libya, Mali and Burkina Faso and Chad, the region has seen the emergence of a number of armed groups and extremists/terrorists. Terrorism has become implanted in the region. Several countries face a major arms' trafficking problem, which is made worse by the rise of nationalism and religious extremism amongst their peoples. There is the need to define regional programs to combat the different scourges that contribute not only to the weakening of regional integration but also to slowing down CEN-SAD in the implementation of its projects.

### Administrative and other Institutional Challenges

In terms of agriculture and the environment, CEN-SAD is threatened by drought and aridity, and their ecological, socio-economic and political consequences are numerous in the Member States.

CEN-SAD faces challenges in the joint development of the region's energy and mineral resources. Indeed, these resources are fiercely coveted by other global players who do not hesitate to stir up internal conflicts and crises and to provoke others to impose their rules of the game.

The Executive Secretariat also faces a shortage of human resource capacity. There is an urgent need for mass recruitment to fill the existing gap to help in the implementation of its agenda.

CEN-SAD is experiencing a lack of enthusiasm on the part of some Member States. This has resulted in the exit of some Member States such as Kenya. It is highly recommended that CEN-SAD address these challenges so as to enable it to regain its unity and the lustre of the past.

Despite all these difficulties, which undermine the process of regional integration within CEN-SAD, it remains attached to its vision which is the essence of its creation and existence. Thus, the CEN-SAD for the coming years has a number of perspectives defined in the strategy called: The New CEN-SAD. This strategy which represents the Community's new vision was defined by the N'Djamena Declaration and the revised Treaty of February 2013. It is articulated around two areas: promotion of peace and security in the Sahel-Saharan region and promotion of sustainable development.

The process of integration within CEN-SAD has slowed since the outbreak of the Libyan crisis in 2011. Despite the ambition nurtured by the organization at its inception, the many obstacles arising from this period continue to impact integration in this community.

As CEN-SAD emerges from this long hibernation, it counts on both institutional and technical support from the African Union Commission to help it to meet its challenges and reconnect with its role of driving the process of regional integration.

**Image 2.2:** The new interin CEN-SAD Headquarters in N'Djamena in Chad.
**Source:** CEN-SAD

# THE EAST AFRICAN COMMUNITY (EAC)

## Introduction

The East African Community (EAC) is composed of 6 Member States, which are called partner states. These are Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda. East Africa has a long history of cooperation which started with the customs union between Kenya and Uganda in 1917, which Tanganyika joined in 1927. The Customs union provided a common external tariff, currency, and postage. The customs union was followed by the East African High Commission (EAHC) from 1948 to 1961 and the East African Common Services Organization (EACSO) from 1961 to 1967. The third attempt at regional integration of East Africa began on 1 December 1967, with the coming into force of the Treaty for East African Cooperation that superseded EACSO. The EAC collapsed in 1977 mainly due to perceived and legitimate concerns of the inequitable sharing of costs and benefits of integration and lack of policy to redress the situation. The EAC was revived on 30 November 1999, when Kenya, Tanzania and Uganda signed the Treaty for the Establishment of the East African Community (EAC), which came into force in July 2000. The EAC was expanded in 2007 by the admission of the Republic of Burundi and the Republic of Rwanda; and, further in 2016, by the admission of the Republic of South Sudan. The Democratic Republic of Congo (DRC) is now a candidate state to join the EAC, and the East African Community Secretariat commenced the verification process in June 2021.

**Quick Facts About EAC**

| | |
|---|---|
| **Area** | **1.8 million sq km** |
| **Population** | **177 million** |
| **GDP** | **USD 193.7 BILLION** |
| **Inflation rate** | **63.6%- annual 9HCPI** |
| **Intra-Regional Trade** | **USD 3.2 Billion** |
| **Numbers of Member States** | **9** |
| **Number of Currencies** | **6** |
| **Headquaters** | **Arusha, Tanzania** |
| **Revived** | **2000** |
| **Collapsed** | **1977** |
| **Official Language** | **English, Kiswahili, French** |
| **Chairperson EAC** | **Presisdent Uhuru Muigai Republic of Kenya** |
| **Secretary General, COMESA** | **Dr. Peter Mutuku Mathuki Kenya** |

**Table 2.5: facts about EAC**
**Source: EAC**

EAC is relatively well integrated. It performs most strongly on the free movement of persons dimension and in trade. However, to increase the level of intra-regional trade, industrialisation will need to be a continuing key priority. The EAC has eliminated tariffs between its members.

Due to this long history, the EAC is considered the oldest of the 8 Regional Economic Communities (RECs) recognized by the African Union (AU).

## VISION, PRIORITIES, OBJECTIVES OF EAC

The vision of EAC is to be a prosperous, competitive, secure, stable and politically united East Africa.

The regional cooperation and integration envisaged in EAC is broad-based. Article 5 (1) of The Treaty for the Establishment of the East African Community states that “the objectives of the Community shall be to develop policies and programmes aimed at widening and deepening cooperation among the Partner States in political, economic, social and cultural fields, research and technology, defence, security and legal and judicial affairs for their mutual benefit.” Since then, the EAC Customs Union, which was established in March 2005, has made significant progress. In 2010, the EAC established a Common Market and signed the Monetary Union in 2013 that will come into force in 2023. The EAC plans for a Political Federation as its ultimate goal; however, in the short term, work is going on to prepare for Political Confederation as the transitional stage.

For the period 2017-2021, the priorities of the EAC as outlined in the 5th EAC Development Strategy are:

1. - Consolidation of the single custom territory (SCT)
2. - Infrastructure development in the region
3. - Enhancing free movement of all factors of production across the partner states
4. - Enhancement of regional industrial development
5. - Improvement of Agricultural productivity and value addition
6. - Promotion of regional peace, security, and good governance
7. - Institutional Transformation at the Regional and partner state level

**Figure 2.7:** EAC PRIORITIES 2017-2021
**Source:** AUC, 2021

## Level of Regional Integration in the EAC

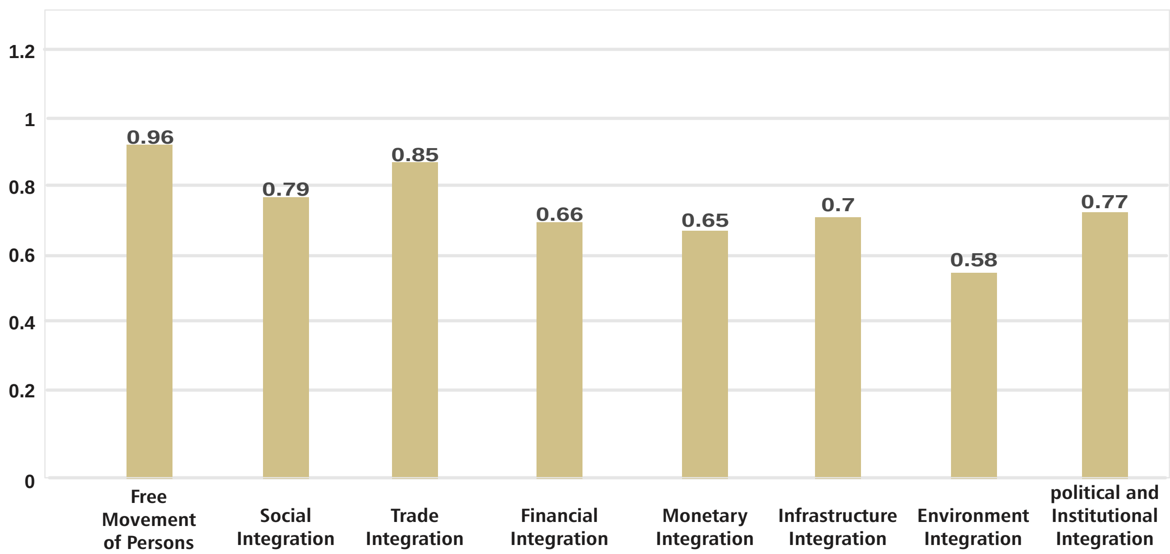
The EAC has made several achievements since its creation. At the same time, several initiatives exist at the continental level to achieving integration with the aim of creating the African Economic Community (AEC). What are the achievements made by EAC? Has the EAC achieved the objectives set at the regional and continental levels? What are the gaps between what the EAC planned to do and what it has been able to do?

This section is devoted to the assessment of the regional integration process within the EAC.

## Assessment of the Level of Integration in the EAC

The dimensional assessment provided by the African Union monitoring and evaluation framework is based on the Multidimensional Index of African Regional Integration (AMRII). This assessment focuses on 8 key dimensions of integration which are (i) free movement of persons, (ii) social integration, (iii) trade integration, (iv) integration of infrastructure, (v) financial integration, (vi) monetary integration, (vii) environmental integration, and (viii) political and institutional integration.

The graph below shows the scores obtained following the evaluation of the integration process within the EAC.




**Graph 2.14:** AMRII Assessment of Regional integration in the EAC by Dimension.
**Source:** AUC, 2021

Overall, the EAC has achieved remarkable performance in most of the 8 dimensions of AMRII. In all dimensions, the EAC achieved scores above 0.65 on a rating scale between 0 and 1. The overall score for the level of integration within the EAC is 0.75.

The movement of people within the EAC is a reality grounded in the East African Common Market Protocol. However, whereas all the partner states have signed and ratified this protocol, national laws are yet to be fully harmonised to conform to it. East Africans can move across the region without the need for visas except in the case of the newest member South Sudan which is still in the process of conforming. Nevertheless, bilateral arrangements exist between some states. There is ongoing migration from the national passport to an EAC passport although not all states are issuing the regional passport.

The EAC citizens of Kenya, Rwanda and Uganda move freely between the 3 countries using either their national identity cards or the EAC passport. This is a result of the removal of mobility restrictions enacted by Heads of State in 2013. On the other hand, Tanzania and Burundi require a passport for East Africans. Free movement has enabled the EAC to make significant progress in the area of social integration. Kenya, Rwanda and Uganda have also facilitated the right of establishment, the right of residence and access to the labour market for their citizens across the three states.

To show its commitment to achieving greater social integration, EAC has developed programmes and plans on several social aspects such as Health, Gender, Migration, Youth and Education.

In terms of trade integration, the Customs Union is operational within the EAC - except in South Sudan, which is yet to fully meet the accession requirements to the EAC. The EAC CET e-Tariff tool kit framework has been adopted, and the Single Customs Territory (SCT) procedures have been simplified and harmonized. Nevertheless, non-tariff barriers (NTBs) remain a huge hindrance to East African trade. Four states - Burundi, Kenya, Rwanda, and Uganda - have ratified the COMESA-EAC-SADC Tripartite Free Trade Area Agreement.

On the monetary and financial level, the EAC scores lower than those for Free Movement and Trade. The respective scores for financial integration and monetary integration are 0.66 and 0.65. The East African Monetary Union Protocol was adopted in accordance with the EAC Treaty and signed on 30th November 2013; it lays the groundwork for a monetary union within 10 years and expects the EAC partner States to progressively converge their currencies into a single currency in the Community. The EAC is, therefore, in the process of building its monetary union, which could explain these scores.

The EAC has, in recent years, regarded infrastructure as an important pillar in achieving its integration. Infrastructure is one of the most critical enablers of successful regional integration, taking into account its importance in facilitating activities such as trade, agriculture, tourism and the movement of labour and other resources. The EAC considers five aspects of infrastructure: Road, Railway, Aviation, Communications and Inland Waterways. The evaluation score of 0.7 reflects the importance given to this dimension. A total of 35 out of 286 projects identified by the East African Community Heads of State as priority infrastructure development projects have been completed and are now operational. Among the completed projects are: the rehabilitation of the 270 km Malaba-Kampala railway; construction of the 472 km Mombasa-Nairobi Standard Gauge Railway line; development of the Lake Nyasa Ports - Itungi, Kiwira and Ndumbi; construction of the 454 km of 20inch diameter (mainline 450 Km and spur line KOSF to PS1 4km) Mombasa - Nairobi refined petroleum oil products pipeline, and the Taxiways rehabilitation and construction of new semi-full parallel taxiway, apron rehabilitation and expansion, refurbishment of Passenger Terminal Building at Kilimanjaro International Airport, Tanzania.

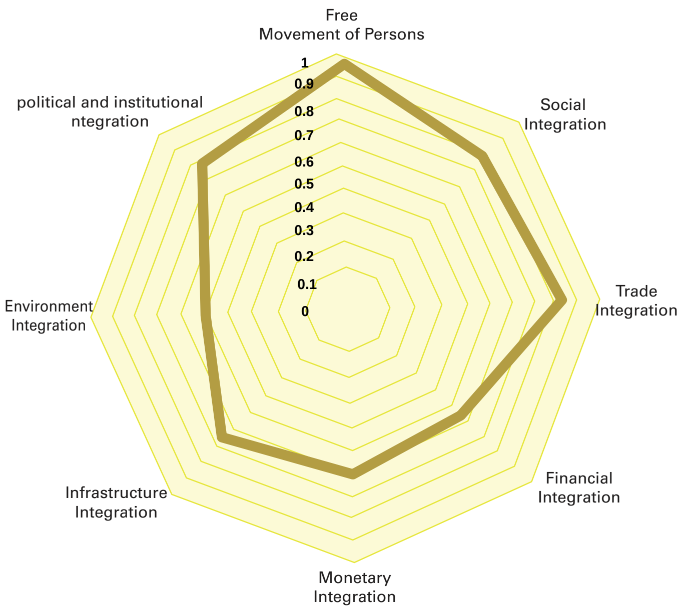



**Figure 2.8 Performance of EAC 2021 regional integration**
**Source:** AUC, 2021

The EAC is an example in many aspects of integration. However, as indicated in the Treaty for Establishment of the EAC and in the priorities of the EAC, there are areas whose importance has been recognized only recently. Among these is the environment, the need for which has emerged as a necessity within the EAC to accompany productive integration. Within the EAC, environmental progress has been rated at 0.58. The EAC partner states have agreed to co-operate in the efficient management of these resources. The impacts of this Agenda are not very visible.

## Assessment of the Different Stages of Integration within the EAC

By considering the integration process within the EAC in 3 stages: (i) consideration in the priorities of the structure, (ii) establishment of structures / instruments / agreements, (iii) the impacts of the structures/instruments / agreements, an assessment has been carried out. This is in order to help identify precisely the challenges related to the process.

## Comparison Between 2020 and 2021 Scores

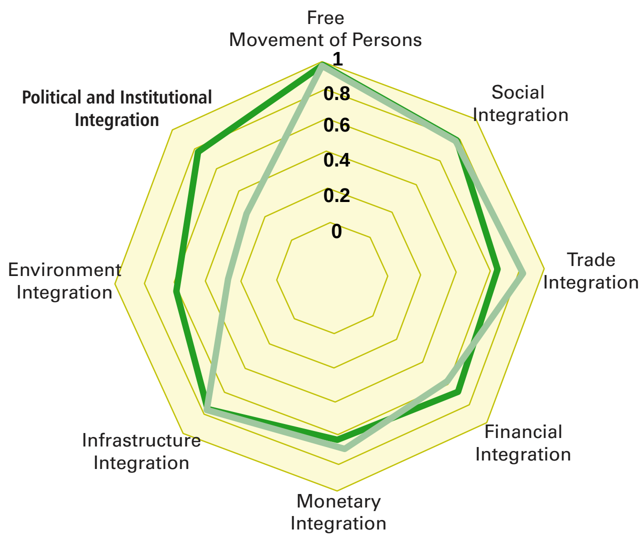
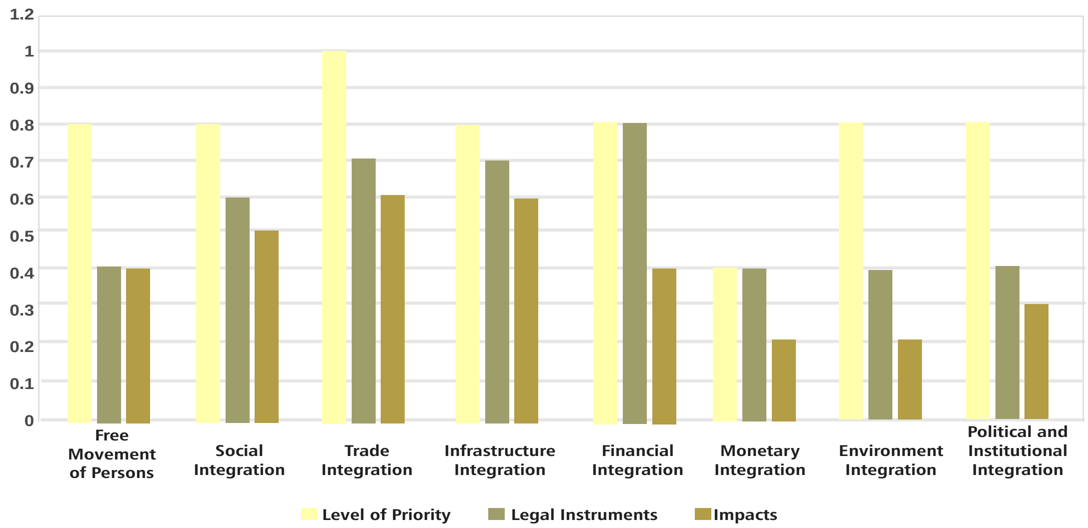



**Figure 2.9; Assessment of Regional Integration in EAC 2021**
**Source:** AUC, 2021




**Graph 2.15:** AMRII Assessment of Regional integration in the EAC by Dimension.
**Source:** AUC, 2021

This graph shows that integration is really a priority within the EAC. The scores obtained within AMRII show that the results are not independent of the regional integration policy of the EAC. The integration process is planned in a coherent way, giving priority to the 4 milestones- Customs Union, Common Market, Monetary Union and Political Federation - which are the foundations of the Community. In terms of instruments and agreements, the EAC evolves in close connection with its Treaty and its Vision. For the instruments of the Customs Union and the Common Market, the EAC has developed numerous instruments and agreements.

The 2021 assessment reconsidered some data from the EAC Secretariat. These data suggest that the 2020 assessment underestimated the efforts of the EAC in terms of integration. The various instruments put in place in the area of trade, financial and monetary integration were taken into account in the 2021 assessment.

## Comparison Between thresholds and scores

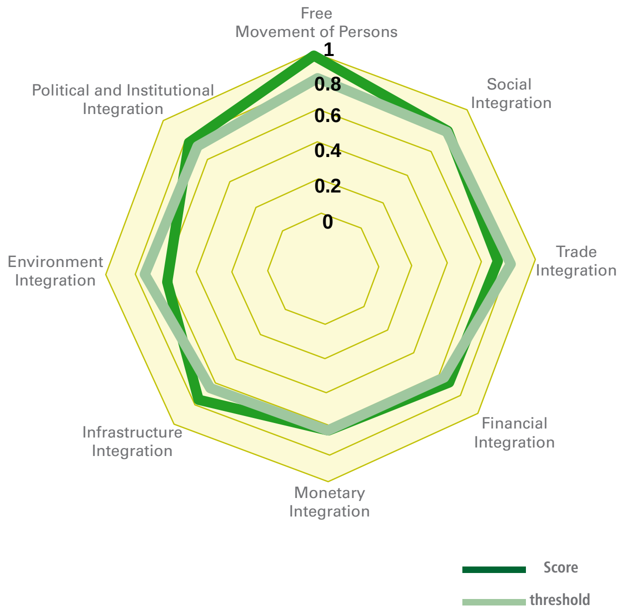



**Figure 2.10: Perfomance of EAC 2021 regional integration**
**Source:** AUC, 2021

This graph further reflects that the EAC is consistent with its Treaty and agreements at the continental level. The EAC scores are above AMRII thresholds in all areas except in environmental integration well as in political and institutional integration. Such a performance reflects the fact that the EAC is in a process that reflects the commitments made and the fixed objectives. The EAC is, therefore on the path of its Community Union and on the path of the African Economic Community.

## Challenges of Regional Integration within EAC

| Dimension | Challenges |
|---|---|
| Free Movement of Persons | • Lack of a coordinated regional response to COVID-19 which affected the movement of goods and people<br>• While South Sudan joined the EAC back in 2016, not all EAC nationals can travel freely to South Sudan and vice versa. This has been partially addressed bilaterally, but full adherence to the EAC Customs Union or the Common Market is yet to take place<br>• Free Movement goes hand-in-hand with peace and security - the conflict in South Sudan should be addressed fully so that people can move peacefully |
| Social Integration | • The COVID 19 Pandemic has disrupted the movement of cargo and passengers<br>• Lack of a coordinated regional response to COVID-19, which affected the movement of goods and people<br>• Regionally coordinated measures should be an important long-term strategy to avoid recurring waves of the pandemic due to high mobility within the region. |
| Trade Integration | • Tariff and Non-Tariff Barriers (NTBs) at Customs and Immigration desks in some Partner States. This should not be the case within a Customs Union<br>• The COVID 19 Pandemic has disrupted the movement of cargo and passengers<br>• Inadequacy of financial resources and delays in disbursements of financial contributions by Partner States, especially during first two-quarters of financial years. |
| Financial Integration | • Inadequacy of financial resources |

| | |
|---|---|
| Monetary Integration | • Establishment of necessary institutions to support the Monetary Union is lagging behind schedule. For example, the East African Monetary Institute (EAMI), which was to be established in 2015, is yet to be established |
| Infrastructure Integration | • Lack of sufficient financing, particularly for feasibility and detailed design studies for priority infrastructure projects. |
| Environmental Integration | • Locusts are ravaging large areas of land across East Africa, destroying crops in Somalia, Ethiopia, Kenya, Uganda andTanzania. More than 12 million people are at risk of famine. |
| Political and Institutional Integration | • Failure to adhere to the timelines set for the achievement of key milestones and non-compliance with signed Protocols: Despite awareness of the impact of implementation of integration initiatives such as common market protocol, the EAC secretariat said some partner states are yet to harmonise their national laws, policies and systems hence rendering the protocols ineffective.<br>• Given its importance for regional peace and security, the situation of South Sudan merits a particular mention<br>• Failure by Policy Organs to hold regular meetings<br>• Long decision-making processes: The decision-making process of the bloc was said to be long, tedious and somewhat unnecessary.<br>• Lack of citizen awareness and poor involvement of stakeholders in decision-making.<br>• Inadequacy of financial resources due to delayed remittances by Member States: this has resulted in delayed projects and programmes as well as over-reliance on development partners<br>• The capacity of the Partner States to respond individually and collectively to security challenges in the region should be strengthened. For instance, South Sudan, which is in the EAC, has numerous peace and security challenges, but the solution lies in IGAD; a different REC. This also highlights the challenges of overlapping memberships. |

**Table 2.5: EAC Challenges**
**Sources: AUC 2021**

The limited/low level of domestication and implementation of regional frameworks and agreements at the country level, especially those related to the Common Market Protocol should be addressed.

Financial difficulties that do not allow the Secretariat to plan well and to have sufficient and competent staff to drive and disseminate information on the regional integration agenda should be addressed with urgency. Delays in the remittance of funds by states should be resolved.

There is also a need to strengthen institutional frameworks to achieve the objectives of the East African Community. Currently, the EAC is based on inter-governmental coordination assisted by a Secretariat that has no supranational decision making and implementing power. This is made worse by the lack of clarity in many of the EAC protocols on obligations and how they should be implemented. Giving more power to the EAC Secretariat to enforce the regional agenda and hold EAC Partner States accountable for non-compliance could reinforce integration. The debate on institutional reform of the EAC has gone on for far too long without tangible action.


**Image 3.4:** Tanzania's Minister of foreign Affairs and East Africa Cooperation, Liberata Mulamula, addresses the East Africa Business Council CEO'S Evening Round Table on Enhancing a Private Sector led integration and Emerging Opportunities in East Africa in Dar es Salaam, Tanzania. on 11 June 2021. **Source; EAC**


**Image 2.5:** Paul Koyi(Left), the president of the Tanzania Chamber Of Commercce, Industry and Agriculture, Present a policy document, on behalf of business leaders, containing theri challenges to the secretary General of East African Commuity Peter Mathuki. **Source; EAC**

# THE ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES (ECCAS)

## Introduction

The Economic Community of Central African States (ECCAS) - one of the 8 RECs recognized by the African Union - was created in October 1983, and it brings together eleven Member States. At the moment, ECCAS is in the midst of a process of institutional reform which has led to the transformation of its Secretariat into a Commission.

The vision of ECCAS is peace and prosperity for the peoples of Central Africa and a common future in an environment of peace, security and stability that is built on sustainable development, good governance, the improvement of the living standards of the citizens, freedom and Justice. It is about promoting and strengthening harmonious co-operation and balanced and self-sustaining development in the fields of economic and social activity, in particular in the fields of industry, transport and communication, energy, agriculture, natural resources, trade, customs, monetary and financial matters, human resources, tourism, education, development, culture, science and technology and the movement of people to achieve collective self-reliance, raise the standard of living of populations, increase and maintain stable economic relations, strengthen closer peaceful relations between Member States, and to contribute to the progress and development of the African continent.

The mission of the new ECCAS Commission is to promote the development The new ECCAS Commission aims to promote the harmonious socio-economic development of the region through integration of the economies and societies of the Member States, good governance and the development of an environment of peace, security and lasting stability so that the region stands out as a relevant common space in international relations and the global economy.The six areas selected are:

(i) Political cooperation, peace and security;

(ii) Economic and trade integration;

(iii) Development of regional infrastructure and links;

(iv) Environmental integration and rural development;

(v) Human and social development; and

(vi) Continuation of institutional reforms.

The key issues being addressed by ECCAS at the moment are the Coronavirus pandemic and its repercussions on the socioeconomic development of the Member States; the ongoing Institutional Reform of ECCAS and meeting the expectations of the citizens of the Region; and, addressing the bottlenecks and restrictions that hinder the proper functioning of the institution, in particular the problem of non-payment of statutory contributions.

The Economic and Monetary Community of Central Africa (CEMAC) was created in 1994 as the successor to the Economic and Customs Union of Central Africa (UDEAC). CEMAC is made up of six oil producing States: Gabon, Cameroon, the Central African Republic (CAR), Chad, the Republic of the Congo and Equatorial Guinea. With a total population of about 37 million, it covers a total surface of around 3millionsq.km. Together with the larger Economic Community of Central African States (ECCAS) and the Economic Community of Great Lake Countries (CEPGL), CEMAC presents one of the Central African regional Communities established to promote cooperation and exchange among its members. The primary mission of CEMAC is to promote harmonised development in its Member States in the framework of a common market.The CEMAC sub-region uses the Central Africa Africa CFA franc as a common currency. There is free movement of goods intra-CEMAC and a common external tariff (CET) levied on imports from outside the common customs area irrespective of the destination market.

Six ECCAS countries belong to a more integrated sub-regional organization, the Economic and Monetary Community of Central Africa (CEMAC).

### Quick Facts About ECCAS

| | |
|---|---|
| Area | 6,667,000 sq km |
| Population | 200 million |
| GDP | USD 235 BILLION |
| Inflation rate | 63.6%- annual 9HCPI |
| Intra-Regional Trade | 3% |
| Numbers of Member States | 9 |
| Number of Currencies | 6 |
| Headquaters | Libreville. Gabon |
| Established | 1983 |
| Official Language | Spanish, portuguese French |
| Chairperson ECCAS | Presisdent Denis Sassou Nguesso. Congo |
| Secretary General, ECCAS | Amb. Gilberto de paidade verrissimo |

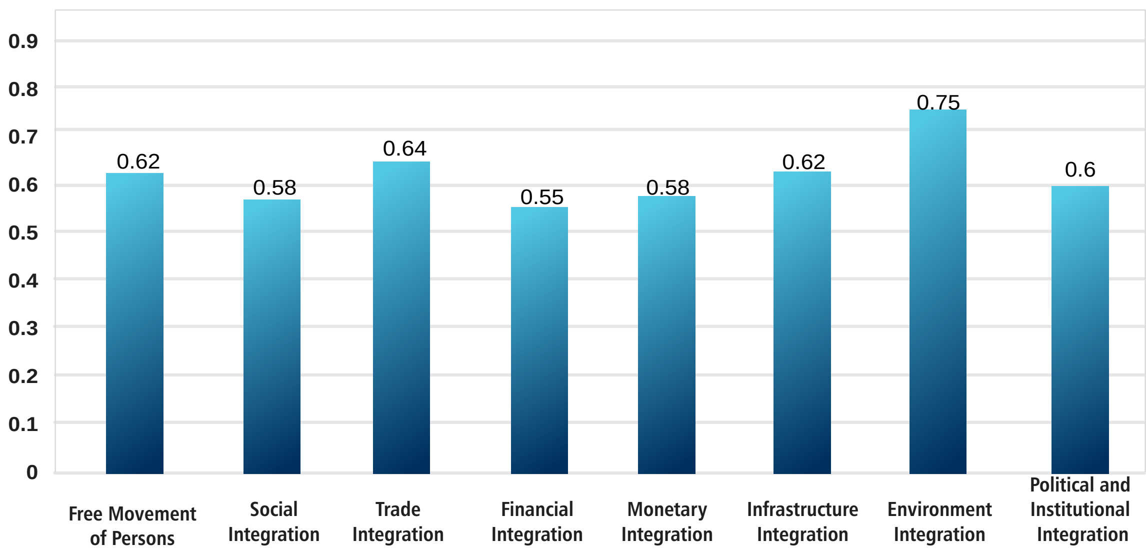
**Table** 2.6: Facts about ECCAS,
**Source**: ECCAS 2021

## Level of integration in ECCAS

The African Regional Integration Multidimensional Index (AMRII) is the tool for monitoring and evaluating the integration process within the RECs. It makes it possible to take stock of the integration process in 8 main dimensions which are the free movement, trade, social, infrastructure, finance, currency, environment and political and institutional integration.

IWith an overall level of integration of 0.62, ECCAS has achieved very moderate scores in all the dimensions of integration. At the environmental level, the score is quite high and this is because ECCAS has put in place strategies and policies in this area; it has also put in place specialized institutions such as the Central African Forest Commission (COMIFAC) and the Climate Application and Forecasting Centre for Central Africa (CAPC-AC) to ensure follow-up. Indeed, because of its many natural resources, ECCAS quickly became aware of the important role of the environment. Central Africa is home to the Congo Basin, the second largest forest in the world after the Amazon. Apart from its forests, Central Africa abounds in important natural resources including a diversity of mining, fish and wildlife resources.

In other dimensions including free movement, financial integration, monetary integration and trade integration, ECCAS actually has poor performance. However, the average scores expressed in AMRII are the result of the efforts of CEMAC the sub-regional organisation within ECCAS. It is an organization that has made notable and visible progress in the process of integrating Member States. These achievements are a solid basis for ECCAS in its ambition to achieve integration in its 11 Member States.The taking into account of these advances in the evaluation of the integration of ECCAS is justified by the fact that the 2 organizations of Central Africa have undertaken for several years a close collaboration to examine the possibilities of consolidating the achievements of the CEMAC and apply them at ECCAS level.




**Graph 2.16:** Assessment of the ECCAS regional integration.
**Source:** AUC 2021

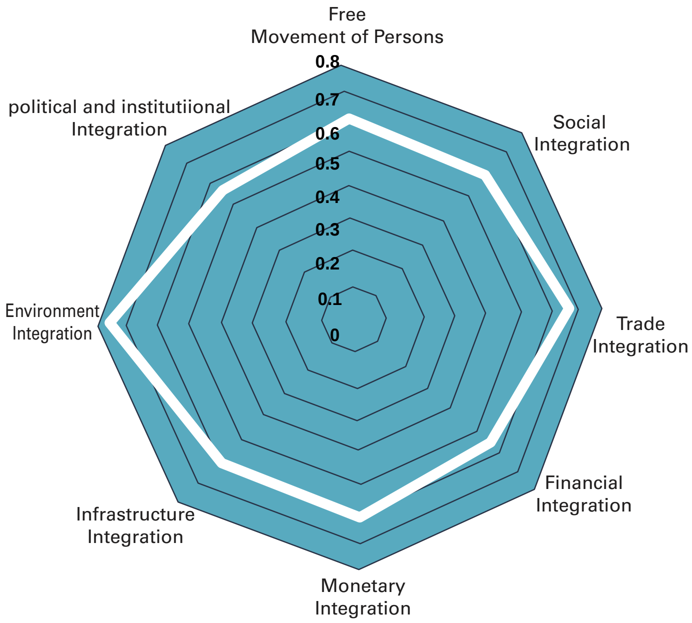
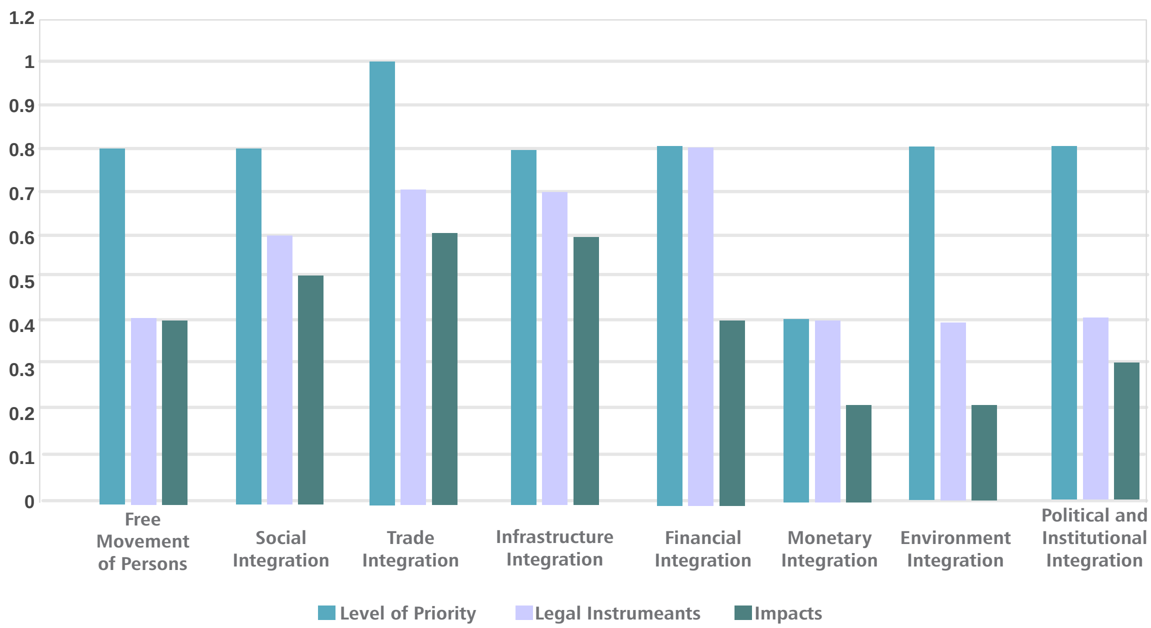



**Figure 2.11**: Perfomance of ECCAS 2021 regional integration
**Source:** AUC, 2021

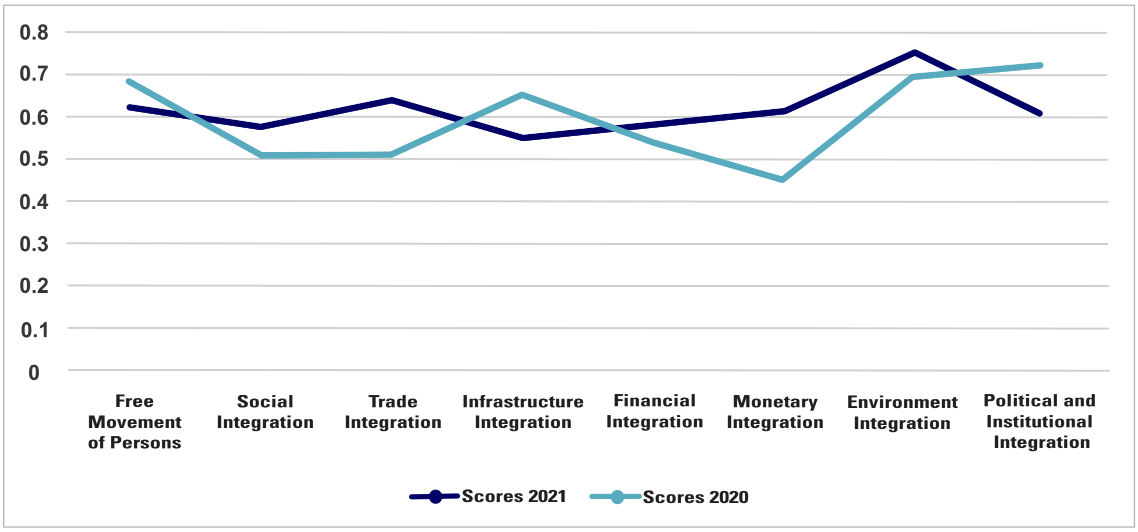
## Assessment of the steps of regional integration in ECCAS

The integration process within ECCAS suffers from a lack of political will which has led to non-implementation and operationalization of the Treaties, protocols and agreements adopted by the Member States. This slowness in implementation is reflected in the graph below. The graph clearly shows that all the AMRII dimensions are a priority for ECCAS since there are existing agreements and protocols, but these need to be taken forward to implementation so that the region can gain the expected benefits.

However, it must be recognized that ECCAS has a well-established legal framework. This legal framework comes from the Treaty establishing the Community dating from 1983 and revised in 2019; the major challenge is the slow implementation.




**Graph 2.17:**: Assessment of the steps of regional integration process within ECCAS
**Source:** AUC, 2021




**Graph 2.1**8: Scores of Assessment of 2020 and 2021 based 0n the AMRII,
**Source:** AUC, 2021

Consideration of new data from ECCAS lowered the scores in the dimensions of free movement, financial integration and political integration. On the other hand, in the 5 other areas, the evaluation scores for the year 2021 are higher than those for 2020. These differences in scores cannot be attributed to the changes or initiatives of the REC in one year, but it would be the result of a data adjustment.

## Scores and thresholds of the 2021 Assessment

The thresholds defined in the monitoring and evaluation framework of the AMRII index are used to give an idea of the level of integration with the objectives and commitments of the RECs at both regional and continental levels.

Apart from the dimension of environmental integration, ECCAS has certainly achieved undeniable achievements, but such achievements remain insufficient to meet the objectives previously set within the Community. There is the need to move quickly towards an acceleration of the implementation of instruments and agreements within its 11 Member States. The level of regional integration of CEMAC is certainly an asset, but it does not constitute the process of integration within ECCAS. ECCAS should be inspired by this to implement its integration, starting with areas such as free movement and trade.

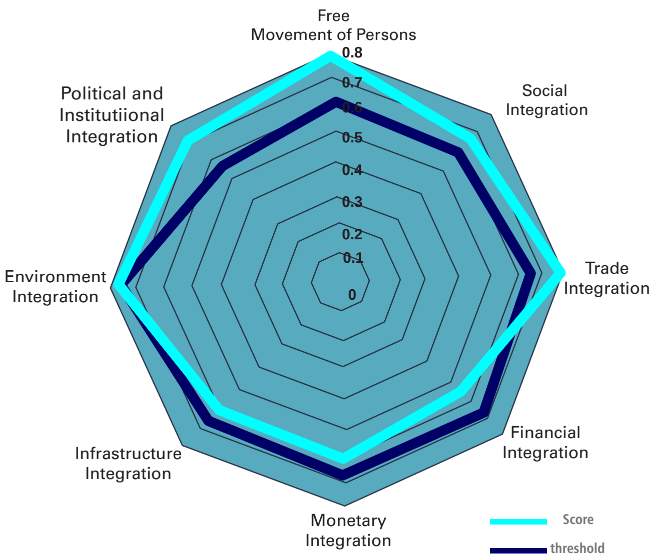



**Figure 2.12: Comparison between scores and thresholds within ECCAS 2021**
**Source:** AUC, 2021

## Challenges of the Regional Integration Process in ECCAS

| Dimension | Challenges |
|---|---|
| Free Movement of Persons | • The necessary legal framework for the right of establishment exists because it is part of the Protocol on Free Movement and the Right of Establishment. However, its implementation has not taken place since the instruments for implementing it are yet to be discussed and adopted by the Member States. |
| Social Integration | • The acquisition of current, consistent, available and reliable data.<br>• Defining the means of implementing its plans and to accelerate human and social development.<br>• The absence of sufficiently strong policies and programmes, likely to gain synchronized support from all stakeholders to provide clarity. |
| Trade Integration | • Two major challenges relate to customs issues and the political commitment to translate Community decisions into action; this is the case of the FTA, which should have come into force a decade ago but whose provisions are yet to be implemented at the level of the Member States<br>• Regarding customs issues, the difficulty facing the Central African CET negotiation process is the membership of two of its Member States (Rwanda and Burundi) in the East African Community Customs Union for which the CET is effective.<br>• Nevertheless, a draft Community Customs Code harmonized between ECCAS and CEMAC has been drawn up and is being negotiated at the level of Experts of the Member States.<br>• ECCAS should facilitate the construction of all-weather roads to connect all the capitals of the Member States. |
| Infrastructure Integration | • ECCAS should enhance free movement of persons and goods by putting in place facilitation instruments.<br>• ECCAS should guarantee air safety: the capacity and efficiency of air navigation, air safety and facilitation, the economic development of air transport, and the protection of the environment in aviation should be addressed.<br>• For a harmonious development of digital infrastructures, ECCAS must address the following challenges: (i) the removal of regulatory obstacles to attract private investors and the establishment of cross-border infrastructures, (ii) the strengthening of human capacities within the commission to ensure the coordination of cross-border infrastructure projects |
| Financial Integration | • The challenge is to extend the achievements of CEMAC to other countries in the region |
| Monetary Integration | • The challenge is to extend the achievements of CEMAC to other countries in the region |
| Environmental Integration | • Implement the decisions of the Heads of State of the Community on the green economy intended to reconcile environmental protection, in particular, the fight against climate change and economic development<br>• Operationalise all the sub-regional initiatives and decisions of the Heads of State<br>• Eradicate poaching and illegal exploitation of natural resources (timber, minerals, etc.) |

| | |
|---|---|
| Environmental Integration | • Reorganize the institutional framework of the sub-regional environment in terms of the environment.<br>• Institutionalize the institutional and governance framework for the implementation of community environmental programs<br>• Increase the share of the environment in the GDP of the sub-region<br>• Operationalize and structure the green economy system in Central Africa at the regional and national level, in particular through the implementation of 33 sectoral development programs and the promotion of the green economy<br>• Ensure the development and promotion of the blue economy in Central Africa and its 24 sector programs<br>• Ensure the operationalization of the Regional Action Plan on the implementation of National Determined Contributions adopted in 2016 in Kinshasa<br>• Implementation of the roadmap for the promotion of renewable energies in Central Africa<br>• Implementation of Central African projects submitted to the Board of Directors of the Africa Renewable Energy Initiative under the coordination of Chad<br>• |
| Political and Institutional Integration | • The domination of the economic paradigm of integration, following the origins of ECCAS as an institution established to strengthen socio-economic cooperation between its Member States<br>• Financial difficulties which do not allow the Secretariat and Commission to have sufficient and competent staff to work on the formulation and implementation of a substantial regional integration agenda<br>• Lack of regional and community awareness among citizens and leaders of Member States<br>• Adequate resources and support should be provided to ensure that the ongoing institutional reform is successful. |

**Table 2.7:** Challenges of ECCAS
**Source:** AUC, 2021

**Image 2.6:** Amb. Gilberto da Piedade Verrissimo, President of the ECCAS Commission, meets with Prof. Daniel Ona Ondo, President of the CEMAC Commission, to discuss collaboration and harmonization of community policies and projects. Source: ECCAS

# THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

## Introduction

ECOWAS is the REC that has been pursuing the goal of free movement of persons the longest. No wonder then that ECOWAS countries' best performance lies in the free movement of persons, testimony to the implementation and fulfilment of its vision of creating a borderless region. This said, only Niger has ratified the African Free Movement of Persons Protocol.

ECOWAS comprises of 15 Member States, and its geographic area is West Africa. Created in 1975, it is one of the 8 RECs recognized by the African Union in accordance with the Abuja Treaty of 1991.

### Quick Facts About ECOWAS

| | |
|---|---|
| Area | 5,114 sq km |
| Population | 387 million |
| GDP | USD 688 BILLION |
| Economic growth Rate | 3.6%- annual 9HCPI |
| Inflation Rate | 9% |
| Headquaters | Abuja. Nigeria |
| Established | 1975 |
| Official Language | English, portuguese<br>French |
| Chairperson ECOWAS | President Nana Akufo-Addo of Republic of Ghana |
| Secretary General, ECOWAS | Dr. Jean-Claude Kassi - Brou from Cote d'Ivore |

**Table 2.8:** AMRII Dimensions and Indicators
**Source:** ECOWAS, 2021

After more than 40 years of existence, the new priorities of ECOWAS were summarized in its report entitled "ECOWAS Vision 2020:Towards a Democratic and Prosperous Community" Indeed, faced with the classic and emerging challenges facing ECOWAS, and taking into account the adoption of the vision "ECOWAS of the Peoples'" by the Heads of State and Government in 2007, the community agreed to redefine their priorities for the coming years. The slow pace of the integration process, gender inequality, demographic pressure on resources, inadequate infrastructure, human insecurity and the high cost of business transactions, among other factors, are the challenges that prompted this adoption of a new Vision for ECOWAS.

The key priorities emerging from this new Vision of 'ECOWAS of the peoples' are as follows:

a A borderless region where people have access to abundant resources and are able to exploit them by creating opportunities in a sustainable environment;

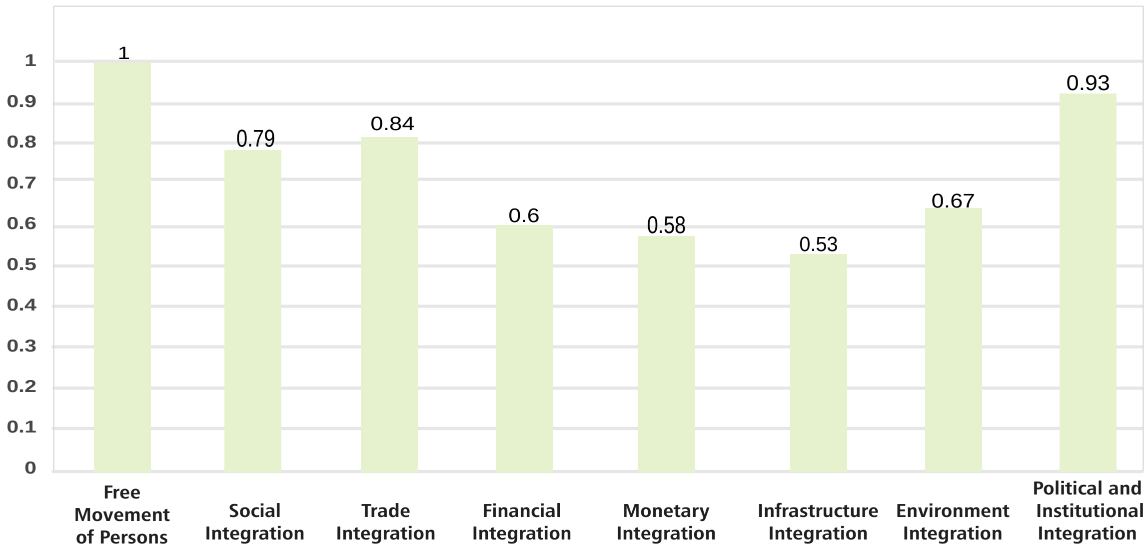
b An integrated region in which the population enjoys freedom of movement, has access to quality education and health, engages in economic activities and lives in dignity in an environment of peace and security; and,

c A region governed in accordance with the principles of democracy, the rule of law and good governance.

## The level of regional integration in ECOWAS

Having a free movement protocol fully implemented within Member States, having a Common External Tariff, having established key institutions in terms of governance, peace and security allow ECOWAS to obtain high scores in these dimensions.

In the process of continental integration, all the RECs play a crucial role. This is why the Abuja Treaty sees them as the pillars of the process; thus, a certain number of steps starting from the 6 steps previously defined in the chronogram of the Treaty. These steps are added to the priorities and objectives specific to ECOWAS to define its regional integration process. This section therefore analyses the achievements made on the basis of the African Multidimensional Regional Integration Index (AMRII). The assessment of the integration process within ECOWAS according to the 8 dimensions of the AMRII index is summarized in the graph below. The ECOWAS integration process is achieved with a regional score of 0.74 on a scale of 0 to 1. The regional score is the arithmetic mean of the dimensional scores obtained for each of the dimensions. Although the process is progressing relatively well, an in-depth analysis at the level of the different dimensions reveals a number of aspects.




**Graph 2.19:** Assessment of the ECOWAS regional integration.
**Source:** AUC, 2021

ECOWAS obtains strong performance scores in the areas of free movement, social integration, trade integration, and institutional and political integration. With scores above 0.75, these 4 dimensions of the AU evaluation framework more or less reflect the priorities of ECOWAS. Having a free movement protocol fully implemented within Member States, having a Common External Tariff, having established key institutions in terms of governance, peace and security are the reasons that allow ECOWAS to obtain these high scores in these dimensions.

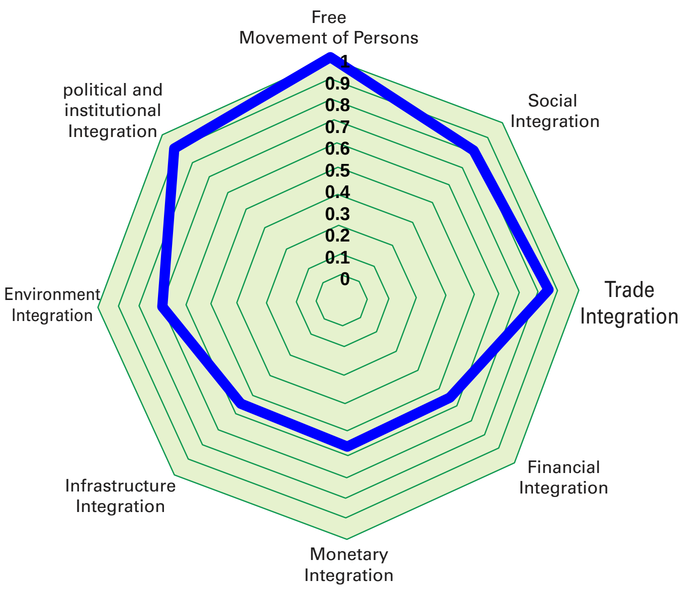
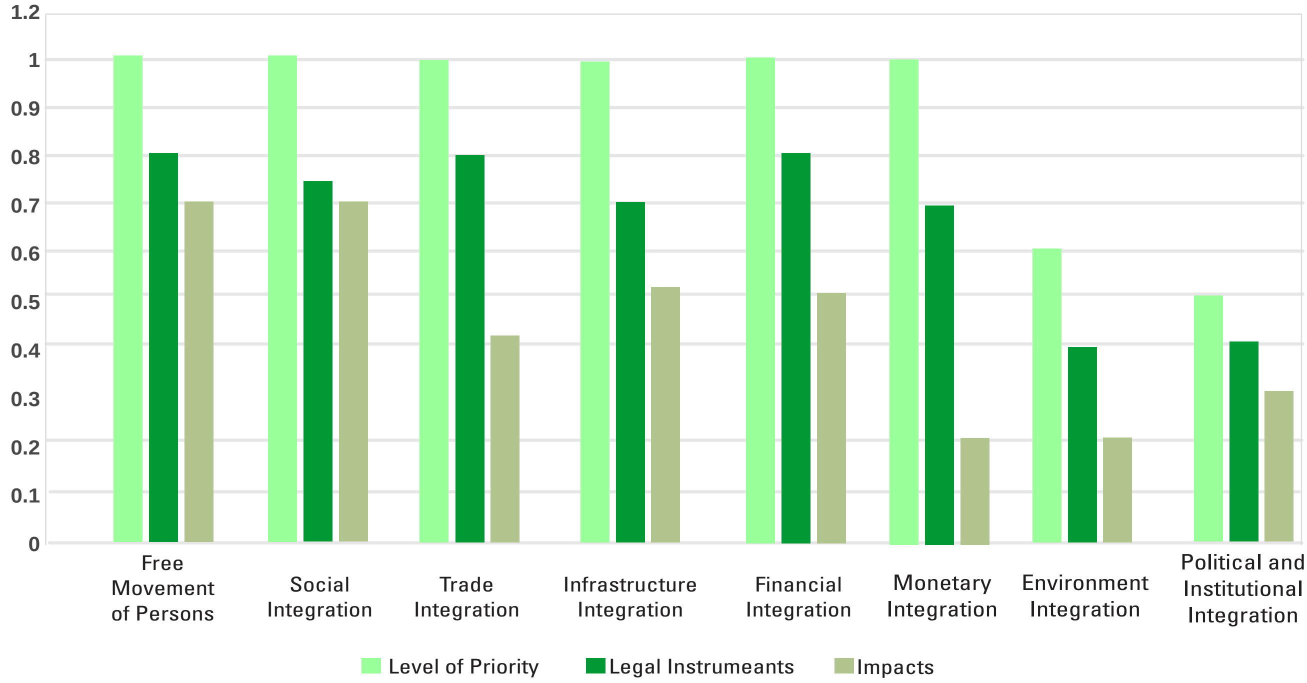



**Figure 2.13: Perfomance of ECOWA 2021 regional integration**
**Source:** AUC, 2021

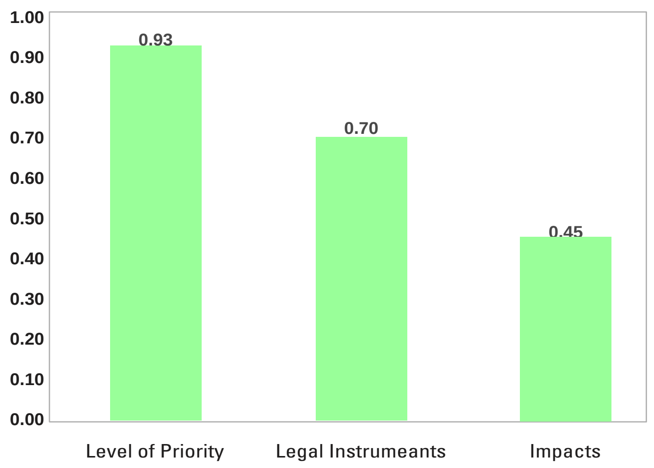
The high scores for these aforementioned dimensions relate to the capacity of ECOWAS to have translated the legal frameworks defined and adopted into instruments. The successful implementation of the various protocols and agreements justifies that ECOWAS did not stop at developing frameworks but went beyond that.

As for the other dimensions such as finance, currency, infrastructure and the environment, ECOWAS achieves lower performance compared to those in the areas mentioned above. In fact, the scores could have been lower if ECOWAS did not enclose UEMOA, which is a sub-regional community comprising 8 of the 15 ECOWAS states. The achievements of UEMOA in terms of finance and currency are numerous and constitute a real asset for ECOWAS. The evaluation having taken into account these multilateral achievements, ECOWAS certainly came out with lower but acceptable performance. One of the explanatory factors for these ECOWAS scores is that ECOWAS encounters difficulties in the implementation of protocols, plans and programs related to finance, infrastructure and currency. Certainly, the initiatives exist, but for several reasons, the implementation is slow.




**Graph 2.20:** Scores of the 3 steps of the integration process within ECOWAS.
**Source:** AUC, 2021

By considering the 3 key stages for each of the dimensions, ECOWAS is urged to do more to ensure that all agreements are pushed through to the development of legal instruments and further, to their full implementation by all Member States.




**Graph 2.21:** Scores of the 3 steps of the integration process within ECOWAS.
**Source:** AUC, 2021

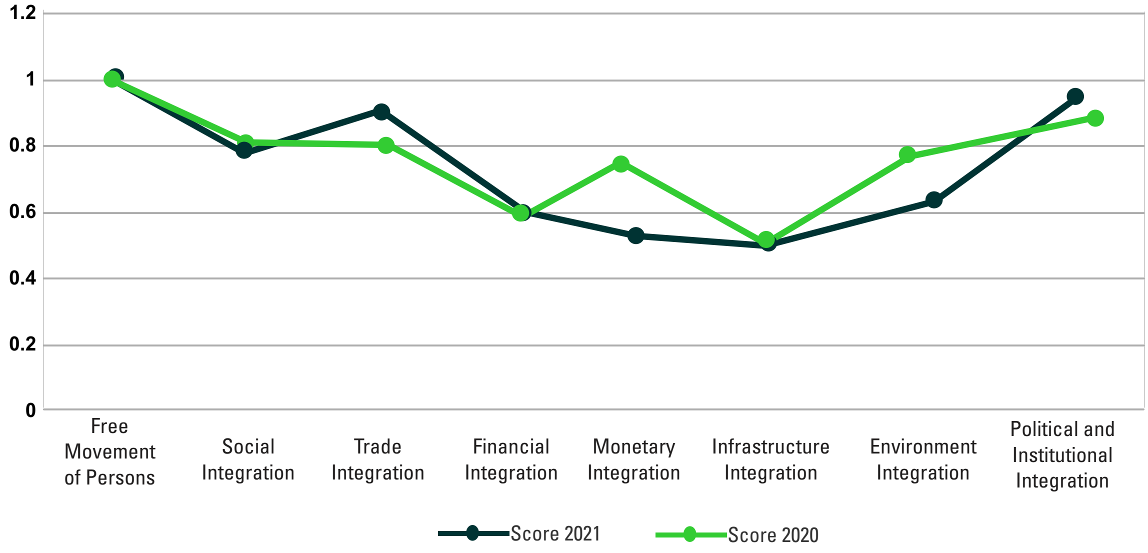
In general, we observe, through this graph, that ECOWAS prioritises practically all dimensions even if the level of priority differs from one dimension to another. Instruments and agreements, on the other hand, are set in the order of 70%. The difference between priorities and legal instruments is justified by the fact that for finance, currency and infrastructure, there is a disconnect between will and action.

The institutions responsible for the implementation of the various agendas, projects and programmes are slowed down by several constraints. Finally, the impact of the instruments and agreements put in place on the integration process is 45%. Indeed, it is good to have priorities and develop the instruments to accelerate the integration process, but it is equally important to assess the impact of the created instruments. This assessment answers the following questions: How much has the CET increased intra-regional trade? How has the intra-community passport contributed to the free movement of persons?

In the case of ECOWAS, the impacts are more perceptible at the level of free movement, social integration with the right of residence, the right of establishment, and institutional and political integration with the many tangible achievements in terms of governance, peace and security.

The comparison of the scores obtained in 2021 with those of 2020 establishes the following graphs. The negative changes observed for some dimensions are due to the fact that the data collection has been revised. During, the year 2020, missing data was obtained from other sources. However, the 2021 data comes exclusively from ECOWAS' departments. This new assessment could therefore be considered as a revision of the 2020 Report.

data collection has been revised. During, the year 2020, missing data was obtained from other sources, however, the 2021 data comes exclusively from ECOWAS' departments. This new assessment could therefore be considered as a revision of the 2020 Report.




**Graph 2.22:** Scores of Assessment of the ECOWAS in 2020 and 2021
**source:** AUC, 2021

## Comparison of scores with 2021 thresholds

The monitoring and evaluation framework developed by the African Union Commission in collaboration with the RECs has thresholds against which the scores obtained from the evaluation of the RECs are compared. So, this section is dedicated to this comparison.

The graph below summarizes the scores and thresholds for the year 2021 within ECOWAS.

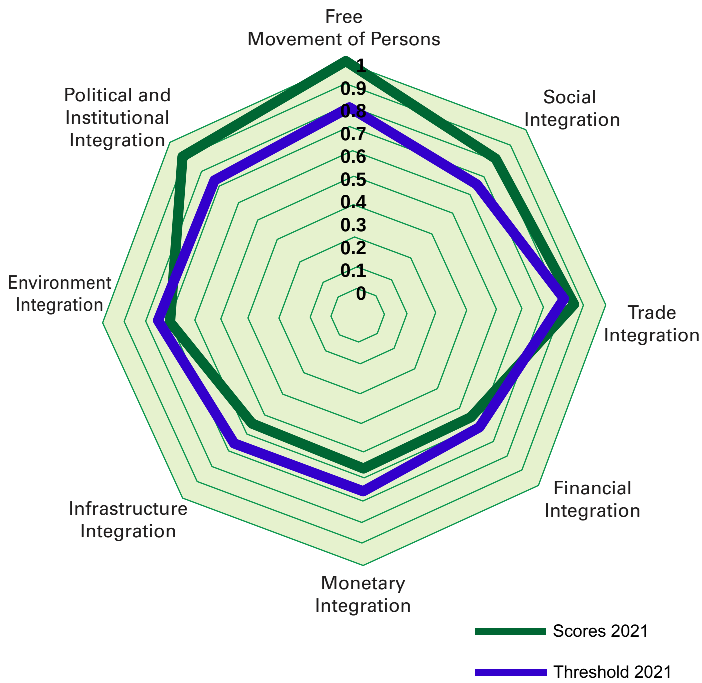



**Figure 2.14:** ECOWAS Scores and Threshold,
**source:** AUC, 2021

This graph shows a mixed record of integration within ECOWAS. It achieves the objectives set by the chronogram of the Continental Integration Agenda in the areas of free movement of persons, institutional integration, social integration and trade integration. On the other hand, in all other areas, despite these relatively high scores, ECOWAS did not meet the targets set out in both Agenda 2063 and the Abuja Treaty.

At the level of financial and monetary integration, efforts by ECOWAS have seen the setting up of a Regional Stock Exchange, a Regional Central Bank and a single currency. However, these still fall below the continental threshold.

## Challenges of integration within ECOWAS

The integration process has certainly produced enormous gains, but many challenges prevent it from achieving and living up to the continental agenda. Thus, the challenges are summarised below:

| Dimension | Challenges |
|---|---|
| Free movement of persons | • Lack of penalties and enforcement mechanisms in the event a Member State defaults<br>• Lack of enforcement on the part of member states (Political will) |
| Social Integration | • Lack of reciprocity between states in the application of texts |
| Trade Integration | • Inadequate human capacity, lack of human capacity<br>• Unique nature of the region presents varying challenges to trade integration<br>• Non-similar levels of economic development<br>• Varying levels of implementation and application of Community texts at the national level |
| Financial Integration | • Lack of adequate funding to ensure inter-connection among the existing systems (UEMOA and WAMZ) as well as to put in place the required infrastructure. |
| Monetary Integration | • Lack of political will and the capacity among Member States to initiate and achieve robust macroeconomic convergence, on a sustainable basis, which is necessary to build a solid foundation for a single currency. |
| Infrastructure Integration | • Lack of financing for the projects. There are rather long processes for securing resources, mainly in the area of road transport. |
| Environmental Integration | • Environment not on the top priority list for many states. |
| Political and Institutional Integration | • Insufficient sovereignty for normal operation |

**Table 2.9:** Challenges ECOWAS
**Source:** AUC, 2021

**Image 2.7:** Opening of the 2021 First Ordinary Session of thr fifth Legislature of the ECOWAS Parliament on 27 May 2021 in Abuja, Nigeria.
**Source:** ECOWAS 2021

## THE INTERGOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD)

### Introduction

The recurring and severe droughts and other natural disasters between 1974 and 1984 caused widespread famine, ecological degradation and economic hardship in the Eastern Africa 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. This informed the establishment of the Intergovernmental Authority on Drought and Development (IGADD) by Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda in 1986. Eritrea joined in 1993 after attaining its independence.

Although IGADD was originally conceived to coordinate the efforts of member states to combat drought and desertification, it became increasingly apparent that the Authority provided a regular forum where leaders of the Horn of Africa states were able to tackle other political and socio-economic issues in a regional context. Therefore, the IGAD Summit of 18 April 1995, resolved to expand the mandate of IGADD and made a declaration to revitalize IGADD and expand cooperation among Member States. The revitalized IGADD was then renamed the Intergovernmental Authority on Development (IGAD). The new and revitalized IGAD was launched during the 5th Summit of IGAD Assembly of Heads of State and Government that was held in November 1996 in Djibouti. The Summit endorsed the decision to enhance regional cooperation in three priority areas: food security and environmental protection; economic cooperation, regional integration and social development; and peace and security. The headquarters also moved from Addis Ababa to Djibouti. South Sudan joined IGAD on their independence. At the moment, Eritrea has suspended its participation in the organisation.

The Horn of Africa where IGAD is located faces multiple security challenges. To address these conflicts, IGAD has built extensive competence in peace and security issues and the organisation has become synonymous with maintenance of peace and security.

Quick Facts About IGAD

| | |
|---|---|
| **Area** | **5.2 Million sq km** |
| **Population** | **282.7 million** |
| **GDP** | **USD 275 Billion** |
| **Economic growth Rate** | **Average 3%** |
| **Inflation Rate** | **Average of 14%(2020)** |
| **Number of Currencies** | **8** |
| **Headquaters** | **Djibouti** |
| **Established (as IGADD)** | **1986** |
| **Established (as IGAD)** | **1996** |
| **Official Language** | **English, Frence** |
| **Chairperson, Assembly of Heads of States and Government** | **Prime Minister Abdalla Hamdock of Sudan** |
| **Executive Secretary, IGAD Secretary** | **Dr. Workneh Gebeyehu from Ethiopia** |

**Table 2.12:** Quick facts about IGAD
**Source:** IGAD, 2021

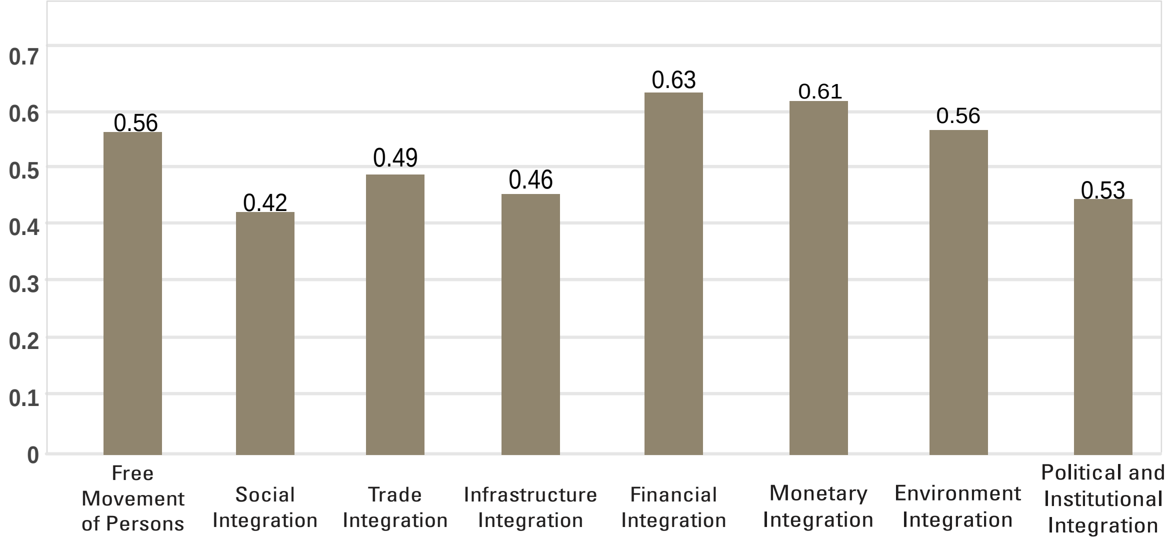
### Objectives, Priorities and Vision of IGAD

The founding leaders of IGAD were motivated by a vision where the people of the region would develop a regional identity, live in peace and enjoy a safe environment alleviating poverty through appropriate and effective sustainable development programmes. The Vision of IGAD is to be the premier Regional Economic Community (REC) for achieving peace and sustainable development in the region. Its mission is to promote regional cooperation and integration to add value to Member States' efforts in achieving peace, security and prosperity.

### Assessment of the regional integration process within IGAD

This section uses the African Multidimensional Regional Integration Index (AMRII) to assess regional integration within IGAD. The assessment is carried out on 8 key dimensions.

The graph below summarizes the scores of the evaluation of the integration process in the IGAD region. These scores indicate that IGAD has made moderate progress in the majority of the integration fields. The integration process, as a whole, is rated at 0.53 on a rating scale between 0 and 1.




**Graph 2.23:** Assessment of the IGAD regional integration.
**Source:** AUC, 2021

IGAD's lowest scores are in the areas of social integration, trade integration and financial integration with scores below 0.5. This could be explained by the lack of solid instruments within IGAD in terms of trade integration. As for social inclusion, the evaluation failed to include some progress made by IGAD in areas such as migration, health and gender. Over the past year, IGAD has also performed considerably well in mobilising its Member States for joint action on the COVID-19 pandemic.

However, in the area of currency, IGAD's high score is attributable to the membership of some of its Member States (Kenya, Uganda and South Sudan) in the East African Community which has achieved some progress in this area albeit very slow. The other five states, which are the majority, have been slow on monetary and financial integration.

This is, therefore a real asset for IGAD. IGAD also benefits from the advances of COMESA in the financial and monetary sectors.

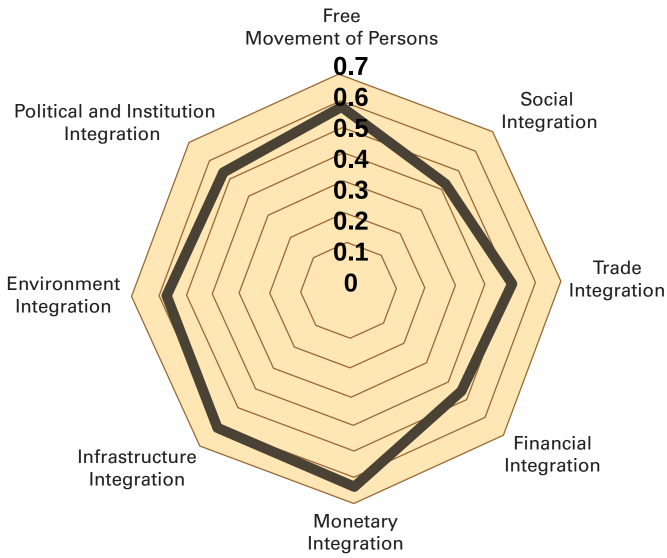
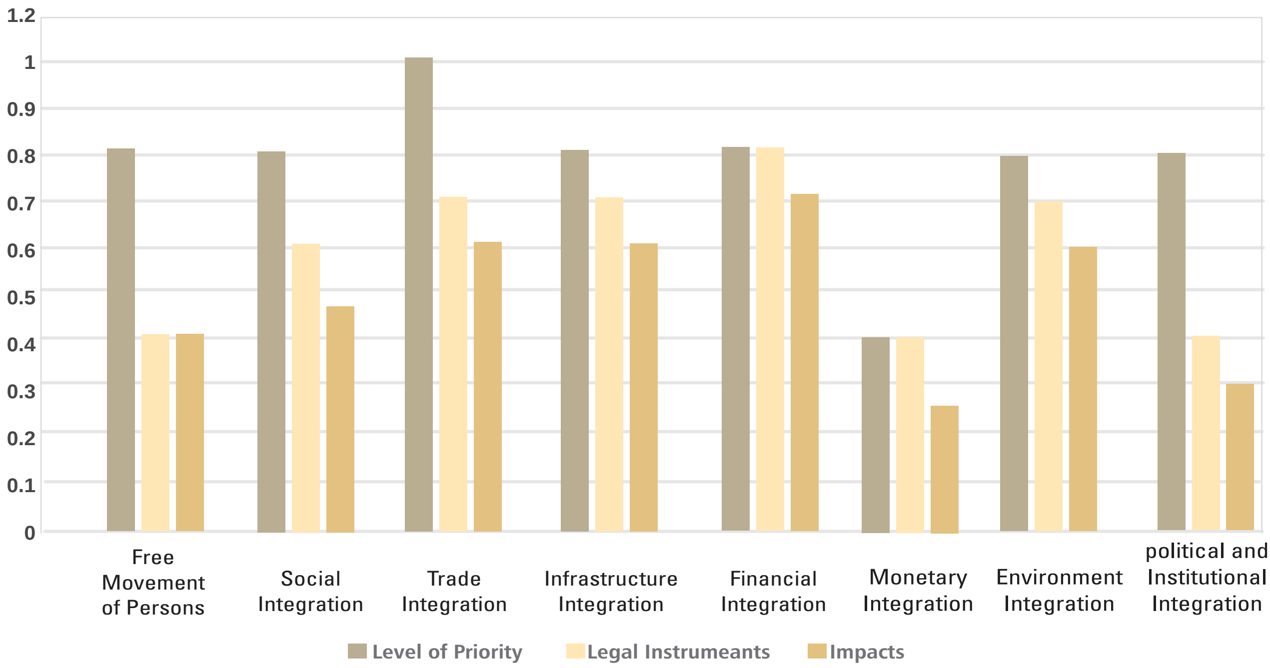



**Figure 2.14: Perfomance of IGAD 2021 regional integration**
**Source:** AUC, 2021

## Assessment of the different steps of Regional Integration in IGAD

A further assessment based on AMRII has been carried out in this section to uncover the real reasons for the performance of IGAD. The graph below, which is the result of the deepening of the evaluation, presents the efforts of IGAD in each dimension under three aspects: Priority, Legal Instruments and Impact.




**Graph 2.23:** Assessment of the steps of integration within IGAD
**Source:** AUC, 2021

IGAD has prioritized some areas over others. Free movement of person has higher priority than trade integration. The legal instruments for the free movement include the protocol and roadmap which have been adopted. However, the impact is yet to be seen on free movement. With regards to trade integration, apart from the IGAD Business Forum, and the Tourism Master Plan, IGAD still does not have a trade integration plan. Finance, currency and trade are not top priorities for IGAD. While in the long term, IGAD plans to develop cooperation between its Member States on financial and economic issues, decisions, protocols and other agreements in this area remain minimal. For trade, the political will to set up a free trade area is weak. In fact, Member States argue that trade integration will be facilitated under COMESA whether they all belong.

On the other hand, the numerous programmes and plans in the social, infrastructure, environment, free movement and peace and security realm are to be mentioned in the evaluation of the stages of integration. These include IGAD Drought Disaster Resilience and Sustainability Initiative (IDDRSI), the Migration Programme and the Land Governance Portal, which are outstanding initiatives.

## Comparison between the 2020 and 2021 Assessments

The 2021 assessments took into account certain realities existing in each of the dimensions of the integration underway within IGAD. It should also be added that the data has been updated jointly by both IGAD and the AUC in order to obtain an assessment reflecting as much as possible the integration process underway within the region.

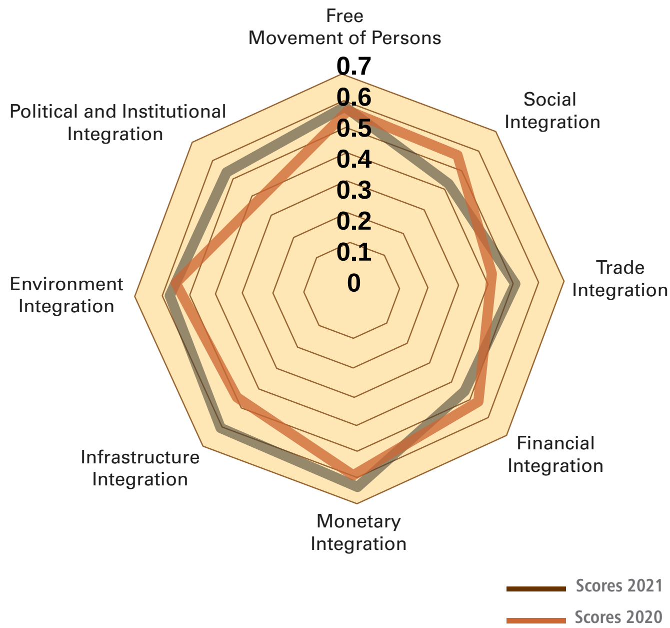



**Figure 2.15: Assessment of the IGAD Regional Integration in 2020 and 2021**
**Source:** AUC, 2021

The review of the integration process including data collection, had an impact on the results of the assessment. In the areas of free movement, trade integration, infrastructure integration, environmental integration and political integration, there was an improvement in the scores obtained in the AMRII assessment. Without denying the efforts made by IGAD between these 2 years of comparison, it should be considered that this improvement would be attributable to the arrangements made to collect data coming exclusively from IGAD.

## Level of Regional Integration and the 2021 thresholds

The framework for monitoring and evaluating the integration process contains thresholds defined by Experts from RECs, the AUC, central banks and National Institutes of Statistics. These thresholds act as the arbiter between what has been planned for action and what has actually been done. Therefore, they serve to assess how the RECs have evolved and whether they conform to their own objectives as well as those set at the continental level.

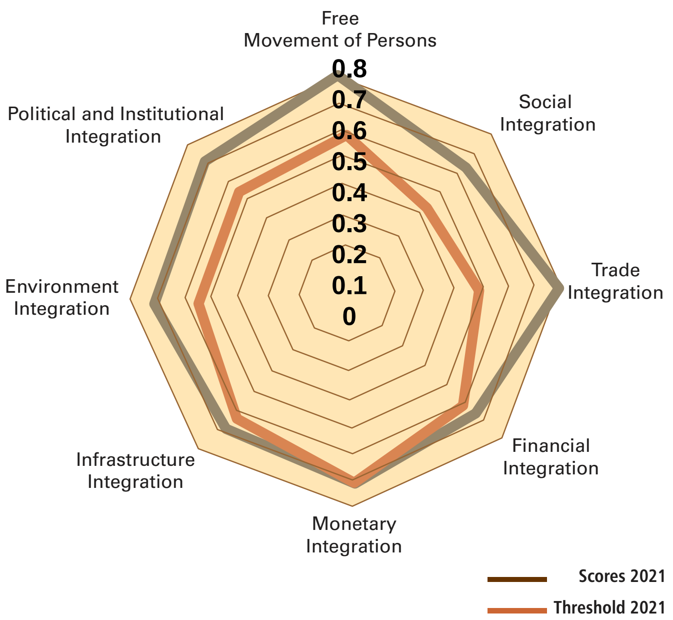



**Figure 2.16:** Scores and threshold of the 2021 Assessment,
**Source:** AUC, 2021

The achievements of IGAD in all areas fall short of what the REC planned to do and which is in its plans as well as those set at the AU level. IGAD has therefore failed to meet its continental commitments specified in Agenda 2063 and in the Abuja Treaty. There is a rather considerable delay of the REC in achieving regional integration objectives.

## IGAD: Successes and Challenges

IGAD has been successful in establishing an effective peace and security architecture for the resolution of conflicts. IGAD had made commendable progress in regional infrastructure, to mention the Lamu Port South Sudan-Ethiopia Transport (LAPSSET) Corridor Project, Djibouti international Free Zone area, Ethiopian reconnaissance dam and more. Commendable progress has also been registered in environmental issues and food security.

When it comes to trade, IGAD has:

- Revived the IGAD Business Forum
- Formed the IGAD Truckers Association
- Launched the Warehouse Receipt System to enhance trade logistics

A number of IGAD Member States still face challenges such as instability due to armed conflict that has produced many refugees and internally displaced persons. The aridity of the IGAD region poses significant challenges, including extreme weather conditions, which continue to adversely impact agriculture and sustainability of biodiversity, which is critical to human survival. As a recommendation, the need to devise regional strategies to overcome these challenges cannot be overemphasized.

| Dimension | Challenges |
|---|---|
| Free movement of Persons | • Terrorism and security concerns<br>• Illicit trafficking of goods and illegal migration |
| Social Integration | • Limited financial and human resource capacities to implement policies, strategies and programs.<br>• Sudden outbreak of diseases and other natural and man-made crises such as conflicts, triggering massive displacement, refugee and migration.<br>• Lack of implement and income generating opportunities. |
| Environmental Integration | • Lack of funds<br>• Low implementation/domestication of regional policies, protocols and strategies<br>• Uncoordinated activities between different institutions in the region, e.g., IGAD and UNEP, IGAD and AUC/AUDA, IGAD and other UN organizations and Development Partners. |
| Political and Intellectual Integration | • Inter and intra-state conflicts in the IGAD region hinder political integration.<br>• Lack of agreement among member states to develop a political integration strategy. |

**Table 2.14:** Challenges of IGAD
**Source:** AUC, 2021

## Recommendations:

**IGAD should**:

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

**Image 2.9:** The IGAD Executive Secretary, Workeh Gebeyehu (Center). In lodwer, Northern Kenya, to the African Borderless center.
**Source:** IGAD, 2021

# THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

## Introduction

SADC is a regional body comprising 16-Member States from Eastern, Central and Southern Africa and some Indian Ocean Islands. It was established as a Development Coordinating Conference (SADCC) in 1980 and transformed into a development community in 1992. It is an inter-governmental organisation whose goal is to promote sustainable and equitable economic growth and socio-economic development through efficient productive systems, deeper co-operation and integration, good governance and durable peace and security among the Member States.

SADC is made up of 16 Member States: Angola, Botswana, Comoros (since 2017), Democratic Republic of Congo, Eswatini (formerly Swaziland), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe.

**Quick Facts About SADC**

| | |
|---|---|
| **Area** | **556,781 Million sq km** |
| **Population** | **360 million** |
| **GDP** | **USD 633 Billion** |
| **Economic growth Rate** | **Average 23%** |
| **Inflation Rate** | **Average of 14%(2020)** |
| **Number of Currencies** | **15** |
| **Headquaters** | **Gaborine, Bostwana** |
| **Established (as SADCC)** | **1980** |
| **Established (as SADC)** | **1992** |
| **Official Language** | **English, Frence, Portuguese** |
| **Chairperson, Summit of Heads of States and Governmant** | **President Dr. Lazarus McCarthy Chakwera of Republic of Malawa** |
| **Executive Secretary, SADC Secretary** | **Elias Mpedi Magosi from Bostwana** |

**Table 2.12**: Quick fact about SADC
**Source**: AUC, 2021

In spite of the rich resource endowment, most SADC Member States' economies are low income - extractive industry based and primary commodity exporters and undiversified with only incipient industrial development. Individually, most Southern African Member States' economies are underdeveloped, small, constrained and characterized by high unemployment and poverty levels. The economies are also undiversified, not able to attract the necessary financial investment and technology transfers to support sustained industrialization and diversification, growth and development, and subsequently poverty eradication.

### Creation, Priorities and Vision Of SADC

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

By moving from SADCC to SADC, the Heads of State and Government wanted to achieve regional integration and economic development within the Southern African region. According to SADC Treaty, the main objectives of SADC are to: achieve development and economic growth, alleviate poverty, enhance the standard and quality of life of 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 inter-dependence of member states; achieve complementarity between national and regional strategies and programs; promote and maximize productive employment and utilization of resources of the region; achieve sustainable utilization 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.

The objectives of SADC, which are also spelt out in SADC's Common Agenda, are to achieve economic development and growth, peace and security, poverty alleviation and to enhance the standard and quality of life for the peoples of Southern Africa. These objectives are to be achieved through increased Regional Integration built on democratic principles, the rule of law, and equitable and sustainable development.

SADC's Vision is one of a Common Future that will ensure economic well-being, improved standards of living and quality of life, freedom and social justice and peace and security for the people of Southern Africa. The SADC Vision is to build a region in which there will be a high degree of harmonization and rationalization to enable the pooling of resources to achieve collective self-reliance in order to improve the living standards of the people of the region.

SADC's Mission is to promote sustainable and equitable economic growth and socio-economic development through efficient productive systems, deeper co-operation and integration, good governance, and durable peace and security so that the region emerges as a competitive and effective player in international relations and the world economy.

Also referred to as the Common Agenda, the objectives of SADC gave the regional body a stronger focus on regional economic integration as well as opening up for new cooperation areas like peace and security.

In their Summit of 1992, SADC Heads of State stressed the importance of creating regional peace and security arrangements and the subsequent Treaty provided for a SADC Organ on Politics, Defence and Security Co-operation (OPDSC). Besides the objectives relating to creating stability in the region, co-operating in conflict-prevention, management and resolution, developing a defence pact, management of Corruption, illegal wildlife crime, refugees and asylum seekers, facilitation of the movement of persons and co-operating around policing, the Organ is tasked with facilitating and supporting the development of democratic institutions and practices within the Member States as well as encouraging the implementation of human rights throughout the region. The Organ on Politics, Defence and Security Co-operation was seen as important in this endeavour, formally becoming a SADC-body residing at the Secretariat.

Given the above Vision, Mission and Objectives, SADC set integration milestones and timelines to help the regional economic community and its partners to measure and track the progress being made towards its regional integration agenda with a view to accelerating poverty eradication and the attainment of other economic and non-economic development goals. The targets and timeframes for the Integration Milestones were set as follows;

- Formation of the SADC Free Trade Area to support inter-regional trade by 2008.
- Establishment of a Customs Union with common external tariffs for the Free Trade Area by 2010.
- Achievement of a Common Market by agreeing common policies on production regulation by 2015.
- Attainment of Monetary Union through macro-economic convergence by 2016.
- Accepting a Single Currency and becoming an Economic Union by 2018.

SADC attained FTA status in 2008 and has since not pursued its set timeline to regional integration as outlined above, but has sought to first consolidate the FTA by pursuing a developmental approach to integration that focuses on sectoral co-operation, industrialisation and infrastructure development so as to enable sustainable natural resource exploitation, value-addition and beneficiation, and competitiveness as pre-requisite and necessary conditions for meaningful trade and regional integration to occur. Given this, and to actualise its Vision, Mission and Objectives, SADC developed a Common Agenda consisting of policies and strategies, which are operationalised through a series of Protocols and Strategic Development Plans.

Against the foregoing, SADC in 2005 formulated and has been implementing the Regional Indicative Strategic Development Plan (RISDP 2005-2020), which is an overarching framework guiding the region's economic cooperation and development agenda. The RISDP sets out four interdependent priority areas, namely: industrial development and market integration; infrastructure development in support of regional integration; peace and security cooperation; and special programs of a regional dimension. The first two priorities aim at the achievement of the development and growth objectives whilst the last two provide the enabling environment.

To focus effort and resources on these priority areas, SADC has further formulated strategic plans under each priority area in order to guide the implementation of the RISDP and realization of the regional body's objectives.

The Protocols are legally binding documents that enshrine the aims of the Community by providing codes of procedure and practice on various issues, as agreed by Member States. Presently, SADC has 29 Protocols, each covering a specific area of integration. In some cases, the Protocols have subsumed or are reinforced by Charters, Declarations, Agreements and Memoranda of Understanding on specific aspects of Member State cooperation and integration.

Strategic Plans are comprehensive development frameworks that guide the implementation of SADC's integration agenda and realisation of the regional body's Objectives, Vision and Mission as enshrined in the SADC Treaty and Common Agenda. Altogether, SADC has 32 Strategic Plans covering different aspects of regional integration as agreed by Member States. Key amongst these Strategic Plans are:

- The Strategic Indicative Plan for the Organ (SIPO) on Politics, Defence and Security Cooperation, whose core objective is to create a peaceful and stable political and security environment through which the region will realise its objectives of development and socio-economic growth, peace and security, poverty alleviation, regional integration and enhance the standard and quality of life for the peoples of Southern Africa;

- The SADC Industrialization Strategy and Roadmap (2015-2063), which seeks to achieve economic and technological transformation in the region, in line with the AU Agenda 2063;

- The SADC Regional Agricultural Policy (RAP), which seeks to "define common agreed objectives and measures to guide, promote and support actions at regional and national levels in the agricultural sector of the SADC Member States in contribution to regional integration and the attainment of the SADC Common Agenda". In order to operationalise the RAP, SADC developed a Regional Agricultural Investment Plan (RAIP) (2017 – 2022); and

- The SADC Regional Infrastructure Development Master Plan (RIDMP), calls for specific actions on how to develop the infrastructure required to catalyse industrialization, and to develop corridors in addressing issues relating to trade facilitation, non-tariff barriers and movement of skills and innovation.

In June 2012, at the Extraordinary Meeting of Heads of State and Government held in Luanda, Angola, Summit approved the development of a SADC long-term vision (SADC Vision 2050). Consequently, the SADC Secretariat has formulated the long-term vision, which is currently in the process of being approved. At the same time, Secretariat has developed a successor strategic development plan for the RISDP 2015-2020. The successor development plan, which combines the RISDP and SIPO into one integrated development plan, shall be called RISDP 2020-2030.

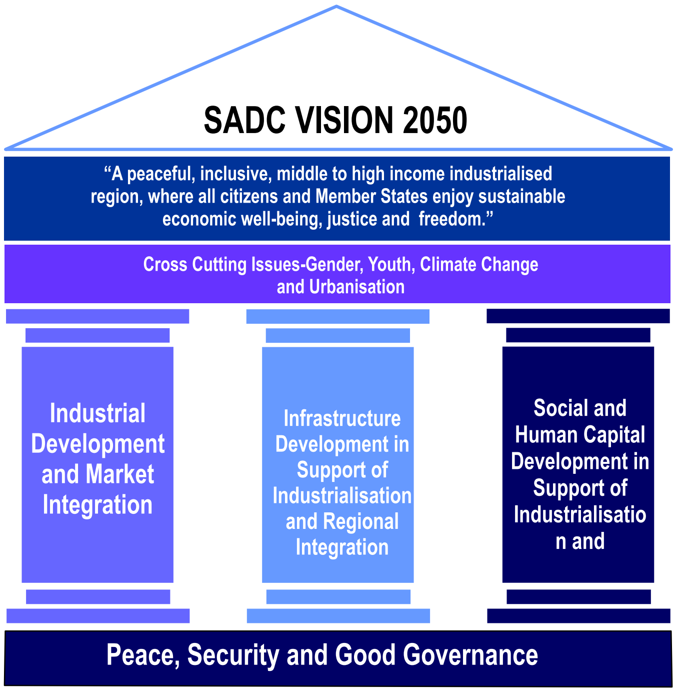



**Image 2.9:** SADC VISION 2050
**Source:** SADC, 2021

The Vision 2050 is based on a peaceful, stable, secure and democratically governed region. Accordingly, peace and security are the overarching prerequisites for the realisation of the three pillars. It is based on empirical evidence and facts that unless the region is peaceful, stable and secure, it will face significant challenges to attain the objectives of the three pillars. SADC will thus support its Member States to promote and maintain peace and security and ensure the stability of the region. This will mean going beyond the absence of violent conflict in and among Member States to supporting them to uphold and respect the rule of law, human rights, good governance and constitutional order.

The SADC Vision 2050 is hinged upon a peaceful, stable and secure region. To achieve a competitive, peaceful, innovative, inclusive middle-income, industrialised, climate-resilient and environmentally sustainable region by 2050, SADC identifies three core priorities: Industrial Development and Market Integration; Infrastructure Development in Support of Industrialisation and Regional Integration; and Social and Human Capital Development in Support of Industrialisation and Regional Integration. Gender, youth, climate change and urbanisation are underpinned as crosscutting issues and mainstreamed throughout the three priority areas.

The RISDP 2020-2030 is based on a peaceful, stable, secure and democratically governed region as the foundation for the attainment of its three core priorities. Accordingly, peace and security are the overarching prerequisites for the realisation of the three pillars. SADC will thus support its Member States to promote and maintain peace and security and ensure the stability of the region. This will mean going beyond the absence of violent conflict in and among Member States to supporting them to uphold and respect the rule of law, human rights, good governance and constitutional order.

SADC also aims to address the emerging challenges of climate change and to embrace the opportunities of the green and blue economies, the digital economy and the Fourth Industrial Revolution (4IR), whilst at the same time ensuring inclusive growth and development. This, SADC seeks to achieve with full recognition of a narrow focus of addressing the challenge of implementation, which has been highlighted as a crucial factor that could undermine the credibility of the entire regional integration agenda.

Care has also been taken to align the action areas of the RISDP 2020-2030 pillars' aspirations with the SDG's and the AU's Agenda 2063 priority areas to ensure that regional programmes and projects are aligned with the global and continental development aspirations. The Sustainable Development Goals (SDGs) were revised at the United Nations Conference on Sustainable Development (or “Rio+20” conference) in June 2012, in Brazil.

## Level of Regional Integration in SADC

The overall score obtained with the average of the scores of the different dimensions is 0.64 over a rating interval included in 0 and 1.

Financial integration, infrastructural integration, trade integration and environmental integration are the dimensions in which SADC achieves remarkable performance as reflected by AMRII. In terms of trade, SADC has certainly not fully implemented instruments such as the regional Free Trade Area and has not moved on to actualise the Customs Union as per the envisaged timeline. The high rate of intra-regional trade (23% of total trade with the rest of the world) is proof that several agreements, either bilateral or multilateral, contribute to achieving the ultimate objective of trade integration. When it comes to financial integration, the establishment of a formal framework and financial institutions within the region is a major factor in the achievement of financial integration. Among others, the Payment System Oversight Committee (PSOC) and Payment System Sub-committee, under the Committee of Central Bank Governors in SADC (CCBG), are bodies that work to accelerate financial integration. Besides, SADC has a regional clearing system operator which has been created to facilitate the clearing of trade payments.

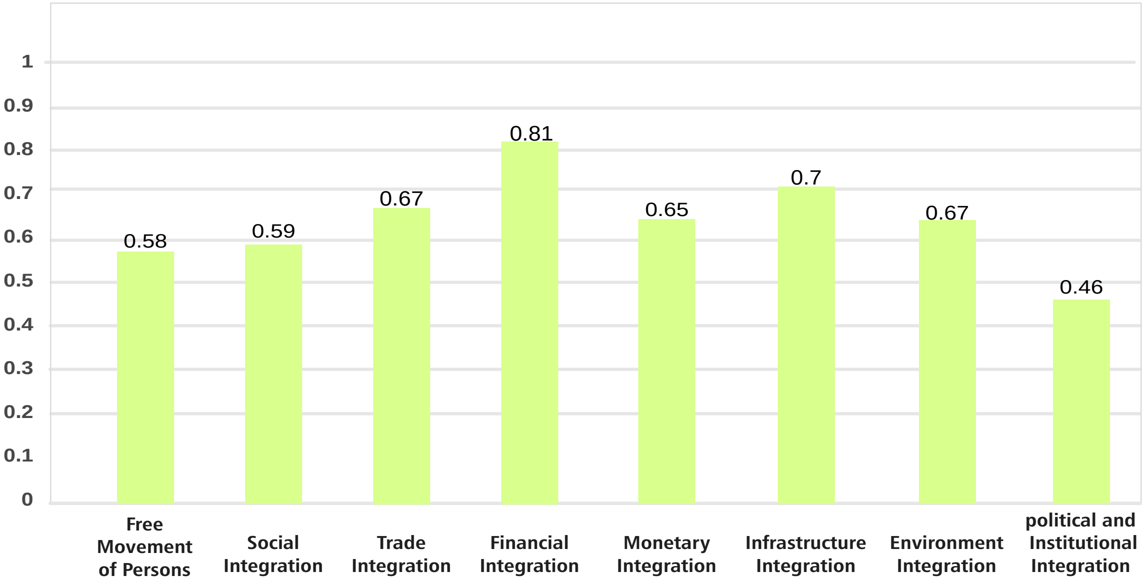
In addition, to drive the development of a harmonized, integrated, and credible regional securities/capital market capable of mobilizing domestic resources to address the sustainability challenges of smaller national markets and alleviate inequalities, SADC established the Committee of SADC Stock Exchange, which also serves as a cooperation framework among SADC Stock Exchanges. The SADC has also established the Project Preparation and Development Facility to support infrastructure development in the region while the full operationalization of the Regional Development Fund (RDF) is ongoing.

The different programmes and plans adopted in the infrastructural and environmental dimensions are important factors in the high SADC scores. For example, SADC Infrastructure Vision 2027 was conceived in 2007 with the objective of establishing a strategic framework to guide the development of seamless, cost-effective trans-boundary infrastructure. The SADC Infrastructure Vision 2027 is anchored on six pillars consisting of energy, transport, Information and Communication Technologies (ICT), meteorology, trans-boundary water resources and tourism (trans-frontier conservation areas), which constitute the SADC Regional Infrastructure Development Program. SADC has also designed a plan called “Green Economy Strategy and Action Plan for Sustainable Development”, which contributes to Climate change mitigation, climate change adaptation and Sustainable development.

Politically, the score obtained by SADC is low due to the non-existence of certain institutions such as the Court of Justice and Regional Parliament, which are indicators of the evaluation framework. However, we must recognize the existence of a Parliamentary Forum and the many efforts in the area of peace and security by SADC. These are among others: efforts towards the holding of regular democratic elections, the SADC Election Observation Missions deployed on the basis of set Principles & Guidelines, the Force Intervention Brigade deployed to the DRC to assist with securing peace and security, SADC Standby Force established, SADC Standby Force Regional Logistical Depot under construction, Successful mediation for political stabilization conducted in Madagascar and Lesotho.

On the environmental front, SADC has a significant number of programmes and plans. These affect biodiversity, deforestation, forest governance, transboundary conservation and joint projects, green growth and the climate.

On the monetary level, of course, tangible institutions have not yet emerged within SADC, but there is the Model Central Bank Law which was developed and approved by the SADC Ministers of Finance in 2009. This was designed to set harmonized frameworks for control of exchange policies, banking procedures and systems. The SADC also has a Committee on Central Bank Governors and a Secretariat housed at the South African Reserve Bank. The Committee of Central Bank Governors is responsible for overseeing and spearheading monetary integration on the establishment of the relevant monetary institutions. There is also a macroeconomic convergence programme to guide Member States to converge on stability-oriented economic policies in an endeavour to achieve sustained macroeconomic stability as a precondition for a monetary union in the region.




**Graph 2.24:** Assessment of the SADC regional integration.
**Source:** AUC, 2021

SADC has, however, achieved less in terms of free movement, social, institutional and political integration. With scores of less than 0.6 in an interval between 0 and 1, the AMRII index shows through this assessment that SADC is performing poorly in these areas. The main reason for the low scores in free movement and social inclusion is the non-implementation of the Protocol on Facilitation of the Movement Persons. Within the Protocol, member states are implementing different aspects, including VISA exemptions between the Member States with some Member States exempting all SADC Member States, e.g., Republic of Zimbabwe. Some of the initiatives include; 90-day visa waiver, bilateral agreements to harmonise border working hours, right of establishment and residence enshrined in national laws. SADC does not have a community passport. Uniquely in the social sector, SADC is perhaps the only REC with a protocol on Culture, Information and Sport where Member States co-operate in the formulation and harmonisation of cultural policies of State Parties, as well as ensuring that ensure that culture plays a significant role in the economic development of the Region.

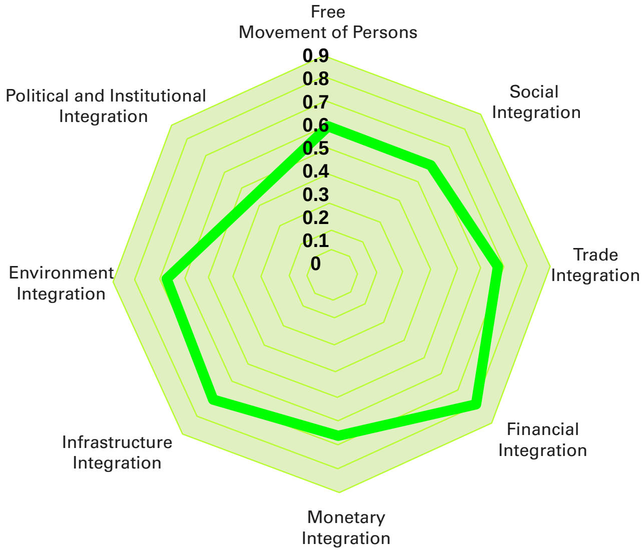



**Figure 2.17:** Performance of SADC 2021 regional integration
**Source:** AUC, 2021

## Assessment of the stages of integration within SADC

For a more in-depth explanation of the assessment, this section provides a consideration of three aspects of the integration process in each of the dimensions. Indeed, the whole integration process has been divided into three parts: (i) the level of priority, (ii) the legal instruments/agreements and (iii) the impact of the instruments/ agreements. The priority level is whether the dimension of integration has been considered in the aspirations, in the Treaties or in the SADC Decisions. Legal instruments/ agreements are the set of plans, programmes and strategies adopted to accelerate the integration process. The impact is the result of the implementation of legal instruments and agreements. The graph below shows the status of each of the stages in each of the dimensions of integration.

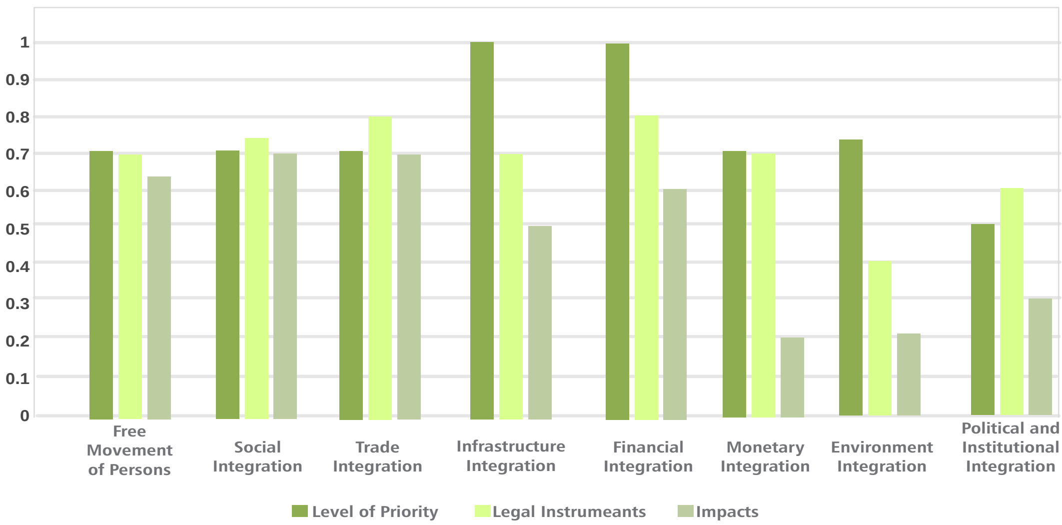
The priority given to the dimensions of finance, trade, infrastructure and the environment through their consideration in SADC regional programmes explains the scores mentioned above. In general, when the issue is not of high priority for the REC, and but records high impact, it is necessary to refer either to bilateral initiatives or to efforts made by sub-regional communities that comprise member states from SADC; this is the case with SACU which contributes enormously to SADC trade.

## Comparison of assessments for the years 2020 and 2021

A comparison of scores for 2020 and those for 2021 is summarized in the graph below. Generally, these scores differ from year to year. Regarding the dimensions of free movement and social integration, the inclusion of updated data by SADC showing slow implementation of the protocol on the issue, the existence of visas between certain Member States of the community and the non-existence of Community passport are elements that justify among other things the new scores being lower than those of last year.

While the protocol on Facilitation of the Movement of Persons has been adopted, the problem of ratification and domestication is a major obstacle to the achievement of free movement within SADC.

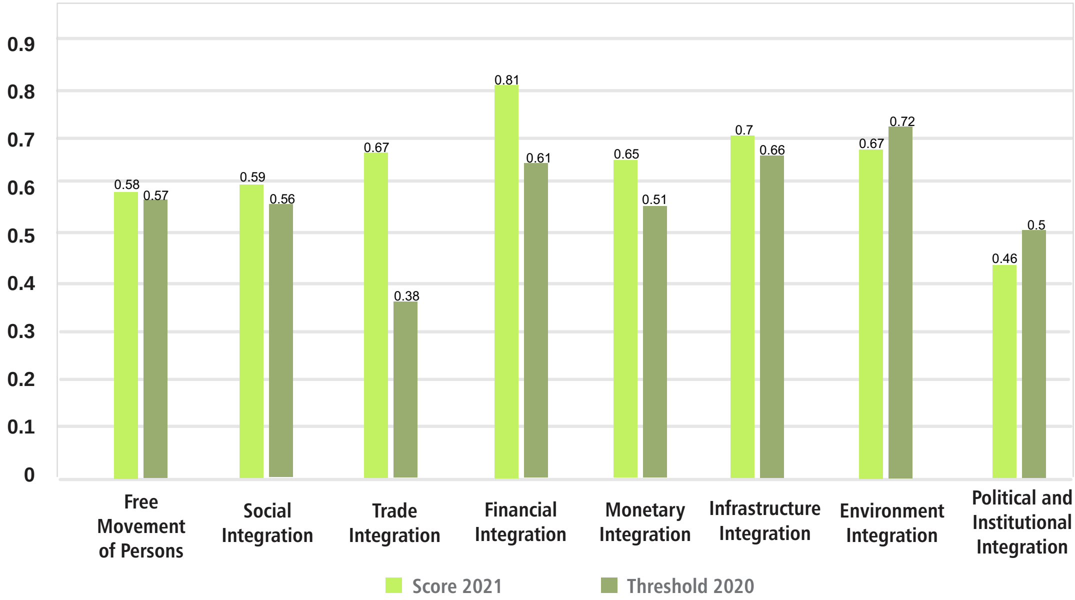
With regards to trade integration, financial integration, monetary integration and infrastructure, the 2021 assessment reconsidered the various programmes, plans and institutions to reassess SADC. This being the case, SADC has several instruments not taken into account, at the outset, by certain indicators.




**Graph 2.25** Assessment of the Steps of integration with SADC,
**Source:** AUC, 2021

While the protocol on Facilitation of the Movement of Persons has been adopted, the problem of ratification and domestication is a major obstacle to the achievement of free movement within SADC.

With regards to trade integration, financial integration, monetary integration and infrastructure, the 2021 assessment reconsidered the various programmes, plans and institutions to reassess SADC. This being the case, SADC has several instruments not taken into account, at the outset, by certain indicators.




**Graph 2.25:** Scores of the 2020 and 2021 assessment of SADC
**Source:** AUC, 2021

## 2021 scores and thresholds

The previous sections have described the performance of SADC according to AMRII assessments. However, it is uncertain whether the achievements of SADC meet the expectations that appear, both in its objectives and in the continental objectives. To do this, the main element of the AMRII monitoring and evaluation framework that allows this is the threshold. The thresholds were defined on the basis of consideration of the objectives set in the RECs and at the continental level in each of the areas of integration. This comparison makes it clear whether SADC's efforts are in line with its defined priorities and continental priorities. The graph below presents this comparison.

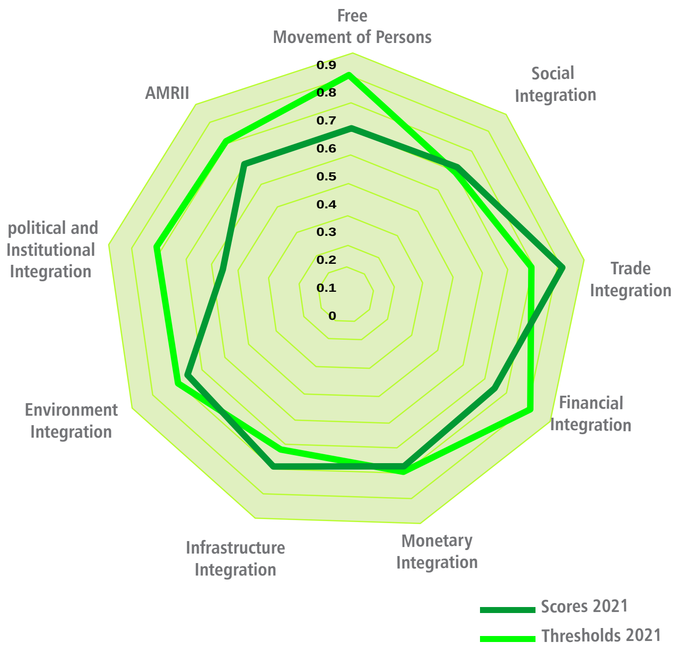



**Figure 2.19: Comparison between scores and threshold within SADC**
**Source:** AUC, 2021

Apart from the dimensions of infrastructure and finance, the other dimensions have scores below the thresholds. This would mean that in these dimensions, the efforts of SADC are insufficient and have not made it possible to achieve the objectives as set out in its Vision and those of the Abuja Treaty and Agenda 2063. Non-existence of a community passport, Common External Tariff, Court of Justice as well as certain financial and monetary institutions are realities that show that SADC could still do more to meet the objectives of the integration process at both regional and continental level.

Special attention deserves to be paid to the challenges and obstacles to the SADC integration process.

### The challenges of the integration process within SADC

The main barriers to integration in the region can be attributed to the insufficient and underdeveloped infrastructure and institutions, underutilisation and misalignment of skills, lack of full domestication and compliance to protocols and agreements, all of which are common across SADC countries and constitute bottlenecks to the implementation of the integration agenda. There are also non-tariff barriers that still exist and prevent further growth in intra-regional trade.

Some of the other specific challenges are highlighted in the matrix below:

| Dimension | Challenges |
|---|---|
| **Free Movement of Persons** | • Limited/low level of domestication and implementation of these regional frameworks, agreements at country level<br>• Slow pace at which social integration is being achieved e.g., regional visa to facilitate movement of students, experts, researchers etc. within the region. |
| **Trade Integration** | • Need to deal with impediments to low implementation of decision through front-loading industrialization<br>• Deepening regional integration in SADC will also depend partly on the capacity of member countries to increase their sourcing within the region to create more value for exports. This requires access to products at competitive prices and conditions. However, the current low development of regional value chains reflects the tendency of governments to develop and follow similar industrial and sectoral strategies which is influenced by trade and protectionist policies.<br>• Liberalisation of trade in services could tackle skills shortages and increase business competitiveness, which could have a positive impact on economic activity and the well-being of people in different countries. |
| **Social Integration** | • Limited/low level of domestication and implementation of these regional frameworks, agreements at country level.<br>• Slow pace at which social integration is being achieved e.g., regional visa to facilitate movement of students, experts, researchers etc. within the region<br>• During COVID-19 it has been difficult to deploy medical experts and responders to countries with emergency situations. Access to humanitarian corridors needs to be facilitated during epidemics<br>• It is crucial to pay attention to the low availability of skilled labour, which translates into a weak capacity to manage the entire supply chain in different sectors. |

| | |
|---|---|
| **Infrastructure Integration** | • SADC countries should also invest in simple and robust information and communication technologies and infrastructure to address the issue of shortage in skills and noncompliance.<br>• The SADC Regional Infrastructure Development Master Plan (RIDMP) recognises that reducing transaction costs for industry and trade is essential to enhance regional integration, yet the quality and quantity of transport infrastructure remains low. Harmonising policies across member countries will lower the cost of transportation. Therefore, the aim is to expand available infrastructure, upgrade where necessary and enhance the quality.<br>• Inadequate private sector investment in regional infrastructure projects<br>• Insufficient bankable projects<br>• Insufficient capacity (skills) in Member States to prepare projects to bankability<br>• Uncoordinated or unintegrated master planning for regional infrastructure projects |
| **Financial Integration** | • In May 2020, in line with Directive (EU) 2015/849, the European Commission adopted a new Delegated Regulation (EU) 2020/2801 in relation to third countries which have strategic deficiencies in their AML/CFT regimes that pose significant threats to the financial system of the Union ('high-risk third countries'). As per the Article 2 of this regulation, three SADC Members States, namely: Botswana, Mauritius and Zimbabwe were added by the European Commission to a new list of countries that pose financial risks to the European Union due to anti-money laundering and terrorism financing shortfalls. The effective date of application of Article 2 of this Regulation started on 1 October 2020. However, it is important to note that affected Member States have already agreed to implement a detailed Action Plan within an agreed timeline with the FATF, to be removed from the FATF list and subsequently from the EU list. |
| **Monetary Integration** | • Global financial crisis<br>• Weak global economic growth<br>• Adverse climatic conditions/events, for example, droughts, floods and cyclones<br>• Disease outbreaks, for example, COVID-19, Malaria, HIV and Ebola outbreaks |
| **Environmental Integration** | • The slow process in the ratification of the Protocol Environmental Management for Sustainable Development (2014) by Member States for it to be in force and provide the legal framework for all the relevant environmental strategies and programs being implemented in the region<br>• Limited funding to implement various programmes within Member States which will enhance environmental integration<br>• Limited technical and skilled human resources to address environmental aspects<br>•<br>• Poverty, including hunger and high dependency on natural resources that force communities to engage in unsustainable use of environmental resources for their survival<br>• Low level of economic development of the region |

| | |
|---|---|
| **Political and Institutional Integration** | • Terrorism and Violent extremism in the coastal areas North of Mozambique and Southern Tanzania. If not addressed, the fragile situation north of Mozambique could lead to a much bigger human catastrophe and spill over into neighbouring states. The escalating conflict involving heavily armed rebels has resulted in displacement, deaths and generally grave human suffering.<br>• There is also a need to strengthen institutional frameworks to achieve the SADC objectives. Currently, SADC is based on inter-governmental coordination assisted by a Secretariat that has no supranational decision making and implementing power. This is made worse by the lack of clarity in many SADC protocols on obligations and how they should be implemented. Giving more power to the SADC Secretariat to enforce the regional agenda and hold countries accountable for non-compliance could reinforce integration<br>• A review of the SADC peace and security architecture should be undertaken taking into consideration identified trends and emerging threats to sovereignty and wellbeing of member states.<br>• The capacity of Member States to respond individually and collectively to security challenges in the region should be strengthened.<br>• Traditional and community leaders should be involved so that SADC benefits from indigenous African expertise on issues of peace and security.<br>• A unit to facilitate the generation and dissemination of information on threats to peace and security among Member States may also be necessary. |

**Table 2.16:** Challenges of SADC
**Source:** AUC, 2021

There is a need to deepen integration in SADC in order to realise the full potential of the region which in turn will enable SADC to address the complex and systemic challenges facing its people.

African Union
An Integrated, Prosperous
and Peaceful Africa

# THE STATUS OF FREE MOVEMENT OF PERSONS ON THE CONTINENT

Africa shall be a continent where the free movement of people, capital, goods and services will result in significant increases in trade and investments amongst African countries rising to unprecedented levels and strengthen Africa's place in global trade.

AU Agenda 2063 -The Africa We Want

## Introduction

This chapter considers the Free Movement of Persons (FMP) as an essential step towards the achievement of the African Economic Community (AEC). The vision of FMP can be traced to the establishment of the Organisation for African Unity (OAU) in 1963. It entails the promotion and facilitation of mobility unhindered by colonial boundaries that artificially separated African people. The preamble to the OAU Charter gave expression to the conviction of the founding leaders of the then OAU when it declared that "all African States should henceforth unite so that the welfare and well-being of their people can be assured." Key to the achievement of a united, prosperous, and peaceful Africa playing a major role in global affairs is the economic integration of the continent. On the other hand, the free movement of persons is central to the economic integration of the continent. The highly desired self-reliant development in Africa can only be achieved by effectively utilising the continent's most valuable resources, foremost among them, its' people. A functional free movement of persons' regime in Africa has the potential for a significant contribution to economic and social development in the continent towards achieving the AEC.

The Chapter, therefore, looks at:

- The role of FMP in Regional and African Integration, and its benefits in achieving the other dimensions of integration such as trade, financial, and economic integration.

- The challenges of FMP resulting in the slow pace of signature and ratification of the Africa Union (AU) Protocol on FMP by Member States and conclude with recommendations on how best to approach FMP on the Continent.

# Background and Context

## Main Legal and Policy Instruments

It was not until 1980 that FMP got attention with the Lagos Plan of Action for the Economic Development of Africa, 1980-2000. The OAU provided, as part of the Lagos Plan of Action, to "prepare the draft of the treaty establishing the African Economic Community (AEC) and take measures that would lead to the attainment of the aims and objectives of the AEC." The main instrument guiding continental integration is the Abuja Treaty of 1991. The Abuja Treaty set out a path for the achievement of the AEC through successive and future Regional Economic Communities (RECs), and their various levels of regional integration. The RECs constitute the pillars and building blocks of the AEC and harmonisation of their regional integration frameworks. Such frameworks, as the free trade areas and free movement of persons protocols, were envisioned to build the AEC. During the fifth stage of the implementation of the Abuja Treaty, the African Common Market would be established, which would provide for the rights of entry, residence, and establishment. Article 4 of the Treaty emphasized the gradual removal of the obstacles to FMP among the Member States as germane to the attainment of the objectives of the Community, which include economic development and the integration of African economies. Regional economic integration demands labour mobility and other forms of economic engagement that necessitate the movement of persons. Enhanced mobility is therefore expected to deepen continental integration in Africa. Article 6 of the Treaty provides for the modalities for the establishment of the AEC. It states that;

1. The Community shall be established through six (6) stages of variable duration over a transition period not exceeding thirty-four (34) years.

2. 6(e) provides for the Fifth Stage to be implemented within a period not exceeding four (4) years - Establishment of a Common Market

3. 6(f) Provides for the Sixth Stage, which is required to be implemented within a period not exceeding five (5) years. The stage relates to consolidating and strengthening the Common Market, including the free movement of people, right of residence and right of establishment.

In Article 43, Member States agree to adopt, individually, at bilateral or regional levels, the necessary measures, in order to progressively achieve the free movement of persons, and to ensure the enjoyment of the right of residence and the right of establishment by their nationals within the Community. For this purpose, they agreed in Article 43(2) to conclude a "Protocol on the Free Movement of Persons, Right of Residence and Right of Establishment."

The Constitutive Act that established the African Union (AU) in 2002 renewed the momentum towards the continent's integration. One of the objectives listed in Article 3 is "the achievement of greater unity and solidarity between the African countries and the people of Africa"(article 3a). Other pertinent objectives in Article 3 are: "accelerate the political and socio-economic integration of the continent (3c); promote cooperation in all fields of human activity to raise the living standards of African peoples (3k); and coordinate and harmonize policies between existing and future Regional Economic Communities…." (3L).

FMP in Africa became a flagship programme of the continental body within the context of 'The Africa we Want' by 2063 (Agenda 2063) and is aimed to enhance the harnessing of regional connectedness, integration of broader trade, and labour migration. It is one of the affirmations of Africa's vision, framed by a collective foresight in which Member States in Aspiration 2 committed to: "An integrated continent politically united and based on the ideals of Pan Africanism and the vision for Africa's Renaissance". We aspire that by 2063, Africa shall: Be a continent of seamless borders and management of cross-border resources through dialogue (paragraph 20). Towards this ideal, Africa shall be a continent where free movement of persons, capital, goods and services will result in significant increases in trade and investment among African countries rising to unprecedented levels and strengthening Africa's place in global trade (paragraph 24). In paragraph 7(1) is a Call to Action: Introduce an African Passport, issued by the Member States, capitalising on the global migration towards e-passports, and with the abolishment of visa requirements for all African citizens in all African countries by 2018.

Free movement of persons in Africa advocates for an integrated African continent where the barriers brought about by the colonial borders are broken down to create a shared experience of African identity and African integration.

## THE FREE MOVEMENT OF PERSONS PROTOCOL

In order to realise these aspirations as well as join the positive efforts at integration, which are embarked on by other continental bodies in the management of migration and free movement of persons, the African Union adopted the Protocol to the Treaty Establishing the African Economic Community Relating to Free Movement of Persons, Right of Residence and Right of Establishment in January 2018. It is a bold step by putting in place a legal framework for managing migration and mobility in the continent. The Protocol recognises the very essence of integrative elements as contained in the codified laws and achievements thereof, in the various RECs on the continent in their areas of free movement of persons. Indeed, the elements of the Protocol enhance the facilitation of free movement, whether temporally or in the settlement of persons in other African countries, which allows for the affirmation of an African Identity. Annexed to the Protocol is an Implementation Roadmap that takes cognizance of the variable geometry in terms of the level of free movement in different regions of the continent. It covers the articles and the three main aspects of the Protocol - abolition of entry visas, residence, and establishment with implementation commencing in 2018 upon adoption, signature, and ratification of the Protocol. The Implementation Road Map equally elaborates on safeguarding measures which cover security concerns as voiced by the Member States during the negotiations.

The Implementation Roadmap also made provisions for RECs to collaborate and advance the implementation of the protocol through an agreement that will offer the same opportunities accorded to citizens of countries within their respective RECs. These provisions are consistent with Article 19 of the AfCFTA Agreement providing that the AfCFTA State Parties "that are members of other regional economic communities, regional trading arrangements and custom unions, which have attained among themselves higher levels of regional integration than under this Agreement, shall maintain such higher levels among themselves. Article 8(2) of the Protocol on Trade in Goods states that "State Parties that are members of other RECs, which have attained among themselves higher levels of elimination of customs duties and trade barriers than those provided for in this Protocol, shall maintain, and where possible improve upon, those higher levels of trade liberalisation among themselves.

## THE AFRICAN CONTINENTAL FREE TRADE AREA

The African Continental Free Trade Area (AfCFTA) Framework Agreement covering Trade in Goods and Services, Investment, Intellectual Property Rights, and Competition Policy Agreements entered into force, and trading under the preferential terms of the AfCFTA commenced on 1 January 2021. A major objective of AfCFTA is to create a single continental market for goods and services, with free movement of business-persons and investments. The direct correlation between AfCFTA and FMP is in the areas of goods and services, as the AfCFTA requires FMP for its success. However, while there is a clear timeline of 5-10 years to eliminate 90% of tariffs on goods; progressive liberalization through successive rounds of negotiations is envisaged for services.

Yet, trade in services (including workers, self-employed, and persons supplying services in trade) requires more free movement than goods. Trade in services continues to make significant contributions to the growth of the African economy and regional integration.

For instance, the services sector accounts for more than half of Common Market for East and Southern Africa's (COMESA) Gross Domestic Product (GDP) and over a third of employment, outpacing manufacturing and agriculture sectors in terms of growth generation, income, and jobs. The value added by services accounts on average to 52.5% of the GDP and contributes 37.2% of the total employment in 2018. Indeed, a significant amount of trade in services requires physical proximity between producers and consumers, and mobility is important to the operations of service providers regardless of whether they are physically present in other countries or they provide services remotely across international borders. There is a need therefore, to reduce restrictions and/or liberalize services sectors to ease the movement of workers and professionals like medical personnel, engineers, and technicians across borders.

## THE ROLE AND BENEFITS OF FREE MOVEMENT IN REGIONAL AND AFRICAN INTEGRATION

Majority of Africans migrate to another country in Africa and represent 4 out of 5 African migrants i.e., more than 80% of African migrants remain in the continent. Indeed, migration within the continent is quite significant, with the proportion moving within the same subregion close to 90% in West Africa, 65% in Southern Africa, 50% in Central Africa, 47% in East Africa, and 20% in North Africa. In 2019, Africa was the youngest continent for international migrants. With a median age of 33.8 years, migrants in Latin America and the Caribbean were the second youngest, followed by Asia (35.6), Europe (42.7), Oceania (42.9), and North America (43.5). Within Africa, migrants in East Africa are the youngest with a median age of 27.0, followed by Central Africa (31.1), Northern Africa (31.2), West Africa (32.1), and Southern Africa (33.8). The share of international migrants under the age of 30 varied from 56% in Eastern Africa to 39% in Southern Africa. Table 3.1 below shows the annual growth rate of population, labour force, and migrant workers within the geographic regions of the continent for almost a decade. It further shows that the possibility of moving freely within the continent by Africa's most valuable resource - the youth should be part of the measures to realize the continent's demographic dividend and integration.

*Average annual growth rate of population, labour force, international migrants and number of migrant workers in Africa, by geographical subregion, 2008-17 (%)*

| REGION | POPULATION | LABOUR FORCE | INTERNATIONAL MIGRANTS | MIGRANTS WORKERS |
|---|---|---|---|---|
| CENTRAL AFRICA | 3.5 | 4.3 | 6.6 | 6.8 |
| EAST AFRICAN | 2.8 | 2.9 | 9.9 | 9.8 |
| NORTH AFRICAN | 2.0 | 1.7 | 5.9 | 5.8 |
| SOUTHERN AFRICAN | 2.6 | 2.6 | 13.3 | 13.4 |
| WEST AFRICAN | 3.1 | 2.7 | 3.0 | 2.6 |
| AFRICA | 2.8 | 2.7 | 7.5 | 7.5 |

**Table 3.1.** Source: AU Report on Labour Migration Statistics in Africa, second edition (2017)

The FMP will be a catalyst for the continent's socio-economic and political integration, which amounts to a real prospect for harnessing the continent's vast resources, facilitating and boosting trade, for the benefit of the people. At the moment, Africa accounts for 3% of the world economy and this is expected to increase by 1% by 2035. Experts project that the degree to which Africa's emerging economies are integrated into regional and global value chains and trading patterns will have a significant impact on their future growth, as well as development trajectories that in turn require connectivity to facilitate flows of goods, services, people and ideas across borders. Deeper regional integration can help African Countries prioritize investment in sectors where they have comparative advantages over their peers. Moreover, it can foster the establishment or promotion of industries in which African businesses have the potential to participate in and compete on global markets.

Free movement of persons also eases the movement of those who deal in informal cross-border trade. It is evident that cross-border trade significantly enhances the level of trade in many RECs. This is predominant, particularly in SADC and ECOWAS. Free movement will loosen the stringent requirements on inter-African travels by removing the need for a visa for short visits but still requiring a work permit for intended residency or other longer stay or by issuing visas on arrival.

It is perhaps necessary to point out that those that engage in the informal trade sector are far larger than in the formal sector. It is agreed that this is a significant feature of regional trade and international mobility and, a major source of income to an estimated 43% of Africa's population.

FMP enhances and boosts the tourist industry. In the Seychelles, tourism measured 7% annually between 2009 and 2014 when the country abolished visas for African nationals. By 2015, as a result of increased revenues from tourism, Seychelles had become a high-income country with thriving real estate, aviation, and other services industries. Similarly, Africans travelling to Rwanda increased by 22% since it eased its visa requirements in 2013. Also, Rwanda's cross-border trade with Kenya and Uganda increased by 50% in the same period. All these are evidence that free movement of labour and capital boost economic activities.

In order for the continent to transform itself, it will have to embark on enhancing human capacity skills and the ability of its population to effect inclusive growth. Education, technical skills exchange and transfers are at the core of strengthening human capacity. Therefore, the facilitation of a free movement agenda on the continent, particularly that of scholars, students and those in the pursuit of knowledge, became the anchor to achieve this. It must be stressed that over 40% of the African population are under 15, and another 20% are between 15 and 24 the definition of youth translating into the fact that more than 60% of Africans are young people. The African Union (AU) FMP Protocol provides for a harmonized mechanism for compatibility and comparability of higher education in Africa. Such a framework promotes cross-border recognition of qualifications and credentials based on internationally recognized standards. This serves as a critical enabling factor for empowering youths.

Labour mobility is also an essential precondition for economic integration. Free movement of labour seeks, among other things, to bridge the gap between skills surplus and deficit among the AU Member States. It also facilitates essential and unique skills transfer, innovation, and optimal utilization of human resources in Africa. The Joint Labour Migration Programme (JLMP), which was adopted by the AU in 2015, promotes critical areas of facilitating the free movement of workers as a means of advancing regional integration and development. Key activity areas of the JLMP include skills portability and the mutual recognition of qualifications, as well as the development of an African Qualifications Framework. Most African countries face labour and skills shortages in specific sectors, while at the same time battling with unemployment and a growing youth bulge. Regional skills pooling enabled through mobility can help address this challenge and allocate labour where it is most productive and needed. To aid labour mobility, the JLMP is also working on Labour Market Information Systems (LMIS), skills forecasting, and labour migration statistics which collectively support market-driven skills development and skills pooling across the continent.

At the same time, free movement of persons in African "will help to bolster pan-African identity, deeper social integration and take the promotion and protection of economic, social and cultural rights and material needs of the peoples as its starting point. It will prioritize joint actions to address shared challenges such as harnessing and managing growing diversity, promoting social integration, optimizing surplus labour migration, and responding to the related challenge of reducing the cost and burden of intra-African remittances for migrant and itinerant workers.

Remittance flow is another reason the FMP should be promoted in the continent. Increasing volume and frequency of remittance flow are indicators of the existence of high labour migration, and mobility, as well as the need to reduce the cost of remittances to meet the SDG 10c target of 3%. In 2017, intra-Africa remittance flow was USD 12.77 billion and it increased to USD 18.27 billion in 2018. These figures should be much higher, as most intra-Africa transactions are informal. The data only captures formal transactions where Banks are the main official data providers due to regulatory restrictions. Many transactions are by traders, and cash-carrying (COVID-19 has impacted that) is the most common method rather than the formal banking channels. Cash-carrying methods are particularly prevalent across land borders and where countries do not allow irregular migrants to participate in formal financial services.

It should be pointed out that though remittance flows from Europe and North America are larger than intra-African flows (which is gradually catching up with better measurements), remittances within Africa are in small amounts (estimated at to about USD 80 by mobile operators) and regularly on a monthly basis targeting the social needs of the recipients. For many African households, remittances constitute a significant share of their income (about 65%), reducing poverty and stimulating inclusive growth, as well as acting as a gateway to financial inclusion. In effect, intra-African remittances are more reliable than those from Europe and North America.

In spite of the huge flow of remittances in and to the continent, there are challenges such as high cost of remittance, legal and regulatory frameworks that inhibit competition, low level of financial access, and inadequate data that could facilitate the introduction of new technologies by the private sector, as well as safe and efficient remittance services.

According to the remittances price database, Send Money Africa, sending money to and within Africa is very costly, with an average remittance cost hovering around 9% compared to the global average of 7%. This is far from the Sustainable Development Goal (SDG) 10c and the Addis Ababa Action Agenda of 2015, which aim to reduce the cost of remittance to 3% by 2030 with no corridor being more than 5%. Exclusivity contracts between banks and international money transfer agencies serving African corridors seem to be a major factor contributing to the lack of competition in the remittances market resulting in high remittance transfer cost. However, this is changing due to the introduction of mobile technology and the establishment of the African Institute for Remittances (AIR) by the African Union.

To help address these challenges and leverage remittances for social and economic development, the AIR was conceived within the framework of the African Union-European Union (AU-EU) Partnership on Migration, Mobility and Employment (MME) of the Joint Africa-EU Strategy (JAES) adopted in Lisbon in 2007. The AIR is hosted by the Kenya School of Monetary Studies in Nairobi. Africa has come a long way in reducing the cost of remittances from about 14% in 2008. There is a high prospect that Africa will, in the next few years, meet the 3% target of reducing remittance cost, as some remittance corridors in the continent are already less than 3% (corridors in Egypt and Sudan), though the South Africa corridor remains about 15.76%. FMP will boost remittance flow and more participation of migrants in the financial system but it must be accompanied by changes in remittance regulations and better measurements by the Central Banks across the continent.

The continent continues to face "inadequate trans-border and shared development infrastructure (within and between countries), which is a barrier to deeper connectivity and economic development. Indeed, the World Bank Journal states that Intra-regional trade costs were higher in Africa, South of the Sahara than anywhere else on the globe, estimating these costs at 50% higher than East Asia due, amongst others, to inadequately shared infrastructure. In addition, there are other non-tariff barriers to trade that limit the flow of goods, people, and capital across borders in Africa, such as regulatory procedures that frequently impose unforeseen costs and add uncertainty to intra-regional trade. In other words, a free movement agenda will serve as a catalyst by upping the level of management of the border areas across the continent. At the same time, it also assists in the physical infrastructure such as the building of international road and rail linkages as it is happening in the ECOWAS region. It will also lead to a one-stop border management management point as seen in the Livingston-Victoria (Zambian-Zimbabwe) borders and Karake-Seme borders (Benin-Nigeria).

Finally, it is expected that an improved border and identity management would benefit the rule of law, human rights, and public health in a number of ways. The need to anchor information on a common data source will greatly assist and enhance the quality of resources for security concerns. This will aid the rule of law and safeguard the human rights of African citizens. This is by putting in place secure identity documents, which are at the disposal of all national security networks, serving as the bedrock of the sanctity of travel and other identity documents. Therefore, with improved border management, it is expected that the rule of law is maintained, and citizens' rights are protected. Without standard data systems at borders, criminal watch lists cannot function adequately, and known or suspected traffickers cannot be arrested. Timely interventions to detect and rescue the victims can be facilitated by better border management.

## STATUS OF FREE MOVEMENT OF PERSONS AMONG RECs IN AFRICA

The Regional Economic Communities play a pivotal coordination role towards the implementation of Free Movement as framed in the Protocol. The coordination role that exists between the African Union Commission (AUC) and RECs is in pursuit of Africa's shared values and aspirations of Pan-Africanism, and African renaissance; unity and integration; peace, security and stability; as well as development and prosperity as highlighted in Agenda 2063. It is also highlighted in the 1991 Abuja Treaty, as well as, in the AU Protocol on Free Movement as follows:-

| Role of Members States<br><br>Article 27 of the Free Movement Protocol | Role of RECs<br><br>Article 28 of the Free Movement Protocol | Role of The AU Commission<br><br>Article 29 of the Free Movement Protocol |
|---|---|---|
| 1. Implementation of the Protocol | 1. Focal Point for Promoting follow up and evaluating the implementation of the Protocol and reporting the progress towards free movement of persons in their respective regions | 1. The Commission shall follow-up and evaluate the implementation of this Protocol by M/S and, through respective Sub Committees, submit periodic reports to EX/CL on the status of implementation |
| 2. Adopt necessary Legislative and Administrative measures to implement and give effect to the Protocol | 2. Each REC shall submit periodic reports to the Commission on the progress of implementation of the Protocol within their respective region | 2. Together with M/S develop and apply a continental follow-up and coordination mechanism for assessing the status of implementation of the Protocol |
| 3. Harmonise all laws, policies, agreements, and immigration procedures to ensure compliance with the Protocol | 3. RECs shall harmonize their Protocols, policies and procedures of free movement of persons with the Protocol | 3. The follow-up and coordination mechanism shall include collection and analysis of data nationally and regionally to assess the state of free movement of persons |

**Table 3.2** : The Role of the Members States, the RECs and the AUC in the Implementation of the FMP
**Source:** AUC, 2021

It is therefore important to recall the vision and aspirations of the founding leaders who called for greater African unity, through the instrumentality of the RECs as building blocks to the AEC, in the interaction of the peoples on the continent in areas of trade, shared services, educational engagements and other areas of interactions. It was realised that our colonial past short-changed us from fully benefiting from the gains of taking advantage of uniting and pooling our resources together. Therefore, it is encouraging that the level at which sub-regional organisations, through the economic communities on the continent, developed has contributed to the growth and deepened integration in Africa.

This has led to progress in all the RECs in the areas of development of human resources, industrialization, intra-African trade, finance, agriculture, natural resources, energy, and infrastructure, including easing of constraints to labour migrations. Therefore, it is important to look at the development of the free movement agenda on the continent from its formal beginning in West Africa in 1979 to where the continent is today. Table 3.2 below shows the status of the ratification of the treaties and protocols on FMP in the RECs.

| Treaties or Protocols Governing Free Movement in Regional Economic Communities (Year of Establishment) | State of ratification by countries |
|---|---|
| • ECOWAS Treaty (1975) and its Protocol on the Free Movement of Persons and Goods, the Right of Residence and Establishment (1979) | • Ratified by the 15 member countries |
| • Treaty of the Economic Community of Central African States (1983) | 4 out of 11 countries have ratified |
| • Treaty of the Arab Maghreb Union (1989) | Ratified by 3 of 5 members |
| • Treaty of CEN-SAD (1989) and Protocol on free movement | In progress |
| • SADC Treaty (1992) and its Protocol on the Facilitation of Movement of Persons | 4 out of 16 countries have ratified it. It takes a minimum of 11countries (Two- thirds of its membership ) for the protocol to come fully into force |
| • Treaty of East Africa Community (1992) | Ratified by the 5 member countries |
| • Treaty of COMESA (1994) and its Protocol on free movement (2001) | • 12 countries have ratified the treaty, out of21membercountries. Only one country has ratified the Protocol. |
| • IGAD Treaty (1996) and Protocol on Free Movement | • In progress |
| • Free Movement Agreement of CEMAC (2017) | • Approved by 6 countries of Central Africa(Cameroon,Central African Republic, Congo, Gabon, Equatorial Guinea, Chad) |

**Table 3.3** Status of Ratification of the Treaties and Protocols on Free Movement in the RECs
**Source**: AUC, 2021

The Economic Community of West African States (ECOWAS) Treaty makes provision for "90 days of visa--free stay, an ECOWAS Passport, and the elimination of rigid border formalities, and stipulates residence permit requirement." By 2000, ECOWAS Heads of State and Government convened to discuss fast-tracking the objectives of the treaty. One of the main objectives of the meeting was the creation of a "border-less subregion." This feat at the time, was to be achieved through, among others, the removal of all checkpoints on international highways within ECOWAS - seen to be an antithesis to the free movement of persons - and the reduction of border procedures. Another important milestone at the meeting was the question of having a regional passport. The meeting agreed to rationalise the features of each of the Community's national passports to reflect a common ECOWAS document standard and design. Through these actions and others, including the advent of the ECOWAS Brown Card Motor Vehicle Insurance Scheme, developed in 1982 to "provide a common minimum insurance coverage for vehicles traveling participating states," In other words, FMP is slowly being realised. Another significant development was an agreement in 2014 by the ECOWAS Member States to replace the old ECOWAS Travel Certificate, approved in 1985 for 'intra-ECOWAS travel in lieu of a passport, with an upgraded biometric travel card called the National Biometric Identity Card (NBIC), effective 2015. This development also brings ECOWAS in line with the international standards, including those set by ICAO.

The East African Community (EAC) has also made remarkable steps in the realisation of free movement of persons in the region. The region has gone further with the attainment of the Customs Union (CU). The Treaty Establishing the EAC provides that "Partner States agree to adopt measures, achieve the free movement of persons, labour and services and to ensure the enjoyment of the right of establishment and residence of their citizens within the community. The EAC Common Market Protocol provides for cooperation by Partner States to achieve free movement of goods, persons, labour, services and capital, and ensure the enjoyment of the rights of establishment and residence of the nationals within the Community. It is apt to say that all the Member States have already implemented the right of entry. However, other elements of the Protocol are being gradually implemented. In order to facilitate implementation, Kenya, Rwanda and Uganda adopted the principle of variable geometry.

The Southern African Development Community (SADC) introduced a draft Protocol on the Free Movement of Persons in 2005, with the overall objective to "develop policies aimed at the progressive elimination of obstacles to the movement of persons in the Region." Since the Protocol is not yet in force and has only been ratified by four Member States, most SADC Member States have entered into bilateral agreements that allow their respective citizens visa-free entry. The SADC Protocol provides for "entry, for a lawful purpose, and without a visa, into the territory of another State Party for a maximum period of ninety (90) days per year for bona fide visits and in accordance with the laws of the State Party concerned; permanent and temporary residence in the territory of another State Party; and establishment of oneself and working in the territory of another State Party." SADC has also adopted a Protocol on Employment and Labour, as well as a Labour Migration Policy Framework, and Labour Market Information System. In addition, the SADC Protocol on Education seeks to ease mobility of students within the region. A Regional Qualifications Framework was developed by SADC to enable mobility of qualifications within the SADC.

The 1983 Treaty that established the Economic Community of Central African States (ECCAS) and the annexed Protocol Relating to the Freedom of Movement and Right of Establishment of Nationals of Member states form the legal basis for free movement of persons in Central Africa. The Protocol makes a distinction between tourists and business persons. For the latter, they are obliged to obtain a special certificate issued by the national chamber of commerce. It is nonetheless noted that implementation has been a slow process among Member States in the region.

COMESA adopted the Protocol on the Gradual Relaxation and Eventual Elimination of Visas in 1984 and the Protocol on the Free Movement of Persons, Labour, Services, Right of Establishment and Residence in 1998. These are protocols aimed at easing free movement of persons within the region. However, Free Movement is not clearly provided for under the respective protocols. The protocol on free movement underscores the importance of ensuring that citizens can move freely, take up job offers, render services, pursue self-employment and set up/manage undertakings without discrimination. The COMESA Business Council has negotiated implementation and ease of movement of business-people within the region.

The Free Movement provisions of the Arab Maghreb Union (AMU) and the Community of Sahel-Saharan States (CEN-SAD) are rudimentary. The 1989 Treaty of the AMU, like other RECs' founding instruments, envisages a region where people move freely across its Member States. However, of the three Member States that have adopted the Freedom of Movement Protocol, Tunisia is the only one that has fully opened up its borders to the other Member States, while the other States still require travel visas. Similarly, in the CEN-SAD, while sharing the vision of FMP within the region has been "stagnant" for a long time, guaranteeing free movement, residence, and establishment only through temporary bilateral agreements, such as that between Sudan and Libya.

The treaty establishing the Intergovernmental Authority on Development (IGAD) in 1996, forms the sole legal basis for free movement initiatives in IGAD. However, a draft framework for a Free Movement Protocol is in the works. The draft protocol is forward-looking containing provisions that harmonise migration policy with rights of establishment and residence, as well as border management.

Apart from IGAD and CEN-SAD, the removal of a major barrier to integration in most of the RECs has created free trade zones. This is a major development, facilitating informal trade that will also benefit from FMP in these regions. It is hoped that this development will be enhanced to include a customs union as envisaged under the African Continental Free Trade Area.

## MEETING THE CHALLENGES OF THE FREE MOVEMENT OF PERSONS IN AFRICA

Notwithstanding the progress made and the momentum of the past couple of years, Africa remains one of the regions in the world with the highest entry visa requirements and is more restricted for Africans travelling within Africa, as compared to Europeans and North Americans. FMP must align with the implementation of the Africa Continental Free Trade Agreement that commenced at the beginning of 2021, with trade in goods and services, as well as financial and economic integration. According to the African Development Bank (AfDB), "Allowing freedom of movement will mean African investors and entrepreneurs, including young people, can access information, skills, and technology to capitalize on these opportunities."

The AU has adopted the FMP Protocol to the Treaty Establishing the African Economic Community relating to Free Movement of Persons, Right of Residences, Right of Establishment. Annexed to the Protocol is an Implementation Roadmap, which takes cognizance of the variable geometry in terms of the level of free movement in different regions of the continent, and details what needs to be accomplished under each phase. The protocol has three phases of implementation - right of entry and abolition of visas; right of residences; and right of establishment. Furthermore, the protocol has provisions on the free movement of workers, free movements of researchers and students, as well as mutual recognition of qualifications. It also contains other provisions that include matters such as travel documents, the African Passport and the use of vehicles.

In spite of the expressed aspiration of achieving a continental FMP and the fact that FMP is quite advanced in a few of the RECs, only 33 of the 55 AU Member States have signed the FMP Protocol while only 4 countries - Mali, Niger, Rwanda and Sao Tome & Principe have ratified. The Protocol requires 15 ratifications to enter into force. It is pertinent to recall that during the negotiations of the FMP Protocol in 2017, Member States highlighted the following key challenges to the free movement of persons in Africa: National security and threats to public order, including violent extremism and terrorism; Cross border crime, human trafficking, proliferation of small arms and drug smuggling; Socio-economic conditions in Member States with shrinking resources; and Health epidemics as illustrated by the Ebola outbreak in 2014-15 and COVID-19 in 2020. These challenges are still valid as they were in 2017 and perhaps explain the reluctance to sign and ratify the Protocol.

A major challenge for many Member States of the AU with regard to the implementation of the FMP is around security concerns and threats to public order. Member States felt that adequate safeguards are required for the sanctity of the Protocol, while underlining the need to ensure effective measures are put in place in order to prevent situations whereby upholding the freedom of movement of people will not lead to situations where the "arrival and settlement of migrants in a host country will create or exacerbate inequalities or will constitute challenges to peace and security." Several issues were also raised around political and technical impediments that are strewn within the implementation landscape. The concern around violent extremism and terrorism were highlighted as beacons to be considered. The need to share requisite information between all security apparatus in countries appears to be less alluring to many Member States, even though this was a major concern for them.

It must be acknowledged that Africa's security environment is fragile with a wide array of on-going and emerging threats, including non-state threats. Militia factions and armed gangs are ubiquitous in the continent's civil wars, fighting both for and against African governments. A nexus has also developed among organized criminal groups involved in trans-national organized crimes like terrorism, kidnapping, human trafficking, migrant smuggling, trafficking in small arms and light weapons, etc. Coincidentally, major terrorist groups such as Al-Shabaab and Boko-Haram/ISWAP operate in regions of Africa (East and West Africa) with a high level of FMP. However, armed insurgents and terrorist groups are also active and operate in regions with low implementation of FMP.

In the context of security concerns, there is also the standard and integrity of international travel documents. The consensus at the negotiations was that the integrity of these documents must be guaranteed at all times. However, it was felt that some countries had not met the required standards set by International Civil Aviation Organization (ICAO) regulations including biometrics which are available in only a few Member States.

Nevertheless, they have not fulfilled their existing international obligations to maintain the integrity of their travel documents. Such obligations are found in Articles 12 and 13 of the Palermo Protocol on Smuggling of Migrants to which 43 AU Member States are States Parties.

Linked to this is putting in place effective civil registration systems that will constitute the bedrock of reliable and verifiable identity and travel documents, whether passport or ID Card-sized that are ICAO compliant. It was in this context that the Ministers in charge of Migration, Refugees and IDPs, at their second ordinary meeting in Kigali in October 2017 requested the AUC "to convene a meeting of Member States Immigration Chiefs to develop guidelines and specifications for the design, production, issuance and use of the African Passport as launched by Heads of State and Government in July 2016 in Kigali, Rwanda." The way forward is to enhance government and donor investment in civil registration and strengthen the identity chain, and to raise attention to and investment in travel documents for free movement areas.

Another major challenge is the question of border management and information systems. The challenges and pressures at borders can be overwhelming. Border officers must protect the boundaries from being used by organized criminal groups and terrorists to gain entry to other countries, curb the smuggling of goods and people, and combat irregular migration. Free movement of persons will increase the heat that border management is already facing. There is a need to harmonise border management on the continent and to harmonise processes between Member States and at the national level at all borders - land, sea, and air border control.

Thus, while the security concerns of Member States are legitimate and should be recognized, there is no clear correlation between free movement of persons and increasing insecurity. The evidence on the prevailing narrative on links between free movement and security remains largely anecdotal. It should also be acknowledged that the AU Peace and Security Council at its 661st Meeting of 23 February 2017 underscored the fact that the benefits of free movement of persons, goods, and services outweigh the real and potential security and economic challenges that may be perceived or generated.

Added to the security concerns is the desire of states to maintain their sovereignty through having control over those who enter their territory. The protection of the labour market within countries is also one of the elements evoked by the States to continue to control the entry into their territory. In reality, the natural boundaries of African states make it difficult to control entries and exits throughout an entire territory.

However, the concept of free movement of persons is often poorly understood, including by government officials, the private sector and the general public. There is the misconception that moving towards free movement in the AU context entails the removal of borders and will lead to the uncontrolled irregular movement of persons across borders. This is not the case, as the vision articulated in Agenda 2063 is one of a continent of "seamless borders" where people, goods, and services can move more freely. Measures contained in the FMP Protocol and its implementation plan are very rigorous and if properly implemented could allay the perceived misunderstanding.

There is also the social and political challenge that free movement of persons brings int its wake. It is worthy to note that free movement of persons extends to those rights around residence and establishment and thus gives rise to concern about jobs creation and youth unemployment. There are also concerns about national social protection measures being made available to migrants and the portability of social security. One of the strategies recommended by the AU Social Policy Framework (SPF) of 2007 is the promotion of regional integration and collaboration of social security schemes in African countries, in order to ensure the portability of social security rights and benefits of labour crossing the borders. However, the SPF remains largely unimplemented by Member States. The fierce competition for jobs and shrinking resources for social services for the unemployed that sometimes lead to unrest, violence, and xenophobic attacks on migrants and foreigners speaks to the fact that many countries are shy to embrace the FMP Protocol.

Epidemic outbreaks like the Ebola virus in West Africa in 2014-2015 and the COVID-19 pandemic in 2020 have significant implications for mobility and, free movement of goods and services. The initial reaction of Member States is often to apply migration instruments to deal with public health emergencies, including entry and exit control for departing and arriving passengers at ports of entry. Sometimes, the application of these migration instruments goes beyond the scope prescribed in the International Health Regulations (IHR, 2005). The unprecedented COVID-19 pandemic resulted in border closures, travel restrictions, flight bans, and lockdowns by African countries to curb the spread of the virus. The existing border challenges have been exacerbated by Covid-19. For instance, due to Covid-19 operations at the EAC one-stop border points (OSBPs), movement was virtually paralysed, with EAC Member States experiencing unprecedented traffic jams of heavy-duty trucks. . Major delays in clearance at OSBPs have been occasioned by stringent restrictions by Member States, which at times include the closure of borders, mandatory testing and quarantine, and lack of harmonisation of travel requirements. These challenges delay supply of essential goods, such as food supplies, because the clearance of trucks has reduced to less than 50%, causing extra expenses to truck drivers and owners and increasing the chances of the spread of the virus in border towns.

Thus, the implication of the COVID-19 pandemic on the movement of persons, goods and services has been to curtail continental mobility due to border closures, travel restrictions, and new travel requirements at least in the short to medium term until a vaccine is widely available and accessible for the majority of the population; and the virus is fully under control. Fortunately, the Africa Centres for Disease Control and Prevention (Africa CDC) and the AUC have an online tool -TrustedTravel which seeks to simplify verification of public health documentation for travellers during exit and entry across Member States borders. However, the lesson is clear: it is the virus that should be isolated and not people, goods, and services.

## RECOMMENDATIONS: STRATEGY TO ACCELERATE THE RECTIFICATION AU FREE MOVEMENT OF PERSONS

The FMP Protocol requires a total of 15 ratifications for its entry into force. At the moment, it has attracted 32 signatures and four ratifications. This follows minimal popularisation and promotion efforts by the AUC to drive the message towards the realisation of the African integration agenda. There is a need for renewed and concerted advocacy for the popularization, ratification, and entry into force of the Protocol, as well as generating momentum (similar to that of AfCFTA) for its implementation. It is in this context that the following recommendations are proposed:

- Elevate the strategy to popularise and promote the Protocol at the regional level by getting the two regions that have implemented the free movement agenda to jointly implement the protocol by formally 'accepting' the Protocol. It is envisaged that if all the ECOWAS and the EAC Member States duly follow the process of 'acceptance' of the Protocol, then it can come into force. Moreover, the implementation road map made provisions for RECs to collaborate and advance the implementation of the protocol through an agreement that will offer the same opportunities accorded to citizens of countries within their respective RECs. ECOWAS and the EAC can also take this step.'

- However, it is the desire of our founding leaders for the application of the Protocol to be continent-wide. It is in this regard that popularization and promotional activities should be carried out. Such activities will be at the apex level, through the use of the good offices of a leading Head of State or Government as the Champion, supported by an Envoy to be appointed by the Chairperson of the Commission. The Head of State is expected to accelerate the promotion of the Protocol at its highest level, lead the advocacy and lobby in order to have effective traction in member states, leading to the signing and ratification of the Protocol. Other popularization activities under the aegis of the Champion will include activities at various strata of the society, which bring the idea of free movement into the reality of the people. The Champion should spearhead not only the ratification of the Protocol but also promote its effective implementation in the regional and continental level.

- Coordination is very key to the implementation of the elements of the Protocol. There is, therefore, a need to establish a national and regional focal point that will coordinate ratification and implementation of the Protocol at the country level and be able to feed into both the regional requirements as well as continental requirements seamlessly. Such coordination mechanisms will be supported by the AU Commission to strengthen collaboration, sharing of knowledge and good practices between all key stakeholders on the implementation of free movement of persons.

- Set up a specialised Technical Unit within the AUC for implementation and coordination of the FMP. The Protocol envisaged a gradual and phased implementation, based on the principle of variable geometry, starting at the lowest common denominator upwards to the highest common denominator. Pertinent to recall that at the Second Ordinary Session of the STC on Migration Refugees and IDPs in October 2017 in Kigali, the Ministers requested the AUC "to submit to the relevant Policy Organs, a proposal to establish a specialized technical unit that will provide technical assistance for the realization of the Implementation Roadmap annexed to the Protocol and to follow up the implementation of the Protocol after adoption." It is expected that the AUC assistance for the realization of the Implementation Roadmap annexed to the Protocol and to follow up the implementation of the Protocol after adoption." It is expected that the AUC will remain the cornerstone of implementing the programme. This is a very big task for the Commission. The latter will work with focal points at the national and regional levels to surmount the challenges earlier identified. The implementation of the FMP Protocol requires a lot of resources, including financial, material, and human/technical resources at all levels. A key aspect of the task of the Specialized Technical Unit is resource mobilization. However, a critical step is to establish a full-fledged functioning Specialized Technical Unit within the Commission as directed by the Ministers in charge of Migration, Refugees, and IDPs and endorsed by the AU Executive Council in January 2018.

- It is recommended that a strategy for promoting the entry into force and the implementation of the protocol be put in place by the Commission. The foregoing recommendations should be part of such a strategy. The strategy should provide for short term, medium term and long-term measures targeting specific stakeholders at the national, regional and continental levels that will have direct impact on the protocol's ratification and ultimate implementation. The strategy should therefore cover all aspects of the Protocol - Right of Entry, Right of Residence and Right of Establishment. It is expected that the AU Commission will meet its obligation as set out in the body of the Protocol, to coordinate and ensure implementation of the strategy at the national, regional and continental levels which include communication and knowledge management.

- During Preparatory Meetings for Commencement of Trading under the AfCFTA held from 16-20 November 2020, AU Head of State and Government urged Member States to prepare national strategies for utilizing and benefiting from the AfCFTA. It is important to include in these national strategies, the role and implementation of the FMP. In addition, the AU Assembly should mandate the Council of Ministers of Trade and the Negotiating Forum for the AfCFTA to establish the FMP Protocol as a core commitment in the Protocols on Trade in Goods and Services of the African Continental Free Trade Area (AfCFTA) and for States Parties to the AfCFTA to provide for Specific Commitments in their Schedules for Trade in Goods and Services to the AfCFTA Agreement.

- The AUC, RECs and Member States to ensure effective coordination in the harmonization and alignment of national laws and regional instruments to the Protocol, as it is critical for its successful implementation. They could conduct studies on the most feasible ways of coordination and harmonisation of laws, policies, and procedures. They shall allocate adequate resources for the effective implementation of the Protocol and ensure joint resource mobilisation mechanisms that will enable popularisation and implementation of the Protocol.

# REGIONAL INTEGRATION IS ESSENTIAL FOR POST-COVID ECONOMIC RECOVERY

COVID-19 continues to ravage economies around the world, and the African continent is no exception. Although Africa has done relatively well to shield itself from the worst of the health crisis, infection rates in many countries continue to rise. Meanwhile, COVID-19's economic impact on the African Continent is already painfully clear: a first recession in 25years, with economic activity falling by more than 3% in 2020, according to a recent report by the World Bank. Returning the world to any kind of recognizable 'normal' will take years. Even so, there are ways Africa can speed its economic recovery - and may be build a stronger, more robust, more competitive post-COVID environment for business, growth and job creation. To achieve this, regional integration is essential.

## Introduction

The Corona Virus Pandemic (COVID-19) has had a massive impact on regional and global trade. How is this affecting regional integration? Are regional institutions moving to become more autonomous or even protectionist economic blocs as the liberal trade system weakens? Or are they bastions of free trade and openness? More generally, have they seized the opportunity to use their unique position to lead economic and public policy responses in their regions? To understand this, we first need to analyse the different types of trade and economic policy responses to COVID-19 and how they relate to regional integration.

In Africa, regional integration has long been viewed as a catalyst for long-term prosperity. With COVID-19 placing severe strain on economies across the continent, regional coordination can be an effective approach to manage the response and promote post-pandemic recovery. The African Continental Free Trade Area (AfCFTA), which has now been operationalised, has created a platform and dialogue to support this. In a COVID-19 environment that has been defined by the closure of national borders and the collapse of global supply chains, the continent is more likely to become more interdependent than ever.

COVID-19 exposed the deficiencies that the Continent faces, but it has also brought its strengths and resilience to the surface. When global supply chains got disrupted, neighbours became the source of our imports; regional integration became the solution. Let the Continent build on this because indeed, regional integration is essential to the Continent's post-COVID recovery. This will require more work - the African Union, the RECs, the States, the Private Sectors and Civil Society all have a role to play as highlighted in this Report

Barriers rose over the past year; trade and international travel have been forcefully curtailed in a bid to manage the COVID-19 pandemic. The worldwide goods trade is expected to plunge between 13% and 32%. Across the world, governments have been quick to stop essential supplies from leaving the country whilst doing everything they can to lure those same goods in from elsewhere. Uncoordinated national action is inefficient and risks smaller countries being muscled out of global markets, and this is where Africa found itself over the last year.

## AFRICA SINCE THE ONSET OF COVID-19

Covid-19 has presented the Continent with three key challenges:

1 Preventing infections and saving lives
2 Protecting the poor and the vulnerable, and
3 Recovery: Vaccination and building back and building back better.

## Restrictive Measures put in Place by States

To respond to COVID-19, many AU Member States have been using a combination of containment and mitigation measures to delay a surge in cases that could overwhelm the availability of hospital beds while protecting the medically vulnerable, such as the elderly and those with comorbidities. By the end of March 2020, most countries had imposed travel bans on most affected Asian and European countries and had instituted mandatory quarantine periods for most travellers. Through April and May, more than 40 countries closed their borders, allowing only cargo, freight ,and the expatriation of foreign nationals. Mitigation measures, including restrictions on movement, public gatherings, and schools, were also implemented. As early as 20 March 2020, AU Member States that had reported fewer than 100 cases were imposing lockdowns and curfews to prevent further COVID-19 transmission within their borders. Probably due to these early efforts, some AU Member States have seen a reduction in average daily case growth.

Physical-distancing measures enforced to limit transmission restricted access to essential non-COVID-19 healthcare services. As seen with previous Ebola virus disease outbreaks, disruptions in the existing programs for tuberculosis, human immunodeficiency virus, malaria, and vaccine-preventable diseases will cause long-lasting collateral damage on the continent.

According to the United Nations Economic Commission for Africa, each month of lockdown puts up to 2.5% of the African Gross Domestic Product (GDP) at risk.

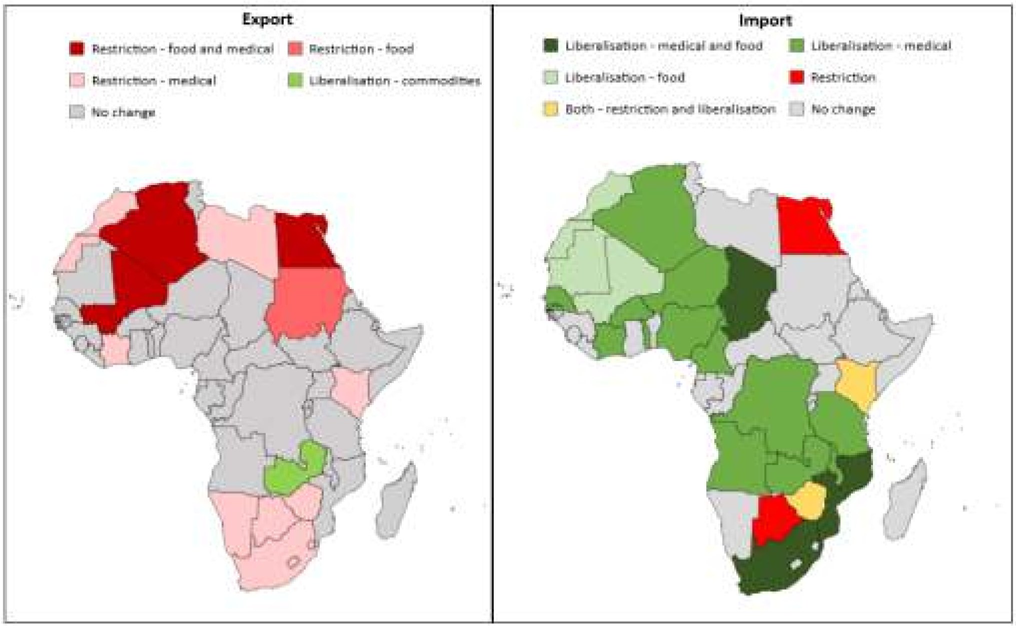



**Figure 4.1;** Many African countries have restricted exports and liberalised imports in response to COVID-19
**Source:** International Trade Centre (2020)

## LESSONS FROM COVID-19: INTEGRATION OF HEALTH TO STRENGTHEN THE HEALTH SYSTEMS

### Continental responses to COVID-19: What has the African Union/Africa CDC done?

The African Union through the Africa CDC developed the Africa Joint Continental Strategy for COVID-19 Outbreak and also established the Africa Task Force for Coronavirus (AFTCOR). The strategy and task force were endorsed by Africa Ministers of Health in a meeting in February 2020 and approved by the Bureau of the African Union Heads of State and Government in March 2020. It provided direction for all other initiatives of the African Union.

As the AU technical agency in charge of continental health security, the Africa Centre for Disease Control and Prevention (Africa CDC) started monitoring reports of pneumonia coming from Wuhan in early January 2020. Africa CDC activated its Emergency Operations Centre for COVID-19 on 27 January 2020 after at least four Asian countries had announced cases. Weekly virtual coordination meetings with Africa CDC Regional Collaborating Centres, ministries of health, and national public-health institutions were then organized, in addition to regular press briefings and weekly briefs, to ensure timely dissemination of information about the rapidly evolving pandemic. Communication was reinforced across the five AU regions by the Regional Collaborating Centres, which enabled verification of countries' alerts and reports. Data shared by countries and monitored by Africa CDC's event-based surveillance team are channelled to a live 'dashboard' that provides real-time insights into the evolution of the pandemic across the AU Member States.

Strategic actions began with the development of the Africa Joint Continental Strategy for Coronavirus Outbreak and the formation of a multidisciplinary, multisectoral Africa Task Force for Coronavirus

The African Union (AU) through the Africa CDC, developed the Africa Joint Continental Strategy for COVID-19 Outbreak and also established the Africa Task Force for Coronavirus (AFTCOR). The strategy and task force were endorsed by Africa Ministers of Health in a meeting in February 2020 and approved by the Bureau of the African Union Heads of State and Government in March 2020. It provided direction for all other initiatives of the African Union.

In order to ensure effective coordination, the AU Bureau of Heads of State and Government has regularly convened fortnightly meetings to discuss COVID-19 status in the continent, the continental strategy to respond to the COVID-19 pandemic, progress in the implementation, and challenges. On 26 March 2020, the Bureau emphasized collaboration through coordination and communication, and endorsed the AFTCOR, established a Ministerial Level Coordination Committee, and set up the Africa COVID-19 Fund.

The African Union Commission convened a virtual Joint Ministerial Meeting of Ministers of Health and Finance on 3 June 2020 to discuss progress made and the status of the ongoing efforts to flatten the pandemic curve and combat the social and economic shocks in Africa related to COVID-19.The meeting aimed to provide a coordinated approach to support African countries, to protect the lives and livelihoods of Africans, and to ensure that Africa speaks with one voice in its continental approach to mobilize resources for medical research including indigenous knowledge systems; to negotiate with multilateral, bilateral and private creditors for debt relief; to mobilize resources for economic recovery and stimulus packages; and, to rebuild African sustainable economies post COVID-19.

## Regional responses to COVID-19: What have RECs done?

How have RECs and States worked with Africa CDC to address the pandemic? Since the declaration of the COVID-19 outbreak in December 2019, the African Union, through Africa CDC, implemented several strategic initiatives to support the Member States in their preparedness and response.

Support to the Member States was a priority and has been in the form of provision of test kits and other medical supplies, and training in several technical areas, including laboratory, case management, infection prevention and control, risk communication and community engagement, and supply chain management. Through the weekly AFTCOR meetings and other similar forums, Africa CDC brought together partners to provide direction for response across the continent and advise the Member States on key issues. Africa CDC mobilized financial, technical, and material resources to support the Member States and continues to provide guidance when needed.

Working closely with the African governments, the World Health Organisation (WHO), the private sector, and various partners, Africa CDC, with its Regional Collaborating Centres (RCCs), continues to support the Member States in their preparedness and response activities. Africa CDC is leveraging the AU political, policy, and advocacy capacities to respond to the pandemic.

## The Road to Self-Reliance: COVID-19 Leaves Africa on its Own

COVID-19 has led to emergent local manufacturing and enhanced regional cooperation, which needs to be sustained. The COVID-19 pandemic has also shown Africans that the Continent's future is in their own hands both literally - with hand-washing - and figuratively - shut-out and left on their own - coronavirus swept across the world. Local efforts must therefore be recognised.

As the pandemic hit the Continent, the African Development Bank (AfDB) and the African Export-Import Bank launched multi-billion-dollar funds. In a coordinated effort with other regional financial institutions, including the Africa Finance Corporation (AFC), Trade and Development Bank (TDB), and Africa50, they launched public and private sector initiatives that have helped strengthen supply chains and support Africa's own CDC.

So far, Africa has had far fewer cases than expected, but the economic impact has been widely felt. With people not able to earn a living due to lockdowns, there is a risk that an economic crisis could become a political crisis. Africa's powerful economic and development institutions are heavily focused on addressing the economic fallout and planning for a post-COVID Africa.

The disruption in the global supply chain has a silver lining. Dependency on imports from China and Europe has become excessive for African countries. An interruption to the surge of imports has and will oblige countries to find alternative strategies. Regional manufacturers will need to rise to the challenge and fill the void left by reduced Chinese and European imports, not just for this period of crisis but for the future. In this context, the crisis is underpinning the importance of the African market and the urgency of implementing the African Continental Free Trade Area. It is commendable that African textile firms have taken the opportunity to produce masks and other personal protective equipment; other firms are producing sanitisers and even ventilators - necessity is the mother of invention and it is indeed an opportunity for African manufacturing to emerge and grow.

Africa has shown its resilience. Africans had a growing sense that they were on their own. If there were going to be a saviour, it would be Africans themselves.

## THE ROAD TO POST-COVID RECOVERY

Besides, the health crisis, the challenges and threats posed by COVID-19 in Africa are many:

- Many countries are increasingly exposed to the global economy via trade - the disruption of supply chains will continue to have a major negative impact on industrial parks and horticulture/floriculture exports.

- Even pre-COVID-19, governments were facing unsustainable debt levels - the crisis has served to further tighten fiscal space.

- Owing to climate change and the ongoing locust plague in the Horn of Africa, the region has a precarious food security situation which has been made worse by the pandemic.

- A number of countries are highly dependent on the services sectors, which contributes nearly 50% of GDP. For instance, the hospitality sector has been heavily affected by the pandemic.

So - what needs to be done to deal with the crisis and sustain economic growth?

- Mobilising more investment through domestic resources.

- Investing more in public health, which has not hitherto been a priority in many African countries. Lockdowns ensured that people could not seek medical attention outside the country.

- Expanding social protection measures - with better coverage of urban poor and informal sector.

- Strengthening regional integration by implementing the AfCFTA (this may create greater opportunities for regional manufacturers to fill the void left by reduced imports from China & Europe).

- Moreover, the effects of the oil price collapse on African nations dependent on commodity exports shows the importance of economic diversification. This can only be realized through significant trade between neighbours, which will help countries currently dependent on commodities to broaden opportunities for value-added manufacturing.

Post-COVID-19, making sustainable progress in these will demand the combined efforts of governments, the private sector, and development partners. Africa's recovery from COVID-19 should be an opportunity to create a stronger, more resilient, and more connected continent.

In good times, with Europe accounting for around 30% of African trade, there has been little appetite to upset the status quo. In times of economic unease, African nations, like many around the world, have tended to withdraw into themselves rather than pursue broader trading options. Repeating this pattern for a generation, African nations have historically ceded economic power to external actors, remaining price-takers and struggling to develop their own solutions at times of crisis. However, change is in the air. COVID-19 is among a confluence of factors lining up to shift Africa from the old way of doing things and drive the continent towards greater prosperity and resilience.

**Africa should shift from Border Policing to Comprehensive Border Management**

The adverse effects of the COVID-19 containment measures for the global economy are significant. In Africa, the pandemic has stressed the urgency for local production. The disruption in global supply chains made African countries realise that they had to rely on one another since they could only source goods from across their borders. But how is mobility across African borders? How well have goods and people been able to move on the Continent? The pandemic has exposed a number of challenges. First, it is clear that much of Africa lacks the infrastructure to support dynamic internal trading relationships. The second issue is about borders and border management. The evolving nature of the threat of an infectious disease with the potential for transmission led to border closures (land, sea and air) except for goods. When the borders re-opened, movement was restricted and long queues were witnessed. It highlighted another problem: that borders in Africa were constructed to keep people out and not to facilitate free movement. Restrictions on the African regional movement of people and tighter border controls have disrupted economic activities through reduced trade and disruption in regional supply chains which kicked in as a substitute to the global level disruptions. Besides, borderlands are located on the margins; border regions in Africa are alienated from the state; majority of border communities lack basic amenities such as portable water, schools and health centres. The crowds at the borders during the COVID-19 restrictions have been exposed to these difficult conditions which are 'super-spreaders' of the virus. This situation exposes the border communities to challenges of health and security, among others. The situation at the borders highlights the contradictions in policy making; for instance, in the case of Southern Africa where there is a high volume of immigrant labour, states allowed in essential goods but kept out technicians who were needed to repair the machinery and keep production going. Policy coordination seemed to have been lacking or was not well-thought out.

## Important Issues to Address:

The pandemic points us to a number of sectors that demand the continent's attention:

- Building Resilient Roads: Roads are hugely important to local communities and countries alike. For instance, in Uganda, they carry 95% of freight traffic and 99% of passenger traffic and contribute 3% of the country's GDP. Sustainable roads also connect people to jobs, education, and health, boost regional integration, link communities to income-generating markets, expand economic growth, and decrease poverty. Securing the future involves maintaining critical service delivery and building resilient roads, railways, and even airlines.

- Digital Infrastructure: Regarding digitization, COVID-19 has catalysed the adoption of digital technologies that are helping connect businesses with customers and suppliers, link students with teachers, and convene families and friends. While some of this binding of the social and economic fabric was happening before COVID-19, Africa's digital potential remains largely untapped. A recent report by International Finance Corporation (IFC) and Google estimates that Africa's Internet economy could reach 5.2% of the continent's GDP by 2025, contributing nearly USD180 billion to its economy. Today, however, Africa remains the least connected continent, and only 10 of 45 tracked African countries meet the affordability standard for internet, as recommended by the United Nations Broadband Commission. It will, therefore, be crucial for governments, the private sector, and other partners to work together to build digital infrastructure, advance digital skills development, and cultivate tech talent to bring the benefits of digital technology to millions of more people across Africa.

- Covid-19 and Innovation: While COVID-19 might have set Africa back, it has not dampened the Continent's appetite for innovation and growth. In the battle against COVID-19, many African countries have taken bold and innovative actions to help curb the spread of the coronavirus, save lives, protect their citizens, and create jobs. Tailors across the Continent are making life-saving masks, cash transfers are supporting some of Africa's poorest and most vulnerable families, and theatre is being used in countries such as Burundi and Ghana to promote health and safety measures.

- Local Production and Local Manufacturing: From the above, COVID-19 has further stressed the urgency of local production. Besides, regional integration, both at the continental level and within each of the main economic blocs - AMU, COMESA, EAC, ECOWAS, ECCAS, COMESA, IGAD, and SADC to name a few - can help Africa accelerate progress and economic gains. In fact, it has helped to supply markets when global supply chains collapsed.

- Food Production: The continent has been uniquely affected by the pandemic's impact on food supply chains, revealing underlying vulnerabilities that threaten to bring a different crisis and leaving the spectre of famine looming over several African countries. Even before the global COVID-19 pandemic broke out, food insecurity was a serious concern throughout sub-Saharan Africa. In 2021, an unprecedented locust outbreak that is ravaging parts of the Horn of Africa could result in $8.5billion in crop and livestock losses, severely reduced harvests, and less food in markets. Climate shocks, which have been increasing in number and severity in recent years, could also hurt agricultural production. These multiple crises, unfolding at the same time, threaten to swell the ranks of Africa's hungry and vulnerable people. What will it take for African countries to prioritize food and agriculture systems as an essential service? This should be a priority area.

- Urban Infrastructure: Urbanization is also transforming the continent. Its major cities are growing rapidly, with millions seeking opportunities in Johannesburg, Abidjan, Kinshasa, Lagos, Nairobi, and in fast-growing but smaller hubs, such as Lilongwe and Niamey. Urbanization is creating new demand for goods and services, supporting new ideas and initiatives, and attracting investors to help create more competitive, innovative, and efficient markets. The benefits of

- urbanization will only be realized if urban dwellers can rely on essential services like power, water, sewage, housing, and transport. Whether through public, private, or a combination of providers, cities that provide these are more likely to be positive forces for economic growth, poverty reduction, and human development.

- Financing for Business: Business finance is also essential to help businesses to recover.

- Risk Financing is Critical to COVID-19 Recovery: The post-pandemic transition to fiscal consolidation is important to improving debt sustainability, but for Africa, it is key for countries to strengthen their financial resilience to future shocks.

## Africa needs the AfCFTA to Transform its Economies

According to the World Bank, implementing the African Continental Free Trade Agreement would boost Africa's income by USD450billion by 2035 (a gain of 7%). Africa is ambitious with its plans for easier, freer trade, though trading across borders remains challenging in many parts of the continent.

The AfCFTA creates a huge continental market - but this market is not for its own sake. We must take advantage of the opportunities that it brings with it. We must produce for this market. We must also put in place the infrastructure - both hard and soft - to facilitate this trade: to produce, pay and move the goods to the consumers. Governments do not do business - they facilitate. Businesses should continue to learn about the opportunities available, the roles that they can play and to exploit them.

Building on a decade-long trajectory towards greater continental integration and more diverse trading relations, the ratification of the African Continental Free Trade Area (AfCFTA) now has the capacity to eliminate the barriers to intra-African trade and establish wide-reaching economic

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This is the reality that Africa faces as it rolls out its flagship project, the African Continental Free Trade Area (AfCFTA), which started trading under the agreement in January 2021. The initiative brings together a potential market of more than a billion people and has a lofty ambition of increasing intra-African trade from below 20% currently to more than 30% in just a few years by attracting investment into manufacturing, agriculture, and other sectors and building regional value chains.

Intra-African trade is well below that of other regions such as Europe (68%) and Asia (59%) despite years of trade facilitation, the existence of a raft of free trade areas and customs unions, and high growth in many economies. According to the United Nations Conference on Trade and Development, trade within Africa is of better quality than its trade with the rest of the world. The former has higher manufacturing (46.3%), and medium, and high-technology content (27.1%), as well as more product diversity than the latter. By extension, therefore, the free trade area can help African countries transform by expanding domestic productive capacity, enabling them to move up the value chain and diversify local and export production.

The potential loss of USD4.1-billion in tariff revenues for national governments is expected to be offset by increased employment and better use of domestic resources to increase production of new goods and services, among other benefits. In any case, tariff revenue losses are relatively contained for most African countries, given low levels of trade among themselves.

That is the theory. However, current realities are likely to counter the expectations that the AfCFTA is some kind of silver bullet that will transform Africa, sweeping away decades of embedded dysfunction and challenges. The spirit of free trade is well represented at public forums across Africa. But policies and actions at a national level tend to paint a picture that is characterised by a reluctance of leaders to implement the agreements they sign up to once the fanfare has died down.

Undoubtedly, the AfCFTA has enjoyed significant political commitment to date and there are rafts of trade bureaucrats hammering out the details behind the scenes. But it is not starting from scratch. The continent is amply covered by eight officially recognised RECs and many of the technical issues have already been dealt with in existing free trade areas. Covid-19 may have ushered in many new problems for countries to tackle, but it has also provided an inflexion point for policymakers to decide whether it will be business as applied to making economies more self-sufficient and resilient.

The AfCFTA is not an event, but a long, slow and complex process that will take years to gain traction, given the scale of challenges on the ground that may undermine its progress and potential. But it has undoubtedly created a framework for change and given the possibility of a better new continental momentum.

## Opportunities Abound

The opportunities from more integrated and diverse trade across the continent are evident from the benefits already accruing for a select group of trailblazers. In Francophone West Africa, harmonization of currency and regulation has demonstrated what regional cooperation can achieve. Trade hubs like Cote d'Ivoire and Senegal have already emerged (measured as a share of total regional imports).

It is, however, on the Anglophone side that resides the largest trading hub. South Africa alone contributes to about 35% of all intraregional imports in Africa (and about 40% of intraregional manufacturing imports).

Size does not always matter. Algeria, Egypt, and Nigeria, which collectively represent about half of Africa's total GDP, account together for only 11% of continental trade. In contrast, the three leading intra-African exporters in 2015-2017 were Eswatini, Namibia, and Zimbabwe - all three nations of limited size, but leading Africa in export contributions. Importantly, all three are members of SADC.

The successful experience of these countries shows that closer integration can be a vital framework for building value-added economies.

## Africa should shift from Border Policing to Border Management

Another issue is about borders and border management. The evolving nature of the threat of an infectious disease with the potential for transmission led to border closures (land, sea, and air) except for goods. When the borders re-opened, movement was restricted, and long queues were witnessed. It highlighted another problem: that borders in Africa were constructed to keep people out and not to facilitate free movement. Restrictions on the African regional movement of people and tighter border controls have disrupted economic activities through reduced trade and disruption in regional supply chains which kicked in as a substitute for the global disruptions. Besides, borderlands are located on the margins; border regions in Africa are alienated from the state; the majority of border communities lack basic amenities such as potable water, schools, and health centres. The crowds at the borders during the COVID-19 restrictions have been exposed to these difficult conditions, which are 'super-spreaders' of the virus. This situation exposes the border communities to challenges of health and security, among others. The situation at the borders highlights the contradictions in policymaking; for instance, in the case of Southern Africa, where there is a high volume of immigrant labour, States allowed in essential goods but kept out technicians who were needed to repair the machinery and keep production going. Policy coordination seemed to have been lacking or was not well-thought out. Maybe, it is time to rethink trade facilitation and border management in Africa. It is time for the continent to shift from border policing to comprehensive border management. COVID and borders should not become new NTBs that then push people, especially small-scale traders who are largely women and young people, away from the official routes into the hands of smugglers and other illicit practices. People on the move are not better transmitters of infections - it is the conditions under which they move that put them and every-one else at risk; let us provide better conditions for cross-border mobility.

It is not without potential pitfalls. One is the congestion that is likely to develop at Martin's Drift border post, currently an alternative to the main border post at Gaborone into Bot-swana, as demand increases. And sections of the roads along this main trade route, an integral part of the North-South Corridor, are in urgent need of repair, for example, several hundred kilometres of a two-lane highway through Botswana to Kazungula, with eroded shoulders, deep potholes, and livestock roaming the unfenced verges. The challenges on movement across the Continent go beyond the borders. Travelling by road across Africa can be a sobering experience, characterised by delays, inefficiency, and overzealous bureaucracy. There is a range of literal and figurative potholes that are major constraints to trade. Even as trucks battle with bad roads and congested border posts, they also need to navigate a host of other issues, such as roadblocks designed mostly to extort money from drivers. Transport costs make Africa one of the least competitive regions for exports and trade.

The continent's import dependence and colonial trade patterns are reflected in traffic movements - trucks laden with minerals and other raw materials heading for the sea, returning either empty or loaded with imports. This is the reality that faces Africa as trading under the AfCFTA kicks off.

The initiative brings together a potential market of more than a billion people and has a lofty ambition of increasing intra-African trade from under 20% currently to more than 30% in just a few years by attracting investment into manufacturing, agriculture, and other sectors and building regional value chains.

The work has just started; the AfCFTA is not an event, but a long, slow and complex process that will take years to gain traction, given the scale of challenges on the ground that may undermine its progress and potential. But it has undoubtedly created a framework for change and given the possibility of a better new continental momentum.

## The Role for the Private Sector

Governments and trade finance institutions have a part to play in this project: supporting businesses with the potential to engage in cross-border trade by giving them the tools to scale up and build a leading regional position. Their role is also one of road-building - literally.

Much of Africa lacks the infrastructure to support dynamic internal trading relationships, having spent decades fixated on European imports and exports. As such, you often find countries with an international airport but no roads or railways to their immediate regional neighbours. Simple measures such as the building of secure and well-placed roads, rail systems, and technology-based infrastructure could transform interaction and open new markets for a more diverse set of goods.

The African Continental Free Trade Area correctly identifies these historical obstacles to Intra-African free trade, and the height of its ambitions appropriately matches a moment in which Africa's young, increasingly prosperous population, is well-placed to kick off a period of rapid growth.

## INCLUSIVITY IN THE AFRICAN INTEGRATION PROCESS: WOMEN AND YOUTH

Women and the youth play a significant role in trade in Africa and will be essential to the continent's success in leveraging the full potential of the AfCFTA. Most entrepreneurs in Africa are women, but women continue to face challenges and obstacles that limit their competitiveness and make their businesses less productive than those owned by men. Women also comprise the vast majority of informal cross-border traders in Africa, though these female traders are disproportionately affected by Non-Tariff Barriers (NTBs), including corruption, harassment, misinformation about customs procedures and regulations and confiscation of goods. COVID-19-related restrictions have also affected them disproportionately. To deliver on its transformative potential, the African Continental Free Trade Area (AfCFTA) needs to support the creation of decent jobs, reduce inequalities and promote sustainable, inclusive development. Advancing gender equality is key to achieving these objectives.

One of the challenges of regional integration in Africa is inadequate sensitisation and involvement of stakeholders. Citizens should be fully engaged since at the end of the day; they are the beneficiaries of the integration process; they are the ones that should take advantage of the opportunities that integration brings and trade across borders. Let us look at the case of women and youth that have historically been on the margins on many processes on the continent.

The case for women and youth as key stakeholders in Africa's economic development is easy to make as Africa's informal sector accounts for 85% of the continent's total economic activity; and while women account for 90% of the labour force in the informal sector, they constitute 70%t of informal traders. Also, 60% of Africa's population is under the age of 25, making Africa the world's youngest continent.

They have also been the most affected by the COVID-19 pandemic. There have been many job losses, and the youth are the biggest victims. The pandemic has resulted in lockdowns and being the biggest participants in informal cross-border trade, women have found themselves unable to cross borders to sell their products. Border closures, stringent measures, and costly testing has pushed left women without sustenance. Others have been pushed to use illegal channels, which expose them to corrupt officials, human traffickers, and other criminals.

Women informal cross-border traders continue to suffer from invisibility, stigmatisation, violence, harassment, poor working conditions, and lack of recognition of their economic contribution. By ignoring women's informal trading activities, African countries are neglecting a significant proportion of their trade. There is a need to address the issue of informality in mainstream trade policymaking and to strengthen the notion that women informal traders are also an important client of Ministries of trade and regional economic communities. Women and youth must be supported to have access to finance, production networks, and markets. There is a clear need to establish effective mechanisms through which women and the youth can participate in, shaping the direction and pace of regional integration in Africa at every level.

In view of this situation, there is a clear need to establish effective mechanisms through which ordinary citizens and other non-State actors can participate in shaping the direction and pace of regional integration in Africa. However, as mentioned earlier, many governments on the continent may not necessarily favour such a move. In Africa, experience suggests that most governments are determined to maintain their status quo by especially controlling civil society organisations through legislation.

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A number of RECs have put in place programmes to promote women and youth. For instance, IGAD has a Regional Strategy and Action Plan for Mainstreaming Gender RECs, while COMESA has developed and launched a digital platform to support women in business in all the Member States through access to information on financial and non-financial services, and networking opportunities, access to markets and capacity building. COMESA has continued to promote the implementation of the Gender Policy, Social Charter, and Youth engagement initiatives. On its part, SADC realised that its goals to deepen regional integration and strengthen community building could only be realised by eliminating gender inequalities and marginalisation. To achieve this, SADC has a Protocol on Gender and Development.

The AfCFTA Agreement explicitly recognises the importance of gender equality. Article 3(e) specifies that the AfCFTA aims to "promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation." Likewise, Article 27(d) of the AfCFTA Protocol on Trade in Services makes explicit reference to improving the export capacity of formal and informal service suppliers, with particular attention to micro, small and medium-sized operators and "women and youth service suppliers." While recognising the role of women in the AfCFTA Agreement, we must continue to advocate for the equal representation of women in all aspects of African integration.

## Conclusion and Recommendations

One of the lessons learned is that when pandemics emerge, they have disproportionate effects on certain sectors. In the case of the COVID-19 pandemic, tourism, transportation, and the entertainment sectors were hit hardest and will take long to recover as long as lockdowns and containment measures remain in place. Another issue on the ongoing health crisis is that some vulnerable groups of Africa's society especially women, the youth, the elderly, and the disabled have been disproportionately affected by the COVID-19 pandemic.

Therefore, policymakers need to put in place inclusive mitigation strategies and policy measures that specifically target women, the youth, the elderly, and the disabled. This includes gender-responsive economic policies and social protection measures that remove barriers for the full involvement and participation of women and youth and other vulnerable groups in the economy.

As a Way Forward, I would like to make the following recommendations:

1 Post-COVID economic recovery policy measures should build back better and foster equal, inclusive and sustainable economies and societies that are resilient to shocks.

2 Strengthening institutions and providing favourable environments for businesses to build back and innovate. This includes gender-responsive economic policies and social protection measures which remove barriers for the full involvement and participation in the economy of women and youth and other vulnerable groups;

3 Developing, opening, and broadening a favourable environment to promote integrated and complementary value chains in support of economic recovery and reinforcement and acceleration of the implementation of the AfCFTA);

4 Implementing macroeconomic policies that foster macroeconomic stability; including bringing current debt levels to a sustainable level and expanding social protection measures - especially those that target the urban poor and those in the informal sector;

5 Investing creatively in key infrastructure projects especially regional roads, railway lines, maritime transport, and Information and communication technologies (ICTs) to ease the movement of goods, services, and businesspeople;

6 Embracing and investing heavily in digital infrastructure, which is an essential tool and platform for connecting businesses with customers and suppliers, businesses with businesses, and students with their teachers;

7 Developing effective risk financing mechanisms, especially for SMEs especially, those owned by women and the youth; and,

8 Designing crisis response measures also with a view to strengthening social protection systems in the medium- and long term.

# OPERATIONALISATION OF THE AFRICAN INTEGRATION FUND

## INTRODUCTION

The continent requires a dedicated and assured mechanism for financing regional integration. For the African Continent to move to the next level of development, it requires a sustained flow of significant financial resources for the implementation of development programmes at the national, regional and continental levels. It is time to operationalise the African Integration Fund.

This chapter proposes steps to operationalising the African Integration Fund. Over the years, Africa's growing ambitions in regional integration have witnessed a broadening of the mandates of most regional organisations with a multiplication of stated commitments, strategies, and programmes; this has necessarily been accompanied by an expansion in budgets. However, Member States and even the African people themselves, frequently express frustration with the gap between what has been agreed upon at the African Union or REC level, and what actually takes place on the ground. Slow or failed implementation of projects and programmes lowers the African people's confidence in their regional and continental institutions since they are seen as not being able to deliver on their promises. To paraphrase the former Chairperson of the African Union Commission, Nkosazana Zuma, 'Africa is not of short policies; the problem is implementation.' For instance, Africa's performance in enhancing infrastructure connectivity last year fell short of the expected targets; it stood at only 29% of the 2019 target value. The challenge, then, is to address the underlying factors that hinder the progress on regional integration.

One major reason for the slow or failed implementation of regional projects and programmes is inadequate resources. While states have been accused of failure to commit resources to finance regional projects and programmes, sometimes these resources are just not available. Without assured resources, it is not possible to plan for the future; a problem that the AU and the RECs face.

The Continent needs a dedicated and assured mechanism for the financing of regional integration. The debate on the financing of African integration is a long one; now is the time for action. The African Union has explored multiple ways of financing continental integration. At the moment, the African Union Commission and the African Development Bank (AfDB) in close collaboration with the United Nations Economic Commission for Africa (UNECA) and African Union Development Agency-NEPAD are developing an 'Agenda 2063 Financing and Domestic Resource Mobilisation Roadmap and Guide.' The African Union has previously had the Obasanjo-led High-Level Panel on Alternative Sources of Funding of the African Union (HLPASF); other efforts have taken place before and in-between.

In 2013, a feasibility study for the establishment of the African Integration Fund (AIF) was carried out - through the technical and financial assistance of the UNDP - but to date, not much has been done. The 2020 African Integration Report addressed the need to operationalise this Fund, and this 2021 Report proposes the way forward.

## THE AFRICAN INTEGRATION FUND

The AIF is meant to help finance the Regional Integration Programmes and it was adopted during the Fourth Conference of African Ministers in charge of Integration (COMAI IV) of 7-8 May 2009 in Yaoundé-Cameroon. The genesis for the proposed establishment of the AIF, one among many vehicles deployed by the AUC, was a response to the low level of funds flow to support the integration process towards achieving the objectives of the Abuja Treaty.

The proposal for the establishment of the Fund was an acknowledgement of the significant evolution in the regional integration process and the ambitions of the AU and the Regional Economic Communities (RECs) since the articulation, in 2009, of the Minimum Integration Programme (MIP). Since then, the AU has expressed enhanced ambitions for its regional integration agenda and launched major continental initiatives such as the African Continental Free Trade Area (AfCFTA) and other Flagship Projects and the AU Agenda 2063. Secondly, though the pace of regional integration has been relatively slow overall at the level of the RECs, some degree of realization has been achieved in many thematic areas of regional integration such as Free Movement of People, Customs Unions, Tariff Barriers/Non-Tariff Barriers (TBs/NTBs), Transport Corridors and regional infrastructure; among others. Consequently, the AIF should be re-contextualised to account for these major developments in the African regional integration agenda, including supporting the continental flagship projects.

The AIF will be a financial facility with two windows: a technical assistance and grant window and a commercial window. The technical assistance and grant window would offer grant, technical assistance, advisory services and institutional support, while the commercial window would entail a commercial investment and financing fund, the provision of partial loan guarantees and matching grants, which should enable the leveraging of additional resources from domestic, regional and international financial institutions.

## INABILITY TO FINANCE REGIONAL INTEGRATION DISTORTS AFRICA'S PRIORITIES

It is a matter of great concern that the Continent lacks a dedicated fund for financing its most important agenda: Regional Integration. For the African Continent to move onto the next level of development, it requires a sustained flow of significant financial resources for the implementation of the Abuja Treaty and Agenda 2063. It is time to operationalize the African Integration Fund.

The funding for regional integration on the Continent is woefully inadequate. The degree of dependency of the AU, RECs and Member States on donors, in combination with the quality of aid and of the donor partnership which requires harmonisation, accountability and alignment, raises numerous questions such as the ownership of the priorities being implemented. The quality, volume, and targeting of aid risk distorting the agenda-setting of the AU and the RECs regional organizations and their implementation. Through earmarking and project-specific funding, donor preferences become more central on the agenda of regional organizations as opposed to the RECs, Members States, or the people's priorities. The degree of donor dependency is reflected in the percentage of funding for the total budget of RECs. In principle, member states attempt to cover the operational costs of the AU and RECs, but in reality, this only happens for the AU and ECOWAS. Many Member States fail to pay their yearly assessed contributions to AU and RECs, leaving donors to fill the financing gaps in the operational budgets and cover most of the programme budgets. The AU and some of the RECs have undertaken special efforts to increase Member States' contributions, but thus far, these have yielded minimal success.

## AFRICA'S ATTEMPTS AT SELF-FINANCING: THE OBASANJO REPORT

In spite of the fact that it is donors that fund most of the regional integration projects and programmes in Africa, alternative sources of funding have received inadequate attention or even resistance. For instance, the Obasanjo Report recommended USD2 per hotel stay and USD10 on air tickets into and out of Africa; excellent proposals which shockingly drew some objection. Well, without funding, Africa loses the benefits of integration; and without control of the resources, Africa even loses control of the agenda. The Obasanjo-led High-Level Panel presented its final Report in May 2015 at the African Union's Anniversary Summit in Addis Ababa. The Panel proposed the following options for resource mobilisation for African integration:

I **Levy on imports:** To impose a 0.2% tax on consumable goods. The accruing amounts will be collected by Member States' Customs Services on behalf of the African Union - a lesson from ECOWAS;

II **Private sector and other contributions:** A certain percentage of the revenue derived from activities carried out by the private sector and non-governmental organizations under the guidance of the African Union could be allocated for financing specific social welfare projects such as combatting pandemics (HIV/AIDS etc.) or allocated to some large-scale humanitarian actions within the framework of the African Union;

III **Levy on insurance premiums:** Impose a minimum levy of 0.2% on any insurance policy taken by an Africa citizen or an enterprise operating in Africa, which is to be collected by insurance companies on behalf of the African Union;

IV **Levy on international travel:** Impose a tax of USD5 per ticket on flights to and from Africa. The accrued funds are to be collected with the help of the International Air Transport Association (IATA) from its affiliates. In the case of companies not affiliated to the IATA, the States would have to collect the accruing funds and transfer them into AU's account;

V **Tourism and hospitality:** Collect between USD1-10 for each stay in African hotels.

The High-Level Panel observed that implementing each proposal would have minimal impact on the economies of the Member States of the African Union and that the proposed instruments are viable and sustainable as an alternative source of income for the African Union. The report of the Panel further demonstrates that implementing the latter four options would generate revenues of USD1.4 billion. Furthermore, if the levy on air tickets were to be increased to USD10 per ticket and the hospitality levy increased to USD1, additional revenue of USD762 million would be raised without repercussions on the economies of Member States.

The private sector needs to increase its participation in infrastructure development. New models of public-private partnerships will be helpful, just as much as high-level platforms for public-private sector interaction and regular consultations. Domestic savings should be promoted, the large informal sector encouraged to function more within the formal banking system, and a sub-regional approach to capital markets development vigorously promoted. Improved tax administration is required, as well as expansion of the tax base. If effectively managed and empowered, autonomous revenue agencies, as demonstrated by the South African Revenue Service, could generate remarkable results.

On the other hand, a common framework for reform of laws governing the investment of public pension funds is required, and ongoing efforts to address Illicit Financial Flows should be encouraged as Africa lost about USD854 billion over the period between 1970 and 2008.

While the continent has benefitted heavily from donor funding, this will not deliver sustainable growth and development in Africa. The continent has the resource base to support the development and implementation of continental priorities. Nevertheless, this does not mean that multi-donor funding baskets should be done away with. The AU could also set up a single Multi-donor Trust Fund to finance regional integration on the Continent. This could be in the form of a multi-recipient umbrella facility to mobilize and deploy pooled trust fund resources for the benefit of the AU and the RECs.

## LESSONS FROM RECs: THE ECOWAS COMMUNITY LEVY

**The ECOWAS Levy - A Success Story In Financing Regional Integration.**

ECOWAS has been able to fulfil its objectives better than the other RECs because of its better financing mechanism that provides the Community with assured resources. In order to raise funds to implement regional projects and programmes, ECOWAS utilizes the Community Levy Protocol of 1996. The levy is a 0.5% tax that is imposed on goods imported into the region from non-ECOWAS Member States. The Community Levy is the main source of funding for ECOWAS; it accounts for 70% of the Community's income. Resources mobilized from Development Partners represent just about 27% of ECOWAS income. This is important since some RECs such as the EAC raise up to 70% of the resources from Development Partners which is not sustainable. The Obasanjo Report borrowed heavily from the ECOWAS case.

The example set by ECOWAS, however, holds out some hope; the ECOWAS Community Levy is functioning successfully, yielding upwards of USD600 million a year. It is not by chance that ECOWAS ranks at the top in the performance of RECs on the AMRII scale. ECOWAS has been able to fulfil its objectives better than the other RECs because of its better financing mechanism that provides the Community with assured resources.

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## RATIONALE FOR THE AFRICA INTEGRATION FUND

The operationalisation of a dedicated vehicle for the financing of Agenda 2063 and other priority projects and programmes such as the AfCFTA is essential for the following reasons:

**Slow Progress in the Implementation of the Abuja Treaty:** The progress towards the realisation of the objectives of the Abuja Treaty remains slow given the prevailing regional development challenges and the pressures exerted by the international environment on African countries. Hence, speeding-up the regional integration process through a dedicated financing vehicle is of importance to the future of many African countries and to the Continent as a whole.

**Economic rationale:** Regional integration can lead to a more attractive business environment and investment climate, foster competition, promote access to a wider market, promote FDI and local investment and promote larger and diversified investment and production, and promote socio-economic and political stability and bargaining power for the countries involved.

**Filling financing gaps:** It should be recalled that the proposal to establish the AIF was in response to the low level of funds flowing to support the integration process. Indeed, inadequate financial resources was quoted as the major problem hindering the implementation of the programmes of most RECs, including those who have put in place a self-financing mechanism (ECOWAS). Furthermore, the quasi totality of RECs and the AUC rely on development partners in financing their priority programmes and activities. Hence, resource mobilisation is required to finance Agenda 2063 and the AfCFTA.

**Collective resource mobilisation vehicle:** Resource mobilisation is vital at addressing policy, physical and economic integration (legal agreement/protocol, harmonized policy framework, physical infrastructures, productive capacity, trade facilitation infrastructure, etc.). The financial requirements to address these massive financial resource needs are, so far, beyond the resources of the RECs and individual Member States. An integration fund will facilitate the collective mobilisation of financial and technical resources and their pooling to plan, finance ,and implement regional integration-related decisions, programmes and projects of the AUC, RECs, and Member States.

**Staffing:** The AUC and RECs are heavily understaffed. This negatively affects their ability to plan, coordinate and implement regional integration policies, programmes and projects. The AIF could facilitate the hiring of project-specific technical resources for the AUC, RECs, and Member States instead of relying on these being seconded by donors.

**Support to resource mobilization efforts of RECs and Member States:** RECs which have not yet developed a comprehensive resources mobilisation strategy, have also started reflecting on putting in place their own alternative sources of financing. The AIF will help design such resource mobilisation strategies through financial support and the facilitation of best practice sharing for RECs and member states.

**Enhanced AUC-RECs' relationship and coordination:** The AUC-initiated AIF will help the AUC build a strong relationship with the RECs as the building blocks of the AEC through the financial support to be offered by the AIF.

**Implementation of joint projects:** AIF will facilitate the financing of programmes and projects that involve more than one REC; programmes that would have difficulties mobilising resources from the individual RECs and their Member States.

**Coordination among development partners**: The AIF, which will be a multi-donor trust fund that focuses exclusively on the AU and RECs regional integration agenda, will promote cohesion and coordination among development partners. The setting-up of the AIF will enable RECs to free-up part of their limited resources and redirect them to other priority projects and programmes.

**Visibility of regional integration programmes:** Because it facilitates the implementation of Agenda 2063, the AIF will infuse greater visibility into the implementation of the regional and continental integration agenda. Furthermore, the dissemination of success stories of the African regional integration agenda and the sharing of best practices among RECs will give more visibility to the process and clarify the relationship between stakeholders or players in terms of policy coordination and harmonization.

In addition to the above rationale, the setting-up of the AIF will yield the following benefits to the regional integration cause:

**Enhanced pace of regional integration:** The primary benefit of the AIF lies in the fact that it supports the implementation of Agenda 2063, and the priority regional integration programmes and projects which move forward the implementation of the Abuja Treaty, such as the AfCFTA that leads to the AEC (African Economic Community).

**Synergetic and complementary financing:** In all circumstances, the AIF would complementary to all other available funds or resources mobilization processes (e.g., existing AU Thematic Funds, RECs Funds, etc.) with which it will seek cooperation.

## BENEFITS OF THE AFRICAN INTEGRATION FUND

The African Union should, therefore, consider the revitalisation of this initiative and set up the African Integration Fund which would be beneficial in the following ways:

i **Ownership:** It will help boost the AU's and the RECs' ownership of their programmes and projects. It will also allow the AU and RECs to fund their priority needs - versus situations where donors lay emphasis on their own priorities.

ii **Tackling cherry-picking:** It will help ensure that donors do not cherry-pick their favourite projects and see to it that unfashionable yet critical projects of the regional integration process are funded.

iii **Transaction costs:** It has the potential to cut transaction costs and administrative burdens on the AUC and the RECs.

iv **Reform:** Articulation of coordinated donor strategies and action plans will have a positive effect on the capacity of the AU, RECs, and Member States to undertake the envisaged reforms and priority projects.

v **Donor coordination and donor-AU/RECs' policy dialogue:** It will facilitate donor coordination and harmonization while providing a platform for policy dialogue amongst donors and between donors and the AU and the RECs.

vi **Mobilising resources:** A Multi-donor Trust Fund encourages a range of multilateral donors, bilateral donors, and private sector actors to commit resources.

## Funds Administered by the AU - Operational and those under Development

The African Union has a number of funds. Some are operational while others are being developed. These are listed in the figure below:

1 **African Union COVID-19 Intervention Fund:** The Fund was established by the African Union Commission on 26 March 2020 with the aim of strengthening the continent's response to COVID-19.

2 **Peace and Security Fund:** The Fund was established in 1993 as the main instrument for financing the peace and security activities of the OAU and was launched on 17 November 2018 in Addis. Ababa. The Peace Fund is one of the five pillars of the African Peace and Security Architecture.

3 **Creation of an African Fund for Statistical Development in Africa:** This effort remains dormant - it is yet to be fully realised since its formulation in 2008.

4 **The African Monetary Fund:** The Fund aims to facilitate the integration of African economies through the elimination of trade restrictions and to provide greater monetary integration. It is expected to serve as a pool for financing central bank reserves and national currencies.

5 **African Women's Fund:** The African Women's Fund provides support to small, community-based women's organizations in Africa. It is managed by the Directorate of Women, Gender and Development Directorate of the AU Commission.

6 **Legal Assistance Fund for African Union Human Rights Organs:** The statutes were adopted by the 26 Ordinary Session of the Summit held in Addis Ababa, Ethiopia, on 31 January 2016.

7 **Fund to Finance Infrastructure:** The AU is developing a fund to finance the construction of roads, railways, and power plants on the continent. The legal and financial structure of the Infrastructure Fund which will be administered by the NEPAD-AUDA are being developed.

While ECOWAS relies on the Community Levy, the AU has multiple funds just like most RECs such as COMESA, EAC and SADC have Resource Mobilization Units, whose resources are scattered in various baskets. For example, the EAC has the EAC Partnership Fund and the EAC Development Fund; among others. The multiplicity of funding pots on account of different reasons results in poor coordination, more management costs and reporting channels for the REC, and even inefficiencies in utilisation.

## Recommendations: Key Steps in Operationalising The AIF

The African Union Commission should now take the steps listed below to operationalise the African Integration Fund. In undertaking this task, existing AU Reports will be an important starting point.

1 The AUC should set up a Task Team (Team of Experts) to formulate the Legal Framework and Institutional Structure of the African Integration Fund with clearly assigned roles and responsibilities.

2 The Legal Framework and the Institutional Structure should be presented at the next Meeting of the Specialised Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration for review and adoption.

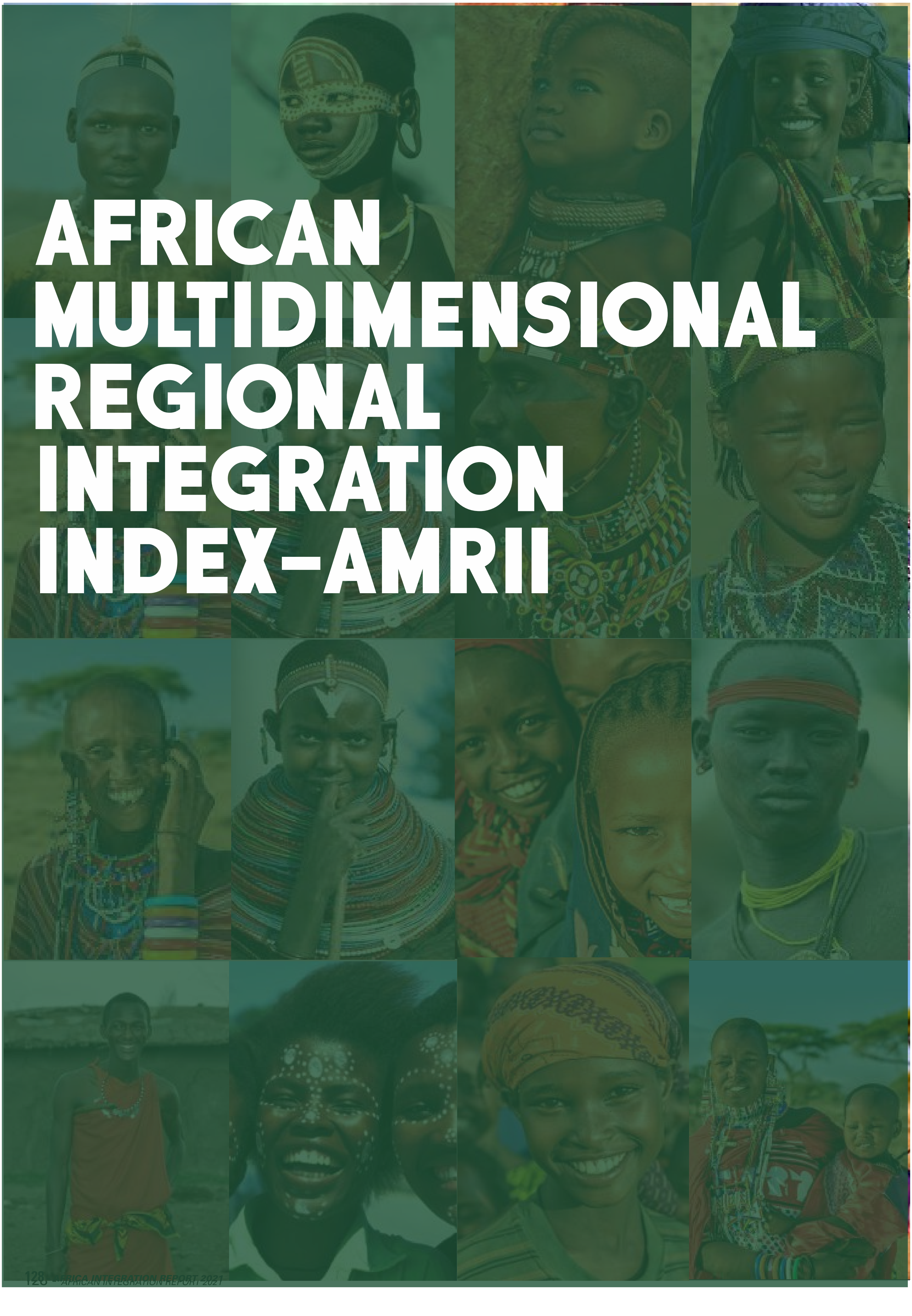
3 The Task Team should also propose the mechanisms for raising the seed-funding as well as a Resource Mobilisation Strategy for long-term revenue generation.

4 The AUC should hold consultations with RECs and Member States on the proposed Resource Mobilisation Strategy.

5 The next STC should propose the Timelines for Implementation and report to the 4th Coordination Meeting.

There is a need for increased commitment, passion, and a results-driven approach towards implementation of the regional integration agenda and having a reliable operational financing mechanism will be invaluable.

# AFRICAN MULTIDIMENSIONAL REGIONAL INTEGRATION INDEX-AMRII



## THE AFRICAN MULTIDIMENSIONAL REGIONAL INTEGRATION INDEX - AMRII

In September 2018, in Kampala (Uganda), Experts from the Regional Economic Communities (RECs) and the AUC adopted the African Multidimensional Regional Integration Index (AMRII) as a tool for monitoring and evaluation of the integration process in Africa both at regional level and the continental level. This index is the result of work that began in December 2016 in Dakar (Senegal) during the Forum on African Integration organized by the African Union Commission and UN-IDEP.

### OBJECTIVES OF THE AMRII

AMRII aims to monitor and assess the level of integration of RECs based on 2 major regional integration programmes: The Abuja Treaty and Agenda 2063. The index aims to:

I Capture and evaluate the level of evolution of the RECs,

II Compare the performance of the RECs according to thresholds set

III Detect the strengths and weaknesses of the RECs in order to attract the attention of decision-makers for more effective decision-making.

### SUMMARY OF THE AMRII DESIGN APPROACH

The methodological approach used to design the index can be divided into 2 sub-approaches:

(i) the scientific calculation methodology
(ii) the scientific methodology of inclusiveness.

The AUC, in collaboration with the RECs, has taken the Abuja Treaty and Agenda 2063 as the basis of AMRII. The study considered the chronograms, flagship programmes and priorities established on the basis of these two visions for achieving a united Africa. The inclusiveness of the study is clearly verified, taking into account the fact that the dimensions, indicators and thresholds have been determined jointly with the Experts from RECs, National Statistical Institutes, Central Banks and other independent Experts. It should be added that 6 expert group meetings were organized during the whole study; which made it possible to consider the opinions of the stakeholders.

### PRESENTATION OF AMRII

AMRII is a monitoring and evaluation framework designed as a composite index comprising 8 integration dimensions, 33 indicators and thresholds for each of the indicators.

### DIMENSIONS OF AMRII

Based on the consideration of the classic integration process, considering the shortcomings of the first ARII index and the examination of the Abuja Treaty and the 2063 Agenda, the 8 dimensions considered by the study are:

(i) Free Movement of Persons
(ii) Trade Integration
(iii) Financial Integration
(iv) Monetary Integration
(v) Social Integration
(vi) Infrastructure Integration
(vii) Institutional and Political Integration
(viii) Environmental Integration

### INDICATORS OF AMRII

For each of the 8 dimensions, indicators have been duly defined to assess the level of progress of the RECs.

There are 2 types of indicators: Qualitative indicators and quantitative indicators:

1 Qualitative indicators describe adopted integration instruments and agreements that must be implemented during the integration process.

2 Quantitative indicators refer to directly quantified objectives for which values are obtained during the data collection.

| Dimensions | Indicators | Type |
|---|---|---|
| Free Movement of Persons | Community/Regional Passport | Qualitative |
| | Non-existence of Visa between countries | Qualitative |
| | Free Movement Passport | Qualitative |
| Social Integration | Right of Establishment | Qualitative |
| | Right of Residence | Qualitative |
| | Access to Labour Market | Qualitative |
| | Access to land | Qualitative |
| Trade Integration | Existence of an FTA | Qualitative |
| | Existence of CET | Qualitative |
| | Intra-regional exports | Quantitative |
| | Intra-regional imports | Quantitative |
| Infrastructure Integration | Proportion of regional flights | Quantitative |
| | Existence of regional Programme (for PIDA or another else) | Qualitative |
| | Roaming costs in the regions | Quantitative |
| Financial Integration | Regional payment System | Qualitative |
| | Regional stock exchange | Qualitative |
| | Macro-prudential Standards | Qualitative |
| | Regional clearing house | Qualitative |
| Monetary Integration | Number of currencies | Quantitative |
| | Proportion of intra-trade settled in local/regional currency | Quantitative |
| | Convergence criteria | Quantitative |
| Environmental Integration | Regional Environmental Management Plan | Qualitative |
| | Community Carbon Tax | Qualitative |
| | Community Plan for Integrated Water Resources Management (IWRM) | Qualitative |
| | Regional Organisation of IWRM | Qualitative |
| | Regional Centre for Geospatial Data Collection on Water | Qualitative |

| | | |
|---|---|---|
| Institutional and Political Integration | Regional Parliament<br>Regional court of Justice<br>Regional Army<br>Regional Central Bank<br>Regional University/Training Institution | Qualitative<br>Qualitative<br>Qualitative<br>Qualitative |

## Calculation of the Indicators

The methodology for calculating the AMRII follows these steps:

### Qualitative Indicators

Qualitative indicators represent integration instruments whose implementation follows a generalized process in 5 stages: Consultations, Negotiations, Signature, Ratification and Domestication.

- **First phase:** Consultations (C), Negotiations (N), Signature (S)
- **Second Phase:** Ratification (R) and Domestication (D)

Each of these 2 phases accounts for half of the entire process which gives a weighting of ½ to each of them. Within each phase, the sub-phases have the same weightings.
Then:

$$Iq = 0.5 * (1/3*C+1/3*N+1/3*S) + 0.5 *$$

With R being the ratio between the number (k) of states that have ratified the instrument and the total number (T) of states within the REC.

$$R=k/T$$

And D is the ratio between the number (p) of states that have domesticated the instrument and the total number of states within the REC.

$$D=p/T$$

**The sub-phase of domestication begins only when states have reached the quorum of ratification allowing the entry into force of the instrument.

$$Iq= 0.5 *(1/3*C+1/3*N+1/3*S)+0.5*(1/2* k/T +1/2* p/T)$$

### Quantitative Indicators

For these indicators which are already figures, a calculation method is used to harmonize all the numbers in the interval [0; 1]. The methods of harmonization are either standardization, calculation of the variability between the different member states of the REC or the calculation of ratio.

The target values that exist in the Abuja Treaty and Agenda 2063 are used to assess the gap between them and the values collected on the RECs. This deviation is used for the normalization of values in the range 0 and 1.

### Calculation of the Thresholds

The calculation of the thresholds follows the logic used in the calculation of the indicators. These thresholds are derived from the objectives and targets contained in the Abuja Treaty and Agenda 2063. For a given indicator, the study looks for the objectives associated with it in key integration programmes. This goal is then divided into stages or it is equitably distributed over time to know what needs to be accomplished each year for the instrument or target to be achieved.

After having calculated the thresholds at the dimensional level by averaging the thresholds for each indicator that make up the given dimension, AMRII offers the regional threshold which is based on the average of the dimensional thresholds. This calculated threshold is the overall regional threshold. It is used to compare with the overall value obtained for each of the RECs.

Subsequently, to get an idea of the average level of the RECs, a continental average value is calculated with the 8 values obtained from the 8 RECs. This average value is compared with the continental threshold which is the same threshold retained at the level of the RECs. For each of the indicators, an assessment was made with 2018 as the base year.

| Indicators | Targets/Objectives | Thresholds |
|---|---|---|
| **Protocol for free movement persons within the REC** | All protocols relating to the free movement of persons in each REC are incorporated into national law by 2018 | **0.75** |
| **Community Passport** | the free movement of goods, services and capital will take place, and people traveling in any Member State could obtain a visa at the point of entry | **0.75** |
| **Visas requirements between the Member States of the REC** | The free movement of goods, services and capital will take place, and people traveling in any Member State could obtain a visa at the point of entry | **0.75** |
| **Common External Tariff** | The African Customs Union, the African Common Market and the African Monetary Union will be operational by 2023 | **0.75** |
| **Intra-Community Exports of Goods (as% of Total Exports of Goods)** | Intra-African trade increases from 10.1% in 2012 to 60% in 2063 | **0.8** NB: Although the annual increment to the set target is 1.2%, it is not realistic to achieve a linear growth under normal circumstances (1/1.2) |
| **Intra-Community imports of goods (as% of total imports of goods)** | Intra-African trade increases from 10.1% in 2012 to 60% in 2063 | **0.8**<br>NB: Although the annual increment to the set target is 1.2%, it is not realistic to achieve a linear growth under normal circumstances (1/1.2) |
| **Intra-Community Exports of Services (as% of Total Exports of Services)** | Intra-African trade increases from 10.1% in 2012 to 60% in 2063 | **0.8**<br>NB: Although the annual increment to the set target is 1.2%, it is not realistic to achieve a linear growth under normal circumstances (1/1.2) |
| **Service Imports (% of Total Imports of Services)** | Intra-African trade increases from 10.1% in 2012 to 60% in 2063 | **0.8**<br>NB: Although the annual increment to the set target is 1.2%, it is not realistic to achieve a linear growth under normal circumstances. 1% annual is recommended (1/1.2) |
| **Service Imports (% of Total Imports of Services)** | Intra-African trade increases from 10.1% in 2012 to 60% in 2063 | **0.8**<br>NB: Although the annual increment to the set target is 1.2%, it is not realistic to achieve a linear growth under normal circumstances. 1% annual is recommended (1/1.2) |
| **Intra-Community electricity trade** | Regional energy pools boosted by an increase of at least 50% in energy production - by the Inga Dam - will be operational and will contribute to electrification for the industrial transformation of the continent and the comfort of its citizens by 2023 | **0.64**<br>NB: Although the annual increment to the set target is 12.5%, it is not realistic to achieve a linear growth under normal circumstances. 8% annual is recommended (8/12.5) |
| **Intra-Community electricity trade** | Regional energy pools boosted by an increase of at least 50% in energy production - by the Inga Dam - will be operational and will contribute to electrification for the industrial transformation of the continent and the comfort of its citizens by 2023 | **0.64**<br>NB: Although the annual increment to the set target is 12.5%, it is not realistic to achieve a linear growth under normal circumstances. 8% annual is recommended (8/12.5) |
| **Proportion of intra-community flights** | The African airspace will be opened to all African airlines | **0.25**<br>NB: This should be in line with the implementation of the Yamoussoukro Decision |
| **Proportion of intra-community flights** | The African airspace will be opened to all African airlines | **0.25**<br>NB: This should be in line with the implementation of the Yamoussoukro Decision |

| Indicators | Targets/Objectives | Thresholds |
|---|---|---|
| **Protocol for free movement persons within the REC** | All protocols relating to the free movement of persons in each REC are incorporated into national law by 2018 | **0.75** |
| **Cost of roaming** | | **0.25** |
| **Infrastructure Development Index** | Complete all road, air, marine and electronic interconnection infrastructure by 2025 and rail by 2040 | **0.65**<br>NB: Reference to the AfDB Regional Infrastructure Index |
| **Right of establishment** | The African Customs Union, the African Common Market and the African Monetary Union will be operational by 2023<br>Free Movement of Persons, Rights of Residence and Establishment (2019-2023), 5th Stage Abuja Treaty | **0.6** |
| **Right of residence** | The African Customs Union, the African Common Market and the African Monetary Union will be operational by 2023<br>Free Movement of Persons, Rights of Residence and Establishment (2019-2023), 5th Stage Abuja Treaty | **0.6** |
| **Access to the labour market** | The African Customs Union, the African Common Market and the African Monetary Union will be operational by 2023<br>Free Movement of Persons, Rights of Residence and Establishment (2019-2023), 5th Stage Abuja Treaty | **0.6** |
| **Access to the labour market** | The African Customs Union, the African Common Market and the African Monetary Union will be operational by 2023<br>Free Movement of Persons, Rights of Residence and Establishment (2019-2023), 5th Stage Abuja Treaty | **0.6** |
| **Access to land** | The African Customs Union, the African Common Market and the African Monetary Union will be operational by 2023 | **0.6** |
| **Regional Payment System** | Implementation of a Regional Payment System within RECs by 2023 | **0.6** |
| **Regional Stock Exchange** | Implementation of a Regional Stock Exchange within RECs by 2023 | **0.6** |
| **Regional Clearing House** | Implementation of a Regional Clearing House within RECs by 2023 | **0.6** |
| **Rate of inflation** | No change of Rate of inflation within RECs by 2023 | **3%** |
| **Macro-prudential Standards** | Implementation of Macro-prudential Standards within RECs by 2023 | **0.6** |
| **Existence of a regional banking network (To be reviewed)** | Implementation of regional banking network within RECs by 2023 | **0.6** |
| **Number of recognized currencies in the REC** | Establishment of a single currency by 2025 | **0.6** |
| **Proportion of intra-community trade settled in community currencies (National currencies)** | Payment of all intra-community trade in regional currency by 2025 | **0.6** |
| **Regional Environmental Management Plan** | Regional and Continental sustainability certification programmes implemented by 2020 | **0.75** |
| **Regulatory authority for environmental protection activities** | An African Climate Fund (ACF) to address the continent's climate change adaptation and mitigation issues, including technology development in place by 2025 | **0.7** |
| **Community Carbon Tax** | Binding agreements for fair, equitable and sustainable management/exploitation of transboundary natural resources (waters, parks, oceans) in place by 2020 | **0.7** |
| **Community Plan for Integrated Water Resources Management (IWRM)** | Regional and Continental sustainability certification programmes implemented by 2020 | **0.75** |
| **Regional Organisation of IWRM** | Consolidate or create institutions dedicated to transboundary water management by 2023 | **0.6** |
| **Regional Centre for Geospatial Data Collection on Water** | An African Space Agency will have been established by 2023 | **0.6** |
| **Regional Parliament** | Establishment of regional Parliament by 2025 | **0.75** |
| **Regional Court of Justice** | Establishment of regional court of justice by 2025 | **0.75** |

| Indicators | Targets/Objectives | Thresholds |
|---|---|---|
| **Regional Army** | Establishment of regional Army by 2025 | **0.6** |
| **Regional Central Bank** | Establishment of the African Central Bank by 2028 (Abuja Treaty) | **0.6** |
| **Regional University** | Establishment of regional university (research centres) by 2025 | **0.75** |

# KEY TIMELINES IN AFRICAN INTEGRATION

| | |
|---|---|
| 1963 | Establishment of the Organisation of African Unity (OAU) in Addis Ababa |
| 1964 | The African Development Bank (AfDB |
| 1969 | Southern African Customs Union (SACU) |
| 1973 | Mano River Union (MRU) (later subsumed into ECOWAS, revised in 2004) |
| 1975 | Economic Community of West African States (ECOWAS) |
| 1980 | The Lagos Plan of Action for the Economic Development of Africa 1980-2000): Plan to increase Africa's self-sufficiency |
| | The Southern African Development Coordinating Conference (SADCC) |
| 1981 | Preferential Trade Area |
| 1983 | Economic Community of Central African States (ECCAS) |
| 1984 | Indian Ocean Commission (IOC) |
| 1986 | Intergovernmental Authority on Drought and Development (IGADD) |
| 1989 | Arab Maghreb Union (UMA) |
| 1991 | The Abuja Treaty of 1991 establishing the AEC through six stages culminating in an African Common Market using the RECs as building blocks. The Treaty has been in operation since 1994. |
| 1992 | SADCC becomes the Southern African Development Community (SADC) |
| 1993 | Common Market for Eastern and Southern Africa (COMESA) |
| 1994 | West African Economic and Monetary Union (WAEMU) |
| 1996 | Intergovernmental Authority on Development (IGAD) replaces IGADD |
| 1998 | Community of Sahel-Saharan States (CEN-SAD) |
| | Protocol on Relations between the AEC and the RECs (OAU) |
| 1999 | The Sirte Declaration of 1999 to establish an African Union |
| 2000 | Constitutive Act of the Union adopted at the Lomé Summit |
| | East African Community (EAC) |
| | ECOWAS Passport |
| | International Conference on the Great Lakes Region (ICGLR) |
| 2001 | The Lusaka Summit drew the roadmap for implementation of the AU |
| | New Partnership for Africa's Development (NEPAD) adopted as a Programme of the AU at the Lusaka Summit. |
| 2002 | The Durban Summit (2002) launched the AU and convened the 1st Assembly of the Heads of States of the African Union |
| | Peace and Security Council Protocol/African Peace and Security Architecture (APSA) (AU) |
| 2003 | African Peer Review Mechanism (APRM) |
| 2004 | Pan-African Parliament (PAP) |
| | ECCAS Free Trade Area launched |
| 2005 | COMESA-EAC-SADC Tripartite established |
| 2009 | COMESA Customs Union |
| | AU Minimum Integration Programme |
| | African Charter of Statistics (AU) |
| 2010 | EAC Common Market |
| 2011 | Programme for Infrastructure Development in Africa (PIDA) (AU) |
| 2013 | OAU/AU at 50 years |
| 2015 | COMESA-EAC-SADC Tripartite Free Trade Area Agreement signed at Sham El Sheikh, Egypt |
| 2016 | COMESA-EAC-SADC Tripartite Free Trade Agreement; Africa Visa Openness Index (AfDB) |
| 2017 | Continental Free Trade Area (AU) |

| | |
|---|---|
| 2018 | African Continental FreeTrade Area Agreement unveiled in Kigali, Rwanda |
| 2018 | NEPAD Planning and Coordination Agency is transformed into the African Union Development Agency-NEPAD (AUDA-NEPAD). |
| 2019 | African Continental FreeTrade Area Agreement comes into Force |
| 2021 | Trading under the AfCFTA commences |

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