Section 2. The Dimensions

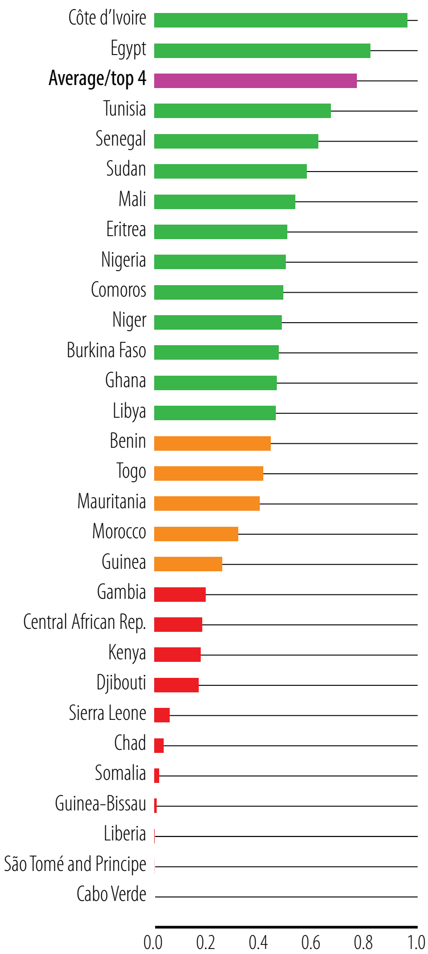
To get the dimensions of regional integration to work together will take a series of actions on the ground, led by well thought-out strategies, matching policy reforms and backed up by capacity building. It will take political commitment and leadership as well as resources and networks to be mobilized. At the same time it will take engagement from Africa-wide organizations, regional bodies, governments, policy makers, business, civil society, researchers, development partners, the media and the public.

Dimension 1: Trade integration

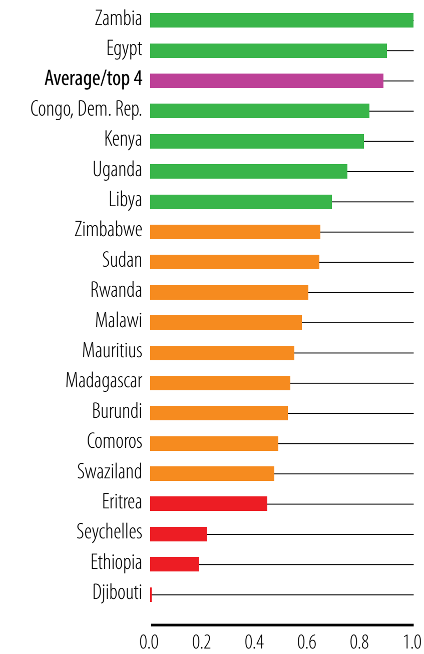
Index of four indicators

- *Level of customs duties on imports*
- *Share of intra-regional goods exports (% GDP)*
- *Share of intra-regional goods imports (% GDP)*
- *Share of total intra-regional goods trade (% total intra-REC trade)*

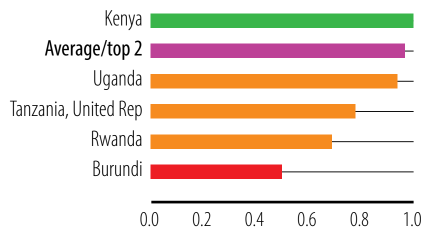
CEN-SAD: country scores on Trade integration



COMESA: country scores on Trade integration



EAC: country scores on Trade integration



Country is a high perormer – score is higher than average of countries

Country is an average performer – score is within the average of countries

Country is a low performer – score is below the average of countries

Average of top performing countries within REC

- *Scores are calculated on a score of 0 (low) to 1 (high).*
- *Average with a 95% confidence interval*

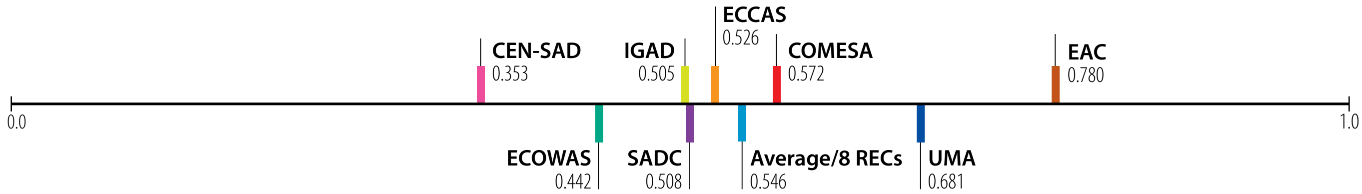
** Indicates full data not available for calculation*

Getting goods to move more freely across the continent matters for regional integration. When trade flows are faster and more cost-effective, business and consumers in the regions benefit. Trade impacts on people's livelihoods and incomes to accelerate Africa's development.

Trade links from Africa to the world can be more direct and efficient than trade between neighbouring regions due to infrastructure gaps or capital costs and non-tariff barriers. Facilitating Africa's trade is in line with the AU decision on Boosting Intra-African Trade and the WTO Trade Facilitation Agreement, which puts soft infrastructure, from electronic customs systems to one-stop border posts, high up the agenda. That can start to make a significant difference for intra-regional traders through streamlining the queues of trucks at borders to supporting informal cross-border traders to go through the official channels.

The Continental Free Trade Area negotiations aim to make trade fully integrated across Africa. The Tripartite Free Trade Area (made up of COMESA, EAC and SADC) is making progress towards that bigger goal. Priority areas include connecting customs operations, liberalizing all tariff lines and making it simpler to measure how non-tariff barriers are being lowered.

Comparison of average scores by REC on Trade integration

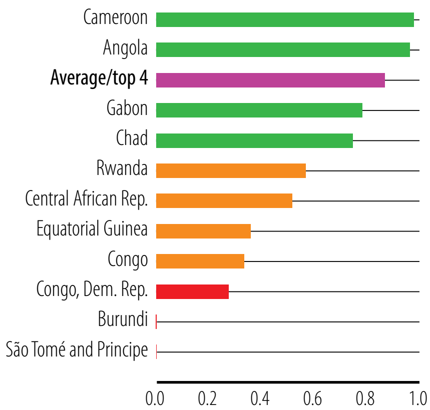


When trade is more interconnected Africa's high number of small economies access larger markets and regional hubs source from the region and are able to use the imports to grow. All of this makes Trade integration a key element in the continent's ongoing integration journey.

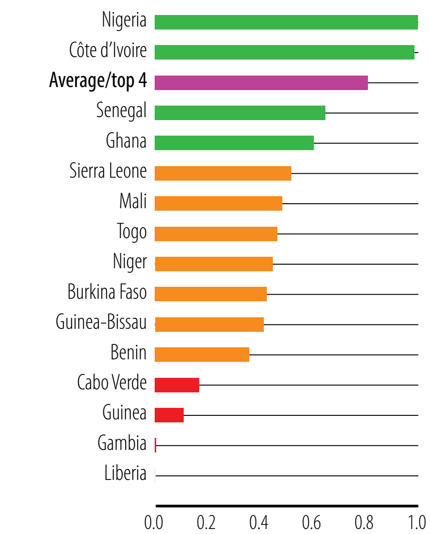
Index findings

- **EAC** is the highest performing REC on Trade integration.
- **Trade integration has the highest score overall** among RECs with a 0.546 average.
- **There are a total of 35 high performing countries** across the eight RECs on Trade integration.[5]
- **High performing countries on Trade integration** in a particular REC that are not high performers on Regional integration overall in that REC:
  - **CEN-SAD** (Egypt, Sudan, Eritrea, Nigeria, Comoros, Ghana, Libya)
  - **COMESA** (Democratic Republic of the Congo, Libya)
  - **ECCAS** (Angola, Chad)
  - **ECOWAS** (Nigeria, Ghana)
  - **UMA** (Tunisia)

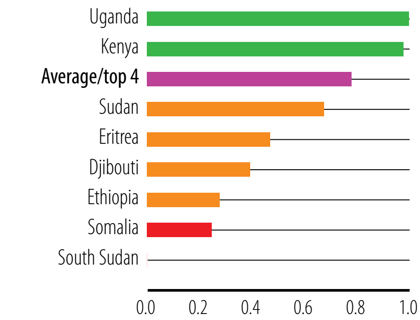
ECCAS: country scores on Trade integration



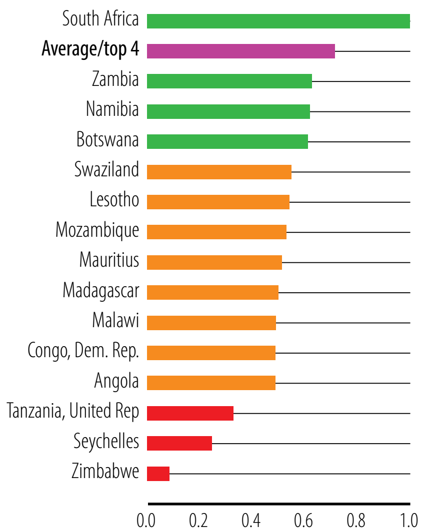
ECOWAS: country scores on Trade integration



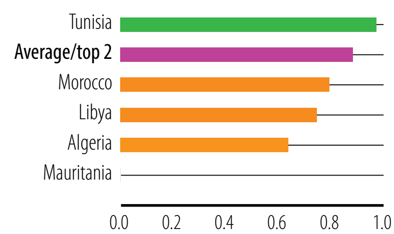
IGAD: country scores on Trade integration



SADC: country scores on Trade integration



UMA: country scores on Trade integration



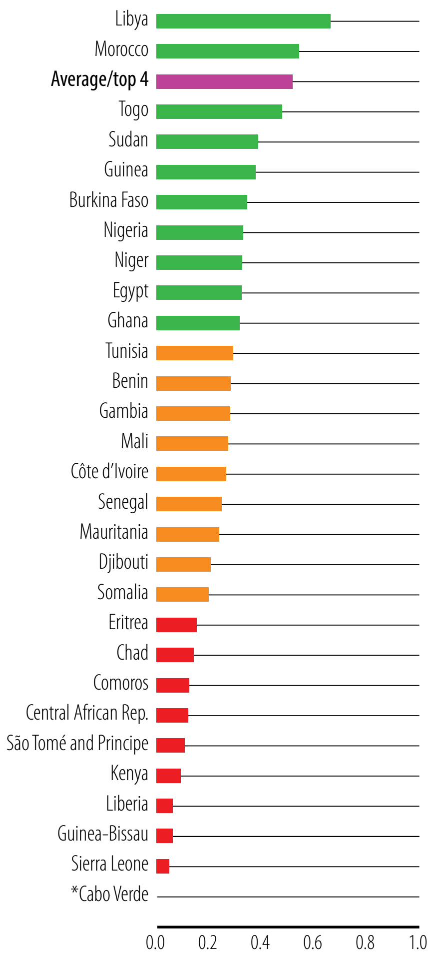
5. This includes some countries that are double-counted because they are members of more than one REC.

Dimension 2: Regional infrastructure

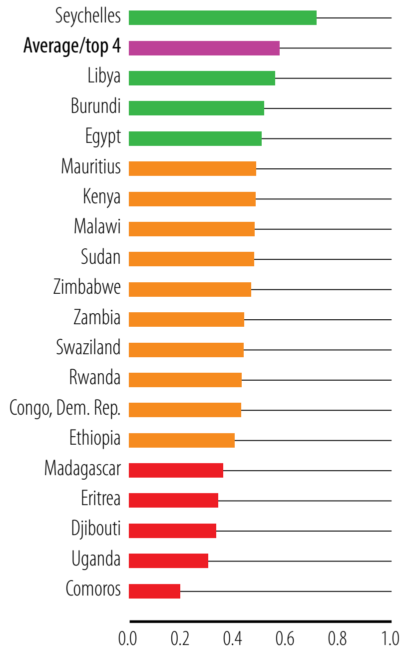
Index of four indicators

- *Infrastructure Development Index: transport; electricity; ICT; water and sanitation*
- *Proportion of intra-regional flights*
- *Total regional electricity trade (net) per capita*
- *Average cost of roaming*

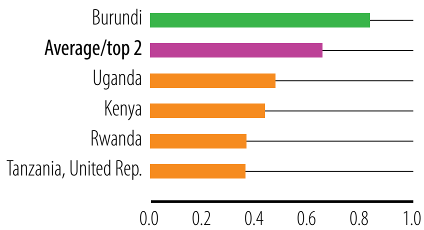
CEN-SAD: country scores on Regional infrastructure



COMESA: country scores on Regional infrastructure



EAC: country scores on Regional infrastructure



Country is a high perormer – score is higher than average of countries

Country is an average performer – score is within the average of countries

Country is a low performer – score is below the average of countries

Average of top performing countries within REC

- *Scores are calculated on a score of 0 (low) to 1 (high).*
- *Average with a 95% confidence interval*

** Indicates full data not available for calculation*

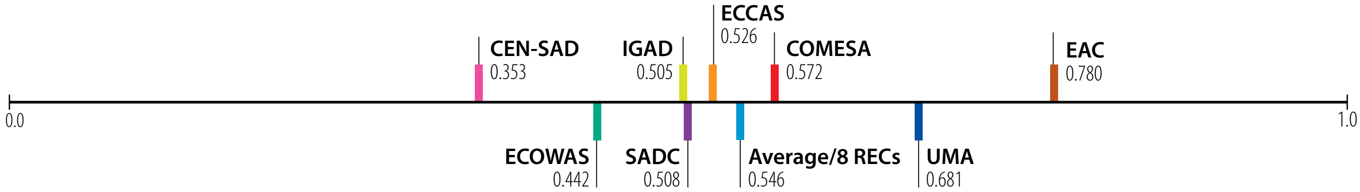
Infrastructure development across the continent is the most visible face of regional integration. It includes highways being built across borders, flights taking passengers from one capital to another and more people on mobile phones on city streets and at rural outposts.

Countless connections made by road, by air or increasingly by airwaves have an important impact on Africa's integration efforts, expanding horizons and concrete realities on the ground. When regional infrastructure works better, business costs fall as transport corridors speed goods across boundaries and more customers access services as mobile phone roaming expands.

A flagship project in Agenda 2063 is to connect Africa's capitals and commercial centres through high-speed rail. Meanwhile, programmes, such as PIDA (Programme for Infrastructure Development in Africa), are helping regions to get infrastructure projects off the ground. Information technology costs are also falling and there are plans for internet to be beamed to the continent via satellite.

Regional hubs, as well as small or landlocked countries, have a lot to gain from promoting infrastructure to boost economic growth. Both traditional and new funding partners are continuing to invest in Africa's infrastructure at regional level. To power the continent's energy needs and build first-class networks, regions and countries need to encourage stronger ownership and involve the private sector. Going forward it will mean focusing on green-friendly, growth opportunities that support communities and Africa's next generation.

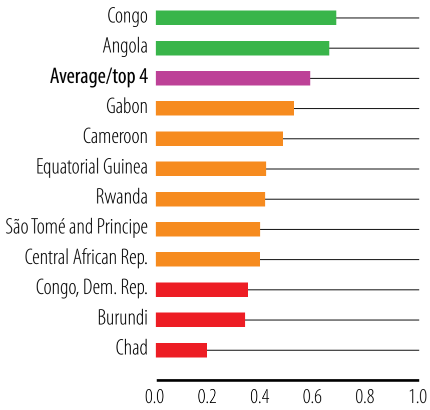
Comparison of average scores by REC on regional infrastructure



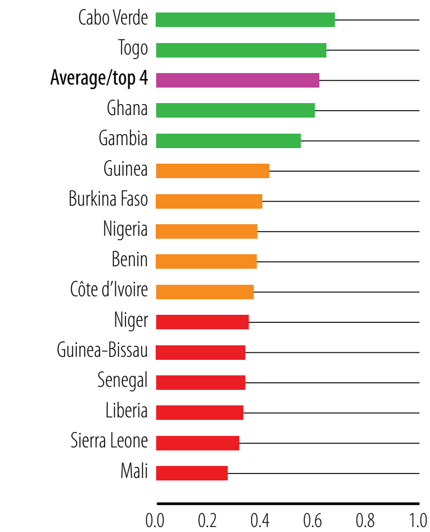
Index findings

- **IGAD** is the highest performing REC on Regional infrastructure.
- **Regional infrastructure has average REC scores (0.461)** closest to the average REC scores on Regional integration overall (0.470).
- **There are a total of 30 high performing countries** across the eight RECs on Regional infrastructure.[6]
- **High performing countries on Regional infrastructure** in a particular REC that are not high performers on Regional integration overall in that REC:
  - **CEN-SAD** (Libya, Sudan, Guinea, Nigeria, Egypt, Ghana)
  - **COMESA** (Libya, Burundi)
  - **EAC** (Burundi)
  - **ECCAS** (Congo, Angola)
  - **ECOWAS** (Cabo Verde, Ghana, Gambia)
  - **IGAD** (Djibouti, South Sudan)
  - **SADC** (Seychelles)
  - **UMA** (Libya)

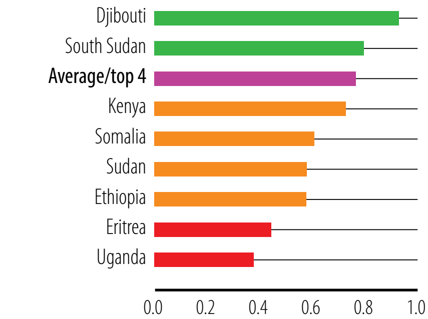
ECCAS: country scores on Regional infrastructure



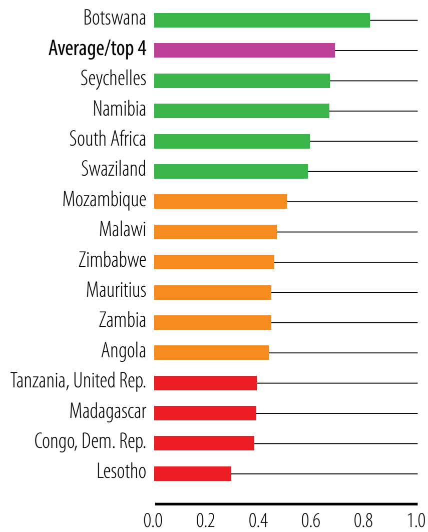
ECOWAS: country scores on Regional infrastructure



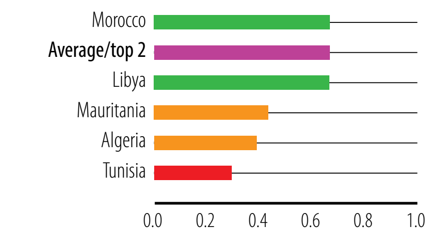
IGAD: country scores on Regional infrastructure



SADC: country scores on Regional infrastructure



UMA: country scores on Regional infrastructure



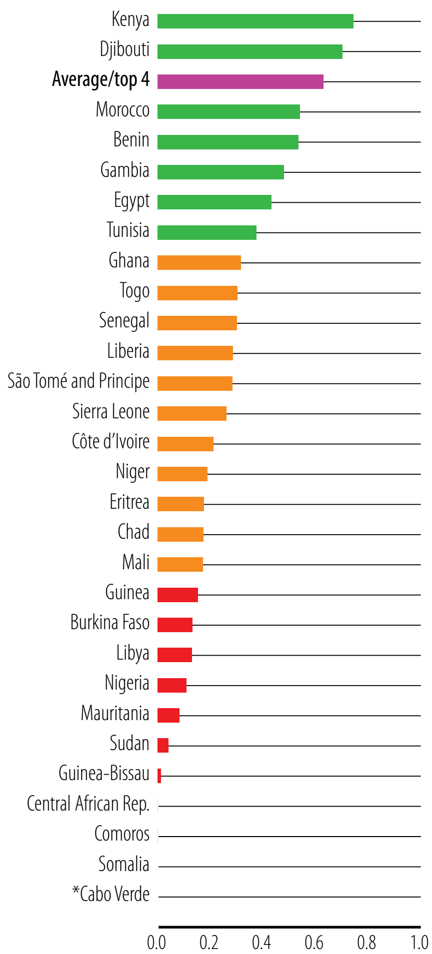
6. This includes some countries that are double-counted because they are members of more than one REC.

Dimension 3: Productive integration

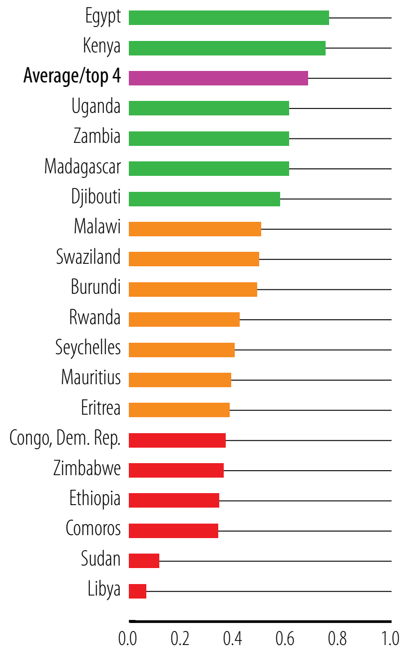
Index of three indicators

- *Share of intra-regional intermediate goods exports (% total intra-regional exports goods)*
- *Share of intra-regional intermediate goods imports (% total intra-regional imports goods)*
- *Merchandise Trade Complementarity Index: total absolute value of the difference between share of imports and share of exports of a member country in a REC*

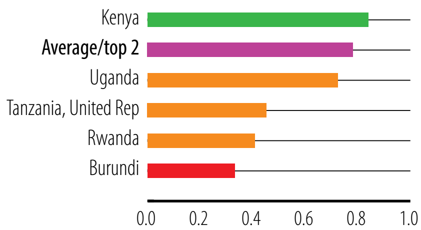
CEN-SAD: country scores on Productive integration



COMESA: country scores on Productive integration



EAC: country scores on Productive integration



Country is a high perormer – score is higher than average of countries

Country is an average performer – score is within the average of countries

Country is a low performer – score is below the average of countries

Average of top performing countries within REC

- *Scores are calculated on a score of 0 (low) to 1 (high).*
- *Average with a 95% confidence interval*

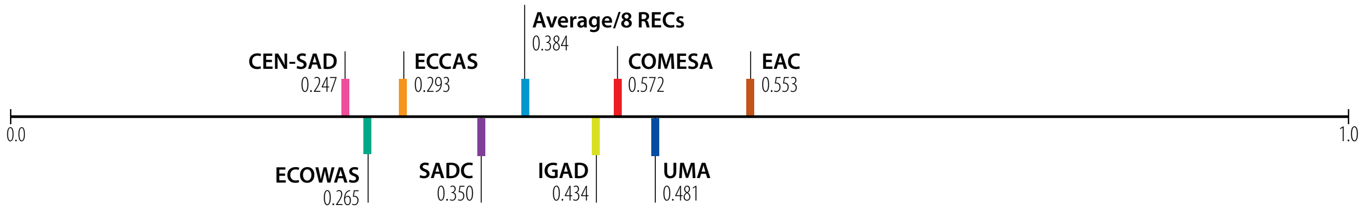
** Indicates full data not available for calculation*

As consumer purchasing power rises, intermediate goods that are used by a business in the production of finished goods or services will be important for Africa's internal market. This links to industrialization, which is a key goal in the African Union's Minimum Integration Programme. Building industrial clusters goes together with access to regional trade corridors that get goods moving and with promoting more regional electricity to power production.

Making production work better for the continent across different sectors, by being part of regional and global value chains, will be at the heart of Africa's economic success model. Whether on agriculture or industrial production, regions need to unlock their productive potential, inject investment, overcome bottlenecks and make sectors more competitive.

Productive integration matters for creating an economic base that is more resilient to shocks and more diverse, but also for building a more skilled regional labour force that adds value to goods and services while raising people's incomes on the ground. That includes opportunities with mining and manufacturing that are now shifting to Africa's advantage.

Comparison of average scores by REC on Productive integration

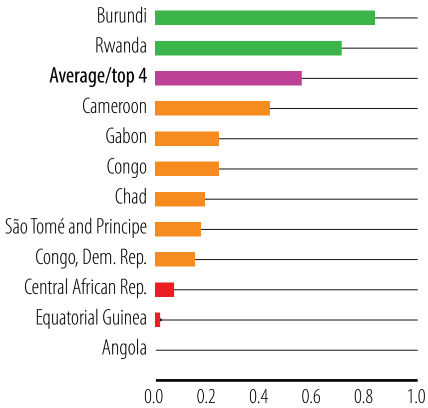


The priorities for the continent and the regions, from regional hubs to landlocked least developed countries, will be to move beyond low value production and deal with non-tariff barriers to make trade work faster and cheaper. That way, when commodity prices fluctuate and financial crises are nearby, the 'made in Africa' brand will become part of the solution.

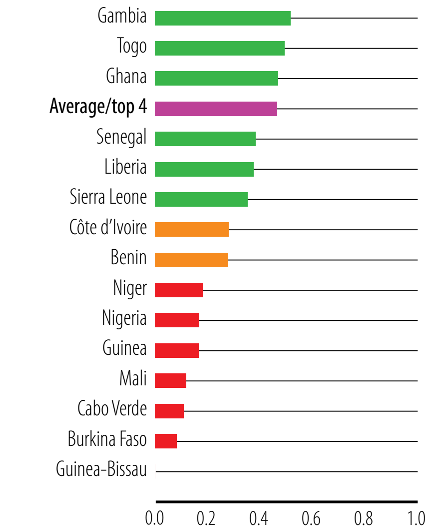
Index findings

- **EAC** is the highest performing REC on Productive integration.
- **There are a total of 30 high performing countries** across the eight RECs on Productive integration.[7]
- **High performing countries on Productive integration** in a particular REC that are not high performers on Regional integration overall in that REC:
  - **CEN-SAD** (Kenya, Djibouti, Gambia, Egypt)
  - **COMESA** (Madagascar, Djibouti)
  - **ECCAS** (Burundi, Rwanda)
  - **ECOWAS** (Gambia, Ghana, Liberia, Sierra Leone)
  - **IGAD** (Djibouti)
  - **SADC** (Zimbabwe, Mozambique)
  - **UMA** (Tunisia)

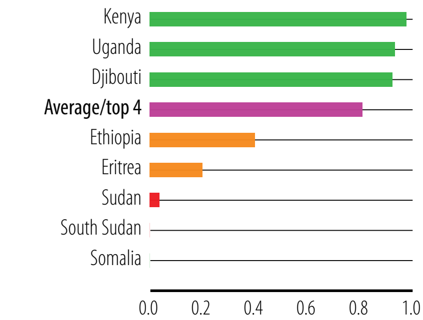
ECCAS: country scores on Productive integration



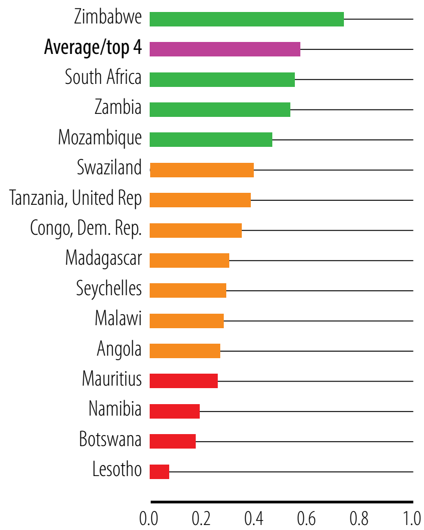
ECOWAS: country scores on Productive integration



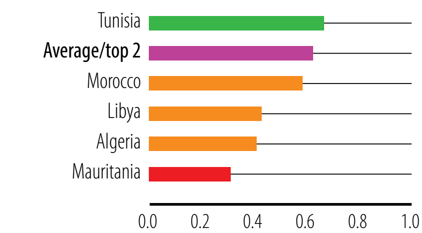
IGAD: country scores on Productive integration



SADC: country scores on Productive integration



UMA: country scores on Productive integration



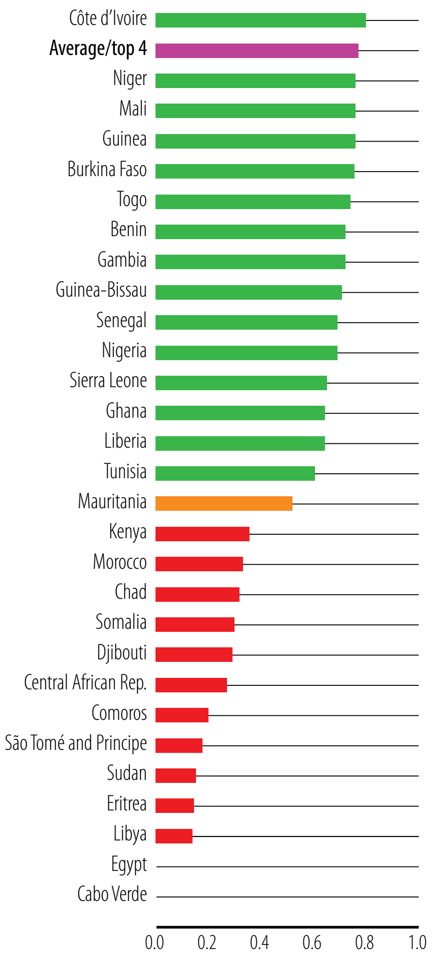
7. This includes some countries that are double-counted because they are members of more than one REC..

Dimension 4: Free movement of people

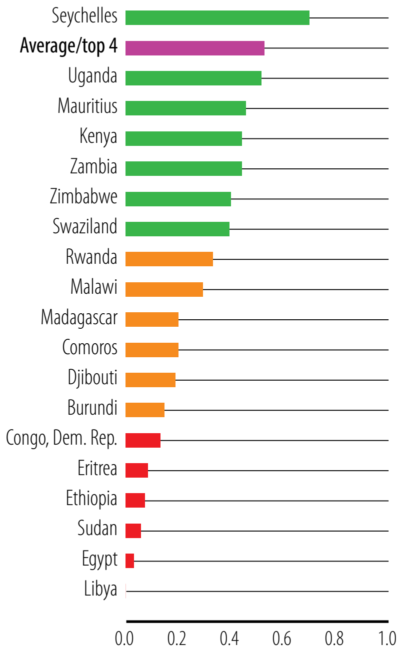
Index of three indicators

- *Ratification (or not) of REC protocol on free movement of persons*
- *Proportion of REC member countries whose nationals do not require a visa for entry*
- *Proportion of REC member countries whose nationals are issued with a visa on arrival*

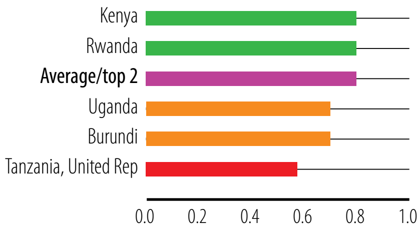
CEN-SAD: country scores on Free movement of people



COMESA: country scores on Free movement of people



EAC: country scores on Free movement of people



Country is a high perormer – score is higher than average of countries

Country is an average performer – score is within the average of countries

Country is a low performer – score is below the average of countries

Average of top performing countries within REC

- *Scores are calculated on a score of 0 (low) to 1 (high).*
- *Average with a 95% confidence interval*

** Indicates full data not available for calculation*

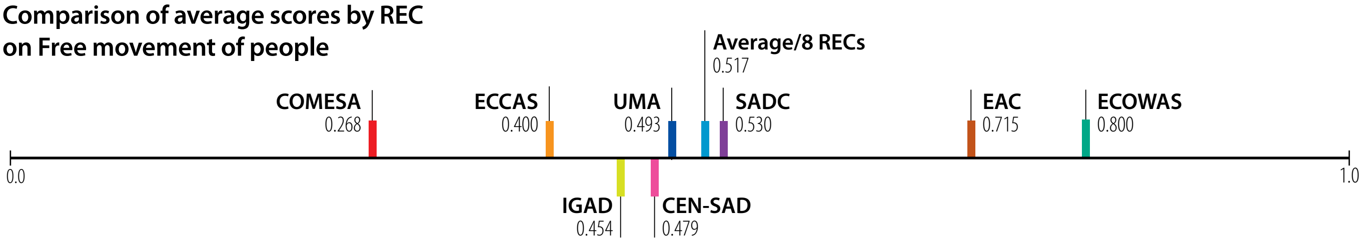
Getting people to move freely across Africa represents a powerful boost to economic growth and skills development. When people can travel with ease for business, tourism or education, everyone benefits, from the country opening up their borders as well as the country whose national is on the move, as seen in the growth in remittances in recent years.

Cross-border movement supports talent mobility and competitiveness. Skills gaps can be plugged and ideas are exchanged leading to entrepreneurship and innovation spreading out beyond borders. The free movement of people is a quick win on development for countries, regions and the continent as a whole. When visa or work permit restrictions are cut, gains in time and resources open up, which supports more competitive businesses and economies.

Early progress towards an increasingly borderless Africa has been made but there are still gaps. The idea has been at the foundation of the continent's integration journey. Political dialogue is ongoing to make the reality of the experience for Africans travelling across the continent, whether or not they need a visa or can get one on arrival, to match up to these ambitions.

Looking ahead, countries and regions need to encourage positive reciprocity, applying the treatment they are receiving from more visa-open countries, look at promoting a visa-on-arrival approach or regional bloc visas. Leaders and policy makers need to work towards the goal of every African being able to scan an African passport at immigration controls continent-wide.

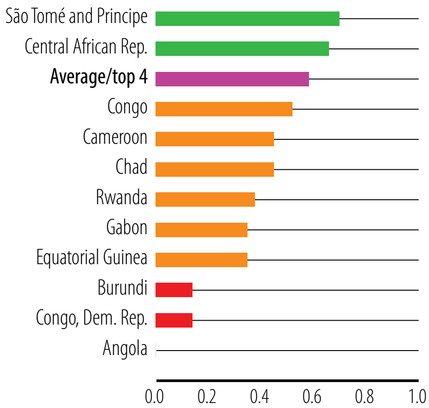
Comparison of average scores by REC on Free movement of people



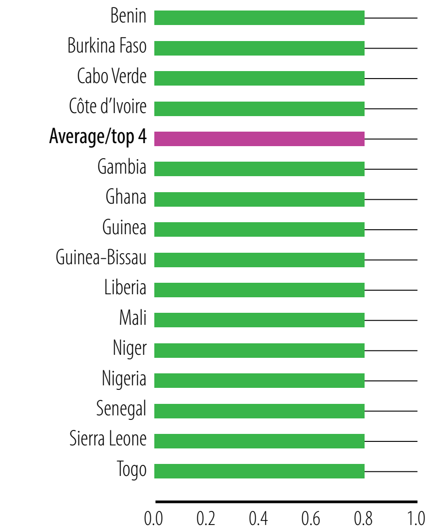
Index findings

- **ECOWAS** is the highest performing REC on Free movement of people.
- **ECOWAS has the highest REC score here across all of the Dimensions.** All ECOWAS countries score 0.8, having implemented the Free movement of persons protocol, which enables ECOWAS citizens to travel to all member countries without a visa.
- **There are a total of 53 high performing countries** across the eight RECs on Free movement of people.[8]
- **High performing countries on Free movement of people** in a particular REC that are not high performers on Regional integration overall in that REC:
  - **CEN-SAD** (Guinea, Gambia, Guinea-Bissau, Nigeria, Sierra Leone, Ghana, Liberia)
  - **COMESA** (Zimbabwe, Swaziland)
  - **EAC** (Rwanda)
  - **ECCAS** (São Tomé and Príncipe, Central African Republic)
  - **ECOWAS** (Benin, Burkina Faso, Cabo Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone)
  - **IGAD** (Eritrea, Ethiopia)
  - **SADC** (Seychelles, Mauritius, Zimbabwe)
  - **UMA** (Algeria)

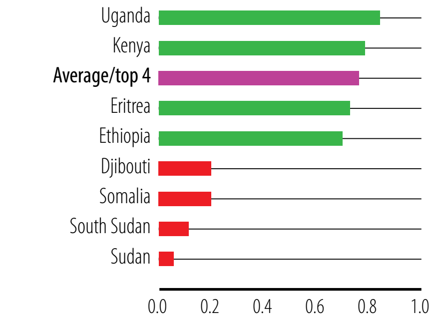
ECCAS: country scores on Free movement of people



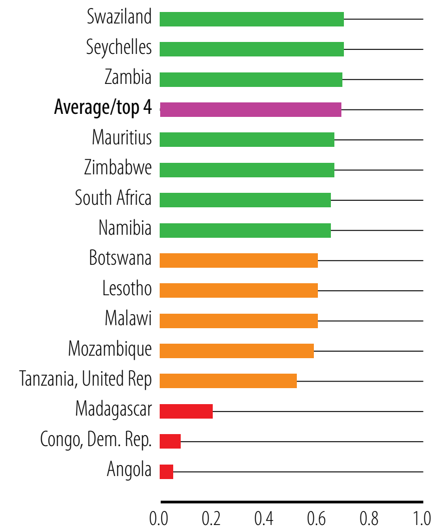
ECOWAS: country scores on Free movement of people



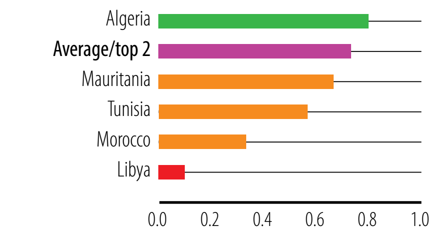
IGAD: country scores on Free movement of people



SADC: country scores on Free movement of people



UMA: country scores on Free movement of people



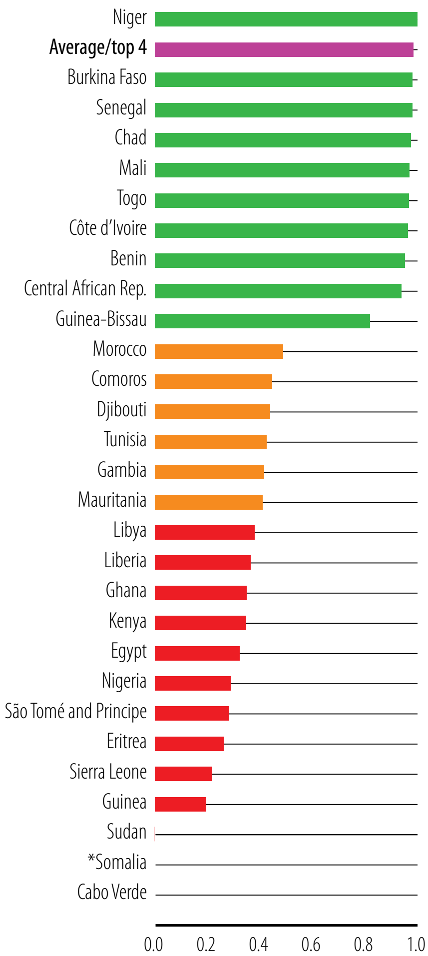
8. This includes some countries that are double-counted because they are members of more than one REC.

Dimension 5:
Financial and macroeconomic integration

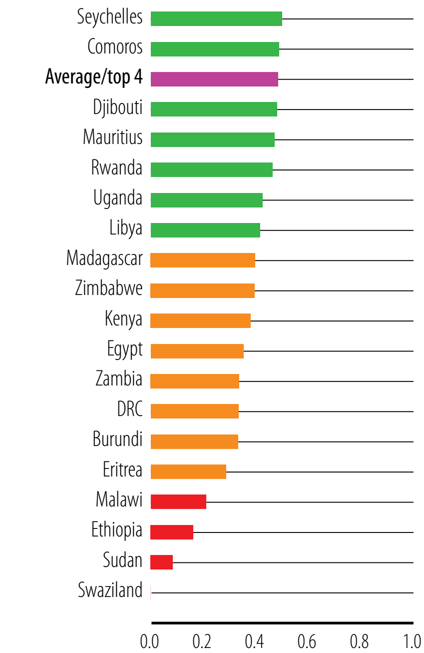
Index of two indicators

- *Regional convertibility of national currencies*
- *Inflation rate differential (based on the Harmonized Consumer Price Index)*

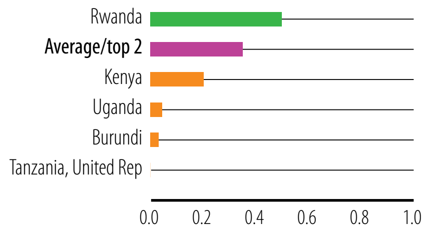
CEN-SAD: country scores on Financial and macroeconomic integration



COMESA: country scores on Financial and macroeconomic integration



EAC: country scores on Financial and macroeconomic integration



Country is a high perormer – score is higher than average of countries

Country is an average performer – score is within the average of countries

Country is a low performer – score is below the average of countries

Average of top performing countries within REC

- *Scores are calculated on a score of 0 (low) to 1 (high).*
- *Average with a 95% confidence interval*

** Indicates full data not available for calculation*

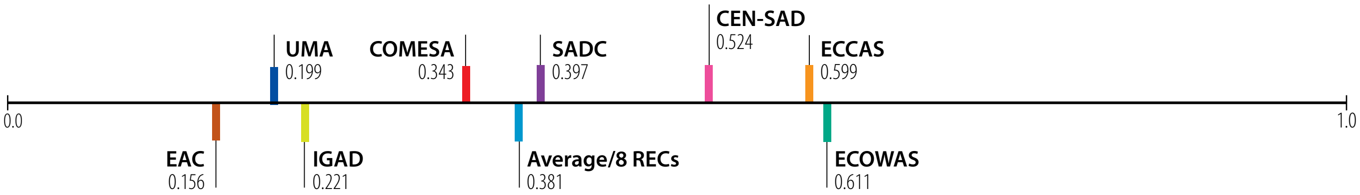
When capital flows more freely across Africa, investment increases and finance is allocated where it can generate the most productivity. In addition, the continent's investors get higher returns. In turn, as transaction costs of doing business fall and financial institutions work more effectively, companies, micro-, small and medium-sized enterprises and start-ups will benefit.

Index findings

- **ECOWAS** is the highest performing REC on Financial and macroeconomic integration.
- **Financial and macroeconomic integration** has the lowest score overall among RECs with a 0.381 average.
- **There are a total of 37 high performing countries** across the eight RECs on Financial and macroeconomic integration.[9]
- **High performing countries on Financial and macroeconomic integration** that are not high performers on Regional integration overall:
  - **CEN-SAD** (Chad, Central African Republic, Guinea-Bissau)
  - **COMESA** (Comoros, Djibouti, Rwanda, Libya)
  - **EAC** (Rwanda)
  - **ECCAS** (Chad, Central African Republic, Congo)
  - **ECOWAS** (Niger, Burkina Faso, Guinea-Bissau, Mali, Benin)
  - **IGAD** (Djibouti)

9. This includes some countries that are double-counted because they are members of more than one REC.

Comparison of average scores by REC on Financial and macroeconomic integration

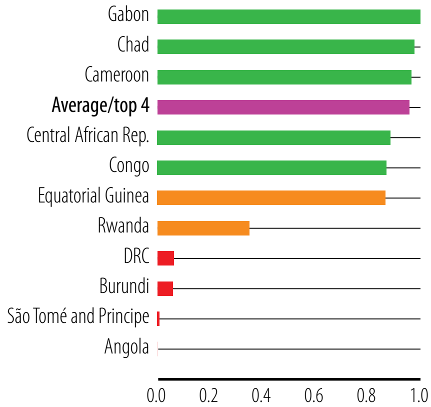


Financial integration has been promoting knowledge and technology transfer and greater innovation. The continent's heavy-weight economies to the small-sized players can make inroads from making financial cross-border flows smoother and reach further. Forward-looking island nations and landlocked countries have already blazed a trail on financial services.

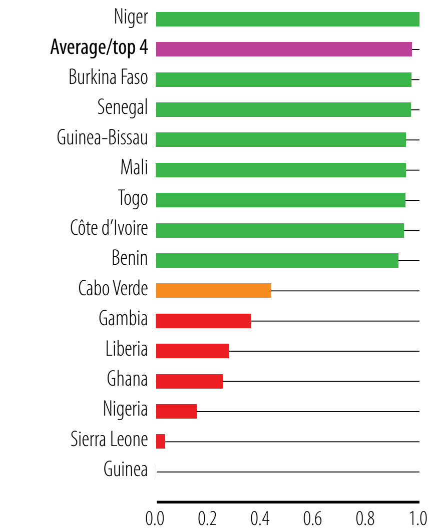
The Abuja Treaty sets out the continent's integration pathway and puts monetary union as a key priority. Yet many of the Regional Economic Communities have not made their currencies convertible and coordinating macroeconomic convergence needs a greater push. As the global financial crisis has shown, being more capital-connected comes with a risk. More data, information and transparency build confidence among national authorities and financial institutions, as does improving regulatory frameworks, safeguards and supervision.

A series of actions can make a difference, including promoting banking across borders, increasingly outside of the regional financial centres; standardizing regional payments; putting in place multilateral fiscal guidelines; and joining up policy on inflation, public finance and exchange rate stability. In turn, the continent will see more predictable conditions for cross-border trade and investment to thrive and it will help to light up Africa's financial future.

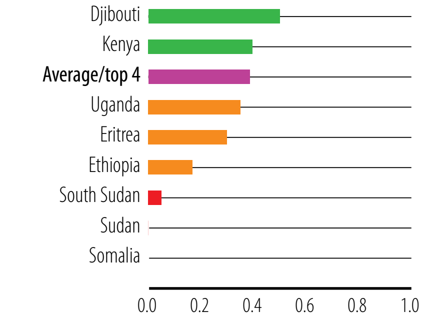
ECCAS: country scores on Financial and macroeconomic integration



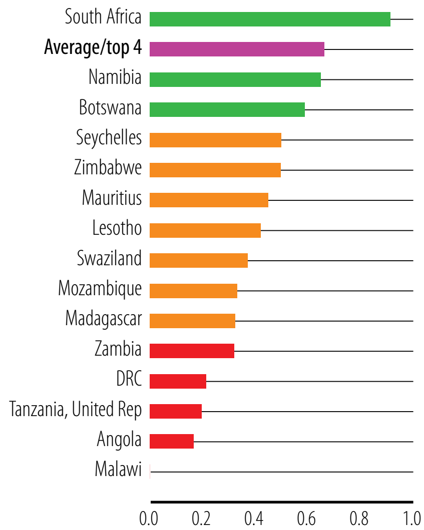
ECOWAS: country scores on Financial and macroeconomic integration



IGAD: country scores on Financial and macroeconomic integration



SADC: country scores on Financial and macroeconomic integration



UMA: ccountry scores on Financial and macroeconomic integration