

Assessing Regional
Integration in Africa II
Rationalizing Regional Economic Communities



Economic Commission for Africa



African Union

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Contents

Acknowledgements	ix
Acronyms and Abbreviations	xi
Foreword	xiii
Highlights	xv
1. The Drivers of Regional Integration for Africa's Development	1
Regional integration—still just an aspiration	1
Changing global trading system	2
Regional economic communities as drivers or impediments	7
Little focus across a broad range of areas	10
African Union—a response to the challenges	18
Notes	19
References	20
2. Institutions and Regional Integration in Africa	21
Institutional perspectives on development	22
Lessons on institutional building from the European model	29
Legal determinants of Africa's integration: the foundation of Africa's integration institutions	34
Organization of African Unity—limited to political issues	35
Conclusion	41
Notes	42
References	42
3. The Case for Rationalization: The Inefficiency and Ineffectiveness of the Regional Economic Communities	45
Efforts to rationalize the regional economic Communities	47
Overlapping membership	50
Duplicated programmes	55
Inefficiency	59
Regional economic communities' overall Ineffectiveness	62
Regional economic communities' efforts to rationalize	65
Conclusion	67
References	68

4. Missing Consensus and Actions at the National Level	69
Institutional setup and management of regional integration at the national level	69
Translating integration goals into national plans	71
Implementation record of agreed programmes	74
The legislative processes for integration matters	76
Fulfilling financial obligations to the regional economic communities	79
Benefits of integration	81
Costs of integration	85
The private sector as a partner	86
Democratizing regional integration with civil society	88
Conclusion	89
Notes	90
References	90
5. Inadequate Coordination at the Continental Level	91
The need for coordination	91
The current state of coordination	92
Strengths and weaknesses of the current Protocol	95
Making continental coordination effective	101
Conclusion	107
Notes	108
References	108
6. Defining a Framework for Rationalization	109
Principles of rationalization	109
Rationalization scenarios	115
Implementing a strategy	126
Conclusion	127
7. Strengthening the Rationalization Framework	129
Building the capacity of integration institutions	129
Financing integration	129
Building consensus on rationalization	130
Coordination between the African Union and the regional economic communities	131
Rationalizing by division of labour in Central Africa	133
The regional economic communities in Central Africa	134
Rationalizing through harmonization of policies and instruments in West Africa	138
Conclusion	146

Annex: Methodology for preparing Assessing Regional Integration in Africa II: Rationalizing Regional Economic Communities 147

List of Boxes

1.1. Successes in regional integration	8
1.2. Trans-African Highway and physical connectivity in Africa	11
1.3. Inadequate transport infrastructure and services hamper regional integration	13
3.1. The rationalization continuum	47
3.2. Rationalization in Central Africa	50
5.1. Implementing the Comprehensive Africa Agricultural Development Programme	100

List of tables

4.1 Benefits to countries from implementing regional economic community programmes	83
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List of figures

1.1. Regional trading agreements notified to the General Agreement on Tariffs and Trade and the World Trade Organization, 1948–2002	4
2.1. Framework on the role of institutions	24
2.2. The liberal consensus view of state failure	26
2.3. EU share of world income, 1975–2003 (%)	32
3.1. The spaghetti bowl of overlapping regional economic community memberships	51
3.2. Number of countries in each regional economic community, 2004	52
3.3. Consequences of multiple memberships at national level (inverse of average rankings)	53
3.4. Reasons why African countries join more than one regional economic community (%)	54
3.5. Duplication of programmes by regional economic communities in Central Africa	56
3.6. Duplication of programmes by regional economic communities	57
3.7. Reasons why African regional economic communities duplicate activities (%)	58
3.8. Countries meeting financial obligations to regional economic communities (%)	60
3.9. Staffing at selected regional economic community secretariats, by profession, 2004	60
3.10. Average annual remuneration of professional staff by regional economic communities	61
3.11. Computer to staff ratio, by regional economic community	62

3.12	Areas where regional economic communities in Africa face staffing gaps (%)	62
3.13	Share of regional economic communities that have taken steps to ensure free movement of people (%)	63
3.14	Share of regional economic communities that have taken steps towards monetary and financial integration (%)	64
3.15	Share of regional economic communities that have taken steps to address transport and trade facilitation issues (%)	65
3.16	Share of regional economic communities reporting lack of progress in sectoral and crosscutting issues (%)	66
3.17	Share of regional economic communities that have taken actions towards rationalization	67
4.1	Reasons why African countries lack a centralized ministry to coordinate integration (%)	70
4.2	Ministries cited as the focal point for regional integration issues when no ministry of regional integration exists (%)	71
4.3	Main functions of the ministry of regional integration in African countries (%)	72
4.4	Factors constraining translation of regional economic community goals into national budgets (%)	73
4.5	Factors constraining translation of regional economic community goals into national programmes and plans (%)	74
4.6	Factors constraining countries in completing links to the Trans-African Highway (%)	75
4.7	Implementation status of trade policies at the national level (%)	76
4.8	Important protocols for regional economic community treaties (%)	77
4.9	Time needed to ratify regional economic community treaties and protocols (%)	78
4.10	External support received by regional economic communities	79
4.11	Factors cited to explain failure to meet financial obligations to regional economic communities (%)	80
4.12	Results of national cost-benefit analysis studies (%)	81
4.13	Benefits to countries from adopting macroeconomic policies sponsored by regional economic communities (%)	82
4.14	Countries reporting benefits from regional integration programmes (%)	84
4.15	African countries' perceptions of costs and benefits of regional integration	86
4.16	Countries' mechanisms for involving the private sector (%)	87
4.17	National mechanisms for involving civil society in regional integration (%)	88
5.1	Factors attributed to lack of coordination at the regional economic community level (%)	93
5.2	Main strengths of the protocol on relations between the African Economic Community and the regional economic communities (%)	95
5.3	Main weaknesses of the protocol on the relations between the African Economic Community and regional economic communities (%)	96

5.4	Coordination mechanisms used by regional economic communities in the same region (%)	98
5.5	Share of regional economic communities coordinating, by programme (%)	99
5.6	Support for actions to strengthen the African Union's coordination role	103
5.7	Assistance expected from the African Union by the regional economic communities	105
5.8	Ways to improve the African Union's ability to offer regional economic communities financial assistance (%)	106

Report Note

The report uses the term regional economic community (REC) to refer to all regional groupings and inter-governmental organizations. It must be noted that the African Union only recognizes the following institutions as RECs: Arab Maghreb Union (UMA), Community of Sahel-Saharan States (CEN-SAD), Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Economic Community of West African States (ECOWAS), Economic Community of Central African States (ECCAS), Inter-Governmental Authority on Development (IGAD), and Southern African Development Community (SADC).

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Acronyms and abbreviations

AEC	African Economic Community
ADB	African Development Bank
AGOA	African Growth and Opportunities Act
ARIA	Assessing Regional Integration in Africa
AU	African Union
CEMAC	Central African Monetary and Economic Community
CEN-SAD	Community of Sahel-Saharan States
CEPGL	Economic Community of the Great Lakes Countries
CET	Common External Tariff
COMESA	Common Market for Eastern and Southern Africa
DRC	Democratic Republic of Congo
EAC	East African Community
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EU	European Union
IGAD	Intergovernmental Authority for Development
IOC	Indian Ocean Commission
MRU	Mano River Union
NAFTA	North American Free Trade Agreement
NEPAD	New Partnership for Africa's Development
RECs	Regional Economic Communities
SACU	Southern African Customs Union
SADC	Southern African Development Community
UMA	Arab Maghreb Union
UEMOA	West African Economic and Monetary Union
WTO	World Trade Organization

Foreword

Regional integration and the creation of the African common market has been the vision of African leaders since the early years of independence. Africa's regional economic communities are making significant progress in its attempts to integrate. Improvements have been made in areas including trade, communications, macroeconomic policies, and transportation. Despite the gains, there are still a number of challenges facing the integration process. These challenges emerged from our first joint publication on regional integration, titled: *Assessing Regional Integration in Africa (ARIA 1)*. Among the key issues is the complex institutional setting under which regional integration schemes have been operating. This is why the African Union and the Economic Commission for Africa took the decision to follow the publication of ARIA1 with a series of ARIA publications, examining in detail the key obstacles to integration. ARIA 2, therefore, takes a detailed look at Africa's regional economic communities (RECs).

The Abuja Treaty designates Africa's RECs as the building blocks for stronger integration and the eventual creation of an African Economic Community. However, these RECs need to be substantially strengthened and given clearer operational guidelines in order to fulfil this huge mandate. For example, even though the African Union only recognizes eight RECs, the continent currently has fourteen inter-governmental organizations (IGOs), working on regional integration issues, with numerous treaties and protocols governing relations among them, and between them and the Member States. This proliferation of institutions and protocols means that out of the 53 Member States of the African Union (AU), 26 belong to two of the fourteen IGOs, 20 belong to three of them, and one country belongs to four.

While countries may have rational explanations for belonging to more than one regional grouping, the numerous groups and memberships presents its own set of challenges. Overlapping memberships, mandates, objectives, protocols and functions create unhealthy multiplication and duplication of efforts and misuse of the continent's scarce resources – making these regional groupings very inefficient. This point was reinforced by many of the AU's recognized RECs, IGOs and other stakeholders during widespread consultations that took place in the preparation of this document.

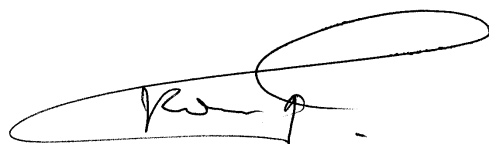
The consultations also found that many of the RECs and IGOs had initiated processes of harmonizing their work programmes. At the continental level, both the Abuja Treaty and the Constitutive Act of the African Union have provisions calling for the coordination and harmonization of the policies of RECs. However, the experience so far shows that despite strong efforts, success has been limited.

ARIA II provides a comprehensive report assessing the current institutional setting for regional integration in Africa, with bold and realistic recommendations for rational-

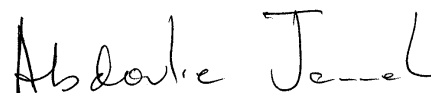
ization. The report lists five options for rationalization. Each option has benefits, and costs, which are clearly stated. The recommendations were thoroughly discussed with key stakeholders on the continent, including the RECs themselves. The report also shows that the cost of inaction is unacceptable.

The rationale for integration is clear and compelling. A common market combining Africa's mostly small and fragmented economies will lead to economies of scale, making African countries more competitive. This is central to the continent's quest for robust, self-sustaining economic growth and development. Regional integration will also lead to stronger political cooperation between countries, which is essential for dealing with regional public goods such as infrastructure development, and conflict resolution and management. The Economic Community of West African States (ECOWAS) has successfully demonstrated the latter point through its intervention in the conflicts of Sierra Leone and Liberia, bringing peace and hope to millions of people.

Moving forward on Africa's integration agenda will require sustained effort from the continent's leadership. Our sister institutions are committed to this process and our combined technical and political expertise is at the disposal of Member States and RECs as we jointly strive to implement Africa's continental integration agenda.



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