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Status of Integration in Africa: Recent developments and initiatives, difficulties encountered and perspectives

I. Introduction

1. The path to African integration has not been an easy one.. It has been marked by a series of initiatives and major political decisions either to accelerate its pace or to infuse new momentum, and to integrate variables of new imperatives in international economic relations. Thus, since the establishment of the Organization of African Unity (OAU) on 25 May 1963, the process of continental integration has seen several moments of rebound as symbolized by successive events.
2. However, despite the adoption and implementation of the foregoing initiatives, the results achieved in regional and continental integration still remain mixed. Whereas certain Regional Economic Communities (RECs) have achieved tangible outcomes in some specific sectors, others have had relatively disappointing results in terms of the objectives of the Abuja Treaty. The AU, principal architect , which is to manage and assess the success of the African integration process, is not fully fulfil the role given to it particularly in the areas of coordination harmonization, monitoring and assessing the implementation of the activities, projects and programmes destined to boost the regional and continental integration process.
3. The RECs, which are considered to be the indisputable pillars of this admirable integration project, continue to face numerous challenges in implementing activities and programmes aimed at accelerating regional integration. According to the current assessment, a number of RECs continue to face challenges, particularly in the following areas: inadequate financial resources, lack of human resources, multi-membership of countries, duplication of mandates, insufficient cooperation between RECs, poor coordination and harmonization of policies, weak institutional infrastructure, and inconsistent policies of pan-African institutions. These significantly contribute to the slow progress towards regional and continental integration.
4. Development partners, particularly donors, have in general not been able to have a grip on priority regional or continental activities, projects and programmes due to the institutional and organizational cacophony which characterises the key players in the African integration arena. To this effect, some development partners lack direction in supporting activities of regional integration. This is very likely to undermine the very foundation of the integration process. One good example is the difference in configuration of the RECs by the AUC and the EU through EPAs.
5. To bring an effective and sustainable solution to this situation which is intending to persist, the AU Commission, in close collaboration with the RECS has undertaken a series of initiatives including the recent one on the Minimum Integration Programme.

II. Status of Implementation of the Abuja Treaty

6. The purpose of this paper is to highlight the recent status of the regional integration process in Africa including the challenges and constraints. It also provides the solutions to overcome these challenges, particularly the MIP.

7. To this end, the paper highlights the perspective of the Chief Executives of the RECs on some critical issue such as infrastructure development, minimum integration programme and issues on rural economy and agriculture.

1. Recent assessment of the integration process in Africa

8. The table indicated below, highlights the progress made by the RECs in implementing the Abuja Treaty.

Table 1 Synthetic table of the integration process in Africa

Integration stages provided for by the Abuja Treaty	AT REC LEVEL							Completion date provided for by the Abuja Treaty
	ECOWAS	COMESA	ECCAS	IGAD	CEN-SAD	EAC	SADC	
First stage: (5 years) Strengthen RECs								1999
Second stage: (8 years) Coordinate and harmonize activities and progressively eliminate tariff and non tariff barriers				X				2007
Third stage: (10 years) Free Trade Zone and Customs Union	X (2009)	X (June 2009)	X (2011)	To be set continental	X To be set level	X X	X (2011)	2017
Fourth stage: (2 years) Continental Customs Union			At					2019
Fifth stage: (4years) Continental Common Market								2023
Sixth stage: (5 years) Continental Economic and Monetary Union								2028

Source: African Union Commission, MIP Questionnaire

9. The table above perfectly illustrates the non-homogenous nature of the levels of integration achieved by the respective RECs. Whereas the first stage involving the strengthening of the institutional framework of the existing RECs and the creation of new RECs, where they do not already exist, seems to have been achieved by the AUC and virtually all the regions, it is noteworthy that difficulties have started to emerge with regard to the second stage in which the issue is that of coordination and harmonization of activities and, in particular, the gradual elimination of tariff and non-tariff barriers. For example, whereas IGAD is yet to attain the second stage, other Regional Communities seem to be hesitant in taking decisive steps to clearly cross into the third stage symbolized by the creation of free trade areas and customs unions.

10. Despite significant progress being made by the RECs, the assessment reveals that a number of challenges remain.

2. Challenges and constraints encountered

11. The RECs unanimously recognize that the factors listed below are at the root of their under-performance: lack of financial and human resources; multi-membership of several RECs; persistence of tariff and non tariff barriers; inadequate physical infrastructure; lack of coherence and links between sectoral cooperation programmes and macro-economic policies implemented by RECs;

absence of national coordination mechanisms; non application of protocols with respect to economic integration; lack of political will; inability to include integration objectives, plans and programmes in national development plans; weakness of institutional architecture; insufficient coordination between pan-African institutions; and lack of cohesion in the face of several development partners.

III. Responses from the African Union Commission

12. In order to overcome these challenges, the AUC has adopted several initiatives and policy decisions aimed at accelerating regional integration.

1. Recent major policy decisions

13. Adoption in January –February 2009, of the Decision to change the Commission into an Authority the content of which had been adopted by the last Summit in Sirte.

14. The current structure of the Commission should include the following functions:

- The Secretariat: coordination of common defence policy of the continent;
- Secretariat: Political Affairs and coordination of common positions in the area of foreign policy (political cooperation, coordination of common positions in the area of foreign policy, human rights; and
- Authority: The current Commission had been transformed into an Authority aimed at strengthening the Union's institutional framework in order to enable it to play its role in accelerating the continent's political and socio-economic integration with a view to creating the United States of Africa.

2. Other initiatives

15. In order to bring an effective and lasting solution to this persistent situation, the Commission has initiated the following:

- i . rationalization of the RECs which has led to the recognition of the 8 RECs;
- ii . quantification of rationalization scenarios (study in progress);
- iii . elaboration and adoption of the African Charter on Statistics (ratification by countries in progress);
- iv . establishment of financial institutions (Article 19 of the Constitutive Act) adoption of the founding texts of the AIB (Protocol and Statutes ratification in progress).

IV. Most Recent Initiative: The Minimum Integration Programme (MIP)

1. Definition of MIP

16. The Minimum Integration Programme is composed of set of activities, projects and programmes which the RECs have selected in order to accelerate and bring to completion the regional and continental integration process. The MIP is therefore a mechanism for convergence between the RECs and focuses on a few priority areas of concern at regional and continental level, where RECs could strengthen their cooperation and benefit from the comparative advantages and best practices on integration.
17. The MIP incorporates attainable objectives from the AU's Strategic Plan (2009-2012), as well as a monitoring and assessment mechanism. It will be implemented by the RECs, Member States of the AUC, in collaboration with Africa's various development partners. The MIP was developed in accordance with the variable geometry integration approach according to which the RECs should progress at different speeds in the integration process. To this effect, the RECs will continue implementing their respective programmes (considered as their own priority programmes) and at the same time try to work towards achieving the other activities contained in the MIP.

2. What is meant by the concept "Minimum"

18. The term "Minimum" in this content should be viewed from two angles:
- a) The concept "minimum" must be understood as a programme with four projects having to be undertaken by each REC with the obligation of implementing them within a four-year timeframe, a period that corresponds to one stage of the MIP;
 - b) The concept "minimum" must not mean a limited number of projects to be implemented as RECs are not all at the same level in terms of the results achieved in the area of integration. Therefore, where some RECs have already attained the objectives of the sectoral projects contained in the MIP that would mean that these RECs would be mired in a position of inactivity. Consequently, retain all the sectors and sub-sectors judged to be priority areas by the RECs.

3. Objectives

19. The MIP has several objectives including the following:
- i Situate the RECs in relation to the implementation of the Abuja Treaty;
 - ii Highlight the regional and continental priority programmes initiated by the Commission and whose implementation, according to the principle of subsidiarity, which falls within the competence of the national or regional authorities;
 - iii Identify the regional and continental projects within the AUC and the RECs whose implementation depends on the principle of subsidiarity;
 - iv Strengthen the initiatives in progress with respect to economic cooperation between RECs, and identify measures likely to accelerate integration in a selection of priority sectors or areas;

- v Identify priority sectors requiring bold coordination and harmonization, within each REC and between them;
- vi Emulate successful integration experiences in certain RECs and spread them to other Communities;
- vii Help the RECs to identify and implement priority activities with a view to surmounting the various integration stages provided for in article 6 of the Treaty of Abuja;
- viii Help the RECs to implement the MIP through a clearly defined timetable;
- ix Develop and implement other accompanying measures to facilitate the establishment of a single market around the priority sectors;
- x Identify projects and programmes whose implementation is based on inter-REC relationships.

4. Fields of application: sectors and sub-sectors concerned

20. The RECs have accepted the following sectors as priority sectors:

- **Free movement of individuals, goods, services and capital (100%);**
- **Peace and security (100%);**
- **Infrastructure and energy (100%);**
- **Agriculture (100%);**
- **Trade (86%);**
- **Industry (86%);**
- **Investment (86%);**
- **Statistics (86%);**

Besides the priority sectors mentioned above, the RECs have considered it imperative to undertake certain urgent activities described as necessary accompanying measures in the following areas:

- **Political affairs (71%);**
- **Science and technology (57%); and**
- **Social affairs (57%).**

Source: AUC (2009), MIP

5. Analysis of the MIP

a) Stakeholders in MIP implementation

21. The players involved in MIP implementation are Member States, Regional Economic Communities, and the African Union Commission. The MIP also has the advantage of offering to donors, partner institutions of the United Nations System, as well as to other development partners, more visibility and cohesion in the actions to be undertaken.

22. The multiple partnerships that the AU enters into with the rest of the world should have their 'MIP section' or should fit partially or totally into the MIP mould.

b) Challenges and constraints of MIP implementation

23. The major constraints which can hinder or slow down the implementation of the MIP and hence the speeding up of the integration process are , among others, the following: , lack of leadership and coordination from the AUC; lack of compatibility between national policies and regional approaches; and at lesser extent the multi adherence of countries to several RECs. In this case, the question of balance to be found between national sovereignties and the power to be given to the RECs and the AUC deserves to be answered effectively and on a long term basis.

c) The problem of MIP funding

24. It is felt that special attention should be paid to the funding of the MIP. In this regard, three important financing sources have been proposed, namely:

- i) Internal sources (statutory contributions from Member States, and the alternative sources of financing currently being identified);
- ii) Contribution from Pan-African financial institutions AfDB, (African Investment Bank and African Central Bank in the process of establishment) and
- iii) External sources (essentially from development partners);

25. However, to ensure that the implementation of the MIP does not suffer any financing constraints, it is proposed that an "Integration Fund" should be established, devoted to financing the MIP. This fund could be lodged either with the African Development Bank (AfDB) or the future African Investment Bank (AIB) in the process of establishment.

26. Furthermore, the AUC will undertake a series of consultations with the RECs to develop a strategy for funding the MIP. Thus, the strategy will have to:

- identify the financial sources of the different RECs;
- identify the funds used by the RECs to implement ongoing activities and projects contained in the MIP;
- identify existing funds in the AUC allocated to ongoing activities of the MIP;
- estimate the amounts required to implement each activity or project contained in the MIP in the context of the sectoral meetings already mentioned;

- Set up a strategy for mobilization of financial resources from development partners;
- propose measures required for the creation, functioning and management of the Integration Fund; and
- determine the relations between the specialized regional funds in the RECs and the proposed Integration Fund.

6. Content of the Initial Phase of the MIP

27. The outcomes of the survey which was undertaken by the AUC made it possible to identify the content of the MIP which is summarized in the Table below. This matrix has four columns and indicates the priority sectors, sub-sectors, the objectives and the projects or activities to be implemented between 2009 and 2012 (MIP I period). It is understood that at the end of the MIP I period, some projects or activities will not have been fully executed or could be ongoing. These projects or activities will therefore be integrated into MIP II, which will probably create a bridge between successive MIP phases.

Priority sectors of the first phase (2009-2012) of the MIP	Subsectors of the first phase (2009-2012) of the MIP	Objectives of the first phase (2009-2012)	Projects, activities and programmes to be implemented in the first phase (2009-2012)
Trade	Tariff barriers (TB)	Gradual elimination of tariff barriers (TBs) in all the RECs	Speeding up the implementation of programmes for the elimination of TBs in every REC.
	Non tariff barriers (NTB)	Elimination of non tariff barriers (NTBs) in the RECs	Establishment/operationalization of computerized systems in all the RECs in order to detect and eliminate all the non tariff obstacles to trade.
	Rules of origin	Simplification and harmonisation of the rules of origin	Simplification and harmonisation of rules of origin in all the RECs and among them.
	FTA	Signing of partnership agreements between RECs	<ul style="list-style-type: none"> • Signing of partnership agreements between the RECs; and • Harmonisation of programmes of the RECs.
	Customs	Gradual harmonisation of the customs procedures and establishment of a customs union in every REC with a Common External Tariff (CET)	<ul style="list-style-type: none"> • Speeding up the establishment of Customs Unions in the RECs; and • Addressing the problem of Member States' membership of more than one REC by encouraging the creation of a cooperation framework between Communities with a view to eventually setting up Customs Unions among REC groupings.
	Free movement of persons	Unlimited free movement of persons in the regions and limited free movement among them	<ul style="list-style-type: none"> • Speeding up the effective drafting of regional protocols on the free movement of persons, the rights of residence and establishment; • Exemption from visa requirement for Africans holding diplomatic and service passports;

Free Movement			<ul style="list-style-type: none"> Loosening of visa regulations for some categories of persons (businessmen and businesswomen, researchers and academicians); and Institution of security instruments to improve cooperation in security matters and combat terrorism in each REC and among the regions.
	Free movement of goods	Free movement of goods in the regions	<ul style="list-style-type: none"> Establishing mechanisms which facilitate the free movement of goods in the regions; and Harmonising in the regions some instruments which promote the free movement of goods in the regions.
	Free movement of services and capital	Gradual freemovement of services and capital in the regions	<ul style="list-style-type: none"> Establishing in every REC a legal framework (protocol) for the free movement of services and capital.
Peace and Security	All the sub-sectors	Conflict prevention and resolution and post conflict development in Africa	<ul style="list-style-type: none"> Establishing and operationalizing an early warning system for conflicts and surveillance units for observation and monitoring; Establishing and operationalizing an African standby force and regional brigades; Implementing the African Union Border Programme; and Promotion of pre-emptive diplomacy in conflict resolution.
Infrastructure and Energy	Transport/Energy/ICT	Development of infrastructure in Africa	<ul style="list-style-type: none"> Speeding up the implementation of the NEPAD (STAP) Plan of Action Ensuring effective participation of the RECs in the process of formulating the Programme for Infrastructure Development in Africa (PIDA); and Assisting the RECs in building their capacity to formulate and develop infrastructure projects
Agriculture	All the sub-sectors	Speed up the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP)	<ul style="list-style-type: none"> Harmonising the various regional programmes on food security; Establishing where it does not exist, an agricultural markets information management system; Experience sharing among the RECs; Implementing the Maputo Decision inviting Member States to earmark 10% of national budgets for agricultural development; and Establishing a special fund for agriculture in every REC
Industry	All the sub-sectors	Develop the industrial sector in Africa	<ul style="list-style-type: none"> Developing a legal framework to promote industrial policies (Protocol) in each REC; Operationalizing in every REC of the Plan of Action for Industrial Development in Africa.
Investment	Investment policies	Establish a regional and continental platform to promote investment	<ul style="list-style-type: none"> Establishing regional investment protocols, Harmonising the various protocols; Formulating a continental investment code; and Speed up establishment of the African Investment Bank

Science and Technology	Education	Development of the educational system in Africa	<ul style="list-style-type: none"> Encouraging the RECs and Member States to implement the Plan of Action of the Second Decade of Education for Africa.
	Science and technology	Promote the use of science and technology to eliminate poverty in Africa	Encouraging the RECs and Member States to implement Africa's Science and Technology Consolidated Plan of Action.
Social Affairs	Health	Increase access of Africans to primary health care	<ul style="list-style-type: none"> Implementing the Africa Health Strategy (2007-2015).
	Gender	Promote the participation of women in economic development	Establishing regional business women's associations.
Political affairs	Elections and promotion of democratic institutions	Promote democratic elections and changeover of political power	<ul style="list-style-type: none"> Ratification and implementation of the African Charter on Democracy, Elections and Governance.
	Governance	Improve governance in the RECs	<ul style="list-style-type: none"> Creating a Peer Review Mechanism in each REC; and Encouraging all Member States to accede to the APRM process.
Statistics	Harmonisation of statistics	Prepare instruments to facilitate harmonisation of statistics in Africa	<ul style="list-style-type: none"> Ratification of the African Charter on Statistics by Member States; and Preparing continental guides for data collection; harmonisation of measurement standards, etc.
Capacity building	All the sub-sectors	Build the capacities of the RECs, the AUC and Member States	<ul style="list-style-type: none"> Organizing training sessions in the various sub-sectors of the MIP for officials of the RECs, the AUC and Member States; Institutional capacity building for RECs and AUC; and Developing a programme aimed at experience and best practices sharing among RECs.
Fiscal policy	Inflation/interest rates/fiscal deficit	Harmonise fiscal policies at the level of each REC	<ul style="list-style-type: none"> Supporting the harmonisation of fiscal policies at the level of each REC.
Monetary Policy	Payment systems/macro-economic convergence/banking sector	Intensify actions for establishment of the African Central Bank (ACB) and the African Monetary Fund (AMF)	<ul style="list-style-type: none"> Speeding up establishment of the African Central Bank and the African Monetary Fund.
Financial markets development	Stock Exchange	Set up the Pan-African Stock Exchange	<ul style="list-style-type: none"> Create an environment that is conducive to the promotion of national and regional financial markets.

Source: Status of integration in Africa, AUC 2010.

28. Its prioritised programmes and activities have already been agreed upon by the RECs during two sectoral meetings organised in Nairobi from 10-11 May 2010 and 1-2 June 2010 in Nairobi and Lilongwe respectively. These programmes could be used as guidelines on the harmonisation of RECs to gradually achieve the remaining stages at the continental level, beginning from 2018.

IV. Perspectives by the Chief Executives of the RECs

29. At the Eighth Meeting of the Coordination Committee of the African Union (AU), Regional Economic Communities (RECs), United Nations Economic Commission for Africa (ECA), African Development Bank (ADB) Secretariats held on 8 November 2010 in Zanzibar, Tanzania, the Chief Executives recommended the following:

Implementation of the MIP: The Action Plan

- RECs that wish to do so, should provide their comments and observations to the AU Commission in two (2) weeks time ;and
- The AUC should include in the MIP Action Plan assessment of progress made by RECs as an activity with a view to sharing experiences.

Proposed Draft Protocol on Relations between the African Union and the Regional Economic Communities

- Request the AUC to submit the proposed amendments on the Protocol to meeting of legal experts of the AUC and RECs for consideration and recommendations

Concept Note on the institution of an ECONOMIC Integration and development Summit

- Request the AUC to seek from the Heads of State and Government of the AU that a day of the Assembly of the Union is devoted to issues of integration and development.

Rural Economy and Agriculture

- Necessary measures should be taken by the stakeholders to accelerate implementation of CAADP; and
- Regular forums should be organised to discuss CAADP implementation mechanisms, on the basis of AU perspectives.

Infrastructure and Energy

- Request the AUC in collaboration with the RECs to take necessary measures for the rapid implementation of PIDA and its related activities.

V. Conclusions and Way Forward

30. In order to address all the above constraints, the following conclusions have been made:

- The AUC, in collaboration with its partners should take all necessary steps aimed at mobilizing the internal and external resources needed for MIP implementation;
- The AUC, in collaboration with the AfDB the ECA, and RECs, should host round tables with donors with a view to mobilizing the funds needed for financing the MIP;
- The African Union Commission, the ECA, and the RECs should raise awareness of Member States on the advantages of integration and the need to implement MIP activities on time;

- The AUC should strengthen existing institutions and, if need be, setting up appropriate institutional arrangements with a view to facilitating coordination between the various organizations in charge of implementation and the external partners.
- The AUC must intensify consultations with RECs and use the coordination meeting with them to good effect in order to coordinate, monitor and evaluate the MIP;
- Opening AU representative offices in the RECS will facilitate communication with the latter and ensure effective monitoring of MIP implementation;
- Within the framework of their cooperation, the AUC and the RECs must exchange officials with each other in order to benefit from experience gained;
- The AUC, in collaboration with the RECs, must host sectoral training sessions with a view to building the capacity of their personnel; and
- The AUC should develop a monitoring and assessment framework to track the progress made towards achieving the integration objectives, and to evaluate the results of programmes and projects directed towards those objectives.

Issues for consideration:

- support for the implementation of MIP;
- Member States to partly finance the large integration projects and to integrate the MIP within national and regional Development Plans;
- Member States to facilitate the ratification and implementation of all the Protocols related to integration matters;
- Efforts should be made to encourage the establishment of inter-REC FTAs. The steps taken by COMESA, EAC and SADC to form one single market are commendable as it contributes to the promotion of trade within the three RECs;
- Efforts should be intensified to: harmonize trade policies, such as common documents for cross-border clearance of cargo, vehicles, and business people; remove unnecessary duplication of programmes; harmonize investment codes and factor mobility; and promote a genuine unification of the sub-regional markets; and
- Effective and affordable physical infrastructures and services, information and communications technologies are needed to support the integration of markets. Such efforts would contribute to substantially reducing the cost of doing business in Africa, which in turn contribute to the expansion of trade and market integration within and between the RECs.

