

53305

Distr.:  
GENERAL

ECA/LUS/MULPOC/MIE/1/23  
E/ECA/TRADE/91/9

12 March 1991

Original: ENGLISH

UNITED NATIONS  
ECONOMIC COMMISSION FOR AFRICA

Multinational Programming and Operational Centre  
(ECA/MULPOC) for Eastern and Southern African  
States

First Meeting of the Intergovernmental  
Committee of Experts

18-22 March, 1991  
Lusaka, Zambia

Trade Facilitation and Liberalization within  
the subregional economic groupings  
PTA, SADCC and SACU

## I. INTRODUCTION

1. African leaders accord high priority to regional cooperation and integration, given the stress given to this issue in the Lagos Plan of Action (LPA) and the Africa Priority Programme for Economic Recovery (APPER) and is indeed in numerous other high level statements on Africa's development strategies. This is particularly important given Africa's fragmentation, and is arguably viewed as a formidable constraint to both individual national and regional economic development.

2. This study examines preferential and other related measures adopted by subregional economic groupings of East and Southern African countries aimed at facilitation and liberalization of trade within the respective economic groupings: the Preferential Trade Area for Eastern and Southern African (PTA)<sup>1</sup>; the Southern African Development Co-ordination Conference (SADCC)<sup>2</sup>; and the South African Customs Union Agreement (SACU)<sup>3</sup>. It should also be noted that the analysis is part of an overall review by the ECA secretariat of progress made in the gradual liberalization of trade in the various subregional groupings towards the establishment of common markets and economic communities in the subregions. The

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<sup>1</sup>PTA members: Burundi, the Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zaire, Zambia, Zimbabwe.

<sup>2</sup>SADCC: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia, Zimbabwe.

<sup>3</sup>SACU: Southern African Customs Union members: Botswana, Lesotho, South Africa and Swaziland.

analysis therefore proposes further consideration of other measures, in addition to those contained in the agreed provisions, to enhance the development of these groupings into common markets and eventually into an economic Community of Eastern and Southern African States.

3. Apart from this brief introduction, the issue of facilitation and liberalization is dealt with in the context of the Eastern and Southern Africa taking fully into account some of the measures taken by the subregional groupings themselves. The paper concludes with a summary of recommendations.

## II. TRADE FACILITATION AND LIBERALIZATION IN CONTEXT OF SUBREGIONAL GROUPINGS

4. The economic rationale underlying trade liberalization within the Eastern and Southern African regional groupings is contained in the preamble to the agreements. It also draws from experience and need for collective self-reliance. Furthermore, it draws upon the knowledge that the domestic markets of the member countries are too small to an extent that setting up large scale production units would be uneconomic. In 1981, SADCC's total population was approximately 74 million with an average GDP of about one-tenth or 10 per cent that of South Africa. In 1989, the population was estimated to be 83 million and overall Gross Domestic Product stood at about 23.0 billion US dollars<sup>4</sup>.

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<sup>4</sup>See SADCC Annual Progress Report 1989-1990, Gaborone, 1990, p.3.

5. The smallness of individual country markets inhibits specialization, tapping the advantages of economies of scale and promoting efficiency in production in the region. Therefore, one of the strongest arguments for trade liberalization at subregional level is to create an incentive, enabling cooperating countries attract and plan investments on the basis of complementarities of resources endowment, infrastructure, economies of scale in the knowledge that what is subregionally produced will have subregional markets.

6. Trade Liberalization among countries in subregional terms has emerged as an important instrument of their development strategy. Countries have realized that they can accelerate their economic and social progress by enlarging their markets through trade liberalization measures, co-ordinated production programmes and undertaking mutually advantageous joint schemes in many areas. This desire to co-operate stems from or is influenced by both from political and economic factors. However, in the case of SADCC, the political will of the peoples is what motivated them to establish close and intimate economic relationship.

7. Trade preferences are important instruments of trade promotion. A preferential trading arrangement that eliminates or reduces tariff and non-tariff barriers in intra-community trade, helps to create conditions conducive to steady growth of trade. It also gives encouragement to an evolution of future patterns of production based on specialization and a wider community market for the products themselves. Trade preferences should not, however, be viewed in isolation. They have to be considered as part of the overall economic co-operation arrangement, otherwise they would lose their effectiveness. Thus, for them to be really meaningful, other related and supportive aspects like production, direct trade

promotion measures, financial and payments arrangement and co-operation in infrastructure development must be considered in tandem.

8. Many countries in the PTA and SADCC regions have considerable experience with economic co-operation and trade liberalization. Some countries of SADCC were part of the Central African Federation<sup>5</sup>. Some other PTA members once belonged to the defuncted East African Community<sup>6</sup>. The hustles and failures of these establishments should be good reference points and frameworks on which to draw on for both economic co-operation and exchange of trade preferences among the Eastern and Southern African countries.

9. As far as trade liberalization mechanisms are concerned, a number of the countries in the subregion learnt from experience in the defuncted arrangements that the act of agreeing to treaties without implementation thereafter was not a sufficient condition for trade expansion. On the contrary, it tends to accentuate inter-country polarization tendencies. The main winners of trade liberalization within the community tend to be those whose share in intra-regional trade is highest at the material time of entering into force. In response to the short-comings of the former, integration establishments of the PTA countries agreed upon a far more ambitious scheme of economic integration. First and foremost

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<sup>5</sup>Malawi (Nyasaland), Zambia (Northern Rhodesia) and Zimbabwe (Southern Rhodesia).

<sup>6</sup>Kenya, Uganda, Tanzania.

to promote trade within the subregion by reducing tariff and non-tariff barriers on certain products and therefore established a list to that end. To be eligible for preferential treatment, a commodity must both be of export and import interest to member countries. Under Article 15 of the PTA, producing firms should be 51 per cent or more locally owned and in any case not more than 60 per cent of its components should originate from outside the PTA.

9. On the other hand, SADCC is less ambitious in its cooperation efforts. Its approach differs significantly from those seeking common market, customs limitation or union systems. It is a sectorally programming and project oriented regional cooperation approach. In otherwords, respective governments take the responsibility for sectoral programmes allocated to them. In contrast, PTA focuses attention on building an elaborate secretariat with full powers to implement some of its programmes.

10. The countries of the subregion have great possibilities of attaining their objectives of economic cooperation and integration. The combined PTA and SADCC economic potential, measured in terms of population and enormous natural resource endowment is great. The subregion has a great potential of developing resource-based industrialization in several subsectors of the manufacturing sector. There is a relatively well developed iron and steel industry with long term potential for establishing foundry industries. The subregion has a wide range of mining, agriculture and energy resources including water resources that can either be harnessed and/or exploited in favour of trade creation of a subregional nature. Despite this enormous potential, the countries of the subregion remain among the poorest and the most underdeveloped. Through trade liberalization the countries of the subregion have an opportunity to undertake division of labour in

sectoral production on the basis of some of these resources and in the long run reverse the trend of underdevelopment. It is hoped that trade liberalization and facilitation would eventually combat adverse effects of the international trade trends.

11. Although subregional groupings aim at economic cooperation and collective self-reliance, the degree of their cooperation differs from subregion to subregion. The PTA aims at greater economic integration and formation of a free trade through trade liberalization preferences.

12. Under article 8, section 3 of the protocol on the reduction and elimination of trade barriers, member States are free to maintain or enter into new preferential trade arrangements with third countries provided such arrangements do not impede or frustrate the objectives of this protocol and that any preferences granted to third countries under such arrangements are extended to member States on a reciprocal basis. The freedom of PTA members to have preferential arrangements with third countries is partly a recognition of the difficulties that would be encountered by some members if they were to suddenly cut their existing preferential relations with third countries. This applies particularly to the economic ties of Lesotho and Swaziland with South Africa. The spirit of flexibility runs throughout the PTA Treaty, and there is an emphasis on consensus in decision making.

13. The aims and objectives of the PTA include inter-alia promoting cooperation and development in all fields of economic activities. Particularly in the fields of customs, industry, transport and communication. The focus is also on supportive measures to regional trade, including the creation of institutional mechanism and monetary arrangements for facilitating trade

exchanges. Viewed in terms of its Treaty, PTA's ultimate objectives are the establishment of a Common Market and eventually of an Economic Community for Eastern and Southern Africa.

14. SADCC does not give trade such prominence in its declaration for cooperation. However expansion of trade is envisaged to result from sectoral cooperation rather through facilitating intra-regional mobility of goods, services and peoples. The absence of both the written treaties as well as trade sector programmes makes it difficult to see how the resultant products of division of labour are to be channeled or distributed through the subregion. The Southern African Customs Union (SACU)<sup>7</sup> only provides a common pool of customs, excise and sales duties according to relative volume of trade and production in each country. The principle of trade liberalization and facilitation is manifest in that country goods are traded free of duty and quota within the SACU subject to certain protective measures for less developed member.

### III. REVIEW OF MEASURES UNDERTAKEN BY SUBREGIONAL GROUPINGS IN RESPECT OF TRADE LIBERALIZATION AND FACILITATION

#### A. Liberalization of Trade

15. Increasing returns from economic integration requires broadening the market through liberalization and tariff cuts on selected products. Such market liberalization have been based on Treaties. Within the PTA, market liberalization has been accorded to member States in accordance with Articles and Protocols of the

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<sup>7</sup>Botswana, Lesotho, South African and Swaziland.



Treaty. Under the customs and trade protocol are undertakings of member States with regard to the liberalization of trade; customs duties; common external tariff; preferential treatment; non-tariff barriers to trade; and general administrative aspects of trade including the list of products covered under this protocol.

16. The liberalization of trade as agreed by the member States stipulates that there will be a gradual reduction and eventual elimination of customs duties and non-tariff barriers within the PTA. There will also be gradual evolution of a common external tariff policy. Member States are therefore gradually reducing and hope to eventually eliminating customs duties and non-tariff barriers to trade among themselves.

17. In the area of tariff concessions and harmonization, the PTA agreed to reduce customs duties by a fixed percentage in respect of each of commodities that were accorded such preferences. The highest percentage reduction of 70 per cent is on capital goods (including transport equipment) and consumer items of particular importance to economic development. The next highest reduction is on intermediate goods and non-agricultural raw materials at 65 per cent and 60 per cent respectively. Luxury goods have attracted the lowest percentage reduction of 10 per cent while food items enjoy a reduction of about 30 per cent. Consequently and as a result member States as a result have been extending tariffs and other preferences to each other. Further reduction of 10 per cent<sup>8</sup> every two years was announced on food products. In 1987 an agreement to evolve a common tariff on all goods imported from third countries is also envisaged. In the meantime a common list of selected

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<sup>8</sup>See Africa South of Sahara, London, 1990, p. 219.

commodities of both export and import interest to member countries is established for those commodities that are to be accorded preferential treatment.

19. During a period of 10 years from the definitive entry into force of the Treaty, member States have endeavoured neither to impose any new customs duties nor to increase existing ones on goods appearing on the common list. They have further endeavoured to transmit all information on customs duties for study by the Customs and trade Committee. Concerted efforts have also been made to submit from time to time, a programme for gradual establishment of a common external tariff.

20. The reduction of trade barriers is envisaged to encourage trade among member States in manufactured products, whereas primary commodities are to continue to be directed to traditional markets. However, despite efforts made, particularly within the PTA, intra-trade recorded only 5 per cent at the beginning of 1990<sup>9</sup>. Trade in manufactures stagnated around 12 per cent while imported manufactures from outside the subregion have increased to about 70 per cent of imports, with fuel making up for most of the balance<sup>10</sup>.

21. The low level of intra-trade relates to the structure of

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<sup>9</sup>See Africa South of Sahara, London, 1990, p. 219.

<sup>10</sup>See SADCC-Productive Sectors, Engine of Growth and Development. Proceeding of the Annual consultative conference in Luanda, Gaborone 1989, p. 5.

production and distribution. There is a lack of goods associated with the problems of low productivity. The range of products available for trade remains very restricted due to problems of transfer and adaptation of technology, technical and managerial expertise and entrepreneurial skills. Even where the required technology for production can be absorbed, producers are unable to take advantage of the economies of scale of production due to similarities in industrial structures resulting from import substitution policies to which the countries of the subregion devoted themselves in the post independence era. The existence of non-complementary industries has seriously hindered intra-trade in the subregion.

22. Trade liberalization policies within the PTA's integration arrangement was to increase trade rather than divert trade. Limiting preferences within the respective groupings, the level of overall trade liberalization tends to fail to accelerate trade expansion and secure benefits that could not be achieved through unilateral action is a major bone of contention. However, tariff reductions have been slow and application of 51 per cent local ownership criterion has created difficulties and therefore somehow hindered rather than stimulated trade. As a result those countries that are relatively economically better off like Zimbabwe have been given temporary exemption from such criterion. Needless to say, non-tariff barriers such as export-import licencing are still hampering trade. Bureaucratic delays are also playing a negative role.

23. The pull of member States to continue to enjoy preferential arrangements with third countries encourages greater trade exchanges between members of PTA or SADCC with EEC. Grounded, the long standing ACP/EEC trade relations should be respected, except

that where local products are available, intra-trade should be given preference. Current trade with EEC accounts for more than 80 per cent in imports terms and 60 per cent in terms of exports. Supply constraints including quantitative, qualitative, protectionist policies, inadequacy of transport and marketing facilities, non-tariff barriers and monetary problems remain major obstacle to trade facilitation. To the extent that there are divergences between production structures and demand patterns within the subregion is a formidable obstacle to intra-trade at subregional level.

24. Weakness in quality control particularly of manufactured goods inhibits intra-trade. Prospective importers naturally look for quality goods at reasonable prices. Some manufactured products from the subregional groupings are of poor quality. Others combine this by being overpriced due partly to high priced imported inputs and as a result the products become uncompetitive within the subregion. Buyers are actually unwilling to buy high priced goods from their partners in PTA or SADCC when low priced goods are available such nearby sources like from South Africa. To alleviate the problems of standards and specification of products the International Trade Center (ITC) visited some member countries of the subregion with a view to organizing seminars on standardization, quality control and packaging of export products. Such a technical assistance is usually available on request by member countries but a few countries seem to take the advantage. This aside Article 27 of PTA encourages the need to evolve a common policy on standardization and quality control of products.

25. Trade liberalization favours a reallocation of existing industrial activities according to comparative cost advantages. Considerable scope for intra-industry specialization would overcome

some imbalances of supply in the subregion. A number of studies have found out that Tanzania, Kenya, Zimbabwe, Zambia have manufacturing branches with a high export potential. However the viability of intra-trade liberalization requires a much more

pragmatic approach to trade policy. Similarly industrial coordination is meaningless without equitable distribution of trade benefits.

26. Because trade liberalization is part of the efforts to restructure African economies, it is important where liberalization efforts have created inequitable distribution of benefits of trade as is the case in the subregion, that direct budget transfers to weaker economies be made to compensate for unequal benefits. The demand for equitable distribution of benefits of trade liberalization is a bone of contention among the economical less developed countries even before benefits have begun to emerge<sup>11</sup>.

27. It is important to point out, that while co-ordinated efforts have been made to secure financial assistance to develop sectoral activities within SADCC, measures for rehabilitation, revitalization, rejuvenation and rationalization of ailing manufacturing enterprises have not been given the importance they deserve. The countries of the subregion continue to depend on imports of manufactures from outside the subregion in spite of

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<sup>11</sup>See Sub-Saharan Africa's from Crisis to Sustainable Growth, World Bank Washington, D. C. 1989, p. 150.

existing offers of tariff reduction among themselves. Co-ordinated efforts of PTA, SADCC and MULPOC should be geared towards attracting massive international support for national programmes to rehabilitate existing plants and factories and make use of available excess capacity with a view to exploiting their preferential arrangements. These are necessary to arrest the evident process of de-industrialization in the subregion and to set in motion activities for reorienting import substituting industries.

28. In August 1989, it was reported that US\$2537 million was secured to finance SADCC projects. Also at the conference held in January 1990, the World Bank announced it was to provide US\$4,000 million for SADCC States<sup>12</sup>. Since both trade liberalization and facilitation are meaningless without products, it is more appropriate to allocate more of these available funds to production.

29. Within this programme of assistance, consideration would have been given to the rationalization and reorientation of the industrial sector. Such a programme would have to concentrate on reallocating resources on the basis of reappraised industrial policy, strategies and required institutional machinery. Thus, priority would have been given to prospecting and processing local raw materials, making intermediate inputs for local use and developing linkages throughout the economies, especially with agriculture. Emphasizes need to be put on activities that foster optimum utilization of industrial exports through subregional grouping and creation of resource-based industries that use local

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<sup>12</sup>See Africa South of Sahara, London, 1990, p. 218.

skills and domestic raw materials. Of crucial importance in this regards is the promotion of agro-processing industries in the rural sectors, the promotion of entrepreneurial capabilities and development of technical skills. Special consideration needs to be given enhancing the development of small scale industries, especially those feeding and supporting medium and large-scale industries. Trade liberalization and facilitation in this respect would be meaningfully viable for trade in processed agro-industrial products within the subregion.

30. Pursuant to the broad framework for long-term development of the industrial sector set out in the Lagos Plan of Action, subregional groupings should co-operate in setting out priorities and targets for industrial production. We are convinced that successful implementation of industrialization programme for the second phase envisaged for 1991-2000, will significantly restructure the industrial sector in the subregion if co-operation would take into consideration relations of industrial production to indigenous factor endowments, for the satisfaction of the basic needs of the population and enhancing growth in other sectors of the economy, especially agriculture, through forward, backward and lateral linkages.

31. Perhaps in contrast to what takes place among countries of the PTA and SADCC on the one hand, SACU membership on the other hand paint quite a different story. For one thing, countries of SACU have to a very large extent avoided considerable complications regarding trade among themselves. More than 80 per cent of their trade is with the fellow Southern African Customs Union Countries and a large percentage of their exports of the other members go to South Africa.

32. The preferential trade arrangement within SACU provides for free trade between members and a common external tariff that has more negative rather than positive impact on smaller partners. The nations of Lesotho and Swaziland enjoy free import of highly subsidized agricultural and manufactured products from the Republic of South Africa. This element has greatly made these countries to neglect production at home, thus perpetuating their dependence on South Africa. Similarly, their industrialization and job creation processes have seriously been impaired.

B. Trade Facilitation Measures

33. A number of facilitation measures are being undertaken in the subregion. In accordance with the PTA Treaty and its Protocols, a clearing house for transactions in goods and services within PTA enables member States to conduct multilateral trade in their own currencies has been established and it is managed by the Central Bank of Zimbabwe since 1984. PTA travellers cheques denominated in PTA Unit of Account (UAPTA) linked to the IMF Special Drawing Right were introduced in 1988. A PTA Trade and Development Bank based in Bujumbura, Burundi became operational in 1986 with authorized capital of UAPTA 400 million. The PTA Federation of Chambers of Commerce and Industry, the Association of PTA Commercial Banks and the PTA Centre for Commercial Arbitration have been formed. These institutional establishments are still at nascent stages and their performance cannot yet be full evaluated without running the risk of either or over stating the situation. However, until recently, clearing facilities were underutilized since countries tended to channel more of their imports than exports through the clearing house thus creating imbalances.

34. Given the shortage of convertible currencies for imports from



outside these UAPTA zone, member countries should be encouraged to use the facilities. The facilities could be improved further to enable the private sector to hold and exchange member States' currencies at agreed market clearing prices. In which case, the existing arrangements between the clearing house and central banks would have to be extended to include commercial banks.

35. The development of integrated infrastructures, particularly transport and communications systems is a precondition for sound trade facilitation. SADCC considers transport to be the most important area of their cooperation arrangement. It was originally developed in accordance with their objective of lessening dependence on South Africa. Without the establishment of adequate regional transport and communications systems, other areas of cooperation become impractical. In other words, no matter how efficient and competitive the production, without efficient means of getting the goods among the member States, the trade preferences will be meaningless. In this connection SADCC's Transport and Communication Commission (SATCC) with its headquarters in Maputu, coordinates efforts in transport sector.

#### C. Bilateral Facilitating Measures

36. Bilateral arrangements form the nucleus of subregional means of facilitating trade and economic co-operation. To a great extent member States cooperate in transport and communications systems in undertaking to facilitate linkage of feeder roads in order to facilitate trade. The development of rail, inland transport and basic communication facilities substantially reinforce the links between productive sectors of agriculture, mining and industry. In cognizant of the importance of transport and pursuant to the provisions of the protocols on cooperation in these sectors, a

number of bilateral agreements have been signed to facilitate the movement of goods and services.

37. Examples of such bilateral arrangements include joint ventures and/or bilateral agreements. Such agreements are in most cases a direct or indirect result of multilateral subregional integration or cooperation agreements to which the two countries concerned are parties. Agreements contain provisions which are either in a form of targets or commitments implying the establishment of economic co-operation. Through bilateral action, governments are translating into operational terms the broad framework set out in PTA Protocols and/or the SADCC Declaration. The governments of Burundi, Kenya, Rwanda and Uganda signed the transit Agreement for the Northern Corridor. This Agreement paved the way to a major transport system that links the Eastern and Central African countries to the port of Mombasa in Kenya. This extends also to Sudan and Zaire. Very significant volume of goods are carried out by road and rail along this corridor. Its importance for land-locked countries which use it is illustrated by the fact that about 95 per cent of Uganda's total trade, 80 per cent of Rwanda's and 60 per cent of Burundi's pass through the corridor. This facility saves both intra-subregional and extra-subregional trade.

38. In practical terms, it has been recognised that any measures to facilitate trade would need to reduce administrative procedures and paper work which otherwise tends to delay the crossing of national borders. UNCTAD Special Programme on Trade Facilitation (FALPRO) which has particular expertise and experience in such matters has assisted in preparing transit agreement for the use in the Northern Corridor specifying among others, facilitation measures to be taken. The basic provisions lay down principles for right of transit, the use of port facilities, the definition of

transit routes, documentation and procedures, regulations of transport in particular tonnage weight of trucks, transit employment and tariff changes. However despite this, there are numerous incidences of grounding transit trucks when passing through some member countries of PTA.

39. A number of international organizations have given quite a lot of attention to trade facilitation measures in the subregion. The UNDP funded project executed by UNCTAD "Transit Traffic and Support to Transport Sector in Southern Africa in Blantyre has been involved in transit trade facilitation including inter alia streamlining transit documentation. Numerous other efforts are being undertaken to facilitate trade in the subregion particularly in the fields of transport marketing, procurement, monitoring, clearing and forwarding services. Individual donor countries and institutions such as the Programme for Development Cooperation (PRODEC) of Finland in association with UNCTAD are assisting the Southern Africa Transport and Communications Commission (SATCC) to train middle level and junior management staff responsible for trade operations from SADCC states in clearing and forwarding, shipping, railroad and road haulage. A seminar was organized in Dar es Salaam in February 1991 to that effect aimed at extending professional knowledge of different modes of transport as well as multimodal transport and combined cargo.

40. Angola has also undertaken to make drastic changes by adopting appropriate trade facilitation measures through the removal of unnecessary procedures and control systems for external trade. A National Trade Facilitation Committee (NTFC) with an attached consultation has been established to enable resolve the national

documentation and procedural problems affecting the flow of trade.

41. A number of countries in the subregion are short of goods whereas others are short of capital to sustain regional trade liberalization. It has been desirable to free the movement of investible surpluses from Zimbabwe to deficit Mozambique. An agreement signed between the Mozambican and Zimbabwean governments provides for the capital transfer from Zimbabwe to Mozambique is illustrative the practical desire to promote between these two neighboring PTA/SADCC States. The accord is valid for 10 years subject to renewal, aims to encourage capital flow and investment from Zimbabwean entrepreneurs into Mozambique. The accord is valid for 10 years subject to renewal, aims to encourage capital flow and investment from Zimbabwean entrepreneurs into Mozambique. The agreement opens up opportunities for investors to participate and undertake productive investment individually or in partnership with Mozambique with a view to promoting trade in goods and services. Such action is going to alleviating the impact of capital shortage on the basis of economic cooperation<sup>13</sup>.

42. Although it is premature to evaluate the progress so far made in trade liberalization and facilitation within the subregion, it is obvious that governments have been preoccupied with negotiating preferences giving less attention to productivity and non-competitiveness of their products with third country suppliers.

### Concluding Remarks

43. It is common knowledge that mechanisms of economic groupings

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<sup>13</sup>See Africa Research Bulletin 6/10/90, pp.9976.

have had a role to play in facilitating trade flows within subregions a part of the process of realizing the economic integration objectives. Their purpose serves as the pillars of the community structure within an overall frame that is coordinated and harmonized. Thus, the need to provide for some measures in this regard. The measures analyzed in this paper, especially the ones undertaken by the subregional organizations to liberalize and

facilitate trade among themselves are not exhaustive, but do suggest that viable attempts have been and will continue to be made.

44. A review of the activities of these groupings has revealed certain similarities and considerable overlap in a number of instances. The basic objectives and specific programmes of these groupings seem to be basically the same<sup>14</sup>. All SADCC member States are potentially members of the PTA. In 1986, of all SADCC members, except three (Angola, Botswana and Mozambique) had joined the PTA. The list of PTA member States in January 1991<sup>15</sup> increased to include countries, members of Gisenyi MULPOC. Under the prevailing circumstances, necessary steps should be taken to co-ordinate, harmonize and streamline certain activities, projects and programmes of these institutions, especially at sectoral level in order to avoid duplication and waste of efforts as well resources. This kind of action would greatly enhance their competitiveness

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<sup>14</sup>See Annexed table.

<sup>15</sup>See, Africa, South of the Sahara, London, 1990, p.225.

against third party products imported into the region.

45. The subregional groupings must be rationalized with a view to giving authority to one body to serve as the forum for consultation and dialogue among all members involved in cooperation activities within the subregion as the case with SATCC within SADCC. Also, this could provide for a framework for horizontal cooperation with others outside each subregional grouping. Duplication of functions gives rise to conflicts over mandates and divided loyalty among governments. It imposes heavy financial and administrative burdens on the member States. In fact, the benefits expected from trade liberation would tend to be lost with escalating costs due to attendance of several meetings and conferences convened to discuss the same issues. The fact that a MULPOC in the subregion was established to grapple with some of these problems and prospects, provides a unique opportunity to make use of its expertise to supplement what the PTA and SADCC undertakes. Perhaps the MULPOC can be asked to make its contribution in the aspect of assessing and identifying overlapping projects with a view to enabling both the PTA and SADCC releasing funds for other activities.

46. The following reasons among others reinforce the call for these organizations to consider rationalizing and harmonizing their activities in order to:

- a. minimize the multiplicity of decision-making and/or authorities and institutions dealing with similar sectoral programmes;
- b. minimize duplication of efforts in soliciting injudicious granting of technical assistance and holding of several meetings dealing with the same or similar problem;

- c. harmonize policies and strategic targets of development;
- d. provide authority to one body or a few select bodies to serve as a forum for consultation and dialogue among member States;
- e. provide an opportunity for the flow of assistance from different sources to the subregion as a group.