Economic Commission for Africa

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Assessing Regional Integration in Africa

Towards a Continental Free Trade Area, Customs Union and Common Market (ARIA V)

Overview

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Overview: ARIA V[1]

Overcoming the challenges of regional integration in Africa

INTERREGIONAL COORDINATION IS growing. COMESA, EAC and SADC held their first Tripartite Summit in October 2008, where the Heads of State and Government of the three RECs agreed to establish a Free Trade Area (FTA). This Tripartite FTA brings together 26 African countries, with a combined population of 530 million people, and a total GDP of USD 630 billion, or more than half of the output of Africa's economies. It has galvanized the interest of Africa's policymakers towards a much broader Continental FTA. Accordingly, the African Union Ministers of Trade, at their 6th Ordinary Session in Kigali in November 2010, recommended fast-tracking the establishment of an African Continental Free Trade Area (C-FTA).

One of the main challenges facing COMESA, EAC and SADC in implementing their integration programmes is overlapping membership. EAC is already a common market, but it shares four member States with COMESA and one member State with SADC. Five SADC member States are members of Southern African Customs Union (SACU). Ten countries in the region are already members of customs unions, but all of them are also in negotiations to establish alternative customs unions from the one they now belong to. COMESA and SADC have seven member States in common that are not part of a customs union, but all are preparing customs unions. So, of the 26 countries in COMESA, EAC and SADC, 17 are either in a customs union and negotiating an alternative customs union to the one they belong, or are negotiating two separate customs unions.

The Minimum Integration Programme (MIP) comprises activities, projects and programmes that the RECs have selected to accelerate and bring to completion the regional and continental integration process. As a mechanism for convergence of RECs, it focuses on a few priority areas of regional and continental concern, where RECs could strengthen their cooperation and benefit from best integration practices.

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 and the member States of the AUC, in collaboration with Africa's various development partners. It was developed in accord with the variable geometry integration approach, according to which the RECs should progress at different speeds in their integration process. To this effect, the RECs will continue implementing their own priority programmes, and at the same time try to work towards achieving the other goals in the MIP.

The MIP's objectives include:

- Highlighting the regional and continental priority programmes initiated by the Commission and whose

1 Assessing Regional Integration in Africa (ARIA) is a flagship publication produced jointly by UNECA, AUC and AfDB. This fifth edition of ARIA has come at a time of renewed commitment towards boosting intra-African trade and fast tracking the establishment of a continental free trade area (FTA). It also complements the fourth edition of ARIA that dealt extensively on the issue of enhancing intra-African trade. The full ARIA V publication is due to be published during the first semester of 2012.

implementation, according to the principle of subsidiarity, falls within the competence of the national or regional authorities.

- Strengthening the initiatives in progress with respect to economic cooperation among RECs, and identifying measures likely to accelerate integration in selected priority sectors or areas.

- Emulating successful integration experiences in certain RECs and replicating them in other communities (as with the tripartite arrangement among COMESA, SADC and EAC).

- Helping the RECs identify and implement priority activities with a view to surmounting the various integration stages in Article 6 of the Treaty of Abuja and helping them implement the MIP through a clearly defined timetable.

The major constraints that can hinder or slow the implementation of the MIP are a lack of effective coordination, a lack of compatibility between national policies and regional approaches and the overlapping memberships of countries to several RECs. For all this, a balance is needed between national sovereignties and the power given to the RECs-a balance that the AUC should strike effectively and on a long-term basis.

Special attention should be paid to funding the MIP. The Heads of State and Government have endorsed a proposal to establish an "Integration Fund" devoted to financing the MIP. The fund could be lodged either with the African Development Bank (AfDB) or the future African Investment Bank (AIB). Three other financing sources have also been proposed:

- Internal sources (statutory contributions from Member States, and alternative sources of financing currently being identified).

- Contributions from Pan-African financial institutions (AfDB, AIB and African Central Bank).

- External sources, essentially development partners.

The AUC will undertake consultations with the RECs to develop a funding strategy for the MIP. That 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 activities of the MIP;

- Estimate the amounts required to implement each activity or project in the MIP;

- Set a strategy for mobilizing financial resources from development partners;

- Propose measures 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.

Clearly, the RECs and the pan-African institutions have been advancing the regional integration agenda. But more needs to be done to yield more results. Success will depend on the will and determination of each stakeholder to play its efficient role in the realization of the African Economic Community through implementing the Abuja Treaty. RECs will have to coordinate their programmes and share best practices and experiences through the various programmes and activities that fall within their regions. And the AU should lead the integration process while the member States support the process.

The case for an African Continental Free Trade Area

The most important benefits of free trade areas (FTAs) are significantly anchored in the expected gains from an enlarged market. With free and unrestricted movement of goods and services, investment more easily responds

to the requirements of market demand and supply within the FTA, resulting in more efficient allocations of resources. But to fully reap the benefits of FTAs members have to meet certain provisions. In addition to the removal of tariff barriers and non-tariff barriers (NTBs), clear and transparent rules of origin also need to be in place. Simple removal of tariff barriers would not bring about the above-stated gains from regional integration unless they are pursued by policy measures aimed at reducing costs of trade from rent-seeking practices, the lack of adequate infrastructure, lengthy border administration and duplication of procedures. Regional efforts towards developing infrastructure and reducing the NTBs are, therefore, imperative to successful integration.

Further, both foreign direct investment (FDI) and cross-border regional investment activities and opportunities expected from an FTA can only be enhanced if trade facilitation measures reducing barriers to trade, a stable and predictable trade policy environment and the removal of restrictions on competition among firms within the region are in place. In addition, measures to protect FDI through broader property rights and special regional arbitration courts can provide incentives for investors seeking higher profits but are naturally risk adverse.

The establishment of optimum-size industrial and service projects—constrained by the limited size of individual country markets—could be facilitated by the adoption of appropriate trade and macroeconomic policy regimes promoting regional integration activities. For example, the economies of most African countries are individually too small to support a viable steel project, widely recognized as pivotal in any meaningful industrialization drive. A stable investment climate, transport and communication infrastructure and sound (and coordinated) regional economic policy could provide adequate incentives for large-scale investment in manufacturing and service projects across borders which would greatly benefit from economies of scale.

Regional integration is likely to improve efficiency as a result of competitive pressures among rival firms in the community. One of the major obstacles for production efficiency in most African countries is that the industrial landscape is dotted with monopolies and oligopolistic market structures. Quite often, inefficient national enterprises (including government monopolies) reap abnormal profits from year to year because they are either protected by government legislation or there are no credible rivals in the industry. Adopting and enforcing regional competition rules throughout an FTA would generate and enhance an atmosphere of free competition, supporting an efficient industrial structure.

Intra-African trade expansion is expected to generate faster growth and income convergence within the community. Regional market integration at the REC level would lead to the emergence of regional growth poles capable of generating sufficient positive externalities to the less developed member States of the FTA. As production structures are diversified away from primary products, the long-term dependence of African countries on the developed market economies for manufactures is expected to weaken. The existing structure of commodity specialization in Africa has placed the continent at a long-term disadvantage not only on the grounds of cumulative terms-of-trade losses but also in terms of loss of continental self-esteem and growth. Regional integration arrangements could provide a more conducive environment for industrial diversification and regional complementarities than is currently viable under the existing individual country approach to development. They could also provide an excellent opportunity and platform for dialogue, conflict resolution and the achievement of peace and security.

While there is a general consensus on the expected benefits of an African Continental FTA (C-FTA), the following challenges could hinder the continent's efforts in adhering to their commitments and derail the process of integration.

First, a collective financial pool is needed to address inequality in the distribution of gains from the C-FTA. Therefore, financing by members could provide compensation and adjustment costs arising from revenue and income losses expected to be incurred by members as a result of the continental FTA. Because African countries are financially weak, undertaking such investments will pose challenges.

Second, establishing a continental agreement requires huge financial resources to facilitate the development of competent institutions and complementary infrastructure.

This includes financing trade-related infrastructure such as roads, water ways, airways and information and communication technology. Capacity-building and developing the necessary knowledge base are also required to run the institutions of integration at national, regional and continental levels.

Third, there is the potential for conflicts of interest among members stemming from lack of serious commitment to C-FTA protocols. The commitment to integration varies across countries. Some countries have undertaken no liberalization within their respective RECs. And if they cannot commit to a smaller FTA, how will they commit to a C-FTA? The reluctance to liberalize their borders to trade is a common concern and may only be overcome if the gains from such liberalization are shared.

In sum, the objectives behind Africa's envisaged C-FTA should rise above merely economic considerations and give due attention to areas of cooperation in the fields of cross-border infrastructure, investment and private sector development, to capture the dynamic benefits of integration. The C-FTA has the potential to group the population and create the economic size critical for both static and dynamic gains of large-scale integration to come into effect.

Africa's stride towards a C-FTA could succeed in attaining the benefits outlined in this summary only if individual states display the strong commitment required to implement agreed parameters and the inequitable distribution of the gains and losses of integration are addressed. The tripartite COMESA-EAC-SADC initiative is an encouraging move in that direction.

What an African Continental Free Trade Area can offer

An African C-FTA would expand trade flows among African countries because it addresses most of the constraints mentioned earlier. It would add up to USD 33.8 billion (51.1 per cent) to the baseline in 2022. Imports of African countries from the rest of the world would come down by USD 10 billion, well compensated by the significant projected increase in intra-African trade.

Africa's exports of agricultural and food products—particularly wheat, cereals, raw sugar (sugar cane and sugar beet) and processed food (meat, sugar and other food products)—would benefit most from the C-FTA. These are products in which African economies have comparative advantages and that are sometimes highly protected by some countries in the region. Under the C-FTA, Africa's export volumes of agricultural and food products would increase by 7.9 per cent (or USD 4.2 billion) in 2022. Africa's export volumes of industrial products—particularly textiles, wearing apparel, leather products, petroleum coal products, mineral and metal products and other manufactured products would increase by 4.7 per cent (or USD 21.1 billion). These increases in trade are anticipated to translate into income gains.

Complementary trade facilitation measures could substantially increase these gains. It is assumed here that customs procedures and port handling become twice as efficient, enhancing trade more than FTAs based solely on tariff elimination. As a result, Africa's export volumes to the world would be 6.1 per cent higher under the Continental FTA. Intra-African trade also increases by 6.4 per cent under the C-FTA relative to the scenarios under the separate FTAs. This corresponds to a doubling of intra-African trade compared to the baseline of a C-FTA not being established. Similarly, Africa's real income would improve by an additional percentage point annually whatever the trade policy considered, when coupled with faster customs procedures and port handling. Therefore, despite a general assumption that FTAs in developing countries have the tendency to divert trade and produce limited gains, the results of our empirical analysis make it amply clear that a C- FTA has the potential to produce net economic gains for Africa as a whole.

Summing up, the elimination of high tariff barriers prevalent across Africa through a C-FTA would enhance intra-African trade and generate growth in real income. These economic gains are expected to be significantly higher if

complemented by additional trade facilitation measures aimed at reducing the cost of administrative and customs procedures, improving port handling and developing infrastructure.

Some guidelines for fast-tracking an African Continental Free Trade Area

The general objective of establishing the C-FTA is the creation of a single market with free movement of goods and services as a way of promoting social and economic development in Africa. The C-FTA will broaden and deepen the opportunities available to exporters by removing and reducing barriers to trade and investment. It will also establish frameworks for trade and investment linkages to evolve and expand. And it will bolster intraregional trade by creating a wider market, increasing investment flows, enhancing competitiveness and developing cross-regional infrastructure.

The C-FTA must also adopt the WTO principle of most-favoured nation (MFN) treatment, which forbids any member from discriminating against other members. The other WTO principle of national treatment would also be a provision of the C-FTA Protocol to ensure that products imported from other C-FTA member States are not subjected to unfair national treatment by the importing member State.

Fast-tracking the establishment of the African C-FTA also requires building on the experiences and structures of the existing RECs' FTAs, and this should form the basis for establishing the principles, objectives and provisions of the protocol, sequencing and institutions. The AU Summit agreement would conclude negotiation and launch the C-FTA within eight years by 2017. A number of more specific steps will have to be taken as integral parts of the negotiating process. Particularly, the negotiations of the C-FTA could consider the following phases:

- The first phase will cover liberalization of trade in goods. This will include tariff reduction or elimination, creation of simple and transparent rules of origin, dispute resolution and arbitration, simplification of administrative, transit and customs procedures and in general the reduction of NTBs through trade facilitation measures. Security and protection for cross-border goods would also be an important component.
- The second phase could focus on liberalizing trade in services and in a parallel track, the free movement of persons.
- A third phase could address accompanying measures on intellectual property rights, competition policy and investments.

Movement of persons and labour and right of establishment

Free movement of persons, rights of residence and establishment is one of the founding principles of the African leaders, as stipulated in Chapter 6 of the Abuja Treaty. Free movement of persons also represents one of the most important rights of individuals under national common law.

Free movement of persons underpins all other pillars of an African common market because it is critical for the supply of services, the right of establishment and the movement of capital. It requires the removal of barriers such as visa requirements, which restrict the movement of people across national borders. Full transition to mobility of workers among African countries remains one of the most contentious issues for African leaders due to security, unemployment and other reasons.

Some innovative approaches are being implemented in the UMA region such as guaranteeing freedom of establishment and investment capital, in accordance with the laws and regulations in place, freedom to transfer foreign capital, the ability to transfer professional income of foreign employees and equal treatment of nationals and

foreign individuals and legal entities. The free movement of persons and the rights of residence and establishment within UEMOA are for instance fully harmonized with ECOWAS, including a common passport.

There are still some problems with the right of establishment and residence in a number of RECs. Restrictions to the right of establishment have not been completely clarified under the member States' national laws. In some RECs, a number of services are still closed or limited. In some countries, foreign investment in the telecommunications sector is limited. In some countries, non-citizens are not allowed to trade outside large cities, and the hospitality industry is limited for foreign participation. There are also restrictions on the movement of capital.

Overall, the African regional organizations have taken steps to facilitate short-term stays in member countries, but the establishment of large economic unions within which citizens could move and work freely remains a long-term goal. Various articles in the REC protocols presuppose that every community citizen who is a migrant worker must either be gainfully employed in the formal sector of the member State before they qualify to apply for the right of residence or must have a business formally registered in accordance with the member State's national law.

To facilitate free movement of labour, work permits need to be facilitated for community citizens irrespective of skills. National governments should also revise national employment codes in line with REC protocols and ensure that the rights of migrant workers in host countries are protected. There is a need to harmonize national laws that conflict with regional and subregional treaties, and to address the rights of residence and establishment of migrants. This requires modifying domestic laws, statutory instruments and administrative practices, and aligning national political interests to long-term regional goals and ambitions, which may not be seen as priority by some member States.

African RECs are still behind in their programmes to open borders and customs red-tape prevails. The innovation of a one-stop border post (OSBP) such as the Chirundu OSBP between Zambia and Zimbabwe needs to be expanded. Member States need to expedite the process of providing identity documents, travel certificates and health certificates to community citizens resident in their territories. To improve community information flows, the border information centres between Ghana and Togo, and the planned centre between Mali and Senegal, are welcome developments designed to support the private sector, reduce supply-chain costs for exporters and increase national governments' competitiveness for creating jobs and reducing poverty.

African RECs should, as a matter of urgency, activate the functioning of national protocol monitoring committees and facilitate the coordination of their activities with the Secretariat of their respective RECs. This should result in the harmonization of regulations, implementation procedures and guidelines and other measures to give effect to the free movement of people in the particular region.

Movements of goods and services in Africa

Against the backdrop of global financial and economic crisis in the traditional developed markets and the stalemate in WTO negotiations, regional trade integration has emerged as a formidable instrument for sustaining current economic growth across Africa and a cushion against the effects of the global financial and economic crisis. Increasing intra-African trade and building African markets through increased trade integration can be a launch pad for enhancing African competitiveness and its meaningful participation in the world economy.

There is great potential and diversity of opportunities available in all African countries in such areas as agriculture and agri-business, mining, energy generation, transportation, construction and many other industries. Most African countries are still importing the same products Africa is exporting to the rest of the world. Thus, vast trade and investment opportunities exist in most product and services groups which are yet to be exploited within regions.

Taking in to consideration the importance of trade in general and intraregional trade in particular, many African countries have taken measures to ease the movement of goods and services within their respective RECs. Many are signatories to the existing bilateral and regional agreements to reduce and eliminate tariff and non-tariff barriers to trade. RECs have started a gradual tariff phase-down but implementation by members is at varying speeds. Despite the encouraging commitments to this end, intraregional trade remains weak, and much needs to be done to eliminate non-tariff barriers through trade facilitation schemes.

Infrastructure development is an integral part of trade facilitation and a priority for most RECs. Accordingly, all of them have comprehensive policy and frameworks on the development of regional inter-REC cross-border transport, ICT connections, water and transport development and power supply coordination. The lack of adequate financial resources restrains efforts by most countries to improve cross-border infrastructure. Infrastructural projects by their nature cut across a number of countries, so policy coordination is required across the RECs for effective implementation. An African C-FTA could support such efforts by pooling resources for financing cross-border infrastructure development.

Movement of investment and capital in Africa

Attracting external resources provides an incentive for countries to strengthen economic links among themselves and to take other steps to enhance intraregional financial flows. Already, a few of the regional groupings have protocols or agreements encouraging and facilitating cross-border movement of investments and capital. In addition, national economic policies have been improved to attract private capital and investments. African domestic and regional markets are not only relatively unexploited but are also expected to grow at a reasonably high rate compared with those of other developing regions.

Global flows to Africa have increased rapidly since the 1990s for all types of private investment and capital, reflecting abundant credit in developed countries and greater global financial integration. Net private capital flows to sub-Saharan Africa increased more than sixfold from an average of USD 3.4 billion in 2000–02 to USD 21.7 billion in 2010, with inflows growing much faster than outflows. In fact, private capital inflows increased fivefold between 2000 and 2007, overtaking official development assistance flows in 2006. Debt-creating flows (bank and other private capital) declined in favour of rising portfolio equity and FDI.

The bulk of the FDI inflows in the last decade went to Nigeria (29 per cent) and South Africa (18 per cent), which have substantial locational advantages, and most portfolio inflows went to South Africa (88 per cent), where the capital market is highly developed. Ghana, Kenya, Tanzania, Uganda and Zambia, which have also made impressive progress in economic and financial sector reforms, also saw substantial increases in investment, with very high foreign holdings of domestic public debt in Ghana and Zambia. But about a third of African countries have not benefited from the boom in private capital flows, as they lose out to other countries in their regions.

Among developing regions, Africa has the smallest stock of outward FDI, concentrated in only five countries—Egypt, Liberia, Morocco, Nigeria and South Africa—that together accounted for more than 90 per cent of Africa's outward stock of USD 73 billion in 2007. South Africa has been by far the most important African source of FDI, albeit with three-quarters of its outward FDI in developed countries.

The picture for intra-African investment and capital flows, however, is largely unavailable. Data issues for these flows are huge, and it is almost impossible to assess their scale, scope and significance, very few African countries, compiles data on them systematically.

Over the years, the share of intra-African FDI in Africa has not risen significantly, but it fluctuates widely. Intra-African FDI flows were estimated at USD 2 billion annually during 2002–04 and, while they fell to USD 1.6 billion during 2005–07 (only about 13 per cent and 4 per

cent, respectively, of total FDI inflows in Africa), they are estimated to have recovered to levels slightly higher than a decade ago. Intraregional investment in Africa is mostly concentrated in four major sectors. These are mining, quarrying and petroleum; finance; business services; and transport, storage and communication. Lack of investment in the other sectors could partly be explained by the small country markets and lack of strong commitments to the existing integration arrangements. In this regard, in deepening and enlarging regional integration arrangements through the establishment of the C-FTA, Africa could further encourage intraregional investment flows and create new opportunities for exports within the unified continental market.

The bulk of intra-African FDI also goes to finance mergers and acquisitions (M&As) rather than greenfield investments. The share of Africa in total cross-border M&As sales in Africa ranges from 20 per cent to nearly 60 per cent, while in greenfield investments the share is much lower in each industry. This suggests that greenfield investments, still a typical mode of investments in Africa, are financed mainly by FDI from non-African countries. But it also points to the fact that intra-African FDI should be attractive to countries privatizing state firms or seeking to increase exportable output from existing firms.

The surge in investment and capital flows to Africa and intraregional investments, partly reflects several positive steps that African countries have taken to enhance the "pull factors" or geographical advantages—regional investment arrangements and bilateral investment treaties, macroeconomic reforms, financial sector development and the business climate. But in many cases the regional investment arrangements are not fully implemented because countries fail to realize their impacts. Some of the weak impacts are related to the non-compliance of the regional investment arrangements and the bilateral investment treaties. But others are related to complementary actions that have not been implemented and that are necessary for a conducive investment environment.

Rationalizing the international investment arrangements. Despite their perceived benefits, the proliferation and overlapping of international investment arrangements make it difficult for countries in specific regional groupings to harmonize their investment policies and benefit from deepening regional integration. There is need to consider consolidating the existing arrangements in the context of ongoing harmonization arrangements to disentangle the "spaghetti bowl" of African regional integration. While launching customs unions would provide the opportunity to do that, countries could in the interim take specific steps to rationalize current arrangements by incorporating existing investment protocols in FTA agreements. Further actions would involve terminating the signing of bilateral investment treaties among countries in the same grouping, as they would become redundant in the presence of regional investment arrangements, adopting a regional approach to negotiations with third States and gradually transferring negotiating power to the regional groupings. Finally, at the regional levels, business climate reforms could also be embedded in the regional investment agreements to enhance credibility, improve harmonization of rules and standards and address possible contagion and spillovers.

Improving macroeconomic performance and harmonizing policies. Many African countries have made significant progress towards stabilizing their macroeconomic environment. Maintaining and improving performance in this area would require building institutions for, and enhancing transparency in, macroeconomic policymaking and management to reduce inefficiencies and risks in the macroeconomic environment. At the regional level, countries would also need to enhance economic policy harmonization.

Enhancing regional financial and capital market development and integration. Financial development and regional integration should be considered not as sequential but as simultaneous processes. An ultimate objective of regional financial integration is to facilitate financing of larger trade and service transactions among the member countries of the region. Having a formal FTA, or customs union, that does away with tariff and non-tariff barriers will increase the attractiveness of the region for FDI and other capital flows. Proactive actions to integrate the financial markets are also very necessary, as market forces alone cannot ensure that financial integration will occur at a pace or in a form that meets the requirements of increasing trade and investment flows.

Improving the business environment. Improving the investment climate would require tackling, at both national and regional levels, three elements important for entrepreneurs, including cross-border investors: *costs* (both monetary and time or processing delay costs associated with weak contract enforcement, inadequate infrastructure, crime, corruption and regulation); *risks* (especially as linked to unstable and insecure environment, including for protection of property rights, policy uncertainty, macroeconomic instability and arbitrary regulation; and *barriers to competition facing firms* (especially the regulation of market entry and exit, and government responses to anticompetitive behavior by firms). Tackling these issues require governments to balance the preferences of investors with those of society, especially in the area of taxes and regulations, and to tackle some basic issues.

In addition to finance, the basics include measures in three areas:

- *Improving the stability and security of property rights.* This requires governments to take measures in verifying rights to land and other property, facilitating contract enforcement, reducing crime and ending uncompensated expropriation of property.

- *Regulation and taxation.* Too often, governments pursue taxation and regulatory approaches that fail to achieve the intended objectives because of widespread informality—yet harm the investment climate by imposing unnecessary costs and delays, inviting corruption, increasing uncertainty and risk and creating unjustified barriers to competition. The key is to strike a better balance between market failures and government failures by enhancing transparency. And while many African countries have pursued customs reforms to reduce barriers to international trade and investment flows in recent years, there is need to address non-tariff barriers, including improving customs administration and exploiting information technologies to reduce delays and corruption that are so much of concern to investors.

- *Improving labour markets.* A skilled workforce is essential for firms to adopt new and more productive technologies. Apart from the general need for governments to lead in making education more inclusive and relevant to the skill needs of firms, many countries need to improve labour market policies to encourage wage adaptability, to ensure workplace regulations reflect a good institutional fit and to strike a reasonable balance between workers' preference for employment stability and firms' need to adjust the work force.

At the regional levels, business climate reforms could also be embedded in the regional investment agreements to enhance credibility, improve harmonization of rules and standards and address possible contagion and spillovers.

Conclusion

In conclusion, it is now widely acknowledged that the socio-economic and political gains from regional integration in general and the CFTA in particular are significant. Despite this general consensus on the need for stronger and deeper integration arrangement, the continent's determination to overcome the barriers to integration, are on the right track, but efforts need to be intensified. It has now become amply clear that the response to these challenges requires a collective approach with a deeper and a continental effort to integration. This implies bringing the 54 separate economies on the continent into a more coherent and large economic and market space making common use of complementarities and resources to create stronger and more viable economies. It is in this respect that there has been a concerted level of political will and commitment displayed by African leaders to regional integration and tangible changes have taken place on the ground. As a result, the envisaged Continental FTA seems increasingly within reach.

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