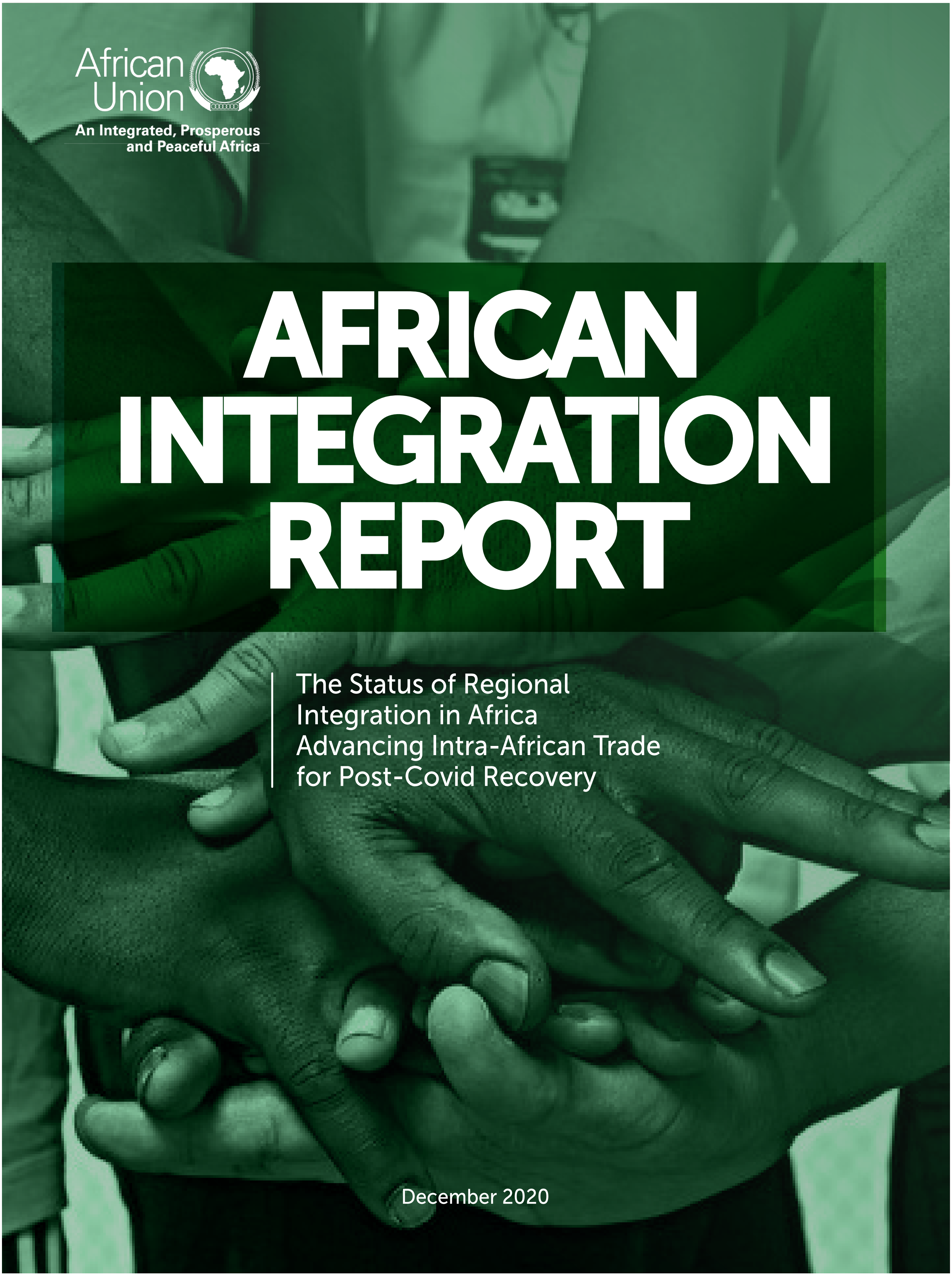

African Union

An Integrated, Prosperous and Peaceful Africa

AFRICAN INTEGRATION REPORT

The Status of Regional Integration in Africa
Advancing Intra-African Trade for Post-Covid Recovery

December 2020

African Union
An Integrated, Prosperous and Peaceful Africa

2020 African Integration Report
ISBN : 978-92-95119-51-2
December 2020

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FOREWORD

Moussa Faki Mahamat, Chairperson, African Union Commission

"Until the lion has his or her own storyteller, the hunter will always have the best part of the story" says an African proverb. This second edition of the African Integration Report reflects a strategic choice and aims at directly giving the opportunity to the African Union's recognized Regional Economic Communities (RECs) to share their own experience toward Africa's regional integration process. The Report fulfils the wish of the Heads of State and Government to see the key stakeholders that are involved in regional integration - the RECs - write their stories.

African leaders have, since the early years of independence, recognized the importance of creating a single African economic community which has been one of the most enduring priorities of many African leaders as well as a rallying call for Africans. It is in this vein that AU Agenda 2063, which absorbs the Abuja Treaty, is designed to be implemented within the framework of integration while enhancing and accelerating African integration efforts as evidenced by the Continental Flagship Projects.

What is the status of the regional integration process in Africa today? What are the key achievements of the various RECs? What are the lessons learned to better foster regional integration?

To respond to various questions associated with regional integration, the African Ministers in charge of integration recommended that the African Union develops monitoring and evaluation frameworks. The African Multidimensional Regional Integration Index (AMRII) was subsequently developed by the AUC in collaboration with the RECs to measure progress and assess the level of integration. This edition, on the Status of Regional Integration in Africa for the year 2020, draws on the AMRII and the exclusive information provided by RECs to reflect the latest achievements on the ground.

One of the important messages emerging from the 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 indeed encouraging that the Report shows that it is possible to foster regional integration for the socio-economic transformation of the Continent, with a good number of RECs providing practical success stories based on strategies and initiatives that can easily be adopted by other RECs.

This report comes at a challenging time for the Africa. The effects of the Coronavirus Disease (COVID-19) are felt across the Continent. The pandemic has impacted every African country negatively and, unfortunately for regional integration, the response has been to close borders in order to protect populations from external danger and to look internally. Regional integration has become a victim of these actions by governments, but it could also be the solution. How can we bring regional integration back or make it relevant in addressing the post-COVID-19 recovery from the health, social and economic shock? Regional integration is still important for African development and it will aid in the Continent's post COVID-19 revival.

There is urgency now to use the opportunity inherent in the post-COVID-19 revival to build an Africa that trades with itself for shared prosperity.

ACKNOWLEDGEMENTS

The 2020 African Integration Report on the Status of Regional Integration in Africa reflects the efforts of a broad and diverse group of experts, both inside and outside the African Union Commission (AUC) and the Regional Economic Communities (RECs).

The report was prepared by the AU Department of Economic Affairs under the overall guidance of the Commissioner, Victor Harison. The technical team was led by Jean-Denis Gabikini, Acting Director Department of Economic Affairs, assisted by Manasseh Ntaganda, Dje N'Guessan Pierre and Laurette Francette Ecko.

The production of the Report benefited substantively from the input of the RECs - they participated at every level of its development. The contributions from RECs were coordinated by the following focal persons who are also members of the drafting team: Imed Ben Hadj Hamouda (AMU), Mamadi Kourma (CEN-SAD), Simal Opino Amor and Salvator Matata (COMESA), Aggrey Niringiye and Ethel Sirengo (EAC), Jules Rommel Touka Tchakonte and Alfred Ikaka Bobe (ECCAS), Azhari Karim and Kagwe Mutahi (IGAD), Iliyasu Mustapha Bobbo and Babatunde Stephen Idowu (ECOWAS) and Hobby Musaka Simuchile (SADC). The AUC would like to thank the Secretaries General/Executive Secretaries of the RECs Secretariats and Commission President who made their technical teams available to the AU Commission throughout the production of the Report.

The Commission is also grateful to the African Capacity Building Foundation (ACBF) and the International Organization for Migration (IOM) for the support provided throughout the process of producing the Report; Barassou Diawara (ACBF) and Onyekachi Madubuko (IOM) made inputs to the Report.

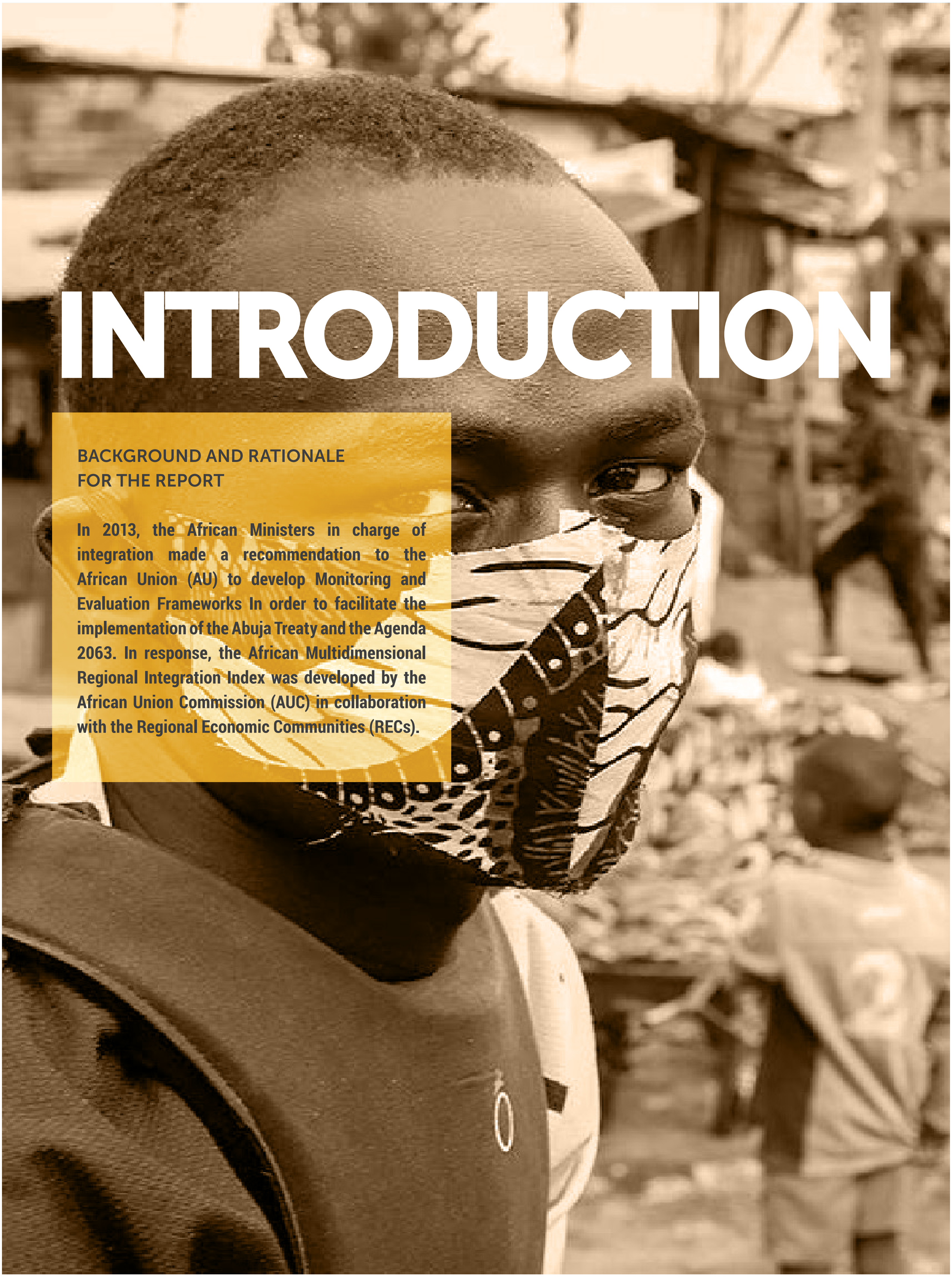
The AUC is most grateful to the team of consultants who analysed the input from the AUC and the RECs and drafted the report. They comprise of Wanyama Masinde (Centre for Regional Integration - Nairobi) who served as Lead Expert and Yannick Levodo (Yaoundé). Pierre Dje N'Guessan (AUC) analysed the data and statistics.

The report benefited from the administrative support of Mandy Mauyakufa, Beenzu Moonze and Coulibaly Amadou all of the African Union Commission.

ABBREVIATIONS & ACRONYMS

ACB	African Central Bank
ACM	African Common Market
AEC	African Economic Community
AIF	African Integration Fund
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AIB	African Investment Bank
AMF	African Monetary Fund
AMU	Arab Maghreb Union
AU	African Union
AUC	African Union Commission
BDEAC	Development Bank of Central African States
BEAC	Bank of Central African States
BIAT	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
ICT	Information and Communication Technology
IGAD	Intergovernmental Authority on Development
IGADD	Intergovernmental Authority on Drought and Development
IMF	International Monetary Fund

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
NTB	Non-Tariff Barrier
OAU	Organization of African Unity
PAP	Pan-African Parliament
PAU	Pan African University
PTA	Preferential Trade Area
RAIP	Regional Agricultural Investment Plan
REC	Regional Economic Community
RoO	Rule 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
ToR	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
VAT	Value Added Tax
WAMZ	West African Monetary Zone
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization



INTRODUCTION

BACKGROUND AND RATIONALE FOR THE REPORT

In 2013, the African Ministers in charge of integration made a recommendation to the African Union (AU) to develop Monitoring and Evaluation Frameworks In order to facilitate the implementation of the Abuja Treaty and the Agenda 2063. In response, the African Multidimensional Regional Integration Index was developed by the African Union Commission (AUC) in collaboration with the Regional Economic Communities (RECs).

This index is a tool which guides the production of the African Integration Report. In addition, during the 1st Mid-Year Coordination Meeting held in Niamey in July 2019, the AU Heads of State and Government directed the African Union Commission to produce African Integration Reports annually. These reports would be developed to monitor progress by the African Union and the RECs on the implementation of the African integration agenda. The first edition was presented by the AUC Chairperson to the Heads of State and Government at the 1st Mid-Year Coordination Meeting.

The second edition of the African Integration Report takes cognisance of the significant evolution in the regional integration process and ambitions of the AU and the RECs as we start the new decade. 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 launch of the African Continental Free Trade Area (AfCFTA). There are also reforms that are being undertaken by the AU.

Although the pace of regional integration has been relatively slow overall at the level of the RECs, some degree of realisation has been achieved in various thematic areas of regional integration such as facilitating the Free Movement of Persons, Customs Unions, Removal of Tariff and Non-Tariff Barriers, Transport Corridors and regional infrastructure. Indeed, some RECs have taken bold steps to speed-up the integration process.

While assessing the integration process, this report captures the opportunities and challenges that come with these major developments in the African regional integration agenda. It is a landmark publication representing the will of African people to achieve closer regional integration as a crucial driver for the realization of Africa's development agenda.

One of the recurring concerns of African integration is the challenge associated with effective monitoring and evaluation of the implementation of the integration agenda that includes the Abuja Treaty, Agenda 2063 and other flagship projects and 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.

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

As numerous as the challenges of African integration may be, the report shows that Africa is advancing towards achieving this goal and ultimately creating the African Economic Community. The AUC and the RECs shared their experience for the joint preparation of the report. This collaborative approach added considerable value to the first edition. 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 STRUCTURE OF THE REPORT

The main objective of this report is to assess the status of the regional integration process in Africa by highlighting the key achievements, the accompanying challenges and making recommendations with respect to the Abuja Treaty and Agenda 2063.

The report is divided into two parts. The first part which gives an assessment of the integration process on the Continent:

- Gives an overview of the Social and Economic Implications of COVID-19 on the Continent.
- Evaluates the level of integration on the Continent with reference to the Abuja Treaty and Agenda 2063.

- Evaluates the level of integration in the RECs with reference to the Abuja Treaty and Agenda 2063.
- Presents the achievements of the RECs in integrating their regions which eventually builds up to African integration since the RECs are building blocks of the Continental integration process.

The tool used to assess the processes in the RECs is the African Multi-dimensional Regional Integration Index (AMRII).

The Second part of the report reviews the African Union's initiatives in supporting regional integration on the Continent while looking at possible innovative ways through which such support could be enhanced. This Section:

- Reviews the status of the implementation of Continental flagship projects as identified in Agenda 2063.
- Assesses the journey towards the implementation of one of the Continent's key transformative projects - the African Continental Free Trade Area (AfCFTA).
- Looks at the possibilities and opportunities for putting in place a Continental Customs Union.
- Reviews the options for mobilising resources for financing Africa's most important goal - regional integration.

METHODOLOGY USED FOR THE DRAFTING OF THE REPORT

The methodology used is based on inclusive analytical writing with the Multidimensional Index of African Regional Integration (AMRII) as a reference tool. Its inclusiveness is justified by the fact that the AUC brought together Experts from different RECs and other organizations such as IOM and ACBF to write the report.

The stages of writing the report are (i) gathering information from the RECs; (ii) information analysis; (iii) validation meetings of the expert group. On Information gathering, the AUC developed a data collection questionnaire based on AMRII. This questionnaire was sent to all the focal points of the RECs for the collection of data related to the state of integration.

Analysis of the information: The questionnaires were completed and returned to the AUC. Once these questionnaires were received, an analysis was carried out by the AUC and presented to all the RECs for validation. At this level, the AMRII index served as an assessor of the state of integration within the RECs and on the continent with the definition of scores.

Expert validation meetings: Experts from AUC, RECs, IOM and ACBF were invited to three technical meetings to review the compliance of the information available in the report.

COVID-19 THROWS THE CONTINENT INTO SOCIAL AND ECONOMIC TURBULENCE

INTRODUCTION

Since the declaration of the COVID-19 outbreak on 31 December 2020, the global number of cases has surpassed the 10 million mark. Preliminary figures by the World Health Organisation[1] as at 28 June 2020 indicate that a total of 9,843,073 confirmed cases, with 495,760,108 deaths globally. Both the global number of confirmed COVID-19 cases and deaths continue to rise; especially in the Americas and Africa at the moment.

[1] https://COVID19.who.int/?gclid=EAIaIQobChMI74f427Wl6gIV0oBQBh2RqQTLEAAYASAAEgIxyfD_BwE

On the African continent, 278,815 cases were reported as of 28 June 2020 with about 5,785 deaths. Virtually all African countries have reported COVID-19 cases. Some countries took long to report because of lack of testing capacity.

The COVID-19 pandemic is far more than a health crisis: it is affecting societies and economies at their core. While the impact of the pandemic will vary from country to country, it will most likely increase poverty and inequalities on a large scale.

Assessing the impacts of the COVID-19 crisis on societies, economies and vulnerable groups is fundamental to inform and tailor the responses of governments to recover from the crisis and to ensure that no one is left behind in this effort. Without urgent socio-economic responses, global suffering will escalate, jeopardizing lives and livelihoods for years to come. Immediate development responses in this crisis must be undertaken with an eye to the future. Development trajectories in the long-term will be affected by the choices that African countries make now and the support they receive.

The COVID-19 pandemic found the global economy already struggling due to the lingering impact of growing trade protectionism, trade disputes among major trading partners, falling commodity prices and economic uncertainties in Europe over the impact of the UK withdrawal from the European Union.

According to the IMF World Economic Outlook report of April 2020, economic activity slowed down from 3.6 per cent in 2018 to 2.9 per cent in 2019. As a result of the COVID-19 pandemic, the global economy is projected to contract sharply by a negative 3 percent in 2020, much worse than during the 2008-09 financial crisis.

Growth in emerging and developing economies, which accounts for over half of the world growth receded to 3.7 percent in 2019 from 4.5 percent in 2018. The growth markdown reflects a decline in domestic demand which slowed more than expected amid stress in the nonbank financial sector and a decline in credit growth. In Africa, growth picked slightly from 3.2 percent in 2018 to 3.3 percent in 2019. This reflects a more challenging external environment, continued output disruptions in oil-exporting countries, and weaker-than-anticipated growth in the rest of the Continent.

EFFECT OF COVID-19 ON THE CONTINENT

Public health experts have consistently warned that the novel coronavirus outbreak presents a unique public health threat to the African continent. Furthermore, it is widely thought the economic fallout for the continent is likely to be severe and long-lasting. Many African countries have a high dependence on commodity exports to China, relatively weak sovereign balance sheets, high debt burdens and volatile currencies, among numerous other external fragilities.

The disease's negative impact on the world economy has already translated into a decline in demand for the primary products that Africa exports, such as oil from Angola and Nigeria and rare minerals from Democratic Republic of the Congo. The UN Economic Commission for Africa estimates Africa's growth will drop by 1.4% from 3.2% to 1.8 % as a result of the coronavirus. Among other things, the decline is due to disruption of global supply chains and a crash in oil prices that will cost up to US$65 billion in export revenues. Furthermore, tourism has been adversely affected, as international travelers stay home, hurting the economies of South Africa and Kenya, among others. Investors, confronted with a litany of unknowns about the disease and its consequences, are fleeing from emerging markets, at least for the time being.

The adverse consequences of the containment measures for the global economy are significant, including the direct disruption to global supply chains, surge in final demand for goods such as medical supplies and food, and the wider regional declines in international tourism and business travel in the region. Risk aversion has increased in financial markets with equity prices declining sharply, commodity prices have dropped, and business and consumer confidence have turned down. Falling global demand, trade, commodity prices and stock markets are having a negative and severe impact on developing and emerging economies, most of which are still struggling to recover from the 2014-2016 global economic slump. The COVID-19 pandemic is undermining the already weak economic performance in African States and presents a further downside risk to economic growth.

The need for social distancing has also affected the main sectors that contribute to Africa's GDP as shown in figure below. The health sector, agriculture, manufacturing, retail and other services, trade, education, hospitality, travel and tourism, aviation sector, transportation and shipping have all been badly hit. These in turn translate into reduced income both through the supply side (reduced production drives up prices for consumers) and the demand side (reduced demand from consumers hurts business owners and their employees). These short-term economic impacts can translate into a decrease in long-term growth in Africa.

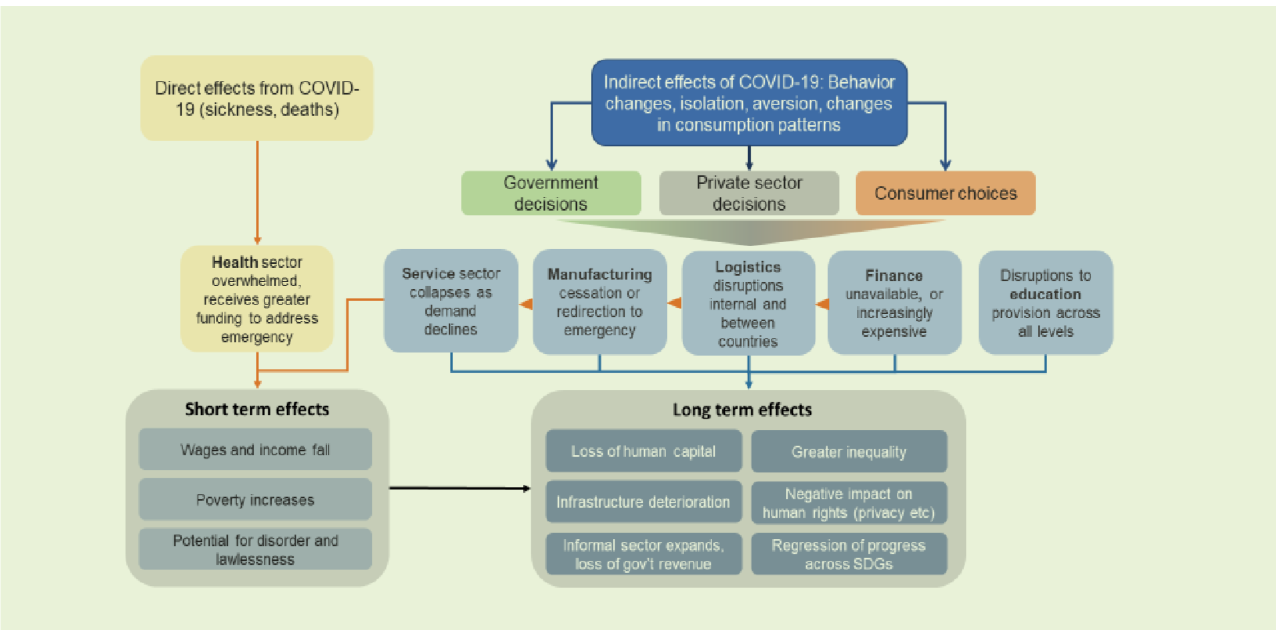


Figure 2.1: Short-Term and Long-Term Effects of COVID-19

Source: UNDP, 2020

Furthermore, financial markets have been disrupted, exchange rates have become volatile and there has been a fall in remittances from the diaspora. The COVID-19 pandemic has the potential to cause a global economic recession.

The fiscal pressures are being exacerbated by what is turning into an unprecedented health crisis that is morphing into a social-economic problem which has brought about a slump in production; disruption of supply chains, shortage of goods, mass unemployment, loss of incomes and a vast increase in the number of dependents. The ensuing loss of government revenues and pressure for the governments to cushion industry and citizens from the harsh reality of massive losses of incomes poses a huge strain on the exchequers. Governments have had to announce tax relief measures to encourage continued production of goods and services and protect jobs. In addition, Governments have also announced various relief measures targeting employees and citizens at the bottom of the pyramid. All these measures will result in considerable loss of government revenues and therefore governments will have to reassess the budget deficit targets for coming fiscal year. This will result in a freeze in development projects as the funds are being diverted towards the fight against the coronavirus.

Businesses face a number of challenges which are forcing some of them not just to ask employees to work from home but are even laying them off from work.

Businesses in the service sector face:

- Stock-outs and delayed deliveries due to the lockdown,
- Reduced demand for export products,
- Increased cost of goods which will consequently increase the overall cost of production,
- Reduced capital flows, restrictions on travel, and reduced staff time,
- Difficulty in obtaining credit from financial institutions as well as reduced ability to meet their loan interest payments, and,
- Slowed investment appetite from foreign and local investors.

SHORT-TERM MEASURES TO ADDRESS THE IMPACT OF COVID-19

The immediate and current need for all countries but especially those most affected by the COVID-19 epidemic, is for effective public health measures that prevent infection from spreading. Well-targeted economic policies are also required to help support health care provision and protect solvent companies and workers from experiencing significant temporary income disruptions because of this pandemic.

A number of governments have announced preliminary measures to cushion businesses and their nationals in the face of the pandemic.

Some of these interventions include:

- Granting tax breaks to companies seeking to increase their capacity to produce import substitute goods, which could even mean zero-rating VAT for a given period.
- Encouraging banks to give concessionary loans at low rates to facilitate businesses, and as well provide moratoriums on loans that are due.
- Establishing business stabilization funds especially for Small and Medium Enterprises (SMEs)
- Reducing or waiving taxes for industries and for low income earners
- Strengthening the local supply chain for traders to be able to access import substitute goods.
- Supporting industry to protect jobs.

Overall, action should be taken to protect lives through bolstering the health response; protecting livelihoods through supporting households and jobs, protecting key government functions and supporting essential economic activities; and, protecting the future through supporting investments now for recovery and growth.

POLICY MEASURES TO ADDRESS COVID-19

COVID-19 has placed a spotlight on the fragility of growth in African economies and policy makers should work to build a more resilient African economic sector. However, social and economic issues that were already highly challenging have now become exponentially more serious due to the current pandemic, the resultant health crisis and the catastrophic effect it is having on the African economies as well as the global economy.

In spite of the decent economic and social progress achieved in the last two decades, growth in most African countries remains characteristically fragile. This inherent fragility extends across the economic, social, political and cultural fabrics of life in Africa. However, although the effects of the coronavirus pandemic are devastating on already fragile African economies, the outlook is not completely dire. There is room to address the challenges.

In addition to infrastructural issues, the reliance of African markets on imported goods and services has proven to be a detrimental factor during this crisis, for example, the shortage of masks and other health and safety resources typically sourced from outside Africa. There is an urgent need for solutions that will move the continent forward, reduce risk and maximise on opportunities in the wake of the COVID-19 crisis.

Some of these include:

- Policymaking and interventions that consider the existing weaknesses within African economies, the post-crisis challenges facing the continent and future long-term methodologies to forestall the negative effects of crises
- While the focus should be health and humanitarian sector due to the damage caused by the virus, there is need also to strengthen early warning systems, response and mitigation of pandemics and disasters that have proved to be major threats to education, tourism, informal sector and other sectors.
- Member States should consider developing Roadmaps and Action Plans that prioritize investments and channel scarce resources to identified economic sectors to resuscitate their economies, strengthen resilience and improve competitiveness. Re-launching strategies should be premised on the existing SADC macroeconomic convergence programme.
- At the REC level, states are encouraged to implement co-ordinated and synchronised fiscal and monetary measures to mitigate the effects of COVID-19 on the regions' macroeconomic and financial stability. This goes beyond economic measures as it should also encompass the various socio-economic measures that include citizen movement restrictions, border restrictions, disease prevention and control protocols.
- Enlisting the support of multilateral institutions and bilateral partners and working together to develop comprehensive and effective solutions to overcoming challenges across different sectors. Due to the financial burden of measures being implemented by States and the deterioration in their fiscal positions, States are encouraged to access grants and facilities being availed by the international financial institutions for instance the International Monetary Fund's Catastrophe Containment and Relief Trust (CCRT). Grants should be channelled to relevant activities intended to mitigate the impact of

COVID-19 such as improving healthcare system and ensuring a conducive macroeconomic environment and resilient economy.

- Governments' initiatives to offer funding liquidity for banks and credit guarantees are recommended in order to address clients' (households and SMEs) liquidity constraints.
- Governments and the private sector need to consider ways to help the population and African markets recover from the debilitating effects of COVID-19 on factors such as GDP growth, critical macro-economic indicators, inflation, exchange rates, employment and livelihoods to vulnerable sectors.

Africa has hitherto been spared the worst health consequences and has capacity to bounce back but going forward, there will have to be a profound re-examination of some of the basic tenets of the strategy for economic and social development on the Continent. For instance, more investment will need to be self-financed and therefore domestic resource mobilisation is essential; greater investment will be required into public health which has until now been; social protection measures will have to be expanded with a better coverage of urban poor and the informal sector; and finally, the Continent will need to review its model of insertion into the global economy and strengthen regional integration.

COVID-19 LEADS TO EMERGENT LOCAL MANUFACTURING: CAN IT 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 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.

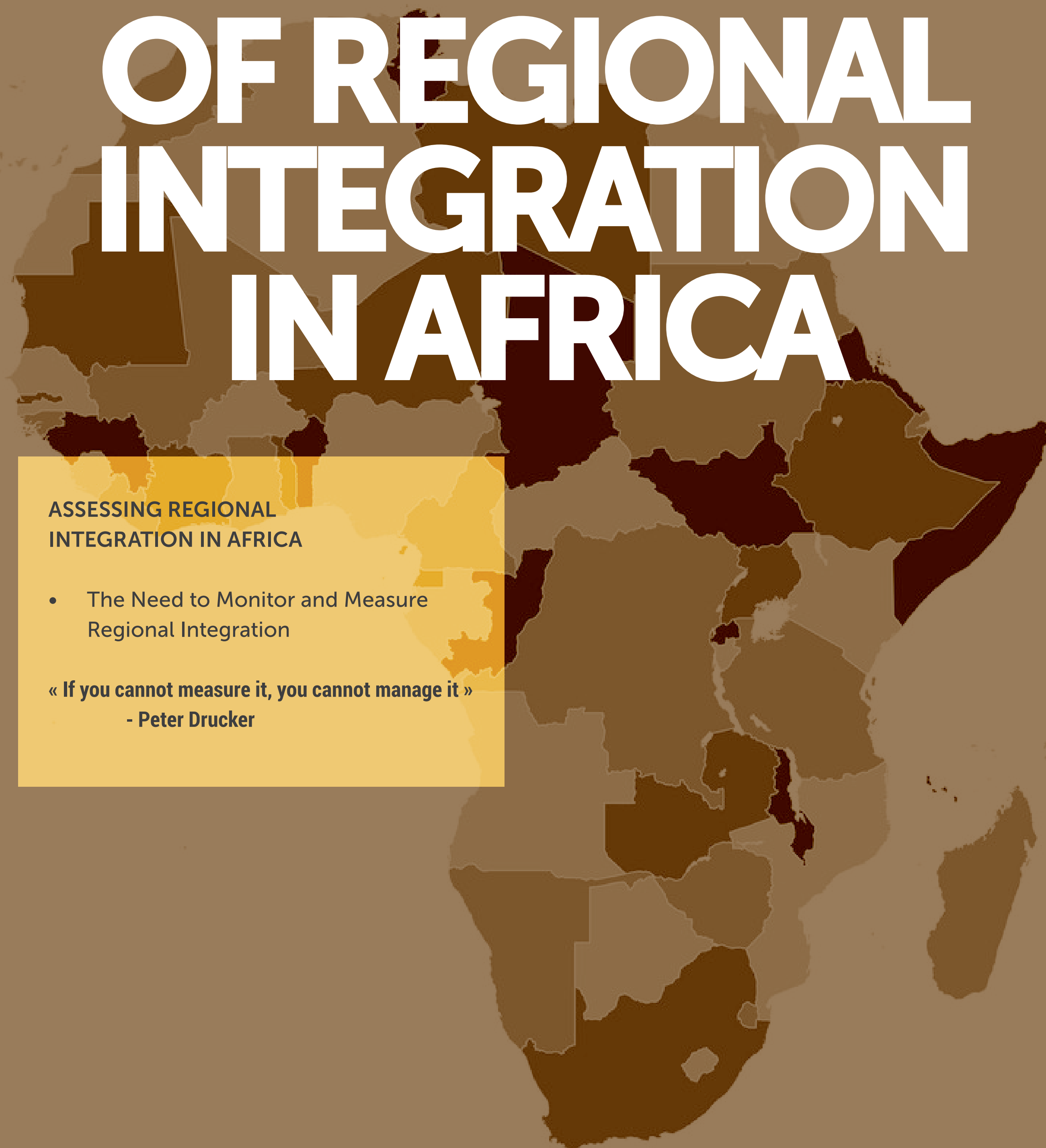
Africa has shown its resilience. Africans had a growing sense that they were on their own. If there were going to be a saviour, it would be Africans themselves.

CONCLUSION

The World Bank projects that Africa will have its first recession in 25 years. The growth rate for 2020 is now projected at -1.6%. Africa could lose between USD37 billion and USD79 billion in output in 2020. The social impacts and food insecurity due to COVID-19 are major concerns for the coming year. It also has a substantial impact on government finances and availability of capital for private sector. How can Regional Integration help rebuild Africa and better?

The way Africa reacts in the aftermath of this social and economic crisis will be definitive in guiding the recovery and inclusive growth of the continent. For instance, the implementation of the AfCFTA Agreement needs to be accelerated. This will boost intra-African trade, development and economic diversification, making African economies less vulnerable to economic shocks and more resilient to global crises or market disruptions. With the effects of COVID-19 now hitting African economies, some may question the timing of the free trade area; however, moments of crisis have often served as times for reflection and readjustment. Economic instability highlights to African governments and businesses their vulnerability to price shocks and interruption to global trade. Africa needs the AfCFTA to transform its economies in the post-COVID period.

THE STATUS OF REGIONAL INTEGRATION IN AFRICA



ASSESSING REGIONAL INTEGRATION IN AFRICA

- The Need to Monitor and Measure Regional Integration

« If you cannot measure it, you cannot manage it »
- Peter Drucker

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 a further two questions: Where are we in the Integration Process? What do RECs need to do and what do states need to do in order to meet our goals? These questions help us to understand how effective the African Union and the RECs been in achieving their stated objectives.

Further questions include: what are the impacts of the policies preferences of the AU/RECs on ordinary citizens? To what extent have they contributed to improved well-being and reduced poverty? 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 strong set of results-based indicators can help to illuminate the costs and benefits of policy initiatives and, thus, inform the broader public dialogue on complementary reforms.

Systematically monitoring regional integration processes is a relatively recent activity, but its potential is quite important for policy making. Monitoring 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 what the possible solutions could be. 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. Of course, the poor track record can be largely blamed on political economy factors and resource constraints. Political sensitivities, interest group pressure and bureaucratic rigidity have often contrived against policy change. The expanding number of regional organisations and their increasing policy scope puts severe strains on the technical capacities of government administrations.

From a policy-making perspective, a 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, and 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 and regional levels and continental levels as well as the private sector and civil society with the necessary information to push for corrective action.

In Africa, these requirements of comprehensiveness and effectiveness can hardly be met with the currently available indicators from traditional data, so that the pursuit for high quality integration monitoring requires the development of new indicators.

- Developing Monitoring and Measuring Tools for Regional Integration

It should be borne in mind that the process of developing tools to monitor regional integration involves multiple stakeholders at the continental, regional and national levels as well as academia, the private sector and civil society. Besides, technical issues are often linked to political issues; and the interpretation of results may equally be political and will therefore be interpreted differently by different actors e.g. RECs and national officials.

In order to track regional integration, we need to develop monitoring and measuring tools which includes the indicators which must be conceived as a joint product between users and producer', considering input from all relevant stakeholders. A core issue in the development of indicators is the underlying definition of regional integration that will be used and how it will be operationalized into dimensions and variables.

The search for answers to the questions posed at the beginning of this chapter will provide data that could potentially provide insights into the state of regional integration at a more disaggregated level and help to assess the impacts of specific policy measures. Integration monitoring should be comprehensive, such that it covers all the different dimensions of integration and effective, in the sense of making it possible to assess the extent to which regional policy reforms have had an impact, for example, in lowering trade transactions costs, facilitating the cross-border operations of businesses, facilitating movement of persons or even developing cross-border infrastructure.

Much of the data necessary to construct more discerning outcome indicators are already available, while additional information that is missing might be relatively easy to generate. The scope of the indicator set and the selection of the particular range of indicators will be specific to each individual integration initiative and requires some consultations and negotiation, but if policymakers and public officials are serious about addressing the implementation deficit, they need to devote more attention and resources to establishing the extent to which regional integration efforts are being reflected in practice.

In addition to the more traditional information, new types of data that were previously not publicly accessible have become available over recent years. Examples include information from transport corridor monitoring committees, firm-level data from customs agencies, and information on local and regional prices of commodities from statistical bodies.
When designing an indicator system for the monitoring of regional integration processes, a number of 'political choices' should also be made[2]. These include the:

- Degree of specificity of the system: referring to the number of aspects of integration (or sectors) that are covered
- Level of assessment: referring to the fact that systems can be designed to monitor the dynamics of a group of (integrating) countries or regions, or otherwise, to monitor the participation of individual countries/regions in the integration schemes.
- Treatment of overlapping memberships, relating to the choice of countries to be included in the monitoring exercise and leading to technical problems concerning the disentanglement of the effects of regional integration.
- Distinction between policy discourse, effort, implementation and effect.

In developing tools solutions for technical problems often require political decisions. Examples include the:

- Inclusion of cross-region comparisons
- Choice between absolute and relative comparisons
- Choice of weights
- Inclusion of policy implementation variables
- Combination of quantitative measurements with qualitative assessments, and
- Interpretation of results

The interpretation of any results may therefore be contentious, but it should be understood that the results will be interpreted using the selected dimensions only while different dimensions may result in, may be, a different outcome. To interpret the results in this section will therefore require an appreciation of the background to the assessment and an understanding of the methodology that has been used.

[2] De Lombaerde, P. & Van Langenhove, L. (2006), Indicators of Regional Integration: Conceptual and Methodological Aspects, in P. De Lombaerde, ed., 'Assessment and Measurement of Regional Integration', London: Routledge

Some of these issues were borne in mind during the development of the African Multidimensional Regional Integration Index - AMRII.

THE AFRICAN MULTIDIMENSIONAL REGIONAL INTEGRATION INDEX

The African Multidimensional Regional Integration Index (AMRII) serves as a basic tool for assessing the integration process within the RECs. This tool establishes an assessment based on the strategies, programmes and real impacts of initiatives taken on regional integration within RECs. The evaluation is done in 3 stages: a global 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 with the thresholds selected within the framework of the development of AMRII

The preceding section highlights the need for a new index that comprehensively captures the multiplicity, dynamism and complexity of the processes taking place on the Continent. The African Multidimensional Regional Integration Index (AMRII) is a monitoring and evaluation for regional integration in Africa that was developed by the AUC and the RECs with the participation of the Association of Central Banks and national statistical agencies.

On the recommendation of the African Ministers in charge of Integration (COMAI 2013, Mauritius), the AUC, AfDB and UNECA developed the African Regional Integration Index (ARII, 2016). Although this tool revolutionised the monitoring and evaluation of regional integration in Africa, there was concern that it did not fully capture and assess the different aspects of regional integration in Africa comprehensively due to its minimal dimensions. Considering the weaknesses of ARII, the AUC developed the African Multidimensional Regional Integration Index (AMRII) to strengthen the evaluation of the process of regional integration in Africa. The new index is composed of eight 8 dimensions and 33 indicators.

Figure 3.1: AMRII Dimensions

Source: AUC, 2020

This report utilizes the new complementary index - the African Multidimensional Regional Integration Index that was developed using three approaches. These are:

- An analysis of all the regional integration programmes at the continental and regional levels
- Consultative meetings where held between the AUC, RECs, National Statistical Agencies and Central Banks
- An average and Objective method for the calculation of the thresholds was developed.

The Index is composed of eight (8) dimensions; thirty-three (33) indicators; and, thresholds for each of the indicators.

- 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:

- **Qualitative indicators and**
- **Quantitative indicators.**

Qualitative indicators describe adopted integration tools or instruments 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.

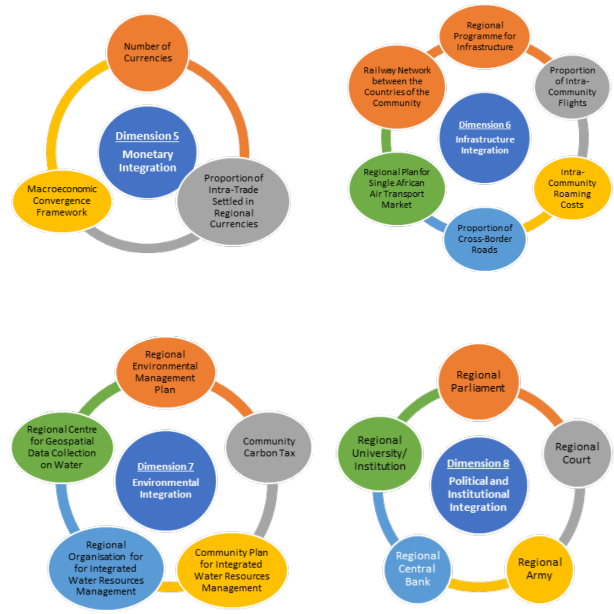


Figure 3.2: AMRII Indicators

Source: AUC, 2020

- 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 tools 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 retained in the form of tools, 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.

Further information about AMRII is in the appendix.

REGIONAL INTEGRATION IN AFRICA: PROGRESS BY RECS

- Introduction

Over the years, numerous regional integration programmes and projects have been drawn up by African Heads of State and Government. While many achievements have been recorded, it should be noted that there are several challenges to the integration process. To be able to address these challenges, we need to know where we are and what the successes and challenges are. In this section, an assessment based on the AMRII index is made to understand the level at which African States, the Regional Economic Communities (RECs) and the African Union (AU) are in pursuing the integration of the continent.

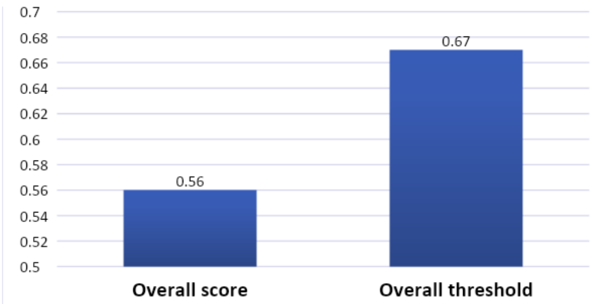
The African Multidimensional Regional Integration Index (AMRII) serves as a basic tool for assessing the integration process on the Continent - at both the continental and regional levels. This tool establishes an assessment based on the strategies, programmes and real impacts of initiatives taken on regional integration. The evaluation is done in 3 stages:

- An Overall evaluation which gives a brief assessment of the level of integration within the RECs,
- A dimensional evaluation based on the sectors of integration selected during the design of AMRII,
- A comparative analysis of the level of integration within the RECs with the thresholds selected within the AMRII framework.

- Overall Assessment of the Regional Integration Process

Using the African Multidimensional Regional Integration Index, this assessment not only utilises the scores obtained at REC level, but it also takes into account the signature and ratification by the RECs of Continental Protocols and Treaties to advance African integration.

The graph below presents the overall score with the overall threshold which should be reached by the RECs in order to achieve the objectives of the African integration process.



Graph 3.1: Average Performance of RECs Compared with Overall Threshold

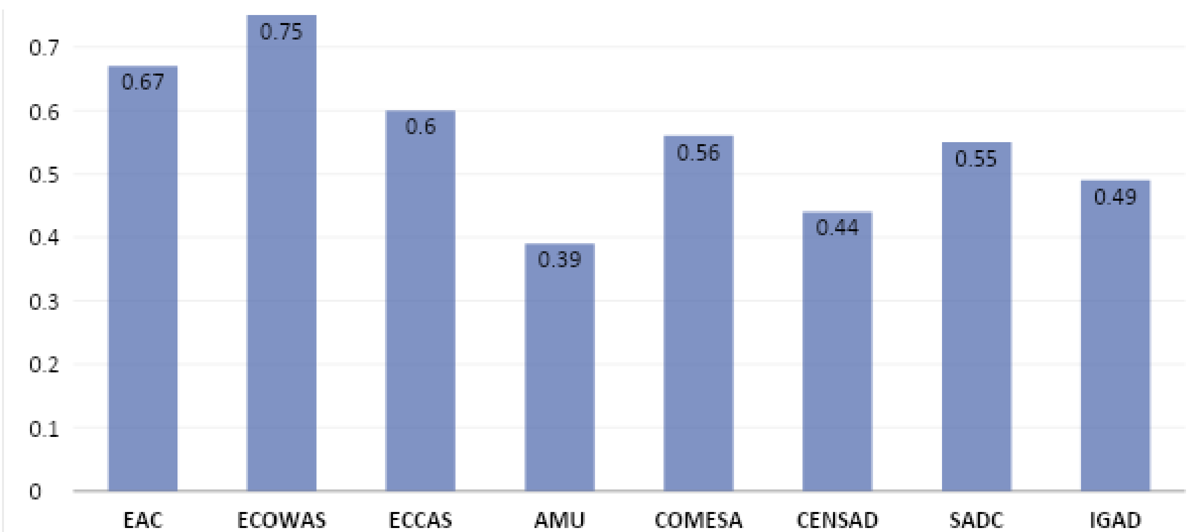
Source: AUC, 2020

In order to reach the African Economic Community benchmark, the RECs should be on an average score of 0.67 on a scale of 0 to 1 but this far they have only attained a score of 0.56. This is below the expectations provided for in the chronograms established on the basis of the objectives of the Abuja Treaty.

- Comparative Analysis of the Performance of each REC

The graph below shows the overall assessment of RECs in terms of integration. This assessment summarizes the level of integration with all the dimensions put together.

Although it may be tempting to rank the RECs according to the scores obtained, it is important to appreciate that RECs do not always have the same objectives - on the basis of different founding treaties and priorities as well as being at different stages of development. Comparisons using the same yardstick can only go so far. It is important to assess year-on-year progress by the RECs where each REC is assessed on the basis of the previous year's achievements



Graph 3.2: The Overall AMRII Score by each REC

Source: AUC, 2020

Comparatively, the most advanced RECs are ECOWAS, EAC and ECCAS in that order. These three RECs have made the most progress in the 8 dimensions under consideration. However, the high performance by ECCAS should be qualified. This REC benefits from the success of the Economic and Monetary Community of Central Africa (CEMAC), a sub-regional organization that is nested within ECCAS.

This assessment gives an overview of RECs' capacities to develop projects and programmes across all the 8 dimensions considered by AMRII. It also addresses the progression based on the Abuja Treaty which stipulates in its 6-step chronogram that all areas of integration should be considered by the RECs. According to the Treaty, the RECs must continue to address all areas of integration in order to create conducive conditions for the establishment of the African Economic Community, the ultimate objective of African integration.

The Abuja Treaty sets out the modalities for establishing the AEC that consists of six stages of variable duration from the date of entry into force of the Treaty.

The six stages are:

- Strengthening of existing Regional Economic Communities (RECs) and establishing new ones in regions where they do not exist (5 years)
- At the level of RECs, strengthening of sectorial integration particularly in the fields of trade, agriculture, money, finance, transport, communications, industry, energy as well as coordination and harmonisation of the activities of RECs (8 years)
- At the level of each REC, the establishment of Free Trade Area and a Customs Union (10 years)
- Coordination and harmonisation of tariff and non-tariff barriers among various RECs with a view to establishing a Continental Customs Union (2 years)
- Establishment of an African Common Market (ACM) (4 years)
- Consolidation and strengthening of the structure of ACM, including free movement of people and factors of production, creation of a single domestic market and a Pan African Economic and Monetary Union, African Central Bank and African Currency as well as establishment of a Pan African[3].

It is worth pointing out that the goal of integration of African states is not supposed to stop at the point of the creation of the African Economic Community; there is a higher pan-African goal of uniting the entire Continent into one political entity - this is in essence the ultimate objective of the African union.

However, it should be noted that such scores allow for only a general understanding and to make a comparison between the RECs. A comparison between RECs does not tell the whole story. The RECs were started at different times and they face different challenges. In addition, RECs have different founding Treaties with different objectives and priorities that vary at any given time. Besides the RECs were given the freedom to carry out changes with variable geometry.

AMRII has developed thresholds which take into account only the objectives of the Abuja Treaty and those of Agenda 2063 and the REC Treaties - which complete the comparative analysis between the scores and the thresholds. The idea is that achieving the objectives specified in these stated programmes absolutely requires the involvement of RECs at regional level since they have been recognized as pillars of the continental integration process. It therefore requires an annual change to achieve the objectives over time. Clearly, each of the objectives of the Abuja Treaty and of Agenda 2063 is spread over time and AMRII defines a part of the objective to be reached annually to achieve the final objective in question.

[3] Economic Cooperation and Development (EDECO), 2000. Pan-African Perspective, http://www.panafricanperspective.com/aec.htm.

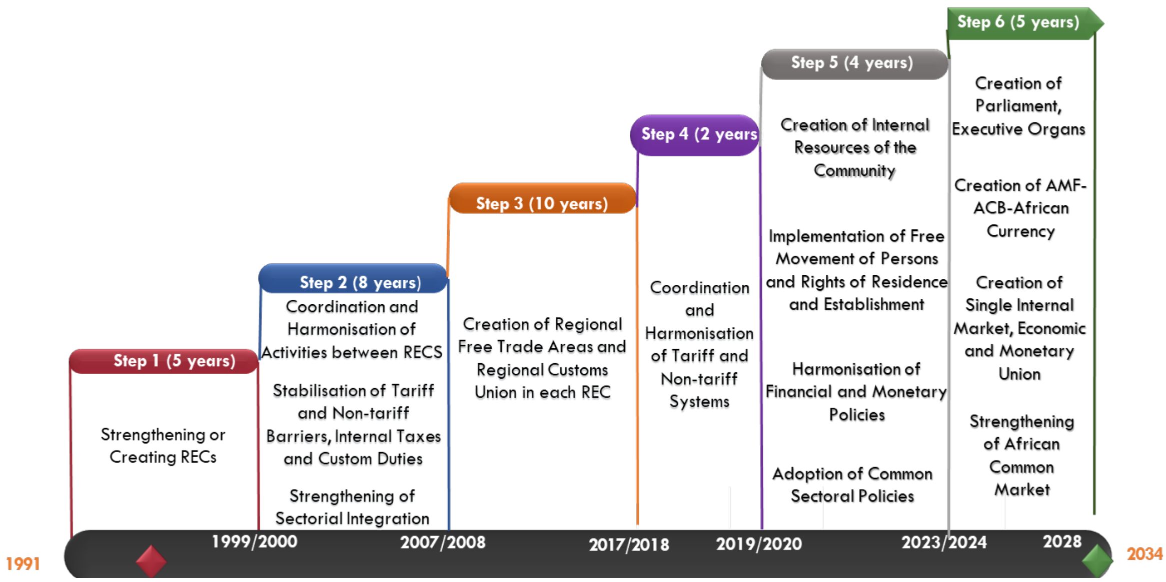


Figure 3.3: Chronogram of the Abuja Treaty

Source: AUC, 2020

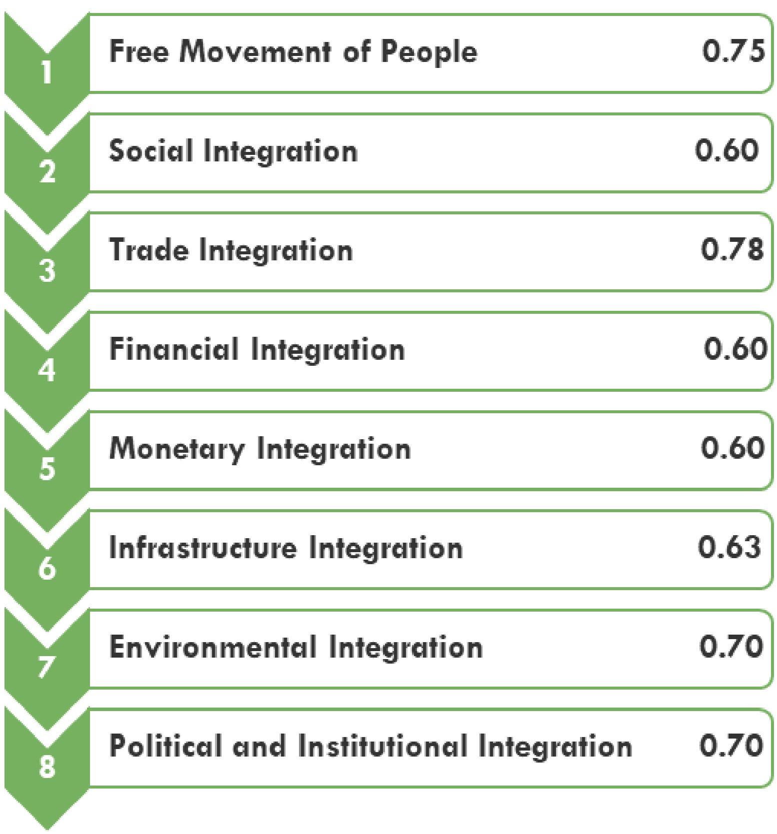


Figure 3.4: AMRII Thresholds

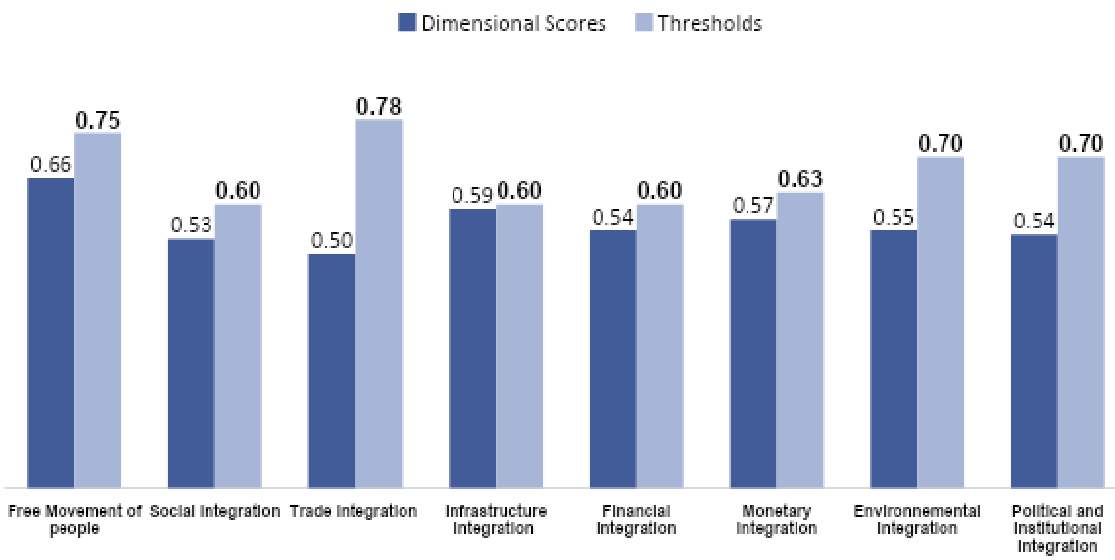
Source: AUC, 2020

- Dimensional Assessment of the Integration Process at Continental Level

Average Evaluation of the RECs in the 8 AMRII Dimensions

This section carries out an overall analysis of the integration process on the continent based on the dimensions of AMRII. The purpose of this evaluation is to understand and deepen the overall analysis carried out in the previous section.

Overall, the average level of progress of the RECs is not in line with the progress required to drive the African integration agenda effectively. Nevertheless, the average scores which are obtained by taking the arithmetic mean of the dimensional scores at the level of the RECs show that the RECs still have the capacity to participate effectively in the achievement of the African Economic Community and to meet the objective of a united Africa that is prosperous, peaceful and speaking with one voice in the concert of Nations.



Graph 3.3: Continental Average Scores by Dimension compared to the set Thresholds

Source: AUC, 2020

- Comparative Analysis of RECs by Dimension

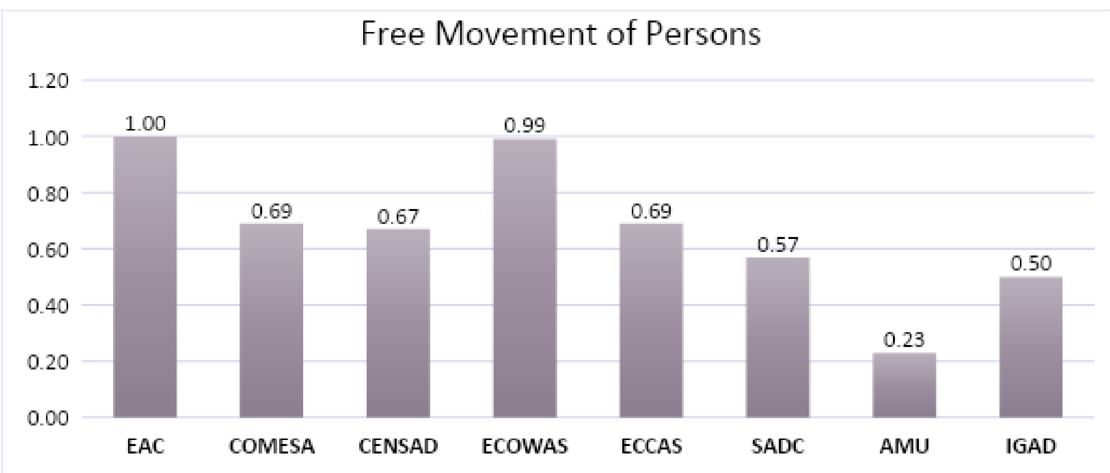
Based on the eight AMRII dimensions, this section compares the performance of the RECs by dimension.

Free Movement of Persons : ECOWAS and EAC indisputable Champions

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 by signing them, ratifying them and actually implementing them.

RECs such as ECCAS and CEN-SAD, although they have not implemented concrete tools to facilitate free movement, they are fortunate to have Member States that belong to other RECs or sub-regional organizations that have made notable progress in free movement of persons which contributes to their appreciable scores. ECCAS has CEMAC nested within it whereas CEN-SAD benefits from memberships in ECOWAS and CEMAC. The graph below shows how the RECs compare in this dimension.

While reviewing the performance of the RECs in Free Movement of Persons, it is insightful to look at the performance of the Member States of each REC in the signing of the African Union Free Movement Protocol since it's unveiling at the Kigali Summit in 2018. This shows that numerous Member States of ECOWAS, IGAD, ECCAS and the EAC have signed the Protocol on the Free Movement of Persons. This could mean that ECOWAS and the EAC are pursuing free movement at the continental level after having almost completed free movement at the regional level.



Graph 3.4: Comparative Analysis between RECs on the Free Movement of Persons

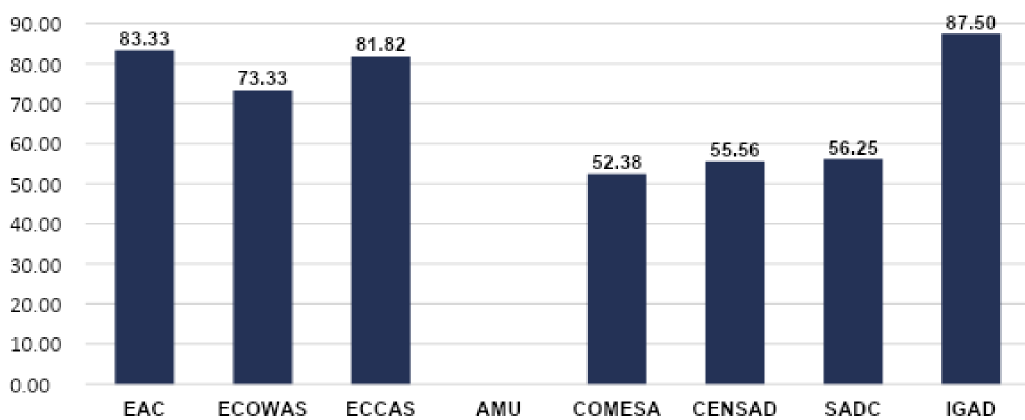
Source: AUC, 2020

On the other hand, the high proportions at IGAD and ECCAS level raise the problem of priority between regional integration and continental integration. According to the Abuja Treaty, free movement of people should be achieved at the regional level before harmonizing regional efforts at the continental level. However, given the priorities of the RECs and the existence of the continental process, states sometimes choose to agree with the continental protocols due to various reasons: some do this because a regional framework is lacking; others because committing to the overall continental framework makes it easier for harmonisation locally and to avoid duplication while other do this thinking that Addis Ababa is too far to enforce implementation which also gives them an excuse not to sign the local agreement.

Even if the proportion of signatures of the AU Protocol on Free Movement of Persons is encouraging, it must however be recognized that the ratifications are still very slow. Only 4 AU Member States have ratified this protocol: these are Mali and Nigeria in ECOWAS; Rwanda, which is in the COMESA, EAC and ECCAS; and, Sao Tome and Principe which is in ECCAS.

Social Integration: Commendable Efforts by RECs

Social integration is closely tied to the free movement of persons. In the development of AMRII, this dimension has been integrated to assess the way in which the RECs have put in place legal instruments to effectively support their people to move across their region. People move to study, for cultural events and even to trade and by doing this, interactions and social exchanges take place. In terms of social integration, the RECs have developed and implemented numerous programmes for youth and women, education and the harmonisation of academic qualifications.



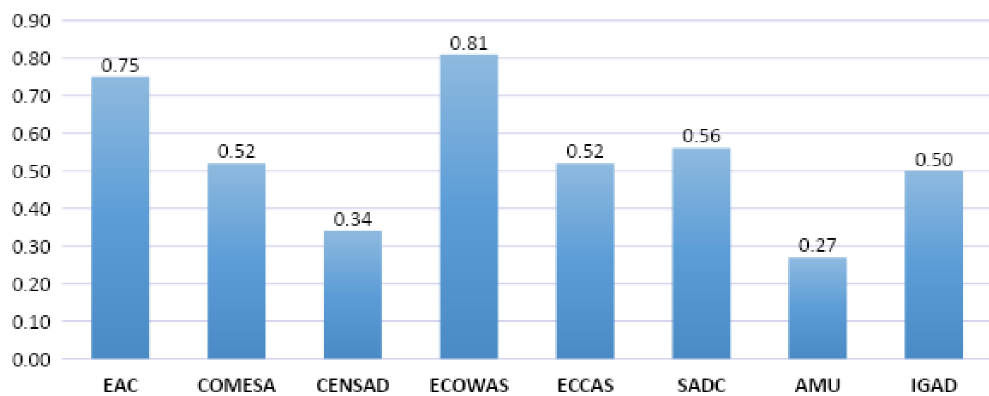
Graph 3.5: Percentage of Member States per REC that have signed the AU Free Movement Protocol

Source: AUC, 2020

It should therefore be mentioned that the protocols guaranteeing the free movement of people contain regulations on rights of residence and establishment which also facilitate social exchanges. Therefore, the RECs that have fully implemented their protocol for the free movement of people have both good scores in free movement and in social integration. This is the case for ECOWAS and the EAC which are the most advanced in social integration with respective scores of 0.81 and 0.75 on a scale of 0 to 1.

Trade Integration: Satisfactory efforts by COMESA, EAC and ECOWAS

In trade integration, the performance of SADC, the EAC, ECOWAS and COMESA is to be commended. These RECs have all achieved scores of more than 0.6. However, it is necessary to know that when these scores are compared to the trade integration threshold, there is still more that is required of the RECs. .



Graph 3.6: Comparative Analysis of RECs in Social Integration

Source: : AUC, 2020

ECCAS, SADC and IGAD have certainly developed programmes for social integration and have made education, the empowerment of women and young people priority issues, but these RECs are still in the phase of signing and ratifying their free movement protocols. This would explain their average score in the social dimension of integration. In fact, ECCAS (0.52), SADC (0.56), COMESA (0.46) and IGAD (0.5) have adopted protocols on free movement, but there are real obstacles in the implementation of these protocols.

The other RECs such as ECCAS, SADC and IGAD are still at a low level in terms of trade integration. The real challenge for these RECs is the difficulty of translating their intentions, some of which date back to their founding, into reality.

Action is required to raise the level of intra-regional trade. Regional Customs Unions should be implemented to boost trade with one another. Regional value chains with country specialisation depending on the comparative advantage should be encouraged. RECs have also developed industrialisation policies but not much has been done; these should also be implemented. The low level of infrastructure also hinders intra-regional trade and it should be addressed.

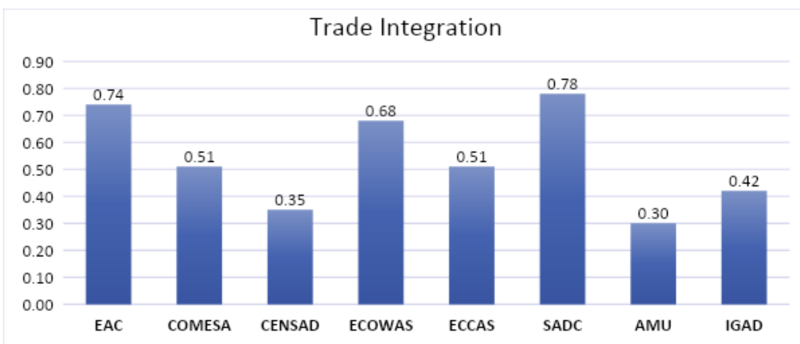
Given that a lot needs to be done to raise intra-African trade - not forgetting the, sometimes, uncaptured figures of informal trade - the African Continental Free Trade Area (AfCFTA) is therefore an opportunity that states should take advantage of in this regard. The figures below show the signatures and ratifications of the AfCFTA. This makes it possible to perceive the behaviour of member states at continental level in terms of trade integration. All ECOWAS, EAC, ECCAS, AMU and SADC member states have signed the AfCFTA, which is the most advanced continental framework in terms of trade integration so far.

Looking at this, ECOWAS, ECCAS and IGAD have the highest ratifications standing at 66.67%, 54.55% and 50% respectively. Unfortunately, no Member States of AMU has ratified the AfCFTA Agreement, to date.

Financial and Monetary Integration: Advances within ECOWAS, COMESA and EAC

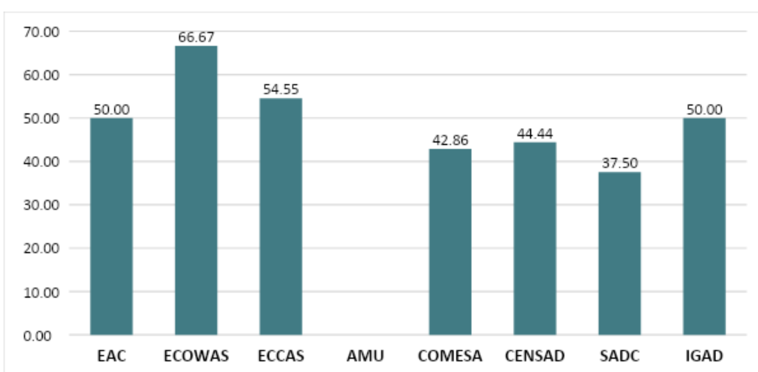
Tangible advances in legal frameworks and institution building have been recorded within ECOWAS, COMESA and the EAC. Advances in IGAD and ECCAS are worth mentioning but with caution since these are not their efforts - they benefit from overlapping membership: IGAD from Member States in the EAC and COMESA and ECCAS benefits from the level of financial and monetary integration in CEMAC.

COMESA is a leader in setting up successful regional institutions and schemes that facilitate trade. For instance, the REC has an operational Competition Commission, Zep-Re Insurance Institution, and the Yellow Card that facilitates movement of vehicles across the region, a Regional Court for dispute resolution, a Monetary Institute and a Clearing House that runs the payment system.



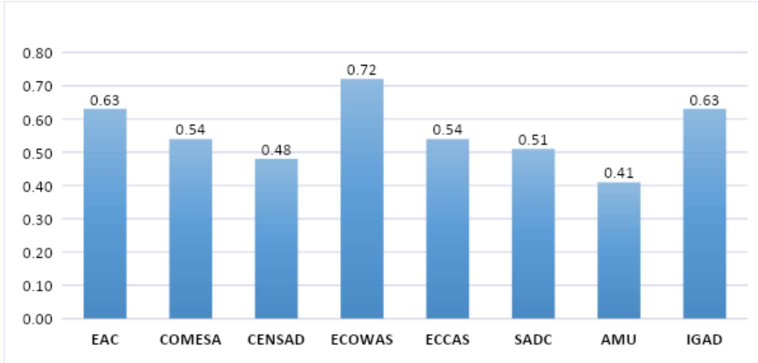
Graph 3.7: Comparative Analysis between RECs in Financial Integration

Source: AUC, 2020



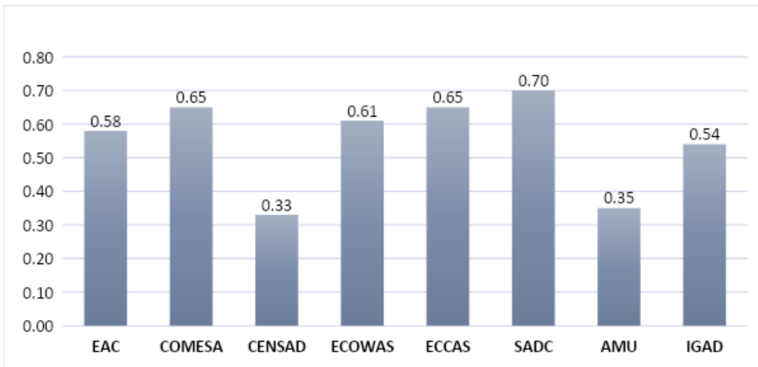
Graph 3.8: Number of States per REC that have Ratified the AfCFTA Agreement

Source: AUC, 2020



Graph 3.9: Comparative Analysis between RECs in Financial Integration

Source: AUC, 2020



Graph 3.10: Comparative Analysis between RECs in Monetary Integration

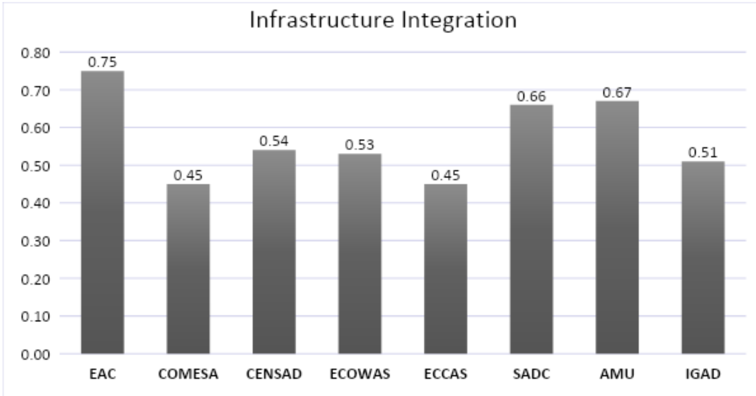
Source: AUC, 2020

Infrastructure Integration: Efforts still on Paper

Infrastructure deficiency is one of the strongest arguments for the weak regional integration in Africa. This is understandably so given the large infrastructure gaps and deficiencies on the continent. Transport costs in Africa have been adjudged to be some of the highest in the world. Currently, shipping within Africa is more expensive compared to shipping from outside the region and some flights connecting some African countries still fly out of the continent in order to arrive at a final destination on the Continent.

The colossal funds required for the continental Programme on Infrastructure Development in Africa (PIDA) have slowed down the implementation of this ambitious programme which should promote socio-economic development and poverty reduction in Africa through improved access to integrated regional and continental infrastructure networks and the accompanying services.

The graph below shows the scores in terms of infrastructure integration of each of the RECs based on the AMRII index. In spite of the financial obstacles, some RECs have made effort to connect one state to the other; a number of them also have regional infrastructure master plans which also feed into PIDA. There is close collaboration between states, RECs and the AU in the implementation of PIDA. The RECs have understood in recent decades that intra-regional trade, financial development and the free movement of people are closely linked to the existence of quality infrastructure.



Graph 3.11: Comparative Analysis of RECs in the Infrastructure Integration

Source: AUC, 2020

NOTE: The graph inadvertently shows success while the situation on the ground is dire. This commendable picture is attributable to the low threshold given to infrastructure in AMRII. This will be adjusted next year.

This is what justifies the numerous initiatives to build cross-border roads and railways. The same applies to the efforts to reduce roaming charges.

All initiatives linked to awareness from African States justify the scores of the RECs whose average is displayed at 0.59. However, it is worth mentioning the glaring delay by ECCAS in terms of infrastructure with a score of 0.45. This REC has several plans and programmes in the field of infrastructure, but practical implementation encounters several obstacles including funding and political will.

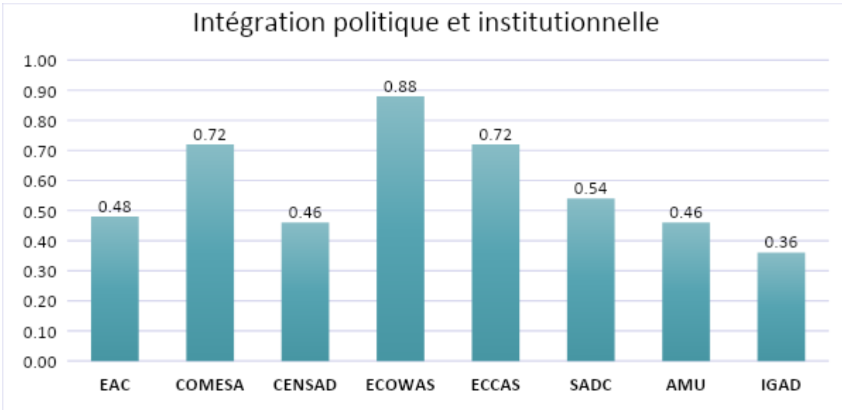
Political and Institutional Integration: Priority in ECOWAS and ECCAS, Shifting Goals in EAC and SADC

Like the continental organisation, the Organisation of African Unity, several RECs, that were created in the early decades after independence had no choice but to make political integration a priority by seeking peace and security to initiate real development.

The numerous internal as well as external conflicts that plagued the continent, in addition to racial discrimination in southern Africa, pushed the RECs to orient their objectives towards political questions. It is in this spirit that ECOWAS, ECCAS, SADC and the EAC have clearly displayed in their Treaties the dimension of political integration. They touch on the search for peace and security and the implementation of political institutions such as a regional Court, a regional parliament and a regional armed force. Unique to the EAC, it plans to establish a political confederation as a precursor to political federation.

However, it should be added that over the years, the priorities seem to have changed with the decline of internal conflicts in Africa and the desire to create bases for economic and social development in the RECs.

In the graph above, it is clearly seen that the EAC and SADC have put political integration as the ultimate priority which should be preceded by socio-economic integration. On the other hand, ECOWAS and ECCAS have maintained their political institutions and benefit from the remarkable organization of sub-regional organizations such as WAEMU and CEMAC which have legal instruments on the matter; for example, we have the CEMAC FOMAC Armed Force.



Graph 3.12: Comparative Analysis of RECs in Political and Institutional Integration

Source: AUC, 2020

Other RECs such as COMESA, CEN-SAD and AMU have not made this dimension of integration a priority. Even though, COMESA has included in its Treaty provisions that deal with peace, security and stability and established the COMESA Court of Justice.

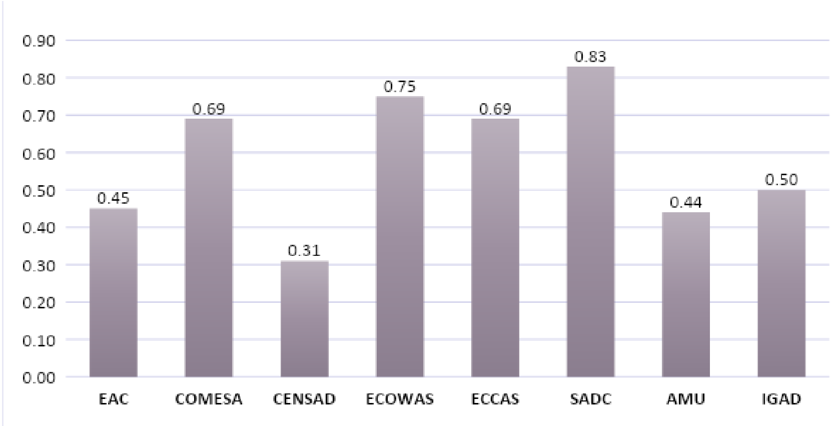
Environmental Integration: ECCAS joins IGAD in Prioritising Environmental Issues

The environment is an emerging issue in Africa. However, its impacts on the economic and social development of the Continent is strongly felt. For instance, in 2019, there was heavy flooding in Southern Africa. Besides, frequent droughts have impacted negatively on livelihoods resulting in food insecurity and conflicts over pasture among pastoralist communities. Whereas free movement on the continent is encouraged, forced movement due to displacements caused by environmental disaster are a cause for concern; climate change could lead to conflicts on the Continent. This is why it is important for states to join efforts in developing a coherent and effective approach to environmental protection and management.

AMRII has taken this dimension into account in order to draw the attention of States to the importance of regional and continental management of the environment which is a common public good. Initiatives, including plans, programmes and institutions exclusively dedicated to the environment and climate, are already taken into account by some RECs. ECCAS and IGAD have not only developed regional programmes on environmental issues, but these RECs have set up regional institutions devoted to the environment and the climate.

In all RECs, carbon tax remains at the embryonic stage and it is not effective. States should consult each other for a regional harmonization of the carbon tax.

In the graph above, ECCAS, IGAD and AMU perform better in environmental integration compared to the other RECs. Although these dimensions of integration are just emerging, these RECs have put in place legal and institutional frameworks to accelerate the harmonization of the national policies of the member states



Graph 3.13: Comparative Analysis of RECs in Environmental Integration

Source: AUC, 2020

REGIONAL INTEGRATION IN NORTH AFRICA: THE ARAB MAGHREB UNION

- Introduction

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. 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 the 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 their regional objectives and to encourage national and bilateral institutions to give a Maghreb dimension to all their activities.

Area (incl. Water)	9.278 million sq.km
Population	360 million
GDP USD	630 billion
Headquarters	Rabat, Morocco
Established	1989
Official Language	French, Arabic
Secretary General	Hon. Taïeb Baccouche from Tunisia

Table 3.1: Quick Facts about AMU

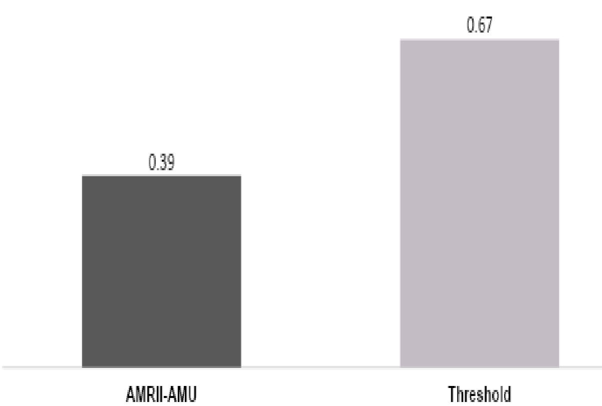
Source: AUC, 2020

- ### Assessment of the AMU Integration Process

Several achievements and challenges of AMU regarding the integration process are mentioned in evaluation reports without relying on a duly developed tool to scientifically understand the level of integration in this REC. Thus, this section is dedicated to two evaluations of the integration process within the AMU: overall evaluation and dimensional evaluation.

- ### Overall Assessment of the AMU Integration Process

On a scale of values between 0 and 1, the overall integration process within AMU scores 0.39 (see the graph below). The threshold of 0.67 is the minimum rate of progress that a REC should achieve this year (2020) in order to meet the objectives that are set out in the Abuja Treaty and Agenda 2063. Therefore, AMU is lagging behind continental targets in regional integration.



Graph 3.14: Overall Assessment of the AMU Integration Process

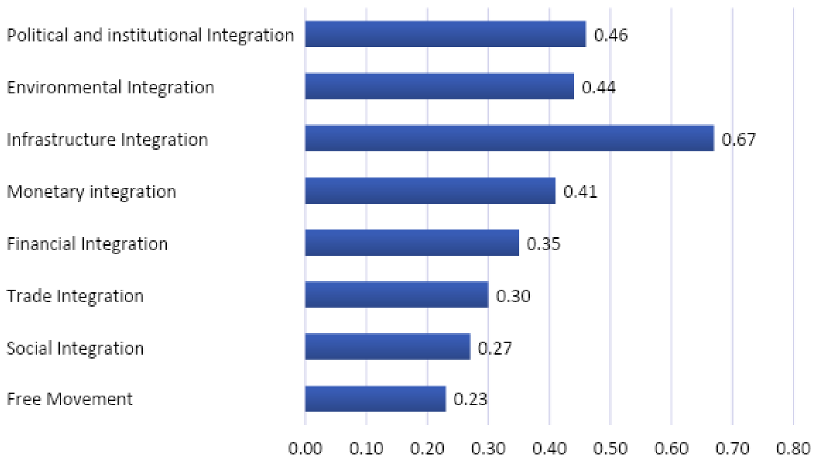
Source: AUC, 2020

This overall assessment provides information on the level of development in AMU in terms of economic, social and political integration, but this information is incomplete and is not exhaustive for a better appreciation of the performance of AMU. A dimensional assessment is performed in the following section in order to provide more details on the performance of AMU.

- ### Assessment of the AMU Integration Process by Dimension

A more detailed analysis of the level of regional integration of AMU is presented and summarized in the figure below. The results that emerge from this evaluation show that AMU's score in terms of infrastructure integration is 0.67. The high level of infrastructure in the region compared to other regions of the continent as well as new initiatives to harmonize and create several cross-border infrastructure projects fully justifies this score. Programmes such as the Maghrebian Railway accompanied by legislative frameworks in the field of communication are all initiatives which will help AMU to accelerate its infrastructural integration.

In contrast, in the areas of free movement of persons as well as social, trade and financial integration, AMU performs poorly. The low scores recorded by AMU which are 0.23 for the free movement of persons, 0.27 for social integration, 0.30 for trade integration and 0.35 for financial integration are due to the fact that in these dimensions AMU remains at the level of reflection and consultations between the Member States and not much more. Progress on these aspects of integration is and remains low. Sometimes, technical/feasibility studies are carried out by the Secretariat for the implementation of necessary and important instruments to accelerate integration, but the difficulty of unanimity hinders adoption, ratification and implementation. Bilateral initiatives, such as those between Algeria and Tunisia, are minimal in the region when they could have helped to overcome the difficulty of finding unanimity around ideas and projects.



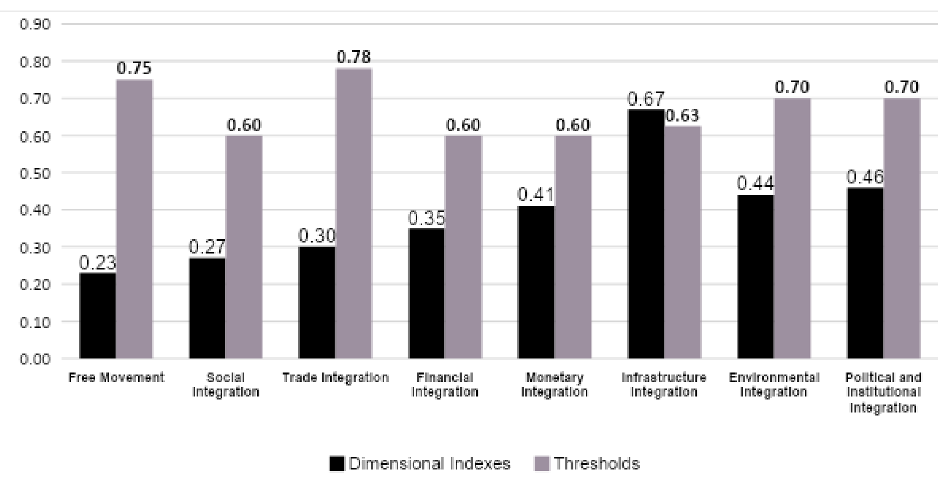
Graph 3.15: Performance of AMU in the 8 AMRII Dimensions
Source: AUC, 2020

- Strengths and Weaknesses of UMA

Based on the evaluation of the AMU integration process, this section of the report compares the scores obtained with the fixed AMRII thresholds in order to know the strengths and weaknesses of this REC. Indeed, the annual thresholds associated with AMRII give an idea of the percentage of achievement that the REC should reach so that the regional and continental objectives which appear in the Abuja Treaty can be achieved according to the established timetable.

In light of this comparison of scores, it appears that AMU has enormous weaknesses in almost all areas except the dimension of infrastructure integration.

In terms of the free movement of persons and social integration, the protocol has had enormous implementation difficulties. Three AMU Member States - Libya, Morocco and Tunisia - have implemented the freedom of movement protocol. However, only Tunisia currently allows citizens from fellow Member States to access its territory freely. The remaining countries require a visa for residents of Member States. Moreover, permission to reside in the territory of a member State must be obtained by applying for a permanent or temporary residence permit from the authorities of the



Graph 3.18: AMU Dimensional Indices and Thresholds
Source: AUC, 2020

concerned State. In addition to this, the commitment of member states towards continental integration in terms of free movement of persons are weak. No AMU member state has signed the AU Protocol on the Free Movement of Persons, Right of Residence and Right of Establishment that was unveiled in Kigali, Rwanda, in 2018.

The financial and monetary integration process is not specified in the Treaty establishing AMU. However, reflections are being made to create programmes that can harmonise monetary and financial policies in the region. Indeed, the ultimate goal of AMU is to create a Maghreb Economic Union for which macroeconomic and financial integration are essential.

While the implementation of the AfCFTA could help the region to grow trade, no AMU Member State has ratified the protocol; Member States should take action to ensure that they are not left behind. The region has the greatest supporters of the African Union and they should endeavour to move together with other regions in this great milestone in continental integration.

In terms of trade integration, AMU remains a REC much more in theory than in practice. AMU has not succeeded in eliminating tariff and non-tariff barriers existing between its member states. Even if the creation of an FTA was an objective of the REC at its creation, the existing political challenges within the region have contributed to decelerating the process.

Mutukula One-Stop Border Post, Uganda-Tanzania Border

The East African Court of Justice in Session

REGIONAL INTEGRATION IN EAST AFRICA: THE EAST AFRICAN COMMUNITY

- Introduction

The East African Community (EAC) is an intergovernmental organisation whose aim is to gradually establish among themselves a Custom Union, a Common Market, a Monetary Union and ultimately a Political Federation of the East African States. It is composed of 6 Member States; which are known as Partner States.

The customs union between Kenya and Uganda in 1917 which Tanganyika later joined in 1927 was followed by the East African Common Services Organisation (EACSO) from 1961 to 1967. The EACSO was then superseded by the EAC in 1967. The EAC collapsed in 1977 due to conflict among member States. On 30 November 1993, the presidents of Kenya, Tanzania and Uganda signed the Treaty for East African Cooperation in Kampala and established a Tri-partite Commission for Co-operation. This was followed by the revival of the EAC on 30 November 1999, when the Treaty for its re-establishment was signed; it came into force on 7 July 2000.

The general objectives contained in the EAC Treaty are summarized in the figure below:

Figure 3.4: Milestones in EAC Integration

Source: EAC, 2020

Area (incl. Water)	2.5 million sq.km
Population	177 million (2019)
GDP (current market prices)	USD193.7 billion (2019)
Headquarters	Arusha, Tanzania
First Established	1967
Collapsed	1977
Re-established	7 July 2000
Official Language	English
Summit Chairperson	President Paul Kagame of Rwanda
Secretary General	Amb. Libérat Mfumukeko from Burundi

Table 3.2: Quick Facts about the EAC

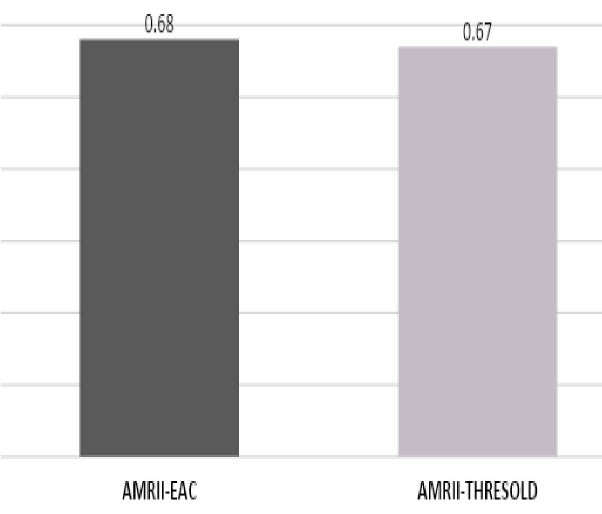
Source: EAC, 2020

- Assessment of the EAC Integration Process

On the basis of the African Regional Integration Multidimensional Index (AMRII), the level of integration of the East African Community is evaluated in this section.

Overall Assessment of the EAC Integration Process

The overall assessment is based on the AMRII composite index which takes into account 8 dimensions. The EAC has a score of 0.68 on a scale of 0 to 1. Compared to the threshold of this composite index, which is 0.67, the EAC is in line with the timetable established for the realization of the African Economic Community under the Abuja Treaty.



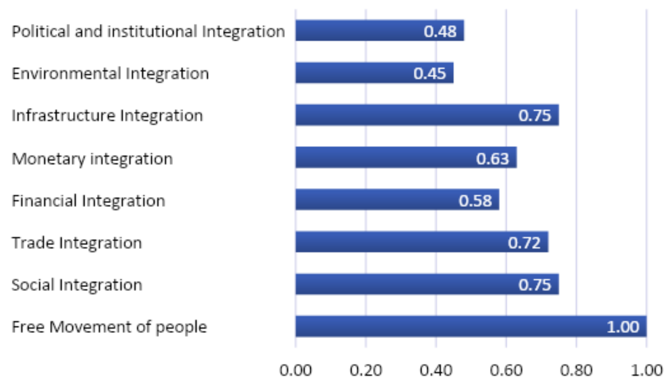
Graph 3.19: Overall Assessment of the Integration Process in the EAC
Source: AUC, 2020

A dimensional evaluation is performed in this section to understand the overall score given above. This dimensional assessment makes it possible to detect the strengths, weaknesses, achievements and challenges of the EAC.

Assessment of the EAC Integration Process by Dimension

The level of progress in the EAC integration process by dimension is summarized in the following graph:

The EAC has made remarkable progress in free movement of persons, social integration, trade integration as well as in infrastructure integration.



Graph 3.20: Performance of the EAC in the 8 AMRII Dimensions
Source: AUC, 2020

Analysis of the Assessment

EAC Partner States adopted measures to achieve the free movement of persons, labour and services, and the right of establishment and residence of their citizens in the EAC region under article 104 of the Treaty Establishing EAC (1999). The official launch of the EAC passport followed in 1999 and is presently operational for EAC citizens to travel freely in the region for a period of six months. Plans to have it formally adopted as an international travel document are ongoing.

Since 2005, EAC member states have had a Customs Union in place and they have adopted several decisions in favour of its effective implementation. These include: the application of the common external tariff (CET); the application of the criteria relating to the EAC rules of origin; the removal of internal customs duties for goods meeting the criteria of the EAC rules of origin; and, the elimination of non-tariff barriers.

In 2010, the EAC established a Common Market and the EAC partner states continued to promote the free movement of people, workers, goods, services and capital, as well as the rights of establishment and residence. To facilitate the movement of goods across borders, the EAC has set up 15 one-stop border posts for development; 13 border posts have already been built and are operational.

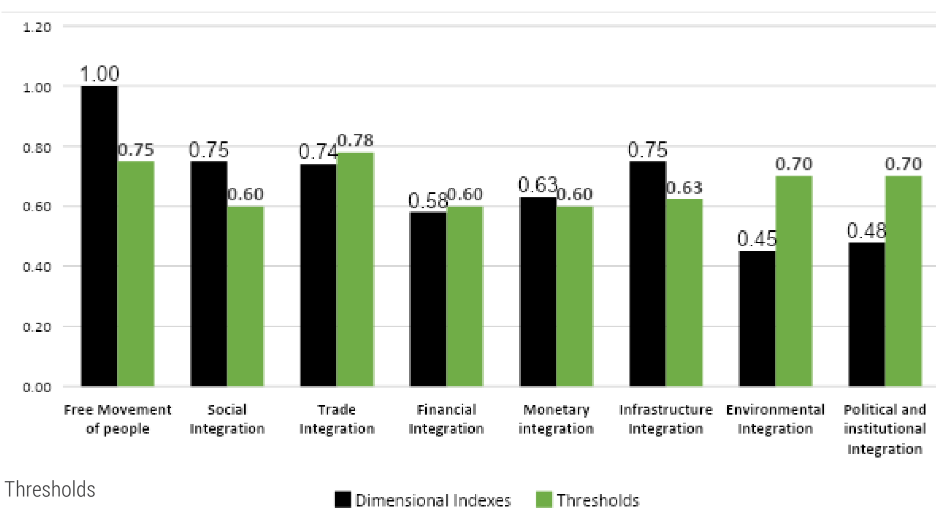
The Monetary Union signed in 2013 should be in place by 2024. Bills establishing the East African Monetary Institute (EAMI) and the EAC Bureau of Statistics have been adopted by the East African Legislative Assembly (EALA) with a view to creating the institutions responsible for supporting the Monetary Union. The EAC has taken a key step in political integration following the Summit's adoption of the Political Confederation of the EAC as a transitional model to Political Federation. Since then, a committee of experts has started work drafting the constitution of the East African Political Confederation.

Strengths and Weaknesses of the EAC

The EAC has attained a high level of free movement of people, social, monetary and infrastructural integration which is in line with regional and continental objectives. In accordance with the continental and regional programmes established for the integration process, the EAC has made remarkable efforts to achieve the objectives which it has not only set for itself, but also to respect the commitments made at continental level (Abuja Treaty, Agenda 2063). These efforts are reflected in the figure above.

The level of Trade and Financial Integration still low in the EAC

Although several initiatives have been concluded on the harmonization of trade policies, the free movement of goods remains a major challenge for the EAC when we refer to the low level of intra-regional trade (22%, EAC 2018); even though the level of intra-regional trade turns out to be one of the highest on the continent. There is also still a lot of effort to be made in terms of agricultural specialization, infrastructure and monetary policy to further increase in intra-regional trade.



Graph 3.21: EAC Dimensional Indices and Thresholds

Source: AUC, 2020

In financial terms, the EAC does not yet have a regional securities exchange, macro-prudential standards or a regional clearing house. The absence of these key instruments for the harmonization of financial policies weakens financial integration. Even though, for certain questions such as fiscal harmonization, the EAC has been able to prepare documents but there is still much to be done for the EAC to align with the regional and continental chronogram.

Accounting for the low Level of Political and Environmental Integration in the EAC

In as much as a Political Federation is the ultimate goal of the EAC after the Monetary Union and the consolidation of several policies, the low score is justified. Indeed, at the moment, the priorities of the EAC are the Customs Union, the Common Market and the Monetary Union. The political integration dimension will be a major priority for the EAC when these above steps are carried out.

Environmental integration is a new theme for the EAC and for the continent as a whole. Thus, the low score of the EAC on environmental issues is justified by the fact that the Community is still at the conceptual stage of plans, programmes, institutions to pilot an environmental integration policy. EAC member states are engaged in discussions on the creation of a regional institution for the regulation of environmental protection activities and the introduction of a community carbon tax. In addition, Member States are also in the process of drafting agreements on a regional integrated water resources management programme and a strategy is expected to be finalized and implemented by 2021.

The home of ECCAS in Libreville, Gabon

REGIONAL INTEGRATION IN CENTRAL AFRICA: THE ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES

- Introduction

was created in October 1983. The ECCAS Treaty aims to promote and strengthen harmonious cooperation and dynamic, balanced and self-sustaining development in all areas of economic and social activity, in particular in the fields of industry, transport and communications, energy, agriculture, natural resources, trade, customs, monetary and financial matters, human resources, tourism, education, culture, science and technology and the movement of persons in order to achieve collective autonomy and to raise the standard of living of the population. ECCAS later broadened its vision to include the promotion of peace, security and stability in the sub-region.

ECCAS at the initiative of Heads of State and Government, has undergone a reform aimed at achieving structural economic changes in the CEMAC zone, therefore ECCAS is operationalizing its institutional reform with a Commission to replace its General Secretariat as its executive organ.

- Assessment of the ECCAS Integration Process

After more than 30 years of ECCAS integration, this evaluation is being carried out to provide a clear and precise understanding of the level of integration. Two types of evaluation are carried out in this evaluation. First, an overall assessment of the REC which gives a general overview of the level of integration in ECCAS and subsequently, a more in-depth assessment of the integration process in the region is carried out for an in-depth assessment.

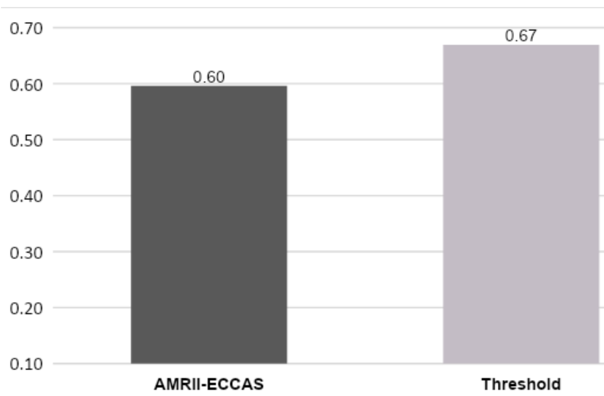
Overall Assessment of the ECCAS Integration Process

On a scale of values between 0 and 1, the overall integration process within ECCAS ranks at 0.60 (see the figure below). The threshold of 0.67 is the minimum rate of progress that a REC should achieve this year (2020) in order to meet the objectives as set out in the Abuja Treaty and Agenda 2063. Therefore, ECCAS is below the overall threshold of AMRII. This means that ECCAS is not generally in line with the stated objectives and the chronogram established based on the Abuja Treaty and Agenda 2063 for the establishment of the African Economic Community (AEC).

Area (incl. Water)	6.6 million sq.km
Population	182 million
GDP (current market prices)	USD210 billion
Headquarters	Libreville, Gabon
Established	1983
Official Language	French, Portuguese, Spanish
Summit Chairperson	President Ali Bongo of Gabon
President of the ECCAS Commission	Gilberto Da Piedade Verissimo from Aangola

Table 3.3: Quick Facts about ECCAS
Source: AUC, 2020

Although this overall assessment provides information on the level of integration in ECCAS, it does not provide many details on the areas where ECCAS performs or does not perform. A dimensional assessment is thus performed in the following section in order to scrutinise the performance of ECCAS in greater detail.

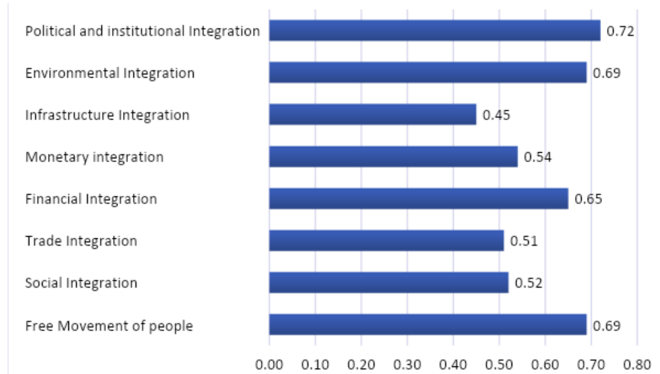


Graph 3.22: Overall Assessment of the ECCAS Integration Process

Source: AUC, 2020

Assessment of the ECCAS Integration Process by Dimension

The dimensional assessment of ECCAS is summarized in the figure below. ECCAS performs well in the dimensions of free movement of persons as well as financial, environmental and political integration. On the other hand, the dimensions of trade, infrastructure and social integration are the areas in which ECCAS performs poorly.



Graph 3.23: Performance of ECCAS in the 8 AMRII Dimensions

Source: AUC, 2020

- Analysis of the Assessment

The relatively high scores in terms of monetary integration, financial integration and free movement are in fact not the fruit of ECCAS but are the efforts of the 6 ECCAS member states that make up the Central African Economic and Monetary Community (CEMAC). This sub-regional organization has made remarkable progress. With a single currency, a regional stock exchange, a community passport and other integration tools, CEMAC is positioning itself as a key organization for sub-regional integration within Central Africa. These integration efforts are therefore taken into account by AMRII in the evaluation of ECCAS. The reasoning that supports this approach is that from the moment two or more States of a REC undertake the harmonisation of their policies in any sector, it is important to consider that a progression is done in the integration process. The REC could subsequently rely on these two or more states to extend it to a larger scale.

However, it is imperative that the specific efforts of ECCAS be mentioned in those areas where it performs well in terms of the scores in this evaluation. ECCAS has a protocol on the free movement of persons and the right of establishment for nationals that was adopted in 1983 which has encountered difficulties in its implementation.

In terms of political integration and peace and security, ECCAS has benefited from the establishment of an Armed Force (FOMAC) by CEMAC. An asset specific to ECCAS is the establishment of the Peace and Security Council (COPAX) to deal with the numerous conflicts that have shaken the region since independence. Decisions to adopt a regional environmental plan, a water resources management institution and other initiatives justify this high score by ECCAS in this new dimension of integration for many Africans states.

In terms of infrastructure, in January 2004, ECCAS adopted the Consensual Master Plan for Transport in Central Africa (PDCT-AC) which meets a series of transport needs expressed by the Member States. However, funding and political factors have slowed down the implementation of projects in the PDCT-AC.

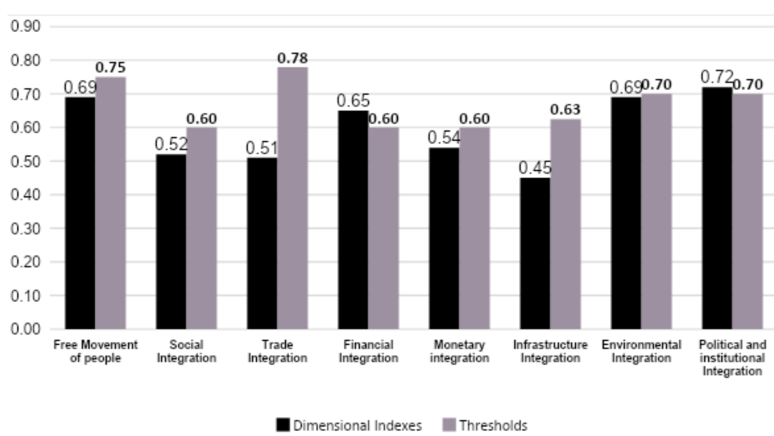
- Strengths and Weaknesses of ECCAS

Based on the evaluation carried out on the integration process within ECCAS, this subsection of the report compares the scores obtained with the fixed AMRII thresholds in order to know the strengths and weaknesses of the REC. The annual thresholds associated with AMRII gives an idea of the percentage of achievement that the REC should attain so that the regional and continental objectives as set in the Abuja Treaty can be achieved according to the established timetable.

ECCAS: A Top Performer in Environmental and Political Integration

ECCAS has made the environment a priority in its regional integration process. It has put in place instruments for the management, protection and monitoring of the environment. In addition to the master plan for water resources management that was put in place in 2015, ECCAS has implemented the Green Economy System in Central Africa (SEVAC). It includes sectorial programmes in ecotourism, hydroelectricity, solar economy, forest governance, agro-industry, wood economy and economics of protected areas. Furthermore, ECCAS has set up a Fund for the Green Economy in Central Africa (FEVAC) in addition to a System to Fight against Poaching in Central Africa (SYLABAC). ECCAS has therefore made considerable efforts to set up institutions and programmes to pilot harmonized environmental management in the region.

Peace and security are not priority areas in the ECCAS Treaty. However, the REC has embraced the importance of creating instruments for coordinated management of conflicts in the region. In light of this, ECCAS adopted the Protocol on Peace and Security in February 1999 to address conflicts and political instability in the region. The Protocol gave way to the establishment of COPAX that has three key instruments: the Commission for Defence and Security, the Central African Early Warning System and the Central African Multinational Force. The protocol establishing COPAX was formally ratified in January 2004 to include defence and security mechanisms that are aligned with the African Union's Peace and Security Architecture.



Graph 3.24: ECCAS Dimensional Indices and Thresholds

Source: AUC, 2020

Financial and Monetary Integration: Failure by ECCAS to Build on CEMAC's Achievements

More than half of ECCAS member states are members of CEMAC which is a model of successful monetary and financial integration. However, ECCAS is struggling to build on these achievements to take the integration process forward. Admittedly, decisions and initiatives are developed and adopted, but in practice, they are not adopted. ECCAS has difficulties and obstacles which are linked to the lack of political will and multi-memberships by ECCAS member states in other RECs.

Insufficient Efforts in Free Movement of Persons, Infrastructure and Trade Integration

The legal frameworks developed by ECCAS in these dimensions of integration are not sufficient to achieve both regional and continental objectives within the ECCAS region. Trade integration at 0.51 against 0.78, infrastructure integration at 0.45 against 0.63 and free movement of persons at 0.69 against 0.75 are areas in which ECCAS has not achieved the necessary results to be in in line with the objectives of the Abuja Treaty and Agenda 2063.

Difficulty in implementation of the Free Trade Zone and adoption of the CET as well as the low level of intra-regional trade are among the factors that show that ECCAS should re-double its efforts in terms of trade integration.

REGIONAL INTEGRATION IN WEST AFRICA: THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES

- Introduction

Established in 1975 via the Treaty of Lagos, the Economic Community of West African States (ECOWAS) is a 15-member regional grouping with the mandate of promoting economic integration in all fields of activity of the constituting states. Thus, ECOWAS aims at fostering the harmonization and coordination of national policies and the promotion of integration programmes, projects and activities, particularly in food, agriculture and natural resources, industry, transport and communications, energy, trade, money and finance, taxation, economic reform policies, human resources, education, information, culture, science, technology, services, health, tourism and in legal matters.

The initial treaty for the creation of ECOWAS was signed by the Heads of States and Governments of 15 Member States in 1975 in Lagos, Nigeria. However, in 1976, Cabo Verde, joined ECOWAS to make 16 Member States but in December 2000, Mauritania withdrew its membership and the REC went back to its original 15 member states. In July 1993, a revised treaty was signed in Cotonou, Benin. The 1993 Revised Treaty re-affirmed the 1975 Treaty and restated the aim of the Community as promoting cooperation and integration 'leading to the establishment of an Economic Union in West Africa.' The Treaty extended economic and political cooperation among Member States and designated the achievement of a common market and a single currency as economic objectives. On the political front, the Treaty provided for the establishment of the Community Court of Justice (CCJ) and the ECOWAS Parliament to strengthen the institutional and governance architecture of the Community.

Area (incl. Water)	5.1 million sq.km
Population	381 million
GDP (current market prices)	USD669.6 billion
Headquarters	Abuja, Nigeria
Established	1975
Official Language	English, French, Portuguese
Summit Chairperson	President Mahamadou Issoufou of Niger
President of ECOWAS Commission	Dr. Jean-Claude Kassi Brou from Cote d'Ivoire

Table 3.4: Quick Facts about ECOWAS

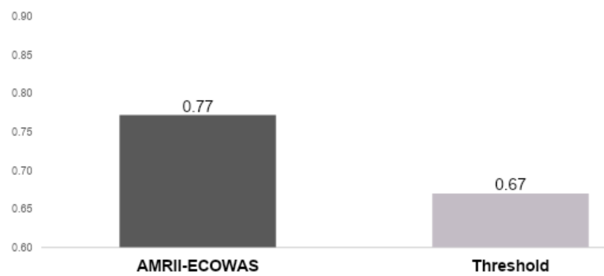
Source: AUC, 2020

- ### Assessment of the ECOWAS Integration Process

ECOWAS is an organization that has always focused its policies towards achieving the integration of its Member States. After several years of existence and with the new continental push to accelerate the integration process, it is necessary to assess ECOWAS taking into account its strengths and weaknesses. This section focuses on the evaluation of ECOWAS in terms of integration based on the African Multidimensional Regional Integration Index. This evaluation is done at the overall level, then at the dimensional level with regards to the thresholds set by AMRII.

- ### Overall Assessment of the ECOWAS Integration Process

On a scale of values between 0 and 1, the overall integration process within ECOWAS is rated at 0.75 (See the graph below). The threshold of 0.67 is the minimum score that a REC should achieve this year (2020) in order to meet the objectives as set out in the Abuja Treaty and Agenda 2063. Thus, ECOWAS, on the basis of AMRII, is in line with the timetable established for the realization of the African Economic Community (AEC).



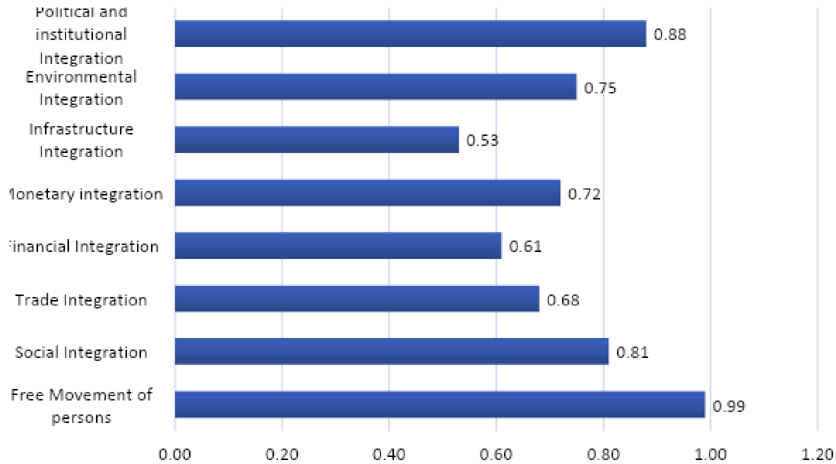
Graph 3.25: Overall Assessment of the ECOWAS Integration Process

Source: AUC, 2020

After this overall assessment, the following section is devoted to the assessment of each dimension in order to understand the performance of ECOWAS in greater detail.

- ### Assessment of the ECOWAS Integration Process by Dimension

The dimensional assessment of ECOWAS is summarized in the graph below. Based on this assessment, ECOWAS performs very well in the dimensions of social integration, free movement of persons, political integration, environmental integration and monetary integration. On the other hand, ECOWAS has low scores with regards to infrastructural, financial and trade integration.



Graph 3.26: Performance of ECOWAS in the 8 AMRII Dimensions

Source: AUC, 2020

- **Analysis of the Assessment**

The highest score in the assessment is in the area of free movement. In this dimension, ECOWAS has for several decades adopted several decisions to facilitate the movement of the people of 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.

The numerous political and institutional instruments of ECOWAS clearly justify the high score in the political and institutional dimension. ECOWAS has a regional Court of Justice, a regional Parliament and a standby Armed Force that is mobilised whenever the need arises - variously operating as ECOMOG in Liberia, Sierra Leone and Guinea Bissau, later as ECOMIL in Monrovia, Liberia and recently as ECOMIG in the Gambia. Several protocols have been signed within the framework of peace and security in the region. These include the Non-Aggression Protocol (1978), the Protocol on Mutual Assistance in Defence Matters (1981) and the Protocol Relating to the Mechanism for Prevention, Management, Conflict Resolution, Peacekeeping and Security.

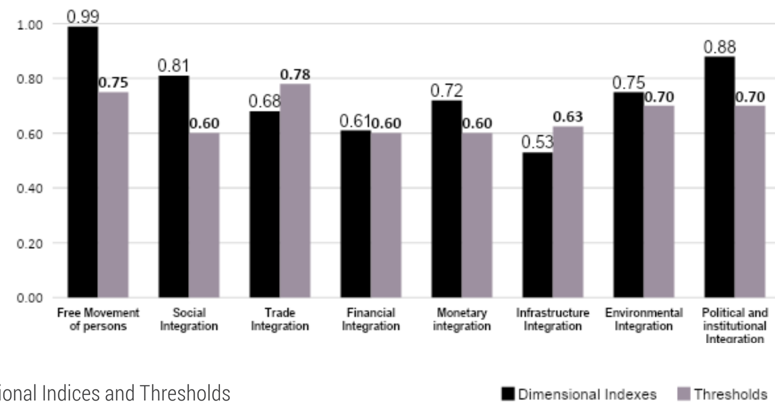
In the financial and monetary field, ECOWAS benefits from the achievements and experience of the West African Economic and Monetary Union (WAEMU) which is nested within it. WAEMU has a stock exchange, a central bank and several other instruments of financial and monetary integration for its eight Member States. At the ECOWAS level, progress has been made in the fight against illicit financial flows. The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) is a specialised institution of ECOWAS that is responsible for facilitating the adoption and implementation of Anti-Money Laundering and Counter-Financing of Terrorism in the region. On monetary issues, ECOWAS has made major progress towards the establishment of the regional currency, ECO, even though the implementation is encountering political obstacles between the two sub-regional groupings: the West African Economic and Monetary Union (WAEMU) and the West African Monetary Zone (WAMZ).

- Strengths and Weaknesses of ECOWAS

Based on the evaluation of the integration process within ECOWAS, this section of the report compares the scores obtained with the fixed thresholds set by AMRII. The annual thresholds associated with AMRII give an idea of the percentage of achievement that the REC should reach so that the regional and continental objectives which appear in the Abuja Treaty can be achieved according to the established timetable.

Trade and Infrastructure Integration: Insufficient Effort

The legal frameworks developed by ECOWAS in these dimensions of integration are not sufficient to achieve both regional and continental objectives within the ECOWAS region. For trade integration and infrastructure integration, the scores obtained fall below the fixed thresholds. Trade integration (0.68 against 0.75) and infrastructure integration (0.53 against 0.63) are areas in which ECOWAS has not achieved the necessary results to be in line with the objectives of the Abuja Treaty and Agenda 2063.



Graph 3.27: ECOWAS Dimensional Indices and Thresholds
Source: AUC, 2020

ECOWAS: A Leader in Free Movement, Social and Political 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 ECOWAS.

ECOWAS has kept its objective of achieving political integration and continues to strengthen its political instruments. With the numerous institutions created, ECOWAS has a very large lead over political and institutional integration with a score of 0.88 against a threshold of 0.70.

Numerous, legal instruments have been developed at the level of trade integration. A Common External Tariff (CET) has been adopted but its implementation is still at the embryonic stage. While the Free Trade Area (FTA) being facilitated by the ECOWAS Trade Liberalization Scheme (ETLS) is effective within ECOWAS, the Regional Customs Union has been ratified by Member States and is now being domesticated in 14 Member States.

Integration infrastructure faces many challenges in the region. At the air transport level, ECOWAS has national airlines that are not well equipped for global competition in a demanding air transport sector. The telecommunications sector still lacks harmonization. Indeed, the variability of roaming charges (evaluated around 70%) causes consumers to lose money quantified on average around 0.4 dollars per minute. ECOWAS will have to put in more effort to increase the number and quality of cross-border routes and to work for a much more developed rail network; a good example, the rail programme from Abidjan in Côte d'Ivoire to Lomé in Togo, an ECOWAS initiative, is in place.

Financial and Monetary Integration: More Theory than Practice

The effective implementation of the single currency has not yet been realised; it has been postponed three times. The currency project was to lead to the WAMZ Common Currency in 2015 and to the ECOWAS Single Currency in 2020 according to the roadmap that was adopted by the Convergence Council in May 2009, but this has not been achieved. Due to this uncertainty, other projects such as the ECOWAS Regional Stock Exchange and other monetary and financial institutions and the accompanying legal instruments cannot be implemented. Indeed, ECOWAS still has not managed to take full advantage of the financial and monetary base laid by WAEMU which brings together 8 of the 15 member states of ECOWAS.

REGIONAL INTEGRATION IN SOUTHERN AFRICA: THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

- Introduction

The Southern African Development Community (SADC) aims to achieve economic development, peace and security, alleviate poverty, and enhance the standard and quality of life of the people of Southern Africa and to support the socially disadvantaged through Regional Integration. The ultimate goal is to further socio-economic cooperation and integration as well as political and security cooperation among its 16 Member States.

SADC has its origins dating back to the 1960s and 1970s when leaders of national liberation movements coordinated their political and military struggles to bring an end to colonial rule in Southern Africa. The Southern African Development Coordination Conference (SADCC) was the forerunner of the socio-economic cooperation leg of today's SADC. SADCC was transformed into SADC on 17 August 1992, with the adoption of the Windhoek Declaration and the Treaty establishing SADC. The SADC Treaty was amended on 14 August 2001 to reform its structures, policies and procedures; the process is ongoing.

Area (incl. Water)	9.3 million sq.km
Population	360 million
GDP (current market prices)	USD650 billion
Headquarters	Gaborone, Botswana
Established (as SADCC)	1980
Established (as SADC)	1992
Official Language	English, French, Portuguese
Summit Chairperson	H.E. John Magufuli, President of the United Republic of Tanzania
Secretary General	Dr. Stergomena Lawrence Tax from Tanzania

Table 3.5: Quick Facts about SADC

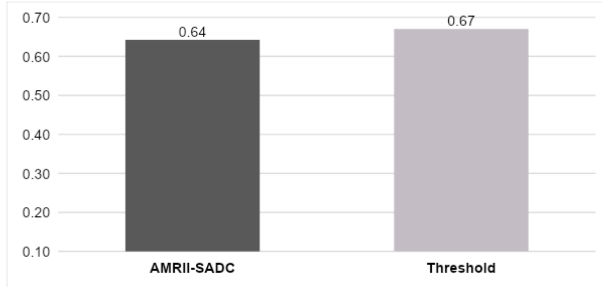
Source: AUC, 2020

- ### Assessment of the SADC Integration Process

The African Multidimensional Regional Integration Index (AMRII) serves as a basic tool for assessing the integration process within SADC. This tool establishes an assessment based on the strategies, programmes and real impacts of initiatives taken on regional integration within SADC. The evaluation is done in 3 stages: an overall evaluation which gives a brief picture of the level of integration within the SADC, then a dimensional evaluation and finally a comparative analysis of the level of integration of the SADC with the thresholds selected within the framework of the development of AMRII.

- ### Overall Assessment of the SADC Integration Process

An evaluation of the integration process in its entirety gives a score of 0.64 on a comparison scale between 0 and 1. This score is below the integration threshold (0.67) that the RECs should reach within the framework of the African regional integration process based on the Abuja Treaty and Agenda 2063. In the African integration process, the RECs have been designated as the pillars. Thus, SADC, like the other RECs, has a certain number of steps to accomplish at the regional level with their Member States before achieving integration objectives at the continental level. This assessment makes it possible to say that in general SADC is not generally in line with the level of integration provided for in the chronogram developed on the basis of the Abuja Treaty and the 2063 Agenda.



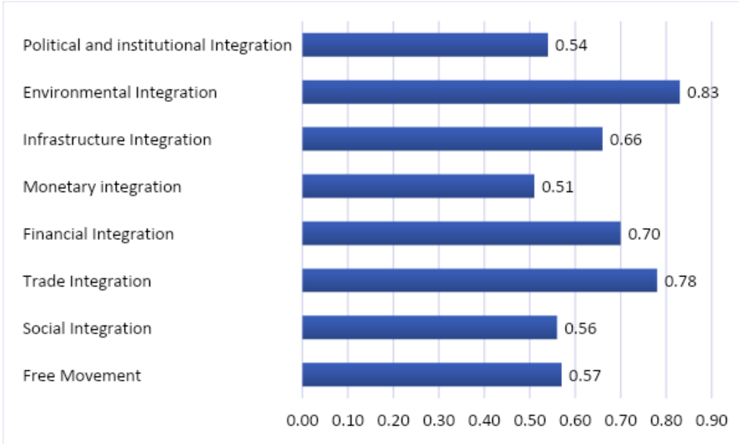
Graph 3.28: Overall Assessment of the SADC Integration Process

Source: AUC, 2020

In the next subsection, a more in-depth assessment of the different dimensions is performed.

- ### Assessment of the SADC Integration Process by Dimension

The integration process at the REC level does not follow a single trajectory from one REC to another. The preferred areas of integration vary across the RECs. Indeed, the variable geometry suggested in the Minimum Integration Programme has given the RECs the latitude to progress according to their strengths and priorities. Thus, the dimensional analysis or evaluation that is carried out makes it possible to detect the performance areas or areas favoured by the SADC in the context of achieving integration within its region. The level of progress by SADC in the regional integration process by dimension is summarized in the following graph:



Graph 3.29: Performance of SADC in the 8 AMRII Dimensions

Source: AUC, 2020

The results of the dimensional assessment allow us to say that SADC performs better in the areas of financial integration, trade integration, infrastructural integration and environmental integration with respective scores of 0.70, 0.78, 0.66 and 0.83. In the areas of social integration, free movement of people, monetary integration, the scores are lower; in fact, the scores are only slightly above 0.5: social integration (0.56), free movement of persons (0.57) and monetary integration (0.51).

- Analysis of the Assessment

The high scores observed at the level of environmental integration and financial integration result from the fact that in these areas, SADC has not only put in place programmes and plans, but it also has bodies competent in each sector. At the environmental level, there is the SADC protocol on environmental management for sustainable development and most SADC member states are implementing the Carbon tax. The objective is to protect the environment, to promote the equitable and sustainable use of natural and cultural resources and the shared management of the environment and transboundary natural resources. Approved in August 2014 and signed by 14 Member States, the protocol lays the foundation for sustainable development and provides for a more efficient and harmonized regional approach to environmental management for sustainable development. Besides this, SADC has a strategy and a plan in the field of climate change for the period 2015-2030. The strategy ensures that regional and national action is harmonized and coordinated to face and respond to the impacts of climate change. In addition to the frameworks developed by SADC, there are two of its bodies which are dedicated to environmental and climate issues. These are the Climate Change Services and SADC Climate Services Centre (SADC-CSC). In terms of trade integration, although the SADC does not have a CET; its Free Trade Zone set up allows it to carry out 22% of intra-regional trade; which is very significant compared to the level of trade on the continent which is 14%.

At the financial and monetary level, SADC, has a Macroeconomic Convergence Framework through which it has adopted a Macro-Prudential Framework, including the 29 core-basic principles. SADC has a regional payments system and discussions are taking place for the establishment of a regional stock exchange. SADC has a SADC Regional Development Fund; the translation of these initiatives into reality is underway.

SADC is moderately integrated on social issues. The reason is that several protocols and programmes have been developed without reaching the stage of effective implementation. For example, the protocol on the free movement of persons that was adopted in 2005 has so far not been fully implemented. However, it should be noted that on issues of gender, health and education, SADC has made enormous efforts in developing legal frameworks to accelerate the harmonization of national policies in the region.

SADC has also made progress in the fields of infrastructure, which is reflected in the dimensional assessment (see graph below) with a score of 0.59. The infrastructure vision is based on six pillars which constitute the SADC Regional Infrastructure Development Programme: energy, transport, information and communication technologies (ICT), meteorology, water resources cross-border and tourism (cross-border conservation areas). A master plan has been developed to achieve this vision.

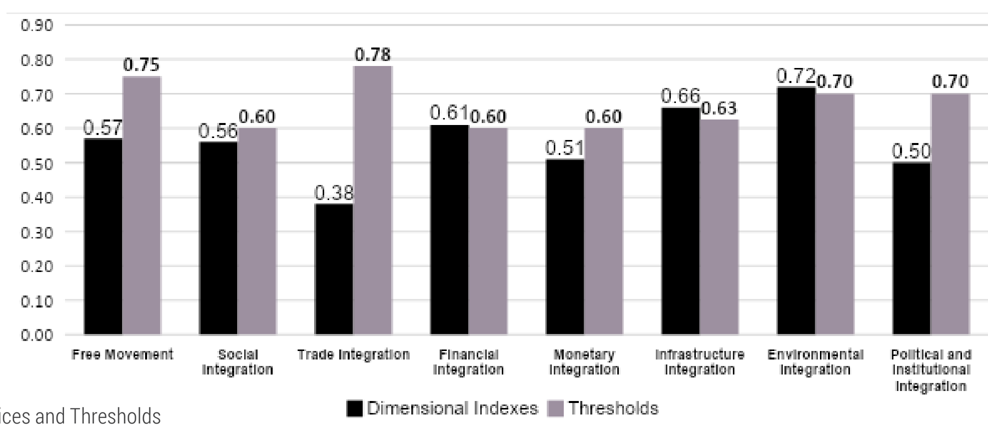
There exist political institutions such as the SADC Parliamentary Forum and other initiatives in the area of good governance, peace and security. SADC has a stand-by force and a police service and is therefore able to intervene militarily in member States.

- Strengths and Weaknesses of SADC

After having independently analysed the scores obtained for each of the integration dimensions according to AMRII, this part of the report compares these scores with the developed thresholds. The graph below summarizes the comparison between the scores and the thresholds for each area of integration.

Trade, Infrastructure, Environment and Finance: Strong Points for SADC

With the transformation of the Southern African Development Coordination Conference (SADCC) into SADC, the economic development objectives have been reinforced within the region. Vast economic programmes including financial and infrastructural aspects have emerged within SADC. These areas have become the priorities of the REC to the point where SADC is in line with the objectives of the Abuja Treaty and Agenda 2063. The scores obtained for these three dimensions of integration are higher than the fixed thresholds for the current year: financial integration (0.7 against 0.60), infrastructure integration (0.66 against 0.63), environmental integration (0.83 against 0.70) and trade integration (0.69 against 0.78). The establishment of the free trade area, the level of intra-regional trade and the existing customs union at SACU level are the elements that justify this high SADC score at the commercial level. However, SADC should accelerate the implementation of the Common External Tariff to form a Customs Union.



Graph 3.27: SADC Dimensional Indices and Thresholds

Source: AUC, 2020

Social Integration, Free Movement of Persons: Insufficient Efforts

The legal frameworks developed by SADC in these dimensions of integration are not sufficient to meet both regional and continental objectives within the SADC region. In these dimensions, the scores obtained fall below the fixed thresholds: free movement (0.57 against 0.75), social integration (0.56 against 0.60) are areas in which SADC has not achieved the necessary results to be in in line with the objectives of the Abuja Treaty and Agenda 2063.

The weak implementation of treaties, protocols and other legal frameworks are among the reasons which justify this state of affairs. For example, free movement encounters difficulties of effective application given the disparity of incomes in the member states, which creates imbalances in migration flows between member States. Several member states have still not ratified the free movement of persons' protocol even though there are many bilateral agreements within SADC states. The free movement protocol should be ratified by SADC states to speed up free movement of people within SADC.

Political Integration: A Historic Objective that has become less of a Priority

Peace and security in the region were priority objectives of SADCC even if it should be emphasized that the founding States wanted to fight against apartheid in South Africa. The cause of national political liberation in Southern Africa was central to the existence of SADCC. However today, internal conflicts in the states do not receive the same attention within the SADC given the sovereignty of States. Nevertheless, SADC has been able to support member states facing internal conflict to find an amicable solution, for instance, in the recent events in Lesotho. SADC is working to create conflict management prevention instruments in the region.

Political integration is far from the current objectives of SADC. Political institutions like a Regional Parliament, a Court of Justice or a Regional Court do not exist within the region to buttress the furrows of solid political integration.

REGIONAL INTEGRATION IN THE HORN OF AFRICA: THE INTERGOVERNMENTAL AUTHORITY ON DEVELOPMENT

- Introduction

The Intergovernmental Authority on Development (IGAD) is made up of 8 Member States: Djibouti, Ethiopia, Eritrea, Kenya, Somalia, South Sudan, Sudan and Uganda. IGAD was established in 1996 to succeed the Intergovernmental Authority on Drought and Development (IGADD) which was founded in 1986. In April 1995, the Assembly of Heads of State and Government meeting in Addis Ababa, agreed to strengthen the organisation. This was followed by the signing of the Instrument to amend the IGADD Agreement on 21 March 1996. On 25th November 1996 in Djibouti, IGAD was launched with a whole new organisational structure.

IGAD was primarily intended to supersede the Intergovernmental Authority on Drought and Development (IGADD) which was founded to mitigate the effects of the recurring severe droughts and other natural disasters that resulted in widespread famine, ecological degradation and economic hardship in the region. With the new emerging political and socio-economic challenges, the Assembly of Heads of State and Government resolved to revitalize IGADD and expand areas of cooperation. The new and revitalized IGAD had an enhanced mandate with these priority areas: food security and environmental protection, economic cooperation, regional integration and social development, and peace and security.

Area (incl. Water)	5.2 million sq.km
Population	282.7 million
GDP (current market prices)	USD253 billion
Headquarters	Djibouti
Established (as IGADD)	1986
Established (as IGAD)	1996
Official Language	English, French
Summit Chairperson	Prime Minister Abdalla Hamdock of Sudan
Secretary General	Dr. Workneh Gebeyehu from Ethiopia

Table 3.6: Quick Facts about IGAD

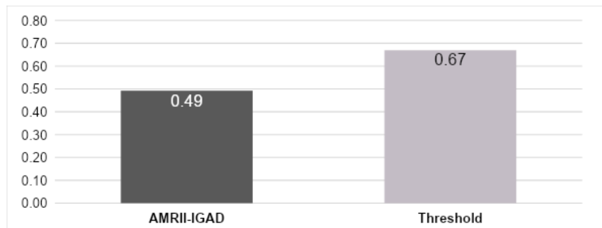
Source: IGAD, 2020

- ### Assessment of the IGAD Integration Process

The assessment in this section of the report is based primarily on the African Multidimensional Regional Integration Index (AMRII). A consideration of the main objectives of the REC makes it possible to refine this assessment in order to draw better conclusions justifying the delay or the advancement of IGAD in a given aspect of integration.

- ### Overall Assessment of the IGAD Integration Process

The overall assessment of the IGAD integration process is shown in the graph below. The assessment is made according to the objectives set out in the Abuja Treaty and Agenda 2063. As shown, IGAD has a score of 0.49 on a scale of 0 to 1. This is below the AMRII threshold which is 0.67.



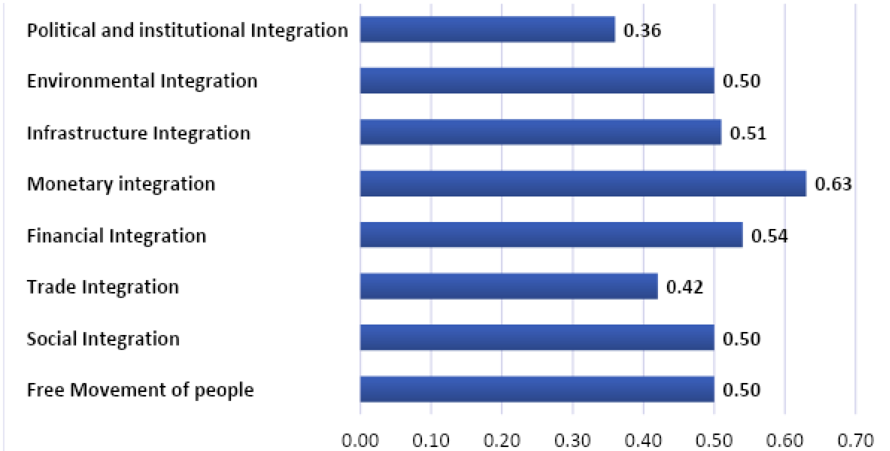
Graph 3.31: Overall Assessment of the Integration Process within the IGAD

Source: AUC, 2020

This overall assessment gives an idea of the progress of the REC compared to the fixed chronogram at continental level. Knowing that the evolution with variable geometry is still applied by the RECs, it is necessary to draw up a more in-depth evaluation of the performance of IGAD.

- ### Assessment of the IGAD Integration Process by Dimension

In this section, the regional integration process within IGAD is assessed according to the 8 dimensions of AMRII. This assessment gives an understanding of the strengths and weaknesses of IGAD and makes it possible to complete the overall analysis. The level of progress by IGAD in the regional integration process by dimension is summarized in the following graph:



Graph 3.32: Performance of IGAD in the 8 AMRII Dimensions

Source: AUC, 2020

According to AMRII, it should be noted that IGAD has put effort in the sectors of infrastructure and monetary and financial integration where it has attained above average scores. On social issues and the freedom of movement of persons, the REC remains moderately advanced in relation to the objectives of the Abuja Treaty and Agenda 2063. However, the REC is not in line with the targets established by both the Abuja Treaty and Agenda 2063 in the sectors of trade, environmental and political and institutional integration.

- Analysis of the Assessment of IGAD

The objectives of IGAD as outlined in its establishment Agreement state that IGAD is strongly committed to the promotion and maintenance of peace, security and stability in the region. In this area, IGAD has committed enormous resources in resolving conflicts in South Sudan, Somalia and most recently Sudan. IGAD is a leader on the Continent in conflict resolution.

Even though IGAD has added economic and social development objectives to its mission, it remains focused on the dimension of peace and security. Its low score (0.36) identified at the level of political and institutional integration results from taking into account the existence and operationalization of institutions in other areas other than peace and security, for example, a Regional Court of Justice or a Regional Parliament.

It should be stressed that on the basis of its objectives, IGAD, although having a fairly low score in the field of political and institutional integration (The axis of peace and security is not entirely taken into account), has developed other peace and security initiatives which should be mentioned.

The adoption of a free movement of persons' protocol by the IGAD Ministers for Foreign Affairs in February 2020, in Khartoum, Sudan, is a major step forward in the area of free movement of persons as well as social integration. This provides a legal framework which contributes to an acceleration of the legal movements of people in the region. This justifies the score of 0.5 in the dimensions of free movement of persons and social integration. However, the lack of a passport or a regional identity card and the need for visas between member states remains an obstacle to population movements. Free movement is especially important for the IGAD region which is a major source of migration on the Continent.

The very encouraging bilateral initiatives observed at the regional level should be recognised such as the abolition of visas between Uganda and Kenya, Kenya and Ethiopia, and the visa waiver for Djiboutians in Ethiopia. On the same issue of free movement of people, it is important to emphasize that no IGAD country has ratified the protocol on free movement of persons including the African passport.

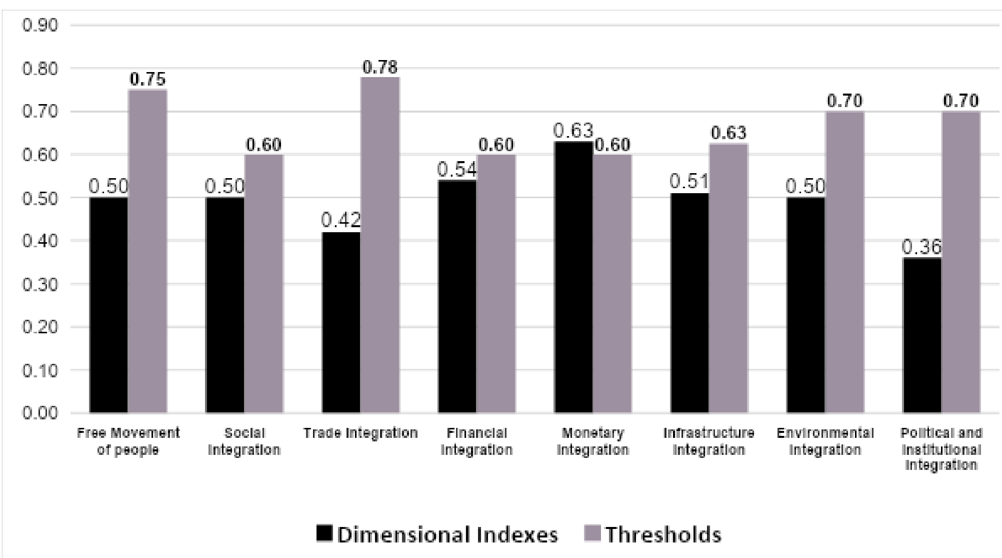
The IGAD assessment on the basis of AMRII gives a score of 0.51 in the field of infrastructure integration. This is mainly explained by the strong performance of airlines in the region - Ethiopian and Kenya Airways. The implementation of an infrastructure development programme which should be completed in 2020 is ongoing. With regards to financial, monetary, trade and environmental integration, the scores obtained by IGAD are around 0.5. For a REC which does not have these as priority sectors, it should be noted that these scores are attributable to the membership of IGAD Member States in other RECs - COMESA and the EAC - which are more advanced on these questions.

With a score of 0.5 in the environmental field, IGAD has an IGAD Climate Prediction and Application Centre with a regional climate change strategy. However, the operationalization of environmental and climate programmes is not effective.

- Strengths and Weaknesses of IGAD

Peace and Security: A Sector of Historical Significance for IGAD

An evaluation on IGAD in the area of peace and security reveals that the REC has created a framework for the prevention and management of conflicts and violence within the region. IGAD has an institution in the area of peace and security, the Conflict Early Warning and Response Mechanism (CEWARN's) which 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 against Violent Extremism - the IGAD Centre of Excellence for Preventing and Countering Violent Extremism (ICEPCVE) is operational.



Graph 3.33: IGAD Dimensional Indices and Thresholds

Source: AUC, 2020

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 and cross cutting issues.

Social Integration and Free Movement of Persons: A new Priority Area for IGAD

By adopting the Protocol on Free Movement of Persons in February 2020, IGAD clearly aims to make free movement a major focus for years to come. This protocol covers the social aspects of the right of establishment, residence and work as well as land issues.

Migration, human trafficking and gender issues are at the heart of the regional integration process within IGAD. A regional migration policy framework was adopted in July 2012 by the 45th Ordinary Session of the IGAD Council of Ministers held in Addis Ababa, Ethiopia. Several other cooperation initiatives for better migration management in the region have been launched by IGAD and its partners. For example, IGAD signed a grant agreement aimed at strengthening the IGAD Refugees Programme with Sweden. This initiative will contribute to the strengthening of the implementation of regional commitments by promoting comparable and predictable mechanisms for refugee management, strengthening sharing of experience and best practice as well as of transfer of technical capacity between IGAD Member States.

On gender issues, IGAD has developed three documents: The Gender Management System (GMS) Handbook; Gender Mainstreaming Customized Guidelines; and the IGAD Institutional Gender Policy. The three documents are inward looking and address three critical issues: leadership for promoting gender equality and women's empowerment; systems, structures and processes for mainstreaming gender equality and promoting women's empowerment; and capacity to address gender issues within specific organizational contexts and programmes.

Financial, Monetary and Infrastructural Integration: The Dilemma of Multiple Membership

There are no instruments available to IGAD for speeding up the process in these aspects. IGAD, however, benefits from notable advances from the EAC and COMESA. Indeed, all IGAD member states are members of either the EAC or COMESA; two RECs that form, with the SADC, the Tripartite Free Trade Area (T-FTA). The notable advances of these two RECs allow for an acceptable level of financial, monetary and commercial integration although there are no plans, programmes or financial and monetary institutions within IGAD.

From the foregoing, IGAD is at the heart of a multi-membership dilemma. The low level of financial, monetary and commercial integration would be largely justified by the fact that all these member states belong to the EAC and COMESA which have established solid foundations to accelerate their integration process. It therefore becomes difficult for IGAD to be able to implement monetary and financial instruments and institutions. In another measure, this membership is an asset for IGAD in the evaluation carried out in this report on the basis of AMRII. All the achievements made by the RECs to which these member states belong are taken into account in a certain proportion by the evaluation, which justifies the relatively high scores by referring to the real priorities affirmed by IGAD.

Launch of ZEP-RE Business Centre
ZEP-RE is COMESA's Re-Insurance Institution, December 2019

COMESA Meeting of Central Bank Governors, December 2019

THE COMMON MARKET OF EASTERN AND SOUTHERN AFRICA: FROM THE MEDITERRANEAN TO SOUTHERN AFRICA

- ### Introduction

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 as well as financial and monetary cooperation.

- ### Assessment of the COMESA Integration Process

This section assesses COMESA activities taking into account first, the objectives set at continental and regional level and then, referring to COMESA's own objectives. The main instrument used to measure the level of integration is the African Multidimensional Regional Integration Index (AMRII) where the evaluations are done in two very precise stages:

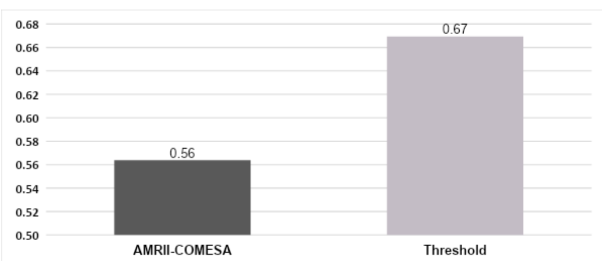
Area (incl. Water)	13.8 million sq.km
Population	570 million
GDP (current market prices)	USD420 billion
Headquarters	Lusaka, Zambia
Established (as COMESA)	1994
Established (as PTA)	1981
Official Language	English, French, Arabic
Authority Chairperson	President Andry Rajoelina of Madagascar
Secretary General	Ms. Chileshe Mpundu Kapwepwe from Zambia

Table 3.7: Quick Facts about COMESA **Source:** AUC, 2020

- An overall evaluation which gives a general idea of the evolution of COMESA in terms of integration,
- A dimensional evaluation which provides a deep understanding of the integration process by describing COMESA's performance in each area of integration.

- **Overall Assessment of the COMESA Integration Process**

On a scale of values between 0 and 1, the overall integration process within COMESA is rated as 0.56 (see graph below). The threshold of 0.67 is the minimum rate of progress that a REC should achieve this year (2020) in order to achieve the objectives as set out in the Abuja Treaty and Agenda 2063. The overall evaluation finds that COMESA is behind the general timetable established within the Abuja Treaty and Agenda 2063.



Graph 3.34: Overall Assessment of the COMESA Integration Process

Source: AUC, 2020

An overall assessment as presented in the graph above does not make it possible to understand the reasons for this delay at COMESA on the objectives established at continental and regional level. It is important to note that RECs use evolutionary strategies with variable geometry.[4] This pushes them to define priorities according to their resources and their Treaties. Thus, in the following sub-section, a dimensional evaluation is carried out for a better understanding of this overall assessment.

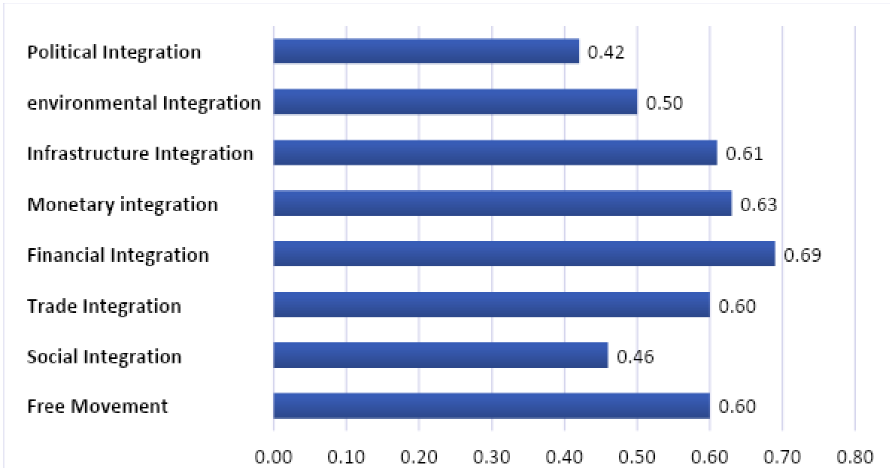
- **Assessment of the COMESA Integration Process by Dimension**

The dimensional assessment of COMESA is summarized in the graph below. Based on this assessment, COMESA performs well in financial integration, monetary integration, Infrastructure integration, trade integration and the free movement of persons. The dimensions of social integration and political integration are the areas in which COMESA records low performance.

- **Analysis of the Assessment**

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 in ensuring that there is harmonisation of the financial and monetary system.

[4]Variable geometry: states join or implement when they are ready and when it is appropriate for them



Graph 3:35: Performance of COMESA in the 8 AMRII Dimensions

Source: AUC, 2020

The reasons behind the 0.6 score by COMESA in the trade integration dimension is that beyond setting up an FTA, COMESA has taken steps to adopt a Common External Tariff (CET). It should also be mentioned that COMESA together with the EAC and SADC have a Tripartite FTA project which greatly informed the Continental Free Trade Area Project. The Tripartite was launched in 2015 but to date - June 2020 - only 6 Member States have ratified the Agreement. The slow pace of ratification is delaying the implementation of the Tripartite Free Trade Area. The low level of intra-regional trade, which is at just around 10%, is spite of the many COMESA instruments to support trade, justifies the score of 0.6.

The score on social integration is low on the basis of AMRII (0.46). This can be attributed to the slow implementation of the two primary legal instruments governing the free movement of persons in COMESA: Protocol on the Gradual Relaxation and Eventual Elimination of Visa Requirements and the Protocol on Free Movement of Persons, Labour, Services, the Right of Establishment and Residence. Since the adoption of the Free Movement Protocol in June 1998, only Burundi, Kenya, Rwanda and Zambia have signed it; Burundi is the only country that has ratified it. Mauritius, Rwanda and Seychelles have since waived visas to all COMESA citizens, while Zambia has issued a circular waiving visas and visa fees for all COMESA nationals on official business. However, there is huge progress in health, gender, youth and education.

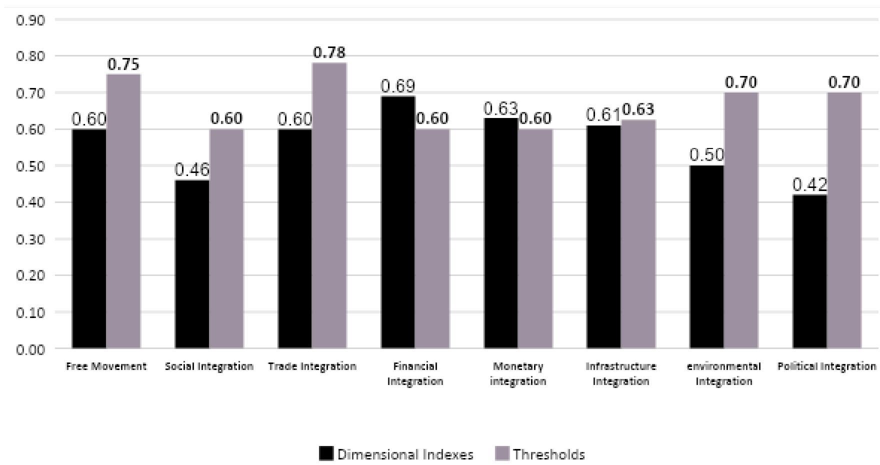
COMESA has included tracking of NTBs as a main activity to address the trade agenda. In addition, COMESA implements the Simplified Trade Regime (STR) as a means to include small scale cross border traders in the pictures. IN so doing COMESA designs policies that enable a wide spectrum of players. COMESA also has a number of Trade Facilitation Instruments to boost trade levels. Yellow Card and Guarantee Schemes and enablers. It has also started developing capacity for Trade in Services as a major tradable space. Tourism, Energy, Construction, Financial and Telecommunication are top on the Agenda. This is because some COMESA member states have their GDPs heavily dependent on services. SPS and Standards have been COMESA major engagement. COMESA has also a number of Trade Institutions such as Financial and Competition to ensure trade develops.

- Strengths and Weaknesses of COMESA

By integrating the AMRII thresholds, COMESA is in line with the objectives of the Abuja Treaty and Agenda 2063. However, in the dimensions of political integration, environmental integration and social integration, COMESA's performance is not in line with the objectives of the Abuja Treaty and Agenda 2063; neither is it in line with its own priorities which boil down to the establishment of a Common Market.

Success in Building Regional Institutions and in Trade Facilitation

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 including coordinated border management through one-stop border posts; the resolution of non-tariff barriers to trade; the digital free trade; effective customs instruments such as ASYCUDA; simplification of customs documentation. COMESA has also established a customs union and adopted a Common External Tariff (CET) as a way of deepening intra-COMESA trade; however, it is not yet operational.



Graph 3.36: COMESA Dimensional Indices and Thresholds

Source: AUC, 2020

COMESA: A High Performer in Financial and Monetary Integration

The agreements, protocols and agreements in favour of financial and monetary integration have in the majority of cases been realised through practical instruments. For these dimensions of integration, in addition to the legal instruments, implementation has materialized. For example, COMESA has a payment system, a reinsurance company and a Regional Clearing House. This is what stands out in the evaluation with scores of 0.69 against a threshold of 0.60 in financial integration and 0.63 against a threshold of 0.60 in monetary integration.

COMESA is a leader in setting up successful regional institutions and schemes that facilitate trade. For instance, the REC has an operational Competition Commission, Zep-Re Insurance Institution, the Yellow Card that facilitates movement of vehicles across the region, a Regional Court for dispute resolution, a Monetary Institute and a Clearing House that runs the payment system.

Free Movement and Social Integration: Insufficient Effort

In free movement and social integration, COMESA remains far below the thresholds set by AMRII. Indeed, the scores for free movement of persons (0.6 against 0.75) and social integration (0.46 against 0.60) are below the AMRII thresholds. This difference between the scores and the thresholds clearly shows that COMESA is not in line with the continental and regional objectives. COMESA remains at the level of the initiation of legal frameworks with a low level of implementation due to the slowness in ratifications. This is the case, for example, with the free movement of persons' protocol and the Common External Tariff (CET).

COMESA has a Social Charter has was adopted by Heads of State and Government. The Treaty and Medium-Term Strategic Plan identify the gender agenda and inclusivity as an important driver of regional integration. COMESA has also an Institution that champions Women in Business and Business Incubation for women: Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM).

Political Integration: Not a Priority for COMESA

In the COMESA Treaty, the political dimension is not mentioned. However, one of the objectives of the Organization as reflected in Article 3d) is to cooperate in the promotion of peace and security and stability among Member States in order to enhance economic development in the region.

In this context good governance has become a priority because of the close link between development and peace, security and governance. COMESA has a very low score here which is below the threshold defined by AMRII (0.42) against a threshold of 0.70). The majority of COMESA institutions' concern is trade and investment-based. These are the financial institutions, the Competition Commission and the COMESA Court of Justice which responds to the need to settle questions related to the implementation of the Treaty.

THE COMMUNITY OF SAHEL-SAHARAN STATES: FROM THE HORN OF AFRICA TO THE ATLANTIC COAST

- Introduction

The Community of Sahel-Saharan States (CEN-SAD) was created on February 4, 1998 under the stewardship of the then Libyan leader Col. Muammar Gaddafi. CEN-SAD became an AU recognised REC 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 26 states and has its headquarters in Tripoli, Libya. However, it should be noted that following the socio-political challenges that Libya faces at the moment, the REC's headquarters have temporarily relocated to N'Djamena in Chad.

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 addresses the various fields of sustained socio-economic development in agriculture, industry, energy, social, culture and health.

- Assessment of the CEN-SAD Integration Process

This section is intended for the evaluation of the CEN-SAD integration process using the African Multidimensional Regional Integration Index (AMRII). Two evaluations were carried out to determine the level of integration in CEN-SAD: an overall evaluation and another evaluation by dimension.

The overall assessment aims to identify the progress made by CEN-SAD and the difficulties faced in terms of regional integration whereas the dimensional assessment provides a deep understanding of the integration process by reviewing CEN-SAD's performance in each area of integration.

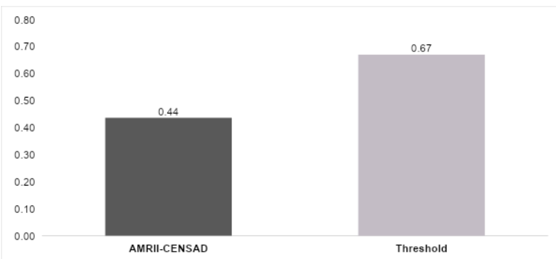
Area (incl. Water)	13.56 million sq.km
Population	626.8 million
GDP (current market prices)	USD1,350.7 billion
Headquarters (Temporary)	N'Djamena, Chad
Headquarters (Permanent)	Tripoli, Libya
Established	1998
Official Language	French, English, Arabic, Portuguese
Summit Chairperson	President Idriss Déby Itno of Chad
Secretary General	Amb. Ibrahim Sani Abani from Niger

Table 3.8: Quick Facts about CEN-SAD

Source: AUC, 2020

- ## Overall Assessment of the CEN-SAD Integration Process

On a scale of values between 0 and 1, the overall integration process within CEN-SAD is evaluated at 0.44 (see graph below). The threshold of 0.67 is the minimum rate of progress that a REC should achieve this year (2020) in order to achieve the objectives as set out in the Abuja Treaty and Agenda 2063. Therefore, overall, CEN-SAD falls behind the general timetable established within the Abuja Treaty and Agenda 2063.



Graph 3.37: Overall Assessment of the CEN-SAD Integration Process
Source: AUC, 2020

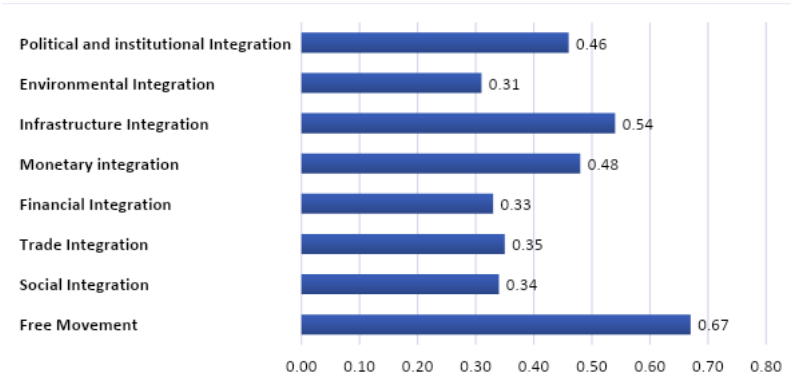
An overall assessment as presented in the graph above does not make it possible to understand the reasons for the delays by CEN-SAD in meeting the objectives established at the continental and regional levels. It is important to note that RECs use evolutionary strategies with variable geometry. This pushes them to define priorities according to their resources and their Treaties. Therefore, in the following section, a dimensional evaluation is carried out to give a better understanding of the overall evaluation.

- ## Assessment of the CEN-SAD Integration Process by Dimension

The dimensional assessment of CEN-SAD is summarized in the graph below. Based on this assessment, CEN-SAD performs quite well in the dimensions of free movement of persons and infrastructure integration. However, CEN-SAD scores poorly in the other dimensions such as social, trade, financial and environmental integration. For each of these dimensions, CEN-SAD scores below 0.4 on a rating scale of between 0 and 1.

- ## Analysis of the Assessment

In its founding Treaty, CEN-SAD specified its main objective as being the creation of an Economic Union. This objective obliges CEN-SAD to achieve not only the free movement of persons, goods and capital, but also integration in the environmental, peace and security fields. While CEN-SAD has taken care to define programmes and develop initiatives to harmonise the national policies of its member states, the results recorded after more than twenty years of CEN-SAD's existence are not sufficient to achieve the objectives targeted by this REC.



Graph 3.38: Performance of CEN-SAD in the 8 AMRII Dimensions

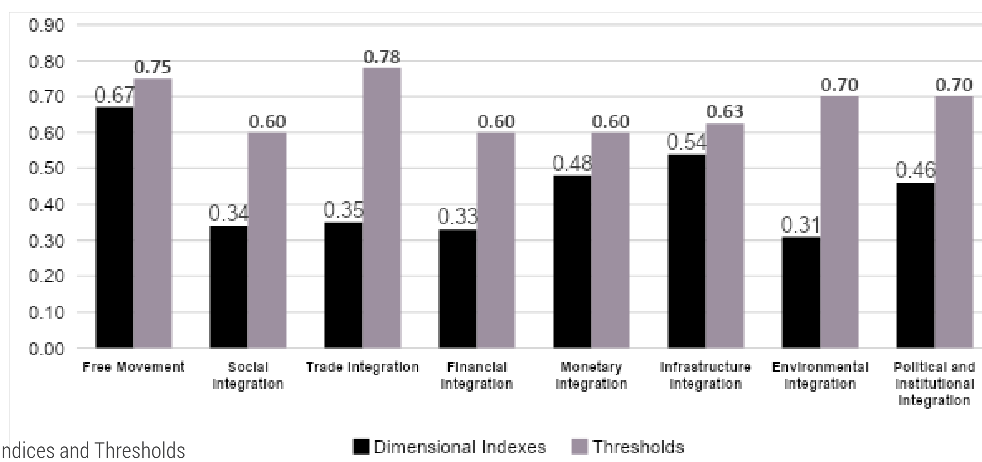
Source: AUC, 2020

CEN-SAD has failed to create genuine instruments and tools for integration within it. These achievements are for the most part those of other regional and sub-regional organizations to which the CEN-SAD member states belong. In fact, CEN-SAD is largely composed of the member states of ECOWAS, ECCAS, WAEMU and CEMAC which are more advanced in trade integration, free movement of persons and macroeconomic integration. Apart from these achievements which benefit CEN-SAD, there are minor developments which include the definition of legal provisions for a protocol on free movement.

The low scores recorded are as a result of a number of reasons such as multiple membership of member states in other RECs which leads to competing priorities, growing terrorism in the Sahel-Saharan region and, generally, crises in member states. All these factors prevent CEN-SAD from translating its vision into reality.

- ### Strengths and Weaknesses of CEN-SAD

In this section, a comparison is carried out between the scores obtained by CEN-SAD and the AMRII thresholds. The results of this comparison show that CEN-SAD's performance is not in line with the objectives of the Abuja Treaty and Agenda 2063. Besides, it is not within its own priorities to help achieve an Economic Union.



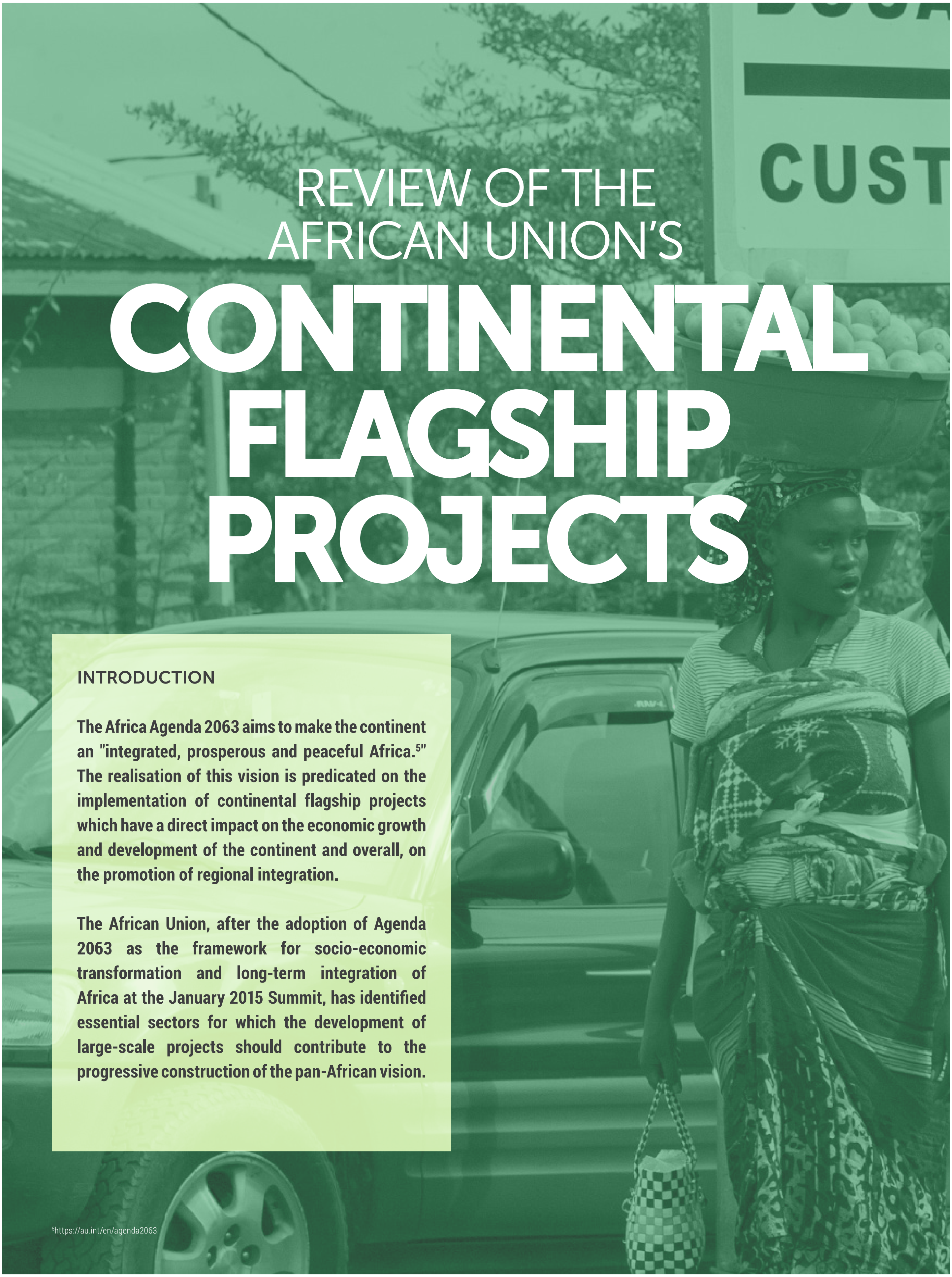
Graph 3.39: CEN-SAD Dimensional Indices and Thresholds

Source: AUC, 2020

CEN-SAD is experiencing difficulty in achieving its objectives as seen from its inability to perform above the thresholds set in all dimensions of AMRII.

In trade, at the 9th CEN-SAD Summit, it was decided to create a free trade area in the region, a customs union between the CEN-SAD countries and an environment conducive to investment by signing a convention to protect investors from member states. This initiative needs to be concretized even if the obstacle of multiple memberships weighs heavily on the proposed Customs Union.

In terms of infrastructure integration, CEN-SAD has an action plan for infrastructure covering all areas of transport. The Trans-Sahara Al Gaddafi Highway Project is managed by CEN-SAD, and a regional collaborative study on the main road corridors to improve access has been launched. CEN-SAD implemented a rail project connecting Libya, Niger and Chad which was designed by the High Authority of the Libyan Railways. It is also involved in the Maghreb Railway Project that connects Tunis, Tripoli and Cairo as well as in the AFRICARAIL Project. With Morocco's support, the General Secretariat has prepared a preliminary draft of six additional proposals for the Community Integration Plan. Unfortunately, all these projects have been hampered by the many socio-economic and political crises in the region.



REVIEW OF THE AFRICAN UNION'S CONTINENTAL FLAGSHIP PROJECTS

INTRODUCTION

The Africa Agenda 2063 aims to make the continent an "integrated, prosperous and peaceful Africa.[5]" The realisation of this vision is predicated on the implementation of continental flagship projects which have a direct impact on the economic growth and development of the continent and overall, on the promotion of regional integration.

The African Union, after the adoption of Agenda 2063 as the framework for socio-economic transformation and long-term integration of Africa at the January 2015 Summit, has identified essential sectors for which the development of large-scale projects should contribute to the progressive construction of the pan-African vision.

[5] https://au.int/en/agenda2063

These projects - Continental Flagship Projects - are:

- Integrated High-Speed Train Network
- Formulation of an African Commodities Strategy
- Establishment of the African Continental Free Trade Area
- The African Passport and Free Movement of People
- Silencing the Guns by 2020
- Implementation of the Grand Inga Dam Project
- Establishment of a Single African Air Transport Market
- Establishment of an Annual African Economic Forum
- Establishment of the African Financial Institutions
- The Pan-African E-Network
- Africa Outer Space Strategy
- An African Virtual and E-University
- Cyber Security
- Great African Museum

These flagship projects cover the main dimensions of regional integration identified in the outline of the African multidimensional regional integration index (AMRII) presented above. The main objective of this chapter is to highlight the various flagship projects of the AU, to review their status and the challenges encountered in their implementation and eventually, to make recommendations that will contribute to their effective realisation

THE FLAGSHIP PROJECTS AND THEIR STATUS

The table below briefly presents each of the flagship projects and the status of their implementation.

PROJECT STAGES	OBSERVATIONS
THE AFCFTA: The creation of the African Continental Free Trade Zone is an agreement to set up a liberalized market for the exchange of goods and services across the African continent by progressive elimination of tariff and non-tariff barriers to trade. The agreement is based on the Abuja Treaty and builds on the FTA agreements existing in the AU RECs	
Launch of the Agreement Establishing the AfCFTA	Launched in Kigali in March 2018
Signature of the Agreement by member states	Signed by 54 member states out of a total of 55
Ratification of the Agreement by member states	• Required 22 states for Agreement to enter into force was attained on 2 April 2019 with the Gambia ratification • 28 ratifications to date

PROJECT STAGES	OBSERVATIONS
Entry into Force of the Agreement	May 2019
Launch of operational phase of the AfCFTA	July 2019 The following supporting platforms have also been launched: • AfCFTA Online Portal on Trade in Goods • Pan-African Digital Payment and Settlement System • Online Mechanism for the Elimination of NTBs within the AfCFTA • AU Trade Observatory Dashboard.
Designation of managers and choice of host of Secretariat	• At the Niamey Summit, Ghana was picked to host the Secretariat in Accra • Wamkele Mene, of South Africa, was elected Secretary General and approved by the Summit on 10 February 2020
Trading under the AfCFTA Regime	From 1 July 2020
Putting in place of flexible mechanisms for mobilising resources	To be done
Adoption of stakeholder awareness provisions for a better understanding of the AfCFTA and its benefits	To be done
AFRICAN COMMODITIES STRATEGY: The formulation of an African commodities strategy aims to develop a coherent, unified continent-wide program for enhancing the commodities of African states. The strategy focusses on the transformation of basic products, the integration of global value chains, the promotion of horizontal and vertical diversification as well as the development of local content.	
Strategy development	Done in since 2016
Validation of the project by the STC	In progress. 1st draft was presented in January 2019; the second one is to be presented for validation
Consultations with member states for finalisation and appropriation	To be done
Creation of a service dedicated to basic products	To be done
Signing of the Strategy Agreement	Starting as soon as the project is validated
Ratification of the Strategy Agreement	Starting as soon as the project is validated
GRAND INGA HYDROPOWER PROJECT: This project is based on the Inga dam located in the DRC, the continent's main energy potential. It aims to develop a large-scale dam generating 43,200 MW of electricity	
Membership of States	Expression of power purchase requests by states such as South Africa
Promotion of the project to States	Started in 2019
Technical, environmental and socio-economic impact studies	In progress. Agreement signed between the government and a group of firms
Mobilization of financial resources for the realisation of the project	Funding agreements under discussion
Signing of agreements with the beneficiary states of the project	To be done
Establishment of a continental coordination framework	To be done

PROJECT STAGES	OBSERVATIONS
SINGLE AFRICA AIR TRANSPORT MARKET (SAATM) The creation of a single African air transport market is a project for the total liberalization of intra-African air transport services in terms of market access, traffic rights for scheduled air services and freight by eligible airlines.	
Official launch of the single market	Done in January 2018
Signature of the Agreement	Agreement signed by 29 member states
Signing of the implementation memorandum for the removal of restrictions on air service agreements	Memorandum signed by 18 member states
Implementation within states	10 states have already implemented SAATM measures
Advocacy with member states to reach 40 mark	In progress; needs to be intensified
Finalization of the Dispute Settlement Mechanism for SAATM	To be done
Drafting of the Aeronautical Infrastructure Master Plan	To be done
CONTINENTAL HIGH-SPEED TRAIN NETWORK: The Integrated High-Speed Trains project is a large-scale infrastructure supporting a continental rail network that connects all capitals and major commercial centres in Africa by high-speed trains.	
Elaboration of the project vision	Done
Preparation of technical, financial and institutional evaluation studies for the revitalisation of the Union of African Railways	Assessment pending the selection of an audit firm
Resource mobilisation for the implementation of the next phases of the project	To be done
Strengthening of the project implementation unit	To be done
Revival of the Union of African Railways	To be done
THE PAN-AFRICAN E-NETWORK: The project consists of the implementation of applications and electronic services conducive to the transformation of the continent. These are particularly broadband terrestrial infrastructure, cyber security as well as the revolutionary biotechnology and nanotechnology industries.	
Installation of the e-Network in member states	Operationalised from March 2017; now in 48 AU Member States with achievements in education, telemedicine and medical education.
Mobilization of financial resources for the revival of activities	To be done
CYBER SECURITY The cyber security project stems from the African Union Convention on Cyber Security and Protection of Personal Data. It consists of developing strategies for secure use benefiting African citizens, States and African institutions.	
Elaboration and validation of the Convention on Cybersecurity and Personal Data Protection	Convention adopted in Malabo in June 2014
Establishment of an African Cybersecurity Expert Group	Done
Member States' accession	4 ratifications out of the 15 required before its launch
Evolution of cyber security legislation within States	18 member states out of 54 have a Computer Emergency Readiness Team
Project operationalisation	A resource mobilization strategy to raise resources for mobilisation has been adopted

PROJECT STAGES	OBSERVATIONS
THE PAN AFRICAN VIRTUAL AND E-UNIVERSITY (PAVEU) The virtual and online African university is a project of creation of a virtual campus accessible to young Africans and researchers anywhere in the world at any time. This project allows an educational integration of the populations through the uniformity of the lessons disseminated.	
Official launch	Launched in December 2019 in Yaoundé
Identification of training programmes	4 programmes have been identified. These are: Introduction to Virtualisation; Entrepreneurship Knowledge and Skills and Digital Literacy with Cloud Computing ; Skills for Employability; and, Media and Information Literacy
Technical and financial partners mobilisation	Partnerships established with the African Council for Distance Education (ACDE), UNESCO, the African Virtual University and VMware.
IT infrastructure implementation and operationalisation	Guidelines and policies developed
Deployment to all member states	Need for mobilisation of financial and human resources
AFRICAN OUTER SPACE PROGRAMME) The African space strategy project for outer space consists of the development of an African space use strategy in order to support the development of the continent in all possible aspects: agriculture, disaster management, remote sensing, climate forecasts, banking and finance, defence and security etc.	
Development of strategic framework	Preparation of two documents on priority areas and the structural and institutional implications of the African Space Agency
Strengthening the African Earth Observation System	Ongoing
Development of operational programmes and missions	In progress: 2 out of 4 studies carried out
Launch and implementation of the African Space Agency	Mobilization of financial resources for the launch is to be done
Operationalisation by supporting RECs, member states and other institutions	To be done
THE GREAT MUSEUM OF AFRICA (GMA) The large African museum project stems from the Charter for African Cultural Renaissance. It is a coordinating centre for the preservation and promotion of African cultural heritage.	
Choice of site	Algeria picked as host
Architectural designs and environmental studies	Done
Finalisation of the commercial proposal	In Progress
Finalization of the headquarters agreement with Algeria	In progress
Official opening	Financial resources to be mobilized for construction

SILENCING OF THE GUNS AND END WARS IN AFRICA BY THE YEAR 2020 The "Silence Arms by 2020" Project is a pacification program for the African continent based on the cessation of all forms of armed conflict and the defusing of the risks of conflicts across the continent.	
Development of a continental roadmap	Done
Creation of a working group	A working group has been created to mobilize support from across the United Nations and promote the action programme to the Security Council
Project implementation	Resources need to be mobilised
Supporting States for the preparation of national action plans	Resources need to be mobilised
Strengthening of coordination platforms and improvement of M&E mechanisms	Resources need to be mobilised
THE AFRICAN PASSPORT AND FREE MOVEMENT OF ALL PERSONS The African passport and the free movement of people is a project to lift borders to the freedom of Africans movement within the continent in an unlimited way. The project involves the transformation of African laws in view to make them favorable for the free movement of people, the removal of borders in order to promote the issuance of visas to all African citizens in all member states of the AU	
Protocol relating to the free movement of persons, right of residence and right of establishment	Launched at Kigali Summit in March 2018
The directives relating to the design, production and delivery of the African Passport	Adopted in February 2019
Signature of the Protocol	Protocol has been signed by 32 member states out of 55
Ratification of the Protocol	1 ratification by Rwanda. 15 ratifications required for entry into force.
Supporting member states for the production and issuance of the African Passport	**To be done**
Establishment of appropriate systems within the Member States at the points of entry	To be done
THE CONTINENTAL FINANCIAL INSTITUTIONS The project to set up African financial institutions aims to set up 3 institutions. The African Monetary Fund (AMF), The African Investment Bank (AIB) and The African Central Bank (ACB).	
Signing of legal instruments	In progress: 22 signatures for the AIB and 12 signatures for the AMF. The Pan-African Stock Exchange Protocol is under development
Headquarters Agreement	Headquarters agreements signed with Cameroon in 2018 for AMF; pending for the other institutions
Appointment of AU Financial Institutions Champion	President Nana Akufo-Addo of Ghana appointed AU Financial Institutions' Champion at AU Summit on 10 February 2020
Study on challenges and implications of signatures and ratifications	In progress
Finalisation of the timetable for the establishment of the ACB	To be done
Finalization of macroeconomic convergence criteria	To be done
Acceleration of signatures and ratifications of AMF a nd AIB legal instruments	To be done

AFRICAN ECONOMIC PLATFORM The project to establish an annual African Economic Forum is a multi-stakeholder platform bringing together several categories of regional integration actors around issues relating to the Africa economic transformation through the exploitation of its own resources. The Forum will bring together leaders, the private sector, academics and civil society organizations	
Holding of the conference of the 1st African Economic Platform	Inaugural Platform help in Mauritius in 2017, with the participation of 9 Heads of State, 10 Ministers and Ambassadors, 3 RECs, and representatives from academia, the private sector and civil society organizations
Development of a roadmap	Done
Holding of the 2nd edition	To be done

Source: AUC, 2020

THE CONTRIBUTION OF FLAGSHIP PROJECTS TO CONTINENTAL INTEGRATION

The continental flagship projects form the basis for the implementation of Agenda 2063. Their impact on the integration process depends on their characteristics and the channels through which they influence African integration; this section presents mechanisms by which flagship projects contribute to improvement of regional integration on the Continent.

- Facilitating the Free Movement of Persons

Several flagship projects have a facilitating effect on free movement of persons within the Continent. The high-speed rail network is based on the construction of cross-border rail tracks with the intention of removing physical obstacles to the free movement of persons. In many RECs the lack of cross-border roads and railways is often presented as an infrastructural obstacle to the freedom of movement from one state to another in addition to the obstacles linked to obtaining a visa. The African passport eliminates visas for holders at the entry points of African States. The single African air transport market is supposed to facilitate free movement of persons by increasing intra-african air transport.

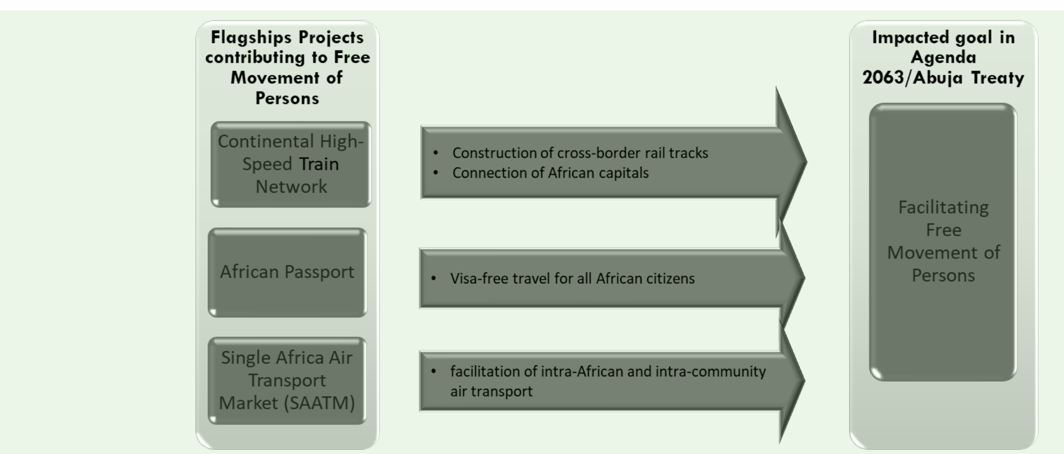


Figure 4.1: Contribution of Continental Flagship Projects to Free Movement of Persons
Source: AUC, 2020

- Boosting Intra-African Trade

Intra-African trade is improved through Flagship projects. Indeed, the Continental High-speed train Network allows the construction of cross-border tracks and the connection of African economies. The Single Africa Air Transport Market has the effect of improving air transport and therefore related services including trade.

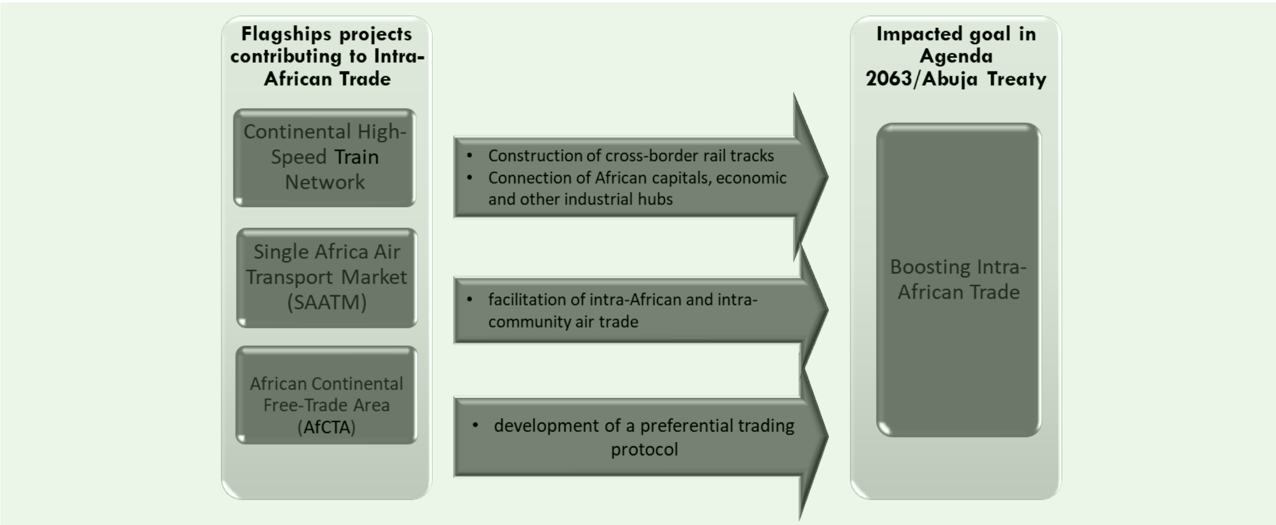


Figure 4.2: Contribution of Continental Flagship Projects to Free Movement of Persons

Source: AUC, 2020

- Harmonization of Member States' Policies

The harmonization of social, economic and development policies across the continent is one of the key objectives of the main African development frameworks, the Abuja Treaty and the Agenda 2063. The flagship projects contribute to policy coordination in a number of ways. For instance, the establishment of African Financial Institutions will lead to the convergence of macroeconomic policies. Likewise, the creation of the African Investment Bank will enable African States to draw up a unified development plan on a continental scale. The establishment of a central bank and the creation of a single currency will lead to the establishment of a common monetary policy at the continental level.

On the other hand, the convergence of agricultural policies is one of the great expectations of the development of a continental strategy for the promotion of basic products. The African Economic Platform and the Pan-African University projects will each contribute to the strengthening the adhesion of the States around a common development agenda and will lead to the convergence of training programmes on a continental scale.

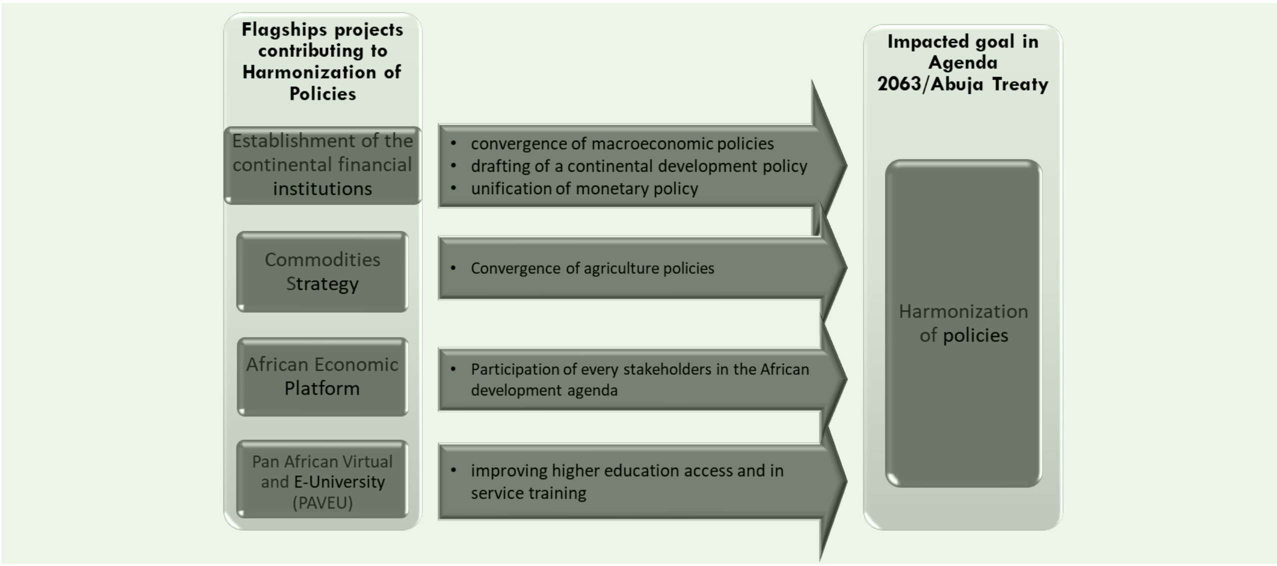


Figure 4.3: Contribution of Continental Flagship Projects to Intra-African Trade

Source: AUC, 2020

- ## Modernizing and Establishing Interconnectivity Infrastructure

One of the major objectives of Agenda 2063 is interconnectivity of the continent. In this context, the development of flagship projects intends to provide answers in terms of the establishment of infrastructure and other community public goods. The continental high-speed train network makes it possible to set up community infrastructure whose management involves different Member States. The Grand INGA project intends to increase the production of energy at a lower cost. The Pan-African E-Network will contribute to the development of online educational services. The Continental Cyber Security Project constitutes a community infrastructure that will be available to African states.

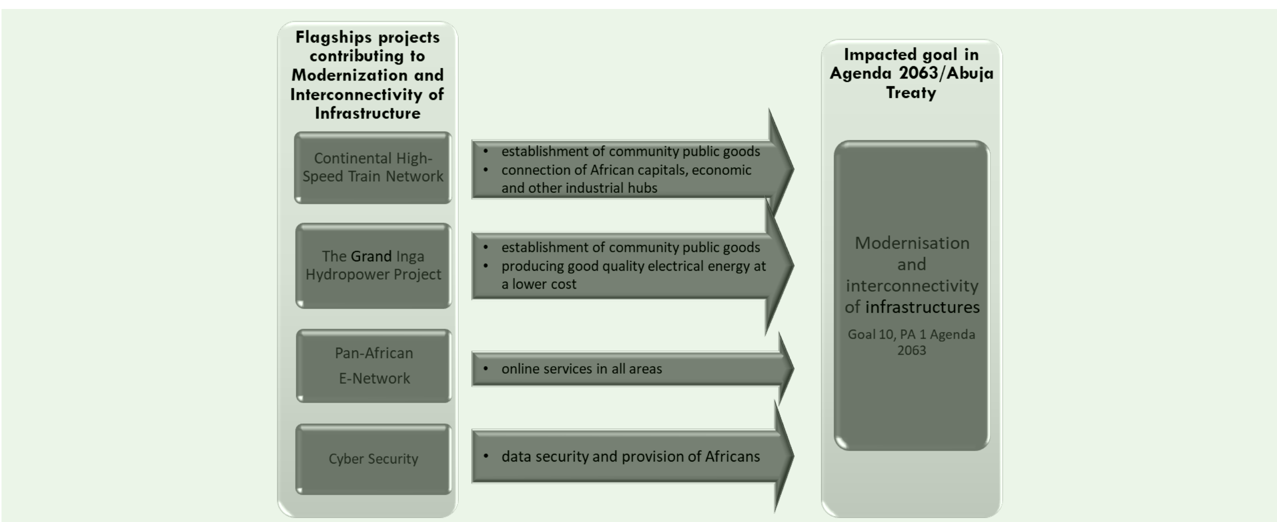


Figure 4.4: Contribution of Continental Flagship Projects to Infrastructure Integration

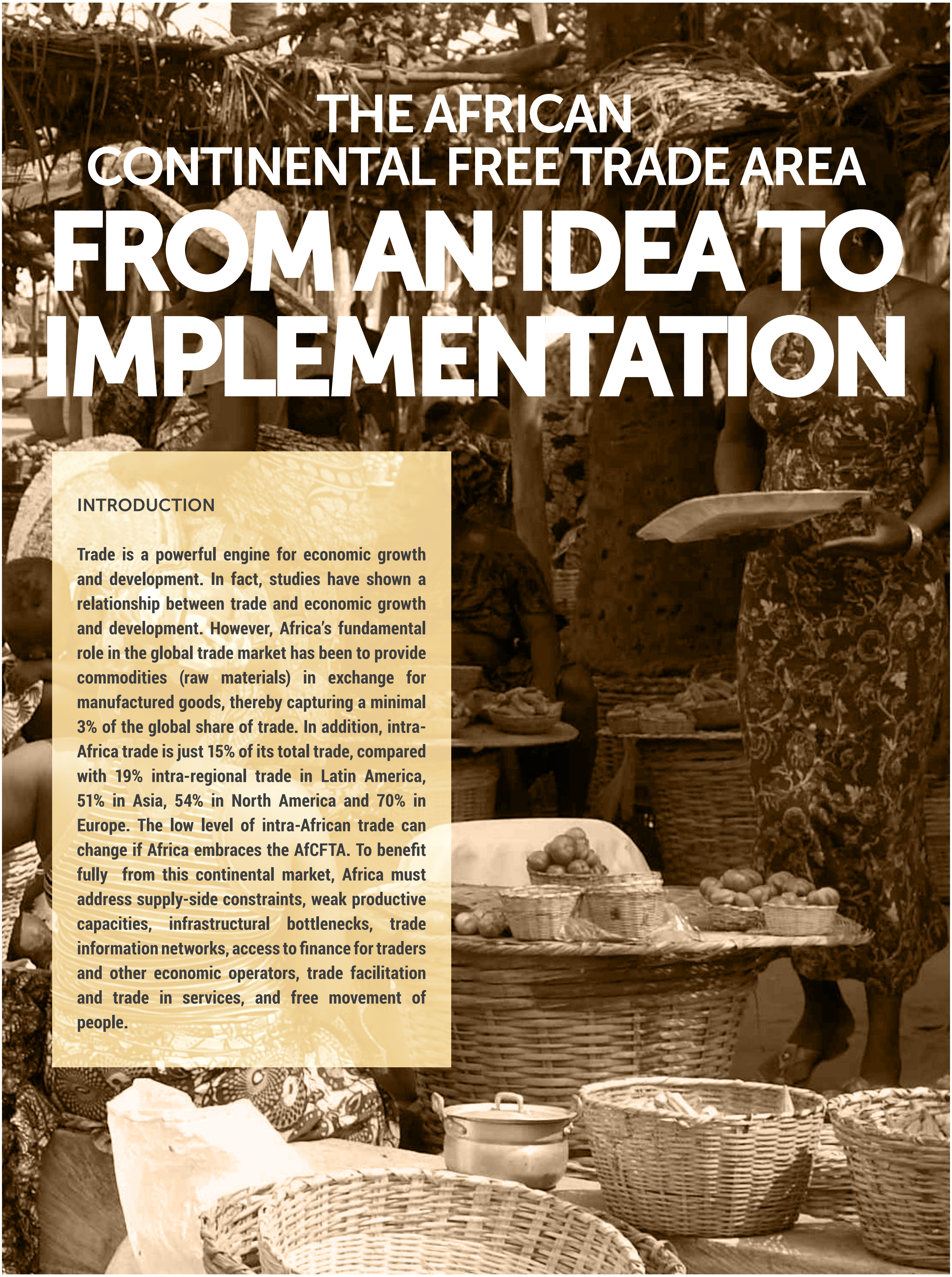
Source: AUC, 2020

CHALLENGES FACING THE FLAGSHIP PROJECTS

- The mobilization of the financial resources necessary for the launching of projects constitutes one of the major challenges of the realisation of flagship projects
- There is weak anchoring of the social rights of the populations in flagship projects and land ownership rights are not directly taken into account in any flagship project
- The insufficient embrace and incorporation of some flagship projects within the Member States by their executive and legislative authorities has led to delays in the ratification of their legal instruments
- The lack of a dedicated team for the daily monitoring of flagship projects limits their development and reduces the visibility of these projects
- The lack of institutionalization of some projects limits the possibility of making significant progress towards their implementation.

RECOMMANDATIONS

- The AU, the RECs and states must promote investment in the new sectors created by the flagship projects. The Single Africa Air Transport Market, for example, requires the development at the regional level of activities capable of taking advantage of the opportunities created.
- The AUC should consider adopting domestic financial resource mobilization strategies for the implementation of flagship projects. Specific funding instruments must be defined for each project, taking into account its different phases of implementation and its specificities.
- To accelerate the ratification of different projects, the AUC should invest more in raising the awareness of the different actors in member states, at the highest level of the executive and the legislatures, on implementation of flagship projects.
- The RECs must be involved in projects which are hosted by member states of their regions through support in the mobilization of financial and human resources as well as in the monitoring of these projects.
- The AUC should reassure itself that each of its flagship projects benefits the greatest number of member states. For the specific case of the Grand Inga Dam Project, the AUC in conjunction with ECCAS, SADC and the Government of the Democratic Republic of Congo, must utilise on economic impact studies to define an optimal distribution of energy production according to the manifested and potential demands.
- To achieve the objective of the programme to silence arms, the States in consultation with the RECs must integrate the guidelines of the continental roadmap into their peace promotion programmes and strengthen their community coordination platforms.
- The AUC should set up a mechanism for monitoring the implementation of flagship projects, establishing the sharing of information on the progress of flagship projects between States, the RECs and the AUC.
- The AUC should proceed with the institutionalization of all the flagship projects so that they are better embraced by the States and RECs in which they will be housed.



THE AFRICAN CONTINENTAL FREE TRADE AREA FROM AN IDEA TO IMPLEMENTATION

INTRODUCTION

Trade is a powerful engine for economic growth and development. In fact, studies have shown a relationship between trade and economic growth and development. However, Africa's fundamental role in the global trade market has been to provide commodities (raw materials) in exchange for manufactured goods, thereby capturing a minimal 3% of the global share of trade. In addition, intra-Africa trade is just 15% of its total trade, compared with 19% intra-regional trade in Latin America, 51% in Asia, 54% in North America and 70% in Europe. The low level of intra-African trade can change if Africa embraces the AfCFTA. To benefit fully from this continental market, Africa must address supply-side constraints, weak productive capacities, infrastructural bottlenecks, trade information networks, access to finance for traders and other economic operators, trade facilitation and trade in services, and free movement of people.

Since independence, regional integration has been a core element of African states' development strategies. The Africa-wide development agenda, as championed by the African Union, 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 to come in six phases over a period of 34 years.

At the 18th African Union Summit, that was held from 30 January - 1 February 2012, in Addis Ababa, whose theme was theme Boosting Intra-African Trade, African leaders endorsed the Framework, Roadmap and Architecture for Fast Tracking the Establishment of the Continental Free Trade Area (CFTA) and the Action Plan for Boosting Intra-African Trade (BIAT). This decision and a declaration reflected the strong political commitment of African leaders to accelerate and deepen the continent's market integration.

The unveiling of the Agreement establishing the African Continental Free Trade Area (AfCFTA) at the Kigali Summit in 2018, and its subsequent launch in Niamey in 2019, is a realisation of this dream. The establishment of the AfCFTA Secretariat and the much-anticipated implementation of the AfCFTA Agreement is a historic opportunity which paves the way for African countries to boost trade with each other which will in turn drive the economic growth and development of the Continent. The African Continental Free Trade Area (AfCFTA) is also one of the Continental Flagship Projects. Much has been done towards realising this dream and the Agreement, which have variously been described as a 'game changer' will connect and expand markets for trade in goods and services on the Continent and thereby grow intra-African trade while at the same time deepening the integration of the Continent.

The drive for a Continental Free Trade Area (CFTA) was given an impetus and was anchored on the progress made by three RECs, the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and Southern African Development Community (SADC) which negotiated and signed a Tripartite Free Trade Area among themselves which was launched on 10 June 2015 in Sharm El Sheikh, Egypt, at the Third Tripartite Summit of their 26 Member States. With half of Africa united under the COMESA-EAC-SADC Tripartite FTA, the other half of Africa - ECOWAS, ECCAS and AMU - could have come together in an FTA of their own for an eventual merger of the two to form a Continental FTA. It is to be recalled that during the 18th AU Assembly, the Heads of State and Government invited the Economic Community of West African States (ECOWAS), the Economic Community of Central African States (ECCAS), the Community of Sahel-Saharan States (CEN-SAD) and the Arab Maghreb Union (AMU) to draw inspiration from the tripartite arrangement between the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC) and the East African Community (EAC), in order to create a second pole of integration so as to speed up the establishment of the African Economic Community (Assembly/AU/Dec.392(XVIII).

OBJECTIVES OF THE CONTINENTAL FREE TRADE AREA

The wider objectives of this comprehensive and mutually beneficial trade agreement among African States are:

- In the context of boosting intra-Africa trade and realizing the transformational potential of increased trade among African countries, the AfCFTA will create a freer market for goods and services and thus pave the way for accelerating the establishment of the Continental Customs Union
- To enhance competitiveness at all levels and more specifically at the industry and enterprise level through exploiting opportunities for scale economies, reducing business costs, market access and better utilisation of resources including through the development of trade-related infrastructure
- To overcome dependence on exportation of primary and to promote social and economic transformation for inclusive growth, industrialization and sustainable development in line with Agenda 2063
- To resolve the challenges of multiple and overlapping memberships and expedite the

regional and continental integration processes

- To realize the potential to expand and accelerate the growing diversification and dynamism of intra-African trade including the aim to increase trade among African countries through better harmonization, coordination and implementation of trade liberalization and facilitation regimes and instruments across the Continent.

Regional Integration is critical in growing Africa's economies; this explains why it is a critical pursuit of the continent. However, over the years, there has been mixed success. The AfCFTA creates an opportunity for Africa to bring together its 55 small and fragmented markets and renews its people's faith in regional integration again.

The rest of this chapter looks at the road towards implementation of the Agreement, progress made to date, and what the African Union Commission as well as the Member States need to do for successful implementation of the AfCFTA.

THE AFCFTA - A MAJOR MILESTONE FOR CONTINENTAL INTEGRATION

The AfCFTA has numerously been described as a game changer for the African Continent. Why is this the case? The AfCFTA is the biggest step towards the integration of African economies across in the last decade. The AfCFTA presents a unique opportunity to significantly increase intra-African trade and to diversify trade exports on the continent. The AfCFTA is the most significant effort towards expanding intra-Africa trade across regional economic communities, enhancing competitiveness between African economies and making Africa a more attractive location for investment.

Looking at current figures in intra-African trade, this has remained rather low at just around 15%. A key focus of Phase 1 of the AfCFTA Agreement is on trade in goods and services which will see the application of zero tariffs on 90% of goods and services traded as well as on reduction of non-tariff barriers. The successful implementation of Phase 1 is expected to grow intra-Africa trade by about 50% by the mid-2020s. This growth in intra-Africa trade will ensure that an increasing proportion of Africa's more than USD3 trillion economy is traded within Africa. This will create opportunities for growth in industries to meet the demand.

With a GDP that is currently at USD2.2-3.4 trillion or USD 6.3 trillion in purchasing power parity terms, a successful implementation of the AfCFTA will also generate an opportunity for businesses to both grow and diversify Africa's export base. Of the 15% intra-Africa trade, South Africa accounts for 34% of the intra-Africa trade exports, with Nigeria (9%), Egypt (6%), Ivory Coast (4%) and Zimbabwe (4%) being the other notable economies that contribute relatively significant export numbers to Africa's intra-regional exports. South Africa also accounts for 20% of the intra-Africa trade imports.

The reduction of non-tariff barriers, application of zero tariffs and increased integration will lead to more factories being built across the continent as industries develop. This growth will require increased investment in power generation, transport and communications infrastructure. In return, there will be opportunities for employment being created.

However, whilst the states still have to agree on the schedule of goods and services for zero tariffs, what is encouraging is that many states already trade under free-trade arrangements in their respective RECs such as EAC, ECOWAS and SADC. In fact, many African countries especially those of Eastern and Southern Africa carry out a sizeable volume of trade within the existing FTAs; still, the AfCFTA will bring new opportunities. Countries in Central, North, Wester Africa will reap immense benefits from the AfCFTA; Central and North Africa have no existing FTA.

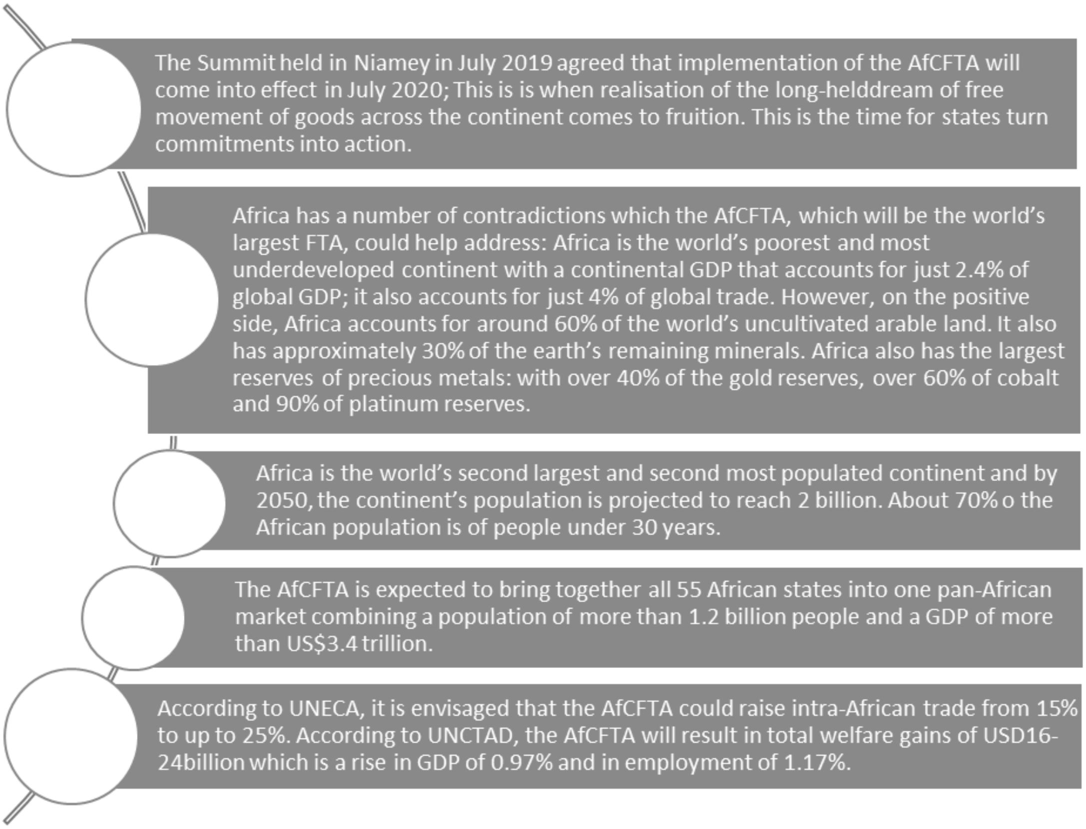


Figure 5.1: The AfCFTA - A Game Changer

Source: AUC, 2020

THE AFCFTA: PROGRESS MADE

Since the Kigali Summit, remarkable progress has been made in realizing the African Continental Free Trade Area (AfCFTA). At the moment, 54 Member States of the African Union have signed the agreement; only one state, Eritrea, is yet to sign the Agreement. As of 1 April 2020, 28 states had ratified and deposited ratification instruments with the African Union Commission. The threshold needed for implementation has been reached and we are now moving to the operational phase which is to start after 1 July 2020. This is when realization of the long-held dream of free movement of goods across the continent will come to fruition. This is the time for states turn commitments into action.

THE AFCFTA JOURNEY	
The AfCFTA Agreement is unveiled at an Extra-Ordinary AU Summit in Kigali	• 44 member states signed the Agreement establishing the AfCFTA at the Kigali Summit on 21 March 2019. • The other states would follow later.
Signature of the agreement by the member states	To date, 54 states, except Eritrea, have signed the AfCFTA Agreement
Ratification of the agreement by member states	• Minimum number of ratifications for the Agreement to come into force was attained on 2 April 20 following Gambia's ratification • There are 28 ratifications to date (as at 1 April 2020)
Adoption of the agreement establishing the AfCFTA	Effective in force since March 2018
Entry into force of the AfCFTA Agreement	• The 22nd instrument of ratification was deposited with the AUC on 29 April 2019. • The AfCFTA Agreement entered into force on 30 May 2019
Launch of operational phase of the AfCFTA	• The operationalization phase of the AfCFTA was launched in Niamey in July 2019 . **The following have also been launched:** • The AfCFTA online portal on trade in goods • The Pan-African digital payment and settlement system • An Online mechanism for the elimination of NTBs within the AfCFTA • The AU Trade Observatory dashboard • Implementation of the AfCFTA starts on 1 July 2020
Designation of managers and choice of host	• The Niamey Summit designated Ghana as the host of the AfCFTA Secretariat. • The AU Ordinary Summit picked Wamkele Mene, South Africa's Chief AfCFTA Negotiator, to be the first Secretary General of the AfCFTA on 10 February 2020
Trade starting under the AfCFTA Regime	Expected to start after July 2020
Putting in place of flexible mechanisms for mobilising resources	To be done
Adoption of stakeholder awareness provisions for a better understanding of the AfCFTA and its benefits	To be done

Table. The AfCFTA Journey
Source: AUC, 2020

AFCFTA NEGOTIATIONS AND THE OUTSTANDING ISSUES

The Assembly formally launched the CFTA negotiations at its 25th Ordinary Summit of Heads of State and Government on 15 June 2015 in Johannesburg, South Africa.

It declared that the ultimate goal was to achieve a comprehensive and mutually beneficial CFTA agreement, thus reaffirming the commitment to continental market integration enshrined in the Abuja Treaty. The negotiations were to be conducted in 2 phases:

- 1st Phase in Trade in Goods; Trade in Services; and Rules and Procedures for Settlement of Disputes.
- 2nd Phase would cover Investment, Competition Policy and Intellectual Property Rights

Phase I involved Trade in Goods; Trade in Services; and Rules and Procedures for Settlement of Disputes. The Protocols have been finalised although under Trade in Goods, there is outstanding issues on Rules of Origin and Tariff Offers. Under Trade in Services, the 5 priority sectors agreed upon are: Transport; Communications; Tourism; Financial; and Business Services. Details on the offers are still to be finalized. The Rules and Procedures for Settlement of Disputes have been finalised. Phase II issues cover Investment, Competition Policy and Intellectual Property Rights. This work has started but is yet to be finalised.

Each of the 55 Member-States of the African Union had a Chief Negotiator.

President Mahamadou Issoufou of Niger, who has been championing the process, was appointed by the Summit in January 2017 to provide leadership on the AfCFTA.

- **Signing and Ratification of the Agreement**

The AfCFTA Agreement was concluded and signed during the 10th Extraordinary Summit in Kigali, Rwanda, on 21 March 2018. Forty-four states signed the Agreement with an additional eight states signing later. Nigeria and Benin signed the Agreement during the July 2019 Summit in Niamey, Niger. As of today, all states except Eritrea have signed the Agreement. The Agreement came into force and was launched in Niamey after the threshold of 22 ratifications was reached. The 22nd instrument of ratification was deposited with the AUC on 29 April 2019. In terms of Article 24, the AfCFTA Agreement, therefore entered into force on 30 May 2019.

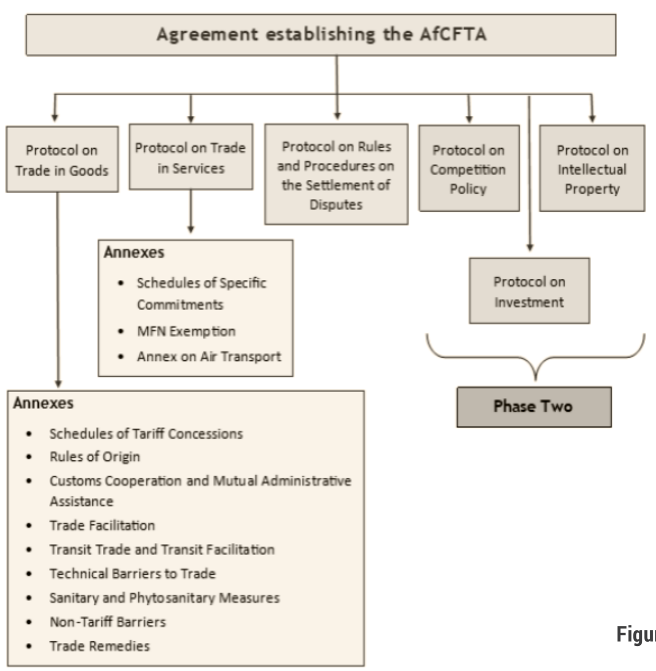


Figure 5.2: Agreement Establishing the AfCFTA

Source: AUC, 2020

- Launch and Implementation of the Agreement

Ratification of the AfCFTA must be followed through by effective implementation. This requires creating the AfCFTA institutions, establishing the mechanisms envisaged in its operative provisions and incorporating AfCFTA obligations into the laws and regulations of each State party. And countries must strategically take advantage of the AfCFTA to achieve economic development and poverty alleviation.

The operationalization phase of the AfCFTA was launched in July 2019. The Summit held in Niamey in July 2019 agreed that implementation of the AfCFTA will come into effect in July 2020. This is the crux for the businesspeople as it enables them to trade free across the continent. Besides, this is when realization of the dream of free movement of goods across the continent come to fruition. This is the time for states turn commitments into action.

The launch was supported by a presentation of the following instruments which will facilitate implementation:

- The agreed AfCFTA Rules of Origin
- Dashboard of the AU Trade Observatory
- AfCFTA Trade in Goods Password Protected Dashboard
- Pan-African Payments and Settlements System
- Continental Online Mechanism for Monitoring, Reporting and Elimination of Non-Tariff Barriers.

- Negotiations Outstanding Issues

The key outstanding issues include:

- Trade Facilitation issues
- Customs Cooperation
- Tariff offers must be finalised and publicized
- Trade related infrastructure
- Capacity Building and stakeholder engagement at national level
- Alignment of national laws to AfCFTA; publication of trade law
- Movement of businesspersons: visas
- Harmonized Trade Documentation
- Finalize work on Arbitrators
- National Strategies and implementation plans
- National implementation Committees

- The Protocol on Trade in Goods Art 31;

Implementation, Monitoring and Evaluation

- The Council of Ministers in accordance with Article 11 of the Agreement shall establish the Committee in Trade in Goods, which shall carry out such functions as may be assigned to it by the Council of Ministers to facilitate the operation of this protocol and further its objectives as it considers appropriate for the effective discharge of its functions.
- The Committee and its subsidiary bodies shall be open to participation by representatives of all State Parties unless otherwise decided.

Art 11 of the AfCFTA Agreement focuses on the composition and functions of the Council of Ministers. It gives effect to the establishment of the Council of Ministers and its core mandate. The Council of Ministers will meet twice a year. Article 26 of the Protocol on Services gives effect to the establishment of the Committee on Trade in Services. The Committee may establish such subsidiary bodies as it considers appropriate for the effective discharge of its functions.

The quality of the institutional framework for trade policymaking is crucial for several reasons. The institutional framework has a direct effect on policy coherence and an indirect effect on policy outcomes and ultimately has a bearing on the achievement of growth and poverty reduction. A framework that is coherent and coordinated is likely to be more purposeful and authoritative and more widely accepted and supported by relevant actors. Effective formulation and implementation of trade policy requires collaboration among the relevant government ministries and institutions and structured dialogue and consultation with major stakeholders. These include not only the government but also the private sector, civil society organizations (CSOs) and political associations, as well as relevant international actors such as donors, regional and international trade bodies and advocacy organizations.

THE INSTITUTIONAL STRUCTURE FOR IMPLEMENTATION OF THE AFCFTA

Under the AfCFTA Agreement:

- The Assembly of the Heads of State and Government of all AU Member States is the apex body. It shall provide oversight and strategic guidance on the AfCFTA, including the Action Plan for Boosting Intra-African Trade (BIAT). The Assembly shall also have the exclusive authority to adopt interpretations of the AfCFTA Agreement, on the recommendation of the Council of Ministers. (Decisions by the AfCFTA institutions on substantive issues are adopted by consensus. The AU Assembly may delegate its powers and functions to other AU organs.

- The Council of Ministers responsible for Trade is that forum where only the State Parties are represented. It will ensure effective implementation and enforcement of the AfCFTA Agreement as well as taking measures necessary for the promotion of the objectives of the Agreement. However, it shall report to the Assembly through the Executive Council, which is the Executive Council of Ministers of the African Union.

- The Committee of Senior Trade Officials (Permanent Secretaries, Principal Secretaries, Directors-General of the Ministries responsible for Trade or another designated official) is another institution composed of officials of the State Parties only. It shall implement the decisions of the Council of Ministers, be responsible for the development of programmes and action plan and ensure proper functioning of the AfCFTA. It shall also oversee the implementation of the provisions of the AfCFTA Agreement and may request a Technical Committee to investigate any particular matter.

- The AfCFTA Secretariat will be the administrative organ of the AfCFTA. The Secretariat shall be a functionally autonomous institution within the AU system and its budget shall come from the overall annual budgets of the AU[6].

[6] AfCFTA Agreement

Figure 5.3: Institutional Structure for AfCFTA Implementation

Source: AUC, 2020

The Niamey Summit directed that the Secretariat be hosted by Ghana, in Accra, and further that it be operationalized by March 2020. The Government of Ghana assured the February 2020 Summit that the Secretariat will be operational by the end of March. This Summit - the 33rd Ordinary Summit - also appointed the inaugural Secretary General of the AfCFTA Secretariat who has since started work. The Secretariat is the administrative organ that will coordinate the AfCFTA. It will operate as an autonomous agency of the African Union but will be under the direct supervision of the Chairperson of the Commission.

CONDITIONS AND RECOMMENDATIONS FOR SUCCESSFUL IMPLEMENTATION

The AfCFTA is a major step towards the realization of the African Economic Community as envisaged in the Abuja Treaty. It should also be seen as a solution and not an additional piece in the spaghetti bowl of preferential trade regimes on the African Continent.

With a number of RECs having FTAs (COMESA, EAC, ECOWAS and SADC) already, the AfCFTA could help to provide coherence to the internal and external trade policy landscape in Africa. The AfCFTA could therefore be the lever to push the Continent towards realizing the long-held dream of deeper integration. It will be possible to achieve a single and fully liberalized African market if the Continent works to subsume the existing FTAs through progressive deepening of liberalization under the AfCFTA. To actualize the commendable effort this far, the following steps should be taken:

Member States should conclude the Negotiations

First and foremost, negotiations should be concluded; outstanding issues in both Phase 1 and Phase 2 should be finalised.

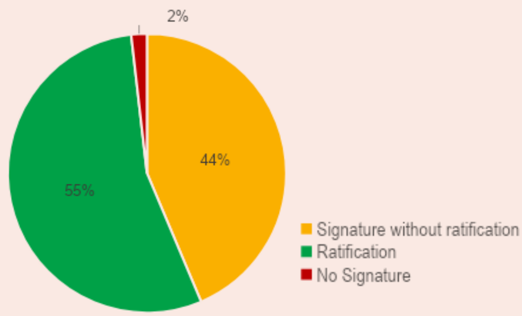
Ratification of the AfCFTA Agreement should be hastened - AMU should not be left out

The pace of ratifications seems to have slowed down. The remaining countries should ratify the AfCFTA Agreement expeditiously without delay so that the continent can move together. States should be reminded that only parties to the agreement will make decisions on the AfCFTA; they should make effort not to be left out.

While the impressive signings and speedy number of ratifications that launched the AfCFTA into force are no mean achievements, a whopping 44% of the countries have still not ratified the AfCFTA. There are two implications to this. In the period leading up to the AfCFTA's coming into effect, what mattered most was how many countries had ratified because only 22 ratifying countries was necessary to trigger operationalization. However, in the operationalization phase, what matters is no longer how many have ratified but rather how many countries have not ratified. This is because during the implementation phase, countries outside of the Agreement (because of their sheer numbers), could be more distorting of AfCFTA's implementation than those in it. More ratifications are needed in order to have an AfCFTA operating close to full capacity to yield maximum benefits.

54 COUNTRIES HAVE SIGNED THE AFCFTA AGREEMENT

- **01 COUNTRY** has not yet signed
- **24 COUNTRIES** have signed without having ratified
- **30 COUNTRIES** have ratified the AfCFTA Agreement



AfCFTA ratification and signature barometer

Source: AUC, 2020

The map below shows the status of signatures and ratifications of the AfCFTA Agreement:

- **AfCFTA** Signed and ratified
- **AfCFTA** Agreement signed
- **AfCFTA** Agreement not signed

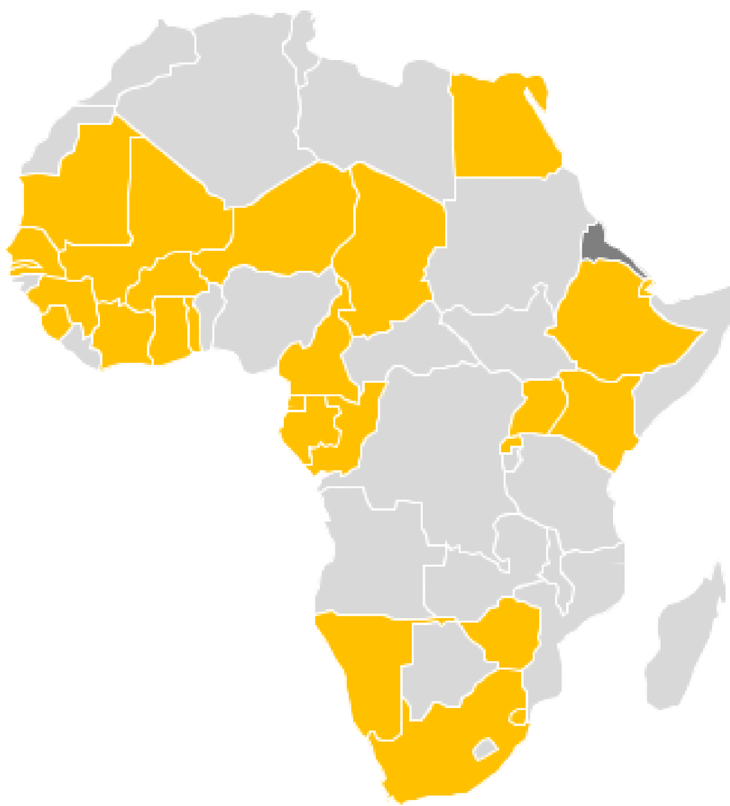
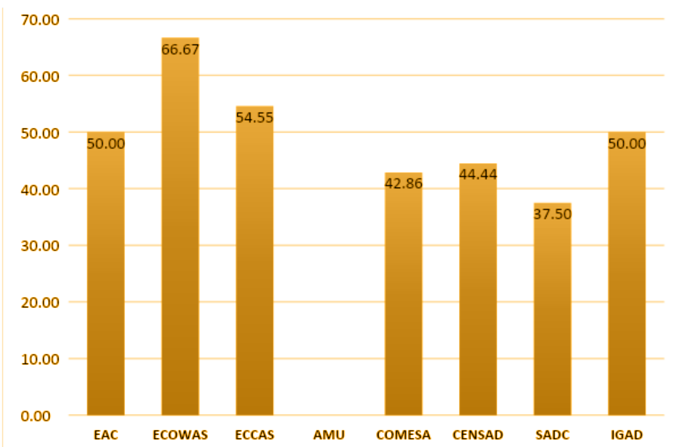


Figure 5.4: Status of Signatures and Ratifications of the AfCFTA Agreement

Source: AUC, 2020

As of May 2020, the 30 countries that have ratified the AfCFTA Agreement are Ghana, Kenya, Rwanda, Niger, Chad, Congo Republic, Djibouti, Guinea, eSwatini , Mali, Mauritania, Namibia, South Africa, Uganda, Côte d'Ivoire, Senegal, Togo, Egypt, Ethiopia, The Gambia, Sierra Leone, Saharawi Republic, Zimbabwe, Burkina Faso, São Tomé and Príncipe, Gabon, Equatorial Guinea and Mauritius. Cameroon and Angola officially approved ratification of the AfCFTA Agreement on 31 October 2019 and 28 April 2020, respectively. Deposit of these instruments of ratification is pending.

This is a fragmented picture that raises questions on how goods will move from one end of the Continent to the other. It is even trickier when we look at the ratifications per REC.



Graph 5.1: Number of States that have Ratified the AfCFTA

Source: AUC, 2020

It is clear that if implementation were to proceed now, the entire Arab Maghreb Union as a REC will be totally left out. Africa's biggest economy Nigeria and other leading economies Algeria, Morocco and Angola will also miss out. More effort needs to be put in order for the benefits of the AfCFTA to be felt across the Continent. Eritrea, which is yet to sign the Agreement, should be supported to do that.

The AfCFTA Secretariat should be Effective

One of the challenges of African integration is the lack of effective institutions to drive the integration agenda. Sometimes, institutions may lack capacity or the requisite authority to operate; in other cases, the legal structure may be defective. When it comes to the AfCFTA Secretariat, it should be structured to deliver since only then will it fully help to drive this all-important continental agenda. This should be done right at the foundational stage. Some of the proposals for an effective AfCFTA Secretariat are:

- The Secretariat should be a strong African institution driving the African agenda and should not become captive of donor interests - its budget should be adequate to guarantee this position. In return, the Secretariat should be fully accountable to member states.
- It should be well resourced: whereas the Secretariat will get its resources from the AU budget, the distance to Accra should not be a hindrance.
- It should be fit-for-purpose: It should be given the given the requisite authority and have a clear and lean structure. There should be a clear assignment of roles to staff.
- There should be a clear division of labour between the Secretariat and the African Union Commission. The resources allocated should be linked to the division of labour with the AUC. It should further be ensured that the resources will be used effectively.

Once implementation starts, slow decision making should not stall the AfCFTA process. In the absence of Permanent Representatives, the AfCFTA Secretariat should be given the competence (authority) to make urgent decisions without waiting for the Committee of Senior Trade Officials to meet.

Overall, the Secretariat should have the capacity to drive the Continental trade agenda and to provide the requisite capacity for the AfCFTA to run smoothly.

Member States should enhance their Preparedness for AfCFTA Implementation

The AfCFTA will bring huge gains to the Continent, but these benefits are not automatic, their realization requires a series of complementary steps such as investments to produce goods for this market and infrastructure to facilitate the trade. As we move into the operationalization phase of the AfCFTA, it is also important to remember that regional integration as envisaged under the AfCFTA is not just about free movement of goods and tradeable services, it is about going beyond this and facilitating the free movement of other factors such as capital and labour. These activities are first and foremost carried out at the national level. Member states should therefore be readying themselves for AfCFTA implementation. Each state should have an appropriate implementation plan with the commitment of adequate resources. States should further ensure that:

- The AfCFTA Agreement should be domesticated and anchored in local institutions
- There is ongoing sensitisation of stakeholders to deepen understanding of then AfCFTA and its benefits.
- Capacity building of officials at national and regional level is carried out so that they can effectively support the implementation of the AfCFTA.

There should be Policy Coordination and Harmonisation between the AfCFTA Secretariat and the RECs - together the Continent's Existing Customs Unions

Considering that some of the RECs have FTAs and even customs Unions, the AfCFTA Secretariat should work with them to ensure that there is a smooth implementation of the AfCFTA. Challenges will arise where some members of the Customs Unions on the Continent have ratified the agreement while others have not. The AfCFTA negotiating principles call for customs unions to submit a single tariff offer but the AfCFTA agreement is now in force and due for implementation and yet this is not the case. The Continent has four Customs Unions (CEMAC, EAC, ECOWAS and SACU) which have a dissimilar external tariff; this is best addressed if all members in a Customs Union ratify and move together. In CEMAC, Chad and Congo have ratified, leaving four members out; in the EAC, Kenya, Rwanda and Uganda have ratified, leaving three states out; in ECOWAS, Cote d'Ivoire, Gambia, Ghana, Guinea, Mali, Niger, Senegal, Sierra Leone and Togo have ratified, leaving six members out; and, in SACU, Eswatini, Namibia and South Africa have ratified, leaving two states out. This will come with difficulties since the free movement of goods within the existing customs regions will not be assured.

More work should go towards Trade Facilitation Readiness

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 road, rail systems and technology-based infrastructure could transform interactions and open new markets for a more diverse set of goods. Urgent action is required towards:

- Addressing infrastructural bottlenecks.
- Eliminating trade barriers through improved trade facilitation.
- Promoting free movement of people as an important ingredient of cross border trade.
- Involvement of key stakeholders: Through closer collaboration between the AUC and RECs, the private sector and member states, the engagement of civil society through innovative means.

The heavy reliance of the AfCFTA's smooth implementation on the progress of other projects such as PIDA, CAADP, SAATM and the Protocol on Free Movement of Persons.

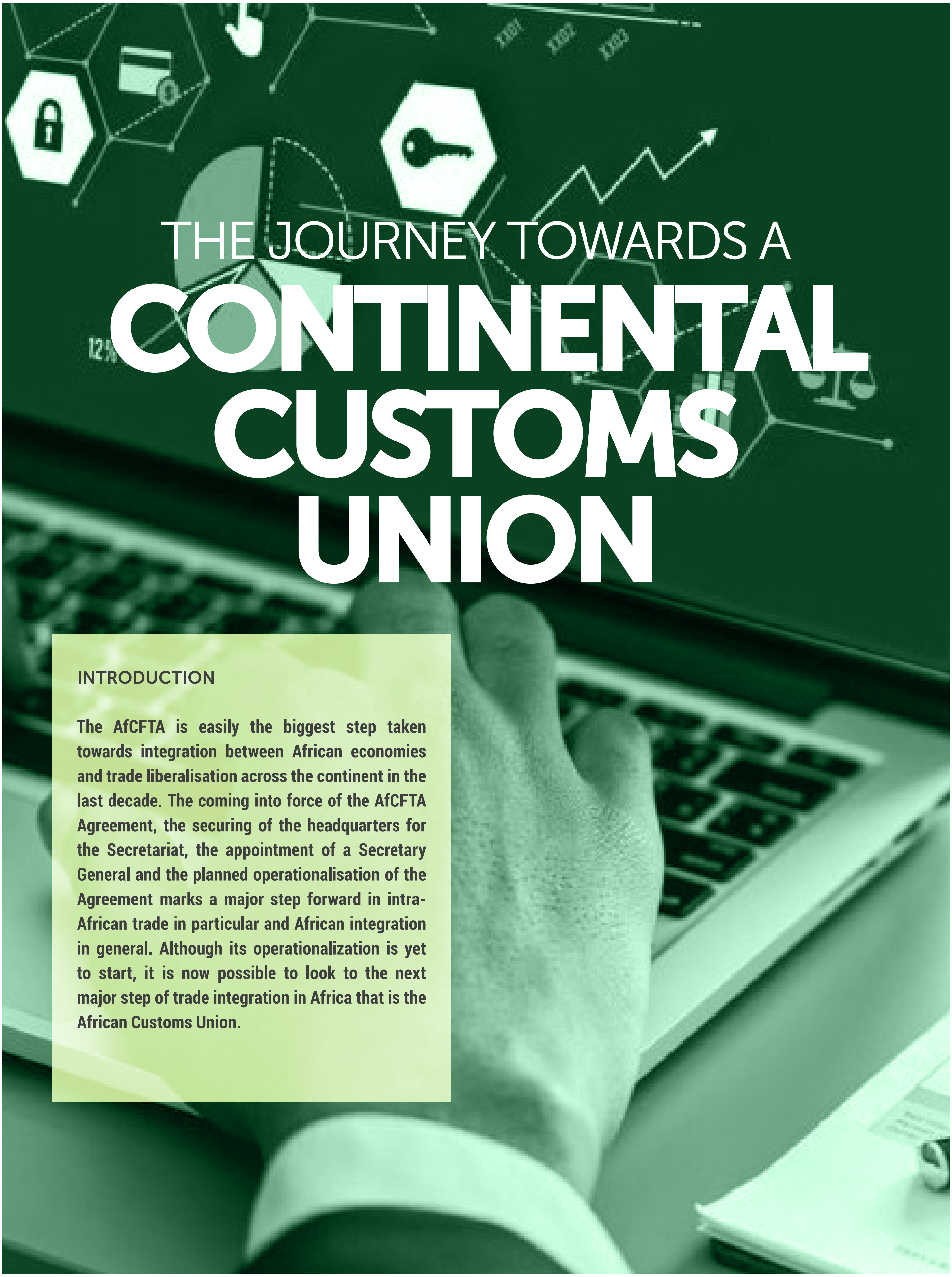
Addressing supply-side constraints and weak productive capacities. The must be goods to be traded - industrialisation;

value chains. As goods are produced and move; we also need to allow people to move. The AfCFTA gives the Continent a great opportunity for value addition and therefore industrialisation.

CONCLUSION

Although it is necessary to recognize 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. Implementation of the AfCFTA therefore goes beyond just trade; it is an opportunity for the Continent to show new commitment to African integration and appreciate the role of the AfCFTA is realizing the Abuja Treaty. Implementation will show a new beginning where AU decisions and initiatives are implemented with renewed impetus; then there will be new hope that Agenda 2063 shall indeed be realized. It is a litmus test of the commitment of African countries to economic integration.

The AfCFTA is focused on long-term goals to enhance Africa's competitiveness in global trade through regional and continental integration. While COVID-19 has delayed its 1 July 2020 implementation date, the pandemic should not threaten its implementation but should instead highlight the urgent need for it. The AfCFTA Agreement is not for its own sake; it should show states' willingness and deliberate effort to trade with one another. The AfCFTA is a major milestone but the Continent should not stop here, pursue a Single African Market and ensure that trade on the continent is fully liberalised.



THE JOURNEY TOWARDS A CONTINENTAL CUSTOMS UNION

INTRODUCTION

The AfCFTA is easily the biggest step taken towards integration between African economies and trade liberalisation across the continent in the last decade. The coming into force of the AfCFTA Agreement, the securing of the headquarters for the Secretariat, the appointment of a Secretary General and the planned operationalisation of the Agreement marks a major step forward in intra-African trade in particular and African integration in general. Although its operationalization is yet to start, it is now possible to look to the next major step of trade integration in Africa that is the African Customs Union.

The AfCFTA is a wonderful opportunity for African countries to reach cooperation and enhance trust. However, this milestone is not an end in itself. In fact, the objectives of the AfCFTA is that the Agreement lays the foundation for the establishment of a continental customs union. Member states should gradually deepen their cooperation and economic integration until they can subsume all the existing RECs into one single, fully liberalized, African market.

Article 29 of the Abuja Treaty provides for the establishment, between the member states of each REC, of a customs union involving the elimination of customs tariffs and the adoption of a common external tariff. The First ten-year implementation plan of Agenda 2063 does not make any special mention of the Customs Union, but among other objectives it aims to significantly increase intra-African trade in goods and services.

For the African States, the establishment of the customs union is expected to develop the natural and human resources of the continent in order to put them at the service of the African people. The renewed competitiveness acquired by local products will boost trade between the member states of the Customs Union and promote local industry. The African Customs Union will, among other things, support the flagship project of the African strategy on basic products, thereby increasing their added value. This chapter looks at the plausibility of the Continental Customs Union project and the different strategies for realising it.

The African Customs Union which will have two pillars - a Free Trade Zone and a Common External Tariff - would be a trade agreement involving the 55 African states. The AfCFTA therefore already delivers on the first pillar.

EXPECTED GAINS FROM A CUSTOMS UNION

The establishment of a Continental Customs Union will bring considerable gains including the promotion of intra-African trade that will strengthen the AfCFTA further, the promotion of local industry and the strengthening of the identity of the African continent in international negotiations.

- Promotion of Intra-African Trade

The theory of customs unions[7] highlights two categories of static effects during the establishment of a customs union, the creation of trade and the diversion of trade. Trade creation refers to the fact that for members of a customs union, imports from other countries experience a reduction in prices as a result of eliminating customs duties. At the same time, the Union causes trade diversion as member states move from a situation where the protection of each country against imports is now directed against non-member states. It is possible to empirically assess which of the effects dominates within a union. However certain factors are likely to favour the creation of trade within a customs union. This may be the existence of the high proportion of intra-regional trade, the level of transport costs or the number of member countries. It is generally accepted that the establishment of a customs union has a positive effect on the growth of states through the gain in productivity arising from competition between member states and the exploitation of economies of scale. A Continental Customs Union will put Africa on this path.

- Promotion of Local Production

In the context of free trade, a customs tariff which does not favour imports according to the country of origin, will have the effect of encouraging local producers to meet part of the local demand themselves, even if it is more expensive in terms of domestic resources used than in a pure free trade regime. Three factors specific to the customs union favour local production: relative price competitiveness, economies of scale and market size.

[7]Vines. J., 1950, The Customs Union Issue .Carnegie Endowment for International Peace, New York.

A Continental Customs Union would be a big boost towards realization of the Continental Industrialisation Strategy as well as the Industrialisation Strategies of the RECs.

- **Strengthening of the Contractual Power of Member States**

One of the definite gains from the establishment of a customs union is the increase in the contractual power of member states. This effect is much greater than in a free trade area. Indeed, the adoption of a single commercial policy vis-à-vis the exterior strengthens the identity of the group party to a customs union agreement. With 55 members, the African Customs Union will be the largest known customs agreement in terms of membership and will automatically confer much more strength within the negotiating frameworks to which the 55 states will be party to.

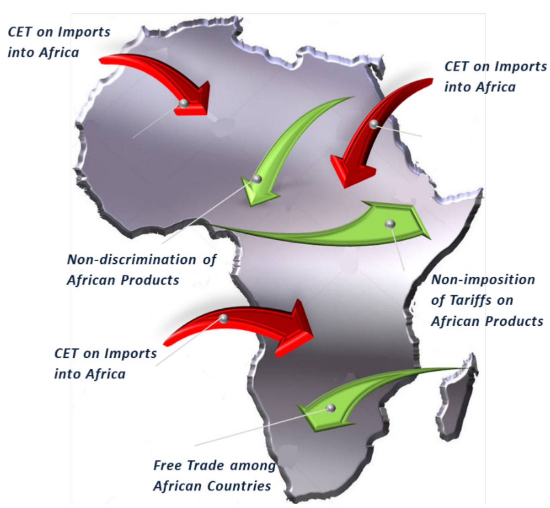


Figure 6.1: Functioning of the African Customs Union

Source: AUC, 2020

CONDITIONS FOR THE SUCCESS OF AN AFRICAN CUSTOMS UNION

The success of the African customs union, like any customs union arrangement, depends on the existence of some conditions on the ground. Customs unions require six pre-conditions to make them beneficial for the majority of the member states[8]. These conditions are:

- The degree of similarity of the economies
- An initial level of customs duties
- Existence of commercial partnerships between the member states
- A sizeable new market
- A favorable situation compared to the outside
- Establishment of compensation mechanisms

The AfCFTA should deliver some of these pre-conditions. The four existing Customs Unions on the Continent have already set these in motion in their areas of operation. More specifically, it will increase the size of the African market by opening up national economies. At the same time, it should make it possible to bring the levels of development of African States, and therefore their economic structures, closer together. The AfCFTA will finally contribute to the creation of strong trade relations between the member states. In addition, 3 other conditions are necessary for the implementation of the customs union, in particular:

- The termination of bilateral agreements between African and non-African countries on trade in products subject to the customs union regime
- The effectiveness of the African free trade area
- The upgrading of the national customs administrations of the States and the harmonization of their practice.

[8]Meade, JE. 1955. The Theory of Customs Unions. Amsterdam: North Holland Publishing Company

EXISTING CUSTOMS UNION ARRANGEMENTS ON THE CONTINENT

There are four existing Customs Union arrangements on the Continent. Two of these customs unions are based on RECs - ECOWAS and the EAC - whereas the other two are sub-regional and nested within RECs - CEMAC in ECCAS and SACU within SADC.

- Economic Community of West African States

The Economic Community of West African States (ECOWAS) concluded its Customs Union agreement in January 2015; it also brought into force its Common External Tariff. To date, the Common External Tariff (CET) is applied in 10 of the 15 states. The ECOWAS CET is structured around five categories of goods.

The functioning of the Customs Union is based on sub-regional mechanisms including:

- a customs valuation mechanism, to ensure the uniformity of the system applied by the States which have ratified the agreement
- a framework for monitoring the proper application of the CET on intermediate products entering as zero-rated goods
- Safeguard, trade defence and protection measures and anti-dumping measures.

- Economic and Monetary Community of Central Africa

The Economic and Monetary Community of Central Africa (CEMAC) is one of the oldest customs unions on the Continent. The Brazzaville Treaty establishing the Customs and Economic Union of Central Africa (UDEAC) was concluded by Cameroon, the Republic of Congo, Gabon, the Central African Republic and Chad in 1964 coming into force two years later. Equatorial Guinea joined the union on August 24, 1983. CEMAC has really not reached the Customs Union stage, to which only two States have ratified the instruments to date, Chad and the Republic of Congo.

CATEGORIES OF GOODS	RATE
Essential social goods (85 tariff lines)	0%
Essential items, raw materials, capital goods and specific intermediate goods (2,100 tariff lines)	5%
Intermediate goods (1,400 tariff lines)	10%
Final consumption items and other goods (2,200 tariff lines)	20%
Goods involved in economic development (130 lines)	35%

Table 6.1: Categories of Goods - ECOWAS CET

Source: ECOWAS, 2020

The CEMAC customs tariff includes a common external tariff which is applied to trade between CEMAC and third countries and a preferential tariff which is applied to trade between member states. It should also be noted that a temporary surcharge is applied to some products.

The common external tariff takes into account the categories of imported goods and is composed as follows:

ATEGORIES OF GOODS	RATE
Basic necessities	5 %
Raw materials and capital goods	10%
Intermediate and miscellaneous goods	20%
Everyday consumer goods	30%

Table 6.2: Categories of Goods - CEMAC CET

Source: AUC, 2020

- Southern African Customs Union

The Southern African Customs Union (SACU) is the oldest customs union in the world. It was created in 1910 by Botswana, Namibia, Lesotho, South Africa and Eswatini (BNLSE). A revised version of the implementation agreement was signed in 2002. All SACU member states belong to SADC. Only three out of five states have ratified customs union instruments. A common feature of SACU is having South Africa as the driving force.

- East African Community

The East African Community (EAC) is based on a customs union which is the entry point of its regional integration process. The EAC Customs Union guarantees free trade conditions between member states and a common external tariff for imports from countries outside the region. It entered into force in 2005 first between three founding partner states - Kenyan, Uganda and Tanzania - and later expanded on the entry of Rwanda and Burundi and recently by South Sudan. The region became a full customs union in 2010.

Operations of the EAC Customs Union

The EAC Custom Union is based on the single customs territory (SCT) which aims to further consolidate the goals of the Customs Union and to address the challenges experienced in the initial stages. The SCT which commenced in July 2014 is a major milestone and the final stage towards the attainment of a fully-fledged Customs Union. Under the SCT assessment and payment of duties is done at the destination partner state while goods are still at the first point of entry. The implementation of the SCT has witnessed the development of requisite instruments such as information technology to respond to the new operating environment and the capacity of both the public and private sectors equally enhanced to facilitate the smooth rollout of the SCT.

Achievements - EAC Customs Union

- Reducing time of transporting goods from (e.g. from Dar es Salam to Bujumbura, 21 to 7)
- Reducing cost of transporting goods from USD3,100 to USD1,025
- Connecting partners and sharing information
- Unify declaration system
- Developing customs processes
- Facilitating and improving intra-EAC trade under SCT
- Enhancing support transit regime

Table 6.3: Achievements of the EAC Customs Union

Source: EAC, 2020

Impact of the SCT on Intra-EAC Trade

The experience of the East African Community clearly shows an increase in imports between the states since the establishment of the Customs Union in 2005. Between 1995 and 2005, intra-regional imports increased from an average of USD614 million over ten years before the establishment of the customs union to an average of USD1,839 million from 2006 to 2018.

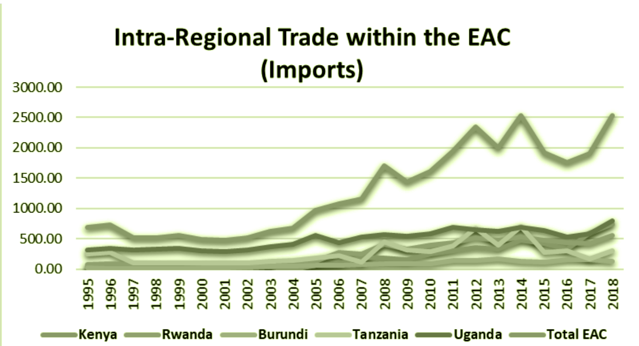


Figure 6.2: Intra-Regional Imports with the EAC

Source: EAC, 2020

STRATEGIES FOR ESTABLISHING A CONTINENTAL CUSTOMS UNION: THREE OPTIONS

There are three approaches for establishing an African Customs Union. These are:

- Construction by the RECs and their eventual merger as provided in the Abuja Treaty
- By building on the AfCFTA
- Establishment through setting a CET and a Customs Union Agency.

- **Construction through the RECs**

The stages of setting up the Continental Customs Union by the RECs integrates the timetable for setting up the African Economic Community. According to this scheme, the African customs union would go through three major phases. The first phase is that of dismantling tariff and non-tariff barriers with the creation of free trade zones within the RECs. The second phase refers to the establishment of Customs Unions within the RECs and the third phase is to establish the continental customs union.

PHASE 1 : TRADE LIBERALISATION WITHIN RECS
Elimination of customs duties between member states
Elimination of tariff and non-tariff barriers
PHASE 2 : SETTING UP OF CUSTOMS UNIONS WITHIN THE RECS
Establishment of a common external tariff
Elaboration of a framework for intra-community trade
Harmonisation of laws, formalities and commercial laws between States
PHASE 3 : ESTABLISHMENT OF THE CONTINENTAL CUSTOMS UNION
Establishment of a common external tariff on a continental scale
Harmonization of commercial practices between sub-regional customs unions
Institutionalisation of the customs union
Launch of the continental customs union

Table 6.4: Steps for Achieving a Continental Customs Union through RECs

Source: AUC, 2020

- **Building on the AfCFTA**

One of the possible strategies for the construction of the Continental Customs Union is the implementation of the AfCFTA into a customs union. The development scheme of the AfCFTA has the advantage of being the most economical since the RECs which do not have customs unions already will not be forced to finalize them before the accession of their member states. In addition, the harmonisation of procedures and regulations will be the main accession measure for the member states of the customs union that have already been completed.

PHASE 1 : FINALISATION OF AFCFTA
Elimination of customs duties between member states
Elimination of tariff and non-tariff barriers
Effective start of market
Finalisation of an internal resource mobilization strategy
PHASE 2 : ESTABLISHMENT OF THE CONTINENTAL CUSTOMS UNION
Conducting economic studies with a view to evaluating an optimal level of the CET
Establishment of a common external tariff on a continental scale
Definition of a continental framework governing trade
Development of a protocol relating to the rules of origin
Establishment of a continental customs administration and gradual adoption of the prescribed formalities within the member states
Launch of the continental customs union

Table 6.5: Steps for Achieving a Continental Customs Union through the AfCFTA
Source: AUC, 2020

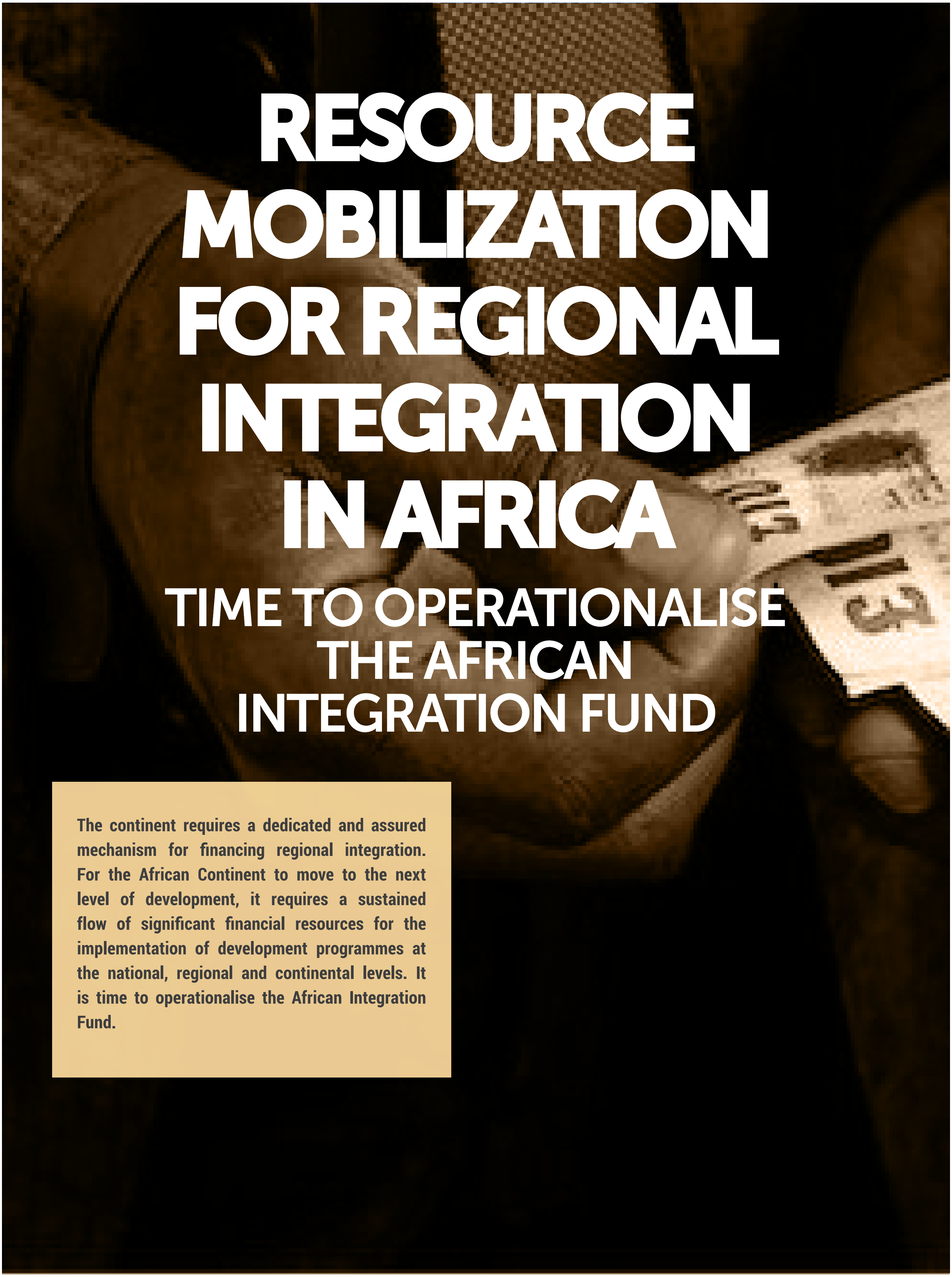
- ## Implementation based on a Common External Tariff (CET)

One scenario for the establishment of the African customs union is the creation of a customs union based on the integrity of a CET, the harmonization of customs procedures and the accession of member states. The agency thus created, on the fringes of the current AfCFTA, will go through a protocol phase and an operationalization phase. The main advantage of this scenario is its ability to be launched once the will of the member states has been demonstrated.

PHASE 1 : ADOPTION OF ADMINISTRATIVE AND PROTOCOL MEASURES
Drafting of a protocol establishing the African Customs Union
Sensitization of member states on the customs union
Signing of the protocol for the creation of the African Customs Union by the member states
Ratification of the protocol by the member states
Launch of the Continental Customs Union
PHASE 2 : OPERATIONALIZATION OF CONTINENTAL CUSTOMS UNION
Conducting economic studies with a view to evaluating an optimal level of the CET
Adoption and implementation of the financial and human resource mobilization strategy
Establishment of a common external tariff on a continental scale
Definition of a continental framework governing trade
Development of a protocol relating to the rules of origin
Harmonisation of custom and administrative procedures within members states

RECOMMENDATIONS

- The AUC should conduct an economic and institutional impact study in order to adopt a strategy for the establishment of the Customs Union.
- The AUC should prioritise studies aimed at determining the optimal level of the CET and the framework for governing trade based on current practices by RECs.
- The AUC must develop a programme to promote the challenges of the customs union and start raising awareness among States at the highest level of responsibility.
- RECs not having the objective of establishing a customs union should amend their treaties in order to integrate the continental project into their various framework texts
- The strategy for mobilizing the financial resources necessary for the operationalization of the project must be based on internal resources
- Further work on this subject should be carried out in consultation with the RECs.



RESOURCE MOBILIZATION FOR REGIONAL INTEGRATION IN AFRICA

TIME TO OPERATIONALISE THE AFRICAN INTEGRATION FUND

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.

INTRODUCTION

The main objective of the Member States of the African Union is to achieve socio-economic and political integration of the Continent with a view to accelerating the development of the continent. There is wide recognition that regional integration is the vehicle to deliver this goal and over the years African states have continued to translate this vision into different programmes and projects.

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 progress on regional integration.

One major reason for the slow or failed implementation of regional projects and programmes is 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.

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[10].' Previously, the African Union had the Obasanjo-led High-Level Panel on Alternative Sources of Funding of the African Union (HLPASF); other efforts took place before and in-between.

The Continent needs a dedicated and assured mechanism for financing regional integration. The debate on the financing African integration is long one; it has been going on for long, but this chapter will highlight the need for an African Integration Fund. A feasibility study for the establishment of the Fund was carried out in 2013 but to date, not much has been done. Isn't it time to revisit this noble idea?

DONOR DEPENDENCY DISTORTS AFRICA'S PRIORITIES IN REGIONAL INTEGRATION

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

Funding for regional integration on the Continent is woefully inadequate. Unfortunately, it is donors that fund most of the regional integration projects and programmes in Africa and yet alternative sources of funding have received inadequate attention. This has led to unsustainable dependence on donors.

The degree of dependency of regional organizations on donors, in combination with the quality of aid and of the donor partnership which requires harmonization, accountability and alignment, raises numerous questions one of which is

[09] https://au.int/sites/default/files/documents/38060-doc-agenda_2063_implementation_report_en_web_version.pdf
[10] https://au.int/sites/default/files/documents/38060-doc-agenda_2063_implementation_report_en_web_version.pdf

whose priorities are funded and therefore implemented? The degree of donor dependency is reflected in the percentage of funding for the total budget of regional organisations; with IGAD said to be reliant on donors for 90% of its budget; SADC for 79%, and COMESA for 78% and the EAC stands at 65%. The AU at 44% with ECOWAS on the other extreme, relying on donor funding for only 20% of its total budget. In principle, member states try 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 the AU and the 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 beef up member states' contributions, but thus far these have had little tangible effect.

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 own priorities. In combination with donor conditionality this can create incentives for regional organisations to signal reforms, rather than to strengthen core functions that are needed to create regional public goods. Some RECs for instance have only incorporated certain sectors because donor funding demands it. The EAC, for example, integrated social sectors and environment in the EAC regional strategy, as this was in line with donor interests. EAC member states did not take these elements forward. In SADC, donors supported the SADC Tribunal as an innovative governance institution and provided the funding without which it would not have been created. Despite initial SADC support, the project was disbanded after strong political resistance by Zimbabwe, and subsequent lack of support from other SADC members. In the case of the AU flagship infrastructure development programme, PIDA, donors were closely involved in its design with PIDA seemingly enjoying more support from donors than among AU member states. Member states should take ownership of the regional integration agenda.

On the side of regional organisations, such aid distortions tend to inflate the regional agendas and widen the implementation gap. Fragmented and poorly aligned aid overloads management systems. It tends to prioritise improving accountability systems for the use by donors rather than by African stakeholders. Lack of transparency over who pays what (and for what), what is on-budget and what is off-budget, and the multiple broken feedback loops about what has happened with the available resources tend to reinforce the lack of ownership with member states over regional organisations. Further, it is not clear that such external finance creates any incentive for internal resource mobilisation - ECOWAS is the only REC with such a mechanism.

Continued monopoly of funding for regional integration by donors will continue making regional and continental organizations fragile in their quest for political autonomy. Lack of control of the purse compels states to compromise on their real needs, when the partners' objectives do not tally with those of African states.

With the ongoing reforms of the African Union, Africa must take the agenda back; Africa must own the integration agenda. It is commendable that the AU Mid-Year Summit is now an AU-RECs' Coordination Meeting. This provides the perfect opportunity for the AU to manage the division of labour between itself, the RECs and Member States. For this effort to be effective, an AU Fund to support Regional Integration on the Continent at all these three levels is necessary.

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

The Obasanjo-led High-Level Panel on Alternative Sources of Funding of the African Union presented its final draft report in May 2015 at the African Union Anniversary Summit in Addis Ababa. The Panel proposed to the following options for resource mobilisation for African integration:

- **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;
- **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 combating pandemics (HIV/AIDS etc.) or allocated to some large-scale humanitarian actions within the framework of the African Union;
- **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;
- **Levy on international travel:** Impose a tax USD5 per ticket on flights to and from Africa. The accrued funds are to be collected with the help of IATA from its affiliates. In the case of companies not affiliated to IATA, the states would have to collect the accruing funds and transfer them into AU's account;
- **Tourism and hospitality:** Collect between USD1-10 for each stay in African hotels. Accrued funds would be collected on behalf of the AU by hotels collaboration with the revenue agencies of Member States.

The High-Level Panel observed that implementing each proposal would have minimal impact on economies of 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 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 step up 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 is expansion of the tax base. If effectively managed and empowered, autonomous revenue agencies, as amply demonstrated by the South African Revenue Service, could generate remarkable results.

On the other hand, a common framework for reform of laws governing 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 on 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.

LESSON FROM RECS: THE ECOWAS COMMUNITY LEVY

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. 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 ECOWAS Directorate of External Relations is responsible for mobilizing resources from Development Partners to support Community programmes. The Directorate has two Divisions:

- Relations with Member States aiming at strengthening the processes of ownership of regional programmes by the ECOWAS Member States.
- Resources Mobilization and Coordination, which aims to consolidate the guided and coordinated policies for the mobilization and use of external resources as well as finding alternative funding channels that are vital to the implementation of ECOWAS regional integration process.

In order to operationalize the effectiveness of Resource Mobilization, the Directorate of External Relations developed the operational procedures for donor coordination. This sets out the objectives of the coordination mechanism, the principles and clarifies the mandates and responsibilities of each stakeholder in the coordination mechanism. The strengthening of the coordination platform is based on the principles of the Paris Declaration on Aid Effectiveness, namely, ownership, alignment, subsidiarity, sustainability, harmonization, result-based management, mutual accountability, reporting, best practices sharing, and cost effectiveness.

The objectives of the Coordination mechanism are to:

- Consolidate the different partnerships and strengthen synergy in the implementation of the strategic vision and effective implementation of ECOWAS programmes
- Put in place regular and constant consultations on the regional agenda and support strategies of partners
- Ensure transparency and enhanced visibility of activities
- Guarantee consistency, effective harmonization and coordination of activities in order to deepen the integration process and provide effective monitoring of regional programmes
- Promote greater alignment of support with regional priorities.

The institutional coordination mechanism comprises three levels as follows:

- The first level is the operational level through the thematic groups meetings and there are five thematic groups namely: capacity building, peace and security/ humanitarian affairs; infrastructure; economic integration and regional trade; and agriculture/ Environment and Natural resources.

- The second level of institutional coordination mechanism is the Bi-annual Coordination Meeting (BCM). The BCM is chaired by the President of the Commission or the Vice President or any Commissioner designated. The Group of Partners designates a High-level Coordinator-General (Ambassador) who serves as the interface with the ECOWAS Commission and facilitate dialogue. The objectives of the BCM are as follows to: maintain dialogue and strengthen the close relations existing between the Commission and the partners; improve information sharing between the Commission and its partners on the major community projects; ensure monitoring of partnerships in all areas under the regional integration process; and consider the various reports of the Thematic Groups.

- The Annual Coordination Meeting (ACM) is the third level of the institutional coordination mechanism. It is chaired by the President of the Commission, who defines its format and orientation. The ACM is held once in a year in Abuja between the ECOWAS Institutions and the Development Partners. These include: all Political Authorities of partner countries /Institutions; all High Representatives of Regional Cooperation and International Organisations/ Agencies; all members of the various Thematic Groups; and al Representatives of Groups of non-State Actors (Civil Society, Private Sector). The objectives of the ACM are: to strengthen political dialogue on the region's Vision and priorities; secure partners' adhesion to ECOWAS' strategic choices; make new commitments; review the status of progress achieved in implementing regional projects and reforms; undertake review of the aid mechanisms and intervention strategies; and define prospects for improved partnerships.

In spite of this innovative approach, ECOWAS still faces a number of challenges that other RECs face. These are:

- Non-compliance with the main provisions of the Community Levy Protocol. The main elements of the Community Levy Protocol are collection, depositing and remittance. However, accumulation and non-payment of arrears by some member states prevails. The unintended consequences of huge arrears are depreciation risks, exchange rate loss and adverse effects on the Commission's revenue, budget and programmes.
- Non-sustainability of development partners' fund. Many development partners' funds are geared towards funding time-limited projects, and in many cases, are driven by the partners' strategic interests and priorities. It is good then then ECOWAS is less over-reliant on donors.

ECOWAS has made effort to address these challenges in three ways. These are:

- Providing technical and administrative support to enhance the remittance capacity of those Member States in arrears.
- Negotiated solutions between ECOWAS and those Member States in arrears, in particular, possible entering into a MoU scheduling the repayment terms.
- Alignment of priorities and coherence of strategies between ECOWAS and Development Partners in the funding of the regional integration programmes.

The main lesson 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 do it directly; 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 their 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.

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 on account of different reasons results in poor coordination, more management costs and reporting channels for the REC and even inefficiencies in utilization.

TIME FOR THE AU TO OPERATIONALISE THE AFRICAN INTEGRATION FUND

Whichever way Africa goes, there is need for a central financing mechanism as a better option for financing regional integration on the Continent. Having looked at the possible sources of funding, the question now is how to manage such resources.

The African Integration Fund (AIF) was first mooted to finance the then 'Minimum Integration Programme' (MIP) adopted during the Fourth Conference of African Ministers in charge of Integration in May 2009 in Yaoundé, Cameroon, as the minimum necessary to accelerate the integration process. The genesis for the proposed establishment of the AIF was a response to the low level of funds available to support the integration process towards achieving the objectives of the Abuja Treaty. While the AU's priorities have shifted from the MIP to Agenda 2063, the requirements have grown even bigger and more urgent. A review of the status of the Continental Flagship Projects in Agenda 2063 highlights the delays and even rescheduling on account of lack of financing.

The African Union should therefore consider the revival of this initiative and set up the African Integration Fund for which a Feasibility Study was carried out in 2013 and a report submitted. The Fund will be beneficial in the following ways:

- 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.
- 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.
- Transaction costs: It has the potential to cut transaction costs and administrative burdens on the AUC and the RECs.
- 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.
- Donors' coordination and donors-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.

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

The AIF was to be a financial facility with two windows: a technical assistance and grant window and a commercial window. The technical assistance and grant window was to offer grant, technical assistance, advisory services and institutional support; while the commercial window was expected to be a commercial investment and financing fund which would provide partial loan guarantees and matching grants which should enable the leveraging of additional resources from domestic, regional and international financial institutions. It is also worth stressing that the commercial window of the fund was expected to contribute to the replenishment of the AIF.

RATIONALE FOR THE AFRICAN INTEGRATION FUND

The operationalization of a dedicated vehicle for financing 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 realization 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 vital 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 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 genesis for the proposed establishment of the AIF was a response to the low level of funds flow 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 mobilization is required to finance Agenda 2063 and the AfCFTA.

Collective resource mobilization vehicle: Resource mobilization 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 African Integration Fund (AIF) will facilitate the collective mobilization 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 affects negatively 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 resources mobilization efforts of RECs and member states: RECs which have not yet developed a comprehensive resources mobilization strategy, have also started reflecting on putting in place their own alternative sources of financing. The AIF will help design such resource mobilization strategies through financial support and the facilitation of best practice sharing for RECs and member states.

Enhanced AUC-RECs relationship and coordination: At times, there is the impression that the links between the AUC and the RECs are relatively weak as there is no formally binding link between the two. The AUC-initiated AIF will help the AUC build 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 problems mobilizing resources from the individual RECs and their member countries.

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 the 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 regional integration pace: The primary benefit of the AIF lies in the fact that it supports the implementation of Agenda 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).

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

CONCLUSION

The need for additional and sustained flow of development financing in Africa has led to a concerted search for innovative and more predictable resources. A number of initiatives have been launched by the African Union over the past decade; most of the RECs also have resource mobilization strategies and structures in place but all these have produced limited results. This has resulted in the familiar refrain - lack of implementation as Africa's biggest challenge in regional integration.

Operationalising the African Integration Fund will help in addressing the financing gaps. The Fund will help fast-track the regional integration process through, among other things, the financing of priority regional integration programmes and projects. It will also complement AUC and RECs' regular vehicles as well as existing multilateral and regional financial vehicles that support the regional integration process. This will in turn address the slow progress in the Implementation of the Abuja Treaty. Regional Integration is the Continent's most important priority - it requires a dedicated fund. The AU should as of necessity set up the African Integration Fund.

ABOUT THE AFRICAN MULTIDIMENSIONAL 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 new tool 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.

The aim of the study that came to AMRII's production was to set up a monitoring and evaluation framework complementary to the African regional integration index (ARII) that was developed jointly by the AUC, the AfDB and the UNECA in 2016. ARII came under criticism as soon as it was released. The RECs were concerned by the lack of inclusion during the development of the ARII. Experts also underlined the methodological weakness of ARII.

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. Clearly, the index aims to:

- Capture and evaluate the level of evolution of the RECs,
- Compare the performance of the RECs according to thresholds set
- 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:

- the scientific calculation methodology
- 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, taking into account 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:

- Free Movement of Persons
- Trade Integration
- Financial Integration
- Monetary Integration
- Social Integration
- Infrastructure Integration
- Institutional and Political Integration
- 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:

- Qualitative indicators describe adopted integration tools or instruments that must be implemented during the integration process.
- 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

Dimensions	Indicators	Type
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	Qualitative
	Regional court of Justice	Qualitative
	Regional Army	Qualitative
	Regional Central Bank	Qualitative
	Regional University/Training Institution	Qualitative

Indicators of the AMRII

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.

$$Iq = 0.5 * (1/3*C+1/3*N+1/3*S) + 0.5 * (1/2*R+1/2*D)$$

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.**

Therefore:

$$Iq = 0.5 *(1/3*C+1/3*N+1/3*S)+0.5 *(1/2* k/T +1/2* p/T)$$

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** N. B. 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** N. B. 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)

Indicators	Targets/Objectives	Thresholds
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** N. B. 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** NB: Although the annual increment to the set target is 1.2%, it's 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** NB: Although the annual increment to the set target is 12.5%, it's 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** NB: This should be in line with the implementation of the Yamoussoukro Decision
Cost of roaming		**0,8** N. B. Bien que l'augmentation annuelle de l'objectif fixé soit de 1,2%, il n'est pas réaliste d'atteindre une croissance linéaire dans des circonstances normales (1/1,2)
Infrastructure Development Index	Complete all road, air, marine and electronic interconnection infrastructure by 2025 and rail by 2040	**0.25**
Right of establishment	The African Customs Union, the African Common Market and the African Monetary Union will be operational by 2023 Free Movement of Persons, Rights of Residence and Establishment (2019-2023), 5th Stage Abuja Treaty	**0.5** NB: Reference to the AfDB Regional Infrastructure Index
Right of residence	The African Customs Union, the African Common Market and the African Monetary Union will be operational by 2023 Free Movement of Persons, Rights of Residence and Establishment (2019-2023), 5th Step of 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 Free Movement of Persons, Rights of Residence and Establishment (2019-2023), 5th Step of Abuja Treaty	**0.6**

Indicators	Targets/Objectives	Thresholds
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 Stock Exchange within RECs by 2023	**0.6**
Regional Stock Exchange	Implementation of a Regional Clearing House 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 Binding agreements for fair, equitable and sustainable management exploration of transboundary natural resources (water, parks, oceans) in place by 2020	**0.7**
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	**0.75**
Community Carbon Tax	Binding agreements for fair, equitable and sustainable management/exploitation of transboundary natural resources (waters, parks, oceans) in place by 2020	**0.75**
Community Plan for Integrated Water Resources Management (IWRM)	Regional and Continental sustainability certification programmes implemented by 2020	**0.6**
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	**0.75**
Regional Parliament	Establishment of regional Parliament by 2025	**0.75**
Regional Court of Justice	Establishment of regional court of justice by 2025	**0.75**
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**

INDEX TIMELINE

Calls for monitoring and evaluation of regional integration in Africa

APRIL 2013

- 6th Joint Annual Meetings of AU-ECA Conference of African Ministers of Finance, Planning and Economic Development
- AfDB Board of Directors approve concept for a project on monitoring regional integration in Africa

MAY 2013

- 6th Conference of African Ministers in charge of Integration
- Decision to merge AU/ECA and AfDB projects on monitoring regional integration

Design and Consultation

MARCH 2014

- 7th AU-ECA Conference of Ministers - Framework for Index approved
- JULY 2014
- 7th Conference of African Ministers in charge of Integration - Framework for Index approved
- Technical Working Group on Architecture of the Index and Roadmap

DECEMBER 2014

- First Conference of African Director Generals of National Statistics Offices and Statistical Commission for Africa - presentation of an Update on Methodology and Indicators

MARCH 2015

- 8th AU-ECA Conference of Ministers - Presentation and Review of Index in a side-event

Capacity Building

- NOVEMBER 2014 - JULY 2015
- Workshops with 32 national, REC and corridor statistical Focal Points as part of the pilot data training exercise.

Data Collection

- NOVEMBER 2014 - SEPTEMBER 2015
- Data collection by trained Focal Points as part of the pilot data collection exercise.

Development

- OCTOBER 2015 - FEBRUARY 2016
- Calculation of the Index with Rankings and Scores.

Launch of the Africa Regional Integration Index 2016 Report

APRIL 2016

- 9th AU-ECA Conference of Ministers where the Africa Regional Integration Index 2016 is launched at a side event

SEPTEMBER 2018

- The African Multidimensional Regional Integration Index (AMRII) is adopted by the RECs at an experts meeting held by the AUC in Kampala, Uganda

30 JUNE - 1 JULY 2019

- This first edition of the African Regional Integration Report is presented at the first mid-term coordination meeting between the AU and the RECs in Niamey, Niger.

23-24 JANUARY 2020

- Preparatory Meeting for the production of the 2020 African Integration Report, Addis Ababa, Ethiopia.
- 12-14 FEBRUARY 2020
- 1st Validation Workshop of the 2020 African Integration Report and Preparation of the 1st African Integration Forum, Abidjan, Cote d'Ivoire.

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