



UNITED NATIONS

ECONOMIC COMMISSION FOR AFRICA

Distr.: GENERAL

E/ECA/CTRCI/6/2

20 June 2009

Original: English

Sixth Session of the Committee on Trade,
Regional Cooperation and Integration

13-15 October 2009
Addis Ababa, Ethiopia

Continental integration agenda -- state of play

A. Introduction

1. In the last two decades, African leaders have rekindled their goal of building a strong, united and fully integrated Africa underpinned by political, economic, social and cultural integration. The 1980 Lagos Plan of Action (LPA) of the Organization of African Unity (OAU) emphasizes a greater need for a pan-African programme of economic cooperation and integration. The 1991 Abuja Treaty lays down the framework for the establishment of the African Economic Community (AEC) by 2034. The Constitutive Act of 2000, which formed the basis for the transformation of the Organization of African Unity (OAU) into the African Union (AU), demands that the continent go beyond economic integration to create a political union.

The imperative for a strong and united Africa is based on the view that economic synergy is enhanced by integration, because the economic advantage of a whole regional community is greater than the sum of the economic advantages of its separate member States. The need for deeper integration on the continent is also justified by, among other things, the new world economic order, with the formation of regional blocks across continents, borderless globalization, advances in information and communications technology, and multilateral trade negotiations under the World Trade Organization (WTO). Furthermore, the enlargement of national markets and harmonization of regulatory frameworks will help create an environment conducive to profitable investments in the continent.

2. This is why regional integration is a key pillar of the activities and programmes of both the African Union Commission (AU Commission) and the Economic Commission for Africa (ECA). The mandate of the AU Commission to pursue activities and programmes on regional integration, which is summarized in its new Strategic Vision is derived from the Constitutive Act establishing the African Union, the Sirte Declaration of 9.9.99, the Abuja Treaty, and the Lagos Plan of Action.

3. Since its inception in 1958, ECA has focussed on promoting and strengthening the continental regional integration agenda. This was reconfirmed with the renewed mandate given to ECA by the African Union Summit of Heads of State and Government in 2006, in Banjul, the Gambia. In this regard, ECA has tailored its programmes and activities to fully support the African Union's efforts to accelerate the political and socio-economic integration of the continent, promote and defend African common positions, and establish the necessary conditions for the continent to play its rightful role in the global economy. ECA, in collaboration with the AU Commission and the African Development Bank (AfDB), has been promoting dialogue and undertaking analytical studies in the area of regional integration. Furthermore, ECA has been providing technical assistance to institutions driving the regional integration agenda, including the regional economic communities (RECs), and has increased its involvement in trans-boundary initiatives and activities in sectors vital to the regional integration agenda.

4. The purpose of this note is to provide the *Conference of African Ministers of Finance, Planning and Economic Development* with a progress report on Africa's regional integration initiatives and to seek their support for the AU Commission and ECA to undertake their planned programmes and activities on regional integration. Given the strategic importance of regional integration in the socio-economic development of the continent, the Ministers should be fully informed about important activities on regional integration.

B. Thirteenth Ordinary Session of the Assembly of the African Union

5. The Thirteenth Ordinary Session of the Assembly of Heads of State and Government of the African Union was held in Sirte, Great Socialist People's Libyan Arab Jamahiriya from 1 to 3 July 2009, under the theme: *Investing in Agriculture for Economic Growth and Food Security*. The Heads of State and Government also continued to deliberate on the Union Government for Africa, focussing on the framework for the transformation of the African Union Commission into an Authority. They also considered the integration of the NEPAD secretariat into the African Union Commission. Among the major decisions made by the Assembly are the following:

Transformation of the African Union Commission into the African Union Authority

The Assembly,

1. Took note of the conclusions of the Twelfth Extraordinary Session of the Executive Council on the modalities for the implementation of decision Assembly/AU/Dec.233 (XIII) on the transformation of the African Union Commission into the African Union Authority;
2. Endorsed the said recommendations as amended and adopted by the Thirteenth Ordinary Session of the Assembly in Sirte, Libyan Arab Jamahiriya;
3. Requested the AU Commission to take all necessary measures to prepare the following:
 - i. the legal instruments for amendments to the Constitutive Act, the Rules of Procedure of the Assembly, the Executive Council, the Peace and Security Council, the Permanent Representatives Committee (PRC), and the statutes of the Commission related to the creation of the African Union (AU) Authority, and, in that regard, requested the Commission to convene a meeting of government experts to consider them;
 - ii. the structure of the new AU Authority, taking into account the mandate given to the Authority, in collaboration with the PRC;
 - iii. the financial implications of the transformation of the Commission into the AU Authority, in collaboration with the PRC.
4. Further requested the Commission to report on the implementation of that decision and to submit the necessary legal instruments to the Assembly through the Executive Council at its ordinary session of June/July 2010 for consideration, adoption and subsequent ratification by member States, and in that regard authorized the expenditures for the necessary actions from arrears of contributions.

The report of the Heads of State and Government Implementation Committee on NEPAD

The Assembly,

1. Took note with appreciation of the report by the Chairperson of the New Partnership for Africa's Development (NEPAD) Heads of State and Government Implementation

Committee (HSGIC), H.E. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia;

2. Endorsed the conclusions of the Twenty-First NEPAD HSGIC Summit;
3. Commended the review of the African Union (AU)/NEPAD Action Plan 2010-2015 undertaken jointly by the AU Commission, the NEPAD secretariat, the African Development Bank and the United Nations Economic Commission for Africa, and endorsed the flagship programmes and projects outlined in the Plan as a means of advancing regional and continental integration;
4. Took note of Africa's preparations and engagement with G8 partners towards the G8/Africa Outreach scheduled for L'Aquila, Italy on 9 and 10 July 2009, including the programme for the L'Aquila Summit provided to guide the participation of African leaders and the four thematic areas for discussion;
5. Welcomed progress made in the dialogue between the G8 African representatives and the African side towards ensuring appropriate follow-up and implementation of G8 Summit decisions on Africa and urged the continuation of that dialogue for future G8 Summits, along with concrete concerns identified by Africa, through such systematic approach;
6. Took note of the efforts to reform the Africa Partnership Forum (APF) and urged stronger commitment by development partners to making APF more effective and responsive to African concerns and interests.

AU Commission Strategic Plan 2009 - 2012

6. The AU Commission presented its Strategic Plan for 2009-2012 to the Assembly. The Plan consists of four parts: strategic direction; strategic pillars; implementation strategy, monitoring and evaluation; estimated budget and implementation matrix. Part 1 sets out the strategic direction and defines the vision of the African Union, the mission and core values of the AU Commission and stakeholder expectations, and presents an assessment of the external and internal environment and a strengths, weaknesses, opportunities and threats (SWOT) analysis. Part 2 focuses on the strategic pillars that have been drawn from the Commission's mandate, mission, stakeholder expectations, assessment of the external and internal environment and SWOT analysis. The Commission has identified four broad intervention areas or strategic pillars around which its core business will be organized and resources to be applied for the realization of expected results. The pillars are:

1. Peace and Security
2. Integration, Development and Cooperation
3. Shared Values
4. Institution and Capacity-building.

7. Part 3 covers the implementation strategy, monitoring and evaluation. Part 4 relates to the estimated budget and the implementation matrix. It is estimated that for the period 2009- 2012, the Commission will require a total of US\$784 million, or an average of US\$196 million per year. While member States will provide a substantial amount of these resources, the Commission intends to mobilize additional financial resources from development and strategic partners. The estimated expenditure per pillar for the four years of the Plan is as follows:

- Pillar 1: US\$144 million
- Pillar 2: US\$430 million
- Pillar 3: US\$82 million
- Pillar 4: US\$128 million

8. The Assembly in the end,

1. Endorsed the recommendations of the Executive Council as contained in its Decision EX.CL./Dec. 481(XIV) adopted at its Fifteenth Ordinary Session in Sirte, Libyan Arab Jamahiriya in June 2009;
2. Adopted the Strategic Plan 2009-2012;
3. Requested the Commission and the other organs, in collaboration with member States, the regional economic communities as well as key partners and stakeholders, including civil society and the private sector, to work in synergy in order to implement the Strategic Plan 2009-2012;
4. Requested the Commission to draw up appropriate support structures, programmes, projects and budgets to ensure efficient and effective implementation of the Strategic Plan 2009-2012.

C. Fourth Conference of African Ministers in Charge of Integration (COMAI)

9. The fourth Conference of African Ministers in Charge of Integration (COMAI IV) was held in Yaoundé, Cameroon, from 7 to 8 May 2009, preceded by a meeting of experts from 4 to 5 May 2009. The theme for the conference was *Partnerships and Integration in Africa*. The AU Commission also met with the RECs on 2 May 2009 to discuss the Minimum Integration Programme (MIP).

10. The Ministers exchanged views on a number of topics geared towards the advancement of the continental integration agenda. The Ministers also received reports from the African Union Commission on (i) the status of integration in Africa, (ii) the Minimum Integration Programme (MIP), and partnerships and regional integration.

11. On the status of regional integration, the meeting was informed that African regional economic communities (RECs) have made a lot strides in the quest for full integration of the continent. However, there remain substantial gaps between their achievements and their mandates.

12. The meeting was informed that the Minimum Integration Programme is composed of a variety of activities on which the RECs will reach agreement so as to speed up and bring to fruition the process of regional and continental integration. The MIP includes achievable objectives according to the AU Strategic Plan (four years), and will be implemented by the RECs, member States and the African Union Commission, in collaboration with Africa's various development partners.

13. The priority sectors selected by the RECs under the first phase of the MIP (2009-2012) are as follows: free movement of persons, goods, services and capital; peace and security; infrastructure and energy; agriculture; trade; industry; investment; and statistics. The MIP is expected to be implemented in phases, with the first phase focussing on:

- Gradual elimination of tariff and non-tariff barriers in all the RECs as well as simplification and harmonization of rules of origin;
- Free movement of persons, capital and goods within regions;
- Prevention, conflict resolution and post-conflict development in Africa;
- Implementation of the Programme for Infrastructural Development in Africa (PIDA);
- Acceleration of the implementation of the Comprehensive Africa Agriculture Development Programme (CAADP);
- Capacity-building for the RECs, the AU Commission and member States

14. The Ministers also discussed the implications of the various partnerships between Africa and other continents and entities. At the end of their deliberations, the Ministers :

- Noted Africa's need to examine and rationalize its approach to its partnership engagements. To this end, the AU Commission should finalize the study on the evaluation of existing partnerships to determine their impact on the socio-economic development of the continent and the integration process.
- Requested the AU Commission to create a structure dedicated to the coordination of partnerships.
- Requested member States to respect the Banjul Decision on Engagement with External Partners.
- Noted the need for the partnerships to be aligned with the AU/NEPAD development programmes.

15. The Ministers also made a number of recommendations which were contained in a Ministerial Declaration, for the consideration of the next Summit of the African Union in July 2009.

The Ministers:

- i. Commended the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC) for their efforts to create a single free trade area (FTA) and requested other RECs to emulate them so as to give impetus to their own integration efforts;
- ii. Commended the efforts and various initiatives made by member States and the RECs to enhance the integration process;
- iii. Urged each REC, in addition to the periodic reports presented at meetings of their Coordination Committees provided for by the Protocol on Relations between AU and RECs, to submit, at the end of March every year, a report on the implementation of the COMAI recommendations;

- iv. Urged the AU Commission to transmit the COMAI recommendations to member States, the RECs and stakeholders one month after their endorsement by the Assembly of the Union;
- v. Adopted the Minimum Integration Programme (MIP) as a framework for the integration process at the continental level, in line with the strategic framework of the AU Commission;
- vi. Urged the AU Commission, in collaboration with member States, the RECs, AfDB and ECA, to work out the practical modalities for enhancing the progress already made in the preparation of the MIP as well as its gradual and sequential implementation per priority sector;
- vii. Called upon all member States to comply with the COMAI recommendations by requesting the exemption of all holders of African diplomatic and service passports from visa requirements, and gradually extending this privilege to all African nationals;
- viii. Urged member States to enhance the security features of their national passports;
- ix. Called upon member States to strengthen intra-African cooperation and solidarity in their engagement with partners;
- x. Called upon member States, the RECs and the AU Commission to ensure Africa's development and regional and continental integration interests are secured in all strategic partnership arrangements; and
- xi. Requested the AU Commission, in collaboration with the RECs and member States, to work out a common strategy for engagement with partners, in conformity with the objectives and programmes of AU/NEPAD.

16. It should be noted that the AU Executive Council, in June 2009 in Sirte, endorsed the recommendations of COMAI IV and requested member States and the regional economic communities to implement them in collaboration with partners. The Council also requested member States, the RECs and partner organizations to integrate the Minimum Integration Programme (MIP) into their various development plans and/or activity programmes.

D. Recent major decisions by the RECs

17. Since the last Conference, a number of RECs have taken important decisions that seek to accelerate and deepen regional integration in the subregions. Most of the decisions are aimed at furthering the process of integration in Africa which began with the creation of the Organization of African Unity (OAU) following the independence of African States. Furthermore, the decisions of the RECs are aligned with the frameworks of the Lagos Plan of Action and Final Act, the Abuja Treaty, the Sirte Declaration, the Constitutive Act establishing the African Union (AU), the New Partnership for Africa's Development (NEPAD), and the Accra Declaration on the Union Government.

SADC-COMESA-EAC Joint Tripartite Summit

18. The first COMESA-EAC-SADC Tripartite Summit was held in Kampala, Uganda from 18 to 22 October 2008. The meeting was jointly organized by the COMESA-EAC-SADC Tripartite Taskforce and the Government of Uganda. Its main objective was to review and agree on a programme of harmonization of trading arrangements amongst the three RECs; free movement of people; joint implementation of inter-regional infrastructure programmes as well as institutional arrangements to foster cooperation among the three RECs, given the challenges of multiple memberships.

5. In the ensuing deliberations, the Summit underscored that since the three RECs had all launched FTAs, a wider FTA was a logical step towards greater regional integration. Moreover, the pan-regional FTA should contribute to the realization of the goals of continental integration, alleviation of poverty, and wealth creation on the continent.

20. At the end of its deliberations, the Summit issued a communiqué in which it:

- i. Resolved that the three RECs should immediately start working towards a merger into a single REC with the objective of fast-tracking the establishment of the African Economic Community. In this regard, a taskforce was directed to develop a roadmap for the implementation of this merger, for consideration at its next meeting.
- ii. Approved the expeditious establishment of a free trade area encompassing the member/partner States of the three RECs with the ultimate goal of establishing a single customs union;
- iii. Directed the Chairpersons of the Councils of Ministers of the three RECs to speed up the development of joint programmes that enhance cooperation and coordination in industrial and competition policies, financial and payments systems, development of capital markets and commodity exchanges;
- iv. Directed the Chairpersons of the Councils of Ministers of the three RECs to, where possible, ensure that the secretariats participate, coordinate and harmonize positions on the Economic Partnership Agreements negotiations and other multilateral negotiations, including the WTO Doha Development Round Negotiations;
- v. Launched the Joint Competition Authority (JCA) on Air Transport Liberalization which will oversee the full implementation of the Yamoussoukro Decision on Air Transport in the three RECs commencing in January 2009;
- vi. Directed the three RECs to effectively coordinate and harmonize within one year (a) their regional transport master plans, and (b) their regional energy priority investment plans and energy master plans;
- vii. Directed the three RECs to develop joint financing and implementation mechanisms for infrastructure development within one year.

EAC

21. The tenth Summit of the East African Community (EAC) was held in Arusha, Tanzania on 29 April 2009, under the chairmanship of H.E. President Paul Kagame.

22. The Summit received a progress report from the Council of Ministers covering the period July 2008 to April 2009 and noted the steady progress made in the Community, in particular the consolidation of its customs union; the progress in the negotiations of the common market protocol; and the concretization of various regional projects and programmes in infrastructure development. The communiqué issued at the end of the Summit contained, among others, the following:

- The Summit considered the report on the progress of the EAC common market negotiations and took note of the advanced stage the negotiations had reached. The Summit directed that the annexes as well as the sections on scope and common tariff policies be finalized as soon as possible to enable the protocol to be signed in November 2009.
- The Summit further observed as follows:
 - The draft protocol on the common market shall not contain provisions which seek to give authority to override national policies and laws;
 - On the draft protocol's provisions relating to the right of establishment and permanent residence, the granting of related rights to access to land and establishment should not be automatic but should lay a basis for eligibility;
 - Identity cards shall not constitute an acceptable travel document within EAC. However, partner States that are ready to use identity cards as a travel document on a bilateral basis may do so;
 - The draft protocol on the common market shall ensure full protection of cross-border investments within the Community.
- The Summit directed the Council of Ministers to review the reports of the national consultative process on fast-tracking of the political federation conducted in Rwanda and Burundi and to submit concrete recommendations to the Summit at its sitting in November 2009 on the way forward.
- The Summit received a report from the Council of Ministers relating to a proposal on the establishment of an African Union Government and the transformation of the African Union Commission into the African Union Authority. The Summit stated that the establishment of the African Union Government should be gradual and that the regional economic communities should be strengthened as building blocks towards the realization of continental political integration.
- The Summit further observed that the option of retaining the current number of AU Commission executives, rationalizing their portfolios and changing their titles from AU Commission Chairperson, Vice-Chairperson and Commissioners to those of AU Authority President, Vice-President and Secretaries should be adopted.

SADC

23. The Summit of Heads of State and Government of the Southern African Development Community (SADC) was held in Sandton, Republic of South Africa from 16 to 17 August 2008. The Summit discussed matters of interest to the subregion, in particular the deepening of integration in the Community. The decisions reached at the end of the Summit included the following:

The Summit:

- Launched the SADC Free Trade Area (FTA), which is the first milestone in the regional economic integration agenda.
- Called for the acceleration of the subregional integration agenda through the development of a programme of cooperation aimed at expanding subregional production capacity by establishing and rehabilitating subregional infrastructure to facilitate the efficient movement of goods and people in a more open subregional economy.
- Emphasised the need for full implementation of the SADC Protocol on Trade in order to ensure that the FTA is sustainable and the envisaged customs union in SADC is attainable.
- Reviewed the progress report of the Ministerial Task Force on Food Security and adopted various measures aimed at enhancing subregional food security, including increasing investments and budgetary allocations for food production and the establishment of a subregional food reserve facility.
- Welcomed the initiatives currently under way to mitigate the negative consequences of the shortage and high prices of energy faced by the subregion.
- Recognized that peace and democracy had been consolidated in SADC. With regard to the ongoing challenges in Zimbabwe, the Summit noted the outcomes of the Extraordinary Summit of the Organ held in the course of the Summit and reaffirmed its commitment to work with the people of Zimbabwe in order to overcome the challenges they are facing.
- Received a report from the Outgoing Chairperson of the Organ on Politics, Defence and Security Cooperation, H.E. President José Eduardo dos Santos, on the implementation of the Strategic Indicative Plan of the Organ (SIPO), with specific reference to the political and security situation in the subregion.

COMESA

24. The Authority of Heads of State and Government of the Common Market for Eastern and Southern Africa (COMESA) met from 7 to 8 June 2009 in Victoria Falls, Zimbabwe.

The Authority:

- Launched the COMESA Customs Union and adopted the COMESA Common External Tariff Structure, which is made up of four bands: 0 per cent on raw materials, 0 per cent on capital goods, 10 per cent on intermediate goods, and 25 per cent on final goods.
- Decided that the COMESA secretariat, in collaboration with the Tripartite Task Force, should organize a high-level conference for mobilization of resources for the development of the northern corridor.
- Urged member States to implement COMESA energy programmes and to cooperate in the development of energy generation and transmission infrastructure as well as in trade in energy services, in order to alleviate the current energy crisis facing the subregion.
- Called for the speedy implementation of the NEPAD Comprehensive Africa Agriculture Development Programme (CAADP), and endorsed the launch of the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) as a specialized agency of COMESA to promote the competitiveness and integration of small farmers in national, regional and international markets.
- Launched the COMESA Regional Payment and Settlement System (REPSS), which the business community can use to effect payments in their local currencies without having to route their payments through banks overseas as has traditionally been the case. REPSS brings huge benefits for the subregion in terms of reduced time and transaction costs.

ECOWAS

25. The thirty-sixth Ordinary Session of the Authority of Heads of State and Government of the Economic Community of West African States (ECOWAS) was held in Abuja, Nigeria, on 22 June 2009. The communiqué released after the session highlighted the following:

International crisis and the economic performance of West Africa

- The Heads of State and Government recognized the need to deepen the subregional integration process so as to not only counter the negative effects of the crisis, but to also provide increased opportunities for subregional growth;
- The Authority encouraged the ECOWAS Commission to continue with its efforts to establish a subregional strategy and pursue the reforms to put in place macroeconomic convergence instruments and speed up the establishment of a single monetary zone within the ECOWAS area, specifically urging member States to consolidate their structural reforms and economic and financial stabilization efforts.

Economic Partnership Agreements (EPA)

- The Authority welcomed the progress made with the negotiations in the areas of trade in goods and development cooperation related to the EPA. It recalled its commitment to

the conclusion of a balanced agreement focused on development and emphasized the need to continue with the regional approach to the negotiations.

- To ensure that both parties benefit from the EPA trade regime and the implementation of the EPA Development Programme, the Heads of State and Government directed the ECOWAS and UEMOA Commissions to step up the negotiation process so as to ensure the signature, in line with the agreed timetable, of a regional agreement that would, in the initial phase, cover trade in goods and development cooperation within the scope of the EPA.
- In this regard, they urged the chief negotiators to finalize discussions on outstanding issues, in particular the improvement of the development-oriented market access offer. They called on the European Union and its member States to demonstrate a clear commitment to the financing of the EPA Development Programme.

Common market

- The Heads of State and Government enshrined the adoption of the fifth band of 35 per cent in relation to the ECOWAS Common External Tariff. To guarantee the consolidation of the common market, the Authority urged the Commission to speed up discussions on the subregional methodology to determine what products would fall within the fifth band and their re-classification. Specifically, the Heads of State and Government called on member States to ensure the effective application of the ECOWAS Protocols on the Free Movement of Persons and Right of Residence and to put an end to all forms of harassment along corridors and borders.
- The Authority also acknowledged the efforts made to harmonize indirect taxation, in particular as regards valued added tax (VAT) and excise duties within the ECOWAS area.

Energy and transport programmes

- The Authority endorsed the idea of creating of a transport and energy development fund which would be financed from the proceeds of a levy on income generated by trade in the major products of the subregion. In this regard, the Heads of State and Government directed the ECOWAS Commission, working closely with the EBID and the Preparation and Development Unit (PPDU), to present modalities for the establishment of the Regional Infrastructure Fund.
- With a view to improving air transport services in the subregion, particularly between State capitals, the Heads of State and Government undertook to accelerate implementation of the Yamoussoukro Decision on the Liberalization of Air Transport. To this end, they instructed that an annual meeting of directors-general of civil aviation and managing directors of airlines serving the ECOWAS subregion should be institutionalized.

Agriculture policy

- The Heads of State and Government renewed their commitment to the development of the agricultural sector, specifically through the implementation of the ECOWAS

Common Agricultural Policy (ECOWAP) and the subregional offensive for the production of food and the fight against hunger.

- To ensure the success of the donor roundtable on the financing of ECOWAP, which will be organized in late 2009, the Authority urged the Commission and member States to conclude the preparation of national and subregional agricultural investment programmes. It also called on the international community to provide its support to the high-level dialogue whereby ECOWAP would become a partnership model.

Human development policies

- The Authority of Heads of State and Government adopted the Action Plan on the Fight Against Drug Trafficking, Organized Crime and Drug Abuse in West Africa. While calling on development partners for financial support, the Authority directed the Commission and member States to ensure implementation of the essential components of the Action Plan strategy.
- Furthermore, the Summit approved the ECOWAS labour policy and the subregional policy on protection and assistance to victims of human trafficking.

CEN-SAD

26. The eleventh Ordinary Session of the Conference of Leaders and Heads of State was held in Sabrata, Libya from 29 to 30 May 2009, preceded by the sixteenth Ordinary Session of the Executive Council of CEN-SAD. The theme of the Summit was *Rural Development and Food Security*.

27. The Leaders and Heads of State received various reports from sectoral ministerial meetings. The decisions made by the Conference included the following:

- The Conference urged Chad and Sudan to collaborate to combat the rebel groups operating on both sides of their border, and called for the strict adherence to the provisions of the Security Charter and the CEN-SAD Cooperation Convention on Security, the African Union Non-Aggression Pact and Joint Defence and the numerous agreements signed between the two countries.
- The Leaders and Heads of State reaffirmed their determination to combat terrorism, which remains a threat to international peace, security and stability.
- Noting that the illicit trafficking of drugs and light weapons constitutes a serious threat to peace, reconciliation, safety, security, stability and sustainable development at individual, local, national, regional and continental levels, the Conference called for the coordination of efforts at all levels to prevent, combat and eliminate the illicit trafficking of drugs and light weapons.
- The Leaders and Heads of State urged the Brother Leader Muammar Kaddafi to continue his contacts and consultations in order to come up with a common position to achieve the United States of Africa in accordance with the decision of the AU Summit of February 2009.

- The Conference reaffirmed its commitment to establish a CEN-SAD free trade area, which would be integrated into the existing trade arrangements of UEMOA, CEMAC, UMA, COMESA and ECOWAS.

AMU

28. The Arab Maghreb Union is pursuing programmes and activities aimed at strengthening integration among its five member States. The leadership has adopted a development strategy which would be implemented in four stages: a free trade zone, a customs union, a common market, and an economic union.

29. The eighth session of the Maghreb Council of Energy and Mines Ministers was held in Algiers, Algeria on 4 July 2008. The Council called for the strengthening of cooperation in the field of energy and mines. The Council also stressed the need to create an open and competitive Maghreb energy market as well as to promote cooperation in renewable energies by preserving energy, using nuclear energy for peaceful purposes, and exchanging oil products between the member States.

IGAD

30. The twelfth Ordinary Summit of the Intergovernmental Authority on Development (IGAD) was held in Addis Ababa, Ethiopia on 14 June 2008 under the chairmanship of Prime Minister Meles Zenawi of the Federal Democratic Republic of Ethiopia. The Summit reviewed the political and security situation in the region and received briefs from His Excellency Omar Hassan El-Bashir, President of the Republic of the Sudan, on the implementation of the Comprehensive Peace Agreement (CPA). The President of Somalia, H.E. Abdullahi Yusuf, also briefed the Summit on the political and security situation in Somalia and the national reconciliation efforts under way. H.E. Ismael Omar Guelleh, President of the Republic of Djibouti, briefed the Summit on the situation at the Djibouti-Eritrea border.

6. After the exchange of views, the Summit made a number of decisions, including the following:

The Summit:

- Commended the continued implementation of the CPA by the two parties of the conflict in Sudan, welcomed the holding of the national census, and encouraged the parties to continue implementing all aspects of the CPA and resolving their differences through negotiations in order not to unravel the CPA.
- Reiterated its commitment to follow closely the implementation of the CPA and in that regard called upon Ethiopia and Kenya -- the countries designated to represent the subregion -- to appoint special envoys to the Assessment and Evaluation Commission (AEC).
- Noted further with grave concern the continued conflict in Darfur, recalled the decision by the United Nations Security Council, welcomed the deployment of the hybrid force of United Nations African Mission in Darfur (UNAMID), and urged the international community to provide the necessary resources for the full deployment of the force.

- Reviewed the situation in Somalia and noted with grave concern the continued violations of human rights and international humanitarian law, and underlined the need for those responsible to be brought to justice.
- Registered its serious concern over the worsening humanitarian situation in Somalia and called on the parties and armed groups to take appropriate steps to protect the civilian population; to ensure the safety and security of the African Union Mission to Somalia (AMISOM), United Nations and humanitarian personnel; and to permit the timely, safe and unhindered access for the delivery of humanitarian assistance to those in need.
- Commended the continued role played by Uganda and Burundi troops (AMISOM) as well as the Ethiopian troops for their sacrifice to bring lasting peace and stability to Somalia; urged those countries that pledged to provide troops to AMISOM to do so without further delay; and in that connection called on the international community to provide the financial and logistical support required to complete the deployment.
- Reviewed the financial situation of the IGAD secretariat and the accumulated arrears of contribution by member States and renewed its commitment to support the organization by paying the outstanding arrears and contributions on time.

ECCAS

32. An extraordinary Summit of Heads of State and Government of the Economic Community of Central African States (ECCAS) was held in Kinshasa on 10 March 2008, under the chairmanship of H.E. Joseph Kabila Kabange, President of the Democratic Republic of the Congo.

33. The Heads of State and Government exchanged views on a number of issues affecting the subregion, and examined a report of the last Council of Ministers. The Summit made a number of resolutions, including the following:

The Heads of State and Government of member States of ECCAS:

- Condemned the resort to arms and unconstitutional means of acceding to power, expressed their solidarity with the Government and people of Chad, and called on all countries to refrain from any action or attitude that could undermine the constitutional order, security and territorial integrity of the Republic of Chad.
- Pledged their support to the President of the Republic of the Congo, His Excellency Denis Sassou Nguesso, and the Leader of the Great Libyan Arab Jamahiriya, Brother Leader Muammar Al-Kadhafi, who had been mandated by the African Union to mediate the conflict in Chad.
- Called on all parties to the conflict to implement all previous agreements, including those reached in Tripoli and Riyadh, between the Republic of Chad and the Sudan.
- Welcomed the agreements reached on 13 August 2007 in N'Djamena and in October 2007 in Sirte and encouraged the Government of the Republic of Chad to implement the agreements in order to strengthen the rule of law as well as establish a definitive and sustainable peace in Chad.

- Agreed to organize emergency assistance for the reconstruction and rehabilitation of Chad
- Welcomed, on humanitarian grounds, the deployment of EUFOR troops to secure the refugee camps, displaced persons and personnel of humanitarian agencies.
- Called on the international community to provide the Government and people of Chad with assistance.
- Called for the accelerated deployment of the United Nations African Union hybrid force in Darfur.

E. Major activities undertaken by the AU Commission and ECA on regional integration

34. As part of their efforts to support the acceleration of the continent's integration agenda, the AU Commission and ECA undertook major activities in the year under review.

35. The AU Commission and ECA jointly published the third Assessing Regional Integration in Africa (ARIA III) report in November 2008, focusing on macroeconomic policy convergence and monetary and financial integration. ARIA is a major project devoted to an in-depth analysis of challenges along with solutions to improve the implementation of Africa's regional integration objectives. ARIA I, which was completed in May 2004, focused on a comprehensive assessment of the status of regional integration in Africa. The publication outcome was widely disseminated and the RECs and other stakeholders are using it extensively as a rich source of analysis and recommendation in promoting and making adjustments to their respective integration programmes. ARIA II examined and made recommendations on the issue of rationalization of multiple integration groupings in Africa and their attendant overlapping memberships. It served as one of the important inputs to the subsequent African Union consultations with the RECs and member States, eventually leading to an AU political decision not to recognize more RECs than the eight currently recognized as the main pillars of the African Union.

36. ECA and the Walvis Bay Corridor jointly organized a workshop and study tour on trade facilitation. The objectives of the workshop were: (1) to share experiences in the implementation of trade facilitation and corridor management programmes across the eastern and southern Africa subregion, and (2) to assess progress in the design and implementation of trade facilitation programmes and projects within the subregion.

37. The recommendations made at the end of the workshop included the following:

- (i) Member States, the RECs and corridor management institutions should build the capacity of their officials to plan and implement trade facilitation activities;
- (ii) Member States should be encouraged to implement measures to reduce high transport costs by improving transport infrastructure, reducing tariffs, removing non-tariff barriers, and reducing delays along corridors and at borders;
- (iii) Member States should promote the role of railways by enhancing regional connectivity and undertaking network rehabilitation and reforms in management so as to benefit from the lower costs which ensue from rail transport;

- (iv) Public-private partnerships should be explored to promote trade facilitation, financing of infrastructure and effective management of corridors;
- (v) Member States and the RECs should implement measures aimed at improving border management. This should include harmonizing and increasing working hours at adjacent border posts as well as operationalizing and expanding one-stop border post initiatives. In addition, corridor management institutions should endeavour to put in place mechanisms for monitoring corridor performance to ensure continued efficiency;
- (vi) Member States, the RECs and other stakeholders should take steps to ensure the sustainability of corridor management institutions, including self-financing mechanisms such as user fees, taking into account the long-term growth and development of these institutions;
- (vii) Corridor management institutions should identify key stakeholders to act as their champions with the view to ensuring their sustainability;
- (viii) Member States should be encouraged to accede to existing international conventions on trade facilitation, movement of transit traffic and special action for landlocked countries;
- (ix) Transit countries should be encouraged to reduce transit times at the ports and promote the use of cargo tracking systems. They should also continue to improve port capacity, notably the expansion of container handling capacity. In addition, port communities should be established or strengthened;
- (x) The Aid for Trade Initiative should be leveraged in implementing trade facilitation activities at the level of member States, corridor management institutions and the RECs.

F. ECA planned activities on regional integration

38. The regional integration agenda of ECA continues to be aligned with the broad vision and objectives of the African Union. In this regard, most of its activities are undertaken with the strong collaboration of the African Union Commission and the African Development Bank. This agenda over the next few years will include promotion of regional cooperation and integration in line with the vision of the Constitutive Act and the Abuja Treaty of the African Union; promotion of intra-African trade; provision of institutional support to the RECs; and promotion of infrastructure and natural resources development (transport, energy, water and mining), within the framework of the NEPAD initiatives designed to deepen integration across the continent.

39. To achieve these objectives and goals, ECA will pursue a number of programmes, including the following:

Assessing regional integration in Africa

40. During 2009-2010, ECA, in collaboration with the AU Commission and the African Development Bank, plans to implement the ARIA IV project focusing on intra-African trade. This issue remains a key challenge in Africa's integration process, because over several decades, intra-African trade has consistently remained infinitesimal compared to the continent's trade with the outside world. Only 10 per cent of African trade is with other African nations, while 40 per cent of

North American trade is with other North American countries, and 63 per cent of trade by countries in Western Europe is with other Western European nations. The ARIA IV project will therefore tackle the issue of intra-African trade in all its ramifications, from addressing supply-side and trade-related infrastructural impediments, to boosting trade facilitation across major African corridors.

Observatory on regional integration in Africa

41. ECA will continue its work to develop an observatory on regional integration. The main objective of the observatory/portal is to provide regular information, facts and figures on Africa's regional integration agendas across the RECs and member States, including information on:

- a. Key protocols and treaties on regional integration
- b. Ratification of treaties and protocols
- c. RECs matrices
- d. Various sectors (trade, infrastructure, etc.).

42. The observatory will also facilitate the organization of activities and distribution of publications of ECA and its partners in the field of regional integration. In addition, it will promote cost-effectiveness and cooperation among the RECs, African countries and institutions in the dissemination and sharing of information on regional integration, and the quest for solutions to common problems and challenges.

Technical assistance on capacity-building and cooperation

43. To strengthen the role of the RECs as subregional development policy institutions, ECA will continue to support a number of them in their human capacity development activities, especially on information and statistics, trade facilitation and ICT policy development. ECA will also provide technical assistance to member States to help build their capacities to implement the integration programmes of the African Union and NEPAD. It will also assist the RECs to integrate their programmes in order to establish the African Economic Community (AEC). This will be accomplished through the multi-year programmes established between ECA and the RECs.

Infrastructure and natural resources initiatives

44. In line with the decisions of the AU Summit of Heads of State and Government of February 2009, ECA will collaborate with the African Union Commission, the RECs and member States to prepare concrete action plans to implement the Africa Mining Vision. In addition, as a follow-up to the Final Declaration of the First African Union Conference of Ministers Responsible for Mineral Resources Development held in October 2008, and building on the work of the International Study Group to Review Africa's Mining Regimes (ISG), ECA will collaborate with the AU Commission and the RECs to develop templates, guidelines, standards and codes to assist African countries to optimize the potential benefits of their mineral resources. Mineral policy harmonization efforts of SADC, the ECA subregional offices for Southern Africa and West Africa will also provide technical support to UEMOA and ECOWAS, respectively.

45. Work on transport will focus on facilitating the formulation and implementation of the Programme for Infrastructure Development in Africa (PIDA) and the Almaty Programme of Action. On energy, support will be directed to strengthening the capacity of regional power pools, while work on water will be geared towards providing functional support to the African Ministerial Council on Water (AMCOW) to implement the Africa Water Vision 2025.

G. Way forward

46. This note presents an update on the regional integration agenda of the AU Commission and ECA, which is strategically aligned to the broad vision and objectives of the African Union. In partnership with the African Development Bank, the regional economic communities and other key stakeholders, the AU Commission and ECA are determined to pursue a number of programmes and activities to strengthen and advance the continent's integration agenda.

Issues for consideration:

- Support for the publication of the report on *Assessing Regional Integration in Africa*, with the AU Commission and ECA needing to continue their analysis and assessment of progress in regional integration on the continent and to publish their findings in the flagship report. By drawing on the experiences in the subregions, they will allow policymakers to make strategic evidence-based decisions on regional integration.
- Support to the AU Commission and ECA to carry out programmes and activities to support the African Union debate on the framework for a Union Government for Africa.
- Support for the organization of the sixth session of the Committee on Trade and Regional Integration.
- Support for the establishment of an observatory on regional integration so as to provide regular information, facts and figures on Africa's regional integration agendas across the RECs and member States.
- Support for the mainstreaming of regional integration in national policies, with the AU Commission and ECA needing to support continental efforts to sensitize government officials, parliamentarians, the private sector and civil society on the contribution of regional integration to the advancement of the continent's development agenda.
- Support for ECA to implement its multi-year programmes with the regional economic communities as part of its technical assistance to the RECs.
- Support for AU Commission and ECA programmes and activities on infrastructure and natural resources.