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Survey of the Capacity Needs of Africa's Regional Economic Communities

And Strategies for Addressing Them

Second Edition - 2016

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LIST OF ABBREVIATIONS AND ACRONYMS

AAP	African Action Plan
ACBF	The African Capacity Building Foundation
ACP	African Caribbean Pacific
AEC	African Economic Community
AfDB	African Development Bank
AMU	Arab Maghreb Union
AU	African Union
CAADP	Comprehensive Africa Agriculture Development Program
CAEP	Central Africa Energy Pool
CAF	Central African Federation
CAP	Common Agricultural Policy
CARAM	Central Africa Rapid Alert Mechanism
CCI	Community Contribution for Integration
CEDEAO	Communauté Economique des Etats de l'Afrique de l'Ouest
CECAS	Conference of East and Central African States
CEEAC/ECCAS	Communauté Economique des Etats de l'Afrique Centrale/Economic Community of Central African States
CEMAC	Economic and Monetary Community of Central Africa
CEN-SAD	Community of Sahel-Saharan States
CEPGL	Communauté Économique des Pays des Grand Lacs/ The Economic Community of the Great Lakes Countries
CET	Common External Tariff
CEWARN	Conflict Early Warning and Response Mechanism
CHSG	Conference of Heads of State and Government
CIDA	The Canadian International Development Agency
CMPT	Consensual Master Plan for Transport
CNS/ATM	Communication, Navigation, Surveillance, and Air Traffic Management
COM	Council of Ministers
COMESA	Common Market for Eastern and Southern Africa
COMESA-CD	COMESA Customs Document
COMIFAC	Commission for Central African Forests

COPAX	Council for Peace and Security
COSCAP	Cooperative Development of Operational Safety Continuing Airworthiness Program
CPI	Consumer Price Index
CTH	Change of Tariff Heading
DfID	Department for International Development
EAC	East African Community
EALA	East African Legislative Assembly
ECCAS	Economic Community for Central African States
ECCDP	ECOWAS Commission Capacity Development Plan
ECOMAC	ECOWAS Common Statistics Database System for Multilateral Surveillance
ECOWAP	ECOWAS Agricultural Policy
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
EPAU	Economic Policy Analysis Unit
EU	European Union
EUROTRACE	Application Software Program for Compilation of External Trade
EVD	Ebola Virus Disease
FAL	Final Act of Lagos
FANR	Food, Agriculture and Natural Resources
FDI	Foreign Direct Investment
FEMCOM	Federation of National Associations of Women in Business in Common Market for Eastern and Southern Africa
FGD	Focus Discussion Group
FLS	Front Line States
FOMAC	Central Africa Multinational Force
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit/ German Corporation for International Cooperation
HHI	Herfindahl-Hirschmann Index
HRDC	Human Rights and Democracy Centre
ICM	Integrated Committee of Ministers
ICPAC	The IGAD Climate Prediction and Applications Centre
ICT	Information Communication Technology
IDDRSI	Interim Steering Committee for Drought Disaster Resilience and Sustainability Initiative
IGAD	The Intergovernmental Authority on Development
IGADD	The Intergovernmental Authority on Drought and Development
IGOs	Inter-governmental Organizations
IPF	IGAD Partners Forum
IS	Infrastructure and Services
ISAP	Institutional Strengthening Action Plan

ISIC	IGAD Strategy Implementation Committee
ISSOs	International Standard Setting Organizations
IT	Information Technology
JFA	Joint Financing Arrangement
LDC	Least Developed Countries
LLPI	Leather and Leather Product Initiatives
LPA	Lagos Plan of Action
M&E	Monitoring and Evaluation
MARAC	Mécanisme d'Alerte Rapide de l'Afrique Centrale
MICOPAX	Mission for the Consolidation of Peace in Central African Republic
MRU	Mano River Union
NBI	Nile Basin Initiative
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental Organization
NICTs	New Information and Communication Technologies
NPFS	National Program for Food Security
OAU-AU	Organization of African Unity and African Union
PARCI	ECCAS Institutional Capacity Building Support Project
PCM	Project Cycle Management
PCS	Planning and Coordination Section
PPMU	Project Preparation & Management Unit
PTA	Preferential Trade Area of Southern and Eastern Africa
REC	Regional Economic Community
REPAC	Réseau des Parlementaires de la CEEAC
RISDP	Regional Indicative Strategic Development Plan
RIST	Regional Integration Strategy
RMO	Resource Mobilization Office
RMTAA	Regional Medium Term Action Area
RPFS	Regional Program for Food Security
RPTC	Regular Programme of Technical Cooperation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADCC	Southern African Development Coordination Conference
SIA	Status of Integration in Africa
SIMS	SADC Integrated Management System
SIPO	Strategic Indicative Plan for Policies, Defence and Security Cooperation
SNA	System of National Accounts
SPME	Strategy Development, Planning, Monitoring and Evaluation
SSHDSP	Social and Human Development Special Programmes
STAP	Short Term Action Plan
TCPB	Tripartite Capacity Building Program
TFTA	Tripartite Free Trade Area
TTF	Tripartite Task Force
UDEAC	African Customs and Economic Union
UEMOA	West African Economic and Monetary Union

UN	United Nations
UNDP	United Nations Development Program
UNECA	United Nations Economic Commission for Africa
UNSTATS	United Nations Statistics Division
US	United States
USAID	United States Agency for International Development
WAEMU	West African Economic and Monetary Union
WAMZ	West African Monetary Zone
WTO	World Trade Organization

EXECUTIVE SUMMARY

Since the turn of the century, Africa has recorded its longest period of sustained economic growth. The world's second-fastest growing region after Asia, it is also on the verge of a significant economic take-off. But it is still one of the world's least integrated regions. Connecting the continent's countries with each other and the rest of the world through deeper and broader integration is fundamental for the "Africa rising" trajectory to continue. Regional integration is also central to the continent's efforts to join global production networks and value chains, boost intraregional and global trade, and reap the demographic dividends of a youthful population.

Given the key role of regional integration in African development, the position of regional economic communities (RECs) in championing this integration cannot be overemphasized. As the building blocks and implementing arms of the African Union's Agenda 2063, the RECs have been central to many transformative programs. But for them to do more, they must overcome their institutional, human, and financial constraints.

At the request of the African Development Bank, the African Capacity Building Foundation (ACBF) undertook the first Capacity Needs Assessment of Africa's Regional Economic Communities in 2006. The assessment identified the physical and technical capacity constraints on the ability of RECs to implement NEPAD Short-Term Action Plan projects and other related infrastructure programs. It also made far-reaching recommendations for addressing the capacity deficits of RECs to enable them to be more effective on behalf of their member states. Eight years after its publication, new development priorities and scenarios led to the need for a second assessment.

This second survey builds on the first one by reappraising the capacity needs of the African Union's eight recognized RECs in line with their strategic thrusts and development imperatives. The eight are:

- The Arab Maghreb Union (AMU).
- The East African Community (EAC).
- The Economic Community for Central African States (ECCAS).
- The Economic Community of West African States (ECOWAS).
- The Southern African Development Community (SADC).
- The Community of Sahel-Saharan States (CEN-SAD).

Table 1: Key characteristics of the regional economic communities

REC	Year of formation	Number of members	Area (million km2)	Rank	Population in thousands, 2014	Rank
AMU	1989	5	6.0	5	94,214	8
CEN-SAD	1998	28	15.2	1	604,237	1
COMESA	1994	19	12.9	2	492,454	2
EAC	2000	5	1.8	8	156,628	7
ECCAS	1983	11	6.7	4	158,286	6
ECOWAS	1975	15	5.1	7	339,825	3
IGAD	1986	8	5.2	6	247,371	5
SADC	1992	15	9.9	3	312,712	4
Africa		54	30.2		1,155,560	

Source: Author's compilation.

- The Common Market for Eastern and Southern Africa (COMESA).
- The Inter-Governmental Authority on Development (IGAD).

Table 1 presents their key characteristics: physical size, year of formation, and total population. ECOWAS, founded in 1975, is the oldest REC, and the reconfigured EAC the newest.

The study adopted several research methods to assess the capacity of RECs in Africa, including field missions, technical meetings, and policy dialogues. But only seven of Africa's eight RECs were surveyed, since the team conducted most of its surveys at the height of the Arab Spring, and Libya's civil war prevented it from visiting Tripoli to survey CEN-SAD. Data in the study are both qualitative and quantitative, with the quantitative data from secondary sources in the United Nations Statistics Division and the qualitative data from questionnaires.

Regional development context

Africa's real GDP grew by 3.2 percent to $1.6 trillion in 2014. The Economic Community for West African States (ECOWAS) and the East African Community (EAC) were the fastest-growing RECs, with annual growth rates of 5.8 percent to reach $415.8 billion and $94.8 billion, respectively. The Economic Community for Central African States (ECCAS) followed, with annual growth of 4.8 percent, increasing its GDP to $158.9 billion.

Africa's economic restructuring over the last decade has also been evident in the Southern African Development Community (SADC). Between 2000 and 2014, the economies of Angola, Mozambique, and Tanzania grew at 9.2 percent, 7.9 percent, and 6.8 percent respectively. Although Angola's growth has been driven predominantly by fuel exports, Mozambique and Tanzania diversified into minerals, manufactured goods, and agribusiness. Among IGAD member states, Ethiopia grew fastest, registering 8.9 percent growth through 2014. Services and agriculture account for most of this growth, as manufacturing performance was modest. Private consumption and public investment also explain the demand-side growth, with the latter assuming an increasing role in recent years.

ECOWAS accounted for 25.9 percent of Africa's real GDP in 2014, up from 20 percent in 2000, thanks to better economic performances from Burkina Faso, Ghana, Nigeria, and Sierra Leone, all of which benefitted from the rise in commodity prices, remittances, and foreign direct investments. In the COMESA subregion, the largest economy is Tanzania, whose estimated 2014 GDP of $33.1 billion has more than doubled since 2000. In 2014, Tanzania surged past Kenya to become the largest COMESA economy, with average annual growth of 6.8 percent between 2000 and 2014, compared with 4.5 percent for Kenya. Tanzania's economic and structural reforms sustained its economic growth over the last decade, with solid contributions from construction, trade, agriculture, and transportation.

Most of Africa's economies are transforming and becoming more diversified, but not in expected ways. They are largely bypassing industrialization as a major driver of growth and job creation, and their reallocation of labor to high-productivity, nontraditional activities has been limited. ECOWAS, COMESA, ECCAS, and SADC follow this pattern, with the services sector in most member states producing more than half their GDP.

Regional investment trends

Inflows to Africa remained stable at $53.9 billion in 2014, even as outward investments by MNEs in Africa fell by 18 percent in 2014 to $13 billion (table 2). COMESA had strong gains of $16.2 billion, up 6.2 percent from $15.2 billion in 2012, higher than the 5 percent for sub-Saharan Africa. EAC inflows grew by 14.5 percent from $4

Table 2: Major development indicators for Africa's RECs

REC	Real GDP (billions of USD) 2014	Rank	FDI inflows (billions of USD) 2014	Rank	Quality of governance, IIAG, 2013	Rank	Human Development Index, 2013	Rank	Intragroup trade, billions of USD, 2014	Intragroup trade (%), 2014	Rank
AMU	298.3	5	7.4	6	53.2	3	0.665	1	5.9	4.6	2
CEN-SAD	803.7	1	25.5	1	47.3	6	0.482	5	20.6	8.5	3
COMESA	374.0	4	16.2	2	51.7	5	0.525	3	10.7	11.3	5
EAC	94.8	8	4.6	7	55.5	2	0.480	6	2.5	18.5	8
ECCAS	158.9	6	7.9	5	41.8	7	0.498	4	1.1	1	1
ECOWAS	415.8	3	12.3	4	52.2	4	0.450	8	13.4	9.7	4
IGAD	131.4	7	3.3	8	41.2	8	0.462	7	2.6	14	6
SADC	546.2	2	16.0	3	58.5	1	0.543	2	35.0	17.1	7
Africa	1,603.8		53.9		50.2		0.513		82.4	14.9	

Source: GDP, FDI, and intergroup trade are from UNCTAD STATS (2015); HDI from UNDP (2014); and Ibrahim Index of African Governance from Mo Ibrahim Foundation (2014).

billion in 2013 to $4.6 billion in 2014. Algeria, which had much higher divestments, helped ECCAS recover to $7.9 billion, from $1.7 billion in 2013. Slides in flows were bigger for such regional communities as AMU, down 25 percent to $6.7 billion, and IGAD, down 8.3 percent to $4.2 billion. Coupled with the fall in commodity prices, the outbreak of Ebola dampened FDI growth for most West African countries, especially the resource-driven economies in ECOWAS, with FDI down 6.2 percent from $13.1 billion to $12.3 billion.

Morocco has measures and legal provisions to simplify procedures and secure appropriate conditions for launching and completing projects. Through its efforts to position itself as a gateway to Africa, Morocco has become a service hub within the AMU. Its inflows of FDI rose from $422 million in 2000 to $3.6 billion in 2014, 54 percent of the AMU total, thanks to annual growth of 16.5 percent.

These trends have exhibited high levels of intra-African flows, even as most African countries have received massive Chinese investment. Services remain the largest sector for Africa's FDI stock.

Intragroup trade

Intraregional trade rose steadily to $82.4 billion in 2014. Average intragroup trade for all the RECs was 10.6 percent of all trade in 2014, up from 9.9 percent in 2013. The EAC led at 18.5 percent, followed by the SADC (17.1 percent) and the IGAD (14.1 percent). AMU exports have tended to flow outward to nearby European markets, including Italy, Germany, France, and Spain.

COMESA witnessed better performance after 2000, when intragroup trade stood at 4.8 percent. Export trade with the rest of Africa was also low, perhaps a result of the homogeneity of African export commodities. Intragroup trade ranged from a high of 9.7 percent among ECOWAS member states to a low of just 1 percent among members of ECCAS.

Exports among SADC members rose to 17.1 percent in 2014, from 16.3 percent in 2013. The subregion's intratrade policies have benefitted SADC members over the years by redirecting exports to the region. This is perhaps due to the economic activities of nations bordering South Africa, including Lesotho, Swaziland, and Zimbabwe, all of which depend on South Africa as a strategic trade hub.

Infrastructure endowments

It costs on average about $2,000 to export a container from Africa. Actual costs range from $1,084 in AMU to $2,932 in ECCAS (table 3). Import costs are even higher, coupled with excessive delays, though some reforms are ongoing. COMESA introduced the Chirundu One Stop Border Post as a pilot in 2009. Chirundu, on the border between Zambia and Zimbabwe, handles on average 268 trucks a day. Northbound trucks and traders are checked and cleared once by Zambian authorities, while southbound trucks and traders are cleared by Zimbabwean authorities. The result: a dramatic reduction in border crossing times, from two or three days to two hours.

Quality of governance

Overall governance for Africa's RECs has improved in the last decade. The ECCAS subregion has seen one of the continent's biggest improvements, with its overall score rising from 35.6 in 2000 to 41.8 in 2013. But

Table 3: Cost of infrastructure constraints

REC	Cost to export ($ per container)	Rank	Cost to import ($ per container)	Rank
AMU	1,084	1	1,388	1
CEN-SAD	1,905	4	2,459	4
COMESA	2,125	5	2,900	5
EAC	2,459	7	3,350	7
ECCAS	2,932	8	3,970	8
ECOWAS	1,598	3	2,111	2
IGAD	2,424	6	3,311	6
SADC	1,904	2	2,428	3
ASEAN	744		788	
EU	1,035		1,070	

Source: Adapted from Mo Ibrahim Foundation (2014).

ECCAS still runs one of the least developed governance structures in Africa, ranking seventh in Africa in state provision of political, social, and economic goods. EAC ranks second among Africa's RECs on the quality of governance, and it is also the most improved subregion since 2000. In 2013, its overall score was 55.5, second to 58.5 for SADC. In COMESA, progress was also significant, with strong performances from Mauritius, which scored 81.7, the highest in Africa. Mauritius has emphasized national security and the rule of law, while promoting education and health to stimulate the business environment.

ECOWAS also improved. The subregion's Ibrahim Index of African Governance[1] overall score increased from 45.8 in 2000 to 52.2 in 2013, faster than the continent's increase from 46.6 to 51.5. Democracy deepened in most parts of West Africa, with member countries reporting smooth elections and transfers of power. This, points to the success of the ECOWAS protocol on democracy and governance, which established the ECOWAS election monitoring and observatory process.

IGAD is the lowest-ranked REC in Africa on the quality governance. Its improvements have also been very slow, up by only 2.4 points in more than a decade from 38.8 in 2000 to 41.2 in 2013. Equatorial Guinea ranks as one of Africa's worst countries on public accountability, human rights, and sustainable economic opportunities. Despite rapid economic growth, social outcomes have been abysmal. Somalia also scored poorly on most indicators including rule of law, education, and a business environment that is practically nonexistent. Its overall score declined from 9.4 in 2000 to 8.6 in 2013.

Most RECs suffer from infrastructural deficits that hamper sustainable economic opportunities and lower productivity for most businesses.

Human development trends

Human development trends vary widely. Although the continent boasts some of the world's fastest-growing economies, their growth has not been inclusive, and social recovery has been slow. ECOWAS accounts for about half of the bottom 15 countries on UNDP's 2014 Human Development Index, with Niger ranking dead-last of 187 countries.

But life expectancy, mean years of schooling, and per-capita GNI have improved. Ghana recorded significant improvements in education outcomes, stimulated by an emphasis on investments that have targeted education gaps and infrastructural needs. It spent an average of 8.2 percent of its GDP on education between 2005 and 2012, and improved its Human Development Index from 0.511 in 2005 to 0.573 in 2013.

COMESA countries such as Burundi, Ethiopia, Rwanda, and Zambia have transformed as well, with human development indicators up more than 2 percent, more than twice the average world growth rate of 0.7 percent. But Burundi, Eritrea, and the Democratic Republic of Congo still perform poorly, with most of their citizens enduring low living standards and lacking access to quality education and health services. In ECCAS, Equatorial Guinea–despite enjoying Africa's highest per-capita GDP thanks to oil exports–ranks 144th with an HDI of 0.556.

On the other hand, Botswana consistently raised living standards and its human development index from 0.470 in 1980 to 0.683 in 2013. Previously one of the world's poorest countries, with an annual per-capita GDP of about $70 in the late 1960s, it has become one of the fastest-growing economies, reaching a per-capita income of $7,023 in 2013.

Capacity assessment

Capacity deficiencies prevail in all eight RECs. Among key findings from the field:

- ACBF did not systematically follow up on the recommendations of the 2006 Assessment of the Capacity of RECs regarding NEPAD short-term action plans for infrastructure.

- Capacity interventions deployed over the years have been largely fragmented and reactive, rather than well-planned and strategic.

- All the RECs have internalized capacity building and are taking it seriously. Most visited have a policy document on capacity building and a strategic action plan that indicates the main directions of their interventions in the short, medium, and long terms.

- AMU, ECCAS, COMESA, and IGAD exhibit a high level of ownership and commitment to capacity building. They have allocated domestic resources to capacity-related activities and projects, even though the allocations are not large. ECOWAS seems to have demonstrated less ownership and commitment to its capacity needs, the result of a weak management commitment to allocate internal resources and a political decision to freeze the recruitment of professionals for several years.

- Despite the perceived needs, and the potential impacts on the RECs' ability to deliver results according to their mandates, only three of the seven RECs surveyed conducted capacity needs assessments by their own initiative, mainly funded by such development partners as DFID, EU, GIZ, and CIDA, with implications for ownership and commitment. COMESA assessed its capacity needs with its own resources.

- All RECs are deficient in capacity in the four assessment areas–safety and rule of law; participation and human rights; sustainable economic opportunity, and human development–particularly in policy and strategy, monitoring and evaluation, statistics, budget, resource management and human resources. All surveyed RECs except AMU have a mechanism and a framework for dealing with statistics. All the RECs except ECCAS have a specific unit or personnel dedicated to monitoring and evaluation. But even for the RECs claiming to have this framework, their managerial commitment to M&E activities remains weak, as evidenced by the very limited human and financial resources allocated.

- Some RECs exhibited gender insensitivity in the composition of staff and the hiring of consultants.

- The RECs have relied too much on external sources for funding capacity building activities.

- A major bottleneck is the poor interface between RECs and member states.

Key recommendations

The study recognizes the need for efficient RECs as coordinating and facilitating institutions, with capacities strong enough to drive the regional integration agenda. Specific actions include:

- Strengthening the mandates of the executive secretaries and heads of Africa's RECs to manage internal mechanisms and governance structures, and to advise member states on key regional integration issues.

- Supporting skill development in ways that bridge individual learning and institutional change.

- Establishing communities of practice to share knowledge and experience in pursuing well-researched and sustainable solutions.

- Minimizing duplication of capacity building activities to increase efficiency and maximize institutional and human capabilities.

- Encouraging all RECs to formulate gender policies, anchored on international conventions, specifically the Convention on the Elimination of all Forms of Discrimination against Women, and adhering to the AU solemn declaration on gender equality in Africa.

- Establishing a trust fund with contributions from member states and development partners. A model is the ECOWAS community levy of 1.5 percent of customs duty, which raises more than $630 million a year to finance integration programs.

1

INTRODUCTION

The dominant discourse on Africa recently has been the growth revival of the last 15 years, dubbed the "Africa rising" narrative. Despite the continent's challenges of building inclusiveness and structural transformation, Africa has recorded its longest period of sustained economic growth since the turn of the 21st century. Africa has also emerged as the world's second fastest-growing region, and is on the verge of a profound economic take-off. But the continent remains the least integrated in the world and is deeply disconnected in basic infrastructure, including roads, railways, and information and telecommunication technologies (Jerome and Nabena 2015). Regional integration of goods, services, capital and people is the lowest in the world. Integrating Africa and connecting its countries with the rest of the globe is a fundamental prerequisite for the "Africa rising" trajectory (Saville and White 2015). The extent of Africa's economic integration with the world and within the continent will determine whether this positive trend will persist. Regional integration is also key since many regional externalities can be addressed through regional cooperation (de Melo 2015).

Regional integration is central in the continent's effort to join global production networks and value chains, and to boost intraregional trade as well as Africa's share of global trade. It is also important to amalgamate Africa's fragmented markets and enable private-sector growth and foreign direct investment. That creates jobs to absorb the bourgeoning youth population while improving access to social services and good governance.

Regional economic communities (RECs) have been central to the continent's various transformative programs. They are key for successful African regional integration and the realization of the African Economic Community (AEC) specified in the Abuja Treaty of 1991.

At the Organization of African Unity's 2013 Golden Jubilee, the African Union unveiled plans to chart a 50-year development trajectory for Africa. The resulting blueprint, *Agenda 2063: A Shared Strategic Framework for Inclusive Growth and Sustainable Development*, is driven by the aspirations of the African people and aims to resuscitate the Pan-African dream of "an integrated, prosperous, and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena."[2] It envisions democratic and properly governed states run by efficient and effective public institutions and an integrated and technologically advanced continent supported by the world's biggest workforce, as well as highly skilled human resources. Delegates to the AU summit, meeting in June 2015 in South Africa, adopted first 10-Year Implementation Plan for 2013 to 2023

RECs will be pivotal in implementing, financing, monitoring, and evaluating Agenda 2063, particularly in their subregions. It is thus critical that they develop the capacity to support this development plan and the various integration agendas to take advantage of new opportunities. They will also determine how much their member states and the continent make progress in several other areas, such as governance and socioeconomic development.

In 2006, the African Capacity Building Foundation (ACBF), at the request of the African Development Bank (AfDB), conducted a landmark study on the capacity of African RECs, leading to the report, *A Survey of the Capacity Needs of Africa's Regional Economic Communities.* Although the survey was limited to identifying the physical and technical capacity constraints affecting the ability of the RECs to implement NEPAD Short-Term Action Plan (STAP) projects and other related infrastructure programs within their mandates, the report was novel and made a number of far-reaching recommendations on addressing the capacity deficits African RECs so they could play more effective roles on behalf of their member states.

Eight years after the first RECs capacity survey, there is demand for a second edition due to new development priorities and scenarios such as the focus on green economies, inclusive growth, employment creation (especially for youth), and the increasing role of nontraditional partners like China and India. RECs vary in how well they have integrated and now require a reassessment of their capacity to ensure that they serve the region's development agenda. These changes are evident in the AU/NEPAD African Action Plan (AAP) 2010–15,[3] the defining statement of Africa's current priority programs and projects for promoting regional and continental integration.

Since the publication of the RECs Survey report in 2006, the AU has rationalized the RECs into eight RECs, adopted an Action Plan for boosting intra-African trade and a roadmap for fast-tracking the establishment of a continental free trade area by 2017, and made some progress in establishing and ratifying key protocols in a number of areas. Similar changes have taken place at the level of the various RECs and development partners.

The African Development Bank's 2009–12 Regional Integration Strategy makes the case for a reassessment of the capacity needs of the RECs. Although RECs have great potential, remaining challenges include:

- Pervasive infrastructural constraints that limit the regional integration process as well as investments and trade.
- Insufficient institutional capacities to maintain and coordinate the RECs, including resource constraints.
- Limited institutional and financial capacity to help member states formulate and implement regional programs.
- Translating regional political commitment into action by ratifying protocols and linking regional integration to national development.
- Aligning development partners' priorities and systems with the African integration agenda.
- Reconstruction and political transformation challenges facing fragile states, and the

need for middle-income countries to innovate in order to build regional capabilities.

- The global financial crisis of 2007–09 and the Eurozone sovereign debt crisis further slowed African integration by derailing the macroeconomic convergence criteria in several RECs due to protectionist policies adopted by many countries. Accordingly, in June 2012 the African Development Bank (AfDB) and the African Capacity Building Foundation (ACBF) decided to build on the results and lessons of the 2006 publication to reassess the capacity needs of RECs.

Aim and objectives of the survey

The second Capacity Survey of the Regional Economic Communities in Africa aims to reassess the capacity needs of the eight RECs in African Union (AU) member states in line with their new strategic thrusts and prospective development imperatives. It also seeks to provide strategic guidance to the key development partners of the RECs on strategic programming.

The objectives of the survey are to:

- Review the regional integration agendas of the eight RECs, distilling their key strategic thrusts and thematic pillars.
- Take stock of the progress in strengthening the human and institutional capacity of RECs since the 2006 survey.
- Assess the capacity needs of RECs while surveying ongoing capacity building programs and partnerships.
- Develop a comprehensive capacity building strategy for each REC, complete with an estimated budget and financing strategy.

Scope of the survey

The surveyed RECs are: the Arab Maghreb Union (AMU), the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), the Community of Sahel-Saharan States (CEN-SAD), the Common Market for Eastern and Southern Africa (COMESA), and the Inter-Governmental Authority on Development (IGAD). The survey assesses both the supply-side and demand-side perspectives to the capacity needs of RECs.

Three categories of institutions, many of which interact with the RECs in the delivery of their regional integration strategies and programs, provided valuable input and support right from the survey's initial stages. These include:

- The African Union Commission, the African Development Bank, the New Partnership for Africa's Development (NEPAD), and the United Nations Economic Commission for Africa (UNECA).
- Bilateral and multilateral development institutions, such as the World Bank, the European Union Commission, the United Kingdom's Department for International Development (DFID), the United States Agency for International Development (USAID) and the German Society for International Cooperation (GIZ).
- Regional development banks, such as ECOBANK, Development Bank of Southern Africa, and Afrexim Bank.

Table 1.1: Field visits to regional economic communities

Regional Economic Community	Survey dates	Places where survey was conducted
AMU	From 09/07/2013 to 12/07/2013	Rabat, Morocco
ECOWAS	From 15/07/2013 to 18/07/2013	Abuja, Nigeria
COMESA	From 23/09/2013 to 27/09/2013	Lusaka, Zambia
ECCAS	From 28/10/2013 to 04/11/2013	Libreville, Gabon
EAC	From 19/11/2013 to 22/11/2013	Arusha, Tanzania
SADC	From 07/12/2013 to 11/12/2013	Gaborone, Botswana
IGAD	From 29/11/2014 to 5/12/2014	Djibouti, Djibouti
CEN-SAD	-	Tripoli, Libya. Not visited due to civil war.

Survey methodology

The survey was fully participatory to foster ownership of the entire process by all stakeholders. It was conducted through analytical work, technical meetings with main partners, field missions, and policy dialogue.

The survey team visited seven out of eight REC headquarters and their supporting institutions between 2013 and 2014 (table 1.1). Unfortunately, the Libyan civil war prevented the team from visiting CEN-SAD's headquarters in Tripoli.

A questionnaire designed to capture all aspects of capacity needs guided data collection. The questionnaire (appendix 1) was validated in March 2013 at the ACBF, NEPAD, and UNDP meeting held in Johannesburg to discuss multi-agency approaches, and to review the concept paper and questionnaire. Table 1.2 summarizes the contents of the questionnaire, which is split into four sections based on areas targeted for assessment. These include capacity for managing results, budget, resource management and projects, available human resource base, and priority sectors for capacity needs.

Visits were facilitated by a focal point designated by the respective RECs. The first day of each mission was spent on courtesy calls to the RECs' top managers, followed by a focus group discussion with the technical staff aimed at assessing REC structure and identifying capacity issues. This approach led to the customization of questionnaires and interview guides for each REC, which were then administered to staff members in the RECs' official languages.

Overall, the visits' high-level nature led to good data collected during the interviews, although the availability of respondents and requested data limits its comprehensiveness. Table 1.3 presents the status of actual responses during the surveys.

The team prepared the database in Microsoft Excel based on the questionnaire administered. It then analyzed primary data and supplemented it with secondary literature from the REC or from other multilateral institutions such as the African Development Bank (AfDB), the African Union Commission, the United Nations and the African Capacity Building Foundation (ACBF).

Table 1.2: Summary of questionnaire contents

Topics	Subtopics	Expected outcomes
Capacity for managing results (Policy/ strategy)	Policy and strategy cycle	Assessment of the RECs existing capacity
	Capacity for monitoring and evaluation	
	Capacity for statistics, database, and datasets	
	Capacity profile/assessment of capacity needs	
Budget, resource management and projects	Budget and resources management	Assessment of actual activities and initiatives related to capacity development
	Interventions and projects in capacity building	
	Technical assistance/training	
	Communication	
Available human resource base	General situation	Assessment of the critical mass and gap in terms of human resources
	Composition and characteristics of REC staff	
	Skills/area of competency of staff	
	ICT penetration	
Priority sectors with regards to capacity needs	Priorities and sectors of REC	Identification of sectoral and thematic specific needs in capacity development
	Agriculture and food security sector	
	Other sectors/priorities	

The ACBF held a validation workshop in Harare on 26–27 February 2015, focusing on the second survey of the capacity needs of Africa's RECs and a digest of Organization of African Unity and African Union (OAU-AU) treaties, conventions, and agreements from 1963 to 2013. The meeting of experts representing the AU Commission, the NEPAD Agency, the AfDB, and the RECs themselves provided an opportunity to reflect on the preliminary results and on how to deal with the new challenges confronting African RECs. Participants also discussed the RECs' role in implementing the African Union Agenda 2063 and the post-2015 global development agenda. The reports were subsequently forwarded to all the surveyed RECs for their input, which the survey team incorporated in its final 10-chapter report.

Chapter 2 focuses on the study's background, including the RECs' progress in forming the African Economic Community and their capacity imperatives. Chapters 3–9 present the results for each REC. Chapter 10 contains the main findings and recommendations.

Table 1.3: Summary of questionnaire contents

REC	Respondents on first contact meetings		Interviews/meetings for data collection purposes	Observation
	Courtesy visit	Meeting with staff		
AMU	Secretary General	Focus group of all head of directorates	Separate focus group directorate by directorate Face-to-face and individual interviews with the person responsible for budget, finances, and human resources	All sections filled
ECOWAS	Commissioners of Macroeconomics Policy, and Agriculture, Natural Resources and Environment	Focus group with EPAU team (Economic Policy and Analysis Unit), also the contact person	Focus group for agriculture, statistics unit, individual questioning with other sectors and with the person responsible for human resources	All sections filled
COMESA	Assistant Secretary General in charge of administration and budget	Monitoring and Evaluation Unit, also the contact person	Individual questioning with person responsible for sectors, in particular: CAADP, HR, Statistics, M&E Resource mobilization unit etc.	All sections filled
ECCAS	Deputy Secretary General in charge of Program, Administration, Budget and Human Resources	Deputy Secretary General in charge of Program, Administration, Budget and Human Resources Advisor to the Secretary General	Focus group directorate (sector) by directorate Two departments summarized their needs and data in a document submitted to mission	All sections filled
EAC	Deputy Secretary General (DSG) Planning and Infrastructure	Director, Planning Senior Monitoring & Evaluation Officer also the contact person	Face-to-face and individual interviews with persons responsible for Human Resources, Capacity Building, Statistics and Livestock and Fisheries	Human resources and Budget sections not filled
SADC	Director Policy Planning and Resource Mobilization	Senior Officer, Policy and Strategy Development Directorate also the contact person	Face-to-face interviews with the following: Coordinator of Food, Agriculture and Natural Resources Director of Human Resources and Administration Statistics Directorate	All sections filled
IGAD	Executive Secretary	Focus group with some of his close staff members	Particular interviews with the following: Drought and Resilience Platform Project Preparation and Management Unit (PPMU)	All sections filled
CEN-SAD	Not conducted			

2

BACKGROUND

Regional integration has been central to the political and economic vision of Africa's leaders since the start of decolonization. Initiatives to achieve this goal include the creation of the Organization of African Unity (OAU) in 1963. The OAU adopted the Lagos Plan of Action for the Economic Development of Africa 1980–2000 as Africa's collective response to the World Bank's 1981 Berg Report. It articulated a plan to boost African self-sufficiency at a time of economic misfortune due to external factors. In adopting the Lagos Plan of Action, African leaders underscored the strategic necessity of regional integration.

Africa's drive towards regional integration got a further boost in 1991 with the adoption of the Abuja Treaty establishing the African Economic Community (AEC) as an integral part of the OAU, with the primary aim of integrating Africa's economies.

RECs and progress toward the African Economic Community

Article 4 of the Abuja Treaty[4] enumerates the AEC's four basic objectives:

- Promote economic, social, and cultural development as well as economic integration to increase African self-reliance and encourage endogenous and self-sustained development.

- Establish, on a continental scale, a framework for the development, mobilization, and utilization of Africa's human and material resources in order to achieve self-reliance.

- Promote cooperation in all fields of human endeavor in order to raise the standard of living of African peoples, and maintain and enhance economic stability, foster close and peaceful relations among member states, and contribute to the progress, development and the economic integration of the African continent.

- Coordinate and harmonize policies among existing and future economic communities in order to foster the gradual establishment of the community.

The AEC, which entered into force in 1994, is to be created in six stages over a 34-year period.

Article 88 (1) of the Abuja Treaty expressly states that the AEC shall be established through the coordination and progressive integration of the activities of the RECs. Therefore the success of Africa's economic integration hinges on the successful

Table 2.1: Stages for achieving the African Economic Community

	Phase	Objective	Time frame
1.	Creation of regional blocks	Strengthen existing RECs and creating new RECS where they do not exist	1994–99
2.	Strengthening of intra-REC integration	Stabilize tariffs and other barriers to regional trade; strengthen sectorial integration, particularly in trade, agriculture, finance, transport and communication, industry and energy; and coordinate and harmonize the activities of RECs	1999–2007
3.	Establishment of regional FTAs and Customs Unions in each REC	Establish a free trade area and a customs union at the level of each REC	2007–17
4.	Establishment of continent-wide FTA and Customs Union	Coordinate and harmonize tariff and non-tariff systems among RECs, with a view to establishing a continental customs union	2017–19
5.	Establishment of continent-wide African Common Market	Establish a continent-wide African common market	2019–23
6.	Establishment of continent-wide economic and monetary union and parliament	Establish a continent-wide economic and monetary union (and thus also a currency union) and pan-African parliament	2023–28 Latest 2034

Source: ACBF (2014).

performance of the RECs. This is why the African Union has called RECs the 'building blocks' of the AEC. Activities constituting the six stages shall be assigned and implemented concurrently in all the RECs.

Regional integration initiatives, though not always perfectly implemented, have led to customs unions, regional power pools, shared security arrangements, monetary unions, visa-free arrangements, and supra-national institutions. Consequently, among Africa's international organizations, eight functional RECs were identified as building blocks to constitute the pillars of the AEC–leaving out 14 other intergovernmental organizations (IGOs) working on regional integration issues.[5]

The selected RECs are CEN-SAD (West, East, Central, and North Africa), COMESA (southern and eastern Africa), EAC (East Africa), ECCAS/CEEAC (Central Africa including CEMAC), ECOWAS (West Africa including UEMOA), IGAD (Eastern Africa–Horn of Africa), SADC (southern Africa including SACU), and AMU/UMA (North Africa). Table 2.2 presents the characteristics of these RECs, which will be studied in detail.

Available evidence indicates that the RECs move at different paces in implementing the AEC. While some RECs have made progress in various sectors, others still lag behind despite their considerable efforts under challenging circumstances. Our survey indicates that the EAC is the most advanced REC on integration. After five years of preparation, the EAC launched its common market in 2010. COMESA inaugurated its customs union in 2009. ECOWAS and SADC have made progress in building their area of agreement. ECCAS launched its FTA but faces enormous challenges in implementing it. AMU, CEN-SAD, and IGAD are still in the stage of cooperation among their member states.

The COMESA-EAC-SADC Tripartite Free Trade Area (TFTA) was launched in June

Table 2.2: Regional integration arrangements in Africa

Acronym	Full form	Date of establishment	Member states (and headquarters)	Goal
UMA	Arab Maghreb Union	Since 1989	Algeria, Libya, Mauritania, Morocco, and Tunisia (Rabat, Morocco)	Full economic union
ECCAS[a]	Economic Community of Central African States	1983	Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Congo (DRC), Equatorial Guinea, Gabon, and São Tomé and Príncipe (Libreville, Gabon)	Full economic union
CEN-SAD	Community of Sahel-Saharan States	Since 1998	Benin, Burkina Faso, Central African Republic, Chad, Comoros, Côte d'Ivoire, Djibouti, Egypt, Eritrea, Gambia, Ghana, Guinea, Guinea-Bissau, Libya, Mali, Mauritania, Morocco, Niger, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Togo, and Tunisia (Tripoli, Libya)	Free trade association
COMESA	Common Market for Eastern and Southern Africa; followed PTA	Since 1993	Burundi, Comoros, Congo (DRC), Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe (Lusaka, Zambia)	Full economic union
EAC[b]	East African Community	Since 2000	Burundi, Kenya, Rwanda, Tanzania, and Uganda (Arusha, Tanzania)	Political federation
ECOWAS	Economic Community of West African States	Since 1975	Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo (Abuja, Nigeria)	Full economic union
IGAD	Intergovernmental Authority for Development	Since 1996	Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda (Djibouti); Eritrea joined in 1993 but suspended membership in 2007	Full economic union
SADC	Southern African Development Community	Since 1992	Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe (Gaborone, Botswana)	Full economic union

a. Rwanda joined ECCAS in end 2015.

b. South Sudan joined EAC in February 2016

Source: ACBF (2014).

2015 after several postponements during the Heads of State and Governments Summit in Egypt. The TFTA envisions a free trade area stretching from Egypt to South Africa, it involves 26 countries (almost half the continent's countries) with a combined population of 625 million and a GDP of $1 trillion, or 58 percent of Africa's total GDP.[6]

This TFTA offers participating RECs several advantages. Among other things, it will harmonize their trading regimes, thus eliminating the problems associated with overlapping memberships. Furthermore, the TFTA will broaden the markets of its 26 member states and enhance intraregional trade. Currently, intra-COMESA trade is at 12 percent, compared to a projected 18 percent for intra-TFTA trade. Besides market integration, the TFTA is anchored on two other critical pillars: infrastructure development and industrial development.

Table 2.3: Status of surveyed RECs in the implementation of the Abuja Treaty

Stage	Stage one: 1994–1999	Stage two:2000–2007		Stage three: 2008–2017		Stage four: 2018–2019	Stage five: 2020–2023	Stage six: 2024–2028 Latest 2034
RECs	Strengthening existing RECs and creating new RECs where they do not exist	Coordinating and harmonizing activities	Gradually eliminating tariff and nontariff barriers	Free trade area	Customs union	Continental customs union	Establishing an African common market	Monetary and economic union
UMA	☑	☑	In progress	Not yet	Not yet	This stage will be achieved when all RECs have achieved Customs Union and harmonized their respective Common External Tariff (CET), with a view of creating one single continental CET.	This stage will be achieved when all RECs have achieved continental customs union as well as free movement of labor and capital.	This stage will be achieved when all RECs have achieved African Common Market at which time there will be a common currency, issued by the African Central Bank.
IGAD	☑	☑	In progress	Not yet	Not yet			
SADC	☑	☑	☑	☑	2013			
CEN-SAD	☑	☑	Not yet	Not yet	Not yet			
ECOWAS	☑	☑	☑	☑	2015			
COMESA	☑	☑	☑	☑	☑			
ECCAS	☑	☑	☑	☑	No date fixed			
EAC	☑	☑	☑	☑	☑			

Table 2.4: Abuja Treaty scorecard of Africa's integration

Integration stages in the Abuja Treaty At REC level					**At REC level**			
	ECOWAS	COMESA	ECCAS	IGAD	CEN-SAD	EAC	SADC	Completion date in the Abuja Treaty
First stage (5 years): Strengthen RECs	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved	1999
Second stage (8 years): Coordinate and harmonize activities and progressively eliminate tariff and non-tariff barriers	Achieved	Achieved	Achieved	X	Achieved	Achieved	Achieved	2007
Third stage (10 years): free trade area and customs union in each REC	X (2015)	X (June 2009)	X (2011)	To be set	X To be set	X X	X (2011)	2017
At continental level								
Fourth stage (2 years): continental customs union	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	2019
Fifth stage (4 years): continental common market	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	2023
Sixth stage (5 years): continental economic and monetary union	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	Not Achieved	2028

Source: UNECA (2012).

Note: X represents the current stage of integration of each REC.

Tables 2.3 and 2.4 depict the achievements of the RECs in each of these stages.

AMU, IGAD, and CEN-SAD are at the initial stages of development, SADC, ECOWAS, and ECCAS are at the free trade stage, and COMESA and EAC are at the customs union stage.

It is clear from both tables that RECs are not making sufficient progress as envisioned in the treaty establishing the AEC. Unless they do, full implementation of the AEC by 2028 is unlikely.

Understanding the need to go well beyond basic tariff liberalization, which until recently has been the focus of Africa's integration agenda, countries have begun to deepen their integration efforts to tackle much more difficult obstacles such as continuous trade marginalization, weak infrastructure, and poor management of environmental and natural resources. As RECs and their member countries address these tough issues, they need better access to expertise, experience and capacity building at the national and regional levels. This is the challenge taken up in the remaining part of this study.

Capacity imperatives in regional economic communities

Article 88 of the Abuja Treaty and Article 3 of the AU Constitutive Act envisioned RECs as the implementing arms of the AU's goal of a peaceful and prosperous continent.[7] They are the key building blocks for economic integration and are necessary to ensure political stability in their respective regions. RECs face the immense challenge of raising African living standards, achieving economic growth, promoting peace and security, and developing common political values, systems, and institutions.

Despite the AU's formal recognition of RECs and the acknowledgement of their importance for achieving the continent's goals, RECs are limited in their capacity to achieve their mandates. To succeed, they must be strengthened.

Inadequate capacity is still a major bottleneck for RECs in Africa. Many protocols have been signed but remain unimplemented due to inadequate capacity. In RECs where some capacity exists, it is neither optimally utilized nor sufficiently nurtured. The initiative to focus on capacity building answers the biggest problem for regional integration–the lack of systematic action on capacity building needed to sustain development.

The current consensus as espoused in ACBF (2014) is that building critical capacities, and putting them to work fully and efficiently, remains the major factor in achieving the objectives of regionally agreed strategies, programs and plans of action.[8]

Capacity building for the RECs should be regarded in its interrelated and interlocking human, institutional, and infrastructural dimensions. Action must be taken in each of these three areas simultaneously, reflecting the interdependencies and interlinkages among the critical development issues and priorities facing RECs in Africa.

An inventory of the required capacity building priority for the RECs undertaken as part of this study revealed the need for critical capacities in support of good governance, human rights, political stability, peace, and security in Africa; critical capacities for effective socioeconomic policy analysis and management; building and fully utilizing human capacities; developing entrepreneurial capacities for public- and private-sector management; building and utilizing physical infrastructural capacities; capacities to exploit natural resources and diversify African economies into processing and manufacturing; strengthening capacities in support of food security and self-sufficiency; and critical capacities for mobilization and efficient allocation of domestic and external financial resources. Thus, while capacity building is assumed to be critical to the success of the RECs, it has received relatively little attention.

At least four layers of capacity–financial, human, institutional and knowledge–are central to any REC's effectiveness. Secretariats also need strong analytical and administrative capacity. In particular, they must attract and retain world-class professionals by offering competitive salaries and benefits. They must also develop a regional agenda with member states. This means creating proper career positions in the secretariat that go beyond secondment from member states.

On the basis of the different capacity levels of frontier RECs, especially those in Europe and Asia and those of African RECs, ACBF 2014 has outlined the following imperatives for effective capacity building for African RECs. These include:

- *Taking a long-term perspective:* Capacity development is a long-term process that can be promoted through a combination of shorter-term results driven from the outside and more sustainable, longer-term ones driven from the inside. It requires sticking with the process even under difficult circumstances.

- *Adopting an integrated and holistic approach to capacity building:* All dimensions of capacity need attention–the individual, the institution and the overall policy framework in which individuals and organizations operate and interact with the external environment, as well as the formal and informal relationships between institutions. An inadequate emphasis at the system level may diminish the impact of efforts at the institutional and individual levels. A proper balance, therefore, needs to be established among all three, closely interlinked, levels. This is also an admonition not to undertake one-off, ad-hoc activities.

- *Integrating capacity building in wider efforts to achieve sustainable development*: Capacity is very fluid and has multiple utility. Any strategy to address capacity building must therefore recognize that developing capacities for regional integration is closely related to and must be integrated with ongoing initiatives to enhance capacities for Africa's broader sustainable development and structural transformation.

- *Making sure capacity building is driven by demand:* Designs of interventions to nurture capacity must be result-oriented and focus on "capacity for what and whom." The underlying principle should be clear on who will benefit, and the activities must be designed to reflect the needs of the beneficiaries. Donor practices can, at best, facilitate and, at worst, hamper the emergence of national capacity.

- *Assuring adequate resources (both administrative and financial)*: Ensure there is adequate resources (both human and material) for all capacity building activities which ideally should be incorporated in the budget. It is also essential to monitor expenditures. Many capacity building initiatives have stalled or failed to meet their desired objectives due to lack of resources.

- *Emphasizing skill retention and utilization:* Demand-led approaches to nurturing capacity emphasize skill retention and utilization, not simply acquisition. African countries face serious impediments due to the continued emigration of skilled professionals. Long-term capacity building efforts must consider incentive structures for skill retention and their impact; otherwise, further efforts at acquiring skills may have little or no sustainable impact.

- *Accommodating the dynamic nature of capacity development:* Capacity building is a dynamic process with many facets: *mobilization* of existing potential that may not be utilized because it does not reside in the institution charged with the respective responsibility, or individual expertise may not be utilized because of organizational deficiencies, among other reasons; *enhancement* of capacity to avoid obsolescence through continuous utilization and by providing short-term courses, workshops, seminars, and other training services; *conversion* or *adjustment* of existing capacity to deal with new problems; *creation* of capacity through formal training programs; and finally *succession* or the *improvement* of capacities by subsequent generations.

- *Monitoring and evaluating capacity development efforts:* Given that capacity building is not a static but a dynamic and iterative–as opposed to linear–process, adequate monitoring and evaluation techniques with appropriate benchmarks and indicators are key to learning-by-doing and adaptive management. As such, operational principles, strategic elements, tools, and methodologies should be revisited from time to time.

- *Adopting a learning-by-doing approach to capacity building:* Capacity development efforts should be supported by a variety of tools and methods. These range from traditional methods (such as workshops and in-service technical training) to those that offer greater scope both methodologically and institutionally (such as networking, horizontal exchanges and cooperation, creation of multi-stakeholder project steering committees, sharing of project management responsibilities, internships, south-south cooperation and issue-based scientific networks).

- *Focusing on institution building:* This checklist underscores the limitations of individual training as a strategy for sustained capacity building. Many problems focus exclusively on individuals or training. First, individuals move on and so normal career progression can dilute impact. Second, individual knowledge, skills, and attitudes, while obviously important, may not lead to permanent change if systematic bottlenecks exist at the organizational level. Hence, good capacity building practice typically will include multiple activities that compliment and reinforce each other with opportunities to address problems and bottlenecks as they arise.

- *Ensuring coordination:* Successful capacity building spends on good coordination with sufficient flexibility to fine-tune plans and priorities as conditions change and problems are encountered.

3

ECONOMIC COMMUNITY OF WEST AFRICAN STATES (ECOWAS)

The Economic Community of West African States (ECOWAS) is a regional group of 15 nations headquartered in Abuja, Nigeria. It was formed through a treaty signed 28 May 1975 in Lagos, Nigeria. That treaty also established the ECOWAS Secretariat to supervise regional affairs. The 15 ECOWAS member states are Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo.

Its main aim was to promote cooperation and development among member states in all fields of economic activity. In 1993, ECOWAS broadened its mandate, following a revision of its original treaty, to include issues of common economic, sociopolitical, and cultural policies, with the aim of creating a monetary union.

Governance structure

The governance structure consists of the Authority of Heads of State and Government, the Council of Ministers, the Community Tribunal, the Community Court of Justice, the

Figure 3.1: ECOWAS member states

Source: ACBF.

Executive Secretariat, the ECOWAS Parliament, and the specialized commissions which are divided into three branches of governance: executive, legislative and judiciary. The main organs, presented in figure 3.2, are as follows:

Authority of Heads of State and Government of Member States

The Authority of Heads of State and Government of Member States is the community's supreme institution. The authority is responsible for the general direction and control of the community and takes all measures to ensure its progressive development and the realization of its objectives. The chair of the Authority of Heads of State and Government is at the helm of the organizational structure. He or she is a current head of state and government appointed by other heads of state and government for a one-year period.

Council of Ministers

The Council of Ministers comprises the minister in charge of ECOWAS affairs and any other minister of each member state. The council is responsible for the functioning and development of the community. The minister in charge of ECOWAS affairs in the country of the authority's chair automatically becomes chair of the Council of Ministers; similarly, that country presides over all other ECOWAS statutory meetings for the year (ministerial and senior level, such as technical committees).

ECOWAS Commission

The ECOWAS Commission, formerly known as the ECOWAS Secretariat, is responsible for coordinating all activities leading to the promotion of cooperation and integration among member states and achievement of the ECOWAS vision. In other words, the performance of ECOWAS as a whole is critically dependent on the performance of the commission.

In 2006, the ECOWAS Secretariat was transformed into a commission to provide greater institutional capacity. Since that transition, the commission's functions must be specified to reflect its current mandate, which can be broadly described as carrying out all preparatory activities for the establishment of a single economic space.

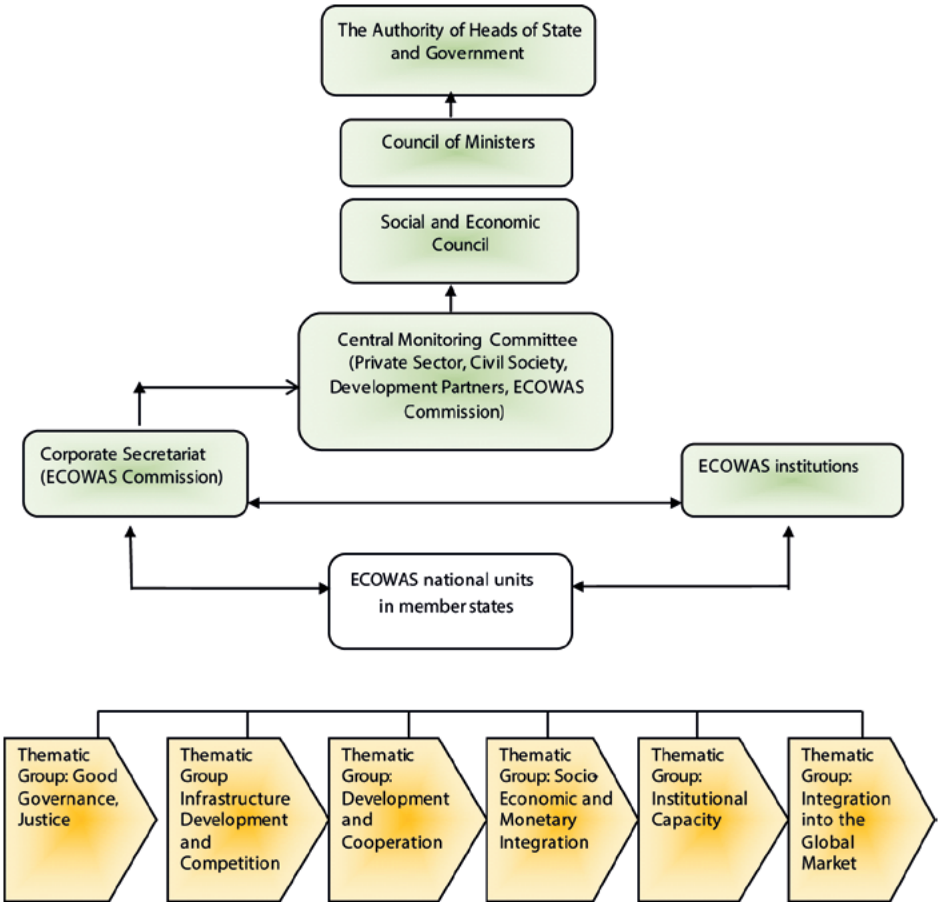
The president of the ECOWAS Commission–appointed by the authority for a non-renewable, period of four years–is assisted by a vice president and 13 commissioners in charge of the following: administration and conferences; finance; agriculture, water and environmental resources; education, culture, science, and technology; infrastructure; macroeconomic policy and economic research; energy and mines; human resources; political affairs, peace, and security; trade, customs, and free movement; industry and private-sector promotion; information and communication technology; and social affairs and gender.

ECOWAS Parliament

The ECOWAS Parliament essentially plays a consultative role as the community's legislative arm. It provides advisory opinions on a wide range of areas key to the integration process. The ECOWAS Parliament has 115 seats, which are distributed among the 15 member states on the basis of their population. Nigeria, with the largest population, has 35 seats; Togo, Liberia, Cabo Verde, Guinea, Guinea-Bissau, Benin, Gambia, and Sierra Leone have five seats each; Burkina Faso, Mali, Niger, and Senegal have six each; Côte d'Ivoire has seven seats and Ghana has eight.

The parliament's political organs are the plenary, the bureau, the conference of bureau and the

Figure 3.2: ECOWAS organogram



Source: ECOWAS Commission.

parliamentary standing committees. A general secretariat, under the authority of the speaker of parliament, oversees its administration. Pending future elections by direct universal suffrage, parliamentarians are seconded by national parliaments to ECOWAS for a four-year period.

Community Court of Justice

The judicial arm of ECOWAS is the Community Court of Justice, which is composed of seven independent judges, appointed by the Authority of Heads of State of Government from nationals of member states for a four-year term of office based on advice of the Community Judicial Council. The court ensures the observance of law and the principles of equity in the interpretation and application of the provisions of the revised treaty. It also examines cases of failure by member states to honor their obligations under the law; adjudicates on dispute involving interpretation and application of community acts between institutions and officials and most importantly adjudges and makes declarations on the legality of regulations, directives, decisions, and other subsidiary legal instruments adopted by ECOWAS. The court's decisions are binding, and each member state shall indicate the competent national authority responsible for the enforcement of court decisions, which are not subject to appeal, except in cases of application for revision by the court.

Specialized Commissions

ECOWAS has a number of specialized commissions, including: Food and Agriculture; Industry, Science and Technology, and Energy; Environment and Natural Resources; Transport, Communications and Tourism; Trade, Customs, Taxation, Statistics, Money and Payments; Political, Judicial and Legal Affairs, Regional Security and Immigration; Human Resources, Information, Social and Cultural Affairs; Administration and Finance Commission.

Each commission comprises representatives of each member state and may, as it deems necessary, set up subsidiary commissions to assist it in carrying out its work. It determines the composition of any such subsidiary commission. The Authority may, whenever it deems appropriate, restructure the existing commissions or establish new commissions.

Regional development context

Economic performance

The 15-member subregion has recorded significant growth in real GDP over the past decade, much higher than Africa's compound annual average of 4.7 percent since 2000 or the world average of 2.6 percent. The regional bloc accounted for more than 25.9 percent of Africa's real GDP in 2014, witnessing an annual growth rate of 5.8 percent from 2013 and a compound annual growth rate of 6.6 percent since 2000 (table 3.1).

The largest country in the ECOWAS subregion is Nigeria, which is also Africa's most populous nation, accounting for 73.4 percent of the subregion's real GDP and up to 19 percent of Africa's total. Over the last 15 years, Nigeria's subregional output grew steadily at an average of 8 percent, pushing the country's share upwards from 64.8 percent in 2000 to 73.4 percent in 2014. The ECOWAS subregion's share of total African GDP has also grown from 20 percent in 2000 to 25.9 percent in 2014. Thanks to better economic performances by Burkina Faso, Ghana, Nigeria, and Sierra Leone, all of which have significantly benefitted from the growth in commodity prices, rising remittances and increases in foreign direct investments.

Ghana, the subregion's second-largest economy, accounts for 8 percent of ECOWAS exports, far lower than Nigeria, but significantly higher than Gambia and Guinea-Bissau, which rank as the smallest economies in the subregion, with real GDPs of $875 million and $734 million respectively. Liberia, which had recorded one of the subregion's highest growth rates in the last decade, averaging 7 percent in 2013, was hit hard by the Ebola epidemic, with its economy shrinking by 0.5 percent between 2013 and 2014. The epidemic disrupted production processes across several sectors; investment plans were suspended or relocated to other countries, while rubber production and exports, which had already slowed due to lower international prices, were further hurt by quarantines and curfews. Likewise, Guinea's economy slowed from an average of 3 percent between 2000 and 2013 to 0.4 percent from 2013 to 2014.

Table 3.1: ECOWAS GDP, 2000–14

(millions of USD at constant 2005 prices)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000–14)
Benin	3,565	2.10%	4,358	1.70%	5,230	1.50%	5,404	1.50%	5,696	1.50%	6,017	1.50%	6,324	1.5%	4.2%
Burkina Faso	4,012	2.40%	5,463	2.20%	7,139	2.10%	7,612	2.10%	8,218	2.20%	8,772	2.20%	9,368	2.3%	6.2%
Cabo Verde	851	0.50%	1,105	0.40%	1,413	0.40%	1,469	0.40%	1,488	0.40%	1,495	0.40%	1,515	0.4%	4.2%
Côte d'Ivoire	17,086	10.10%	17,085	6.80%	19,010	5.60%	18,116	5.10%	19,892	5.30%	21,684	5.50%	23,397	5.6%	2.3%
Gambia	531	0.30%	624	0.20%	784	0.20%	750	0.20%	796	0.20%	841	0.20%	875	0.2%	3.6%
Ghana	13,335	7.90%	17,199	6.80%	23,314	6.90%	26,812	7.60%	29,169	7.80%	31,250	8.00%	32,562	7.8%	6.6%
Guinea	2,523	1.50%	2,935	1.20%	3,218	1.00%	3,343	0.90%	3,474	0.90%	3,561	0.90%	3,575	0.9%	2.5%
Guinea-Bissau	534	0.30%	587	0.20%	691	0.20%	727	0.20%	717	0.20%	719	0.20%	734	0.2%	2.3%
Liberia	541	0.30%	608	0.20%	1,099	0.30%	1,162	0.30%	1,257	0.30%	1,359	0.30%	1,352	0.3%	6.8%
Mali	4,026	2.40%	5,486	2.20%	6,989	2.10%	7,179	2.00%	7,181	1.90%	7,304	1.90%	7,727	1.9%	4.8%
Niger	2,702	1.60%	3,369	1.30%	4,334	1.30%	4,433	1.30%	4,924	1.30%	5,126	1.30%	5,413	1.3%	5.1%
Nigeria	109,828	64.80%	180,502	71.70%	249,671	73.90%	261,873	73.90%	273,080	73.40%	287,811	73.20%	305,079	73.4%	7.6%
Senegal	6,934	4.10%	8,708	3.50%	10,358	3.10%	10,530	3.00%	10,884	2.90%	11,145	2.80%	11,636	2.8%	3.8%
Sierra Leone	907	0.50%	1,651	0.70%	2,130	0.60%	2,257	0.60%	2,600	0.70%	3,123	0.80%	3,254	0.8%	9.6%
Togo	1,989	1.20%	2,110	0.80%	2,462	0.70%	2,583	0.70%	2,733	0.70%	2,873	0.70%	3,029	0.7%	3.0%
ECOWAS	169,364	100.00%	251,789	100.00%	337,841	100.00%	354,251	100.00%	372,106	100.00%	393,079	100.00%	415,841	100%	6.6%
Africa	845,989		1,104,386		1,416,587		1,430,176		1,502,399		1,553,778		1,603,842		4.7%

Source: UNCTAD STATS (2015).

Table 3.2: ECOWAS GDP per capita, 2000–14

(in USD at constant 2005 prices)

Country/region	2000	2005	2010	2011	2012	2013	2014	Compound annual growth rate (2000–14)
Cabo Verde	1,923	2,309	2,898	2,995	3,009	2,997	3,008	3.2%
Nigeria	894	1,293	1,563	1,595	1,617	1,658	1,709	4.7%
Ghana	708	804	961	1,080	1,150	1,206	1,231	4.0%
Côte d'Ivoire	1,059	982	1,002	934	1,003	1,067	1,125	0.4%
Senegal	703	773	800	790	793	789	800	0.9%
Benin	513	533	550	553	567	583	597	1.1%
Burkina Faso	346	407	459	476	499	518	538	3.2%
Sierra Leone	219	322	370	385	435	513	524	6.4%
Mali	392	459	500	498	483	477	490	1.6%
Gambia	432	434	467	432	444	455	459	0.4%
Guinea-Bissau	419	413	435	448	431	422	421	0.0%
Togo	409	381	390	399	411	422	433	0.4%
Liberia	187	186	278	285	300	316	307	3.6%
Guinea	288	306	296	300	303	303	297	0.2%
Niger	246	256	273	268	287	287	292	1.2%

Source: UNCTAD STATS (2015).

Sierra Leone, one of the world's fastest-growing economies, with compounded annual growth of 10 percent between 2000 and 2013, saw real GDP growth tumble from 20.1 percent in 2013 to 4.2 percent in 2014.

Compound per-capita GDP growth for the subregion (table 3.2) grew just over 2 percent, thanks to fast-growing economies such as Sierra Leone, which recorded significant growth since the end of its civil war in 2002, and Nigeria, Africa's largest economy. Growth in commodity prices over the last decade has propelled growth in the subregion's resource-driven economies. Cabo Verde, the only small island nation in the community, recorded its highest per-capita real GDP of $3,008 in 2014, compared to $1,709 for Nigeria and $1,231 for Ghana. Cabo Verde's high per-capita GDP has been influenced by the country's declining fertility rate in recent decades. It now stands at 2.4 percent, compared to over 5 percent for most of the community's member states. Côte d'Ivoire's high economic growth rate, however, did not effectively translate into per-capita growth, while other countries such as Senegal, Benin, Gambia, Guinea-Bissau, Togo, and Guinea witnessed sluggish per-capita growth.

FDI trends

FDI inflows into the ECOWAS subregion have grown substantially in the last decade and a half, reaching a compound annual growth rate of 13 percent between 2000 and 2014. Table 3.3 shows that Nigeria attracts

Table 3.3: ECOWAS FDI inflows, 2000–14

(millions of current USD)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000–14)
Benin	60	3.0%	53	1.0%	177	1.0%	161	1.0%	230	2.0%	360	3.0%	377	3.0%	14.0%
Burkina Faso	23	1.0%	34	1.0%	35	0.0%	144	1.0%	329	2.0%	490	4.0%	342	3.0%	21.3%
Cabo Verde	43	2.0%	82	1.0%	159	1.0%	155	1.0%	70	0.0%	70	1.0%	78	1.0%	4.3%
Côte d'Ivoire	235	11.0%	312	5.0%	339	3.0%	302	2.0%	330	2.0%	407	3.0%	462	4.0%	4.9%
Gambia	44	2.0%	87	1.0%	20	0.0%	66	0.0%	93	1.0%	38	0.0%	28	0.0%	-3.2%
Ghana	115	5.0%	145	2.0%	2,527	21.0%	3,237	18.0%	3,293	22.0%	3,226	25.0%	3,357	27.0%	27.3%
Guinea	10	0.0%	105	2.0%	101	1.0%	956	5.0%	606	4.0%	135	1.0%	566	5.0%	33.4%
Guinea-Bissau	1	0.0%	8	0.0%	33	0.0%	25	0.0%	7	0.0%	20	0.0%	21	0.0%	24.3%
Liberia	21	1.0%	83	1.0%	450	4.0%	785	4.0%	985	7.0%	1,061	8.0%	302	2.0%	21.0%
Mali	82	4.0%	224	4.0%	406	3.0%	556	3.0%	398	3.0%	308	2.0%	199	2.0%	6.5%
Niger	8	0.0%	30	0.0%	940	8.0%	1,066	6.0%	841	6.0%	719	5.0%	769	6.0%	38.6%
Nigeria	1,310	63.0%	4,978	78.0%	6,099	51.0%	8,915	49.0%	7,127	48.0%	5,608	43.0%	4,694	38.0%	9.5%
Senegal	63	3.0%	45	1.0%	266	2.0%	338	2.0%	276	2.0%	311	2.0%	343	3.0%	12.9%
Sierra Leone	39	2.0%	91	1.0%	238	2.0%	951	5.0%	225	2.0%	144	1.0%	440	4.0%	18.9%
Togo	41	2.0%	77	1.0%	86	1.0%	711	4.0%	122	1.0%	184	1.0%	292	2%	15.1%
ECOWAS	2,095	100%	6,353	100%	11,877	100%	18,368	100%	14,933	100%	13,083	100%	12,271	100%	13%

Source: UNCTAD STATS (2015).

the most FDI in the subregion. Although this share has shown a steady decline in the years prior to 2014, Nigeria remains the highest contributor of foreign investments in West Africa. As China seeks to expand its trade relationships with Africa, it too is becoming one of Nigeria's most important sources of FDI, making the country China's second-largest trading partner in Africa, after South Africa. Nigeria's most important sources of FDI have traditionally been the home countries of the oil majors; however, the start of oil production in Ghana has attracted the interest of transnational corporations, some of which are seeking an alternative subregional source of oil to Nigeria, according to UNCTAD's 2015 World Investment Report. Future growth prospects in key markets such as Nigeria are weakening as commodity prices fall. While other countries have much lower FDI inflows, Ghana appears positioned for second place after Nigeria, with its FDI contribution likely to grow, thanks to Ghana's rich, diverse resource base, particularly in manufacturing, hydrocarbons and industrial minerals. Ghana's high level of economic transparency has also attracted foreign investment.

Also, the subregion has witnessed historically high growth rates in foreign investment, especially in Guinea and Niger, where compound annual growth rates reached 33.4 percent and 38.6 percent respectively from 2000 to 2014. Even so, the Ebola outbreak may have had some impact on investments in some countries in the subregion; FDI tripled in Guinea between 2013 and 2014 and doubled in Sierra Leone during the same period.

Economic structure

The region's economies are transforming, but not in ways that were expected. The region is largely bypassing industrialization as a major driver of growth and jobs, and the extent of reallocation of labor to high-productivity, nontraditional activities has been limited.

Like most of Africa, the services sector of ECOWAS member states leads in economic importance, comprising 44.8 percent of total regional GDP, followed by agriculture (33.8 percent), and industry (21 percent). The economies of Cabo Verde, Gambia, and Senegal relied most strongly on the service sector for jobs at 70 percent, 60.9 percent, and 60 percent, followed by Nigeria, Benin, and Ghana (table 3.4).

Although a middle-income country, Cabo Verde relies on food items for 74 percent of

Table 3.4: ECOWAS sector shares of GDP, 2013

(%)

	Agriculture	Industry	Services
Benin	35.9	13.8	50.4
Burkina Faso	34.3	22.2	43.5
Cabo Verde	9.2	20.3	70.5
Côte d'Ivoire	29.2	27.9	42.9
Gambia	23.5	15.6	60.9
Ghana	22.0	28.6	49.5
Guinea	27.1	31.8	41.1
Guinea-Bissau	47.2	13.8	38.9
Liberia	70.1	11.3	18.6
Mali	38.2	22.4	39.4
Niger	39.6	20.7	39.8
Nigeria	21.0	26.0	53.0
Senegal	16.0	24.0	60.0
Sierra Leone	49.0	22.7	28.4
Togo	44.7	20.4	34.9
ECOWAS	33.8	21.4	44.8

Source: UNSTATS (2014).

its export structure, yet this sector contributed very little to its GDP. In that regard, it is similar to Nigeria, where fuels account for more than 94 percent of the country's foreign earnings, yet contribute less than 15 percent to its GDP. Liberia, a major rubber exporter, gets its highest GDP share of 70.1 percent from agriculture, followed by Sierra Leone, Guinea-Bissau, Togo, Niger, and Mali. These countries have been able to tap into agribusiness as a major source of jobs and revenues.

Trade composition and patterns

The export of oil, gas, coal, and electricity by Nigeria, Ghana, and Guinea dominates the composition of trade among ECOWAS member states. Mineral fuels, lubricants, and related materials accounted for 73.9 percent of the subregion's $106.8 billion in 2013 merchandise exports, up 13 percent a year since 2000. Primary products continue to account for most exports from the ECOWAS subregion, with manufactured goods contributing only a 2.5 percent share of merchandise exports.

Table 3.5 below illustrates the tightening hold merchandise exports from mineral fuels and related materials have on other product groups. No other product group accounts for up to 10 percent, despite the level of regional integration among member countries.

Export and import trends

Exports of the 15 member countries fell by 25.6 percent in 2013 to $88.5 billion, accounting for 20.1 percent of Africa's total exports (table 3.6). The subregion's negative export performance contributed to the 5.5 percent decline for Africa as a whole. ECOWAS also performed worse than global exports, which fell by 3.2 percent. This period saw trade deficits from Nigeria, Guinea, Liberia, and Ghana, countries with a fairly high dependence on crude oil exports.

Nigeria's exports dropped by 45.8 percent, in part as a result of declining oil exports to North America, from 22.2 percent in December

Table 3.5: ECOWAS merchandise trade matrix, 2013

(exports in millions of USD)

Product group	2013	Share (%)
Mineral fuels, lubricants and related materials	106,835	73.9
Food and live animals	13,408	9.3
Crude materials, inedible, except fuels	8,956	6.2
Commodities and transactions, n.e.s.	5,046	3.5
Manufactured goods	3,550	2.5
Machinery and transport equipment	2,689	1.9
Chemicals and related products, n.e.s.	2,037	1.4
Miscellaneous manufactured articles	924	0.6
Beverages and tobacco	633	0.4
Animal and vegetable oils, fats and waxes	571	0.4

Source: UNCTAD STATS (2014).

Table 3.6: ECOWAS exports and imports of goods and services, 2000–13

(millions of USD)

	Benin		Burkina Faso		Cabo Verde		Côte d'Ivoire		Gambia		Ghana		Guinea		Guinea-Bissau	
	X	M	X	M	X	M	X	M	X	M	X	M	X	M	X	M
2000	771	1,091	467	1,039	310	429	7,874	5,884	253	310	6,802	9,052	815	904	97	135
2005	940	1,244	532	1,409	316	593	8,525	7,370	43	223	3,933	6,642	943	1,035	95	148
2010	1,099	1,434	1,446	2,427	398	794	9,730	8,262	81	200	9,461	11,613	1,233	1,596	163	270
2011	1,081	1,419	1,753	2,979	444	830	9,419	7,551	141	244	12,312	17,155	1,543	2,373	218	300
2012	1,185	1,561	2,000	3,452	486	708	10,464	12,082	167	281	13,480	19,861	1,542	2,610	152	222
2013	1,327	1,991	2,192	3,688	533	672	11,343	13,785	165	273	17,338	19,653	1,440	2,706	186	244

	Liberia		Mali		Niger		Nigeria		Senegal		Sierra Leone		Togo	
	X	M	X	M	X	M	X	M	X	M	X	M	X	M
2000	141	145	940	1,477	598	834	29,651	8,941	1,927	2,821	97	314	673	888
2005	145	464	1,373	1,806	631	1,049	36,963	20,949	2,352	3,694	290	484	837	1,451
2010	210	902	1,303	1,627	1,113	2,144	66,819	47,470	2,600	3,897	337	815	1,013	1,838
2011	320	1,079	1,344	1,659	1,103	2,211	84,053	43,751	2,806	4,250	332	1,418	1,315	1,956
2012	407	1,125	1,438	1,679	1,403	2,192	81,036	29,361	2,753	4,576	726	1,412	1,663	2,327
2013	358	1,198	1,546	1,830	1,423	2,240	43,944	32,911	3,220	5,648	1,718	1,838	1,781	2,768

	ECOWAS	
	X	M
2000	51,416	34,266
2005	57,919	48,559
2010	97,004	85,288
2011	118,184	89,176
2012	118,903	83,449
2013	88,514	91,446

Source: UNSTATS (2014).

Note: X represents exports and M represents imports.

2012 to 2.2 percent in December 2013, according to the country's National Petroleum Corporation. Nigeria remains threatened by the discovery and exploration of shale oil and gas across the globe, which has stiffened competition among oil-producing nations. Other ECOWAS countries are also hurt by falling international oil prices.

Sierra Leone recorded the most impressive growth in 2013, with total exports of goods and services growing by 136.6 percent to

Table 3.7: ECOWAS export and import shares of GDP, 2000–13

(millions of current USD)

	Benin	Burkina Faso	Cabo Verde	Côte d'Ivoire	Gambia	Ghana	Guinea	Guinea-Bissau	Liberia	Mali	Niger	Nigeria	Senegal	Sierra Leone	Togo	ECOWAS
Export share (%)																
2000	25.4	9.5	37.7	39.8	47.7	30.6	17.9	31.8	26.1	22.8	18.6	33.5	27.9	18.1	32.7	28.0
2005	21.6	9.7	28.5	49.9	6.8	22.9	32.1	16.1	23.8	25.0	18.7	20.5	27.0	17.6	39.7	24.0
2010	15.1	20.9	28.9	54.9	10.4	29.5	29.3	20.0	19.2	23.7	22.2	25.3	24.9	16.8	40.9	25.5
2011	14.3	26.2	31.5	56.7	18.9	44.5	28.2	26.8	27.5	25.0	20.9	31.3	26.4	16.3	41.0	29.0
2012	15.3	19.6	34.9	51.8	21.2	44.7	24.8	16.4	32.4	26.7	24.3	31.4	25.6	27.9	43.3	29.4
2013	18.3	19.5	36.3	49.9	19.5	42.3	21.8	20.7	26.3	27.5	23.3	18.0	29.2	47.9	46.2	29.8
Import share (%)																
2000	29.7	25.0	53.4	33.8	57.4	42.1	18.6	51.6	26.9	32.7	26.4	11.9	37.2	39.3	46.5	35.5
2005	28.5	25.8	53.7	43.1	35.7	38.6	35.3	25.2	76.3	32.9	31.1	11.6	42.4	29.3	68.8	38.5
2010	24.7	29.5	58.0	47.0	25.8	45.9	34.4	35.4	82.1	26.0	49.1	17.4	40.3	34.5	57.6	40.5
2011	24.0	33.1	60.3	39.3	32.4	50.2	46.3	30.8	92.8	26.8	47.8	21.5	44.8	56.0	57.0	44.2
2012	24.3	28.5	52.3	48.4	35.6	54.8	44.9	26.2	89.5	28.4	42.6	12.9	47.3	42.9	63.8	42.8
2013	33.5	28.8	47.9	46.7	31.7	47.4	40.2	29.1	88.2	31.1	41.4	13.0	54.0	46.2	67.3	43.1

Source: UNSTATS (2014).

$1.7 billion, up from $726 million in 2012, by far the world's largest export growth that year. Exports to China alone came to $1.5 billion in 2013, accounting for 88 percent of the country's total exports.

Members of the regional economic community accounted for a combined trade deficit of $2.9 billion in 2013. This was an unimpressive performance, given the trade surpluses the subregion witnessed in the past decade. In 2012, the subregion gained from a total surplus of $35.5 billion.

Export's share of GDP for ECOWAS countries increased slightly, from 29.4 percent in 2012 to 29.8 percent of GDP in 2013, while imports also increased marginally from 42.8 percent to 43.1 percent (table 3.10). Leading the 15-member bloc, Côte d'Ivoire derived 49.9 percent of its GDP from exports, followed by Sierra Leone (47.9 percent,) and Togo (46.2 percent). Only three countries, Côte d'Ivoire, Nigeria, and Togo, had more GDP from exports than from imports.

Nigeria, which contributed the most to the region's GDP, had the least trade contribution to GDP. The country has been susceptible to external swings as a result of its 94 percent export structure based on fuels. Liberia, by contrast, continued to maintain its largest share from imports at 88.2 percent in 2013, slightly lower than the 89.5 percent it recorded in 2012.

Trends in export concentration and diversification

Export concentration for the ECOWAS region has declined over time (table 3.8). The Herfindahl-Hirschmann Index,[9] which stood at 0.49 in 2000, decreased to 0.44 in 2013,

Table 3.8: ECOWAS export concentration, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Benin	0.5875	0.4381	0.2866	0.2841	0.2722	0.2693
Burkina Faso	0.5233	0.7493	0.5112	0.5433	0.5301	0.5264
Cabo Verde	0.3630	0.4277	0.4323	0.4637	0.3979	0.4653
Côte d'Ivoire	0.3171	0.3189	0.3376	0.3821	0.3379	0.2991
Gambia	0.3608	0.3538	0.2634	0.2519	0.2526	0.2489
Ghana	0.3201	0.4097	0.4921	0.3881	0.3943	0.3860
Guinea	0.5793	0.6382	0.4538	0.4826	0.5122	0.4868
Guinea-Bissau	0.5855	0.9318	0.9323	0.9354	0.9372	0.9365
Liberia	0.5625	0.8385	0.3933	0.3846	0.3730	0.3694
Mali	0.6345	0.5808	0.6232	0.5735	0.5249	0.5328
Niger	0.5953	0.3194	0.3663	0.3750	0.3551	0.4690
Nigeria	0.9240	0.8860	0.7947	0.7858	0.7668	0.7722
Senegal	0.2323	0.2078	0.2740	0.2331	0.2278	0.1925
Sierra Leone	0.5335	0.5006	0.2784	0.2747	0.3108	0.4357
Togo	0.2933	0.2150	0.2261	0.2366	0.2042	0.1837
ECOWAS	0.4941	0.5210	0.4444	0.4396	0.4265	0.4382

Source: UNCTAD STATS (2014).

Table 3.9: ECOWAS export diversification, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Benin	0.8059	0.7856	0.7701	0.7695	0.7635	0.7687
Burkina Faso	0.7467	0.8209	0.8264	0.8183	0.8194	0.8243
Cabo Verde	0.6632	0.7136	0.7174	0.7141	0.6567	0.7439
Côte d'Ivoire	0.8062	0.7307	0.6993	0.7028	0.7004	0.6674
Gambia	0.7543	0.6889	0.7474	0.7488	0.7428	0.7472
Ghana	0.8088	0.8209	0.7919	0.7513	0.7620	0.7407
Guinea	0.8451	0.8458	0.8187	0.8082	0.7863	0.7919
Guinea-Bissau	0.6699	0.6588	0.7578	0.7625	0.7656	0.7688
Liberia	0.8287	0.8533	0.7079	0.6884	0.7482	0.7795
Mali	0.8065	0.8221	0.8396	0.7767	0.8695	0.8399
Niger	0.8503	0.7818	0.7926	0.8194	0.7825	0.8370
Nigeria	0.8819	0.8559	0.8054	0.8047	0.7943	0.7972
Senegal	0.7695	0.6854	0.7575	0.7513	0.7127	0.7117
Sierra Leone	0.6545	0.6838	0.6961	0.6929	0.8006	0.8412
Togo	0.7531	0.7232	0.7177	0.7637	0.7094	0.7162
ECOWAS	0.7763	0.7647	0.7630	0.7582	0.7609	0.7717

Source: UNCTAD STATS (2014).

although it showed a slight increase from 0.43 in 2012. Among all 15 countries, Senegal and Togo had the lowest export concentration, of 0.19 and 0.18 respectively, showing better export product diversification in food items, agricultural raw materials, ores and metals, fuels, manufactured goods, and other items, compared to Guinea-Bissau and Nigeria, at 0.94 and 0.78, respectively. Guinea-Bissau relies on food items for 95 percent of its exports, while Nigeria derives 94 percent of its export revenues from fuels.

The two economies are especially vulnerable to external shocks from the international market. Although Nigeria performed better in 2013 by reducing its index from 0.93 to 0.78, it remains economically dependent on volatile export markets.

Benin and Togo have successfully diversified their export mix, by 54.2 percent and 37.4 percent respectively, from 2000 to 2013, to see their indices fall to 0.27 and 0.18, respectively.

Export diversification has remained high throughout the past decade. In 2013, the average for ECOWAS was 0.77, down slightly from 0.78 in 2000 (table 3.9). While Côte d'Ivoire and Senegal saw slight declines, overall performance for the subregion hasn't improved. The index was substantially higher than sub-Saharan Africa's average of 0.59.

Trade trends: Intragroup, rest of Africa, and rest of the world

The flow of exports among ECOWAS nations has remained below 10 percent, while exports to the rest of Africa declined to 44.2 percent in 2013, from 45.8 percent in 2012 (table 3.10). Likewise, ECOWAS sold most

Table 3.10: ECOWAS flow of exports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	2681	8.9	951	26.2	27403	91.09
2005	5979	9.6	2361	28.3	56057	90.36
2010	9637	8.3	9803	50.4	106671	91.71
2011	10417	6.3	9875	48.7	154203	93.67
2012	12060	7.8	10174	45.8	141945	92.17
2013	13479	9.3	10662	44.2	131188	90.68

Source: UNCTAD STATS (2014).

Table 3.11: ECOWAS flow of imports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	2540	12.4	711	21.9	17,990	87.63
2005	5384	12.5	1847	25.5	37,620	87.48
2010	8327	10.0	3793	31.3	75,042	90.01
2011	9198	8.9	3729	28.8	93,794	91.07
2012	10967	10.5	4198	27.7	93,086	89.46
2013	13185	11.6	4600	25.9	100,495	88.40

Source: UNCTAD STATS (2014).

of its exports (90.7 percent) to non-ECOWAS countries in 2013. Clearly, regional integration policies have not significantly boosted intragroup trade.

The flow of imports, on the other hand, was relatively higher than the flow of exports within ECCAS, given the advantages of market proximity (table 3.11). Although at a low 11.6 percent subregionally, the region sourced 25.9 percent of its imports from the rest of Africa. The region's share of imports from the rest of the world (including Africa) fell slightly, from 89.46 percent in 2012 to 88.40 percent in 2013. The merchandise trade matrix for ECOWAS has been low in manufactured goods, as well as in machinery and equipment (table 3.11), falling short of market demand among member countries.

Human development performance

Cabo Verde and Ghana are the only two countries of the 15-member community in the medium human development group, with HDI values of 0.636 and 0.452 respectively in 2013. The other 13 countries remained

Table 3.12: ECOWAS Human Development Index trends, 1980–2013

HDI rank	Country/ region	Human Development Index (HDI)									Compound annual growth rate (%)		
		1980	1990	2000	2005	2008	2010	2011	2012	2013	1980–90	1990–2000	2000–13
Medium human development													
123	Cabo Verde	-	-	0.573	0.589	0.613	0.622	0.631	0.635	0.636	-	-	0.81
138	Ghana	0.423	0.502	0.487	0.511	0.544	0.556	0.566	0.571	0.573	1.73	-0.30	1.26
Low human development													
152	Nigeria	-	-	-	0.466	0.483	0.492	0.496	0.500	0.504	-	-	-
163	Senegal	0.333	0.384	0.413	0.451	0.474	0.483	0.483	0.484	0.485	1.44	0.72	1.25
165	Benin	0.287	0.342	0.391	0.432	0.454	0.467	0.471	0.473	0.476	1.78	1.33	1.52
166	Togo	0.405	0.404	0.430	0.442	0.447	0.460	0.467	0.470	0.473	-0.03	0.63	0.74
171	Côte d'Ivoire	0.377	0.380	0.393	0.407	0.427	0.439	0.443	0.448	0.452	0.10	0.33	1.08
172	Gambia	0.300	0.334	0.383	0.414	0.432	0.440	0.436	0.438	0.441	1.08	1.37	1.08
175	Liberia	-	-	0.339	0.335	0.374	0.393	0.402	0.407	0.412	-	-	1.52
176	Mali	0.208	0.232	0.309	0.359	0.385	0.398	0.405	0.406	0.407	1.14	2.89	2.13
177	Guinea-Bissau	-	-	-	0.387	0.397	0.401	0.402	0.396	0.396	-	-	-
179	Guinea	-	-	-	0.366	0.377	0.380	0.387	0.391	0.392	-	-	-
181	Burkina Faso	-	-	-	0.321	0.349	0.367	0.376	0.385	0.388	-	-	-
183	Sierra Leone	0.276	0.263	0.297	0.329	0.346	0.353	0.360	0.368	0.374	-0.49	1.23	1.79
187	Niger	0.191	0.218	0.262	0.293	0.309	0.323	0.328	0.335	0.337	1.34	1.86	1.95
ECOWAS		0.311	0.340	0.389	0.407	0.427	0.438	0.444	0.447	0.450	0.90	1.35	1.12
Sub-Saharan Africa		0.382	0.399	0.421	0.452	0.477	0.488	0.495	0.499	0.502	0.44	0.52	1.37
World		0.559	0.597	0.639	0.667	0.685	0.693	0.698	0.700	0.702	0.66	0.67	0.73

Source: Human Development Report (2014).

Note: ECOWAS index values are calculated as the average for the subregion.

in the low human development group, with some of the world's lowest HDI scores. Since 2000, HDI values for ECOWAS member states have grown by only 1.12 percent, compared to 1.37 percent for sub-Saharan Africa and 0.73 percent for the world as a whole. Although the subregion boasts of some of the world's fastest-growing economies, such growth has not been inclusive, and social recovery has been slow. About half of the bottom 15 countries in UNDP's 2014 Human Development Index are ECOWAS member states, with Niger scoring the lowest of 187 countries. Niger, consistently ranked at the bottom, continues to face serious problems such as periodic droughts and desertification, which have threatened Niger's agrarian economy and prevented the country from making capital investments in education, infrastructure, and health services.

Specific index components have increased for life expectancy, mean years of schooling and GNI, despite wide variations among member states. Ghana, in particular, recorded significant improvements in education outcomes, helped along by special emphasis on investments targeting education gaps as well as infrastructure needs. Between 2005 and 2012, Ghana spent an average 8.2 percent of its GDP on education, according to World Bank 2014 statistics, while children in Guinea, Burkina Faso, and Niger spent the least amount of time in school compared to African children elsewhere, with mean schooling of only 1.6, 1.3 and 1.4 years, respectively. That's far lower than the 4.8 years for sub-Saharan Africa and the 3.9 years for least developed countries. These numbers paint a bleak picture: countries lack the sufficiently educated adult workforce critical to economic development. For instance, the average adult (25 years or older) in Burkina Faso has completed only one year of schooling. Malian adults have completed, on average, only two years of

Table 3.13: ECOWAS Human Development Index and its components, 2013

HDI rank	Country/region	Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	Human Development Index (HDI)	Change in rank
		Value	(years)	(years)	(years)	(2011 PPP $)	Value	
		2013	2013	2012	2012	2013	2012	2012-2013
Medium human development								
123	Cabo Verde	0.636	75.1	3.5	13.2	6,365	0.635	-2
138	Ghana	0.573	61.1	7.0	11.5	3,532	0.571	0
Low human development								
152	Nigeria	0.504	52.5	5.2	9.0	5,353	0.500	1
163	Senegal	0.485	63.5	4.5	7.9	2,169	0.484	-3
165	Benin	0.476	59.3	3.2	11.0	1,726	0.473	0
166	Togo	0.473	56.5	5.3	12.2	1,129	0.470	1
171	Côte d'Ivoire	0.452	50.7	4.3	8.9	2,774	0.448	0
172	Gambia	0.441	58.8	2.8	9.1	1,557	0.438	0
175	Liberia	0.412	60.6	3.9	8.5	752	0.407	0
176	Mali	0.407	55.0	2.0	8.6	1,499	0.406	0
177	Guinea-Bissau	0.396	54.3	2.3	9.0	1,090	0.396	0
179	Guinea	0.392	56.1	1.6	8.7	1,142	0.391	-1
181	Burkina Faso	0.388	56.3	1.3	7.5	1,602	0.385	0
183	Sierra Leone	0.374	45.6	2.9	7.5	1,815	0.368	1
187	Niger	0.337	58.4	1.4	5.4	873	0.335	-1
ECOWAS		0.450	57.6	3.4	9.2	2,225	0.447	-
Sub-Saharan Africa		0.502	56.8	4.8	9.7	3,152	0.499	-

Source: Human Development Report (2014).

Note: ECOWAS index values are calculated based on the average for the subregion.

school, while the average for Ghana is seven years. Elsewhere, the situation looks better: inhabitants of ECOWAS member states can now expect at least nine years of schooling, given adequate education infrastructure.

Life expectancy worldwide averaged 71 years in 2013, with a high of 80 years for countries at the top end of the human development index and 59 for those at the low end. The subregion's average life expectancy was 58 years—just above the 57 for sub-Saharan Africa but still below the 62 years for least-developed countries. Citizens of Cabo Verde, Senegal, and Ghana enjoyed the longest life expectancies within ECOWAS, while those of Sierra Leone had the lowest (46 years). That contrasts with the country's health expenditures, which in 2011 reached 18.8 percent of GDP—perhaps the highest ratio in the world (World Bank 2013). This was far higher than even the 12.2 percent of GDP spent on health by countries in the very high human development group, and about three times the sub-Saharan average.

Quality of governance

Overall governance[10] in ECOWAS member states has improved significantly over the last 15 years. The subregion's IIAG[11] overall score grew from 45.8 in 2000 to 52.2 in 2013, much faster than the continent's average from

Table 3.14: ECOWAS Ibrahim Index of African Governance, 2013

	Overall score	Safety and rule of law	Participation and human rights	Sustainable economic opportunity	Human development
Cabo Verde	76.6	78.2	83.5	63.1	81.6
Ghana	68.2	69.9	73.6	53.6	75.5
Senegal	64.3	63.5	73.7	56.7	63.4
Benin	56.7	55.6	65.6	47	58.5
Burkina Faso	53.3	57.7	53.2	51	51.2
Gambia	51.6	50.2	36.4	54.2	65.4
Sierra Leone	51.1	58.5	57.4	41.6	47.1
Mali	49.5	48.6	45.9	51.8	51.6
Niger	49.4	56	55	40.9	45.8
Liberia	49.3	51.5	55.4	36.8	53.6
Togo	46.4	54.6	43.8	32.8	54.6
Nigeria	45.8	38.1	48.9	43.3	53
Côte d'Ivoire	44.3	41.6	43.9	43.5	48.3
Guinea	43.3	46.5	43.2	35.9	47.5
Guinea-Bissau	33.2	30.5	30.1	25.7	46.7
ECOWAS	52.2	53.4	54	45.2	56.3

Source: Mo Ibrahim Foundation (2014).

46.6 to 51.5 over the same period. Most countries strengthened their democracies and saw smooth elections and the successful transition of governments. This follows the success of the ECOWAS protocol on democracy and governance, which established the ECOWAS election monitoring and observatory process.

Better human development indices also drove the community's overall growth, especially in Ghana, Liberia, and Senegal, where capital investments have improved access to welfare opportunities, education and health services. Cabo Verde scored 76.6, the highest among ECOWAS countries and in West Africa overall, and the second-highest in Africa. But political instability from 2008 to 2012–particularly in Gambia, Mali, and Guinea-Bissau—led to violence and limited citizen participation. These three nations ranked 23rd, 28th, and 48th respectively out of the 52 countries[12] evaluated in Africa. Infrastructural deficits have also hampered sustainable economic opportunities in ECOWAS, with low productivity leaving most companies unable to compete effectively. The region must make greater efforts to strengthen the credibility of political institutions, increase the legitimacy of election results, and boost the participation of citizens in civil society.

Main achievements and challenges

ECOWAS has made remarkable achievements since its creation in 1975. Here are some of them:

ECOWAS has stayed united, despite its membership falling from 16 to 15 with Mauritania's withdrawal in 2002. Nevertheless, the organization remains Africa's largest regional grouping, and one of its most dynamic as well. It has made extensive progress on freedom of movement—a crucial element in ensuring a sustainable regional market—having abolished all visa requirements and entry permits for citizens of ECOWAS member states. In 2012, the bloc approved biometric ID cards as valid travel documents, and 11 member states now use the ECOWAS regional passport.

On 10 July 2014, ECOWAS became Africa's first REC to conclude and officially endorse a regional Economic Partnership Agreement (EPA). Five days later, the SADC followed suit, with negotiators initialing their own EPA.

West Africa is still often associated with conflicts such as those that once raged in Liberia, Sierra Leone, Côte d'Ivoire, and Guinea-Bissau. However, all these conflicts have largely been resolved, thanks to the extraordinary efforts of the ECOWAS peacekeeping force ECOMOG. The fact that ECOWAS has focused much of its attention on conflict management is not surprising, though the organization has since progressed beyond peacekeeping operations.

ECOWAS has accomplished much in the area of conflict prevention, management and resolution. It has put in place legally binding protocols and institutional frameworks to understand and address the ever-changing dynamics of violent conflicts. These laudable initiatives include the Protocol Relating to the Mechanism for Conflict Prevention, Management, Resolution, Peacekeeping and Security, and the Convention on Small Arms and Light Weapons, as well as the West African Conflict Early Warning and Early Response Center.

As part of its Common External Tariff (CET) implemented on 1 January 2015, ECOWAS including training in member states and the adoption of CET clearing systems.

The 45th session of the Conference of ECOWAS Heads of State and Government approved the Economic Partnership Agreement (EPA). Efforts are now underway to raise awareness among national and regional actors.

ECOWAS is Africa's first REC to have undertaken the CAADP[13] exercise at the regional level. This built on West Africa's earlier efforts to enact a regional agricultural policy, starting in 2001, when the ECOWAS Ministerial Commission on Agriculture and Food adopted guidelines for the creation of a common regional agricultural policy for West Africa (ECOWAP). Not surprisingly, ECOWAS is seen as the leading REC in the implementation of CAADP. All 15 of its member states have signed compacts and investment plans—a result facilitated by the REC's technical support and its $450,000 contribution to each nation to push the process along (NEPAD 2010).

Despite progress in the free movement of persons, construction of regional roads, development of telecom links among member states, and maintenance of peace and regional security, subregional market integration has been very slow. The results have not significantly translated into more business. Intragroup exports still come to only 9 percent of total ECOWAS trade, compared with 20 percent for the East Africa Community (EAC) and 17 percent for the Southern African Development Community (SADC). The current status of integration issues faced by ECOWAS is shown in Table 3.15.

ECOWAS has encountered many problems in the integration process, including the following:

Although member states strive to transcend the region's linguistic and geopolitical complexities, the divide among Anglophone and Francophone countries, and to some extent, the Lusophone countries, still complicate the integration process. In 1994, a sub-group of eight countries, which with the exception of Guinea-Bissau base their legal and administrative systems on the French model, formed the West African Economic and Monetary Union (WAEMU). These countries have a common currency, the CFA franc, inherited at independence; France's Treasury guarantees its convertibility. They also have a common monetary policy implemented by a common central bank, the *Banque centrale des Etats de l'Afrique de l'Ouest* (BCEAO). As a result, the WAEMU countries have made more progress towards economic integration than the rest of ECOWAS. The non-WAEMU countries, with the exception of Cabo Verde, have formed the West African Monetary Zone (WAMZ), which aims to eventually merge with WAEMU to form a single ECOWAS monetary zone. However, progress has been extremely slow and the ECOWAS-WAEMU convergence remains a distant prospect.

Table 3.15: ECOWAS current status of integration

Integration issues	Level of integration from lowest (1) to highest (5)
Free movement of persons	4
Free trade area	4
Customs union issues	3
Monetary integration	2
Economic integration	2
Political integration	1

Source: ACBF team.

The subregion still faces serious challenges. Prominent among these is Ebola Virus Disease (EVD) in Liberia and Sierra Leone. Since its outbreak in March 2014, apart from crippling economic growth, the disease has killed 11,300 people, according to the World Health Organization. The devastation caused by Ebola also underscored the institutional weakness of war-ravaged Liberia and Sierra Leone, and instability in Guinea. Equally worrisome are the rising scourges of terrorism, piracy, drug smuggling, and human trafficking—all of which now threaten the subregion's peace and security.

National economies remain weak. In the World Bank's 2014 Doing Business Report, Ghana was the only ECOWAS nation that scored below 100, indicating the subregion's high cost of doing business (Ghana scored 67, while Guinea-Bissau scored 180). In its 2014 Human Development Report, the United Nations puts 13 of the 15 ECOWAS members in its "low human development" category; only Cabo Verde and Ghana are considered "medium human development" countries.

An excessive number of security personnel guarding checkpoints along the borders of ECOWAS member states hampers the movement of goods within the region. A study by CLEEN Foundation[14] found roughly 25 security checkpoints and roadblocks within a 10-kilometer radius of Nigeria's main border crossing with Benin. But only five of these 25 (Customs, Immigration, Joint Nigeria-Benin Anti-Crime Border Patrol, National Drug Law Enforcement Agency and Veterinary Quarantine Service) could be considered legitimate and necessary to ensure border security. The remaining 20 were identified as dubious creations set up by law-enforcement officials essentially for extortion. Nothing indicates that this situation has changed since CLEEN conducted its study.

The involvement of civil society, the private sector and mass movements in the integration process is proceeding at a slow pace.

Capacity development and the commission[15]

ECOWAS recognizes the importance of capacity development in confronting its many challenges. "Reinforcing capacity is a prerequisite to building modern and efficient institutions in ECOWAS that would deliver on every aspect and facet of its programs, in addition to meeting global best practices, standards and expectations," according to the ECOWAS Commission Strategic Plan 2011–15.

The challenges are:

- Low investments in human capital development and a clear succession plan
- Lack of organizational culture, a dearth of tools and an unfriendly work environment
- Inefficient organizational structures and a poor management system that does not conform to modern and best standards of global practices
- Low ICT penetration, knowledge, accessibility, availability and applicability[16]

Since 2002, ECOWAS has conducted many studies on capacity development. These culminated in the capacity development plan (2008–10). Its recommendations were to focus on:

- Development of a regionwide organizational system incorporating partners and the general public
- Capacity development as integral part of strategic planning
- Staff involvement and participation

- Consolidation and prioritization of current capacity development activities

- Meeting the capacity challenges restructuring brings, such as additional staff recruitment, induction, training, office space and equipment, and increased financial requirements

- Governance and strong leadership following restructuring

- Institutional structure guidelines for the creation of any future ECOWAS institutions or units

- Legal capacity, given recent institutional changes within ECOWAS

- Financial and personnel management

- Technical and functional capacity, with a clearer definition of departmental mandates and functions, and new work processes

- Material and other logistical support

Organizational level capacity needs[17]

The commission's main capacity building needs are summarized and categorized under seven main themes: team building and leadership, performance management, human resources, finance, communications, information technology, and integrated program-planning system.

Team building and leadership

Three main areas need capacity building support:

- Organizational decision-making at all levels through regular meetings (commissioners, directors, and program officers)
- Teamwork and performance through meetings at departments, directorates, and divisions
- Role clarification and delegation at all levels

Performance management

The main areas of capacity support are:

- Results-based management (RBM) system
- Monitoring and evaluation system
- Strategic planning and programming
- Job description and performance appraisal
- Reward and sanction system in the commission

Human resources

The main HR issues are:

- Recruitment process
- Staff training and development
- Staff retention
- Management training on HR systems
- Recruitment and management of contracts

Finance

The main issues are:

- Budgetary process
- Budget implementation process
- Budget performance report
- Approval process and payment procedures
- Management of development partners' funds
- Delegation of responsibilities

Communication

The main areas for capacity support are:

- Internal and external communication process

- Coordination and collaboration
- Information and knowledge management systems
- Management of development partners

Information technology

The main areas for capacity support are:

- Process automation
- Communication systems
- Internet and intranet
- Enterprise resource management system

Integrated program planning system

The main areas for capacity support are:

- Single entry point for program
- Institutional transformation
- System integration and improvement
- Process redesign

Directorate-level capacity needs

The capacity needs of directorates, in relation to their MTAP, are broadly defined under five goals:

Goal 1: Help achieve good governance and strengthen the Conflict Prevention, Management, and Resolution Mechanisms. This goal is addressed by Political Affairs, Humanitarian and Social Affairs, Early Warning Unit, Peace Keeping and Regional Security Directorates.

Goal 2: Help develop infrastructure in order to achieve a competitive business environment and investment capacity. This goal is addressed by the Private Sector, Energy, Transport and Telecommunications and Trade Directorates.

Goal 3: Promote sustained development and cooperation in the region. This goal is addressed by Industry and Mines, Education, Humanitarian and Social Affairs, Environment, Gender Youth and Sports, Agriculture and Rural Development and Energy Directorates, and the Community Development Program.

Goal 4: Deepen economic and monetary integration. This goal is addressed by Multilateral Surveillance, Research and Statistics, Free Movement and Tourism, and Customs Directorates, and Economic Policy Analysis Unit.

Goal 5: Help reinforce institutional capacity. The directorates and units that contribute to this goal are: Finance, General Administration, Conference and Protocol, Human Resources, Monitoring and Evaluation Unit, Community Computer Centre (CCC), Communications, Legal Affairs, External Relations, Strategic Planning Directorate (SPD) and the Community Development Program Unit as service directorates or units under the Presidency and CAF.

The ECOWAS Commission Capacity Development Plan 2011–15 addresses the details of the organizational and directorate level capacity needs and costs. Overall, the ECCDP will cost 395,389,903 Units of Account (UA), or $619,457,361 over a five-year period.

The table below explains total cost per capacity need. The most expensive (Goal 4: Deepen economic and monetary integration, with Objective 1: Regional and global trade integration and mobility of production factors) costs UA 210,586,400.51; followed by Goal 5: Reinforcing institutional capacity, with Objective 1: Institutional development, UA 44,538,282.08; and Goal 5: Reinforcing institutional capacity, with Objective 5:

Table 3.16: Total capacity cost per capacity need

(in USD at current prices)

Goals	Objectives	Capacity Needs							Total cost
		Consultant / consulting firm	Workshop	Working visit	Equipment	Training	Personnel	Others	
		Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	
Goal 1: Facilitate the achievement of Good Governance and strengthen the Conflict Prevention, Management, and Resolution Mechanism	Goal 1: Objective 1: Good Governance	1,342,066.00	47,304.00	195,816.00	-	219,224.00	-	883,378.00	2,687,788.00
	Goal 1: Objective 2: Conflict Management (Prevention, Resolution and Post-Conflict Activities)	2,058,840.00	311,232.00	306,479.00	470,000.00	530,464.00	8,656,173.50	-	12,333,188.50
	Goal 1: Objective 3: Emergency Response and Disaster Management	6,155,742.00	372,609.00	168,612.00	40,000.00	1,630,352.00	-	257,272.00	8,624,587.00
Goal 2: Facilitate the development of infrastructure for the attainment of a Competitive Business Environment and Investment Capacities	Goal 2: Objective 1: Economic & Business Infrastructure development	-	-	-	-	-	-	-	-
	Goal 2: Objective 2: Private Sector and Public-Private-Partnership Development	1,098,856.00	38,904.00	31,904.00	-	65,812.00	2,407,548.79	157,000.00	3,800,024.79
	Goal 2: Objective 3: Capital and Financial Markets Development And Integration	-	-	-	-	-	-	-	-
	Goal 2: Objective 4: Business environment regulation and cooperation in the development of a viable regional infrastructure	593,760.00	1,563,640.00	263,884.00	70,000.00	785,609.00	2,140,043.36	1,450,000.00	6,866,936.36
	Goal 2: Objective 5: Regional Investment Promotion (policies, incentive structures, trade fairs)	6,048,578.00	1,011,504.00	195,742.00	-	971,850.00	1,070,021.69	3,395,000.00	12,692,695.69

Table 3.16: Total capacity cost per capacity need continued…

(in USD at current prices)

Goals	Objectives	Capacity Needs							Total cost
		Consultant / consulting firm	Workshop	Working visit	Equipment	Training	Personnel	Others	
		Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	
Goal 3: Promote Sustained Development and Cooperation in the Region	Goal 3: Objective 1: Agriculture Development	179,904.00	31,904.00	-	-	65,808.00	-	-	277,616.00
	Goal 3: Objective 2: Industrial Development	-	-	-	-	-	-	-	-
	Goal 3: Objective 3: Development of Mines and Extractive Trade	-	-	-	-	-	-	-	-
	Goal 3: Objective 4: Natural Resources Management and Environmental Protection	1,039,344.00	622,464.00	176,590.00	20,000.00	364,956.00	2,541,301.49	-	4,764,655.49
	Goal 3: Objective 5: Human Development	2,491,800.00	3,229,032.00	1,423,555.00	120,000.00	1,269,838.00	4,867,391.98	829,885.00	14,231,501.98
	Goal 3: Objective 6: Coherence of regional programs	276,320.00	2,194,850.00	785,000.00	-	215,090.00	-	-	3,471,260.00
Goal 4: Deepening of Economic and Monetary Integration	Goal 4: Objective 1: Regional and global trade integration and mobility of factors of production	14,313,632.00	10,191,643.00	1,082,908.00	40,000.00	1,171,940.00	7,089,272.51	176,697,005.00	210,586,400.51
	Goal 4: Objective 2: Ensure macroeconomic stability and convergence	2,817,424.00	6,535,640.00	63,858.00	420,000.00	2,579,184.00	4,545,075.92	200,000.00	17,161,181.92
	Goal 4: Objective 3: Introduction of a Single Currency / Monetary Union Establishment	179,904.00	-	-	-	-	-	-	179,904.00
	Goal 4: Objective 4: Statistical systems harmonization	2,414,600.53	635,392.00	87,832.00	20,000.00	150,000.00	2,808,806.93	67,500.00	6,184,131.46

Table 3.16: Total capacity cost per capacity need continued…

(in USD at current prices)

Goals	Objectives	Capacity Needs							Total cost
		Consultant / consulting firm	Workshop	Working visit	Equipment	Training	Personnel	Others	
		Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	Sub-total	
Goal 5: Promote Reinforcement of Institutional Capacity	Goal 5: Objective 1: Institutional Development	10,918,846.00	4,352,428.06	854,360.00	1,537,500.00	2,153,345.00	22,536,770.50	2,185,032.52	44,538,282.08
	Goal 5: Objective 2: Personnel Management	719,616.00	883,584.00	-	42,500.00	108,664.00	3,050,243.70	950,000.00	5,754,607.70
	Goal 5: Objective 3: Infrastructure and Facility Management	1,538,568.00	155,616.00	21,958.00	245,000.00	119,164.00	1,337,527.11	-	3,417,833.11
	Goal 5: Objective 4: Performance and Knowledge Management Systems	4,210,992.00	2,100,816.00	90,712.00	172,000.00	834,408.00	4,012,581.33	814,160.00	12,235,669.33
	Goal 5: Objective 5: Institutional Coordination and Collaboration	7,015,882.00	7,176,158.00	857,511.60	380,350.00	1,423,782.00	8,158,915.33	569,040.00	25,581,638.93
	Total	65,414,674.53	41,454,720.06	6,606,721.60	3,577,350.00	14,659,490.00	75,221,674.15	188,455,272.52	395,389,902.86

Source: UNSTATS (2014).

Institutional coordination and collaboration, UA 25,581,638.93.

It appears that some aspects of the ECOWAS Commission Capacity Development Plan have been funded. However, the survey team has very limited access to such information. For example, the Canadian International Development Agency (CIDA) has helped strengthen ECOWAS processes and capacities in regional cooperation and integration, and in conflict prevention and management, by financing the ECOWAS Commission's core and institutional capacities (see table 3.16).

Main findings of the 2013–15 ACBF survey

The survey team visited the ECOWAS Secretariat in Abuja from 15 to 18 July 2013. This coincided with the Meeting of Authority of Heads of State and Government, complicating efforts to interact effectively with commissioners. ECOWAS was also conducting an institutional reform exercise during the visit but had not concluded that exercise, affecting the survey's results and conclusions.

On its first day, the team paid courtesy calls on the commissioners of Macroeconomic Policy, and Agriculture, Environment and Water Resources. It also discussed the mission and survey questionnaire with most of the commission directorates at ECOWAS, which led to a revised questionnaire that was later shared with directors and staff.

Recognizing the first survey's deficiencies, a team of ACBF consultants revisited ECOWAS in April 2015 to collect more data on its capacity building needs, especially on human capacity gaps. The survey's analysis is based on a combination of the two datasets.

In order to redirect the role of ECOWAS to its primary mission of regional integration and sustainable economic development, the community restructured its institutions in 2006 with a view to improving its organizational structure and its management systems and procedures. As part of this evolution, the authorities adopted ECOWAS Vision 2020 in June 2007, which marked a decisive point in the process of transforming the ECOWAS of States into an ECOWAS of Peoples. The 2010–15 Strategic Plan was developed for the realization of Vision 2020. It is on the basis of these development pillars that the community set six strategic priorities (or objectives) covering a five-year period beginning in 2011. The priorities are to:

- Promote good governance and improve on the Mechanism for Conflict Prevention, Peace-keeping and Security
- Promote a competitive business environment
- Support development and cooperation in the region
- Strengthen economic and monetary integration
- Strengthen institutional capacities
- Strengthen the mechanism for integrating into the global market

Each of these priorities builds on strategies that capitalize on strengths, eliminate weaknesses, take advantage of opportunities, and avoid threats identified by the situation analysis.

Policy and strategy cycle

Since 2002, ECOWAS has commissioned a number of studies on capacity development, culminating in the Capacity Development Plan (2008–10). The commission's plan for 2011–15 is coordinated at its departmental level, and it targets regional professionals, decision-makers and public officials across member states. ECOWAS assesses its policy cycle based on a cost/benefit analysis, though the community has not subjected its policies to independent assessments.

Capacity for monitoring and evaluation

The ECOWAS Monitoring and Evaluation Manual[18] seeks mainly to formalize and harmonize the procedures and tools for monitoring and evaluation (M&E), and to track progress in the regional integration process. This M&E system seeks to:

- Establish a reputation for generating accurate data to be used to prepare activity reports by the ECOWAS Commission and other community institutions
- Monitor the progress of activities throughout program implementation in order to be in a position to take timely corrective measures for observed shortcomings or deviations
- Learn useful lessons from previous activities for better definition and implementation of future activities
- Determine as systematically and objectively as possible the relevance and effectiveness of activities undertaken, as well as their effect on target groups

The M&E system has a centralized mechanism for collecting, processing, and analyzing information on all regional integration actions undertaken by ECOWAS member states, institutions and others involved in the implementation process. These actions are financed by ECOWAS itself or by its development partners. ECOWAS also has a quality assessment framework developed with help from an international independent organization. However, the commission has yet to produce a progress report with the framework.

The following indicators reflect ECOWAS progress in a number of areas:

- Customs union is ranked good
- Free movement of the population and free trade area are ranked very good
- Monetary integration and economic integration are ranked fair
- Political integration is ranked poor

Capacity for statistics, database, and dataset

ECOWAS has established a statistics unit which helps its member states by coordinating workshops and seminars, offering technical and resource mobilization assistance, as building capacity for NGOs. ECOWAS does not offer specific courses on statistics, but it is in the process of establishing a comprehensive database on regional integration.

Capacity profile/assessment of needs

ECOWAS has not conducted a capacity needs assessment since 2008, either for its union or for member states. However, the

Box 3.1: Economic Policy Analysis Unit

Background

The ECOWAS Commission in Abuja established its Economic Policy Analysis Unit (EPAU) in January 2010 under the commissioner in charge of macroeconomic policy. EPAU is a regional think tank sponsored by the African Capacity Building Foundation (ACBF).

Vision

EPAU's vision is to promote cooperation and development in all areas of economic activity, abolish trade restrictions, remove obstacles to the free movement of persons, goods and services, and harmonize regional and sectoral policies.

Mission

EPAU's mission is to bridge the existing capacity gap and realize the goal of the Macroeconomic Policy Department, which is to harmonize policies and programs, resulting in monetary integration, private sector development, and sustained growth.

Objectives

- Strengthen the institutional capacity of the Macroeconomic Policy Department
- Conduct policy analysis, research, and management for purposes of promoting regional integration in West Africa
- Build the capacity of ECOWAS staff and National Coordinating Committees
- Promote networking of regional bodies, groups, and institutions

Program components:

Institutional strengthening	Policy research support	Training
Networking	Publication and dissemination	

Policy Analysis and Research

The EPAU's research agenda has three dimensions: in-house research, commissioned research to ACBF-supported think tanks, and commissioned research for the Journal of West Africa Integration (JWAI).

Capacity Building and Training

In-house, short-term training. In liaison with the Human Resource Directorate, identify staff training needs in the areas of macroeconomic policy design, analysis. and research, and develop an in-house, short-term training program for ECOWAS officials.

Training organized by regional training institutions. Identify regional training institutions and training modules, then in liaison with HR Directorate make necessary arrangements for ECOWAS officials to attend the identified training.

In-country / Regional training. In liaison with the Directorate of Multilateral Surveillance, identify training needs of NCCs and develop short-term training programs for NCC officials.

Management Structure

EPAU has a three-tier structure comprising a Project Steering Committee, a Technical Committee, and Project Management.

Source: ECOWAS Commission.

2006 ACBF Survey's assessment and recommendations led to the establishment of the Economic Policy Analysis Unit (EPAU) in the Macroeconomic Policy Commission. This is a commendable practice worthy of emulation by other RECs. The details of EPAU are presented in Box 3.1 opposite.

Research capacity

The ECOWAS research unit employs four full-time researchers whose work is peer-reviewed from time to time. All staffers are computer-literate and have Internet access.

Interventions/projects in capacity building

The community has in-house capacity for project development, but also relies on consultants to design technical assistance and resource mobilization projects for member states. ECOWAS has a technical assistance/capacity building program which has, over the past three years, provided technical assistance to more than 20 experts.

Communications and events

Several member states have officially expressed interest in the capacity needs of ECOWAS. The community, whose main means of communication are its website and its various publications, has also organized events to inform stakeholders on capacity building.

Human resource base

ECOWAS employs 313 professionals, of which 242 are females and 71 are males (see table 3.17); and all professional staff contracts exceed six months. There are also 388 support staffers, a ratio of one professional staff to 1.2 support staff.

Of the professional staff, 21 have doctorate degrees, 124 have master's degrees, and 56 have bachelor's degrees. In addition, 157 are fluent in English, 140 in French and 15 in Portuguese. Within ECOWAS, the largest employers of professional staff are Political Affairs and Peace and Security Commission (83), and General Administration and Conference (42). The Energy and Mines Commission has three professional staffers, while the Education, Science and Culture Commission employs four staffers.

Six of the union's seven commissions have expressed the need for additional human resources, including the agriculture, environment and water resource commission; human development and gender; infrastructure; macroeconomic policy, political affairs, peace and security as well as the trade, customs, industry and free movement of persons commission. Most directorates have only one or two staffers, according to questionnaire results. Administration and finance systems within ECOWAS have also been very time-consuming.

Recruitment in ECOWAS is competitive, but the community also respects equity when it comes to representation among member states. One staffer is a political appointment and nine are seconded by governments, but there is no gender quota. ECOWAS has a human resource incentive policy with respect to salary, fringe benefits, and working environment.

ECOWAS has no mechanism in place for sharing knowledge experiences and best practices with other RECs. Nor have funds been

Table 3.17: Composition and characteristics of ECOWAS staff

		Agriculture, environment and water resources	Education, science and culture	Energy and mines	Finance	General administration and conference	Human resources
Current staff size:							
Professional staff:							
Sex	Male	2	2		4	15	2
	Female	15	2	3	8	27	9
Term of contract	> 6 months	17	4	3	12	42	11
	< 6 months						
Level of education	Doctorate Degree	5	1		3		
	Master's Degrees	3	1	1	5	21	8
	Bachelor's degree (BA/BS)	2	1			11	2
	Professional Qualifications				4	2	2
Language proficiency	Fluent English	5	2	1	8	24	7
	Fluent French	12	2	2	4	14	3
	Fluent Portuguese					4	1
	Fluent Arabic						
Support staffs:		14	3	4	33	131	7

		Industry and private sector promotion	Infrastructure	Macro-economic policy and economic research	Office of the Chief internal auditor	Office of the Financial Controller	Office of the President
Current staff size:							
Professional staff:							
Sex	Male	1	3		1	2	7
	Female	5	12	15	5	9	22
Term of contract	> 6 months	6	15	15	6	11	29
	< 6 months						
Level of education	Doctorate Degree			2			
	Master's Degrees	3	9	6	5	4	13
	Bachelor's degree (BA/BS)		2	2	1	4	6
	Professional Qualifications	2	1		1	1	
Language proficiency	Fluent English	4	10	7	2	7	12
	Fluent French	2	5	8	4	4	17
	Fluent Portuguese						
	Fluent Arabic						
Support staffs:		3	9	7	2	2	42

Table 3.17: Composition and characteristics of ECOWAS staff continued…

		Office of the Vice President	Political affairs, peace and security	Social affairs and gender	Telecommunication and information technology	Trade, customs, free movement and tourism
Current staff size:						
Professional staff:						
Sex	Male		18	9	2	3
	Female	5	65	17	11	12
Term of contract	> 6 months	5	83	26	13	15
	< 6 months					
Level of education	Doctorate Degree		4	5	1	
	Master's Degrees	3	21	10	8	3
	Bachelor's degree (BA/BS)	1	14	7	3	
	Professional Qualifications		1			
Language proficiency	Fluent English	3	41	12	6	6
	Fluent French	2	34	13	6	9
	Fluent Portuguese		8	1	1	
	Fluent Arabic					
Support staffs:		10	63	23	24	11

allocated for a library or information center. However, ECOWAS does collaborate with other RECs on pertinent issues through workshops and seminars.

Priority sectors in relation to capacity needs

The priorities of the community since 2006 are:

- Agriculture, environment, and water
- Human development and gender
- Infrastructure
- Macroeconomic policy
- Peace and security
- Trade, customs, and free movement

ECOWAS has a common policy on agriculture, which is expressed in its Vision 2020 document and reviewed every five years. Capacity building is part of this policy, and specific objectives have led the community's involvement in dozens of agricultural projects. For instance, ECOWAS participates in NEPAD's Comprehensive African Agricultural Development Program (CAADP) by helping member states mobilize their resources. ECOWAS maintains a partial database on agriculture and food security for the West African region, and allocates about 15 percent of its total budget to agriculture, environment and water, making it the group's second-most important sector.

Other projects include the ECOWAS Common Statistics Database System for

Multilateral Surveillance (ECOMAC); ECOWAS Agricultural Policy (ECOWAP); and ECOWAS Software for Compilation of External Trade Statistics (EUROTRACE).

Capacity development priorities

During its visits, the ACBF team held consultations with ECOWAS personnel on the organization's capacity needs and identified some immediate, short-term and medium-term gaps. The team observed that ECOWAS has highly trained and capable senior staff, but still lacks enough personnel to implement its mandate. Indeed, during this survey, ECOWAS had placed an embargo on recruitment of personnel, while undertaking an institutional reform exercise.

Capacity gaps

Almost all the directorates and units highlighted the shortage of personnel necessary to execute the ECOWAS mandate; member states themselves lack the skills and human resources needed to implement policies. They also expressed the need to train existing staff to keep up with the constant changing global environment.

Immediate needs

The current situation at ECOWAS calls for immediate training of staffers and people in the member countries themselves to speed up implementation of the commission's policies.

Short-term needs

ECOWAS has a mandate to help develop a free trade area, leading a customs union and eventually a common market. To do this, ECOWAS hopes to achieve the following objectives over the next 12 to 24 months:

a. Engage the services of experts to train customs officers on cross border trade issues with respect to the customs union

b. Continue to train ECOWAS and member countries personnel on project and data collection and management

c. Strengthen the Economic Policy Analysis Unit (EPAU), established in 2009 as a regional think tank, to deepen its effectiveness within ECOWAS and its member states

Medium-term needs

All ECOWAS directorates expressed interest in recruiting and training personnel to help implement integration policies. For example, the Comprehensive Africa Agriculture Development Program (CAADP) seeks to improve regional capacity in planning, M&E and food security, while the infrastructure directorate wants to help ECOWAS create an effective regional transport system.

Long-term priorities

- Sustain capacity building in all sectors and programs
- Improve the capacity of institutions in member countries
- Strengthen the capacity of the ECOWAS Commission

These would consolidate gains that have been achieved and help ECOWAS member states attain the continental integration agenda of the AU's African Economic Community.

Table 3.18: Resources required to fund ECOWAS capacity building needs

	Immediate needs (USD)	Short-term needs (USD)	Medium-term needs (USD)
Skills development: training of the staff at the commission to speed up the implementation of policies of ECOWAS	1,000,000		
Continuously engage the services of experts to train customs officers on cross border trade issues with respect to customs union		2,000,000	
Continue to train ECOWAS and member countries personnel on project and data collection and management		2,000,000	
Train member countries to recruit and train focal points personnel on implementing integration policies			3,000,000
Total	1,000,000	4,000,000	3,000,000

Source: ACBF team in consultation with ECOWAS commission.

Table 3.19: Persons contacted

1. Dr. Lapodini Marc Atouga, Commissioner, Agriculture, Environment and Water Resources
2. Dr. Ibrahim Bocar BA, Commissioner, Macroeconomic Policy
3. Gideon Gbappy, Programme Officer, Macroeconomic Policy Department
4. Samba Kanoute, Directorate of Research and Statistics
5. Dr. Nelson Olalekan Magbagbeola, Acting Director, Multilateral Surveillance
6. Saihou Njie, Principal Officer, Human Resources, Manpower Planning & Recruitment
7. Jerome K. Boa, Principal Program Officer, Department of External Relations
8. Adjogou Akou, Head, Monitoring & Evaluation Unit
9. Tony Luka Elumelu, Head, Free Movement
10. Dr. Abdoulaye Zonon, CDP Expert, Community Development Program
11. Dr. Paul Antoine Marie Ganemtore, Project Director, Air Transport
12. Chris Appiah, Transport Facilitation & Policy Expert, Transport & Telecoms Directorate
13. Degol Mendes, Economist, Directorate of Multilateral Surveillance
14. Felix Fafana N'zue, Director, Economic Policy Analysis Unit
15. Gbenga Greg Obideyi, Director, Trade Department
16. Salifou Tiemtore, Acting Director, Directorate of Customs
17. Christopher Ajaero, Programme Officer, Directorate of Research and Statistics
18. Alfred M. Braimah, Director, Private Sector
19. Mahamadou Yahaya, Director of Research & Statistics
20. Dr. Simeon Koffi, Principal Research Officer, Directorate of Research & Statistics
21. Alain Sy Troare, Acting Director, Agriculture & Rural Development
22. Olga Aline Gnimassou, Human Resources Directorate

Resource requirements: Funding ECOWAS capacity needs

Table 3.18 shows how much money is necessary to fund the identified capacity building needs. Cost estimates were achieved in consultation with the commission.

Financing strategies

ECOWAS has relied too heavily on external sources of funding such as contributions from member and partner states, as well as project financing from development partners.

Sustainable funding is needed for capacity building. ECOWAS already assesses a 0.5 percent levy on the third-party import value of its member states. Despite constraints in collecting this levy, a specified proportion of the funds raised should be allocated to capacity building.

Figure 4.1: COMESA member states

Source: ACBF.

4

COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

The Common Market for Eastern and Southern Africa (COMESA) is a group of 19 member states stretching from Libya to Swaziland. COMESA was founded in 1993 as a successor to the Preferential Trade Area for Eastern and Southern Africa (PTA), which was established in 1981 as part of the framework of the Lagos Plan of Action and the Final Act of Lagos of the Organization of African Unity (OAU). COMESA's formation fulfilled the terms of the PTA Treaty, which required the PTA's transformation into a common market 10 years after entering into force.

COMESA formally succeeded the PTA on 8 December 1994 upon the treaty's ratification by 11 signatory states. It improved on the PTA in two crucial ways. First, it adopted the multiple speed or variable geometry approach to integration, in that some countries could move faster toward regional economic integration than others. Secondly, it allowed for sanctions to be imposed on countries that do not implement agreed-upon COMESA programs, and also as a way of settling disputes that arise from interpretation or implementation of the treaty.

COMESA was established mainly to take advantage of a larger market size, share the region's common heritage and destiny, and allow greater social and economic cooperation, with the ultimate objective of joining the African Economic Community. COMESA's principal focus is promoting regional integration through trade development, investment promotion, and sustainable use of natural resources for the mutual benefit of all citizens.

The COMESA approach to regional integration is the classical, stage-by-stage gradual method of progressing from preferential trade area (PTA) to free trade area (FTA) to customs union to common market and eventual monetary union. By 2025, COMESA expects to be a single trade and investment area in which tariffs, non-tariffs, and other impediments to the movement of goods, services, capital, and people will no longer exist. By then, the region also expects to have achieved global market competitiveness in goods and services trade, while doubling per-capita income thanks to steady expansion of the regional economy.

COMESA's vision is "to have a fully integrated internationally competitive regional economic community within which there is economic prosperity and peace as evidenced by political and social stability and high standards of living for its people." Its mission is "to endeavor to achieve sustainable economic and social progress in all member states through increased cooperation and integration in all fields of development."

Governance structure

Seven organs constitute COMESA's institutional structure and are responsible for developing COMESA's general policies. These are:

- Authority of the Heads of State and Government
- Council of Ministers
- COMESA Court of Justice
- Committee of Governors of Central Banks
- Intergovernmental Committee
- Technical Committees
- COMESA Secretariat

The first three are political organs, while the last four monitor and implement policies and programs. Their roles are discussed in detail below.

Authority of the Heads of State and Government: This entity, the supreme policy organ of COMESA, comprises the heads of state or government of all member countries. It is responsible for general policy and direction; it also oversees the performance of the common market's executive functions, as well as its aims and objectives. The authority held its inaugural meeting in Lilongwe, Malawi, in December 1994. Its most recent summit took place in March 2003. The 9th Summit was held on 9 June 2004 in Kampala, Uganda.

Council of Ministers: Each member state appoints a minister to participate in the Council of Ministers. The council monitors COMESA activities—including supervision of the Secretariat—recommends policy direction and development, and reports to the authority. It meets once a year.

COMESA Court of Justice: The court was established under the COMESA Treaty and became fully operational in September 1998. Based in Lusaka, Zambia, it is composed of seven judges. The court rules in disputes relating to arbitrary commercial practices, interprets provisions of the treaty governing COMESA, and sees to it that member states implement and respect its decisions. A host agreement was signed on 26 January 2004, under which Khartoum would be the court's permanent seat following a March 2003 ruling taken at the 8th COMESA Summit in Sudan.

Committee of Governors of Central Banks: This committee provides advice to the authority and the Council of Ministers on monetary and financial issues. It is responsible for developing programs and action plans in the fields of financial and monetary cooperation.

Intergovernmental Committee: This committee consists of permanent or principal secretaries designated by each member state, and is responsible for the development of programs and action plans in all areas, with the exception of financial and monetary matters.

Technical committees: Twelve technical committees are responsible for preparing and monitoring the comprehensive implementation of programs, and making recommendations to the Intergovernmental Committee. These are:

- Administrative and Budgetary Matters

- Agriculture
- Comprehensive Information Systems
- Energy
- Finance and Monetary Affairs
- Industry
- Labor, Human Resources, and Social Affairs
- Legal Affairs
- Natural Resources and Environment
- Tourism and Wildlife
- Trade and Customs
- Transport and Communications

The Secretariat: Located in central Lusaka, Zambia, this is the principal administrative organ of the common market. The COMESA Centre accommodates the secretary general's office and most of the organization's 150-plus staffers and divisions, though there is a smaller sub-section of the Secretariat staff in Cairo, Egypt (under the Regional Investment Agency), as well as offices in Brussels, Belgium, and Addis Ababa, Ethiopia. Besides carrying out the Secretariat's key functions, the headquarters serves as a base for many intergovernmental meetings and negotiations.

COMESA institutions

COMESA has established these institutions to promote subregional cooperation and development:

- COMESA Trade and Development Bank in Nairobi, Kenya
- COMESA Clearing House in Harare, Zimbabwe
- COMESA Association of Commercial Banks in Harare, Zimbabwe
- COMESA Leather Institute (LLPI) in Addis Ababa, Ethiopia
- COMESA Re-Insurance Company (ZEP-RE) in Nairobi, Kenya

In addition, the COMESA treaty established a Court of Justice, which became operational in 1998. Further initiatives exist to promote cross-border activities including a common industrial policy and a monetary harmonization program.

Other specialized institutions under COMESA include: Federation of National Associations of Women in Business in Common Market for Eastern and Southern Africa (FEMCOM), COMESA Clearing House Eastern and Southern African Trade and Development Bank (PTA Bank), Regional Investment Agency and PTA Re-Insurance Company.

COMESA protocols

COMESA has adopted two accords to facilitate the free movement of persons. The first, adopted in 1984, is a protocol on the gradual removal and eventual elimination of visa requirements. The second, adopted in 2001, is a protocol on the free movement of persons, labor and services, and the right of establishment and residence.

Gradual removal and eventual elimination of visa requirements

This protocol aims to create conditions favorable towards the achievement of integration objectives set out by member states by facilitating greater movement of nationals within the region. The visa protocol gives nationals the privilege to travel as provided by commonwealth agreements and the francophone system, which allows nationals of member countries to get 90-day visas. At points of entry, the visa protocol lets member states keep existing arrangements or enter into more favorable ones regarding the free movement of persons, while observing the principle of reciprocity.

Free movement of persons, labor, service, and the right of establishment and residence

Burundi, Kenya, Rwanda, and Zimbabwe have signed this protocol, but only Burundi has ratified it. Thus, the protocol has not taken effect, since it lacks the required number of signatures and ratifications. At a 16 March 2011 meeting of immigration officials in Lusaka, the secretary-general of COMESA noted that member states "also recognized the fact that in implementing the program on Free Movement of Persons, there cannot be any successful integration of immigration practices without harmonizing their national laws, hence the adoption of the COMESA Model Law on immigration, which is a yardstick or point of reference on which COMESA member states can harmonize their national immigration laws and practices" (e-COMESA newsletter 2011).

Three major priority areas were identified for implementation:

- Protocol and council decisions on movement of persons, services, and labor
- Harmonization of national laws with the COMESA model law on immigration
- Cooperation on immigration matters among COMESA member states to facilitate trade

Other protocols and laws have since been adopted by member states.

Model law on immigration

This law, adopted in May 2006, covers a wide range of migration-related issues including immigration regulations, immigration department powers, study permits, work permits, business permits, visitors' permits, long-term residence permits, withdrawal of long-term residence permits, asylum seekers' regulation, and entry and departure regulations.

Rules of origin

In 1994, COMESA agreed on rules of origin for products to be traded among member states, as provided for under Article 4(1)(e) of the treaty. The protocol's provisions help strengthen the COMESA trade regime and prevent non-COMESA members from benefitting from preferential tariffs to access the COMESA market. Under the rule, all goods meeting the protocol's requirements qualify for originating status with no exclusion of products. The protocol considers goods to originate from a member country if any of the following five criteria is met:

- Goods should be 100 percent wholly produced in a member state.

Table 4.1: COMESA GDP, 2000–14

(millions of USD at constant 2005 prices)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000–14)
Burundi	1,024	0.5%	1,117	0.4%	2,122	0.6%	2,212	0.7%	2,305	0.6%	2,412	0.6%	2,525	0.7%	6.7%
Comoros	338	0.2%	387	0.1%	408	0.1%	419	0.1%	432	0.1%	447	0.1%	463	0.1%	2.3%
DRC	9,925	4.5%	11,965	4.4%	15,669	4.3%	16,746	4.9%	17,933	4.9%	19,455	5.2%	21,167	5.6%	5.6%
Djibouti	617	0.3%	709	0.3%	971	0.3%	1,014	0.3%	1,063	0.3%	1,116	0.3%	1,178	0.3%	4.7%
Egypt	78,834	36.1%	94,456	34.9%	127,464	34.8%	129,719	38.2%	132,573	35.9%	135,357	36.1%	138,335	36.4%	4.1%
Eritrea	968	0.4%	1,098	0.4%	1,057	0.3%	1,148	0.3%	1,229	0.3%	1,243	0.3%	1,283	0.3%	2.0%
Ethiopia	8,904	4.1%	12,164	4.5%	20,386	5.6%	22,645	6.7%	24,621	6.7%	27,172	7.2%	29,243	7.7%	8.9%
Kenya	17,859	8.2%	21,493	7.9%	26,872	7.3%	28,070	8.3%	29,647	8.0%	31,433	8.4%	33,068	8.7%	4.5%
Libya	35,194	16.1%	45,451	16.8%	60,501	16.5%	23,433	6.9%	47,917	13.0%	40,148	10.7%	32,921	8.7%	-0.5%
Madagascar	4,502	2.1%	5,039	1.9%	5,805	1.6%	5,882	1.7%	6,042	1.6%	6,163	1.6%	6,361	1.7%	2.5%
Malawi	3,251	1.5%	3,656	1.3%	5,228	1.4%	5,380	1.6%	5,481	1.5%	5,777	1.5%	6,083	1.6%	4.6%
Mauritius	5,493	2.5%	6,489	2.4%	8,161	2.2%	8,480	2.5%	8,757	2.4%	9,043	2.4%	9,350	2.5%	3.9%
Rwanda	1,779	0.8%	2,581	1.0%	3,731	1.0%	3,986	1.2%	4,336	1.2%	4,541	1.2%	4,814	1.3%	7.4%
Seychelles	928	0.4%	919	0.3%	1,138	0.3%	1,229	0.4%	1,263	0.3%	1,334	0.4%	1,373	0.4%	2.8%
South Sudan	-	-	-	-	-	-	-	-	5,614	1.5%	6,351	1.7%	6,415	1.7%	-
Sudan	24,325	11.1%	35,183	13.0%	46,824	12.8%	45,901	13.5%	34,424	9.3%	35,578	9.5%	35,934	9.4%	2.8%
Swaziland	2,328	1.1%	2,584	1.0%	2,917	0.8%	2,955	0.9%	3,029	0.8%	3,114	0.8%	3,120	0.8%	2.1%
Uganda	8,545	3.9%	12,295	4.5%	18,116	4.9%	18,915	5.6%	19,534	5.3%	20,414	5.4%	21,319	5.6%	6.7%
Zambia	5,679	2.6%	7,179	2.6%	9,800	2.7%	10,470	3.1%	11,236	3.0%	11,966	3.2%	12,744	3.3%	5.9%
Zimbabwe	7,749	3.6%	6,223	2.3%	9,573	2.6%	10,713	3.2%	11,845	3.2%	12,376	3.3%	12,747	3.4%	3.6%
COMESA	218,242	100%	270,988	100%	366,743	100%	339,317	100%	369,281	100%	375,440	100.0%	380,443	100.0%	4.0%

Source: UNCTAD STATS (2015).

Note: Data for Sudan also includes GDP values prior to the secession of South Sudan in 2011.

- Goods are produced in member states, and the c.i.f. value of any foreign materials may not exceed 60 percent of the total cost of all materials used in their production.

- Goods are produced in member states, with an added value of at least 35 percent of the post-factory cost of the goods.

- Goods are produced in member states and can be classified under a tariff heading other than the tariff heading of the non-originating materials used in their production.

- The Council of Ministers has designated the goods "of particular importance to the economic development of member states" and they have at least 25 percent value added.

Developments in rules of origin include new procedures and workings, and processes for application of Change of Tariff Heading (CTH), while intra-COMESA trade has grown considerably with the launch of a free trade agreement in 2000, and smooth implementation of rules of origin.

Transit trade and transit facilities

In November 1990, COMESA took a step to facilitate trade and boost the regional movements of goods. The Regional Customs Bond Agreement was signed in Mbabane, Swaziland, as a component of the Protocol on Transit Trade and Transit Facilitation, which is only available to carriers that use the COMESA Customs Document (COMESA-CD) and is issued with the COMESA carrier license. Member states agree to give operators the freedom to traverse their territories by any means of transport suitable for that purpose, while any member states may, if it deems necessary, prohibit, restrict or otherwise control movement in certain circumstances.

Regional development context

Economic performance

The 19-member COMESA bloc, with a total population of 482 million, recorded real GDP of $374 billion in 2014, up by 1.3 percent from $369 billion in 2013 (table 4.1). The group's contribution to African GDP has declined from 26 percent of the total in 2000 to 23 percent in 2014. Its overall GDP has grown at a compound annual rate of 3.9 percent since 2000, compared to 4.7 percent for Africa, with Ethiopia recording the highest compound annual growth over the period at 9 percent. Rwanda, Burundi, and Uganda have grown by around 7 percent, while Libya's real GDP compound annual growth fell by 0.5 percent—a result of internal political conflicts that disrupted oil production and exports, as well as the steep decline in global oil prices in mid-2014. Real GDP in Libya tumbled.by 16 percent from $48 billion in 2012 to $40 billion in 2013, falling a further 18 percent to $33 billion in 2014.

COMESA's largest economy is Egypt, with a real GDP of $138.3 billion, accounting for 37 percent of the subregion's total GDP, followed by Sudan (9.6 percent), Libya (8.8 percent) and Kenya (8.8 percent). In 2013, Egypt led in foreign direct investment (FDI) inflows to the region, with $5.6 billion, compared to COMESA's smallest economy, Comoros, with $678 million in FDI inflows.

Since 2000, Ethiopia has led the bloc in terms of per-capita GDP growth, jumping by 5.9 percent from $135 to $303 in 2014, although

Table 4.2: COMESA GDP per capita, 2000–14

(in USD at constant 2005 prices)

Country/region	2000	2005	2010	2011	2012	2013	2014	Compound annual growth rate (%) 2000–14
Seychelles	11,632	10,553	12,481	13,383	13,678	14,369	14,711	1.7
Mauritius	4,635	5,350	6,631	6,867	7,065	7,267	7,485	3.5
Libya	6,799	8,124	10,016	3,839	7,786	6,474	5,264	-1.8
Swaziland	2,189	2,339	2,445	2,438	2,461	2,492	2,461	0.8
Egypt	1,192	1,316	1,633	1,634	1,642	1,650	1,659	2.4
Djibouti	854	912	1,164	1,198	1,237	1,279	1,329	3.2
Sudan	-	-	-	-	926	937	927	-
Zimbabwe	620	490	732	802	863	875	873	2.5
Zambia	562	626	741	768	798	823	848	3.0
Kenya	571	601	657	668	687	709	726	1.7
Comoros	639	644	598	598	601	608	615	-0.3
South Sudan	-	-	-	-	518	562	546	-
Uganda	352	428	533	538	537	543	549	3.2
Rwanda	212	274	344	358	378	386	398	4.6
Malawi	287	283	348	348	345	353	361	1.7
Ethiopia	135	160	234	253	268	289	303	5.9
DRC	211	221	252	262	273	288	305	2.7
Madagascar	286	275	275	271	271	269	270	-0.4
Burundi	153	144	230	232	234	237	241	3.3
Eritrea	246	226	184	194	200	196	196	-1.6

Source: UNCTAD STATS (2015).

the actual nominal value remained one of Africa's lowest. Given its relatively small population, Seychelles continued to maintain the subregion's highest real per-capita GDP, reaching $14,711 in 2014, followed by Mauritius ($7,485) and Libya ($5,264). These were some of the highest in Africa (table 4.2).

On the other hand, Libya saw its per-capita GDP fall nearly in half—from $10,016 in 2010 to $5,264 in 2013—amid a recession sparked by civil war and falling oil prices. Comoros, Madagascar, and Eritrea also recorded negative growths from 2000 to 2014, with GDPs falling by 0.3, 0.4, and 1.6 percent

Table 4.3: COMESA FDI inflows, 2000–14

(millions of current USD)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000–14)
Burundi	12	0.0%	1	0.0%	1	0.0%	3	0.0%	1	0.0%	7	0.0%	32	0.0%	7.3%
Comoros	-	0.0%	1	0.0%	8	0.0%	23	0.0%	10	0.0%	9	0.0%	14	0.0%	-
DRC	72	2.0%	267	3.0%	2,939	17.0%	1,687	20.0%	3,312	17.0%	2,098	14.0%	2,063	13.0%	27.1%
Djibouti	3	0.0%	22	0.0%	37	0.0%	79	1.0%	110	1.0%	286	2.0%	153	1.0%	32.4%
Egypt	1,235	41.0%	5,376	55.0%	6,386	37.0%	483	-6.0%	6,031	30.0%	4,192	27.0%	4,783	30.0%	10.2%
Eritrea	28	1.0%	1	0.0%	91	1.0%	39	0.0%	41	0.0%	44	0.0%	47	0.0%	3.8%
Ethiopia	135	4.0%	265	3.0%	288	2.0%	627	8.0%	279	1.0%	953	6.0%	1,200	7.0%	16.9%
Kenya	111	4.0%	21	0.0%	178	1.0%	335	4.0%	259	1.0%	505	3.0%	989	6.0%	16.9%
Libya	141	5.0%	1,038	11.0%	1,909	11.0%	-	0.0%	1,425	7.0%	702	5.0%	50	0.0%	-7.1%
Madagascar	83	3.0%	86	1.0%	808	5.0%	810	10.0%	812	4.0%	567	4.0%	351	2.0%	10.8%
Malawi	40	1.0%	140	1.0%	97	1.0%	129	2.0%	129	1.0%	120	1.0%	130	1.0%	8.8%
Mauritius	277	9.0%	42	0.0%	430	3.0%	433	5.0%	589	3.0%	259	2.0%	418	3.0%	3.0%
Rwanda	8	0.0%	8	0.0%	251	1.0%	119	1.0%	255	1.0%	258	2.0%	268	2.0%	28.5%
Seychelles	24	1.0%	86	1.0%	211	1.0%	207	3.0%	260	1.0%	170	1.0%	229	1.0%	17.5%
Sudan	_	_	_	_	_	_	_	_	2,311	12.0%	1,688	11.0%	1,277	8.0%	-
Swaziland	106	4.0%	46	0.0%	120	1.0%	107	1.0%	32	0.0%	84	1.0%	13	0.0%	-13.9%
Uganda	181	6.0%	380	4.0%	544	3.0%	894	11.0%	1,205	6.0%	1,096	7.0%	1,147	7.0%	14.1%
Zambia	122	4.0%	357	4.0%	634	4.0%	1,110	13.0%	2,433	12.0%	1,810	12.0%	2,484	15.0%	24.0%
Zimbabwe	23	1.0%	103	1.0%	166	1.0%	387	5.0%	400	2.0%	400	3.0%	545	3.0%	25.4%
COMESA	2,992	100%	9,763	100%	17,160	100%	8,241	100%	19,895	100%	15,247	100%	16,192	100%	12.8%

respectively. Despite recent growth in Eritrea, it remains one of the world's least-developed countries, with widespread inequality and poverty; 65 percent of the population lives in rural areas, and 80 percent depend on subsistence agriculture for their livelihoods, according to the World Bank (2015).

FDI trends

Egypt, DRC, and Zambia account for more than 50 percent of COMESA's foreign investments (table 4.3). Egypt has shown a strong and sustained FDI growth, increasing at a compound annual growth of 10.2 percent since 2000, and generating $4.8 billion in 2014—roughly 30 percent of the subregion's total FDI. The drop in FDI during 2011 followed unrest associated with the Arab Spring. Likewise, Zambia, which has attracted more FDI inflows thanks to its policy of offering generous tax incentives to foreign companies.

The subregion's overall FDI grew from $3 billion in 2000 to $15.2 billion in 2013 and $16.2 billion in 2014, led by fast-growing economies such as Djibouti (32.4 percent), Rwanda (28.5 percent), Zambia (24 percent), and Zimbabwe (25.4 percent). The 1993 COMESA Treaty has encouraged FDI inflows through its establishment of a center for the promotion of industrial development that works closely and exchanges information with member states. Likewise, the COMESA Investment Agreement (2007) obliges member states to strengthen the process of investment promotion.

Table 4.4: COMESA sector shares of GDP, 2013

(%)

	Agriculture	Industry	Services
Burundi	38.1	15.2	46.7
Comoros	42.8	10.9	46.3
DRC	20.8	44.4	34.8
Djibouti	3.7	20.6	75.7
Egypt	13.9	37.3	48.8
Eritrea	17.6	23.5	58.9
Ethiopia	45.5	11.1	43.5
Kenya	28.7	19.3	52.1
Libya	2.2	63.2	34.7
Madagascar	25.7	19.1	55.2
Malawi	32.2	16.6	51.2
Mauritius	3.3	24.5	72.2
Rwanda	34.7	15.5	49.8
Seychelles	3.5	15.2	81.3
South Sudan	4.0	59.6	36.4
Sudan	42.6	15.5	41.8
Swaziland	7.3	45.8	46.9
Uganda	26.8	22.3	50.9
Zambia	17.5	37.5	44.9
Zimbabwe	11.9	30.9	57.2
COMESA	21.1	27.4	51.5

Source: UNSTATS (2014).

Table 4.5: COMESA merchandise trade matrix, 2013

(exports in millions of USD)

Product group	2013	Share (%)
Mineral fuels, lubricants and related materials	57,776	48.0
Manufactured goods	18,543	15.4
Food and live animals	13,101	10.9
Crude materials, inedible, except fuels	7,602	6.3
Chemicals and related products, n.e.s.	7,396	6.1
Miscellaneous manufactured articles	4,868	4.0
Commodities and transactions, n.e.s.	4,647	3.9
Machinery and transport equipment	3,057	2.5
Beverages and tobacco	2,868	2.4
Animal and vegetable oils, fats and waxes	488	0.4

Source: UNCTAD STATS (2014).

Table 4.6: COMESA exports and imports of goods and services, 2000–2013

(millions of USD)

Exports							Imports						
Country/region	**2000**	**2005**	**2010**	**2011**	**2012**	**2013**	**Country/region**	**2000**	**2005**	**2010**	**2011**	**2012**	**2013**
Burundi	49	69	197	165	215	244	Burundi	175	323	687	701	918	991
Comoros	56	55	66	68	69	71	Comoros	110	138	264	278	294	309
DRC	1,403	2,745	2,393	2,777	2,430	2,850	DRC	1,272	3,514	5,992	6,163	5,586	6,502
Djibouti	234	314	487	541	566	578	Djibouti	354	454	719	916	1,056	1,162
Egypt	18,701	29,556	47,192	47,780	46,682	48,603	Egypt	22,713	31,047	48,908	53,020	58,746	58,112
Eritrea	66	68	85	284	418	412	Eritrea	572	603	313	346	379	406
Ethiopia	937	1,855	2,428	2,492	2,362	2,824	Ethiopia	2,106	4,359	9,141	9,049	11,143	11,910
Kenya	3,470	5,089	5,875	6,416	6,403	6,350	Kenya	4,962	6,785	11,021	12,480	13,150	13,183
Libya	24,059	31,669	38,792	15,019	30,751	25,746	Libya	6,730	13,610	16,547	6,415	13,127	10,990
Madagascar	1,536	1,422	1,884	2,030	2,067	2,965	Madagascar	1,758	2,296	3,214	3,323	3,442	3,431
Malawi	346	616	829	868	820	952	Malawi	648	1,437	1,697	1,565	1,549	1,618
Mauritius	3,461	3,830	4,681	4,921	5,087	5,312	Mauritius	3,793	4,167	4,785	5,081	5,151	5,457
Rwanda	114	306	390	575	651	784	Rwanda	424	630	1,350	1,544	1,834	1,998
Seychelles	700	720	677	658	668	797	Seychelles	760	919	921	964	1,007	1,043
South Sudan	-	-	8,268	8,097	657	1,311	South Sudan	-	-	3,136	3,054	1,977	2,188
Sudan	-	-	2,064	1,399	1,290	1,594	Sudan	-	-	4,893	4,987	4,738	4,915
Swaziland	1,730	2,250	1,546	1,909	1,718	1,756	Swaziland	2,049	2,356	1,974	2,142	1,986	2,082
Uganda	860	1,854	3,260	3,788	4,088	4,318	Uganda	2,000	2,938	5,219	5,594	5,601	5,387
Zambia	871	2,481	2,280	2,450	2,728	2,830	Zambia	1,387	2,631	3,646	3,877	4,176	4,443
Zimbabwe	8,443	2,088	3,332	3,168	4,193	4,439	Zimbabwe	7,400	2,644	5,243	6,665	7,035	8,490
COMESA	67,039	86,988	126,727	105,405	113,865	114,737	COMESA	59,213	80,852	129,671	128,163	142,895	144,618

Source: UNSTATS (2014).

Table 4.7: COMESA export and import shares of GDP, 2000–13

Export share of GDP (%)							Import share of GDP (%)						
Country/region	2000	2005	2010	2011	2012	2013	Country/region	2000	2005	2010	2011	2012	2013
Burundi	5.6	6.2	9.7	10.4	10.2	10.5	Burundi	21.2	28.9	29.8	33.9	33.5	35.4
Comoros	16.7	14.3	14.7	15.1	15.8	16.2	Comoros	32.5	35.8	51.9	52.5	54.5	55.4
DRC	11.4	22.9	41.1	40	30.7	34.2	DRC	15.6	29.4	49.6	45.6	37.4	40.4
Djibouti	43.8	44.4	33.1	33.1	33.3	32.4	Djibouti	63.3	64.1	54.6	54.6	54.9	57.5
Egypt	19.1	31.3	21.3	20.6	17.4	17.6	Egypt	24.7	32.9	26.6	24.7	25.8	24.7
Eritrea	9.7	6.2	4.8	14.4	19.1	17.1	Eritrea	58.2	54.9	23.3	23.2	22.8	22
Ethiopia	12.1	15.3	13.8	17	13.9	12.7	Ethiopia	24.2	35.8	33.3	32.1	32	28
Kenya	19	23.7	20.8	22.2	20.1	18	Kenya	26	31.6	33.8	39.9	36	33.7
Libya	35.2	69.7	64.2	36.4	53.1	51.2	Libya	15.3	29.9	41.9	43.5	42.7	42.7
Madagascar	31.1	28.2	24.9	26.7	28.9	28.5	Madagascar	38.7	45.6	43	42.2	43.8	41
Malawi	15	16.9	17.5	22.8	25	29.6	Malawi	21.9	39.3	40.3	39.2	46.5	58.8
Mauritius	61.1	59	52.5	53.4	54.6	54.3	Mauritius	61.2	64.2	63.8	66.4	66.7	66.5
Rwanda	6.4	11.9	10.3	13.9	12.7	14.3	Rwanda	21.1	24.4	29.2	29.6	31	30.6
Seychelles	75.5	78.3	86.7	88.2	82.6	79.5	Seychelles	81.9	100	108.3	109.1	104	90.1
South Sudan	-	-	61.4	66.1	10.1	18.2	South Sudan	-	-	29.5	27.2	45.3	42.8
Sudan	-	-	4.2	3.8	1.9	1.7	Sudan	-	-	12.6	11.4	12.3	11.5
Swaziland	74.3	87.1	53	64.6	56.7	59	Swaziland	88	91.2	67.7	72.5	65.6	63.5
Uganda	10.8	15.1	18.4	19.9	20.2	19.8	Uganda	20.9	23.9	33.5	32.9	30.5	29.2
Zambia	21.1	34.6	46.8	46.3	46.9	49	Zambia	31.4	36.7	34.5	39.3	44.4	45
Zimbabwe	38.2	33.5	34.4	32.5	31.3	26	Zimbabwe	35.9	42.5	62.2	78.5	60.4	57.1
COMESA	28.1	33.2	31.7	32.4	29.2	29.5	COMESA	37.9	45.1	43.5	44.9	44.5	43.8

Source: UN STATS (2014).

Economic structure

The services sector accounts for 51.5 percent of total GDP in the COMESA subregion, followed by industry (27.4 percent) and agriculture (21.1 percent). Leading countries when it comes to services are Seychelles (81.3 percent share of GDP), Djibouti (75.7 percent), and Mauritius (72.2 percent). These countries depend heavily on wholesale, retail trade, restaurants, and hotels (table 4.4).

On the other hand, the economies of Libya, South Sudan, Swaziland, and DRC rely more on construction, mining, manufacturing and utilities (63.2, 59.6, 45.8, and 44.4 percent of total GDP, respectively). Among these, however, Swaziland is the only one not heavily dependent on fuels. In 2013, Swaziland's exports consisted of manufactured goods (57 percent), food items (24 percent), agricultural raw materials (15 percent), and others (4 percent).

The agricultural sector led the economies of Ethiopia (45.5 percent of total GDP) and Sudan (42.6 percent). Although food items and agricultural materials accounted for 81 percent of Ethiopia's exports in 2013, fuels dominated Sudan's exports (66 percent) for the same year.

As shown in Figure 4.4, agriculture has played a relatively insignificant role in the economies

Table 4.8: COMESA export concentration, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Burundi	0.6769	0.5976	0.5909	0.4956	0.4447	0.3599
Comoros	0.7558	0.5359	0.5089	0.5262	0.5355	0.5300
DRC	0.5983	0.4151	0.3870	0.4041	0.4824	0.5743
Djibouti	0.1154	0.1619	0.3488	0.2999	0.2468	0.1944
Egypt	0.2503	0.2318	0.1514	0.1684	0.1737	0.1537
Eritrea	0.2586	0.1845	0.1578	0.6101	0.5851	0.3879
Ethiopia	0.5043	0.3790	0.3479	0.3612	0.3596	0.3310
Kenya	0.2684	0.2113	0.2173	0.2016	0.2033	0.1906
Libya	0.7871	0.8339	0.7968	0.7988	0.8271	0.7967
Madagascar	0.2588	0.2304	0.1817	0.2654	0.2420	0.1954
Malawi	0.6270	0.5693	0.5295	0.4369	0.4713	0.4684
Mauritius	0.3646	0.2804	0.2487	0.2407	0.2384	0.2474
Rwanda	0.4370	0.4508	0.3799	0.4817	0.3994	0.3564
Seychelles	0.5708	0.4434	0.4398	0.5166	0.5081	0.4889
South Sudan	-	-	-	-	-	-
Sudan	-	-	-	-	0.5248	0.6837
Swaziland	0.2253	0.2210	0.2437	0.2452	0.2190	0.2197
Uganda	0.3758	0.2645	0.1968	0.2244	0.1830	0.1803
Zambia	0.4437	0.5201	0.6864	0.7082	0.6320	0.5874
Zimbabwe	0.2794	0.2103	0.2086	0.2398	0.2671	0.2601
COMESA	0.4104	0.3548	0.3485	0.3803	0.3772	0.3603

Source: UNCTAD STATS (2014).

of in Libya (2.2 percent), Mauritius (3.3 percent), Seychelles (3.5 percent), Djibouti (3.7 percent) and South Sudan (4.0 percent).

Trade composition and patterns

While the services sector dominated COMESA's economy as a percentage of overall GDP, mineral fuels, lubricants, and related materials account for 48 percent of total merchandise exports (table 4.5). Manufactured goods comprise 15.4 percent of the total, one of the highest ratios among African RECs. That compares to 2.5 percent for ECOWAS, 6.9 percent for IGAD and 3.9 percent for ECCAS. COMESA's relatively high output of manufactured goods demonstrates a successful industrial transition from primary commodities to finished goods.

Exports and imports

COMESA exports totaled $114.7 billion in 2013, down from $126.7 billion in 2010. They

Table 4.9: COMESA export diversification, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Burundi	0.7319	0.7836	0.7553	0.7599	0.7410	0.7107
Comoros	0.7453	0.6431	0.7688	0.7631	0.7664	0.7715
DRC	0.8100	0.7817	0.8044	0.7987	0.8015	0.8389
Djibouti	0.5299	0.6565	0.6428	0.6168	0.5937	0.5795
Egypt	0.6444	0.6163	0.5710	0.5500	0.5378	0.5217
Eritrea	0.6467	0.6458	0.6692	0.8061	0.7493	0.7511
Ethiopia	0.5697	0.6437	0.8012	0.7949	0.7878	0.7745
Kenya	0.7479	0.7136	0.6717	0.6401	0.6409	0.6423
Libya	0.8136	0.8188	0.8010	0.7772	0.7867	0.7910
Madagascar	0.7586	0.7391	0.6983	0.7329	0.7573	0.7155
Malawi	0.8653	0.8253	0.8174	0.8071	0.7964	0.8166
Mauritius	0.8365	0.7027	0.7075	0.7014	0.6972	0.6976
Rwanda	0.7173	0.7566	0.8231	0.8296	0.8022	0.8307
Seychelles	0.8239	0.8405	0.8060	0.8332	0.8274	0.8312
South Sudan	-	-	-	-	-	-
Sudan	-	-	-	-	0.7871	0.8181
Swaziland	0.7610	0.7627	0.7305	0.7480	0.7210	0.6998
Uganda	0.8574	0.7502	0.7399	0.7552	0.7254	0.7238
Zambia	0.8427	0.8702	0.8663	0.8589	0.7973	0.8206
Zimbabwe	0.7487	0.7568	0.7753	0.8288	0.7819	0.7627
COMESA	0.7473	0.7393	0.7472	0.7557	0.7420	0.7420

Source: UNCTAD STATS (2014).

Table 4.10: COMESA flow of exports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	1,433	4.8	1,780	55.4	28,279	95.2
2005	3,368	5.1	3,134	48.2	62,460	94.9
2010	8,739	7.4	5,785	39.8	109,739	92.6
2011	9,292	9.5	6,096	39.6	88,843	90.5
2012	10,867	8.1	6,845	38.6	123,589	91.9
2013	11,342	9.4	7,998	41.4	109,077	90.6

Source: UNCTAD STATS (2014).

now account for 26 percent of Africa's total exports (table 4.6). Subregional exports grew by 0.8 percent in 2013 as a result of declines in Eritrea, Kenya, and Libya, while the subregion's compound annual growth rate since 2000 is 4.2 percent. But the overall drop is due to a collapse in exports from Libya and Sudan. Since 2000, exports have jumped in Burundi (by a compound growth rate of 13 percent) Eritrea (15.2 percent), Rwanda (16 percent) and Uganda (13.2 percent). The only country in COMESA that suffered negative growth was Zimbabwe, down by 4.8 percent since 2000.

In 2013, COMESA imported $144.6 billion worth of goods and services (28 percent of Africa's total), up from $142.9 billion in 2012. Egypt accounted for just 0.4 percent of the subregion's total imports in 2013, recording a trade deficit of $9.5 billion.

COMESA witnessed sluggish growth in external trade, as both exports and imports grew by only 1 percent in 2013 even as 18 of its 20 member states witnessed trade deficits (adding up to $29.9 billion), despite their growths in exports (table 4.6). The two countries with

Table 4.11: COMESA flow of imports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	1,696	4.9	4,337	71.9	32,825	95.1
2005	3,896	5.9	7,837	66.8	61,710	94.1
2010	8,895	6.6	12,461	58.3	126,011	93.4
2011	9,310	6.5	12,540	57.4	134,900	93.5
2012	11,273	6.5	14,050	55.5	162,544	93.5
2013	12,130	7.2	14,365	54.2	157,476	92.8

Source: UNCTAD STATS (2014).

trade surpluses were Eritrea ($7 million) and Libya ($14.8 billion).

Export share of GDP for the subregion grew only marginally, from 29.2 percent in 2012 to 29.5 percent in 2013, while its share from imports declined from 44.5 percent in 2012 to 43.8 percent in 2013 (see table 4.7). Meanwhile, Sudan (1.7 percent), Burundi (10.5 percent) and Ethiopia (12.7 percent) generated a fraction of their GDPs from exports compared to Libya (51.2 percent), Seychelles (79.5 percent) and Swaziland (59 percent). Sudan is one of those countries that has yet to tap into external trade opportunities as its share of both exports and imports was very low.

In 2013, Seychelles led COMESA in imports as a percentage of total GDP (90.1 percent), followed by Mauritius (66.5 percent), and Swaziland (63.5 percent). The European Union is the Seychelles' main trading partner, accounting for 66 percent of exports and 33 percent of imports. The trade in goods between the EU and Seychelles—which recently became the WTO's 161st member—is governed by the interim Economic Partnership Agreement (EPA) signed in 2009 and provisionally applied since May 2012.[19]

Trends in export concentration and diversification

Export market concentration for the regional bloc witnessed a relative decline over the decade (table 4.8). The distribution of COMESA's total market shares among exporters declined from 0.4104 in 2000 to 0.3772 in 2012 and 0.3603 in 2013. Member states with the lowest export concentration of their market share—indicating lower susceptibility to external shocks—were Djibouti (0.1944), Egypt (0.1537), Kenya (0.1906), Madagascar

Table 4.12: COMESA Human Development Index trends, 1980–2013

HDI rank	Country/ region	Human Development Index (HDI)									Compound annual growth rate (%)		
		1980	1990	2000	2005	2008	2010	2011	2012	2013	1980–1990	1990–2000	2000–2013
High human development													
55	Libya	0.641	0.684	0.745	0.772	0.789	0.799	0.753	0.789	0.784	0.65	0.85	0.40
63	Mauritius	0.558	0.621	0.686	0.722	0.741	0.753	0.759	0.769	0.771	1.07	1.01	0.90
71	Seychelles	-	-	0.743	0.757	0.766	0.763	0.749	0.755	0.756	-	-	0.14

Table 4.12: COMESA Human Development Index trends, 1980–2013 continued…

HDI rank	Country/ region	Human Development Index (HDI)									Compound annual growth rate (%)		
		1980	1990	2000	2005	2008	2010	2011	2012	2013	1980–1990	1990–2000	2000–2013
Medium human development													
110	Egypt	0.452	0.546	0.621	0.645	0.667	0.678	0.679	0.681	0.682	1.91	1.30	0.72
141	Zambia	0.422	0.407	0.423	0.471	0.505	0.530	0.543	0.554	0.561	-0.37	0.39	2.19
Low human development													
147	Kenya	0.446	0.471	0.455	0.479	0.508	0.522	0.527	0.531	0.535	0.55	-0.34	1.25
148	Swaziland	0.477	0.538	0.498	0.498	0.518	0.527	0.530	0.529	0.530	1.20	-0.77	0.48
151	Rwanda	0.291	0.238	0.329	0.391	0.432	0.453	0.463	0.502	0.506	-2.01	3.31	3.35
155	Madagascar	-	-	0.453	0.470	0.487	0.494	0.495	0.496	0.498	-	-	0.73
156	Zimbabwe	0.437	0.488	0.428	0.412	0.422	0.459	0.473	0.484	0.492	1.12	-1.30	1.08
159	Comoros	-	-	-	0.464	0.474	0.479	0.483	0.486	0.488	-	-	-
164	Uganda	0.293	0.310	0.392	0.429	0.458	0.472	0.477	0.480	0.484	0.55	2.38	1.63
166	Sudan	0.331	0.342	0.385	0.423	0.447	0.463	0.468	0.472	0.473	0.33	1.20	1.59
170	Djibouti	-	-	-	0.412	0.438	0.452	0.461	0.465	0.467	-	-	-
173	Ethiopia	-	-	0.284	0.339	0.394	0.409	0.422	0.429	0.435	-	-	3.35
174	Malawi	0.270	0.283	0.341	0.368	0.395	0.406	0.411	0.411	0.414	0.46	1.88	1.50
180	Burundi	0.230	0.291	0.290	0.319	0.362	0.381	0.384	0.386	0.389	2.37	-0.03	2.29
182	Eritrea	-	-	-	-	-	0.373	0.377	0.380	0.381	-	-	-
186	DRC	0.336	0.319	0.274	0.292	0.307	0.319	0.323	0.333	0.338	-0.53	-1.52	1.64
	South Sudan	-	-	-	-	-	-	-	-	-	-	-	-
	COMESA	0.399	0.426	0.459	0.481	0.506	0.512	0.515	0.523	0.525	0.66	0.75	1.04

Source: Human Development Report (2014).

Note: COMESA index values are calculated as the average for the subregion.

(0.1954), and Uganda (0.1803). At the other extreme were, Libya (0.7967), Sudan (0.6837), and DRC (0.5743), indicating those countries' over-dependence on oil exports.

COMESA's performance in export concentration was significantly better than most of Africa's RECs including ECOWAS (0.4382), ECCAS (0.6556) and IGAD (0.4097).

Export diversification within COMESA has remained relatively constant (table 4.9), standing at 0.7420 in 2012 and 2013. The region's export structure differs considerably from that of the rest of the world. Like most of Africa, this index is high due to the dominance of primary product exports. Djibouti (0.5795) and Egypt (0.5217) have the lowest figures in the subregion, demonstrating relatively better integration into world exports.

Trade trends: Intragroup, rest of Africa, and rest of the world

The flow of exports among the 19 member states in 2013 was 9.4 percent of the total (table 4.10). Although this was lower than the 8.1 percent recorded in 2012, overall, the subregion has witnessed better performances in intragroup exports since 2000, when it was 4.8 percent. Export trade with the rest of Africa is considerably low as well, at 41.4 percent in 2013. This had declined steadily from 55.4 percent in 2000 and shows a shift in focus on trade partners from Africa to the rest of the world. Perhaps this redistribution is a result of the continent's homogeneity of export products.

Intragroup imports in the COMESA subregion also increased to 7.2 percent in 2013, from 6.5 percent in 2012, while imports from the rest of Africa declined steadily (table 4.11). Trends for both imports and exports have

Table 4.13: COMESA Human Development Index and its components, 2013

		Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	Human Development Index (HDI)	Change in rank
		Value	(years)	(years)	(years)	(2011 PPP $)	Value	
HDI rank	Country/region	2013	2013	2012	2012	2013	2012	2012-2013
High human development								
55	Libya	0.784	75.3	7.5	16.1	21,666	0.789	-5
63	Mauritius	0.771	73.6	8.5	15.6	16,777	0.769	0
71	Seychelles	0.756	73.2	9.4	11.6	24,632	0.755	-1
Medium human development								
110	Egypt	0.682	71.2	6.4	13.0	10,400	0.681	-2
141	Zambia	0.561	58.1	6.5	13.5	2,898	0.554	2

Table 4.13: COMESA Human Development Index and its components, 2013 continued…

HDI rank	Country/region	Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	Human Development Index (HDI)	Change in rank
		Value	(years)	(years)	(years)	(2011 PPP $)	Value	
		2013	2013	2012	2012	2013	2012	2012-2013
Low human development								
147	Kenya	0.535	61.7	6.3	11.0	2,158	0.531	0
148	Swaziland	0.530	49.0	7.1	11.3	5,536	0.529	0
151	Rwanda	0.506	64.1	3.3	13.2	1,403	0.502	0
155	Madagascar	0.498	64.7	5.2	10.3	1,333	0.496	0
156	Zimbabwe	0.492	59.9	7.2	9.3	1,307	0.484	4
159	Comoros	0.488	60.9	2.8	12.8	1,505	0.486	-1
164	Uganda	0.484	59.2	5.4	10.8	1,335	0.480	0
166	Sudan	0.473	62.1	3.1	7.3	3,428	0.472	0
170	Djibouti	0.467	61.8	3.8	6.4	3,109	0.465	0
173	Ethiopia	0.435	63.6	2.4	8.5	1,303	0.429	0
174	Malawi	0.414	55.3	4.2	10.8	715	0.411	0
180	Burundi	0.389	54.1	2.7	10.1	749	0.386	0
182	Eritrea	0.381	62.9	3.4	4.1	1,147	0.380	0
186	DRC	0.338	50.0	3.1	9.7	444	0.333	1
	South Sudan	-	55.3	-	-	1,450	-	-
	COMESA	0.525	61.8	5.2	10.8	5,165	0.523	-

Source: Human Development Report (2014).

Note: COMESA index values are calculated as the average for the subregion.

shown the same characteristic of an outward market outlook. The decline in both imports and exports with the rest of Africa may also be a result of poor economic integration with other regional economic communities and non-member states in Africa.

Human development performance

Human development trends vary widely within COMESA, with only three member countries in the high human development category, two in the medium development category and 14 considered low human development countries (table 4.12). In 2013, Libya, Mauritius, and Seychelles recorded the subregion's highest HDI values of 0.784, 0.771, and 0.756 respectively, much higher than the world average of 0.702 as well as the East Asia/Pacific regional average of 0.738, including China at 0.719. Compound annual growth in HDI trends for these three economies has, however, slowed over the past three decades. Libya, whose HDI grew by 0.65 percent between 1980 and 1990 and 0.85 percent between 1990 and 2000, saw its HDI fell by 0.40 percent between 2000 and 2013. Likewise, Mauritius, whose HDI grew by 1.07 percent between 1980 and 1990, saw it

Table 4.14: COMESA Ibrahim Index of African Governance, 2013

	Overall score	Safety and rule of law	Participation and human rights	Sustainable economic opportunity	Human development
Mauritius	81.7	84.5	77	79.7	85.6
Seychelles	73.2	70.8	74.1	63.6	84.4
Rwanda	60.4	58.2	47.7	63.4	72.1
Zambia	59.4	65.1	60.4	51	61.4
Malawi	57.6	64.6	62.9	45.9	56.8
Kenya	57.4	51.3	59.3	54.4	64.6
Uganda	56.1	53.3	58.4	50.1	62.8
Swaziland	51.5	60.8	31	51.6	62.6
Egypt	51.1	40.9	40	54.2	69.4
Comoros	49.3	56.6	53.8	31.3	55.7
Ethiopia	48.5	50	36.7	50.4	56.9
Madagascar	48.2	49	51	44.1	48.6
Djibouti	46.8	50.6	32.1	48.1	56.4
Burundi	45.3	40.4	49.6	38.5	52.7
Libya	42.1	33.2	40.5	27.1	67.4
Zimbabwe	38	37.7	37	23.5	53.9
DRC	34.1	23.7	32.6	34.8	45.2
Eritrea	29.8	31	22.8	21.9	43.5
COMESA	51.7	51.2	48.2	46.3	61.1

Source: Mo Ibrahim Foundation (2014).

increase by 1.01 from 1990 to 2000, and only 0.9 percent between 2000 and 2013.

Other countries like Zambia, Rwanda, Ethiopia, and Burundi have transformed significantly, with their HDIs rising by over 2 percent—more than twice the world average of 0.73 percent. But Burundi, Eritrea, and DRC still remain the subregion's worst-performing nations, with most of their citizens enduring low living standards and lacking access to quality education and health services.

COMESA's health and education outcomes have improved over the years, with the average adult in 2013 having completed five years of schooling; likewise, children in COMESA member states could now expect to get 11 years of schooling. This was much better than most of sub-Saharan Africa (five and 10 years respectively) but lower than the world average of 7.7 and 12.2 years respectively for mean and expected years of schooling. Improving these numbers will require additional social investments in the poorest and most vulnerable countries, not only to strengthen institutional mechanisms but also to crowd in private-sector participation and introduce science, technology, and innovation (STI). At the low end is Eritrea, whose children cannot expect more than four years of schooling if the current trend continues. Eritrea spends only 2.1 percent of its GDP on education (World Bank 2013).[20] Indeed, persistent skirmishes plague Eritrea, Djibouti, and Ethiopia which score the lowest in the subregion when it comes to the life expectancy of schooling.

Quality of governance

In 2013, COMESA's overall governance index was 51.7, with significantly high performances from Mauritius which scored 81.7—the highest in Africa—and Seychelles, which scored fifth at 73.2. These two countries have placed strong emphasis on national security and the rule of law, while emphasizing investments in education and health to stimulate business environments. Like most of Africa however, infrastructure gaps continue to hamper growth, both socially and economically, such as in the Democratic Republic of Congo, despite its mineral wealth. Eritrea, with the lowest governance index score in the subregion, also saw declining scores in rule of law, citizen participation, business environments and infrastructure services, while the negative consequences of capital flight and inflation saw worsening conditions for Zimbabwe's rural sector. In general, the subregion's governance record of 51.7 was above the average of 50.12 for Africa's eight RECs, although it remained in fifth place when compared with other RECs.

Main achievements and challenges

Reflecting its origins, COMESA is ahead of other African RECs in the area of trade and trade facilitation.[21] Fourteen of the 19 member states have so far signed up to the COMESA Free Trade Area, where all goods originating from the region are granted duty-free, quota-free market access to all other members of the COMESA FTA. Reflecting the urgent need to improve trade facilitation measures and become globally competitive, COMESA has initiated a raft of programs to improve customs, management of goods in transit, and in-transport facilitation in member states. These include the COMESA Virtual Trade Facilitation System (CVFTS)—a software application that integrates all trade facilitation instruments, including the Yellow Card and the COMESA Regional Customs Guarantee (RCTG) Scheme, otherwise known as the CARNET, under one online platform—and the COMESA Electronic Market Exchange

System (CEMES), an online platform that virtually brings buyers and sellers together in real time.

COMESA is Africa's largest FTA. The organization has left its indelible imprint on the continental integration process, not only through its sheer geographical and economic size, but more importantly through the pioneering nature of its programs and institutions. The most successful COMESA institutions include the Clearing House, which has now established an international payment system called the Regional Payment and Settlement System, the Leather Products Institute, and the Alliance for Commodity Trade in Eastern and Southern Africa. COMESA's financial institutions, including the PTA Bank, the Re-insurance Agency, and the African Trade Insurance Agency, have spread throughout Africa and enjoy excellent global rankings. The Leather and Leather Product Institute (LLPI), based in Addis Ababa, Ethiopia, is fast becoming a center of excellence in adding value to leather and leather products.

COMESA is helping member states develop the capacity to support beneficiation and value addition to mineral products, as well as the development of linkages and clusters in the mining sector. In this regard, COMESA and the State of Western Australia signed a memorandum of understanding (MoU) in January 2014 to cooperate in mining and petroleum resources, agriculture, vocational training, and capacity building. Key priority areas include strengthening the legal and institutional framework of COMESA member states, with six areas specifically targeted: fiscal frameworks and mineral policy; strengthening human and institutional capacities; collecting and managing geo-scientific information; research and development; environmental and social issues; and linkages, diversification and cluster development.

Despite its achievements over the past 20 years, COMESA faces many challenges. Among them:

Member countries are usually slow to implement agreed programs and policies due to lack of commitment or perceived poor outcomes and unworthy sacrifices. Changes in countries' socio-economic and political atmosphere such civil or political crises often lead to delay or total abandonment of agreed programs and policies among member states.

COMESA suffers from a lack of resources; mechanisms and capacities for effective planning, coordination, implementation, and monitoring; and pragmatic adjustment of programs on the ground. Trade, as is the case with Africa in general, has been more outward-looking at the expense of intra-COMESA trade. Other problems include undeveloped financial markets, inadequate funding, and low levels of foreign direct investment (FDI).

COMESA sources about 70 percent of its operational budget from development partners, though recently, donor contributions have fallen and the terms and conditions for these funds are changing. As such, the organization needs a sustainable mechanism for funding regional integration programs.

More than 20 years after COMESA's creation, the free movement of people within the bloc is still an elusive goal. Member states are either unwilling or too slow to ratify the protocol which would eliminate restrictions on such travel. So far, only four countries (Burundi, Kenya, Rwanda and Zimbabwe) have signed the protocol, and only Burundi has fully ratified it. Kenya and Rwanda already comply with the COMESA Protocol on the Gradual Relaxation of Visas and are applying most of the provisions of the Protocol on

Free Movement of Persons, Services, Labor and Right of Establishment, which has not yet entered into force. But both countries must ratify the protocol. Mauritius, Rwanda, and Seychelles have also waived visa requirements for citizens of all COMESA member states, while Zambia has issued a circular waiving visas and visa fees for all COMESA nationals on official business.

Inadequate private-sector involvement hampers the success of market integration schemes, limiting their potential for expansion.

COMESA has 19 member states and a combined population of more than 450 million. Its vast human and natural land resources make it a fertile investment destination. Several current and potential opportunities exist for COMESA to operate efficiently.

In a 12 July 2012 article published by Biztech Africa, Zambia's then-Vice President, Guy Scott, argues that "harnessing science and technology can provide solutions to the challenges facing countries in COMESA." Indeed, biotechnology and various other disciplines, can potentially solve many of the region's problems quickly, if only member nations would encourage cooperation and collaboration through research and development.

Transport and utility infrastructure facilitates the movement of people and goods, the transmission of data and information, and the provision of energy and water–all crucial in realizing the goals of integration. Land, rail, and air transport are essential, while telecom infrastructure enables communications among people, letting them initiate and execute business contracts, and transfer data and other products with ease. Member states have enacted many ICT policies that provide an enabling environment for achieving their goals and ensuring COMESA's smooth operations.

COMESA boasts one of Africa's best climates, as well as good agricultural lands and rich mineral deposits. In addition, the region also has more member states than any other African REC, covers a huge land area, and offers a deep level of political commitment as well as huge market potential.

Capacity needs assessment

The African Capacity Building Foundation (ACBF) conducted surveys in 2008 and 2013 to assess COMESA's capacity needs. Their conclusions are discussed here.

Table 4.15: COMESA areas requiring urgent attention

Division	Needs
General Secretariat	1. To set up central planning and research machinery to effectively prepare, implement, coordinate, and monitor programs and projects 2. To enhance capacity to "market" regional projects and programs in member states 3. To build instruments and constituencies outside the governments of member states to implement regional programs and projects effectively 4. To strengthen the institutional framework to enforce rights and obligations provided for in the COMESA Treaty, protocols, and other agreements
Strategic Planning Division	1. To enhance the capacity of COMESA's Strategic Planning Division through skill development and the recruitment of additional staff /consultants 2. To establish an institutional mechanism for effective linkage with ACBF TAPNETs, regional universities, and training and consultancy institutions
Infrastructure Division	To improve the division's capacity for project preparation, implementation, monitoring, and evaluation
Trade, Customs, and Monetary Division	1. To enhance human and institutional capacity to implement programs effectively in trade and market integration, trade facilitation, and monetary cooperation and union 2. To enhance its capacity to provide assistance to member states in building productive capacities and competitiveness in their economies 3. To enhance its capacity in the development of trade facilitation infrastructure 4. To develop the capacity to assist member states in developing alternative sources of revenue generation beyond trade tax 5. To build its capacity in the development, strengthening, and management of a regional financial system with the ultimate goal of monetary union
Information Technology Division	1. To develop human and institutional capacity as well as financial resources to formulate and implement programs to meet COMESA's demands for IT cost-effectiveness, e-applications, and IT capacity building 2. To enhance its capacity to implement online training for COMESA, IT training centers in other RECs, and national counterpart units 3. To further develop its information base to sustain in existing IT applications while developing other areas of potential IT applications 4. To implement the three major IT project ideas that have already been approved
Investment Promotion and Private-Sector Development Division	1. To improve COMESA's investment climate and develop the private sector for greater participation in development process 2. To have additional human resources to be more effective in its liaison and coordinating role between projects and prospective investors 3. To make the development of special-purpose vehicles for funding regional projects a priority 4. To enhance the division's capacity to promote and strengthen people-to-people networks
The Division of Legal and Institutional Matters	1. To develop the division's institutional capacity, especially in dispute settlement 2. To enhance capacity to implement the public procurement reform initiative
Peace and Security Division	To enable it to implement its mandate of conflict prevention through preventive diplomacy, and to build private networks of civil-society organizations and parliamentarians for conflict prevention and effective early warning
The Gender/ Women in Business Unit	1. To upgrade to division status so it can implement the COMESA Gender Policy and AU Heads of State Declaration on Gender effectively 2. To have adequate resources to enable the unit to develop the capacity to train the trainers, establish networking, and raise consciousness in member states 3. To upgrade its capacity to intervene in project preparation, implementation, and evaluation for the mainstreaming of gender in development programs
Resource Mobilization Unit	1. To hire staffers to coordinate donor demands and requirements, generate cutting-edge ideas, and motivate government and the private sector in member states to donate more money for regional development projects 2. To study alternative ways of financing programs and projects for consideration of, and possible adoption by, COMESA policy organs

Source: Author's compilation from the ACBF 2008 survey.

Main findings of the 2006 ACBF survey

The survey identified various NEPAD priority projects that COMESA was expected to implement. These include:

- The Yamoussoukro Decision which focused on competition regulation; Cooperative Development of Operational Safety Continuing Airworthiness Program (COSCAP); Communication, Navigation Surveillance, and Air Traffic Management (CNS/ATM) and Joint Competition Authority.
- ICT, which focused on regional ICT policy and regulation, and COMTEL.
- Water Management with focus on Nile Basin Initiative and safe navigation of Lake Tanganyika/Malawi.
- Road Transport Facilitation focusing on one-stop border post, axle-load harmonization, efficiency improvement of railways, roads, and ports, transport reform and integration facility for policy institutional and regulatory reforms, and helping member states implement regional and agreed interventions.

Following its background analysis, the survey made some general observations;

- COMESA succeeded in establishing a free trade area (FTA), which was on track toward becoming a customs union by 2008.
- Nevertheless, OMESA has yet to integrate its market. To achieve this goal, COMESA must enhance its capacity to effectively plan, implement, monitor, and harmonize programs and activities with regard to regional trade liberalization.
- COMESA has launched two programs to promote intraregional trade. One focuses on the dissemination of trade information; the other seeks to boost productivity and competition in member states.
- The COMESA Secretariat's IT unit has developed three projects to implement the decisions of its Council of Ministers: e-COMESA, videoconference solutions, and an e-marketplace.
- COMESA's Consolidated Implementation Plan for 2005 contains up to 17 activity lines in transport and communications.
- The COMESA Secretariat has only a limited role in implementing infrastructure projects as assigned by the COMESA Treaty, which restricts its ability to pursue such projects.
- The Secretariat has established a Resource Mobilization Unit to perform some specific roles critical to achieving COMESA objectives, but this unit needs to be strengthened.
- COMESA must explore alternative sources of financing for regional projects and programs.
- COMESA needs effective institutions for conflict prevention, resolution, and management.

Many of COMESA's capacity needs require urgent attention, as indicated in the ACBF report (see table 4.15). Among them: general administration; strategic planning; infrastructure; trade; customs and monetary; information technology; investment promotion and private-sector development; legal and institutional; peace and security; gender, and resource mobilization.

Table 4.16: Capacity building activities

Intervention areas	Key actions	Key outcomes	Performance indicators	Target indicators (indicative targets)
Capacity building for sustained development through economic integration	Enhance performance systems at the Secretariat to promote effectiveness and efficiency	Results-based program management systems instituted	Results-based training programs	Number of training programs implemented
			Performance management contracts system	Number of members of staff trained
				Results-based employment contracts for all staff in place by 2012
	Enhance human and technical capacity	Staff rationalized and technical capacity needs identified and addressed	Adequate staffing of Divisions/Units	Number of Divisions and Units adequately staffed
			Performance enhancing software systems	Existence of performance enhancing software systems meeting regional and international standards
	Identify and address regional and national capacity needs for both secretariat and member states	Regional, national, and Secretariat capacity needs identified and addressed.	Mechanism to identify capacity gaps in member states implementing and line ministries.	Number of training sessions held for the capacity needs identified.
			Training programs for capacity building	Number of officers in coordinating ministries trained in COMESA programs (including desk officers, focal points/ stakeholders at the national level)

Table 4.16: Capacity building activities continued…

Intervention areas	Key actions	Key outcomes	Performance indicators	Target indicators (indicative targets)
Capacity building for sustained development through economic integration	Strengthen accountability systems at the Secretariat	Accountability systems strengthened	Review of implementation procedures, manuals and rules regulations for administrative, financial and technical issues	Number of Implementation procedures and manuals reviewed/proposed
				Number of audit and consultancy activities conducted
		Risk management systems strengthened	Enterprise risk management system	Enterprise risk management framework proposed and implemented in 2011
		Governance systems strengthened	Review of policies for administrative, financial and technical issues	Policy changes proposed and implemented
Advocacy and publicity	Enhance the role of member states to directly publicize COMESA activities	A full advocacy strategy developed	Member states involvement in advocacy	Actual publicity/ advocacy events
				News items in national and international media
				Number of policy makers who regularly invoke COMESA in their speeches
Monitoring and evaluation	Develop and use online reporting system	At least 50 percent of active member states reporting on MTSP outcomes	Regular reports produced with required data for MTSP indicators	Number of MS reports
	M&E capacity development	M&E system defined and approved by member states		Online reporting system by December 2011
	Build system and capacity for monitoring COMESA programs	High-quality program reports		Functional computerized system for M&E

Source: Author's compilation from the ACBF 2013 survey.

Table 4.17: Other ongoing regional initiatives

Partners/donors	Initiatives	Year launched	Intervention areas	Objectives
EAC-COMESA-SADC	Five-Year Climate Change Initiative	2011	Climate Change Adaptation and Mitigation	To harmonize climate change programs by the three regional blocs and address the impacts of climate change in the COMESA-EAC-SADC region through successful adaptation and mitigation actions to enhance economic/social resilience
COMESA	Aid for Trade Strategy (2012–15)	2012	Trade	1. To support a coordinated and effective approach to the mobilization, use, and tracking of aid for trade resources through COMESA's regional programs with the collaboration of our development partners 2. To foster the strengthening of ties with the national-level Aid for Trade efforts of member states
Ministry of Energy and Water Development (Zambia), COMESA, and EU	Zambia, Kenya, Tanzania in joint power project	2014	Power generation	To enhance electricity trade, improve security and reliability of electricity supply, and foster economic development and regional integration

Source: Author's compilation.

Main findings of the 2013 ACBF survey

During the survey team's 23–27 September 2013 visit to COMESA headquarters, it discussed the questionnaire with most of the directorates. This led to a revised questionnaire; the survey analysis is based on a combination of the two data sets, as follows.

Ongoing capacity building initiatives

COMESA has major ongoing capacity building initiatives articulated in its Medium-Term Strategic Plan 2011–15, with institutional development as the priority area. This initiative's main objective is to improve the capacity of the Secretariat and coordinating ministries in member states to fulfill their respective missions and support COMESA institutions.

Key strategies

- To build capacity of the Secretariat and the coordinating ministries in member states
- To strengthen existing institutions or establish new ones based on sectoral or other integration goals
- To build capacity for monitoring and evaluating COMESA programs and regional integration indicators

Key interventions

- Capacity building for sustained development through economic integration
- Advocacy and publicity
- Monitoring and evaluation

Table 4.16 shows intervention areas, key actions, key outcomes, performance indicators, and target indicators of the COMESA Medium-Term Strategic Plan, 2011–15.

Capacity of COMESA for managing results

COMESA assesses its policy cycle by using various analytical tools. The community subjects its policies to independent assessment. COMESA has a risk management and a monitoring and evaluation framework, but not a quality assessment framework. The community has produced six progress reports with a results framework.

Table 4.18: Composition and characteristics of COMESA staff

Current staff size:		Administration	Budget and finance	Executive direction and management	Trade customs and monetary affairs	Infrastructure	Investment promotion and private sector	Gender and social affairs	Legal	Information and networking	Secretary General's office	Assistant Secretary General's office–prog.	Governance peace and security	Internal audit	Technical cooperation and resources mobilization
Professional staff:															
Gender	Male	6	4	2	10	3	11	1	3	4	3	10	7	2	1
	Female	8	1	1	2	0	3	2	0	2	1	6	4	1	1
Term of contract	> 6 months	14	5	3	12	3	14	3	3	6	4	16	11	3	2
	< 6 months														
Level of education	Doctorate Degree	1	1	1	2	1	5	1				2	1		
	Master's Degrees	6	2	1	6	2	9	1	3	1	2	10	8	1	1
	Bachelor's degree (BA/BS)	7	2	1	4			1		5	2	4	2	2	1
	Professional Qualifications														
Language proficiency	Fluent Arabic	9													
	Fluent English	87													
	Fluent French	15													
	Fluent Portuguese														
	Fluent Spanish														

Table 4.18: Composition and characteristics of COMESA staff continued…

Current staff size:	**Administration**	**Budget and finance**	**Executive direction and management**	**Trade customs and monetary affairs**	**Infrastructure**	**Investment promotion and private sector**	**Gender and social affairs**	**Legal**	**Information and networking**	**Secretary General's office**	**Assistant Secretary General's office–prog.**	**Governance peace and security**	**Internal audit**	**Technical cooperation and resources mobilization**
Support staffs:	GS/IC-ALL	130												
Consultants since 2006:														
Consultants, specify:														
If COMESA had its way:														
What would be the optimal staff size?	200													
What would be the proportion of professionals?	½													

Source: Author's compilation.

Table 4.19: COMESA skills/areas of competency

Area of competency	Number of professionals
Economics (macro and micro-economics) and international trade	4
Public finance (tax/tariffs and revenue; public-sector economics)	-
Political science (conflict management, peace, and security)	10
Agriculture	10
Education	-
Environment	8
Gender issues	3
Governance	3
Institutional development and human resources	3
Health	-
Industry and energy	1
IT, software, and computer applications	4
Systems design	2
International finance and banking	-
Financial engineering	5
Project/matrix management	4
Project and investment analysis	-
Trade policy development, trade, and investment promotion	12
Transport and communications	3
Resource mobilization and donor policies	2
Public/private partnerships in infrastructure projects	1
Others (specify): Administration and conferences	14
Others (specify): Human resources	2
Others (specify): Procurement	2
Others (specify): Legal	3

Source: Findings from field visit.

COMESA has established a statistics unit whose workshops and seminars help member states by offering technical and resource mobilization assistance, and by building the capacity of NGOs. COMESA does not support a training center offering specific courses on statistics, though it does maintain a comprehensive database on regional integration.

In the past five years, COMESA–with partial funding from DfID–has hired an independent body to conduct a capacity needs assessment for the Secretariat and member states. COMESA has in-house capacity and also relies on consultants to design projects. It has also participated in all AU/NEPAD projects, and provided technical assistance, managerial, and resource mobilization support to member states. COMESA has a technical assistance/capacity building program and over the past three years has given technical assistance to more than 20 experts.

Table 4.20: COMESA capacity needs and priorities

Sector/priority	% of personnel allocated to:	Number of ongoing projects	% of total budget allocated to:	Observations
Infrastructure			30	
Trade and customs			30	
Gender and social affairs			2	Less than 2%
Administration and human resources			15	Between 10 and 15
Investment and private sector			10	
Legal			2	
Finance and budget			15	
ICT			5	Less than 5%
Secretary General's office and units			Not available	

Source: Author's compilation.

Table 4.21: Other priority areas in COMESA

Sector/priority	Common strategy	Capacity building integrated in common strategy	Comprehensive database	Observations
Infrastructure	Yes	Specific objectives	Partial database	
Trade and customs	Yes	Specific objectives	Comprehensive database	
Gender and social affairs	Yes	Not at all	No database	
Administration and human resources	Not available	Not available	Comprehensive database	
Investment and private sector	Yes	Specific objectives	Partial database	SME
Peace and security	Yes	Specific objectives	Partial database	Early warning

Source: Author's compilation.

Available human resource base in COMESA

COMESA employs 99 professional staffers and 130 support staff, for a ratio of 1:1.3 (see tables 4.18 and 4.19). Administration and conferences employs 14 professionals, followed by Trade Policy Development, Trade and Investment Promotion (12); and Political Science (conflict management, peace and security), and Agriculture (10 each). The areas of Public/Private Partnerships in Infrastructure Projects and Industry and Energy employ one professional staffer apiece. COMESA's goal is to have 200 professional staffers and 200 support staffers. For now, it lacks professionals in the areas of public finance, education, health, international finance and banking, project and investment analysis, and human resources management (see table 4.19).

Priority sectors with respect to COMESA capacity needs

Table 4.20, which presents COMESA's chief capacity needs and budget allocations since 2006, shows that Infrastructure, and Trade and Customs receive the largest share of COMESA's budget (30 percent each), followed by Administration and Human Resources, and Finance and Budget (15 percent each). The smallest shares go to Gender and Social Affairs and Legal (2 percent each). COMESA has integrated capacity building in its common policy on agriculture; it also participates in NEPAD's Comprehensive African Agricultural Development Program (CAADP) through coordinating and assisting member states in implementing that program.

Key capacity building initiatives to pursue based on the ACBF report

The ACBF report identifies some capacity gaps, as well as immediate needs, short-term and medium-term needs.

Capacity needs: Although COMESA has highly trained staffers, the organization must hire more professionals in order to implement its objectives.

Capacity gaps: COMESA's current workforce is too small to fulfill its mandate. Existing staffers must be trained in line with the changing global environment, and COMESA member states lack the necessary skills and human resources to implement the body's policies.

Short-term needs: Having established a customs union. COMESA should take these steps in the short run to sustain this achievement and move to the next stage of regional integration:

- Continuously hire experts to train customs officers on cross-border trade issues with respect to a free trade area

Table 4.22: Resources required to fund COMESA capacity building needs

	Immediate needs (USD)	Short-term needs (USD)	Medium-term needs (USD)
Skills development	1,000,000		
Dissemination of publications	50,000		
Workshop on trade-related issues	100,000		
Train customs officers		1,000,000	
Harmonize customs processes and procedures among member states		500,000	
Prepare handbooks of trade-related issues and disseminate to all member countries		200,000	
Continue to train COMESA and member countries personnel on project and data management		500,000	
Roll out M&E online system			200,000
Strengthening member states' capacity in planning, M&E, and food security			1,000,000
Train member states personnel on internal audit system			500,000
Total	1,150,000	2,200,000	1,700,000

Source: Author's compilation.

Table 4.23: Persons contacted

S/N	Name	Designation
1	Dr Abu Sufian E. Daffalla	Telecommunications officer
2	Victoria Mambwe Mwewa	Directorate of administration
3	Sam G. Kanyarukiga	Senior agricultural advisor/CAADP Coordinator
4	Francis Mangeni	Director Trade Customs and monetary affairs
5	Dev Haman	Director budget & finance
6	Thierry Mutombo Kalonji	Ag Director Investment promotion and private sector development
7	Auleria Olenga	Chief internal audit
8	Mwagi Gakunga	Public relations officer
9	Elizabeth Mutunga	Head Governance Peace and Security
10	Ann Dirangu	Head M&E unit

- Establish workshops, sensitization programs, and skills development training for staff at the Secretariat and other offices to fast-track the achievement of a common market

- Completely harmonize customs processes and procedures among member states

- Continuously train personnel in member countries on project and data management

- Strengthen links between the Secretariat and member states to boost implementation of activities developed by those entities

- Adequately equip and strengthen COMESA's research unit

Medium-term needs: COMESA should undertake the following activities in the medium term to help consolidate and sustain programs and projects developed in the short run:

- Assess and facilitate trade and investment

- Improve road transport infrastructure in order to ease movement of people and goods within the region

- Strengthen member states' resource mobilization so they can function effectively

Long-term needs: Programs developed in the medium term would lead to the:

- Development of capacity building of all sectors in member countries

- Enhancement of capacity of institutions in member countries

- Strengthening of the COMESA Secretariat's capacity

Achieving these goals would help COMESA member states towards the goal of continent-wide economic integration proposed by the African Union and the African Economic Community.

5

ARAB MAGHREB UNION (AMU)

The Arab Maghreb Union (AMU) was founded in Marrakesh on 17 February 1989 by the five signers of the Constitutive Treaty of the Union: Algeria, Libya, Mauritania, Morocco, and Tunisia. The treaty took effect 1 July 1989. At its signing, member states agreed to coordinate, harmonize, and rationalize their policies and strategies for sustainable development in all sectors of human activity.

AMU's objectives include:

- The consolidation of fraternal relations binding member states and their peoples, the realization of progress and well-being of their communities, and protection of their rights
- The free movement of persons, services, goods, and capital among member states
- The adoption of a common policy in all areas, to ensure the industrial, agricultural, commercial, and social development of member states.

The five North African states fashioned the AMU after the European Union (EU), originally intending to create a body through which members could negotiate trade relationships with the EU and improve relations among its member states. Specifically, the AMU sets out the conditions for an eventual free trade zone among member states, a unified customs regime for extra-union trade, and a common market where people, products, and capital circulate freely. However, hopes for substantial political and economic integration in the Maghreb region quickly dimmed as inter-state political tension–especially between Morocco and Algeria over the status of Western Sahara–complicated the union's consolidation. Indeed, no summit of AMU heads of state has taken place since 1994. More recently, political instability sparked by the Arab Spring uprisings has created further uncertainty about the union's future.

The AMU has become more active as relations between Algeria and Morocco have improved, and as Libya has attempted to make amends for the Lockerbie incident. Since 1999, it has established a number of joint bodies to address common concerns, including the Maghrebi Bank for Investment and External Trade, the Working Group on Fisheries, and the Maghrebi desertification observatory.

AMU's current members are Algeria, Libya, Mauritania, Morocco, and Tunisia (see figure 5.1), with the organization's headquarters in Rabat, Morocco.

This chapter examines the AMU's institutional framework, main achievements, challenges

Figure 5.1: AMU member states

Source: ACBF.

and opportunities, capacity needs assessment, capacity building initiatives, and strategies.

Governance structure

AMU's eight organs comprise its institutional structure as presented in figure 5.2:

The Presidential Council

The Council of Ministers of Foreign Affairs

The Conference of Prime Ministers

Advisory Board

Ministerial Specialized Committee

General Secretariat

Monitoring Committee

Judicial Authority.

The first four are political in nature, while the last four are responsible for monitoring and implementing policies and programs. The organs' functions are as follows

The Presidential Council (PC) comprises the heads of all five member states, and it is the AMU's supreme organ. The PC represents the centralized dimension of the AMU; according to the constitutive treaty, the PC alone is empowered to make decisions. It sets the AMU's strategic guidelines and general policies. The Presidential Council has sweeping executive powers similar to those of similar organs in other RECs (such as establishment of specialized inter-ministerial commissions and the creation of a General Secretariat). The PC holds ordinary sessions once a year, which may appear inadequate given the wide powers bestowed upon it by the constitutive treaty. In other organizations, such meetings are held more frequently, but since its creation, AMU has only held six summits, the most recent being the Tunis Summit in 1994. As a result, action has been slow–particularly the implementation of existing agreements as well as the adoption of laws and instruments which AMU requires in order to make progress towards integration.

The Council of Ministers of Foreign Affairs (CMFA) plays a central coordination role within the AMU's structure. It is responsible for preparing the PC's sessions and examining proposals from the Monitoring Committee and the Specialized Ministerial Commissions. The CMFA has no decision-making power of its own; rather, it is the link between the PC and other AMU authorities. At the bilateral level, it acts as an important catalyst in resolving multilateral difficulties. Its 32nd and last session was held 9 May 2014 in Rabat.

The Conference of Prime Ministers (CPP) is a consultative body. It is therefore not really an organ of the AMU but a flexible, informal "conference" which can meet as necessary. Despite this organ's usefulness in the Maghrebian context, the treaty is silent on its powers, operating rules, and relationships with the other organs. It seems to depend on the PC but does not appear to have relationships with the other AMU organs.

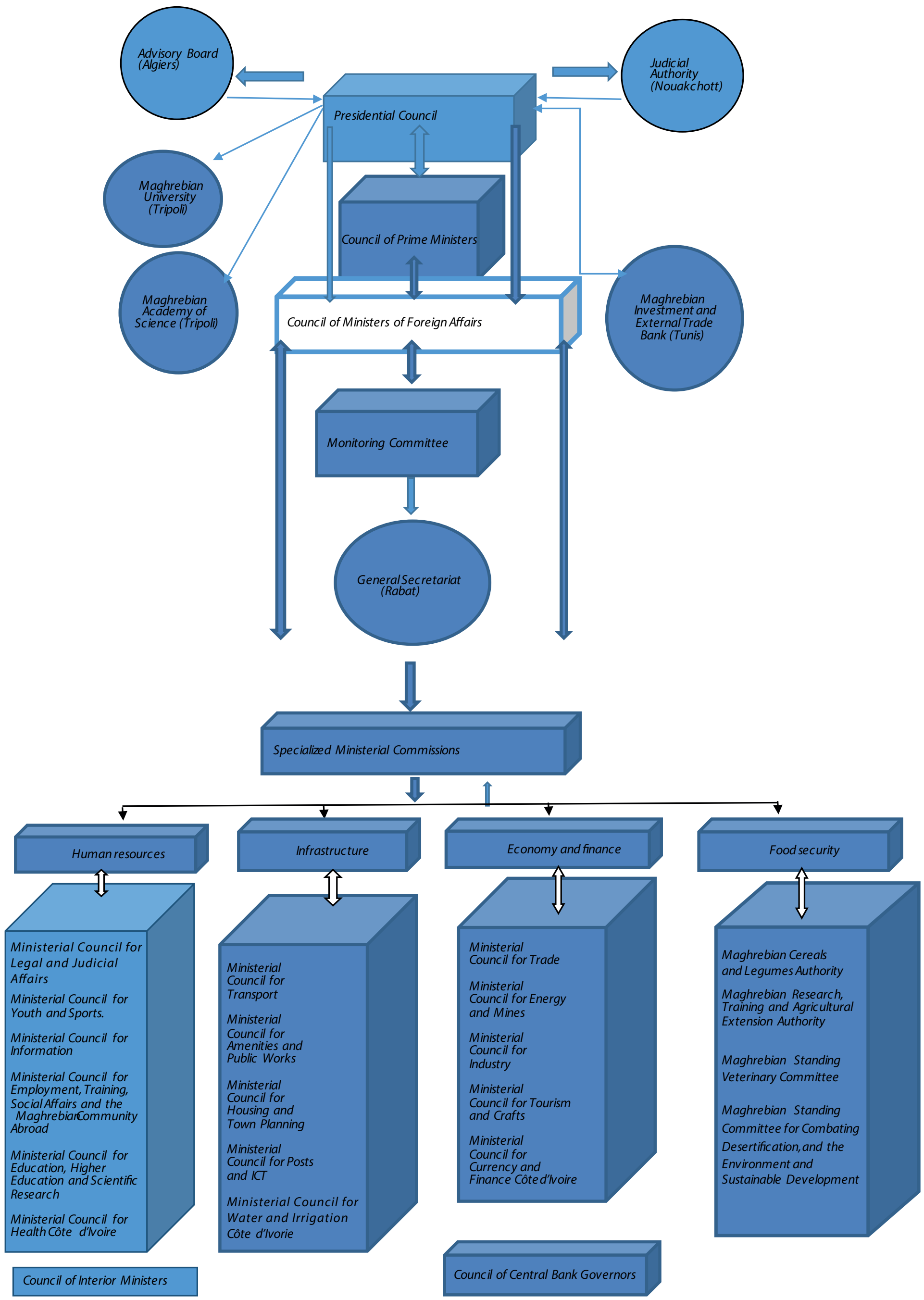
The Advisory Board (AB) comprises 30 representatives per country (150 members in all), chosen by the legislative bodies of member states. Its functions are important because it gives an opinion on every draft decision submitted to it by the Presidential Council. The Advisory Board consists of six standing committees (political affairs, economy and finance, planning and food security, legal affairs, human resources, basic infrastructure, women and childhood), and may set up ad hoc committees. Such meetings are held on a more or less regular basis.

The Ministerial Specialized Committees (MSC) comprise the Council of Ministers of Interior, Human Resources, Infrastructure, Economic and Finances, and Food Security. They are multi-sectoral, interstate organs responsible for preparing the PC's draft decisions, which are implemented after they have been adopted by the AMU's Supreme Authority. The MSCs are responsible for coming up with the 36 Maghrebian conventions and agreements concluded to date within the AMU framework. They do not, however, have their own powers, which are linked to their competencies in executing the PC's decisions or implementing agreements concluded within the AMU framework.

The General Secretariat (GS) is not a simple, strictly administrative organ. Since the amendment of the AMU treaty, the GS has been a permanent independent organ responsible for the coordination and implementation of AMU decisions. Four divisions set up within the GS are known as specialized ministerial commissions (human resources, economic affairs, food security and infrastructure). Added to these technical divisions are the political affairs, and the administrative and financial affairs divisions. The GS seems to have limited human and material resources, which do not correspond to the importance of the mandate it has been given or which it exercises in practice.

The Monitoring Committee (MC) is appointed by each member state to monitor the union's affairs under the authority of the CMFA. In fact, the MC is selected by the political authorities of the governments of member states, which come under the MFAs of these states. Essentially, it plays a coordination role between the SMCs under the authority of MFAs of their respective countries and the CMFA. It is not autonomous, nor does it have its own means as an international organ to carry out its mission of monitoring decisions. It does not have a direct relationship with the PC and must go through the CMFA. The committee held its 49th session on 8 May 2014 at the headquarters of the General Secretariat in Rabat.

Figure 5.2: AMU organogram



Source: AMU Secretariat.

The Judicial Authority (JA) is the AMU's judicial organ. It consists of two judges from each state, appointed for a six-year period. Half the terms are renewable every two years. Its chair is elected from among its members for a one-year period. The JA settles disputes regarding the interpretation and the application of the AMU Treaty, as well as those arising from agreements concluded in the context of the union, which will have been lodged in accordance with its statutes by the PC or by any state that is a party to the litigation. Its judgments are enforceable and final. The JA also gives consultative opinions on legal issues submitted to it by the PC. One of this court's main characteristics is that it is also competent in legal cases arising from the framework of the Maghrebian Convention on Investment Promotion and Protection, and may therefore be approached by Maghrebian investors, private individuals (Article 26 of its statute and Article 19 of the convention on investment). Finally, the JA acts as an administrative court for AMU institutions in litigation with their civil servants. Although the court is a vital structure in the idea of Maghreb integration, is endowed with human and material resources, and is assured of independence, it has never functioned nor been approached by AMU authorities, or by investors, or by member states themselves.

Other specialized institutions in AMU

The Maghrebian University and Academy of Sciences was established in 1990 but does not seem to be operational. The University of Maghreb was created to promote agriculture in AMU. Likewise, the Maghreb Bank for Investment and Foreign Trade (BMICE) was to have a capital base of $500 million distributed among the five AMU member countries. The BMICE is the AMU's financial instrument and its main objectives are to help build a competitive and integrated Maghrebian economy; realize productive projects of common interest; promote inter-Maghrebian trade by helping to finance external trade; and strengthen investments and the movement of goods and capital among AMU states. BMICE, which was supposed to come onstream on 10 March 1991 during a meeting of the AMU's Presidential Council, has yet to be established.

AMU treaties and protocols

The Maghreb movement started after the 1987 rapprochement between Algeria and Morocco. The leaders of all five Maghreb countries (Algeria, Libya, Mauritania, Morocco, and Tunisia) met for the first time in June 1988 at Zeralda, Algeria, to appoint a commission and five sub-committees to draft a treaty that would encompass the "Greater Arab Maghreb." After intensive negotiations, the treaty was signed on 17 February 1989, during a two-day summit in Marrakesh, Morocco, with formal ratification following shortly thereafter. The treaty offers membership to other African and Arab countries. The AMU aims to safeguard the region's economic interests, foster economic and cultural cooperation, and intensify commercial exchanges as a precursor for integration and the creation of a Maghreb Common Market (also known as Maghreb Economic Space). It also provides for common defense and non-interference in members' domestic affairs.

Protocol on relations between the African Economic Community and the RECs

The protocol was adopted on 25 February 1998 and signed by the AEC and the other RECs, except for ECCAS and AMU. It seeks to coordinate policies, measures, programs, and activities of member states with a view to avoiding duplication. Among the protocol's objectives:

a. To strengthen existing RECs in accordance with the provisions of the treaty and this protocol.

b. To promote the coordination and harmonization of the policies, measures, programs and activities of RECs to ensure that the provisions of Paragraph 2 (a) through (d) of Article 6 of the treaty are implemented in a harmonious manner to facilitate, at Stage 5–set out in Article 6–an efficient integration of the RECs into the African Common Market.

c. To promote closer cooperation among RECs.

d. To provide an institutional structure for the coordination of relations between the community and the RECs on the implementation of stages 1 through 4 set out in Article 6 of the treaty.

Rules of origin

Under AMU's rules of origin, commodities are considered to originate from the subregion when they meet the following conditions:

- All basic components and raw materials are entirely produced in or derived from an AMU member state.
- Manufactured goods which contain at least 40 percent of local added value, at least 60 percent of local raw materials, and at least 20 percent for goods manufactured in an assembly plant.
- Exports meeting the above conditions must be accompanied by a standard-form Certificate of Origin prepared by an authorized entity and subject to verification by customs authorities in the exporting country.
- Other provisions cover preservation, phytosanitary, and anti-dumping measures, as well as measures against export substitution and other unfair trade practices.

The rules do not meet the WTO's Trade-Related Investment Support Measures (TRIMS) requirements on local content restrictions. However, they do encourage the use of domestic inputs and enhance value-added activities in the RECs.

AMU's other recent initiatives

In February 2013, the Maghreb Economic Forum held a roundtable in Tunisia titled "The Maghreb integration: a driver of job creation?" Its message was that there is no reason for the Maghreb to remain disunited, since its countries have more factors uniting them than separating them. The meeting also identified opportunities to accelerate cooperation—in areas such as energy, transport, and financial systems—that could lead to increasing networking of Maghreb economies.

The organization held a second roundtable in October 2013, in partnership with the United Nations Economic Commission for Africa (UNECA), "Financial integration and functional cooperation in North Africa: the role of private actors." Here, participants agreed that financial integration would boost trade exchanges and promote intra-North African investment. The roundtable recommended, among other actions, the creation of a regional fund to support SMEs and the establishment of a regional information exchange platform, in partnership with employers' organizations. It also suggested that the Maghreb Banks Union and the Maghreb Employers Union lobby decision-makers to formulate and implement adequate policies to promote and accelerate financial integration.

The third Maghreb Entrepreneurs Forum convened its third roundtable 17-18 February 2014 in Marrakesh, in partnership with the Economic Commission for Africa (ECA). Attended by more than 600 business executives, it sought to "boost AMU's economic integration through a private-sector initiative." The forum reaffirmed the commitment of Maghreb employers to regional integration and pledged to actively promote it through a promotional trade and investment MoU with the Maghreb Employers Union and Maghreb Banks Union. Speakers cited the 10-nation Association of Southeast Asian Nations (ASEAN) as an inspiration to AMU member states.

Regional development context

Economic performance

The AMU's combined real GDP came to $298.3 billion in 2014, up 0.1 percent from the $298 billion recorded in 2013. The community's contribution to Africa's GDP, however, declined from 19.2 percent of the total in 2013 to 18.6 percent in 2014 (table 5.1). Algeria, the subregion's largest economy, derives over 95 percent of its export revenues from crude oil, gas and refined petroleum. In 2014, Algeria comprised 44.2 percent of the subregion's GDP at constant prices. AMU's fastest-growing economy, however, is also its smallest: Mauritania. With a population of only 3.9 million, Mauritania's real GDP has grown by an average 5.1 percent a year since 2000. In 2013, the country received $1.2 billion in FDI thanks to a burgeoning relationship with its top trade partner China, which bought 45 percent of its iron, copper ore and other exports that year.

On the other hand, political and economic instability has crippled Libya's economy. In 2014, the country's real GDP fell by more than 18 percent, highlighting the country's extreme dependence on hydrocarbon exports, which bring in over 95 percent of its revenues. Oil production has fallen significantly since 2011, with the industry no longer under official control.[21]

Four of the AMU's five member states have enjoyed per-capita GDP growth, except for Libya, where GDP fell by 1.8 percent between 2000 and 2014, to $5,264. Year-on-year growth from 2013 to 2014 was positive for most member states, especially Mauritania, which saw 3.4 percent growth. The region's diverse economies have continued to benefit from agriculture, mining, and manufacturing, as well as tourism. Mauritania has a fast-developing mining sector, and has seen sustained growth thanks to high international commodity prices. Africa's second-ranked exporter of iron ore., Mauritania also exports gold and copper; both have significant growth potential.

FDI trends

FDI inflows to AMU have recently declined due to poor performances from Libya and Mauritania amid internal conflicts, although FDI consistently rose from 2000 to 2012 (table 5.3). Between 2013 and 2014 alone, direct investments fell by 25.1 percent. In Morocco, FDI jumped 8.6 percent to $3.6 billion in 2014. Algeria, however, saw FDI flows nearly halved from 2013 levels, due to an 87 percent fall in announced greenfield

Table 5.1: AMU GDP, 2000–14

(millions of USD at constant 2005 prices)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC Share	2014	REC Share	Compound annual growth rate 2000–14
Algeria	80,130	42.20%	103,198	42.50%	116,968	39.50%	120,243	45.30%	124,211	41.70%	127,689	42.90%	131,903	44.2%	3.6%
Libya	35,194	18.50%	45,451	18.70%	60,501	20.40%	23,433	8.80%	47,917	16.10%	40,148	13.50%	32,921	11.0%	-0.5%
Mauritania	1,742	0.90%	2,184	0.90%	2,798	0.90%	2,921	1.10%	3,095	1.00%	3,302	1.10%	3,497	1.2%	5.1%
Morocco	46,686	24.60%	59,524	24.50%	75,523	25.50%	79,289	29.90%	81,405	27.40%	84,972	28.60%	87,088	29.2%	4.6%
Tunisia	26,040	13.70%	32,272	13.30%	40,182	13.60%	39,411	14.90%	40,968	13.80%	41,892	14.10%	42,856	14.4%	3.6%
AMU	189,792	100.00%	242,629	100.00%	295,972	100.00%	265,297	100.00%	297,596	100.00%	298,003	100.10%	298,265	100.0%	3.3%
Africa	845,989		1,104,386		1,416,587		1,430,176		1,502,399		1,553,778		1,603,842		

Source: UNCTAD STATS (2015).

Table 5.2: AMU GDP per capita, 2000–14

(in USD at constant 2005 prices)

Country/region	2000	2005	2010	2011	2012	2013	2014	Compound annual growth rate 2000–14
Libya	6,799	8,124	10,016	3,839	7,786	6,474	5,264	-1.8%
Tunisia	2,726	3,211	3,779	3,665	3,767	3,810	3,855	2.5%
Algeria	2,526	3,039	3,156	3,184	3,228	3,257	3,303	1.9%
Morocco	1,626	1,976	2,387	2,473	2,503	2,574	2,600	3.4%
Mauritania	643	694	775	789	815	849	878	2.2%

Source: UNCTAD STATS (2015).

investment. In addition, the continuing unrest in Libya hurt investors' perception of North Africa's potential as an FDI destination.

Government interference in business and weak public institutions also explain the decline in FDI inflows into the subregion. In Libya's case, political instability and a poor external image have stifled FDI inflows to Libya. Neither Algeria nor Tunisia saw major increases in FDI, though Morocco remained the subregional leader in FDI, thanks to major investments from the European Union—particularly France—and the wealthy Persian Gulf states. Morocco has also adopted a series of measures and legal provisions to simplify procedures for launching and completing projects. Morocco has grown as a regional services hub through its efforts to position the country as a gateway to the African continent.

AMU economic structure

Industry (mining, manufacturing and construction) comprised 43.2 percent, and services 44.8 percent, of the subregion's GDP in 2013 (table 5.4). However, agriculture has decreased in importance over the years, from 15.3 percent in 2000 to 12 percent in 2013. Minerals including fuels, ores, and metals contribute to creating linkages and by-products for other economic activities, especially in Algeria and Libya.

Trade composition and patterns

Merchandise trade exports in the AMU subregion were predominantly mineral fuels, lubricants and related materials. Crude oil, gas and related products generated $84.6 billion in exports, almost 67 percent of the total in 2014–with no other product group contributing even 10 percent of total exports for the community. Indeed, manufactured goods accounted for only 2.5 percent of the subregion's 2014 exports, similar to the situation in most of Africa's RECs (see table 5.5).

The AMU community has yet to play a significant role in transforming primary commodities into semi-finished and finished goods. Even though Tunisia and Morocco have diversified into manufactured goods, the other three AMU member states haven't followed suit.

Table 5.3: AMU FDI inflows, 2000–14

(millions of current USD)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC Share	Compound annual growth rate (2000–14)
Algeria	280	17.0%	1145	21.0%	2300	31.0%	2580	37.0%	3052	30.0%	2661	30.0%	1488	22.0%	12.7%
Libya	141	8.0%	1038	19.0%	1909	26.0%	0	0.0%	1425	14.0%	702	8.0%	50	1.0%	-7.1%
Mauritania	40	2.0%	812	15.0%	131	2.0%	589	9.0%	1389	14.0%	1126	13.0%	492	7.0%	19.6%
Morocco	422	25.0%	1654	30.0%	1574	21.0%	2568	37.0%	2728	27.0%	3298	37.0%	3582	54.0%	16.5%
Tunisia	779	47.0%	783	14.0%	1513	20.0%	1148	17.0%	1603	16.0%	1117	13.0%	1060	16.0%	2.2%
AMU	1662	100%	5432	100%	7426	100%	6885	100%	10197	100%	8904	100%	6673	100%	10.4%

Source: UNCTAD STATS (2014).

Table 5.4: AMU sector shares of GDP, 2013

(%)

Area/country	Agriculture	Industry	Services
Algeria	10.2	46.2	43.6
Libya	2.2	63.2	34.7
Mauritania	23.0	48.4	28.5
Morocco	15.8	27.2	57.0
Tunisia	8.8	30.9	60.3
AMU	12.0	43.2	44.8

Source: UNSTATS (2014).

Note: AMU figures are calculated as the average for the subregion.

Export and import trends

In 2013, exports from AMU states fell by 3.3 percent to $155 billion, accounting for 24.1 percent of Africa's total exports (see table 5.6). Since 2000, subregional exports grew only at a 2.7 percent compound annual growth rate. In 2013, Algeria saw exports of $36.5 billion—more than 34 percent of the AMU's total—followed by Morocco (24 percent) and Libya (24.2 percent). But political instability in Libya led to a shutdown of the country's ports and oil terminals, resulting in a 34 percent drop in exports and a 19.3 percent increase in imports to meet domestic demand.

The AMU's total imports grew marginally to $111.8 billion, accounting for 22 percent of Africa's imports, as a result of increased trading activities in Algeria and Mauritania. In 2013, both countries increased their demand for foreign commodities, in contrast with Libya, Morocco, and Tunisia. Also, all AMU states except Libya had trade deficits, perhaps as a result of the fall in transportation infrastructure which interrupted the flow of merchandise. The AMU subregion recorded a total trade deficit of $5.348 billion in 2013.

Over the years, the REC's export share of GDP has grown significantly, from 31.5 percent in 2000 to 54.2 percent in 2013. Its share of imports also increased, from 35 percent to 46.3 percent over the same period.

Table 5.5: AMU merchandise trade matrix, 2013

(exports in millions of USD)

Product group	2014	Share (%)
Mineral fuels, lubricants and related materials	84,577,642	66.8
Machinery and transport equipment	11,295,569	8.9
Miscellaneous manufactured articles	9,181,931	7.3
Chemicals and related products, n.e.s.	7,098,615	5.6
Food and live animals	6,434,844	5.1
Crude materials, inedible, except fuels	3,503,895	2.8
Manufactured goods	3,211,525	2.5
Animal and vegetable oils, fats and waxes	695,971	0.5
Commodities and transactions, n.e.s.	494,567	0.4
Beverages and tobacco	111,791	0.1

Source: UNCTAD STATS (2015).

Mauritania's external sector continues to encourage the trade of goods and services, given its relatively open policy on foreign direct investment, especially in the fishing, mining, and hydrocarbon sectors. More that 95 percent of Mauritania's imports contribute to the country's gross domestic product while exports increased from 59 percent in 2012 to 67 percent in 2013. Mauritania has also seen its export purchasing power grow steadily.

On the other hand, Algeria's external trade contribution to its GDP remained the lowest in the subregion. In 2013, Algeria's oil-driven economy recorded export and import shares of GDP at 33.4 percent and 30.5 percent, respectively. Although Algeria maintains the subregion's largest external trade market, the sector's contribution to the value of its goods and services produced has performed below par.

Trends in export concentration and diversification

Export concentration within the AMU has improved only slightly over the years. In 2013, the community recorded an index of 0.43, down from 0.46 in 2005 (table 5.8). Political instability in Libya—coupled with the country's dependence on oil—has kept its export concentration high, resulting in significant susceptibility to economic and business decisions by Italy and Germany, its top trading partners, Algeria, on the other hand, has managed to keep its export concentration low, despite its 98 percent economic dependence on fuel exports. It did this by spreading exports efficiently among its trading partners, led by France, Italy, Spain, and the United Kingdom.

Morocco and Tunisia had the lowest export concentration indices. Both countries have a

Table 5.6: AMU exports and imports of goods and services, 2000–13

(millions of USD)

Country/ region	2000		2005		2010		2011		2012		2013	
Area/country	X	M	X	M	X	M	X	M	X	M	X	M
Algeria	40,352	14,414	48,715	24,843	41,428	37,248	40,309	35,535	38,777	40,474	36,528	44,441
Libya	24,059	6,730	31,669	13,610	38,792	16,547	15,019	6,415	30,751	13,127	25,746	10,990
Mauritania	701	715	671	1,802	1,088	2,273	1,003	2,766	1,104	3,791	1,221	3,981
Morocco	13,283	16,219	19,234	22,569	24,079	30,661	24,590	32,204	25,235	32,751	25,828	32,275
Tunisia	12,211	9,970	14,501	14,625	17,874	20,312	17,104	19,842	17,840	20,914	17,104	20,089
AMU	90,605	48,048	114,790	77,449	123,260	107,041	98,025	96,762	113,707	111,057	106,427	111,775

Source: UNSTATS (2014).

Note: X represents exports and M represents imports. AMU figures are calculated as the total for the subregion.

relatively diversified trading structure, highlighted by significant manufacturing activity.

Export concentration for the subregion increased in 2013, from 0.69 in 2012 to 0.70, although it dropped by 1 percent overall since 2000 (see table 5.8). At the low end were Morocco and Tunisia, with export diversification indices of 0.67 and 0.49, respectively. Mauritania, however, surpassed other oil-dependent countries in the subregion with an export diversification index of 0.83 in 2013, thanks to its economic and trade cooperation with China, which by itself buys more than 45 percent of the country's exports. Although ostensibly mutually beneficial, recent trade policy changes in Beijing are likely to dampen future Mauritanian exports to China.

Export diversification has remained a big challenge for most of Africa's RECs, highlighting the need to make AMU members economically resilient and diverse. This should evolve beyond selling final goods internationally, but also finding different solutions, including resource-based manufacturing and processing of primary products.[22]

Trade trends: Intragroup, rest of Africa, and rest of the world

Intragroup trade among AMU member states has remained very low compared to Africa's other RECs, amounting to only 3.68 percent of AMU's total exports in 2013 (table 5.10). Exports to the rest of Africa also declined to 35.8 percent, from 43.3 in 2010. Exports have tended to flow outwards to nearby European countries such as Italy, Germany, France, and Spain. This is likely due to North Africa's proximity, which provides easier access to the EU market.

The situation with imports was similar, with very little trade among member states compared to the rest of the world (see table 5.11). Nevertheless, the subregion witnessed a 6.9 percent growth in intragroup imports, from \$4.8 billion in 2012 to \$5.5 billion in 2013,

Table 5.7: AMU export and import shares of GDP, 2000–13

(%)

Country/ region	2000		2005		2010		2011		2012		2013	
	X	M	X	M	X	M	X	M	X	M	X	M
Algeria	42.1	20.8	47.2	24.1	38.4	31.4	39.0	28.7	37.1	28.6	33.4	30.5
Libya	35.2	15.3	69.7	29.9	64.2	41.9	36.4	43.5	53.1	42.7	51.2	42.7
Morocco	28.0	33.4	32.3	37.9	33.2	43.1	35.6	48.7	35.9	50.3	33.6	46.9
Mauritania	30.0	45.3	30.7	82.5	50.7	61.2	57.0	63.5	59.0	89.5	67.0	95.3
Tunisia	39.7	42.9	44.9	45.3	49.5	54.7	48.5	55.9	48.5	57.9	46.3	55.6
AMU	35.0	31.5	45.0	43.9	47.2	46.4	43.3	48.1	46.7	53.8	46.3	54.2

Source: UNSTATS (2014).

Note: X represents exports and M represents imports. AMU figures are calculated as the average for the subregion.

Table 5.8: AMU export concentration, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Algeria	0.5147	0.5884	0.5229	0.5380	0.5398	0.5408
Libya	0.7871	0.8339	0.7968	0.7988	0.8271	0.7967
Mauritania	0.4719	0.5444	0.4909	0.4317	0.4574	0.4818
Morocco	0.1753	0.1567	0.1562	0.1682	0.1634	0.1578
Tunisia	0.2066	0.1795	0.1620	0.1655	0.1520	0.1493
AMU	0.4311	0.4606	0.4258	0.4204	0.4279	0.4253

Source: UNSTATS (2014).

while imports from the rest of Africa and the world declined marginally to 42.27 percent and 96.44 percent respectively.

Human development performance

Despite the Arab Spring, whose effects significantly hurt Libya's economy, the country has kept its human development index relatively high. But political instability threatens living standards and access to basic services for most people. Libya's HDI fell from 0.789 in 2012 to 0.784 in 2013, and down further to 0.799 in 2010. In the last year alone, its ranking slipped by five places.

AMU's overall human development index increased marginally, from 0.664 in 2012 to 0.665 in 2013. That was less than the world average of 0.702 but much higher than South Asia's average of 0.588 and sub-Saharan Africa's average of 0.502. However, all AMU economies face slower HDI improvement, especially since the 1990s. The compound annual growth of HDI from 2000 to 2013 came to 0.82 percent, down from the 1.2 percent growth seen between 1990 and 2000.

Table 5.9: AMU export diversification, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Algeria	0.8347	0.8113	0.7825	0.7193	0.7247	0.7357
Libya	0.8136	0.8188	0.8010	0.7772	0.7867	0.7910
Mauritania	0.7953	0.8477	0.7882	0.8073	0.8003	0.8274
Morocco	0.7188	0.6673	0.6955	0.6864	0.6547	0.6716
Tunisia	0.6673	0.5996	0.5464	0.5412	0.4839	0.4927
AMU	0.7659	0.7489	0.7227	0.7063	0.6900	0.7037

Source: UNSTATS (2014).

Table 5.10: AMU flow of exports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world[23]	Share (%)
2000	1,092	2.26	430	28.26	47,289	97.74
2005	1,916	1.92	1,261	39.69	97,679	98.08
2010	3,451	2.43	2,646	43.4	138,537	97.57
2011	3,639	2.7	2,658	42.21	131,066	97.3
2012	4,675	2.69	3,282	41.24	169,185	97.31
2013	5,547	3.68	3,086	35.75	145,267	96.32

Source: UNSTATS (2014).

In 2013, the average adult in an AMU member country completed six years of schooling—lower than the world average of eight years — while children in the subregion could expect to get an average 13 years of schooling, higher than the world average of 12 years. Mauritania is the only AMU state in the low human development group, with an HDI of 0.487. The country would need to vastly increase the 4 percent of GDP it spends on education in order to boost its 2012 adult literacy rate of 58.6 percent, which is much lower than the sub-Saharan average of 58.9 percent.

Quality of governance

The Arab Spring, which began in December 2010 in Tunisia, spread throughout the Middle East, bringing civil unrest and violence to Algeria, Morocco, Libya, and even Mauritania, which saw minor protests. Tunisian President Zine El Abidine Ben Ali was ousted

Table 5.11: AMU flow of imports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	1,093	3.27	578	34.6	32,343	96.73
2005	1,877	3.04	1,183	38.66	59,882	96.96
2010	3,463	2.93	3,107	47.29	114,532	97.07
2011	3,656	2.9	2,969	44.81	122,232	97.1
2012	4,811	3.33	4,022	45.54	139,790	96.67
2013	5,498	3.56	4,025	42.27	148,936	96.44

Source: UNSTATS (2014).

Table 5.12: AMU Human Development Index trends, 1980–2013

HDI rank	Country/ region	Human Development Index (HDI)									Compound annual growth rate (%)		
		1980	1990	2000	2005	2008	2010	2011	2012	2013	1980–1990	1990–2000	2000–2013
High human development													
55	Libya	0.641	0.684	0.745	0.772	0.789	0.799	0.753	0.789	0.784	0.65	0.85	0.40
90	Tunisia	0.484	0.567	0.653	0.687	0.706	0.715	0.716	0.719	0.721	1.60	1.42	0.77
93	Algeria	0.509	0.576	0.634	0.675	0.695	0.709	0.715	0.715	0.717	1.25	0.96	0.95
Medium human development													
129	Morocco	0.399	0.459	0.526	0.569	0.588	0.603	0.612	0.614	0.617	1.41	1.37	1.23
Low human development													
161	Mauritania	0.347	0.367	0.433	0.455	0.466	0.475	0.475	0.485	0.487	0.55	1.67	0.91
	AMU	0.476	0.531	0.598	0.632	0.649	0.660	0.654	0.664	0.665	1.09	1.20	0.82

Source: Human Development Report (2014).

Note: AMU index values are calculated as the average for the subregion.

Table 5.13: AMU Human Development Index and its components, 2013

		Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	Human Development Index (HDI)	Change in rank
		Value	(years)	(years)	(years)	(2011 PPP $)	Value	
HDI rank	Country/region	2013	2013	2012	2012	2013	2012	2012–2013
Medium human development								
55	Libya	0.784	75.3	7.5	16.1	21,666	0.789	-5
90	Tunisia	0.721	75.9	6.5	14.6	10,440	0.719	0
93	Algeria	0.717	71.0	7.6	14.0	12,555	0.715	0
Medium human development								
129	Morocco	0.617	70.9	4.4	11.6	6,905	0.614	2
Low human development								
161	Mauritania	0.487	61.6	3.7	8.2	2,988	0.485	-2
	AMU	0.665	70.9	5.9	12.9	10,911	0.664	-

Source: Human Development Report (2014).

Note: AMU index values are calculated as the average for the subregion.

following years of human rights abuses; Libya's Gen. Muammar Gaddafi was killed in the midst of a civil war that saw a foreign military intervention, while Morocco passed conditional reforms in response to protests. Regional unrest pushed up inflation and unemployment, among other economic woes.

The subregion witnessed the worst performance in good governance in 13 years. Its overall governance index rose just 1.9 points, from 51.3 in 2000 to 53.2 in 2013. Year-on-year overall score fell from 54.1 in 2012 to 53.2 in 2013. Libya's civil war was a key factor, given that much of the nation remains outside government control, with various Islamist, rebel, and tribal militias administering many cities and towns. Most of Libya's governance indices have been declining, including rule of law, safety, accountability, and infrastructure even though citizen participation jumped from a record low of 5.1 in 2011 to 53.3 in 2013. In that regard, Libya ranked 43rd in Africa, followed by Mauritania (39th), where civil participation has steadily fallen over the years.

Main achievements and challenges

AMU has recorded modest achievements including the following:

AMU member nations have, on average, made greater strides in expanding tertiary education than their counterparts in sub-Saharan Africa, according to an African Union regional report on education.[24] That comes despite questions about the quality and market relevance of tertiary job qualifications. Interestingly, Algeria and Tunisia have reversed a gender gap in tertiary education, with more women than men now attending universities.

The five AMU states envision an investment bank, capitalized at $100 million, to

Table 5.14: AMU Ibrahim Index of African Governance, 2013

	Overall score	Safety and rule of law	Participation and human rights	Sustainable economic opportunity	Human development
Tunisia	66.0	59.1	60.6	63.3	81.0
Morocco	58.8	58.7	37.5	69.1	70.1
Algeria	54.4	46.8	43.4	49.9	77.5
Mauritania	44.5	43.4	40.1	42.0	52.6
Libya	42.1	33.2	40.5	27.1	67.4
AMU	53.2	48.2	44.4	50.3	69.7

Source: Mo Ibrahim Foundation (2014).

partner with the private sector to fund regional infrastructure projects in Algeria, Libya, Mauritania, Morocco, and Tunisia. But the bank's launch—first proposed in 1991 with equal participation from each country—has been delayed by political tensions within the union, and by a long-running dispute between Algeria and Morocco over Western Sahara.

AMU continues to face obstacles that limit its operations and prevent the bloc from achieving its objectives during its 25 years of existence. In addition, new challenges are springing up which threaten effective implementation of its policies and activities, including the following.

Slow pace of integration

Since 1994, when the last AMU Heads of State Summit was held, the North African integration process has stalled, and each country has opted for a bilateral approach in pursuing trade agreements with the EU and the rest of the world. The cost of a non-functioning AMU is considerable, as shown by several studies.[25] In fact, most AMU trade is with the EU, and the level of intra-Maghreb commerce, at 3 percent of the total, is lower than that of many of the world's trade blocs. The absence of economic integration among the Maghreb countries entails a loss of two to three percentage points of GDP (Ahmed and Othman 2014), as well as lost employment opportunities across the region.

Overlapping memberships in regional arrangements

AMU countries belong to other regional integration arrangements whose policies and programs may not be consistent with those of AMU. For instance, Algeria believes in the relevance of industrial policy, while Tunisia and Morocco adhere to policies advocated by many international development organizations which view the targeting of priority sectors as unnecessary, with each member belonging to more than one. Given their diverse development strategies, the Maghreb countries have not always had a common vision for industrial development. Therefore, increasing conflicts of interests and higher administrative costs are likely to hamper development in the long run.

Challenges imposed by ICT and globalization

Information and Communication Technology (ICT) has vastly increased the speed at which information is disseminated, while boosting productivity. It has ushered in a wave of globalization that has touched nearly every aspect of human endeavor. Despite the opportunities ICT offers, however, some countries and regions have been left behind. The Maghreb countries have integrated ICT at all levels of their industrial innovation strategies, but have very limited access to this technology–with market, financial, coordination and regulatory constraints hampering development in several sectors.

Both GATT and the WTO, which over the years have boosted global trade tremendously by slashing tariffs and quotas, also threatens the Maghreb. Unless member states get involved in the decision-making of these global trade organizations, country-specific issues may not be addressed, while recommended programs will have to be implemented.

Slow ratification of protocols and reluctant implementation of agreed plans

AMU countries have been very slow to implement agreed programs and policies due to many factors such as lack of political will and commitment, and civil and political unrest.

AMU still has yet to adopt the Protocol on Relations between the AEC and Regional Economic Communities, signed on 25 February 1998, by COMESA, SADC, IGAD, and ECOWAS, and by ECCAS/CEEAC in October 1999.

Political differences and crises

The union has existed for more than two decades, but political rivalries—especially between its two largest members, Algeria and Morocco—have prevented it from ever achieving its most important objectives. Despite apparent support for AMU by all member states, their respective governments have remained at loggerheads.

Different economic structures

Differing economic structures have also stalled regional integration. Morocco and Tunisia have more liberal, market-oriented economies, while Algeria and Libya have centrally controlled economies, and Mauritania is still largely dependent on subsistence agriculture.

Main opportunities

AMU is relatively small, measured by both the number of member states and land area, but many opportunities exist. For instance, it enjoys support from both African and non-African partners including other RECs, bigger organizations, and Arab nations. The European Union is Africa's most important trade, investment, and development partner. The Cotonou Agreement between the EU and Africa paved the way for the negotiation of WTO-compatible Economic Partnership Agreements in 2000, giving African countries and regions—including AMU—easier access to the nearby European market for its products.

Thanks to global advances in telecommunications technology and private-sector involvement, Internet connectivity among AMU member states has vastly improved, as is the case with other African RECs like SADC, ECOWAS, and COMESA). Nations have embraced the opportunities offered by science and technology in many areas of the economy and society. These include new farming methods and techniques that boost crop yields and livestock production despite poor weather conditions. Transport, energy, and water infrastructure facilitate the movement of people and goods, bringing the dream of economic integration ever closer. Cooperation among AMU's members through research and development would be a giant step towards achieving that goal.

Capacity needs assessment

In 2013, the African Capacity Building Foundation (ACBF) conducted a survey to assess the AMU's capacity needs. An ACBF delegation visited Rabat, Morocco, from 8–12 July 2013 to collect data by meeting with experts at every department within the AMU General Secretariat; handing out questionnaires to four such departments; receiving lists of their capacity building requirements; and being briefed on the AMU's history and current needs by its secretary-general.

Policy and strategy cycle

Capacity building is a key component of the AMU global strategic document. The Secretariat helps member states as well as non-state actors implement projects of national interest. However, no coordination exists at the inter-REC level. Capacity development remains sporadic and unaligned with any vision, strategic plan, or overall mandate. Publications on capacity building strategies target only professionals at the Secretariat, and decision-makers at the country level.

Since the ACBF survey in 2006, AMU's capacity building strategy has not changed, although it has continued to use analytical tools such as the cost-benefit ratio and others including scenarios and metaphors to assess its policy cycle. AMU policies have not been subjected to independent assessments; so far, it has implemented only one "resilient to extreme events" strategy with help from member states. The body has no risk management framework.

Capacity for monitoring and evaluation

AMU has a monitoring and evaluation framework for its policies, but not a quality assessment framework. As a result, it has not made any significant progress toward regional integration. AMU is involved in several initiatives at the AU/NEPAD level.

Capacity for statistics, database, and dataset

Despite the AMU's adoption of a statistics development strategy, the bloc's contribution to the African Statistics Charter remains limited or nonexistent due to weak capacities. This prevents AMU from supporting a training center offering specific courses on statistics or developing a comprehensive database on regional integration. In the absence of coordination, the AMU would need a central unit to standardize and coordinate data in order to make reliable comparisons among member countries.

Capacity profile/assessment of needs

AMU has not conducted any assessment of capacity needs in the past five years.

Budget, resource management, and projects

Member states fund 100 percent of AMU's budget. Although the mobilization of resources has been inconsistent, the institution does not access loans. AMU's capacity development initiatives fall under donor-funded programs and are not aligned with planning and implementation. This makes it difficult to sustain capacity development or measure outcomes. Long-term sustainability and African resource mobilization—both essential to the AMU's integration agenda—are not built into such programs, most of which are funded by external donors.

Interventions and projects in capacity building

Interventions are usually allocated to ongoing capacity building activities at the Secretariat level. Development partners fund 95 percent of such projects; and AMU the other 5 percent.

AMU is also involved in all AU/NEPAD projects, which are assisted by house staff and consultants. Member states do not ask AMU for technical assistance or resource mobilization.

Technical assistance and training

AMU has a technical assistance and capacity building program that has served dozens of experts over the past five years.

Communications and events

AMU posts official statements on the Secretariat's website, and also issues press communiqués and brochures. In addition, the Secretariat organizes events and discussions with stakeholders.

Available human resource base

AMU's top positions are staffed by personnel seconded from member states. Its six divisions employ 40 staffers, including 15 senior executives; one has a doctorate, and the other 14 have master's degrees. All have been with AMU for at least six months—either as experts or diplomats—and all 15 are fluent in Arabic, while 13 are fluent in French, 10 in English and four in Spanish. Although AMU requires five senior staffers from each country to perform their functions effectively, the union only employs three per country. Thus, despite its highly trained and capable senior staff, AMU cannot effectively manage results or fully execute its mandate.

Nor does the union have a functioning research unit to undertake studies and make practical recommendations for the organization. AMU also lacks the necessary will, skills, and human resources to implement its own policies in member states.

The Secretariat dedicates 100 percent of its time to integration matters, both at the senior staff and institutional levels. AMU offers incentives with respect to salaries and fringe benefits, and has a competitive working environment, as well as a mechanism for sharing knowledge, experiences, and best practices with other RECs. Its annual budget allocation for a library and information center is ongoing. The African Development Bank has also helped the Secretariat organize its files in order to improve the AMU's internal knowledge management system.

AMU's capacity development interventions are mainly focused on knowledge and institution-related capacities. Interventions related to human and system capacities are weak.

Information technology penetration

The AMU Secretariat currently has no in-house capacity for research. However, its staff is computer-literate and has Internet access.

Table 5.15: Composition and characteristics of AMU staff

Current staff size:		Executive Secretariat and all cross cutting units and organs	Directorate: trade, industry, finance and investment	Directorate: infrastructure and services	Directorate: food agriculture and natural resources	Directorate: social/human development and special program	Directorate: policy, planning and resource mobilization
Current staff size		5	3	5	3	4	20
Professional staff:		1	2	3	2	3	3
Gender	**Male**	1	2	2	2	3	3
	female	0	0	1	0	0	0
Term of contract	**> 6 months**	1	2	3	2	3	3
	< 6 months	0	0	0	0	0	0
Level of education	**Doctorate Degree**	0	1	0	0	0	0
	Master's Degrees	1	1	3	2	3	3
	Bachelor's degree (BA/BS)	0	0	0	0	0	0
	Professional Qualifications	0	0	0	0	0	0
Language proficiency	**Fluent Arabic**	1	2	3	2	3	3
	Fluent English	0	1	1	2	3	3
	Fluent French	1	2	3	2	3	2
	Fluent Portuguese	0	0	0	0	0	0
	Fluent Spanish	1	2	0	0	0	1
Support staff:		0	1	2	1	1	17
Consultants since 2006		NA	NA	NA	NA	NA	
		5	5	5	5	5	5
		5/6	5/6	5/7	5/6	5/6	5/22

Source: AMU Secretariat.

Agriculture and food security

AMU has a common strategy for the agriculture sector, with projections through 2030. This plan integrates capacity building with specific objectives. The group has dozens of projects in this sector, but the Secretariat does not carry out any project in the CAADP process. The Secretariat also has a partial database on agriculture and food security.

Key capacity building initiatives

After the survey reviewed existing capacity gaps, it identified some key capacity needs

Table 5.16: Skills/area of competency of AMU staff

Area of competency	Number of professionals
Economics (macro and microeconomics) and international trade	1
Public finance (tax/tariffs and revenue; public sector economics)	-
Political science (conflict management, peace and security)	-
Agriculture	1
Education	-
Environment	1
Gender issues	-
Governance	-
Institutional development	1
Health	-
Industry and energy	-
IT, software, and computer applications	-
Systems design	-
International finance and banking	-
Financial engineering	-
Project/matrix management	-
Project and investment analysis	-
Trade policy development, trade and investment promotion	-
Transport and communications	
Resource mobilization and donor policies	13
Public/private partnerships in infrastructure projects	-
Diplomacy	13

Source: Findings from field visit.

and proposed various short, medium and long-term needs as well.

Capacity needs: One area that needs urgent attention is human resources. AMU requires many highly trained and capable staffers to implement its objectives.

Short-term needs: Having established a customs union, AMU should do the following in the short run:

- Create a regional statistical unit to collect and disseminate statistical data on behalf of each AMU member state.
- Continuously train AMU personnel so they can speed up the creation of a free trade area.
- Strengthen links between secretariats and member states, and boost the skills of those entities.
- Establish a research unit and provide all required facilities to make it robust
- Create standard conflict resolution procedures to settle disputes that could hinder the union's progress

- Conduct workshops and sensitization programs on trade issues in order to prepare AMU staffers and others in the five member states for an eventual free trade area.

Medium-term needs: AMU should consolidate the programs and projects developed in the short run while undertaking new, sustainable ones. The following should be done in the medium term:

- AMU has not taken any step toward regional integration, despite its involvement in several Africa-wide initiatives. As such, the General Secretariat must immediately set up a global monitoring and evaluation mechanism, and acquire monitoring software.
- Strengthen the budgeting and intervention programs mechanism. Apart from aid from development partners (AfDB, FAO) for certain projects, member countries entirely fund AMU. The body must find other sources of money; it is already exploring the idea of a revolving fund.
- Implement projects to reduce the impact of desertification and climate change on AMU states. The body is already interacting with ECOWAS on environmental issues.
- Strengthen the capacity of member states in food security, resource mobilization and M&E.
- Harmonize trade policies and programs of member states and undertake infrastructure projects, which will facilitate and promote trade and investment.

Long-term needs: Programs developed in the medium term would:

- Strengthen the AMU Secretariat
- Help build capacity for all economic sectors in member countries
- Enhance the capacity of state institutions in member countries

These steps would help AMU achieve its goals and facilitate regional integration, in line with the continental integration agenda of the African Union and the African Economic Community.

Resource requirements: Funding AMU capacity needs

Table 5.17 shows how much money is needed to fund the capacity building needs outlined here.

Main findings and recommendations

Since 1990, the five AMU nations have signed several multilateral agreements covering diverse economic, social, and cultural areas. However, only five have been ratified by all AMU members. These include agreements on trade and tariffs (covering all industrial products), agricultural trade, investment guarantees, and avoidance of double taxation. The fact that AMU heads of state have not met since April 1994 has delayed the implementation of existing agreements and prevented the passage of laws and instruments required for AMU to make progress toward integration.

In addition, AMU has no working defense or conflict resolution structures, though its treaty states in Article 14 that "any act of aggression against any of the member countries will be considered as an act of aggression against the other member countries." However, it provides no definition of what would constitute "aggression," nor has it translated into practice the principles of common defense and non-interference in domestic affairs. Regarding topics of regional interest, the AMU has held workshops on road safety (20 February 2009) and swine flu awareness (5 May 2009).

Economically, Libya saw the best overall performance regionally since 2005, while Mauritania and Morocco also saw growth, according to a performance assessment across AMU member states (see table 5.18). Algeria, Libya, Mauritania, and Morocco increased intraregional import share, while only Algeria and Morocco increased intraregional export share. It is clear that Tunisia needs capacity in all four criteria, while Libya and Mauritania need capacity in boosting intraregional export flows. Nearly all AMU member states need capacity in terms of growth; only Mauritania and Morocco improved growth performance between 2005 and 2013.

In the short term, AMU must strengthen its research unit and the link between secretariats and member states while engaging staff in training workshops. Medium-term needs include boosting food security, improving environmental quality, and promoting trade and investment; finally, strengthening the capacity of the AMU Secretariat and its institutions is a major long-term need.

Priorities for budget allocations are infrastructure, trade and customs. Among AMU's short-term needs are expert services and continuous training of staff, while infrastructure and trade and investment facilitation are among medium-term needs. Developing capacity building programs for all sectors and institutions, including the AMU Secretariat, is a critical long-term need.

Table 5.17: Resources required to fund AMU capacity building needs

	Immediate needs (USD)	Short-term needs (USD)	Medium-term needs (USD)
Skills development	1,000,000		
Creation of statistical unit	50,000		
Workshop on trade-related issues	100,000		
Train customs officers		1,000,000	
Harmonize customs processes and procedures among member states		500,000	
Prepare handbooks of trade-related issues and disseminate to all member countries		200,000	
Continue to train AMU and member countries personnel on project and data management		500,000	
Roll out M&E online system			200,000
Strengthening member states' capacity in planning, M&E, and food security.			1,000,000
Train member states personnel on internal audit system			500,000
Total	1,150,000	2,200,000	1,700,000

Table 5.18: Performance assessment across AMU member states

Countries	Increase average growth of intraregional export flows (against 2005 values)	Increase average growth of intraregional import flows (against 2005 values)	Increase average growth of GDP (against 2005 values)	Average GDP growth (5% and above)
Algeria	X	X		
Libya		X		X
Mauritania		X	X	
Morocco	X	X	X	
Tunisia				

Source: Author's compilation.

Table 5.19: Persons contacted

Post/position	Name and first name
AMU Secretary General	Habib Ben Yahia
Human Resources Director	Ould Mohamed Ikabrou
Infrastructure Director	Lotfi Seboui
Director of Political Affairs, Information and Cabinet	M. Tarek Letaief
Director of Administration and Financial Affairs	Mounir Benhamou
Head of the Financial Division	Mohamed Lamine
Head of Economic Affairs Division	Imed Ben Hadj Hamouda
Head of Infrastructure Division	Faouzi Ali Agel
Head of Human Resources Division	Abdelkhalek Medjbar
Expert, Economic Affairs Division	Kouider Lahoual
Expert, Human Resources Division	Sidi Ould Mohamed el Moustapha
Expert, Food Security Division	Hammadi Ben Hadj Ali

6

ECONOMIC COMMUNITY OF CENTRAL AFRICAN STATES (ECCAS)

Established in 1983, the Economic Community of Central African States (ECCAS) grew out of the Economic Community of Great Lakes Countries (CEPGL) and the Central African Customs and Economic Union (UDEAC). Its original objective was to promote exchange among member states and provide an institutional and legal framework for such cooperation, but the goal of ECCAS is now to accelerate Central Africa's physical, economic, and monetary integration. Current members are Angola, Burundi, Cameroon, Central African Republic (CAR), Chad, Congo (Brazzaville), Democratic Republic of Congo (DRC), Equatorial Guinea, Gabon, Rwanda, and São Tomé and Príncipe. ECCAS has overlapping membership with the Central African Monetary Union (CEMAC), to which Chad, CAR, Congo-Brazzaville, Gabon, Equatorial Guinea, and São Tomé and Príncipe belong.

Figure 6.1: ECCAS member states

(Rwanda joined ECCAS at the end of 2015)

Source: ACBF.

In its first decade of existence, ECCAS performed poorly, largely a consequence of its members' lack of commitment and failure to pay their quotas. The DRC war was particularly divisive, with Rwanda and Angola fighting on opposing sides. From 1992 to 1997, ECCAS and its institutions were virtually paralyzed; during this period, no Conference of Heads of State and Government or Council of Ministers meetings took place, and many experts quit the Secretariat. As a result, the ECCAS staff fell 82 to 36, leaving only 17 experts, four long-term consultants, and 15 support personnel (ACBF and ECCAS 2014). In 1998, ECCAS was revived, and its agenda was restructured and broadened to include not only economic but political and security issues as well.

ECCAS was therefore designated as a pillar of the African Economic Community (AEC), but the AEC and ECCAS established formal contact only in October 1999. Its main priorities were to maintain peace, security, and stability—all essential prerequisites for economic and social development; work toward physical, economic, and monetary integration; develop a culture of human integration; and establish an autonomous financing mechanism for ECCAS, keeping as the main objective the eventual creation of a Central African single market.

The Heads of State and Government strengthened the mandate of the ECCAS Secretariat General by promoting physical, economic, and monetary integration, as well as peace, security, and stability in Central Africa. In 2004, it adopted a free trade agreement to be fully implemented by 2007, and programs such as the Consensual Transport Master Plan (PDCT-AC/CMPT-CA), the Regional Program for Food Security in Central Africa, and the Central African Power Pool.

However, despite these laudable programs, ECCAS operates in the midst of conflict and social strife. In addition, it has very weak institutional and organizational capacity, and lacks a critical mass of competent professional and support staff to drive the regional integration plan. This is why the 2014 Capacity Needs Assessment is so important to ECCAS's future as an institution.

Governance structure

Institutional framework and specialized institutions. The key organs in ECCAS's formal structure are the Conference of Heads of State and Government, the Council of Ministers, and the General Secretariat. Its institutions also include the Court of Justice and Consultative Commission, and Specialized Technical Committees. The ECCAS chairmanship is meant to rotate every year among its member states in alphabetic order, in conjunction with the planned annual Conference of Heads of State and Government meetings.

The Conference of Heads of State and Government. The Conference of Heads of State and Government (CHSG) defines ECCAS's general policy and orientation, and oversees all the other ECCAS institutions. It is the community's supreme decision-making body on issues relating to peacekeeping and security (Protocol, Article 8). The CHSG rules on actions to be taken by other ECCAS organs. It is supposed to meet once a year in an ordinary session (though it can also convene extraordinary sessions), but in practice has not managed to meet on a regular basis despite its ambitions.

The Council of Ministers. The Council of Ministers, consisting of ministers from each of the 11 member states, supervises the functioning and development of ECCAS. Among other things, it makes recommendations to the CHSG, directs activities of other ECCAS institutions, and gives the CHSG a budget. There is a contact ministry for ECCAS in each member state, although different countries have appointed different ministries to be in charge of this task, depending on what focus they put on ECCAS. The council meets in ordinary session twice a year, and if necessary, in extraordinary sessions.

The General Secretariat. The ECCAS General Secretariat, the bloc's administrative and executive organ, is headed by a secretary-general elected to a four-year term (which may be renewed once). The secretary-general is assisted by three deputies, each one in charge of the General Secretariat's three departments (one other department has been proposed). The General Secretariat ensures ECCAS projects and programs are executed according to CHSG directives. It also oversees the budget, establishes the ECCAS annual work program, reports on completed activities, promotes development programs and community projects, and studies how to achieve ECCAS objectives.

ECCAS missions

ECCAS missions fall into three categories: Traditional missions since 1985, additional missions since the 1998 revival, and new missions since the 11th Summit in 2004. Traditional missions seek mainly to establish regional cooperation and economic integration leading to a common economic space; programs in this category include implementing a free trade zone, establishing the ECCAS Cooperation and Development Fund, and reviving the ECCAS Clearing House.

Additional missions aim to promote and consolidate regional peace, and ensure free movement of a citizens of member states within ECCAS. New missions include coordinating and implementing NEPAD in Central Africa, and reaching a consensual regional transport plan.

The Consultative Commission. The Consultative Commission, comprising experts chosen by member states, researches and examines specific issues or projects in detail for the Council of Ministers. Upon recommendation by the council, specialized technical commissions may be set up to examine a given issue.

The Court of Justice. The Court of Justice ensures that the law is interpreted and applied according to the ECCAS treaty; it also rules on disputes. Its judges must guarantee respect for the community's legal documents, and that the decisions, directives, and regulations made by other ECCAS institutions are consistent. It can also rule on cases brought either by a member state or the conference over lack of competence, misuse of power or infringement of the treaty. In addition, the CHSG and the Council of Ministers can consult judges on any legal issue and ask for their advisory opinion. However, the Court of Justice is not yet operating

Other committees and specialized units created or provided for by the treaty. In 2001, ECCAS established a Human Rights and Democracy Centre (HRDC) and adopted a protocol for a network of Central African parliamentarians—Réseau des Parlementaires de la CEEAC (REPAC)—in 2002. The HRDC is expected to play a key role in preventing conflict and promoting human rights, democratic practices, and good governance. REPAC's purpose is to advise ECCAS on matters related to human rights, citizenship, minority rights, gender issues, environmental issues, science and technology, education, public health, and energy; it may also issues statements on revising the ECCAS treaty and on free movement within the region.

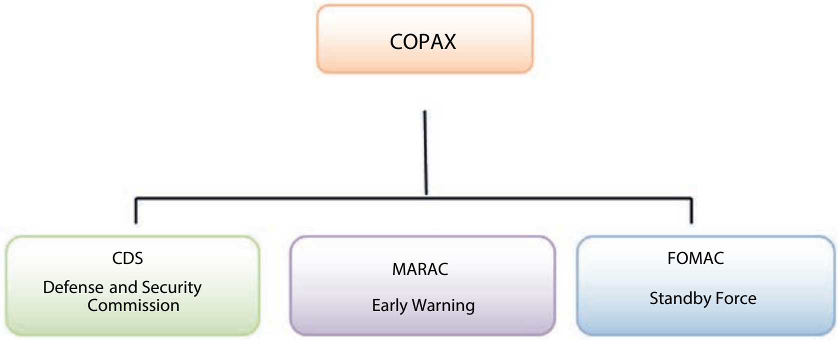
A structure for the REPAC Secretariat was set up in 2010, and since then officials have held meetings and workshops to educate parliamentarians about its role, yet REPAC itself is still not active–largely because it has not secured funding from ECCAS. In addition, the ratification process has been slow, forcing ECCAS officials to continually postpone REPAC's inauguration.

Council for Peace and Security (COPAX). ECCAS conceived COPAX to promote, maintain and consolidate peace and security in Central Africa. Its structure resembles that of the Council of Ministers, but it is composed of ministers of foreign affairs, defense and interior, and is chaired by the foreign minister of the member state that chairs the conference. Its objectives are to prevent, manage, and regulate conflicts; promote and consolidate peacekeeping; develop confidence-building measures among member states; resolve disputes peacefully; implement measures relating to non-aggression and mutual defense assistance; facilitate mediation efforts during crises; and ensure common approaches to issues such as refugees, internally displaced people, transnational crime, and arms trafficking. The COPAX protocol's guiding principles are sovereignty and non-interference in internal affairs.

The technical organs of COPAX as shown in Figure 6.2 are the Central African Conflict Early Warning System (MARAC); the Defense and Security Commission (CDS), and the Central African Multinational Force (FOMAC). Standing orders for these organs were adopted in 2002.

MARAC *(Mécanisme d'Alerte Rapide de l'Afrique Centrale)* collects and analyzes data for the early detection and prevention of crises; MARAC feeds into the Continental Early Warning System based at the AU's headquarters in Addis Ababa, Ethiopia. FOMAC is a temporary, rapid action standby force consisting of military, police, and civilian contingents from each ECCAS member state engaged in peacekeeping, security, and humanitarian relief. The DSC is a technical planning and advisory body made up of chiefs of staff of national armies, and commanders-in-chief of police and gendarmerie forces from member states, as well as experts from the ministries of defense, interior, and foreign affairs. Its role is to advise COPAX and other ECCAS decision-making bodies on possible military operations.

Figure 6.2: COPAX organogram



Source: ECCAS Secretariat.

Regional development context

Economic performance

Real GDP for the ECCAS subregion grew by 4.8 percent in 2014 to $158.9 billion, or 9.9 percent of Africa's GDP. The bloc, which had a combined 2013 population of 146 million—much less than Nigeria's 174 million—saw a significant drop in merchandise exports that year. Overall growth in real GDP has generally been steady, at a compound annual rate of 6.5 percent since 2000. Angola, the largest economy within ECCAS, accounted for 44 percent of its GDP in 2014. The country's GDP grew by 4.3 percent in 2013, but its economy is 99 percent dependent on oil exports, and foreign direct investment (FDI) fell to $4.3 billion that year.

Equatorial Guinea saw its GDP fall from $12.1 billion in 2012 to $11.5 billion in 2013 and $11.2 billion in 2014. Yet since 2000, it has enjoyed a compound annual growth rate of 12.5 percent—the highest in the subregion—and well ahead of Angola's 9.2 percent and Burundi's 6.7 percent. At the other extreme was the Central African Republic, whose GDP—barely 1 percent of the ECCAS total—tumbled by 36 percent from 2012 to 2013 alone, and 1.9 percent since 2000.

The subregion's smallest country is São Tomé and Príncipe, which accounts for just 0.1 percent of total GDP within ECCAS. With only 193,000 people and a GDP of $194 million, it ranks as the seventh-smallest economy worldwide; food items comprised 77 percent of its exports, and FDI inflows in 2013 came to only $30 million.

Growth in real per-capita GDP has been quite impressive, with most ECCAS member countries having taken advantage of the growth in commodity prices and FDI flows. Between 2000 and 2014, Equatorial Guinea's economy surged by an average 10.5 percent annually to become Africa's wealthiest nation, with oil exports pushing per-capita GDP up from $4,165 in 2000 to $14,447 in 2014. Likewise, Angola—which relies on oil exports—saw per-capita GDP grow by 6 percent annually over the same period, from $1,441 to $3,126. Gabon, ranked second among ECCAS states in per-capita income, recorded a 0.3 percent drop, from $7,446 in 2000 to $7,375 in 2014, despite the year-on-year increase from $6,973 to $7,375 between 2012 and 2013.

By contrast, CAR suffered a 3.7 percent fall in per-capita GDP, from $397 in 2000 to $238 in 2014. Despite huge mineral deposits and vast expanses of arable land, it is one of the 10 poorest nations worldwide. In neighboring Cameroon, per-capita GDP also stagnated from 2000 to 2014.

Table 6.1: ECCAS GDP, 2000–14

(millions of USD at constant 2005 prices)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000 - 2014)
Angola	20,067	30.6%	32,811	35.4%	57,791	43.40%	60,030	43.4%	63,151	43.3%	66,347	43.7%	69,200	43.5%	9.2%
Burundi	1,024	1.6%	1,117	1.2%	2,122	1.60%	2,212	1.6%	2,305	1.6%	2,412	1.6%	2,525	1.6%	6.7%
Cameroon	13,827	21.1%	16,588	17.9%	19,147	14.40%	19,940	14.4%	20,855	14.3%	22,015	14.5%	23,138	14.6%	3.7%
CAR	1,444	2.2%	1,413	1.5%	1,667	1.30%	1,701	1.2%	1,751	1.2%	1,120	0.7%	1,120	0.7%	-1.8%
Chad	2,944	4.5%	5,873	6.3%	6,967	5.20%	7,008	5.1%	7,646	5.2%	7,906	5.2%	8,554	5.4%	7.9%
Congo	4,988	7.6%	6,087	6.6%	7,878	5.90%	8,146	5.9%	8,457	5.8%	8,734	5.8%	9,153	5.8%	4.4%
DRC	9,925	15.1%	11,965	12.9%	15,669	11.80%	16,746	12.1%	17,933	12.3%	19,455	12.8%	21,167	13.3%	5.6%
Equatorial Guinea	2,158	3.3%	7,206	7.8%	11,552	8.70%	11,482	8.3%	12,091	8.3%	11,505	7.6%	11,241	7.1%	12.5%
Gabon	9,125	13.9%	9,579	10.3%	10,100	7.60%	10,816	7.8%	11,384	7.8%	12,020	7.9%	12,621	7.9%	2.3%
São Tomé and Príncipe	105	0.2%	125	0.1%	171	0.10%	178	0.1%	186	0.1%	194	0.1%	202	0.1%	4.8%
ECCAS	65,608	100%	92,762	100%	133,065	100.00%	138,260	100%	145,761	100%	151,708	100%	158,921	100%	6.5%

Source: UNSTATS (2015).

Note: ECCAS figures are calculated as the total for the subregion.

Table 6.2: ECCAS GDP per capita, 2000–14

(in USD at constant 2005 prices)

Country/region	2000	2005	2010	2011	2012	2013	2014	Compound annual growth rate (%) 2000–14
Equatorial Guinea	4,165	11,937	16,593	16,037	16,421	15,198	14,447	10.5
Gabon	7,446	6,944	6,490	6,785	6,973	7,190	7,375	-0.3
Angola	1,441	1,983	2,956	2,975	3,033	3,090	3,126	6
Congo	1,596	1,718	1,916	1,928	1,950	1,964	2,008	1.6
São Tomé and Príncipe	752	807	958	974	987	1,003	1,020	2.2
Cameroon	868	915	928	943	961	989	1,014	1
Chad	355	586	594	580	614	616	648	4.3
DRC	211	221	252	262	273	288	305	2.4
CAR	397	357	383	384	387	243	238	-3.7
Burundi	153	144	230	232	234	237	241	3.4

Source: UNCTAD STATS (2015).

FDI trends

ECCAS, like ECOWAS, is rich in natural resources, but its FDI is more diverse. Most foreign money invested in ECCAS member states go to the primary and service sectors, and infrastructure development, with funds coming from increased spending by multinational firms on oil and mining exploration. This explains why most ECCAS countries contribute substantially to regional FDI. Flows to fuel-exporting lesser-developed countries have dipped in recent years (especially in Angola, which saw negative inflows). Chad, São Tomé and Príncipe, Angola and Burundi contribute very little to regional FDI, due to poor infrastructure and volatile regulations.

Table 6.3: ECCAS FDI inflows, 2000–14

(millions of current USD)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC Share	Compound annual growth rate (2000–14)
Angola	879	58.0%	-1,304	-160.0%	-3,227	-67.0%	-3,024	-67.0%	-6,898	-290.0%	-7,120	-430.0%	-3,881	-49.0%	-
Burundi	12	1.0%	1	0.0%	1	0.0%	3	0.0%	1	0.0%	7	0.0%	32	0.0%	7.3%
Cameroon	159	10.0%	244	30.0%	538	11.0%	652	14.0%	526	22.0%	326	20.0%	501	6.0%	8.5%
CAR	1	0.0%	10	1.0%	62	1.0%	37	1.0%	70	3.0%	2	0.0%	3	0.0%	8.2%
Chad	115	8.0%	-99	-12.0%	313	6.0%	282	6.0%	343	14.0%	538	32.0%	761	10.0%	14.5%
Congo	166	11.0%	585	72.0%	928	19.0%	2,180	48.0%	2,152	91.0%	2,914	176.0%	5,502	70.0%	28.4%
DRC	72	5.0%	267	33.0%	2,939	61.0%	1,687	37.0%	3,312	139.0%	2,098	127.0%	2,063	26.0%	27.1%
Equatorial Guinea	154	10.0%	769	95.0%	2,734	57.0%	1,975	44.0%	2,015	85.0%	1,914	116.0%	1,933	24.0%	19.8%
Gabon	-43	-3.0%	326	40.0%	499	10.0%	696	15.0%	832	35.0%	968	58.0%	973	12.0%	-
São Tomé and Príncipe	4	0.0%	16	2.0%	51	1.0%	32	1.0%	23	1.0%	11	1.0%	20	0.0%	12.2%
ECCAS	1,519	100%	814	100%	4,837	100%	4,521	100%	2,375	100%	1,657	100%	7,907	100%	12.5%

Source: UNCTAD STATS (2015).

Structure of the ECCAS economy

ECCAS member states derive the largest share of their revenues from industry (47 percent), followed by services (34 percent) and agriculture (18.3 percent), as shown in Table 6.4. This contrasts with Africa's other RECs, which depend more on services. Equatorial Guinea's industry share of 95.5 percent of GDP—based entirely on oil exports—is one of the highest in the world; the country saw FDI inflows more than double, from $769.2 million in 2005 to $1.9 billion in 2013. Other leading industry-dependent economies within ECCAS are Congo (73.4 percent), Angola (63.7 percent), Gabon (55.2 percent), and Chad (51.3 percent); in all these countries, agriculture accounts for a very low percentage of economic activity.

Table 6.4: ECCAS sector shares of GDP, 2013

(%)

Country/region	Agriculture	Industry	Services
Angola	9.3	63.7	27.0
Burundi	38.1	15.2	46.7
Cameroon	22.7	29.7	47.6
CAR	41.7	23.9	34.4
Chad	19.8	51.3	28.9
Congo	4.5	73.4	22.1
DRC	20.8	44.4	34.8
Equatorial Guinea	1.4	95.5	3.1
Gabon	3.6	55.2	41.2
São Tomé and Príncipe	20.7	17.5	61.8
ECCAS	18.3	47.0	34.8

Source: UNSTATS (2014).

Note: ECCAS figures are calculated as the total of the subregion.

The economic base of ECCAS states has remained relatively stable except for that of Chad, which saw industry's share more than quadruple from 11.3 percent of total GDP in 2000 to 51.3 percent in 2013, thanks to stepped-up crude oil exploration and drilling there. Burundi and CAR still depend economically on agriculture, while São Tomé and Príncipe remains services-driven.

Trade composition and patterns

Crude oil, lubricants and related products dominate the subregion's merchandise trade matrix, accounting for 88.6 percent of the total in 2013 (table 6.5). Oil exports have been especially crucial to Equatorial Guinea, Congo, Angola, Gabon, and Chad. Yet manufactured goods made up only 3.9 percent of exports, hinting at a fundamental problem in most of Africa's economies: heavy reliance on primary commodities. Including crude materials and agriculture, such exports comprise over 90 percent of the region's exports, while trade in commodities and transactions within ECCAS was only 0.2 percent of the total, indicating underdeveloped financial markets.

Export and import trends

Tradewise, the subregion performed poorly in 2013. Exports of goods and services grew by only 1.1 percent to $60 billion, accounting for 13.6 percent of African exports (table 6.6). Exports fell in CAR, Chad, Congo, Equatorial Guinea, and Gabon, eclipsing gains by Burundi (13.1 percent), Cameroon (26 percent), DRC (17.3 percent), and São Tomé and Príncipe (10 percent). Political instability in CAR has triggered a huge humanitarian crisis and economic contraction, with imports by 28 percent and exports by 26 percent in 2013.

Table 6.5: ECCAS merchandise trade matrix, 2013

(exports in millions of USD)

Product group	2013	Share (%)
Mineral fuels, lubricants and related materials	104,806	88.6
Crude materials, inedible, except fuels	5,499	4.6
Manufactured goods	4,650	3.9
Food and live animals	1,158	1
Chemicals and related products, n.e.s.	908	0.8
Machinery and transport equipment	751	0.6
Miscellaneous manufactured articles	204	0.2
Commodities and transactions, n.e.s.	182	0.2
Beverages and tobacco	80	0.1
Animal and vegetable oils, fats and waxes	54	0

Source: UNCTAD STATS (2014).

Imports by ECCAS members grew by 8.1 percent to $57.3 billion, making up 11.03 percent of Africa's total imports in 2013. That year, Cameroon boosted imports by 18.3 percent and exports by 26 percent. Since 2000, imports for ECCAS have grown at a compound annual growth rate of 6.71 percent, more than double the 3.34 percent growth in ECCAS imports over the same period.

Political unrest has hurt the subregion's domestic economy, with ECCAS's total trade surplus falling 57 percent from $6.4 billion in 2012 to $2.7 billion in 2013.

The subregion's share of imports relative to GDP has continued to decline, from 43.2 percent in 2000 to 37.9 percent in 2013 (table 6.7). Equatorial Guinea and São Tomé and Príncipe have both seen their export and import shares of GDP fall since 2000, while DRC performed well in both areas. The DRC's exports are led by refined and raw copper, crude petroleum, and cobalt.

Chad on the other hand, has witnessed a tradeoff between its export and import share of GDP. Export shares increased from 20 percent of the total in 2000 to 46.6 in 2013, while imports as a share of GDP decreased from 42.7 percent in 2000 to 20.2 percent in 2013. While individual nations vary, the subregion's overall performance has been negative over the past decade.

Table 6.6: ECCAS exports and imports of goods and services, 2000–13

(millions of current USD)

	Angola		Burundi		Cameroon		CAR		Chad		Congo		DRC	
	X	M	X	M	X	M	X	M	X	M	X	M	X	M
2000	19,491	13,674	49	175	3,129	2,852	320	381	853	781	4,727	1,900	1,403	1,272
2005	28,223	17,599	69	323	3,393	3,562	203	317	3,202	1,500	4,820	2,506	2,745	3,514
2010	31,414	24,539	197	687	3,289	4,943	272	341	2,671	1,620	4,825	3,860	2,393	5,992
2011	32,639	25,496	165	701	3,363	5,596	279	350	2,618	1,509	4,543	4,258	2,777	6,163
2012	34,336	26,822	215	918	3,320	5,666	300	385	2,442	1,592	4,304	5,377	2,430	5,586
2013	34,666	28,699	244	991	4,183	6,701	215	286	2,408	1,530	4,104	5,682	2,850	6,502

	Equatorial Guinea		Gabon		São Tomé and Príncipe		ECCAS	
	X	M	X	M	X	M	X	M
2000	3,270	1,438	5,868	2,087	17	56	39,127	24,616
2005	7,100	2,231	5,748	2,293	16	53	55,521	33,898
2010	7,224	3,196	4,897	2,604	18	104	57,200	47,887
2011	7,036	2,883	5,317	2,931	17	108	58,753	49,996
2012	6,882	3,330	5,056	3,165	17	100	59,304	52,941
2013	6,250	3,310	5,022	3,438	19	113	59,961	57,254

Source: UNSTATS (2014).

Note: X represents exports and M represents imports.

Trends in export concentration and diversification

Export concentration for ECCAS rose from 0.6231 in 2012 to 0.6556 in 2013, (table 6.8). The subregion has not witnessed any significant change in the index over the last decade. Angola (0.9677), Chad (0.9167), and Congo (0.8146) score highest in concentration of exports from fuel, and this dependence has only increased over the years, though Burundi and CAR did show some improvement in this indicator as a result of their vibrant agricultural sector, which accounts for 38.1 and 41.7 percent of their respective GDPs.

ECCAS states whose GDP relies heavily on industry also score higher on export concentration, because their exports are focused on only a handful of primary commodities, especially crude oil. Outside help has failed to make any real change (see table 6.9). Export concentration averaged 0.7687 in 2013, compared to 0.7774 in 2000. All member countries showed high indices, with São Tomé and Príncipe scoring the lowest, at 0.6331. Most of these countries are vulnerable to external shocks; this is especially true in Africa, where exports have remained of primary nature.

Table 6.7: ECCAS export and import shares of GDP, 2000–13

Export share of GDP (%)											
	Angola	Burundi	Cameroon	Equatorial Guinea	Gabon	São Tomé and Príncipe	Congo	DRC	CAR	Chad	ECCAS
2000	67.5	5.6	23.3	105.2	61.7	35.1	81.8	11.4	22.1	20.0	43.4
2005	86.0	6.2	20.5	98.5	60.0	12.8	79.2	22.9	14.4	54.5	45.5
2010	62.3	9.7	17.3	90.5	54.8	9.6	92.2	41.1	9.7	50.3	43.7
2011	70.5	10.4	18.4	89.9	58.4	9.8	84.9	40.0	10.6	53.5	44.6
2012	70.4	10.2	18.8	91.9	57.1	12.7	82.2	30.7	10.7	49.4	43.4
2013	65.3	10.5	20.7	87.5	51.4	13.7	82.1	34.2	12.1	46.6	42.4
Import share of GDP (%)											
	Angola	Burundi	Cameroon	Equatorial Guinea	Gabon	São Tomé and Príncipe	Congo	DRC	CAR	Chad	ECCAS
2000	52.9	21.2	19.7	90.9	27.4	95.0	40.3	15.6	26.4	42.7	43.2
2005	53.6	28.9	21.5	31.0	23.9	42.2	41.2	29.4	22.5	25.5	32.0
2010	43.2	29.8	23.0	51.2	33.6	62.7	54.0	49.6	23.6	23.9	39.4
2011	46.3	33.9	26.5	47.1	26.3	63.6	49.0	45.6	22.8	21.4	38.2
2012	46.2	33.5	26.6	40.4	29.0	49.5	59.1	37.4	22.6	20.3	36.5
2013	47.7	35.4	28.9	42.5	30.9	44.3	63.9	40.4	24.5	20.2	37.9

Source: UNSTATS (2014).

Trade trends: Intragroup, rest of Africa, and rest of the world

Intragroup exports for ECCAS have been extremely low, amounting to 1 percent in 2013–an 0.8 percent growth since 2000 at a compound annual rate (table 6.10). Even though the rest of Africa offers a robust market for more than 80 percent of ECCAS exports, economic integration has also been extremely low. ECCAS figures show that its exports to the rest of Africa have improved significantly, from 55.3 percent in 2000 to 82.7 percent in 2013–a far higher rate than for either ECOWAS (at 44.2 percent) or IGAD (49.5 percent).

Just as intragroup exports within ECCAS have performed poorly, so have imports, amounting to only 2.1 percent of total imports in 2013 (table 6.11). Similarities in export products have helped stifled growth in imports within the 10-member bloc. The percentage of imports from the rest of Africa is much higher, with a unique trade structure showing high demand for goods and services from the African continent. Very little evidence exists to suggest that economic integration within ECCAS has improved, since most trade activities are with non-member countries.

Table 6.8: ECCAS export concentration, 2000–13

	2000	2005	2010	2011	2012	2013
Angola	0.8816	0.9445	0.9656	0.9639	0.9663	0.9677
Burundi	0.6769	0.5976	0.5909	0.4956	0.4447	0.3599
Cameroon	0.4361	0.4159	0.3604	0.3486	0.3871	0.4228
CAR	0.6837	0.4381	0.3356	0.3795	0.3487	0.3561
Chad	0.7280	0.7179	0.8517	0.9144	0.8049	0.9167
Congo	0.6650	0.7908	0.7864	0.7958	0.8317	0.8146
DRC	0.5983	0.4151	0.3870	0.4041	0.4824	0.5743
Equatorial Guinea	0.7990	0.9202	0.7507	0.7398	0.7393	0.7423
Gabon	0.7357	0.7666	0.7254	0.7534	0.7538	0.7549
São Tomé and Príncipe	0.3751	0.6200	0.4011	0.4233	0.4724	0.6471
ECCAS	0.6579	0.6627	0.6155	0.6218	0.6231	0.6556

Source: UNCTAD STATS (2014).

Table 6.9: ECCAS export diversification, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Angola	0.8162	0.8355	0.8391	0.8295	0.8420	0.8453
Burundi	0.7319	0.7836	0.7553	0.7599	0.7410	0.7107
Cameroon	0.7975	0.7631	0.7302	0.6834	0.7058	0.6949
CAR	0.8385	0.7941	0.7724	0.7772	0.7659	0.7769
Chad	0.7722	0.7562	0.7544	0.7895	0.7511	0.8108
Congo	0.7867	0.8272	0.8116	0.8075	0.8070	0.8068
DRC	0.8100	0.7817	0.8044	0.7987	0.8015	0.8389
Equatorial Guinea	0.6734	0.7875	0.7536	0.7608	0.7372	0.7432
Gabon	0.8721	0.8553	0.8296	0.8203	0.8196	0.8265
São Tomé and Príncipe	0.6759	0.6822	0.6138	0.6471	0.6409	0.6331
ECCAS	0.7774	0.7867	0.7664	0.7674	0.7612	0.7687

Source: UNCTAD STATS (2014).

Human development performance

Four of the 10 member states of ECCAS fall into the medium human development index (HDI) group, and five are in the low HDI group. Most ECCAS members saw their HDI scores decline from 1990 to 2000 and recover since then. That recovery coincided with the Extraordinary Summits of both ECCAS and CEMAC, which took place in Libreville, Gabon, on 23 June 2000. Foreign ministers from 10 Central African states met in the DRC 16–17 August 2001 to discuss security in their war-torn region, and in June 2002, Equatorial Guinea's capital, Malabo, hosted the 10th Ordinary Session of Heads of State and Government, which adopted a protocol to form a Network of Parliamentarians of Central Africa (REPAC) and the

Table 6.10: ECCAS flow of exports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	155	0.9	192	55.3	17,021	99.1
2005	439	0.9	1,088	71.3	49,663	99.1
2010	1,626	1.8	4,276	72.4	90,382	98.2
2011	1,201	1.0	4,188	77.7	117,633	99.0
2012	1,352	1.1	5,491	80.2	121,616	98.9
2013	1,237	1.0	5,917	82.7	117,055	99.0

Source: UNCTAD STATS (2014).

Table 6.11: ECCAS flow of imports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	191	2.4	1,598	89.3	7,760	97.6
2005	520	2.7	3,246	86.2	19,040	97.3
2010	1,738	4.0	9,695	84.8	41,866	96.0
2011	1,344	2.5	9,886	88.0	52,966	97.5
2012	1,847	3.1	9,579	83.8	58,133	96.9
2013	1,285	2.1	8,919	87.4	59,717	97.9

Source: UNCTAD STATS (2014).

standing orders of the Council for Peace and Security in Central Africa (COPAX), which included the Defense and Security Commission (CDC), Multinational Force of Central Africa (FOMAC), and the Early Warning Mechanism of Central Africa (MARAC).

Average HDI rose from 0.408 in 1980 to 0.420 in 2000, and then to 0.498 in 2013, but even that still falls below 0.502 for sub-Saharan Africa, with three ECCAS states—Burundi (0.389), Chad (0.372) and DRC (0.338)—among the 10 worst-performing. They have some of Africa's poorest living standards, and are comparable to the average of 0.487 for Africa's least-developed nations.

The average adult in Burundi, Chad, and DRC has had less than three years of schooling, compared to seven years for Gabonese adults. Average education expenditures as a share of GDP from 2005 to 2012 was only 6.1 percent for Burundi, 2.6 percent for Chad, and 2.5 percent for DRC; among the above-25 population with at least some secondary education it was 7.1, 5.5, and 16.5 percent respectively, compared with 75.5 percent for Botswanans in the same age group.

The DRC is extremely rich in natural resources, but political instability and overall poor quality of governance has stunted its growth; the 2014 HDI report ranks it 186th out of 187 countries. Likewise, despite its status as Africa's wealthiest country in per-capita terms, Equatorial Guinea ranks 144th in HDI, since economic opportunities are unequally distributed among its citizens.

Quality of governance

Since 2000, governance has improved tremendously throughout the ECCAS subregion. Although it ranks next to last of Africa's eight RECs in state provision of political, social, and economic goods, the community's overall score grew from 35.6 in 2000 to 41.8 in 2013. But no ECCAS member is among Africa's top 10 countries in the quality of governance index. São Tomé and Príncipe, whose overall score of 59.7 was the subregion's highest, was ranked 12th in Africa thanks to its relatively strong environment for personal safety and citizens' rights, and its budding business environment and infrastructure network. Next among ECCAS member states was Gabon, which ranked 27th in Africa.

Most ECCAS countries face significant gaps in safety and rule of law, civil liberties, and citizen participation as well as infrastructural needs, which have not only stunted economic growth but governance dividends as well in rural areas. Eight of the 10 members of ECCAS scored below 50 percent in ability to provide public goods. Equatorial Guinea ranks as one of Africa's worst nations on public accountability, human rights, and sustainable economic opportunities. Even though the country's economy has grown rapidly, social outcomes have been abysmally low.

Main achievements and challenges

One of ECCAS's main achievements since its revival is the region's widespread peace, security, and stability compared to the turbulent 1990s. This largely thanks to the Council for Peace and Security in Central Africa (COPAX) Protocol, which became operational in 2003 after it was ratified by more than one-third of member states. COPAX promotes, maintains and consolidates peace and security in Central Africa. Crucial to this has been the Peace Consolidation Mission (MICOPAX) in the Central African Republic. This ECCAS-led peacekeeping operation has served as an intermediary among rebels who have signed peace agreements. It has also helped the CAR government disarm, demobilize, and reintegrate rebels, and aided in the development of the political process. ECCAS has also improved security in the Gulf of Guinea through regional patrols, thanks to a Mutual Assistance Pact already in place. Other major achievements include:

- Extending the integration process to politics, security, good governance, and global trade
- Ensuring that ECCAS institutions have put in place programs and action plans in the areas of trade, transport, infrastructure, agriculture, and energy
- Establishing a $3.85 million strategic framework and action plan to fight HIV/AIDS, and starting a regional fund to finance that action plan
- Harmonizing ECCAS and CEMAC objectives with WTO standards and complying with the new ACP-EU partnership agreement
- Adopting a strategy to promote gender issues, and creating a zone without discrimination between men and women

Table 6.12: ECCAS Human Development Index trends, 1980–2013

HDI rank	Country/ region	Human Development Index (HDI)									Compound annual growth rate (%)		
		1980	1990	2000	2005	2008	2010	2011	2012	2013	1980–90	1990–2000	2000–13
Medium human development													
112	Gabon	0.540	0.619	0.632	0.644	0.654	0.662	0.666	0.670	0.674	1.37	0.21	0.50
140	Congo	0.542	0.553	0.501	0.525	0.548	0.565	0.549	0.561	0.564	0.19	-0.98	0.92
142	São Tomé and Príncipe	-	-	0.495	0.520	0.537	0.543	0.548	0.556	0.558	-	-	0.92
144	Equatorial Guinea	-	-	0.476	0.517	0.543	0.559	0.553	0.556	0.556	-	-	1.21
Low human development													
149	Angola	-	-	0.377	0.446	0.490	0.504	0.521	0.524	0.526	-	-	2.60
152	Cameroon	0.391	0.440	0.433	0.457	0.477	0.493	0.498	0.501	0.504	1.19	-0.15	1.18
180	Burundi	0.230	0.291	0.290	0.319	0.362	0.381	0.384	0.386	0.389	2.37	-0.03	2.29
184	Chad	-	-	0.301	0.324	0.338	0.349	0.365	0.370	0.372	-	-	1.66
186	DRC	0.336	0.319	0.274	0.292	0.307	0.319	0.323	0.333	0.338	-0.53	-1.52	1.64
	ECCAS	0.408	0.444	0.420	0.449	0.473	0.486	0.490	0.495	0.498	0.86	-0.57	1.32

Source: Human Development Report (2014).

Note: ECCAS index values are calculated as the average for the subregion.

Table 6.13: ECCAS Human Development Index and its components, 2013

		Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	Human Development Index (HDI)	Change in rank
		Value	(years)	(years)	(years)	(2011 PPP $)	Value	
HDI rank	Country/region	2013	2013	2012	2012	2013	2012	2012-2013
Medium human development								
112	Gabon	0.674	63.5	7.4	12.3	16,977	0.670	-1
140	Congo	0.564	58.8	6.1	11.1	4,909	0.561	0
142	São Tomé and Príncipe	0.558	66.3	4.7	11.3	3,111	0.556	-1
144	Equatorial Guinea	0.556	53.1	5.4	8.5	21,972	0.556	-3
Low human development								
149	Angola	0.526	51.9	4.7	11.4	6,323	0.524	0
152	Cameroon	0.504	55.1	5.9	10.4	2,557	0.501	0
180	Burundi	0.389	54.1	2.7	10.1	749	0.386	0
184	Chad	0.372	51.2	1.5	7.4	1,622	0.370	-1
186	DRC	0.338	50.0	3.1	9.7	444	0.333	1
	ECCAS	0.498	55.987	4.6	10.2	6,518	0.495	-

Source: Human Development Report (2014).

Note: ECCAS index values are calculated as the average for the subregion.

- Adopting the Consensual Master Plan for Transport in January 2004

- Adopting Central Africa's Regional Program for Food Security (RPFS) in January 2004

- Creating a Central Africa Energy Pool. In 2003, ECCAS states agreed to forge a common energy policy on production, transport, distribution, and exploitation of power grids

- Establishing programs to ensure that member states conduct elections in accordance with democratic standards and practices instead of causing unrest

- Adopting programs to stop the circulation and proliferation of small arms and light weapons throughout the region

- Achieving a significant Internet penetration level throughout the subregion

In addition, the ECCAS subregion is blessed with enormous natural resources: a vast forest that can absorb about 500 million tons of carbon dioxide; huge deposits of diamonds, uranium, gold, copper, iron, cobalt, manganese, coltan, and other minerals; and estimated proven oil reserves of 31.3 billion barrels, about 28 percent of Africa's total. ECCAS member states also have huge agricultural potential; ample water resources, thanks to the Congo-Oubangui-Sangha Basin, the Lake Chad Basin, the Great Lakes region, and internal navigable waterways. It also has vast hydroelectricity generating potential, dominated by the Inga dam in the DRC's Bas-Congo region, which alone represents 60 percent of Africa's potential hydroelectric generating capacity.

In addition, Central Africa's strategic position could make it a future transit hub, as it is the only region that borders all of Africa's other regions. Yet all these opportunities need capacity building to be effectively coordinated and implemented within the ECCAS agenda.

Table 6.14: ECCAS Ibrahim Index of African Governance, 2013

	Overall score	Safety and rule of law	Participation and human rights	Sustainable economic opportunity	Human development
São Tomé & Príncipe	59.7	65.7	66.5	40.4	66.3
Gabon	51.0	57.6	42.0	41.5	62.8
Cameroon	47.6	45.4	39.3	46.2	59.6
Burundi	45.3	40.4	49.6	38.5	52.7
Congo	43.4	45.0	38.1	39.2	51.2
Angola	40.9	43.1	37.3	34.6	48.6
Equatorial Guinea	38.4	41.5	25.9	28.4	57.9
DRC	34.1	23.7	32.6	34.8	45.2
Chad	32.3	33.9	28.1	29.9	37.1
CAR	24.8	12.0	28.2	24.8	34.3
ECCAS	41.8	40.8	38.8	35.8	51.6

Source: Mo Ibrahim Foundation (2014).

Despite these opportunities, obstacles hinder the economic integration of ECCAS, including:

- *Insufficient institutional capacity to coordinate and smoothly implement regional and sectoral economic and trade policies.* This has delayed the effective economic integration of ECCAS's free trade agreement and CEMAC's customs union. These institutions need capacity building to design and put in place their regional integration policies.

- *Limited availability of basic infrastructure.* Roads, drinking water, sanitation, and ICT are all sectors in which the region lags behind the rest of Africa. Likewise, Central Africa's energy sector is the least developed on the continent despite its 166 gigawatts of potential generating capacity. Access to electricity is far lower than the African average; per-capita energy consumption within ECCAS is 12.5 kWh, compared to 17.3 for Africa as a whole. Regarding ICT, the ECCAS subregion has 10.2 Internet access lines, 21.6 mobile phone lines and 3.6 landlines per 1,000 inhabitants, compared to 61.8 Internet lines, 37.6 mobile phone lines and 32.4 landlines per 1,000 inhabitants for Africa.

- *Limited interconnection of national transport and communication links among Central African countries*. Land transport is crucial to ECCAS: 80 percent of its people and goods use land transport. Yet asphalt roads represent less than 20 percent of the region's 150,000-km road network, and only 30 percent of the entire PDCT-AC consensual road network. In addition, Central Africa's railway systems are obsolete, underused and not connected. And even though air transportation within Central Africa has been liberalized, air routes generally do not link ECCAS member states with each other due to the collapse of several airlines in the region, obsolete aircraft, little competition, and limited airport infrastructure.

- *Limited port capacity, which leads to higher freight costs.* Central Africa's key ports are ill-equipped to handle the burgeoning maritime container transport. Wait times may take up to 80 percent of the total delivery period for merchandise in Central Africa, compared to 20 percent in East Asia. This situation, coupled with limited transport facilities, has led to high shipping costs. Given the complexity of port reforms, the private sector—which is already engaged in port management—will continue to play a key role in improving the quality of port services through enhanced public/private partnerships.

- *Natural resources within ECCAS member states are poorly valued.* As a result, the region cannot fully profit from them, and private investments cannot improve productivity.

- *Weak private-sector development institutions.* Most ECCAS institutions do not have the necessary human, technical, or financial resources to achieve their mission. In addition, overlapping responsibilities between various bodies render them less effective. Likewise, investment promotion agencies often spend too much time promoting the one-stop-shop concept while neglecting reform efforts. They also do not give authorities enough advice on how to improve the regional investment climate, identify and publicize investment opportunities, or partner with the local private sector to the outside world.

- *Limited public-private dialogue.* In most ECCAS states, institutional frameworks are too fragile or non-existent to be effective. Dialogue is rarely articulated on a common development vision. The private sector is itself weak, and its aspirations are rarely supported by institutions.

- *An unproductive labor force.* Within ECCAS, labor costs are highly heterogeneous, a situation compounded in several countries by the so-called "Dutch disease." For example, the monthly minimum wage ranges from $40-45 in CAR, Cameroon, and DRC, to $240 and even $300 in oil-exporting Equatorial Guinea and Gabon. The challenge arises more in terms of the ratio of wages to productivity, especially in processing activities.

- *Availability and cost of capital*. The ratio of private-sector credit to GDP in ECCAS member states is low, despite progress in recent years.

- *High electricity costs, another obstacle to diversifying investments.* In Chad, for instance, more than 75 percent of businesses use generators, which cover 70 percent of their needs. Businesses suffer an average 22 power outages monthly—double that of sub-Saharan Africa—and the shortfall related to electricity sector inadequacies is estimated at 8.8 percent of total revenue, compared to 6.7 percent for sub-Saharan Africa as a whole. In Congo, nearly 33 percent of business owners say electricity is a major obstacle to growth. Due to frequent power outages that exceed 25 per month, 82 percent of companies have generators that cover 56 percent of their needs, though at high cost.

- *High connectivity costs via New Information and Communication Technologies (NICTs).* ECCAS has yet to bridge the digital gap; however, mobile telephony renders this gap less damaging to economic development. Where it does exist, Internet access remains prohibitively expensive and does not facilitate investment.

- *High transport costs and low road density.* Of the 10 ECCAS member states, landlocked Chad and CAR are most vulnerable to anomalies in port activities and inland transport. According to BDEAC, the cost of shipping a container from the Cameroonian port of Douala to Shanghai is only a fraction of the cost of trucking that same container along the 1,735-km Douala-N'Djamena highway. Likewise, it costs the same to ship freight from Douala to the United States as it does from Douala to Yaoundé, the capital of Cameroon. Shipping costs from Douala to N'Djamena average $3.19/km, from Douala to Bangui $3.78/km, and from Mombasa to Kampala only $2.22/km. Shortcomings in the logistics chain contribute to high transport costs.

- *Unstable tax rates.* Within ECCAS, taxation is often burdened by informal levies, badly straining the formal sector. In terms of indirect taxation, CEMAC does not always apply its 15–19 percent ceiling, while, the corporate tax rate within CEMAC ranges from 25 to 40 percent. Outside CEMAC, tax rates are generally at the same level: DRC (40 percent); Angola and Burundi (35 percent); and São Tomé and Príncipe (32.5 percent). These rates are somewhat high compared with those assessed around the world.

- *Poor human development record.* The poverty level within ECCAS is only slightly above the African average, with about 45 percent of the population living on less than $1 a day.

These challenges show that building the capacity of regional institutions is essential, particularly in the management of infrastructure (roads, water, electricity, air transport), governance, and security to ensure that ECCAS achieves its ultimate goal of regional integration.

Capacity needs assessment

Main findings of the 2006 ACBF survey

According to the 2006 ACBF assessment, ECCAS suffers from extremely weak institutional and human capacity. As a result, the ECCAS General Secretariat cannot execute its mandate efficiently, effectively, or sustainably. Identified institutional capacity gaps include:

- The pervasive conflict within ECCAS, which has hurt all attempts to develop the region economically.
- The extremely low level of trade among ECCAS member states, with some countries lacking internal rail links.
- Few formal networking initiatives with other RECs to share information, experience, and best practices about regional cooperation and integration.
- The lack of time-bound strategic plans, financial programming, and management. Only temporary organizational charts requiring substantial revisions are available. The current ECCAS organogram, for example, has three thinly spread departments with only two poorly resourced departments in operation.
- The lack of employee job descriptions, job classifications, or procedural manuals.
- ECCAS's failure to mobilize intraregional resources needed to execute any laudable integration program. Most member states in huge arrears over payment of their statutory contributions. Consequently, ECCAS has fallen short of basic recruiting resources and is unable to hire qualified people or secure contributions pledged by member states.
- Weak absorptive capacity, with only 20 percent of its 2003 work program budgeted.
- Inadequate poor office infrastructure. ECCAS currently has two buildings that have not been converted into modern, functional offices. Although it has made substantial efforts in communications technology, ECCAS has no relevant database or library facility. Nor does it contribute to relevant e-journals and reports. Its professionals barely participate in the world of knowledge production, exchange, and distribution.

The assessment also noted that ECCAS has yet to create the minimum organizational framework to expand regional integration as mandated. Among identified organizational capacity gaps:

- ECCAS suffers from a chronic shortage of competent staff. Of its 36 employees, 17 are professionals, four—all men—are long-term consultants, and 25 are support staff. No particular attention is paid to gender balance in the recruitment process.
- ECCAS needs at least 96 employees, 77 of whom should be professionals of complementary skill configuration and gender mix, as well as 19 support staff.
- Given the congruent nature of ECCAS and NEPAD programs, the ECCAS Secretariat

must create the position of NEPAD Focal Point in the Office of the Executive Secretary. This would send a clear signal to the Secretariat staff and member states that ECCAS considers NEPAD projects a priority.

- ECCAS professionals are too short-staffed to conduct research, upgrade professional skills, or network with other RECs. It is our conviction that ECCAS needs support to offer specialized training for professional staff and management training for all managers.

- Professional salaries and benefits at ECCAS are lower than those of similar RECs.

Regarding financial autonomy, ECCAS lacks the capacity to mobilize and absorb private-sector and development agency funding. The community depends too much on member states' limited contributions and donor grants. As a result, it cannot coordinate and harmonize donor-driven capacity building initiatives, sustain donor-funded projects, or fully absorb funds made available.

Ongoing capacity building initiatives

Given the magnitude of unidentified needs in Central Africa and the necessity of speeding up the regional integration process, in February 2011 the AfDB initiated a Regional Integration Strategy (RIST) for Central Africa covering the 2011–15 period. It comprised two pillars: building regional infrastructure to physically and economically integrate ECCAS states, and building the human and institutional capacity of ECCAS and COMIFAC (Commission for Central Africa Forests). The latter focused on the implementation of regional infrastructure plans and programs, and in the sustainable management of the Congo Basin, while considering investment projects to manage the risk of climate change and adaptation. As part of the revived ECCAS integration strategy, its ongoing capacity building initiatives consist of three elements, namely:

1. Support for improving the institutional framework and the monitoring and evaluation (M&E) of regional infrastructure development programs:

Institutional and organizational capacity building of the ECCAS Secretary General

- Support to the legal unit and revision of legal texts

- Capacity building of DSCI (including implementing a gender policy)

- Support for setting up a results-oriented management

Capacity building as part of the implementation and monitoring of infrastructure projects

- Support for surface transportation (roads, railways, ports)

- Support for water and air transport

- Support for the energy unit

- Support for ICT services

Reinforcement of the regional statistics system

- Support for the development of regional foreign trade statistics

- Reinforcement of the statistical system on infrastructure

- Installation of a statistical and economic analysis system

- Support for a regional strategy on the development of statistics

2. Support for the harmonization of regional integration policies and instruments

Implementation of the ECCAS/CEMAC Rationalization Program

- Studies to harmonize ECCAS and CEMAC trade policies
- Launch of an ECCAS/CEMAC joint committee on nomenclature, tariffs, and legislation
- Preparing the annual forum on the rationalization of RECs in Central Africa
- Validating, editing, and publishing the Regional Customs Code
- Communicating the ECCAS/CEMAC plan on rationalization, exchange, and dialogue mechanism.

Institutional support for the COPIL Technical Secretariat

- Logistical support
- Technical support to make the COPIL TS operational
- Building the capacity of human resources
- Functional support

Reinforcement of coordination among ECCAS SG, member states, and institutions

- Support for the design and implementation of the communications plan
- Setup of mechanisms to speed the collection of Community Contributions for Integration (CCI) from member states

Sensitization program for non-government entities in member states

3. Management and coordination

In September 2012, the AfDB launched the ECCAS Institutional Capacity Building Support Project (PARCI-ECCAS) for UA 8.23 million, covering the 2012–17 period. The project fits within RIST's second pillar, which aims to build the human and institutional capacities of ECCAS and CEMAC for better allocation of the national programs on infrastructure and the rationalization of regional integration policies and instruments.

ECCAS now has a technical assistance and capacity building program to support the armed forces and the AfDB/PARCI project. However, since 2013 it has not received enough funding or expertise. But mainly because of the difficulty in monitoring and centralizing data, ECCAS does not know how many staffers have been trained in the medium term and what its minimum needs are for the next three to five years in the areas of regional integration and trade; peace, security and good governance; infrastructure; agriculture and food security; environment and climate change; natural resources and extractive industries; economic transformation for youth and gender issues; private-sector development; and green, inclusive socioeconomic development.

Capacity for managing results

ECCAS's current capacity for managing results appears weak. The community does not have an M&E framework for its policies; nor does it have a quality assessment framework. Nevertheless, it has produced about six progress reports with a results framework, but many of its integration stages have not been completed. ECCAS integration schemes such as free movement of citizens, a free trade area, and customs union issues are classified as poor, while economic integration is classified as average. Only its political integration is judged as fairly good. Nonetheless, four CEMAC countries have agreed to free movement of their populations. In addition, ECCAS has been involved in many AU/NEPAD initiatives across Africa.

ECCAS's capacity for statistics, database, and dataset is average. Despite its ongoing statistics strategy, it does not contribute resources to implement African initiatives on statistics. Nor does it support a training center that offers specific courses on statistics, and it still lacks a comprehensive database on regional integration; its only comprehensive database deals with customs, trade and industry, and macroeconomic policies. A partial database covers statistics, analysis and forecasts, and the transport sector, but no database exists for other priority sectors.

Even though all ECCAS staffers are computer-literate, not all of them have Internet access. Only rarely in the last five years have member states officially expressed interest in the capacity needs of ECCAS. The entity's chief means of communication is through its website, as well as documents and publications archived in its library.

ECCAS's common strategy for the agricultural sector covers a five-year period and includes a specific chapter on capacity building. However, it is not known how many projects ECCAS has in agriculture and food security. ECCAS is attempting to strengthen the CAADP process by providing technical assistance to member states and helping them mobilize resources. It does have a partial database on agriculture and food security.

Budget, resource management, and projects

Members' contributions were the major source of financing for ECCAS activities between 1985 and 1997. However, these dues were not enough to fund such activities at optimal levels, as they covered only the Secretariat's recurrent expenditures. No money remained for the Development Fund, various sector-related projects, and peace and security activities. Members paid only 46.6 percent of their quotas, leaving 53.4 percent in arrears for the 10 member states excluding Angola, which was still an observer then. However, the revival of ECCAS in 1998 gave impetus to an autonomous funding mechanism independent of national budgets and overseas assistance, replacing the traditional funding system anchored on member state cash flows.

The new mechanism, known as Community Contribution for Integration (CCI), consisted of two phases. The first provided CCI's legal structure between 1998 and 2004, while the second, which commenced in 2005, focused on implementing the autonomous funding mechanism. CCI funds the running budgets of the Secretariat General, specialized institutions, and other ECCAS organs; the budgets of clearing funds; the cash endowment of the Cooperation and Development Fund; the needs of regional peace and security instruments, and the costs of projects and programs.

However, an assessment carried out on 30 October 2007 by the 13th Summit of Heads of State and Government in Brazzaville revealed that the CCI did not generate the desired results. That is because some member states refused to pay, as they believed that their contributions—calculated on the basis of large volumes of imported goods from non-member countries—were set too high. In fiscal 2008, ECCAS began limiting the availability of funds in an effort to address those complaints. But this option did not generate the expected funds, either. As a result, development partners fund 62 percent of the ECCAS budget, and member states finance the other 38 percent.

Of that 62 percent in development funds, multilateral partners (EU, World Bank, AfDB, GIZ, CAADP, UNESCO, ACBF) account for 99 percent, with only 1 percent coming from bilateral partners. The development partners are fully committed to their obligations, though foundations and private-sector development partners do not contribute to ECCAS at all. Funding is usually in the form of grants rather than loans. Even so, a 65 percent budget gap persists, because member states have disregarded their commitments and failed to collect integration contribution taxes. This illustrates ECCAS's poor capacity to mobilize resources and its lack of financial autonomy.

Development partners have allocated XAF126.5 million to ECCAS capacity building projects, but it's not known how much member states contributed. ECCAS staffers themselves, rather than consultants, designed these projects. ECCAS has provided technical assistance to implement CCI in Burundi and Gabon, though no formal requests have been made for resource mobilization and management. Nevertheless, ECCAS has been involved in many AU/NEPAD projects.

It is obvious that if member states paid their CCI quotas on time, ECCAS would have sufficient financial resources at its disposal. However, as the integration process unfolds, those resources may shrink. In fact, given that funds received via the new mechanism are proportional to the volume of imports from non-member countries, any increase in trade within ECCAS thanks to economic integration might lead to fewer imports from non-member states. As a result, the CCI's 0.40 percent special deduction on such imports will likely generate less revenue for ECCAS. An alternative funding mechanism should therefore be considered, with sanctions imposed against member states that fail to contribute to the CCI account. Table 6.15 lists projects earmarked for 2011–15 in the RIST/Central Africa, with costs in millions of units of account (UA).

Available human resource base

ECCAS has five departments: Programs, Budget, Administration, and Human Resources; Fiscal Integration, Economic, and Monetary; Human Integration, Peace, Security, and Stability; Socio-Cultural Integration, and the Secretariat General. The Department of Human Integration, Peace, Security, and Stability employs 56 ECCAS staffers—a consequence of the region's frequent conflicts—followed by Fiscal Integration, Economic, and Monetary (42); Programs, Budget, Administration, and Human Resources (33), and the Secretariat General (37). The Socio-Cultural Integration Department has the smallest staff. Indeed, given the community's capacity needs, the number of ECCAS staffers appears inadequate. The Department of Fiscal Integration, Economic, and Monetary should hire more staffers to enhance the community's integration efforts.

Of all departments within ECCAS, Human Integration, Peace, Security, and Stability has the largest professional staff, followed by Fiscal Integration, Economic and Monetary.

Programs, Budget, Administration, and Human Resources has the largest support staff, followed by Human Integration, Peace, Security, and Stability. Socio-Cultural Integration has the least number of support staff. There appears to be a clear case of gender bias favoring males within ECCAS, which employs few women. All staff had employment contracts of six months or more, though no information was available on their level of education or language proficiency.

Peacekeeping and security issues occupy 90 percent of the time of ECCAS senior staff; the other 10 percent is spent on integration efforts. Of total staff, 30 are political appointees while only two were appointed by multilateral organizations. No information is available on the number of staff seconded by governments and competitive professional appointment. ECCAS currently offers no incentives with respect to salaries, fringe benefits, and working environment, though it proposes to launch an incentive policy during the next reforms. Less than 1 percent of the annual budget goes to the Library and Information Center. ECCAS is still working on a mechanism for sharing knowledge, experiences, and best practices with its fellow African RECs.

Five ECCAS staffers are competent in environmental matters, four in IT, software, and computer applications, and three in public finance (taxes, tariffs, revenues, and public-sector economics). ECCAS has two staffers skilled in economics and international trade issues (project/matrix management, project and investment analysis, trade policy development, trade and investment promotion, transport and communications, agriculture, and education). The areas of resource mobilization and donor policies, public/private partnerships in infrastructure projects, financial engineering, institutional development, socio-cultural development, health, gender issues, systems design, industry and energy, and political science (conflict management, peace, and security) have one expert each. ECCAS has neither a research unit nor any full-time or part-time researchers. It is not known whether ECCAS research is peer-reviewed.

Priority sectors in relation to capacity needs

The 2006 ACBF survey on capacity needs led to the ACBF Project (RENFORT) and the ECCAS organogram, which AfDB financed. However, ECCAS has not conducted any assessment in the last five years either for the community or for individual member states. Since 2006, its priority sectors are statistics, analysis and forecasts; transport; IT and telecommunications; energy and water; customs and trade industry; macroeconomic policies; environment; peace and security: diplomacy, mediation, MARAC, elections, good governance; justice and human rights, free movement of persons and civil society; and socio-cultural, education, health, employment and science. Of total ECCAS personnel allocated to priority sectors, 3.4 percent work in statistics, analysis and forecasts, followed by IT and telecommunications (2.9 percent), and justice and human rights, free movement of persons, and civil society (2.9 percent). Macroeconomic policies and transport had the least allocation, with 0.6 percent each, among all priority sectors.

The peace and security sector has four ongoing projects; so does the transport sector. Energy and water, customs and trade industry, and environment have three ongoing projects each, while IT and telecommunications has only one ongoing project. Due to the region's numerous conflicts, ECCAS allocates 60.4 percent of its budget to peace and security,

Table 6.15: Indicative list of projects/RIST/Central Africa, 2011–15

	2011	2012	2013	2014	2015	Region/country profiting from it
Building of institutional capacities						
1. Support to the rationalization of RECs in Central Africa and to ECCAS capacity building		15				
Transport						
2. Road project between Doussala (Gabon) and Dolisie (Congo)		105				Gabon, Congo
3. Road project between Kribi-Campo (Cameroon) and Bata (Equatorial Guinea)		70				Cameroon, Equatorial Guinea
4. Bridge road railway project between Kinshasa (DRC) and Brazzaville (Congo)			70			Congo, DRC
5. Multimodal project: Navigation on river Oubangui-Congo-Sangha and road construction Ouesso (Congo)–Bangui (CAR)–N'Djamena (Chad)			100			Member states CICOS/Congo, CAR, DRC, Chad
6. Road construction between Ouesso (Congo) and Sangmélima (Cameroon) Phase 2			80			Congo, Cameroon
Energy & telecommunications						
7. Central African Backbone Project Phase 1		30				Cameroon, CAR, Chad
8. Interconnection project Boali 3 between CAR and DRC	60					CAR, DRC
9. Interconnection project on electricity network Chad–Cameroon		60				Chad, Cameroon
10. Interconnection project on electricity network Cameroon–Gabon–Equatorial Guinea			100			Cameroon, Gabon, Equatorial Guinea
11. Hydroelectric development of RUSIZI III				50		Burundi, DRC, Rwanda
12. Inga III Project /Grand Inga					100	Angola, Burundi, DRC, STP, ECCAS countries and others
Indicative total of RIST operations 2011–15	60	280	350	50	100	

while environment takes up 25.5 percent of the budget. The smallest share, 0.3 percent, goes to IT and telecommunications. Even so, the entire staff is sometimes called upon to support the peace and security sector.

At present, ECCAS has a strategy in place for transport; IT and telecommunications; energy and water; customs and trade industry; and peace and security. However, there is no strategy in place for statistics, analysis and forecasts; macroeconomic policies, environment, justice and human rights, and socio-cultural, education, health, employment and science. Capacity building is only incorporated in strategies for energy and water, customs and trade industry, and peace and security, but not in strategies for IT and telecommunications and the transport sectors.

The ECCAS global strategic document/action plan includes capacity building at the community and member-state level, with specific chapters. However, ECCAS coordinates only a few such strategies at the inter-community level, such as with ECOWAS on marine security, and with CEMAC on agricultural and economic protocols. Such strategies target professionals at the community level and decision-makers at the country level, but they tend to leave out the public.

The ECCAS capacity building strategy takes into account a continental or national dimension, using either the bottom-up or top-down approach. Since 2006, that strategy has not changed. The analytical tool it has adopted to assess its policy cycle is not available. Hence, no ECCAS policy has ever been subjected to an independent assessment nor is its resilience to extreme event strategies known. ECCAS does, however, have a risk management framework.

Key capacity building initiatives (short, medium, and long term)

Looking toward the ECCAS 2025 Strategic Vision, the group's capacity building initiatives can be categorized into immediate needs (to be met within six months), short-term needs (to be met within two years), mid-term needs (to be met within five years) and long-term needs (to be met after five years). These capacity initiatives are viewed in the context of the 2011–15 RIST, PARCI-ECCAS and ACBF Multi-Agency Mission, and are as follows:

Immediate and short-term needs

- Creation of a statistical database and recruitment of at least two statisticians to strengthen the statistical system, including the System of National Accounts (SNA 2008) and the Consolidated Price Index (CPI).
- Post-2015 SDG indicators.
- Support for setting up and reinforcing the Secretariat of the ECCAS parliamentary organ.
- Drafting of a communication strategy; digitization and purchase of management software for the library and publications.
- Establishment of a monitoring and evaluation unit, and a strategy to mobilize resources, especially local ones, in the framework of the Community Contribution for Integration.
- Capacity building to design and manage cultural policies.
- Capacity building to design and develop youth and sports policies.
- Capacity building to develop policies in science, technology, and innovation.
- Capacity building to manage office automation equipment programs.

Mid- and long-term needs

- Recruitment of managerial staff to fill vacancies in departments and services.
- Sharing of experiences and interactions with other RECs.
- Establishment of a strategic framework for the intervention of civil society.
- Capacity building in security and trans-border issues.
- Capacity building of management prior to opening an M&E office within ECCAS.
- Establishment of an information project that includes technical and operational capacity building.
- Capacity building by providing specific training to the staff of CARAM (Central Africa Rapid Alert Mechanism) on maritime security.

- Capacity building to train ECCAS managerial staff in Portuguese, English, and Spanish.

- Capacity building of the arbitration unit (training, building of arbitration framework, and creation of an arbitration network of journalists and building of their capacities).

- Capacity building of field correspondents for better observation and data collection.

Covering such initiatives adequately will address all of ECCAS's capacity building needs, which in the framework of the multi-agency platform helps the ECCAS Secretariat play its leadership role, become credible *vis-à-vis* member states and spur the Central African integration process. The capacity building initiatives are summarized in table 6.16.

Capacity building strategies

The ECCAS Strategic Integration Plan, which is the 2025 Vision, provides the foundation of the community's capacity building strategy. In general, it promotes regional integration under the mandate of the African Union, and within the agenda of the Abuja Treaty. Specifically, it aims to reduce poverty in Central Africa through human, institutional, and organizational capacity building, enabling the region to better confront the challenges of integration by appropriating regional projects and programs, and the efficient, effective achievement of the vision's 15 axes. This framework lists three pillars: training in specific domains and optimal recruitment, institutional arrangements, and structural organization. Table 6.17 presents a breakdown of the ECCAS strategy and action plan for capacity building.

Activities to be performed under these pillars will help the ECCAS Secretariat General's support staff, administrative assistants, and managers design and implement regional projects and programs in the following: M&E; mobilization; use of financial resources; rationalization of RECs in Central Africa; improvement of the business environment through harmonization and dissemination of laws in banking and finance, especially concerning investments; development of regional statistics; and programs to facilitate transport and simplify customs procedures.

Acquiring these new capacities will speed up implementation of the 15 strategic and priority axes outlined in ECCAS's Vision 2025, led by peace, security, stability, better infrastructure, energy, water, and the environment. This will benefit the National Program for Food Security (NPFS), the Common Agricultural Policy (CAP), the Special Fund for Agriculture, the Customs Union and the concluding Economic Partnership Agreements (EPA). This will help ECCAS meet the integration challenge and profit from the region's enormous development potential.

In addition, the private sector will likely benefit from an improving business climate and better governance spawned by this new strategy, which also addresses gender and HIV/AIDS-related issues by building up the capacity of the ECCAS Department of Socio-Cultural Integration.

The ECCAS capacity building strategy between 2014 and 2025 is expected to cost $9.51 million, with $4.9 million representing 51.8%. The AfDB has already vowed to fund the remaining $4.6 million, or 48.2 percent. Immediate needs make up $2.4 million (25.6 percent) of the total; short-term needs $2.2 million (23.0 percent); mid-term needs $3.9 million (40.1 percent); and long-term needs $1.0 million (10.5 percent). But these are minimal financial commitments at best.

Table 6.16: Summary of ECCAS capacity building initiatives

Immediate (to be met within six months)	**Short term (to be met within two years)**	**Mid-term (to be met within five years)**	**Long term (to be met after five years)**
1. Support to the legal unit and review of legal texts 2. Capacity building of DSCI (including support to the implementation of a gender policy, the design of youth and sport policies as well as results-based management of cultural policies 3. Support for a results-based programmatic management 4. Study of the organizational framework and setup of mechanisms to speed collection of the Community Contribution for Integration (CCI) from member states 5. Review of the institutional framework (organization chart)	1. Support to surface transport services (roads, railways, ports) 2. Support to water and air transport services 3. Support to the energy unit 4. Support to the information and communication technologies (ICT) services 5. Support to the design and implementation of the communication plan 6. Support to the setting up and reinforcement of the secretariat of the parliamentary organ of ECCAS 7. Drafting a communication strategy: digitization and purchase of management software for the library and publications 8. Setting up a monitoring-evaluation unit and of a strategy to mobilize internal and external resources 9. Capacity building in the design of policies in sciences, technology, and innovation 10. Capacity building for the management of office automation equipment programs 11. Creation of a statistical database and recruitment of at least two statisticians to strengthen the statistical system: CN, SNA, 2008; Consolidated Price Index, (CPI); post-MDG indicators; development of regional statistics on foreign trade, infrastructure, and the statistical and economic analysis system; support to design a regional strategy to develop statistics	1. Studies on the harmonization of ECCAS and CEMAC trade policies 2. Making operational the ECCAS/CEMAC joint committee on nomenclature, tariffs, and legal matters 3. Preparation and monitoring of the annual forum on the rationalization of RECs in Central Africa 4. Validation, editing, and dissemination of the Regional Customs Code 5. Support in logistics 6. Program for the awareness raising of non-state actors (CSO and private sector) in member states 7. Recruitment of managerial staff to fill in the vacancies in the departments/services 8. Reinforcement of the sharing of experiences and interactions with other RECs 9. Setting up of a strategic framework for the intervention of civil society 10. Capacity building in the domain of security 11. Capacity building of managerial staff ahead of the opening of an M&E office within ECCAS 12. Setting up an information project which includes technical and operational capacity building 13. Building maritime capacities by providing the CARAM staff with specific training on maritime security 14. Capacity building of the ECCAS managerial staff on languages (Portuguese, English, Spanish) 15. Capacity building of the arbitration unit (training, building of the arbitration framework, creation of a journalist network on arbitration, and building of their capacities) 16. Capacity building of field correspondents for better observation and collection of information	1. Capacity building of member states to connect electricity networks

Table 6.17: Strategy and action plan for ECCAS capacity building

Pillar I: Training in specific domains and optimal recruitment				
Activities	Planning of activities			
	Immediate	Short-term	Mid-term	Long-term
1. Training seminars on the management, implementation, and coordination of projects and programs in infrastructure and other region-oriented sectors				
2. Training seminars on the design and management of macroeconomic policies				
3. Training seminars on monitoring and evaluation				
4. Training seminars on maritime security for CARAM staff				
5. Training of ECCAS managerial staff in languages (English, Portuguese, and Spanish) in order to improve communication with member states				
6. Optimal recruitment of staff for a satisfactory functioning of ECCAS				
7. Technical assistance through consultants or technical assistants for the transfer of knowledge through "learning-by-doing" for the efficient coordination and implementation of sector-related regional programs				
Pillar II: Institutional arrangements				
Activities	Planning of activities			
	Immediate	Short-term	Mid-term	Long-term
1. Creation of a CCI unit in charge of disseminating CCI financial mechanisms in member states, monitoring recovery, and foreign aid.				
2. Re-stimulating coordination among ECCAS, CEMAC and member states in the implementation of regional programs in infrastructure and other sectors, and in the harmonization of legal texts and trade policies				
3. Putting logistic means and equipment, especially in the domain of ICT, at the disposal of ECCAS				
Pillar III: Structural organization				
Activities	Planning of activities			
	Immediate	Short-term	Mid-term	Long-term
1. Review of the institutional framework in order to adapt the ECCAS organization chart and make it viable and functional				
2. Networking and exchanging experiences with other RECs				
3. Creation of a viable statistical database, which will provide necessary statistical data for drafting sector-related policies and strategies, macroeconomic policies, and specific studies				
4. Establishment of a monitoring and evaluation office				

Main findings and recommendations

Although it was created in 1983, ECCAS lay dormant from 1992 to 1997 due to severe conflicts in the subregion. It was revived in 1998 and is now seen as a pillar of the African Economic Community (AEC). The economic structure of ECCAS is closely tied to oil production and exports, given that six oil-producing member states generated more than 80 percent of average regional GDP between 2005 and 2013. Although inflation has been relatively stable over the past decade, intraregional trade within ECCAS has remained low—a consequence of member states' weak infrastructure and failure to diversify their national economies.

Even so, ECCAS has a well-developed governance structure and specialized institutions that are particularly adept at maintaining peace and security in the subregion. As a result, ECCAS has been able to achieve relative political stability. Other major achievements include extending the integration process to politics, security, good governance and international trade; promoting the creation of a non-discrimination zone with regard to gender; adopting the Consensual Master Plan for Transport (CMPT), a Regional Program for Food Security (RPFS), and a Central Africa Energy Pool (CAEP). In addition, ECCAS member states are home to vast mineral deposits, rich agricultural potential, hydroelectric opportunities, and a favored transit zone in the near future.

Nevertheless, ECCAS lacks sufficient institutional capacity to coordinate and ensure the smooth implementation of regional economic, sectoral and trade policies. Nor does it have enough basic infrastructure, interconnection of transport and communication networks among member states, or regional port services. This raises freight costs, worsens human development, and weakens private-sector institutions. Current capacity building initiatives support improving institutional frameworks, the monitoring and evaluation of regional infrastructure development programs, the harmonization of regional integration policies, and management and coordination, among others.

However, ECCAS's capacity for managing results appears weak. It has no M&E framework, and many of the integration stages have yet to be completed. Its database management on regional integration is also weak, given its lack of funding for statistics. The community has little capacity to mobilize resources and lacks financial autonomy, and its glaring 65 percent budget gap stems from member states' disregard for paying their fair share of integration contribution taxes.

The ECCAS Secretariat's staff size seems adequate, implying that it has appropriately addressed certain capacity building needs identified by ACBF's 2006 study. For example, it found that the Secretariat needs at least 96 employees, including 77 managerial staff, for ECCAS to function; at the time, it had only 36 employees, including 17 managerial staff. It now has at least 175 staffers, including 141 professionals, though gender imbalance persists. We therefore urge ECCAS to:

- Have an adequate M&E framework of its policies, and a quality assessment framework.

- Quickly complete its integration stages, especially economic integration and the free movement of people, a free trade area, and a customs union.

- Strengthen the capacity of its statistics, database, and dataset with resource mobilization, support a training center that offers specific statistics course, and fund a comprehensive database on regional integration for ease of reference to ECCAS activities.

- Ensure adequate office facilities and Internet access for staff at the ECCAS Secretariat by converting the current building into a functional office complex.

- Devise innovative ways, beyond the Community Contribution for Integration (CCI), to boost members' contributions in order to guarantee the success of ECCAS integration schemes. Current ECCAS funding is woefully inadequate in ECCAS; given the trade-offs associated with the CCI, an alternative funding mechanism should be considered, with sanctions imposed against member countries that fail to pay their quotas.

- Strengthen its capacity to mobilize regional resources and ensure financial autonomy.

- Increase staffing of the fiscal, economic, and monetary integration department to enhance ECCAS integration efforts, since most current funding is allocated to peace and security. In addition, gender balance should be maintained in the recruitment process.

- Establish a research unit to help analyze economic and macroeconomics issues. A journal should also be established to disseminate ECCAS integration activities; this will assist its professionals in the production and exchange of knowledge.

- Engage other sectors with substantial backward and forward linkages to ensure the fast-tracking of the ECCAS development process, since most ECCAS funding goes to peace and security, to provide a conducive environment.

- Enact a common strategy in sectors where none exists, such as statistics, analysis and forecasts; macroeconomic policies, environment, justice and human rights, and socio-cultural, education, health,

Table 6.18: Persons contacted

S/N	Name	Designation
1	Ahmad Allam-Mi	ECCAS Secretary General
2	Clotilde Nizigama	Deputy Secretary General in Charge of the Program, Budget, Administration and Human Resources Department, DPBARH
3	Augustin Ndabiore	Secretary General Adviser in Charge of the Technical Unit, Cooperation and Coordination of help
4	Salomon Abba Nerambaye	Coordinator of the SPICB Project
5	Léon Konande Mudubu	Statistician Demographer, Focal Point Migration and Development
6	Honoré Tabuna	Expert in the valuing of biodiversity and the economy of the environment
7	Dominique Kuitsouc	Disaster risks management and climate change adaptation expert, regional focal point for disaster risk reduction and climate change
8	H.E. Mr. Crispin Jaime Sangale Rondo	Deputy Secretary General in Charge of the socio-cultural Integration Department, SCID
9	Jules Romel Touka	Macro-economy expert, Physical, Economic and Monetary Integration Department, PEMID
10	Jean Claude Mbassi	Officer in Charge of the Information and Documentation Center
11	David Mbadinga	Advisor of the Secretary General, Chief of the NEPAD Unit
12	Joel Bassem	Coordinator of the Regional Program for Food Security PFR/AACP, Chief of the FS-BM-PDDAA Project
13	Pascal Moussavou Mbina	Expert in Administrative and Financial Management of Projects/Programmes
14	Ahmed Achta Séne	Expert in Charge of Collaboration with Civil Society Organizations
15	Daniel Pascal Elono	Analysis Expert, Acting Manager of CARAM
16	Petit-Lambert Ovono	Expert Analyst in CARAM
17	Manpangou Moussadji	ECCAS Expert in Transborder Security
18	Emvono Alexis	Expert in arbitration
19	Missak Kasongo	Expert in the Reform of the Security Sector
20	Jacques Didier Mvom	Expert in Charge of Defense and Security
21	Roger Mengue-Ekomie	Manager of SPPS
22	Linda Larissa Mboyi	Trainee in CARAM

employment and science sectors. Capacity building should also be integrated into these strategies.

- Upgrade the research and professional skills of current staff, enhance specialized training for them, and improve training for all managerial staffers.

- Strengthen collaboration with other RECs throughout Africa.

- Build up public capacities, since current capacity building strategies target professionals at the community level and decision-makers at the country level but leave out the public.

- Remove infrastructure and trade bottlenecks to boost ECCAS's intraregional trade flows.

- Adequately review existing time-bound strategic plans to ensure progress is being made.

7

EAST AFRICAN COMMUNITY (EAC)

East Africa has a long history of regional integration that dates back to the 1917 creation of the original East African Community by Kenya and Uganda, which Tanganyika (the predecessor to today's Tanzania) joined in 1927. The current EAC, established 7 July 2000, has its roots in the Mediation Agreement for Division of Assets and Liabilities of the original EAC, which collapsed for a variety of political and economic reasons in 1977. In that agreement, signed 14 May 1984, Kenya, Tanzania, and Uganda agreed to explore areas of future cooperation, and make concrete arrangements for such cooperation. Subsequent meetings of the three heads of state led to the signing of the Agreement for the Establishment of the Permanent Tripartite Commission (PTC) for East African Cooperation on 30 November 1993. Full-fledged cooperation began 14 March 1996 with the launching of the PTC Secretariat at EAC headquarters in Arusha, Tanzania.

In June 2007, Burundi and Rwanda joined the original members, Kenya, Tanzania, and Uganda (see figure 7.1). The five states—with a common history and culture—founded the EAC to pursue their vision of a prosperous, competitive, secure, stable, and politically united East Africa.

Their goal is to be an economic area (including customs and monetary unions, with harmonized macroeconomic policies, and ultimately a political federation), in order to better compete in the global market, improve conditions for domestic industries, and increase trade and investment in the region, which in turn will improve the quality of life for all East Africans.

The new EAC expressly confirmed the crucial role of the private sector and civil society: the principles governing the community's objectives shall be "people-centered and market-driven" (Article 7 of the EAC Treaty), in

Figure 7.1: EAC member states

(South Sudan joined EAC in February 2016)

Source: ACBF.

contrast to the first attempt at an EAC, which was mainly government-driven. The EAC's road map envisions gradual progress from a customs union toward a common market and monetary union, finally culminating in a political federation.

Governance structure

Institutional framework and specialized institutions

The EAC's institutional framework comprises the Summit, Council of Ministers, Coordination Committee, Sectoral Committees, East African Court of Justice, East African Legislative Assembly, and the Secretariat, with headquarters in Arusha, Tanzania. These institutions were established to assist the community realize its integration objectives and milestones.

The Summit. The highest decision-making body is responsible for, *inter alia*: the overall policy direction and functioning of the EAC; considering the annual progress reports and other reports submitted to it by the Council; and reviewing the state of peace, security, and good governance within the EAC, and the progress achieved towards the establishment of a political federation. Subject to the treaty, the Summit may delegate the exercise of any of its functions to one of its members, to the Council or to the Secretary General. The Summit meets at least once a year, and may hold extraordinary meetings at the request of any member. It is chaired in turn by each member state for one year. The Summit's decisions are taken by consensus.

The Council of Ministers. This is the main policy decision-making institution. It initiates and submits bills to the Assembly; gives directions to member states and EAC organs other than the Summit, Court, and Assembly; makes regulations, issues directives, takes decisions, and gives opinions in accordance with the treaty's provisions; considers the budget; submits annual progress reports to the Summit, for which it prepares meeting agendas; establishes sectoral committees provided for by the treaty; and implements the Summit's decisions and directives. The Council consists of ministers responsible for regional cooperation and any other official members designate. It meets twice a year, right after the Summit, or at the request of a member state or Council chairperson. It is chaired in turn by a minister of each member state, and takes its decisions by consensus.

The Coordination Committee (CC). This body is responsible for regional cooperation and coordinates the activities of the sectoral committees. It also, *inter alia*, submits reports and recommendations to the Council either on its own initiative or upon the Council's request; implements the Council's decisions; receives and considers reports by the sectoral committee, and may ask that committee to investigate any particular matter. The CC consists of the permanent secretaries responsible for regional cooperation and any other permanent secretaries members may designate. It meets at least twice a year (before Council meetings), and may hold extraordinary meetings at the request of the committee chair. It is chaired in turn by a permanent secretary from each member state.

The East African Court of Justice. Established under Article 9 of the treaty, this is the community's judicial arm. It ensures that EAC law is interpreted and implemented in line with the treaty. The court has jurisdiction to hear and determine disputes between member states on the interpretation and application of the treaty (if the dispute is submitted to it under a special agreement), and between the community and its employees. The court began operating 30 November 2001, and is temporarily located in Arusha, until the Summit determines its permanent seat. The six judges, two from each member state, are appointed by the Summit from among sitting judges of any national court or from recognized jurists, while the registrar is appointed by the Council.

The East African Legislative Assembly. This is the EAC's lawmaking organ. It has 52 members, 45 of them elected equally by each partner state and seven ex-officio members consisting of the minister or assistant minister responsible for EAC affairs from each country, the Secretary General, and the Counsel to the Community. The Assembly's functions straddle the legislative, representative, and oversight mandate, and include legislation, working with the national assemblies of partner states on EAC matters, budget appropriation, consideration of EAC annual reports, and establishing committees for necessary tasks. The Assembly has established seven committees covering house business, accounts, agriculture, tourism, natural resources, regional affairs, and conflict resolution. These oversee implementation of the treaty's provisions and the EAC Development Strategy in the special areas of cooperation. The committees execute the Assembly's work and are its technical arm.

The Secretariat. Based in Arusha, Tanzania, this is the EAC's executive organ. It is responsible for: day-to-day administration of the treaty; coordinating and monitoring implementation of Council and community decisions; arranging meetings, disseminating information, and keeping minutes of meetings of EAC institutions (it is the depository of all EAC records); helping to harmonize national policies and strategies of member states in relation to the EAC; and assisting in the negotiation of trade agreements with third parties. As the guardian of the treaty, it ensures that regulations and directives adopted by the Council are properly implemented. The Secretariat is led by a Secretary General, who is a citizen of a member state, and serves a fixed, five-year term. The core budget of the Secretariat is funded by equal contributions from member states.

Special institutions of the EAC. The East African Development Bank (EADB) was first established in 1967 under the former East African Community. Following the EAC's 1977 breakup, the bank was re-established under its own charter in 1980. It offers a broad range of financial services to EAC members. More information is available online at www.eadb.org/background.

The Lake Victoria Basin Commission (LVBC), established in 2001, provides a mechanism for coordinating the various interventions on Lake Victoria and its basin, and serves as a center for promotion of investments and information sharing. It focuses on, *inter alia*, harmonizing policies and laws on environmental management of the lake and its catchment area. More information is available online at www.eac.int/programme.htm.

The Lake Victoria Fisheries Organization (LVFO), established in 1994, aims to foster cooperation among EAC members in matters regarding Lake Victoria; harmonize national measures for the sustainable use of fisheries and other resources; and develop and adopt conservation and management measures to assure the lake ecosystem's health and sustainability. (More information is available online at www.inweh.unu.edu/lvfo/Default.htm.

The Inter-University Council for East Africa (IUCEA), established in 1980, aims to facilitate contact between the universities of East Africa, provide a forum for discussion on academic and other matters relating to higher education, and help maintain high and comparable academic standards. More information is available online at www.iucea.org.

Other institutions include the Civil Aviation Safety and Security Oversight Agency (CASSOA); the East African Health Research Commission (EAHRC); the East African Kiswahili Commission (EAKC); and the East African Science and Technology Commission (EASTC).

Status of integration initiatives and programs

Since the early 1990s, following the signing of the treaty establishing the EAC and the launch of the Secretariat, activities have focused more on the community's integration goals. The first big milestone was the 1997 unveiling of the East African flag and passport. In 2000, the treaty that created the new EAC entered into force, and a year later, EAC heads of state inaugurated the East African Legislative Assembly and East African Court of Justice.

The EAC Customs Union became operational in January 2005, the protocol to establish it having been signed only in March 2004. In 2007, Rwanda and Burundi became full members of the EAC, but would not join the customs union until two years later.

Talks aimed at merging the EAC, COMESA, and SADC into one free trade area began in 2008 at the Tripartite Summit held in Kampala, Uganda. At the EAC's 10th anniversary in 2009, the Protocol for the Establishment of the EAC Common Market was signed. A year later, the EAC Common Market Protocol entered into force, following ratification by all the five EAC partner states. The EAC Summit of Heads of State adopted the EAC Anthem that same year. At the Tripartite Summit in Johannesburg, South Africa, COMESA, EAC, and SADC representatives agreed to start negotiations for a Grand Free Trade Area among the three blocs, and in November 2013, the five member states signed a protocol to establish the EAC Monetary Union.

Regional development context

Economic performance

The economies of EAC member states are relatively small, which explains the need to integrate in the first place. The community's largest economy is Tanzania, whose real GDP has more than doubled since 2000, reaching \$33.074 billion in 2014 (table 7.1). Close behind is Kenya, with \$33.068 billion, and at a fair distance by Uganda, with a GDP of \$21.319 billion. In 2014, Tanzania surged past Kenya to become the EAC's largest economy, with a compound annual growth rate of 6.8 percent from 2000 to 2014, compared to 4.5 percent for Kenya. Tanzania has made crucial economic and structural reforms to sustain its economic growth rates over the last decade, with key contributions from the construction, trade, agriculture, and transport sectors.

The EAC comprises only 6 percent of Africa's total GDP, relatively unchanged since 2000. Yet Kenya's share of the EAC economy has fallen from 42.5 percent in 2000 to 34.9 percent in 2014.

The EAC comprises some of Africa's poorest countries on a per capita basis. In 2014, none of its member states reached per capita GDP of \$800—not even Kenya or Tanzania, which

Table 7.1: EAC GDP 2000–14

(millions of USD at constant 2005 prices)

Countries	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000–14)
Burundi	1,024	2.4%	1,117	2.0%	2,122	2.8%	2,212	2.8%	2,305	2.8%	2,412	2.7%	2,525	2.7%	6.7%
Kenya	17,859	42.5%	21,493	38.7%	26,872	35.8%	28,070	35.2%	29,647	35.4%	31,433	35.3%	33,068	34.9%	4.5%
Rwanda	1,779	4.2%	2,581	4.6%	3,731	5.0%	3,986	5.0%	4,336	5.2%	4,541	5.1%	4,814	5.1%	7.4%
Tanzania	13,167	30.6%	18,508	32.5%	24,797	32.3%	27,144	33.3%	28,517	33.3%	30,842	33.9%	33,074	34.9%	6.8%
Uganda	8,545	20.3%	12,295	22.1%	18,116	24.1%	18,915	23.7%	19,534	23.3%	20,414	23.0%	21,319	22.5%	6.7%
EAC	42,374	100%	55,994	100%	75,638	100%	80,327	100%	84,339	100%	89,642	100%	94,800	100%	5.9%
Africa	845,989		1,104,386		1,416,587		1,430,176		1,502,399		1,553,778		1,603,842		4.7%

Source: UNCTAD STATS (2015).

are among Africa's top 10 largest economies in nominal GDP. Per capita growth has been positive for all five members, though much higher for Rwanda and Tanzania, which recorded compound annual growth rates of 4.6 percent and 3.8 percent respectively between 2000 and 2014. Besides a growing tourism sector which has attracted significant capital inflows, Rwanda has continued to sustain its exports in cash crops such as coffee and tea.

FDI trends

Within the EAC, Kenya has recently seen strong growth in FDI inflows, more than offsetting the decline in FDI shares of Tanzania and Uganda. Kenya's performance stems partly from growth in consumer spending, gradual deregulation, and regional integration within the EAC. While banking, telecommunications, and other services still lead the EAC in terms of FDI, investment in oil exploration is rising. Even so, worries about rising taxes and deteriorating security abound.

Export and import trends

In terms of external commerce, Kenya leads the EAC, with total trade exceeding $21 billion in 2013 (table 7.4), followed by Tanzania's $15 billion and Uganda's $8 billion. Burundi is at the bottom with total trade of less than $1 billion in 2013. Besides reporting the lowest trade figures in absolute numbers of the five EAC states, it also has the least

Table 7.2: EAC GDP per capita, 2000–14

(in USD at constant 2005 prices)

Country	2000	2005	2010	2011	2012	2013	2014	Compound annual growth rate (%) 2000–14
Kenya	571	601	657	668	687	709	726	1.7%
Tanzania	387	477	551	586	597	626	652	3.8%
Uganda	352	428	533	538	537	543	549	3.2%
Rwanda	212	274	344	358	378	386	398	4.6%
Burundi	153	144	230	232	234	237	241	3.3%

Source: UNCTAD STATS (2015).

open economy. Burundi's trade openness indicator—the ratio of total exports and imports to GDP——is about half that of Kenya, which is followed by Tanzania and Uganda as usual (table 7.5).

Regarding intraregional trade, Kenya is far ahead of the other EAC countries in terms of exports (table 7.6), perhaps because it has the subregion's highest per capita GDP. Burundi, by contrast, exports the least. Uganda has traditionally led EAC intraregional imports, followed by Tanzania. In the middle is Rwanda, while Kenya and Burundi are the smallest intraregional importers.

Trade trends: Intragroup, rest of Africa, and rest of the world

By category, manufactured goods lead EAC intraregional exports (table 7.7), followed by food, live animals, and chemicals. This suggest the bloc's evolving transformation from an agrarian to an industrial economy. Indeed, crude materials, mineral fuels, and animal and vegetable oils—some of which could have been processed—rank very low in intraregional exports. Kenya plays a key role in this transformation since it exports the most manufactured goods intraregionally.

Export diversification and concentration

The concentration and diversification indices, especially for Kenya (table 7.8), support the above observation about structural transformation. Kenya's concentration index has moved farther from 1, considering that it fell further toward zero from 2005 to 2013. Similarly, its diversification index indicates that the economy remains diversified and can be improved. Likewise, both the concentration and diversification indices of Tanzania and Uganda are low and high, respectively, indicating that both countries seek to diversify and become less reliant on a few commodities.

Human development performance

All five EAC member states fall into the low human development group. The subgroup's HDI averaged 0.480 in 2013, up from 0.328 in 1980 and 0.368 in 2000—significantly

Table 7.3: EAC FDI inflows, 2000–14

(millions of USD at constant 2005 prices)

Country/ region	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC Share	2014	REC Share	Compound annual growth rate (2000–14)
Burundi	12	2%	1	0%	1	0%	3	0%	1	0%	7	0%	32	1%	7.3%
Kenya	111	19%	21	2%	178	6%	335	13%	259	7%	505	13%	989	22%	16.9%
Rwanda	8	1%	8	1%	251	9%	119	5%	255	7%	258	6%	268	6%	28.5%
Uganda	181	30%	380	28%	544	20%	894	35%	1205	34%	1096	27%	1147	25%	14.1%
Tanzania	282	48%	936	70%	1813	65%	1229	48%	1800	51%	2131	53%	2142	47%	15.6%
EAC	593	100%	1345	100%	2786	100%	2581	100%	3519	100%	3996	100%	4577	100%	15.7%

lower than sub-Saharan Africa's 2013 score of 0.502. Within the EAC, Rwanda fared the best; its HDI rose 3.35 percent between 2000 and 2013 as per capita GDP grew and its quality of governance improved.

Average life expectancy at birth in the EAC subregion was 60.1 years in 2013, while mean and expected years of schooling were recorded as five and 11 years, respectively. While expectations have improved, actual education outcomes have remained very poor—especially in Rwanda, which has been unable to boost education expenditures from its present 4.8 percent of total GDP. In Burundi, the average adult spends only three years in school; the country's life expectancy at birth only 54 years—eight years less than that of the average Kenyan.

Quality of governance

The EAC ranks second among Africa's RECs in quality of governance; since 2000, it's also the most improved subregion. In 2013, its overall score was 55.5, second to the SADC's 58.5. Apart from Burundi, which scored 45.3 (or 38th highest in Africa), member states recorded an overall score above 50. Two civil wars and genocides, one during the 1970s and again in the 1990s, have left the country underdeveloped and impoverished. Burundians have had to deal with declining personal safety and accountability, as well as public mismanagement and infrastructure gaps that have prevented most of its citizens from progressing economically. Human rights have also remained in a dubious state, as the rule of law has continued to wane over the years. In contrast, Uganda has seen relative improvement in public health, personal safety, and national security, with its overall governance score growing from 50.8 in 2000 to 56.1 in 2013.

Table 7.4: EAC exports and imports of goods and services, 2000–13

(millions of current USD)

Country/trade flow	2000	2005	2010	2011	2013
Burundi	190	317	509	1266	808
Export	40	59	105	139	86
Import	150	258	404	1128	722
Kenya	4455	9259	17149	-	21842
Export	1564	3412	5057	-	5448
Import	2891	5846	12093	-	16394
Rwanda	-	561	238	1774	2322
Export	-	149	238	417	620
Import	-	412	-	1357	1701
Tanzania	2129	4367	11097	14201	15388
Export	542	1121	3084	3017	2863
Import	1586	3247	8013	11184	12525
Uganda	1313	2794	6253	7783	8222
Export	360	740	1589	2152	2405
Import	954	2054	4664	5631	5818
Total	8088	17298	35247	25024	48582

Source: UNSTATS (2014).

Table 7.5: EAC export and import shares of GDP, 2000–13

(%)

EXPORT					
GDP	**2000**	**2005**	**2010**	**2011**	**2013**
Burundi	3.9	5.3	5.0	6.3	3.6
Kenya	8.8	15.9	18.8	-	17.3
Rwanda	-	21.7	6.4	44.5	51.1
Tanzania	4.2	6.2	12.7	11.4	9.5
Uganda	4.2	6.0	8.8	11.4	11.8
IMPORT					
Rwanda	-	561	238	1774	2322
Burundi	14.6	23.1	19.0	51.0	29.9
Kenya	16.2	27.2	45.0	-	52.2
Rwanda	-	16.0	-	34.0	37.5
Tanzania	12.3	18.0	33.1	42.2	41.6
Uganda	11.2	16.7	25.7	29.8	28.5

Source: UNSTATS (2014).

Table 7.6: Intraregional trade among EAC member countries, 2000–13

(millions of current USD)

EXPORT						
	2000	**2005**	**2010**	**2011**	**2012**	**2013**
Burundi	6.0	7.4	17.9	24.1	2.0	29.7
Kenya	343.9	547.2	1103.6	976.1	1013.6	1106.4
Rwanda	36.9	27.7	49.5	64.5	311.2	380.3
Tanzania	45.7	112.6	493.1	402.0	602.4	404.4
Uganda	68.4	113.0	347.3	497.8	574.3	518.2
IMPORT						
Burundi	30.9	34.2	79.2	258.4	164.6	159.1
Kenya	18.6	59.9	240.5	192.0	192.5	328.8
Rwanda	44.7	91.7	362.3	432.0	377.1	364.8
Tanzania	86.3	113.9	250.9	337.8	659.1	361.5
Uganda	142.2	236.8	495.2	590.5	558.2	534.3

Source: World Integrated Trade Solution.

Table 7.7: Intraregional exports among EAC member countries by SITC section Rev 1, 2013

(millions of current USD)

Exports	Burundi	Kenya	Rwanda	Uganda	Tanzania	Total	Ranking of total
Animal and vegetable oils and fats	0.30	57.52	3.14	64.16	4.57	129.68	9
Beverages and tobacco	2.54	46.36	1.59	79.66	13.54	143.68	8
Chemicals	4.21	233.06	2.48	46.32	35.99	322.06	3
Commodities and transactions not classified according to kind	0.04	1.34	0.01	2.51	1.26	5.16	10
Crude materials, inedible, except fuels	4.91	45.64	222.06	14.98	23.16	310.75	4
Food and live animals	14.72	136.31	126.27	184.86	92.12	554.27	2
Machinery and transport equipment	0.63	117.75	18.36	42.42	72.85	252.00	5
Manufactured goods classified chiefly by material	2.34	400.91	25.55	149.73	103.99	682.52	1
Mineral fuels, lubricants, and related materials	0.00	90.51	39.64	18.76	28.88	177.78	7
Miscellaneous manufactured articles	0.06	156.02	6.34	24.02	45.26	231.70	6
Total	29.73	1,285.41	445.45	627.42	421.61	2,809.61	
Proportion	1.06	45.75	15.85	22.33	15.01	100.00	

Source: UNSTATS (2014).

Table 7.8: EAC export diversification and concentration indices, 2005 and 2013

	Number of products exported (1)	Diversification index (2)	Concentration index (3)	Number of products exported (1)	Diversification index (2)	Concentration index (3)
	2005			**2013**		
Developing economies: Africa	260	0.603	0.434	260	0.534	0.409
Eastern Africa	255	0.679	0.117	255	0.655	0.149
Burundi	17	0.784	0.598	57	0.708	0.358
Kenya	226	0.714	0.211	237	0.642	0.193
Rwanda	39	0.757	0.451	99	0.849	0.463
Uganda	142	0.75	0.265	204	0.724	0.183
Tanzania	173	0.759	0.231	217	0.748	0.197

Source: UNSTATS (2014).

EAC's lowest score (51.4) is in engendering sustainable economic opportunities. The subregion requires sustained public investments in infrastructure, as well as targeted efforts to improve public management and reduce impediments to a competitive business environment.

Main achievements and challenges

Of Africa's eight RECs, the East African Community has progressed the most on integration. While the others are in the process of establishing either free trade areas or customs unions, only the EAC has actually developed a fully functional FTA. It did this by first implementing a customs union that linked Kenya, Tanzania, and Uganda; Rwanda and Burundi joined the other three in July 2009. A year later, the EAC established a common market, and in 2013, it adopted a protocol outlining its plan to form a monetary union in 10 years—an ambitious move unmatched by any other African REC. To monitor its progress, the EAC has published *The East African Common Market Score Card 2014: Tracking EAC Compliance in the Movement of Capital, Services and Goods*. The report showed that Tanzania and Burundi are the most restrictive when it comes to cross-border trade. The scorecard reviews laws and regulations to gauge the level of conformity by each state to the Common Market Protocol that took effect in July 2010. It is one of the evaluation mechanisms that makes the EAC stand out from the rest.

With GDP up by 62 percent in the past decade, the EAC's growth has been impressive indeed (Gigineishvili 2014). The bloc recently overtook ECOWAS as the world's second-fastest growing REC after the Association of South East Asian Nations. This is largely due to progress made in e-banking and ease of doing business. Several EAC members have also begun issuing sovereign bonds, with Kenya's 2014 debut the largest in sub-Saharan Africa, at $2 billion.

In addition, cargo transit times have been slashed from 18 to four days from Kenya's port of Mombasa to Kampala, Uganda, and from 21 to six days from Mombasa to Kigali, Rwanda. Kenya, Uganda, and Rwanda have introduced a single tourist visa, and markets are emerging for the movement of professionals within the region through a framework for mutual recognition of professional standards (Drummond and Williams 2015).

Eastern Africa leads the continent in the number of RECs and intergovernmental regional bodies. Nearly all the region's 12 countries belong to four of the eight RECs recognized by the African Union. Each of the five EAC member states belongs to at least two RECs; Kenya belongs to five. Multiple membership in RECs is counterproductive and often results in duplication of resources and conflicting goals and policies, since a particular member state is obligated to participate in activities, workshops, meetings, and conferences organized by the respective trade blocs.

The issue of insufficient capacity continues to plague the EAC. It stunts the community's current and future performance, and hurts prospects for subregional integration.

Lingering bitterness over the collapse of the former EAC raises apprehensions about political integration. One of the community's biggest challenges is how to handle the issue of sovereignty and the attendant notions of loss of national identity, political power, decision-making, and flexibility. Also of concern is how the federation plans to bridge the gap in governance and democratic deficits, including constitutionalism and respect for human rights.

Capacity needs assessment

Main findings of the 2006 ACBF survey

The ACBF survey found a relatively huge gap between the EAC's existing institutional and human resources capacity base and what it considers adequate to execute its regional integration mandate. It said the EAC organogram was too thinly spread out to support this growing mandate, and that the entity must urgently mobilize resources to hire the requisite personnel, ensure an equitable gender balance, and secure adequate funds to continuously train professionals, upgrade skills, obtain ICT equipment, and engage in regular professional networking activities. The ACBF also urged the EAC to promote a culture of permanent learning by mobilizing capacities that facilitate institutionalized knowledge production, dissemination, exchange, and networking with similar RECs, in order to influence the region's social, economic, and political integration.

For all citizens to participate in East Africa's integration, said the report, the EAC should acquire organizational and institutional capacities that encourage grassroots participation in policy formulation, implementation, and evaluation. In addition, it said the EAC's internal management systems are poorly articulated and urgently recommended the establishment of comprehensive management information, financial management, and control systems to be used as objective yardsticks for performance management. The EAC, it said, is weak in resource mobilization, utilization, and management capacities—resulting in chronic arrears in membership dues, poorly harmonized donor support systems, and overdependence on contributions and donor resources.

Ongoing capacity building initiatives

In view of the 2006 ACBF survey, the EAC Secretariat developed an action plan; in June 2009 it presented a version of that plan to the survey team, and is now said to be recruiting a consultant to fully implement it within six to 12 months. This plan, which clearly defines results/indicators, activities, and EAC staffing requirements to assure sustainability and development partner support, outlines several key functional areas: internal audit, financial systems, procurement, human resource management, planning, and corporate governance. Yet about 50 percent of the activities, which will be funded by development partners, have not been launched. Apparently, the EAC Secretariat implemented some capacity building activities in 2012 and 2013 from the 2009 action plan These activities undertaken were for the offices of the secretary general and deputy secretary generals, and nearly all directorates including human resources and administration; infrastructure; planning; productive sectors; customs and trade; the East African Legislative Assembly, and the East African Court of Justice. As a result, the EAC now possesses some capacity that help it manage results, perform budget and resource management functions, and implement projects, as well as administer the available human resource base. The capacity constraints and the results of such constraints are taken in turn for each directorate.

In the Office of the Secretary General's Defense Liaison Unit, field training exercises should enable the EAC to engage in counterpiracy, counterterrorism and crisis response, and command and control, as well as enhance cooperation in the defense sector. However, because of delays in implementing capacity building, the EAC cannot function efficiently and effectively.

The EAC also cannot conduct military training on PSO, which enhances cooperation in disaster management and strengthen the defense and security sectors. It should have institutionalized risk management practices by training EAC executive and professional staff on a risk management framework, policy, and strategy, as well as that of the internal audit staff on use of audit management software and computer-assisted audit software. Failure to implement the required training has meant that audit staff cannot do these tasks efficiently.

Regional judicial training could give the EAC the capacity to coordinate East African Judicial Education Committee meetings and training programs, including convening scheduled meetings and preparing reports; developing regional judicial training programs and coordinating their implementation; and preparing budgets and financing proposals for committee activities. These capacities are still lacking, along with capacity relating to the coordination of grants development in the EAC which could be enhanced by strengthening the Resource Mobilization Office (RMO); putting emphasis on resource mobilization by EAC staff on project management; mobilizing training for key EAC programs and institutions to promote and brand the community; and creating public awareness for stakeholders to enhance the integration process by conducting joint visits and cross-border sensitization programs.

Some specific capacities must be developed within the Office of the Deputy Secretary General's Directorate of Human Resource and Administration. These include the capacity to implement oversight function relating to EAC's financial, administrative, and ICT systems; capacity building and human resources support; managing the processes for attracting and retaining competent staff, coordinating overall EAC capacity development programs, and providing well-defined records management systems and services by upgrading the TRIM system from Version 6.1 to 7.2.1; digitizing 14,000 records in the TRIM database, and managing online EAC correspondence by assigning letters to action officers online and staff trained in the use of TRIM.

Table 7.9: EAC Human Development Index trends, 1980–2013

HDI rank	Country/ region	Human Development Index (HDI)									Compound annual growth rate (%)		
		1980	1990	2000	2005	2008	2010	2011	2012	2013	1980–90	1990–2000	2000–13
Low human development													
147	Kenya	0.446	0.471	0.455	0.479	0.508	0.522	0.527	0.531	0.535	0.55	-0.34	1.25
151	Rwanda	0.291	0.238	0.329	0.391	0.432	0.453	0.463	0.502	0.506	-2.01	3.31	3.35
159	Tanzania	0.377	0.354	0.376	0.419	0.451	0.464	0.478	0.484	0.488	-0.64	0.59	2.04
164	Uganda	0.293	0.310	0.392	0.429	0.458	0.472	0.477	0.480	0.484	0.55	2.38	1.63
180	Burundi	0.230	0.291	0.290	0.319	0.362	0.381	0.384	0.386	0.389	2.37	-0.03	2.29
	EAC	0.328	0.333	0.368	0.408	0.442	0.459	0.466	0.477	0.480	0.15	1.02	2.69

Source: Human Development Report (2014).

Note: EAC index values are calculated as the average for the subregion.

The office's Directorate of Finance must get involved in strengthening the EAC institutional framework by managing and updating its operational systems via staff capacity enhancement to monitor EAC budget preparation, coordination, and implementation as well as training staff on both CPE and Budget Management Systems. Office staffers need capacity upgrading to be able to deliver their mandates.

Likewise, the Directorate of Planning and Infrastructure must increase its capacity to develop, maintain and update EAC statistical databases by updating the EAC trade helpdesk, developing CountrySTAT Burundi and EAC RegionSTAT, integrating market infrastructure, and building regional capacity on payment systems issues. Access to training with minimum lag time is crucial, though seven new staffers did receive training in various technical activities relating to delivering outputs; short-term technical assistance to support FSDRP activities; training for PAT, strengthening regulatory and market participants for the financial sector; jointly implementing the EAC investment climate program in concert with the IFC/World Bank Group; improving regulatory capacity building of the EAC to develop, assess and monitor policy measures relating to investment climate; and establishing EAC business registries.

Areas requiring capacity building include the harmonization of commercial laws; acceleration of private-sector participation in the new EAC integration dispensation; creation of a dialogue framework and rules of procedure for private-sector involvement in EAC integration efforts, and the convening of a five-nation national and regional private-sector CEO forum.

Table 7.10: EAC Human Development Index and its components, 2013

		Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	Human Development Index (HDI)	Change in rank
		Value	(years)	(years)	(years)	(2011 PPP $)	Value	
HDI rank	Country/region	2013	2013	2012	2012	2013	2012	2012-2013
147	Kenya	0.535	61.7	6.3	11.0	2,158	0.531	0
151	Rwanda	0.506	64.1	3.3	13.2	1,403	0.502	0
159	Tanzania	0.488	61.5	5.1	9.2	1,702	0.484	1
164	Uganda	0.484	59.2	5.4	10.8	1,335	0.480	0
180	Burundi	0.389	54.1	2.7	10.1	749	0.386	0
	EAC	0.480	60.1	4.6	10.9	1,469	0.477	-

Source: Human Development Report (2014).

Note: EAC index values are calculated as the average for the subregion.

Due to inadequate capacity, the Directorate of Productive Sectors could not fully implement the EAC food security action plan; recruit agricultural program support specialists; harmonize regional policies, acts, regulations and standards; train on SPS agreement and international standard setting organizations (ISSOS) procedures; harmonize laws and policies on minerals and biosafety, or implement priority climate change adaptation and mitigation measures. Similarly, the Directorate of Social Sectors must carry out the review and implementation of EAC's SRHR strategic plan, and strengthen its integrated health information and monitoring system for sexual and reproductive health, while the Directorate of Customs should build capacity in customs and implement the EAC training curriculum.

The East African Legislative Assembly (EALA) suffers from deficient capacity; its mandate must be strengthened and enhanced to lead to increased legislation of various bills, which will require asking priority questions, introducing motions, and adopting resolutions. EALA needs to enhance its corporate image, and its staffers should learn networking and best practices while sharpening their knowledge. In addition, EALA must boost its oversight role of EAC programs and projects as well as its ability to scrutinize EAC audited accounts, conduct post-audit reviews, and assess such programs. Committee members need to better understand cooperative societies' issues and trade policies, and manage administrative and technical services more effectively. The EALA also needs to cement relations with other regional and international organizations, so that it can learn networking and best practices while improving its library and information systems.

Table 7.11: EAC Ibrahim Index of African Governance, 2013

	Overall Score	Safety & Rule of Law	Participation & Human Rights	Sustainable Economic Opportunity	Human Development
Rwanda	60.4	58.2	47.7	63.4	72.1
Tanzania	58.2	57.4	65.5	50.5	59.6
Kenya	57.4	51.3	59.3	54.4	64.6
Uganda	56.1	53.3	58.4	50.1	62.8
Burundi	45.3	40.4	49.6	38.5	52.7
EAC	55.5	52.1	56.1	51.4	62.3

Source: Mo Ibrahim Foundation (2014).

The East African Court of Justice is another EAC organ that requires capacity building in order to fully undertake its mandate. This includes attending statutory meetings, committee meetings, and plenary and other regional meetings every year. The court must simplify its case filing procedures while creating awareness about its existence among stakeholders.

Key capacity building initiatives (short, medium, and long term)

The survey team and EAC personnel discussed the community's capacity needs and identified some gaps, as well as its immediate, short-term and medium-term needs. Discussions undertaken during the mission were guided by a questionnaire given to EAC's directorates and units.

The EAC has highly trained and capable senior staff, but lacks sufficient staff to implement its mandate. Indeed, almost all the directorates and units noted a shortage of personnel. The existing workforce also needs training to keep up with the constantly changing global environment, while EAC member states themselves need to strengthen skills and increase human resources.

The EAC Treaty has four pillars: customs union, common market, monetary union, and political federation. The customs union entered into force in 2010, as did the common market, with four freedoms: the free movement of people, services, labor, and capital. The EAC is now moving to the third pillar, monetary union; this calls for a paradigm shift in the institution's organization and operation, and that of partner states. This has generated greater demand for additional capital and human resources at the regional and partner-state level.

Immediate needs

The EAC's current situation calls for certain immediate action towards regional integration:

Skills development. EAC Secretariat staff and key officials in member states should be trained in order to speed up the implementation of EAC policies.

Establishment of a research unit. It is critically important for the EAC to begin conducting research on key indicators (fiscal and monetary policies such as CPI, balance of payments, and national accounts); food security and trade-related issues; and labor, tourism, and health matters. The monetary union's eventual success depends on adherence to these issues, and a research unit would inform all stakeholders.

Dissemination of publications. The EAC's reach limits the institution's capacity to inform citizens of the importance and urgency of regional integration. It needs to increase the number of published documents and enhance dissemination to citizens of the five countries that make up the community.

Workshops on monetary union issues. EAC partner states recognize that integration is essential to regional development and growth. Fortunately, they have established a common market and are now moving to create a monetary union. That requires a sensitization program for financial institutions as well as private-sector and civil-society organizations in the partner states.

A common EAC vision. Assistance is sought prior to the signing of the draft Protocol for the establishment of the EAMU and implementing the single currency; as well as in the development of a 50-year vision for the Community. EAC needs to recruit consultants to develop these two documents for the Community. The regional visions should be in sync with those of the partner states and the continental agenda towards Africa integration.

Short-term needs

The EAC's mandate is to develop a customs union that will lead to a common market and monetary union, and eventually a political federation. To achieve this objective, the EAC must embark on the following activities in the short run:

- Continuously engage the services of experts to train the community and partner states on macroeconomics, statistics, customs and trade, agriculture, infrastructure, and fiscal management.
- Complete the harmonization of customs, fiscal, infrastructure, and monetary processes and procedures among partner states.
- Continue to train EAC personnel and those in partner states on project and data management.
- Train young professionals in partner states on regional integration as a reservoir for the region's future leaders. Also set up a group of professionals as peer reviewers of national data to establish confidence in the data provided by national statistics bodies.
- Maintain and strengthen knowledge-sharing efforts. The EAC has established working relationships with other African and European integration initiatives; this is particularly crucial in the case of UEMOA with respect to monetary integration. EAC needs expertise from other regional economic communities to build its capacity in this critical area.

Medium-term needs

Strengthening the capacity of the Secretariat: The EAC hopes to strengthen its in-house capacity to prepare development and strategic plans. It employs a five-year development strategy to facilitate the treaty's implementation in a systematic manner. This involves formulating many detailed strategies and a policy action matrix. Since its birth, the EAC has had four development strategies. The first (1997–2000) focused on relaunching the EAC. The second (2001–05) focused on establishing the EAC customs union and laying the groundwork for the common market. The third (2006–10) prioritized establishment of the EAC common market. The fourth (2011–16) focuses on implementing the EAC common market and establishing the EAC Monetary Union.[26]

Visions of EAC partner states: These long-term visions extend as far out as 2040, and are all in line with the EAC's objectives. Generally, partner states share the dream of achieving middle-income status by 2030. Their vision statements are as follows:

- Burundi: Vision 2025. Sustainable peace and stability, and achievement of global development commitments in line with the Millennium Development Goals (MDGs).
- Kenya: Vision 2030. Globally competitive, prosperous Kenya with a high quality of life.
- Rwanda: Vision 2020. Become a middle-income country by 2020.
- Uganda: Vision 2040. A transformation of Uganda, from a peasant society to a modern and prosperous country within 30 years.
- Tanzania: Vision 2025. High quality of life anchored on peace, stability, unity, good governance, rule of law, resilient economy, and competitiveness.

However, the community now needs a longer-term vision that would guide formulation of five-year development strategies, namely EAC Vision 2050.[27] While the EAC will recruit consultants to prepare this long-term document, it should also strengthen its own capacity and that of its partner states to prepare such documents.

Long-term needs

Programs developed in the medium term would lead to the:

- Development of capacity building of all sectors in partner states.
- Enhancement of capacity of institutions in partner states.
- Strengthening of the capacity of the EAC Secretariat.
- Strengthening of the tripartite arrangement among COMESA, SADC and EAC, which is unique on the African continent.

These would consolidate gains that have been achieved and facilitate the eventual establishment of the African Union's proposed continental free trade zone, the African Economic Community.

Capacity building strategies and required resources

Capacity building strategies

The capacity building strategies articulated from the EAC survey are as follows:

- Skills development
- Establishment of a research unit
- Dissemination of publications
- Workshops on monetary union

- Development of a single currency, and a 50-year EAC vision
- Training on macroeconomics, statistics, customs and trade, agriculture, infrastructure, and fiscal management
- Harmonization of customs, fiscal, infrastructure and monetary processes, and procedures among partner states
- Training of EAC and partner states personnel on project and data management
- Training young professionals in partner states on regional integration and statistics
- Expertise from other RECs to build capacity in critical areas
- Preparation of development and strategic plans
- Development of partner states' resource mobilization capacity

Table 7.12 presents the estimated budget and financing strategy associated with the temporary capacity development strategy highlighted above. It indicates that EAC's immediate needs will cost \$1.15 million, short-term needs \$1.95 million, and long-term needs \$250,000.

Table 7.12: Resources required to fund EAC capacity building needs

	Immediate needs (USD)	Short-term needs (USD)	Medium-term needs (USD)
Skills development	1,000,000		
Establish a research unit	50,000		
Dissemination of publications	50,000		
Workshops on monetary union	25,000		
Develop a single currency; and 50-year EAC vision	30,000		
Train and strengthen the community and partner states on macroeconomics, statistics, customs and trade, agriculture, infrastructure and fiscal management		1,000,000	
Harmonize customs, fiscal, infrastructure, and monetary processes and procedures among partner states		200,000	
Train EAC and partner states personnel on project and data management		500,000	
Train young professionals in partner states on regional integration and statistics		200,000	
Expertise from other RECs to build capacity in critical areas		50,000	
Strengthen capacity of Secretariat in preparation of development and strategic plans			50,000
Develop resource mobilization capacity of partner states			200,000
Total	1,155,000	1,950,000	250,000

Table 7.13: Persons contacted

S/N	Name	Designation
1	Dr. Enos Bukuku	Deputy Secretary, General Planning and Infrastructure
2	Tharcisse Kadede	Director, Planning and Infrastructure
3	Julius Birungi	Senior Monitoring and Evaluation Officer
4	Theophile Bazimaziki	Human Resource Officer
5	Samuel M. Njuru	Statistics Expert
6	Algresia Akwi Ogojo	Capacity Building Coordinator
7	Isabelle F. Waffubwa	Principal Political Affairs Officer

8

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

Regional cooperation and integration in southern Africa owes its origin to historical, economic, political, social, and cultural factors that have created strong bonds of solidarity and unity among the peoples of the region. These factors have contributed to the formation of a distinct southern African personality and identity that underpins political and economic cooperation.

The formal establishment of structures to promote such cooperation started as an initiative of the Frontline States, which originally comprised Angola, Botswana, Mozambique, Tanzania, and Zambia. Although politically independent, these countries faced mass poverty, economic backwardness, and the threat of powerful and hostile white minority-ruled neighbors. Hence, the leaders of these Frontline States saw the promotion of economic and social development through cooperation and integration as the next logical step for economic emancipation. This led to the launch of the Southern African Development Coordination Conference (SADCC) by the region's nine majority-ruled states at the time—Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe—at an April 1980 summit in Lusaka, Zambia.

SADCC's aims were to reduce economic dependence particularly, but not only, on South Africa; to forge links to create real and equitable regional integration; to mobilize resources to put in place national and regional policies; and to take concerted action to secure global cooperation within the framework of economic liberation. The need to strengthen SADCC, which became apparent in the late 1980s, led to the signing of a treaty transforming the coordination conference into SADC, the community. Formed in 1992, SADC hoped to address many of the factors that make it difficult to sustain economic growth and socioeconomic development, such as continued dependence on the exports of a few primary commodities. In the 1990s, membership in SADC rose to 15 with the accession of Namibia in 1990, South Africa in 1994, Mauritius in 1995, and Seychelles and the Democratic Republic of Congo (DRC) in 1997. Madagascar's membership was reinstated in January 2014 after an imposed suspension in 2009.[28]

SADC has 15 members (figure 8.1). The region covers 9,864,775 sq. km and has a total population of 293 million, with total 2013 GDP of $668.2 billion, or $2,277 on a per capita basis. The subregion recorded inflation of 6.5 percent in 2013 as total external debt stock reached $217 billion—even as the trade

Table 8.1: SADC summary facts, 2013

Indicator	Data
Number of member states	15
Year established	1992
Land area[29]	9,864,775 km²
Total population	293 million
Annual real GDP growth rate	4.1%
GDP at current market prices	$668.2 billion
Per capita GDP	$2,277
Inflation	6.5%
Total imports	$253.8 billion
Total exports	$244.5 billion
Trade balance	-$9.3 billion
Imports of goods and services as a % of GDP	38%
Exports of goods and services as a % of GDP	37%
Total external debt stock	$217 billion
Debt/GDP ratio	33%
International reserves stock	$113.2 billion

Source: Data supplied by National Statistical Offices of member states and endorsed by SADC Statistics Committee, Pretoria, South Africa, 25–27 June 2014.

Figure 8.1: SADC member states

Source: ACBF.

deficit reached $9.3 billion the same year. Total international reserves for the bloc increased by 1.2 percent, from $111.9 billion in 2012 to $113.2 billion in 2013.

SADC's mission is to promote sustainable, equitable economic growth and socioeconomic development through efficient, productive systems, deeper cooperation and integration, good governance, and durable peace and security, making the region a competitive, effective player in international relations and the world economy. These are embedded in the SADC Treaty.

The main objective of SADC is to achieve economic development, peace and security, while alleviating poverty and enhancing the standard and quality of life of the peoples of southern Africa. This will be achieved through increased regional integration built on democratic principles, and equitable and sustainable development. Member countries will pursue the SADC Common Agenda by implementing the Regional Indicative Strategic Development Plan (RISDP) for social and economic development initiatives, and its complement, the Strategic Indicative Plan for the Organ on Politics, Defense, and Security Cooperation (SIPO), which focuses on political and security cooperation. These strategies help deepen regional integration in SADC and offer member states a consistent and comprehensive program of long-term priorities.

Governance structure

SADC has undergone several attempts at institutional restructuring since its establishment. In an effort to design an appropriate and effective institutional framework and structure for executing the subgroup's new mandate, the SADC Heads of State and Government approved a review of its institutions at 9 March 2001 summit in Windhoek, Namibia. The reform subsequently created a new structure with eight principal institutions and organs described below (see figure 8.3):

- Summit of Heads of State and Government
- Summit Troika of the Organ
- SADC Tribunal
- SADC Council of Ministers
- Sectoral and Cluster Ministerial Committees
- Standing Committee of Senior Officials
- SADC Secretariat
- SADC National Committees
- SADC Parliamentary Forum.

The principal institutions of SADC are as follows:

The Summit of Heads of State or Government

The Summit, SADC's supreme policy-making institution, consists of the Heads of State or Government of all 15 member states, meeting at least once a year. The Summit is responsible for the subgroup's overall policy direction and control, and its various functions. This includes, for example reviewing the Regional Indicative Strategic Development Plan (RISDP, the SADC's main socioeconomic development plan) and adopting and amending SADC treaties, as well as appointing the Secretariat's executive general and the judges of the tribunal. The Summit elects a chairperson and a deputy chairperson from its members for one year on the basis of rotation. Its decisions are by consensus unless otherwise provided in the treaty, and they are binding.

Troika

The Troika consists of the chairman, incoming chairman and outgoing chairman. It functions as a steering committee and makes decisions, facilitates their implementation, and provides policy directions between meetings.

Tribunal

Based in Windhoek, Namibia, the Tribunal is SADC's supreme judicial body, made up of 10 judges appointed by the Summit and chosen among qualified citizens of SADC member states. Five of them are regular members; the other five constitute a pool of expertise, which can be drawn on whenever a regular member is temporarily absent or unable to carry out his duties. The Tribunal is tasked with making sure the Treaty and corresponding protocols are adhered to, and deals with disputes related to their interpretation. Decisions taken by the Tribunal are binding and final, and are enforced by the Summit. It may also give non-binding opinions on matters referred by the Summit or the Council of Ministers. Partly due to resource constraints, the Tribunal became operational only in 2005—13 years after its establishment—when the first judges were appointed. So far, only a few cases have been tried.

Organ on Politics, Defense and Security Cooperation

The Organ is the SADC institution responsible for promoting peace and security. Reporting to the Summit, it develops a common foreign policy, promotes regional political cooperation, and seeks to prevent, contain, and resolve conflict within and between states. At the executive level, its work is coordinated by the Directorate of the Organ at the SADC Secretariat. The Organ's leader is always a head of state or government; the Troika system applies to the Organ as well.

Council of Ministers (COM)

The COM consists of one minister from each member state, normally the one responsible for foreign affairs, meeting at least four times a year. COM reports to the Summit, advising it on policy issues and further development of SADC. For example, it recommends to the Summit the approval of protocols and amendments of treaties. It oversees SADC's functioning and implements policies and programs, including RISDP and the Strategic Indicative Plan for Politics, Defense, and Security Cooperation (SIPO). The Troika system applies to COM as well.

Ministerial Clusters

The six clusters on trade, industry, finance and investment; infrastructure and services; food, agriculture, natural resources and environment, social human development and special programs, organ of politics, defense and security cooperation, and cross-cutting issues like science and technology and gender are constituted by the related ministers. They provide policy guidance to directors at the Secretariat.

Integrated Committee of Ministers (ICM)

This is a new entity aimed at ensuring proper policy guidance, coordination, and harmonization of cross-sectoral activities. It is made up of at least two ministers from each member state and it is responsible to Council. The ICM has decision-making powers ad referendum to ensure rapid implementation of programs that would otherwise wait for a formal meeting of Council. The ICM also monitors and controls implementation of the RISDP.

Standing Committee of Officials

The Standing Committee of Officials consists of one permanent/principal secretary or an official of equivalent rank from a SADC national contact point of each member state. A technical advisory committee to Council, it also plays the role of clearinghouse for all documents to be submitted to Council for consideration.

SADC National Committees

These committees are made up of key stakeholders from government, the private sector and civil society in member states. Their main function is to provide inputs at the national level into the formulation of regional policies, strategies, and the SADC Program of Action (SPA), as well as to coordinate and oversee the implementation of such programs at the national level. The committees are responsible for the initiation of projects.

The Secretariat

The Secretariat is SADC's principal administrative and executive institution, based in Gaborone, Botswana. Among its chief tasks: strategic planning, policy analysis, monitoring, coordinating and supporting the implementation of SADC programs, implementation of decisions of supreme decision-making bodies and respective troikas, and representation and promotion of SADC. The Secretariat is headed by the executive secretary, appointed by the Summit for a once-renewable four-year term. Under him are two deputy executive secretaries responsible for regional integration as well as finance and administration. The directorates are the TIFI (trade, industry and investment), FANR (food, agriculture and natural resources), IS (infrastructure and services), SHDSP (social and human development and special programs) and the Directorate of the Organ on Politics, Defense and Security Cooperation.

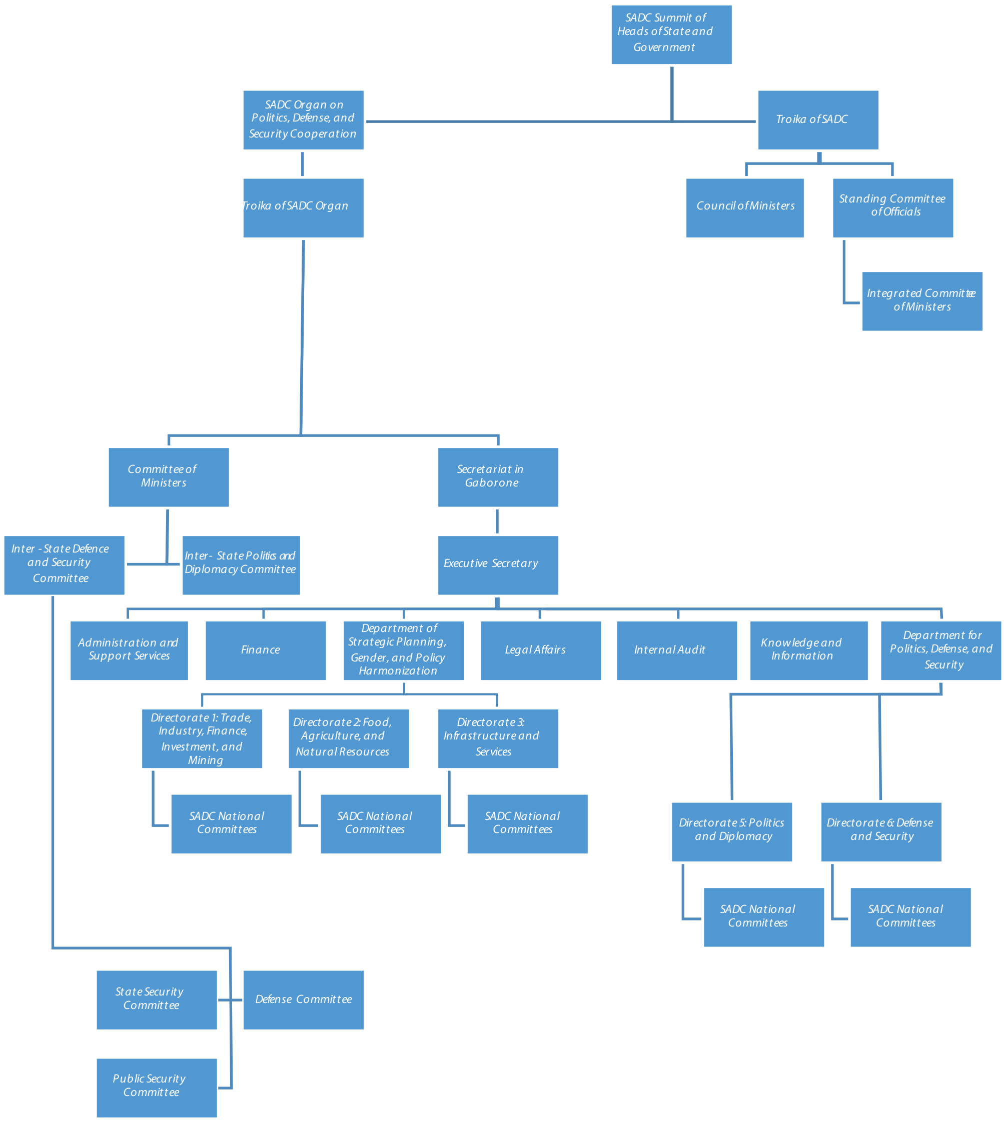
Regional development context

Economic performance

Real GDP for the SADC subregion grew 3 percent from $530.3 billion in 2013 to $546.2 billion in 2014 (table 8.2). That's equivalent to 34.1 percent of Africa's total GDP. The subregion is the largest REC in Africa, led by South Africa and Angola. South Africa, which has the subregion's largest economy, accounted for $328.7 billion in 2014—approximately 60.2 percent of SADC's total real GDP. The nation of 53 million exports mainly manufactured goods even as FDI outflows as a percentage of GDP grew by 1.6 percent in 2013. Angola and Tanzania followed as the second and third-largest economies in SADC, contributing 12.7 percent and 6.1 percent of the subregion's real GDP, at $69.2 billion and $33.1 billion, respectively. Seychelles, SADC's smallest economy—with a real GDP of $1.4 billion and population under 100,000—saw its FDI inflows fall to $177.6 million in 2013, down from $210.8 million in 2010, even as migrant remittances declined from 1.79 percent of GDP in 2010 to 1.43 percent in 2013.

Africa's economic restructuring over the last decade has also been evident throughout the SADC. The economies of Angola, Mozambique, and Tanzania grew at a compound annual growth rate of 9.2 percent, 7.9 percent and 6.8 percent respectively between 2000 and 2014. Although oil exports have led Angola's growth, Mozambique and Tanzania have diversified into minerals and manufactured goods as well as agricultural produce. Since 2009, Mozambique has seen

Figure 8.2: SADC organogram



Source: SADC Secretariat.

Table 8.2: SADC GDP, 2000–14

(millions of USD at constant 2005 prices)

Countries	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000–14)
Angola	20,067	6.5%	32,811	8.7%	57,791	12.2%	60,030	12.1%	63,151	12.3%	66,347	12.5%	69,200	12.7%	9.2%
Botswana	8,313	2.7%	9,931	2.6%	12,117	2.6%	12,853	2.6%	13,328	2.6%	14,194	2.7%	14,806	2.7%	4.2%
DRC	9,925	3.2%	11,965	3.2%	15,669	3.3%	16,746	3.4%	17,933	3.5%	19,455	3.7%	21,167	3.9%	5.6%
Lesotho	1,187	0.4%	1,368	0.4%	1,749	0.4%	1,799	0.4%	1,916	0.4%	2,027	0.4%	2,118	0.4%	4.2%
Madagascar	4,502	1.5%	5,039	1.3%	5,805	1.2%	5,882	1.2%	6,042	1.2%	6,163	1.2%	6,361	1.2%	2.5%
Malawi	3,251	1.1%	3,656	1.0%	5,228	1.1%	5,380	1.1%	5,481	1.1%	5,777	1.1%	6,083	1.1%	4.6%
Mauritius	5,493	1.8%	6,489	1.7%	8,161	1.7%	8,480	1.7%	8,757	1.7%	9,043	1.7%	9,350	1.7%	3.9%
Mozambique	4,961	1.6%	7,595	2.0%	10,813	2.3%	11,617	2.3%	12,439	2.4%	13,365	2.5%	14,368	2.6%	7.9%
Namibia	5,933	1.9%	7,261	1.9%	8,887	1.9%	9,421	1.9%	10,051	2.0%	10,494	2.0%	11,050	2.0%	4.5%
Seychelles	928	0.3%	919	0.2%	1,138	0.2%	1,229	0.2%	1,263	0.2%	1,334	0.3%	1,373	0.3%	2.8%
South Africa	213,585	69.6%	257,772	68.0%	300,266	63.3%	309,912	62.7%	316,792	61.9%	323,800	61.1%	328,657	60.2%	3.1%
Swaziland	2,328	0.8%	2,584	0.7%	2,917	0.6%	2,955	0.6%	3,029	0.6%	3,114	0.6%	3,120	0.6%	2.1%
Tanzania	13,167	4.3%	18,508	4.9%	24,797	5.2%	27,144	5.5%	28,517	5.6%	30,842	5.8%	33,074	6.1%	6.8%
Zambia	5,679	1.8%	7,179	1.9%	9,800	2.1%	10,470	2.1%	11,236	2.2%	11,966	2.3%	12,744	2.3%	5.9%
Zimbabwe	7,749	2.5%	6,223	1.6%	9,573	2.0%	10,713	2.2%	11,845	2.3%	12,376	2.3%	12,747	2.3%	3.6%
SADC	307,068	100%	379,300	100%	474,711	100%	494,631	100%	511,780	100%	530,297	100%	546,218	100%	4.2%
Africa	845,989		1,104,386		1,416,587		1,430,176		1,502,399		1,553,778		1,603,842		4.7%

Source: UNCTAD STATS (2015).

Note: SADC figures are calculated as the total for the subregion.

its purchasing power indices of exports grow steadily.

Yet the economies of Madagascar, Seychelles, South Africa, and Swaziland have been sluggish. Real GDP compound annual growth rates for these nations came to 2.5, 2.8, 3.1, and 2.1 percent respectively between 2000 and 2014. The UNCTAD 2014 report shows that for countries such as South Africa, sluggish investment has continued to undermine growth—along with structural factors like high dependency ratio and increased urbanization, as well as rising real interest rates.

Growth in per capita GDP since 2000 has also been positive for most SADC member states excluding Madagascar, which saw a 0.4 percent drop over the past decade and a half (table 8.3). On a per capita basis, the economies of Angola and Mozambique grew the fastest (at 5.7 percent and 5.1 percent respectively), while Swaziland, Seychelles, and Malawi grew at only 1–2 percent. Seychelles, with only 92,000 inhabitants, is the richest country in SAC on a per capita basis ($14,711 in 2014), ahead of Mauritius ($7,485) and Botswana ($7,263). South Africa, which now boasts Africa's second-largest economy, in 2014 recorded a per capita GDP of $6,185.

The smallest per capita economies in the subregion were Malawi, DRC, and Madagascar. The world's fourth-largest island, Madagascar is home to 23 million people, yet demographic pressures have been high, and economic productivity has remained sluggish over time.

Table 8.3: SADC GDP per capita, 2000–14

(in USD at constant 2005 prices)

Country/region	2000	2005	2010	2011	2012	2013	2014	Compound annual growth rate 2000–14
Seychelles	11,632	10,553	12,481	13,383	13,678	14,369	14,711	1.7%
Mauritius	4,635	5,350	6,631	6,867	7,065	7,267	7,485	3.5%
Botswana	4,736	5,294	6,153	6,469	6,651	7,023	7,263	3.1%
South Africa	4,763	5,344	5,836	5,966	6,047	6,135	6,185	1.9%
Namibia	3,126	3,582	4,078	4,248	4,449	4,556	4,706	3.0%
Angola	1,441	1,983	2,956	2,975	3,033	3,090	3,126	5.7%
Swaziland	2,189	2,339	2,445	2,438	2,461	2,492	2,461	0.8%
Lesotho	640	711	871	886	934	977	1010	3.3%
Zimbabwe	620	490	732	802	863	875	873	2.5%
Zambia	562	626	741	768	798	823	848	3.0%
Tanzania	387	477	551	586	597	626	652	3.8%
Mozambique	271	361	451	473	494	517	543	5.1%
Malawi	287	283	348	348	345	353	361	1.7%
DRC	211	221	252	262	273	288	305	2.7%
Madagascar	286	275	275	271	271	269	270	-0.4%

Source: UNCTAD STATS (2014).

Table 8.4: SADC FDI inflows, 2000–14

(millions of current USD)

Countries	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000–14)
Angola	879	27.00%	-1,304	-16.00%	-3,227	-33.00%	-3,024	-23.00%	-6,898	-47.00%	-7,120	-44.00%	-3,881	-24.00%	**
Botswana	57	2.00%	279	3.00%	218	2.00%	1,371	10.00%	487	3.00%	398	2.00%	393	2.00%	14.79%
DRC	72	2.00%	267	3.00%	2,939	30.00%	1,687	13.00%	3,312	22.00%	2,098	13.00%	2,063	13.00%	27.08%
Lesotho	32	1.00%	70	1.00%	30	0.00%	61	0.00%	57	0.00%	50	0.00%	46	0.00%	2.63%
Madagascar	83	3.00%	86	1.00%	808	8.00%	810	6.00%	812	6.00%	567	3.00%	351	2.00%	10.85%
Malawi	40	1.00%	140	2.00%	97	1.00%	129	1.00%	129	1.00%	120	1.00%	130	1.00%	8.78%
Mauritius	277	9.00%	42	1.00%	430	4.00%	433	3.00%	589	4.00%	259	2.00%	418	3.00%	2.98%
Mozambique	139	4.00%	108	1.00%	1,018	11.00%	3,559	27.00%	5,629	38.00%	6,175	38.00%	4,902	31.00%	28.98%
Namibia	186	6.00%	385	5.00%	793	8.00%	816	6.00%	1,133	8.00%	801	5.00%	414	3.00%	5.88%
Seychelles	24	1.00%	86	1.00%	211	2.00%	207	2.00%	260	2.00%	170	1.00%	229	1.00%	17.48%
South Africa	887	28.00%	6,647	82.00%	3,636	38.00%	4,243	32.00%	4,559	31.00%	8,300	51.00%	5,712	36.00%	14.23%
Swaziland	106	3.00%	-46	-1.00%	120	1.00%	107	1.00%	32	0.00%	84	1.00%	13	0.00%	-13.92%
Tanzania	282	9.00%	936	11.00%	1,813	19.00%	1,229	9.00%	1,800	12.00%	2,131	13.00%	2,142	13.00%	15.58%
Zambia	122	4.00%	357	4.00%	634	7.00%	1,110	8.00%	2,433	17.00%	1,810	11.00%	2,484	16.00%	24.02%
Zimbabwe	23	1.00%	103	1.00%	166	2.00%	387	3.00%	400	3.00%	400	2.00%	545	3.00%	25.37%
SADC	3,210	100%	8,154	100%	9,686	100%	13,125	100%	14,735	100%	16,243	100%	15,960	100%	12.14%

Source: UNCTAD STATS (2015)

[1]Angola is perhaps the only country in Africa that makes more investments than it receives from abroad despite large volume of inflows, making the country a net provider of FDI. The large size of Angolan investments abroad, namely in Portugal, is reflected in the country's statistics (new investment inflows less disinvestment) which has consistently been negative since 2005.

FDI trends

The subregion's top FDI recipients are South Africa, Tanzania, Zambia, DRC, and Mozambique. Regional privatization schemes have boosted FDI inflow from Asian countries, especially China. For example, Mozambique's aluminum industry was helped by increased Chinese demand for aluminum. Yet Lesotho, Swaziland, and Angola are performing badly, partially due to relatively high port charges and poor infrastructure—both of which discourage foreign investment.

Structure of the SADC economy

The SADC's economic structure has not changed much in recent years (see table 8.5). In 2013, services accounted for 54.4 percent of regional GDP, while industry contributed 31.3 percent and agriculture 14.3 percent. In only five SADC member states[30] did services account for less than half of GDP. In Seychelles, the service sector—led by transport and travel activities—made up 81.3 percent of GDP in 2013, while Angola derived 63.7 percent of its economic activities that year from its industrial sector, mainly crude oil. In fact, industry still plays a key role in the subregion, especially in Angola, DRC, Swaziland, and Zambia, where activities in mining, manufacturing, and utilities have taken off. In 2013, construction generated 24.3 percent of GDP in Zambia—the highest in SADC and perhaps in all of Africa. Zambia has also remained a major copper exporter, with up to three[31] of its top 2013 trading partners in the subregion.

Table 8.5: SADC sector shares of GDP, 2013

(%)

Country	Agriculture	Industry	Services
Angola	9.3	63.7	27
Botswana	2.6	36.9	60.5
DRC	20.8	44.4	34.8
Lesotho	8.1	32.4	59.6
Madagascar	25.7	19.1	55.2
Malawi	32.2	16.6	51.2
Mauritius	3.3	24.5	72.2
Mozambique	29	20.8	50.2
Namibia	7	29.2	63.8
Seychelles	3.5	15.2	81.3
South Africa	2.3	29.9	67.8
Swaziland	7.3	45.8	46.9
Tanzania	33.4	22.9	43.7
Zambia	17.5	37.5	44.9
Zimbabwe	11.9	30.9	57.2
SADC	14.26	31.32	54.42

Source: UNSTATS (2014).

Note: SADC figures are calculated as average for the subregion.

Agriculture, however, is not a major factor in many SADC states—especially in South Africa, Botswana, Mauritius, and Seychelles, where it contributed only 2-4 percent of GDP in 2013. In fact, despite growing production of cereals and livestock, the subregion remains a net importer of most farm products. Due to scarcity or unpredictable changes in food availability due to weather, labor, and production factors, in 2013 the community redesigned its Regional Agricultural Policy in order to promote and support agricultural policy actions at regional and national levels.

Trade composition and patterns

As seen in table 8.6, SADC's merchandise trade products are dominated by minerals, lubricants, and related materials (35 percent), followed by manufactured goods (21.9 percent) and crude materials (10.2 percent). This trade composition is especially different from that of most African RECs like ECOWAS, ECCAS, COMESA, and IGAD, where trade compositions are led mainly by primary commodities. Over the last decade, SADC's fastest-growing product group has been mineral fuels, which rose by an average 15 percent annually from \$10.7 billion (21.1 percent) in 2000 to \$71.6 billion (35 percent) in 2014, especially thanks to increased mining and drilling activities in Angola, Swaziland, DRC, and Zambia. Likewise, commodities rose by an average 14 percent a year, from \$3.1 billion (6 percent) in 2000 to \$18.5 billion (9 percent) in 2014, On the other hand, exports of food and live animals fell sharply, from 9.4 percent of total exports in 2000 to 6.3 percent in 2014, while animal and vegetable oils, fats, and waxes were at 0.2 percent.

Table 8.6: SADC merchandise trade matrix, 2014

(exports in millions of USD)

Product group	2014	Share (%)
Mineral fuels, lubricants and related materials	71,643	35.0
Manufactured goods	44,717	21.9
Crude materials, inedible, except fuels	20,870	10.2
Commodities and transactions, n.e.s.	18,453	9.0
Machinery and transport equipment	17,566	8.6
Food and live animals	12,893	6.3
Chemicals and related products, n.e.s.	8,618	4.2
Miscellaneous manufactured articles	5,309	2.6
Beverages and tobacco	4,106	2.0
Animal and vegetable oils, fats and waxes	354	0.2

Source: UNCTAD STATS (2015).

Export and import trends

The total value of 2013 exports for the 15-member bloc was $156.7 billion—up 5.8 percent from the $148 billion recorded in 2012—while total imports rose by 5.9 percent from $183.1 billion to $193.9 billion over the same period (table 8.7). SADC maintains one of Africa's largest export markets, though imports have grown much faster than exports, at a 6 percent compound annual growth rate since 2000. SADC now accounts for 35.5 percent of Africa's exports and 37.4 percent of its imports. Africa's top three exporters are South Africa ($78.3 billion), Angola ($34.7 billion), and Botswana ($6.9 billion). Botswana is SADC's fifth largest economy based on GDP values at constant prices (table 8.2), yet it exports much more than Tanzania, the third-largest economy in the subregion, largely because the latter's economy is mainly service-driven. Botswana continues to increase mineral exports in diamonds, copper, and other ores and metals.

The SADC trade deficit rose by 6.2 percent, from $35.1 billion in 2012 to $37.3 billion in 2013, reflecting a rising dependence on imports. Among the bloc's 15 members, only Angola recorded a trade surplus, even as its merchandise trade fell by 8.6 percent in 2014. Seychelles, Malawi, Lesotho, and Swaziland

Table 8.7: SADC exports and imports of goods and services, 2000–13

(millions of USD)

	2000		2005		2010		2011		2012		2013	
Area/country	X	M	X	M	X	M	X	M	X	M	X	M
Angola	19,491	13,674	28,223	17,599	31,414	24,539	32,639	25,496	34,336	26,822	34,666	28,699
Botswana	4,336	3,394	5,256	3,534	4,147	4,927	5,289	5,875	4,919	6,354	6,878	8,147
D.R. Congo	1,403	1,272	2,745	3,514	2,393	5,992	2,777	6,163	2,430	5,586	2,850	6,502
Lesotho	318	1,459	669	1,654	894	2,129	921	2,177	912	2,224	952	2,421
Madagascar	1,536	1,758	1,422	2,296	1,884	3,214	2,030	3,323	2,067	3442	2,965	3,431
Malawi	346	648	616	1,437	829	1,697	868	1,565	820	1,549	952	1,618
Mauritius	3,461	3,793	3,830	4,167	4,681	4,785	4,921	5,081	5,087	5,151	5,312	5,457
Mozambique	731	1,869	2,332	3,376	3,667	4,744	3,999	5,353	4,517	6,078	4,743	6316
Namibia	2,282	2,403	2,937	2,927	3,380	5,557	3,371	5,416	3,722	6,264	4,167	7,232
Seychelles	700	760	720	919	677	921	658	964	668	1,007	797	1,043
South Africa	58,986	47,084	68,172	68,831	71,700	83,497	74,814	92,293	74,897	97,874	78,331	99,655
Swaziland	1,730	2,049	2,250	2,356	1,546	1,974	1,909	2,142	1,718	1,986	1,756	2,082
Tanzania	1,584	1,963	2,937	4,142	3,909	6,065	4,304	7,633	4,995	7,573	5,027	8,407
Zambia	871	1,387	2,481	2,631	2,280	3,646	2,450	3,877	2,728	4,176	2,830	4,443
Zimbabwe	8,443	7,400	2,088	2,644	3,332	5,243	3,168	6,665	4,193	7,035	4,439	8,490
SADC	106,218	90,913	126,678	122,027	136,733	158,930	144,118	174,023	148,009	183,121	156,665	193,943

Source: UNSTATS (2014).

Note: X represents exports and M represents imports. SADC figures are calculated as the total for the subregion.

continue to have the subregion's smallest international trade markets.

Imports accounted for 55.4 percent of SADC's 2013 GDP, while exports made up 42.8 percent that year, up from 38.2 percent in 2000—translating into a compound annual growth rate of less than 1 percent over the 13-year period (table 8.8). DRC, Malawi, Swaziland, Tanzania, Zambia, and Zimbabwe experienced the most restructuring in export and import volumes; Swaziland saw especially sharp declines in its international trade share of GDP. Swaziland depends heavily on South Africa, which buys 60 percent of its exports and supplies over 90 percent of its imports. Mining has also declined in importance as trade plummeted as a result of the global economic crisis and a drop in South African imports. Like Swaziland, Lesotho has also seen its import share of GDP fall steadily, from 134.7 percent in 2000 to 101 percent in 2013.

Trends in export concentration and diversification

Export concentration in the SADC subregion, as measured by the Herfindahl-Hirschmann Index, was 0.41 in 2013, and remained relatively stable over the last decade (table 8.9). The index was the lowest for South

Table 8.8: SADC export and import shares of GDP, 2000–13

(%)

	2000		2005		2010		2011		2012		2013	
Area/country	**X**	**M**	**X**	**M**	**X**	**M**	**X**	**M**	**X**	**M**	**X**	**M**
Angola	67.5	52.9	86	53.6	62.3	43.2	70.5	46.3	70.4	46.2	65.3	47.7
Botswana	51.8	40.1	52.9	35.6	35.8	43.2	44.4	50.1	44.8	50.3	55.2	59.9
DRC	11.4	15.6	22.9	29.4	41.1	49.6	40	45.6	30.7	37.4	34.2	40.4
Lesotho	34.8	134.7	48.9	120.9	44.6	112	49.1	105	45	105.6	42	101
Madagascar	31.1	38.7	28.2	45.6	24.9	43	26.7	42.2	28.9	43.8	28.5	41
Malawi	15	21.9	16.9	39.3	17.5	40.3	22.8	39.2	25	46.5	29.6	58.8
Mauritius	61.1	61.2	59	64.2	52.5	63.8	53.4	66.4	54.6	66.7	54.3	66.5
Mozambique	13.4	38.9	30.7	44.4	29.9	38.3	29.4	40.7	28.1	38.2	27.5	37.8
Namibia	40.9	44.5	40.4	40.3	42.6	56.8	41.4	52.9	43.5	53.7	43.9	58.8
Seychelles	75.5	81.9	78.3	100	86.7	108.3	88.2	109.1	82.6	104	79.5	90.1
South Africa	27.2	24.3	26.4	26.7	28.6	27.4	30.4	29.6	29.7	31	31	33.2
Swaziland	74.3	88	87.1	91.2	53	67.7	64.6	72.5	56.7	65.6	59	63.5
Tanzania	10.4	15.5	16.3	22.9	19.4	30.2	21.5	37.3	21.7	33.8	17.5	30.8
Zambia	21.1	31.4	34.6	36.7	46.8	34.5	46.3	39.3	46.9	44.4	49	45
Zimbabwe	38.2	35.9	33.5	42.5	34.4	62.2	32.5	78.5	31.3	60.4	26	57.1
SADC	38.2	48.37	44.1	52.89	41.3	54.7	44.1	56.98	42.7	55.17	42.8	55.4

Source: UNSTATS (2014).

Note: X represents exports and M represents imports. SADC figures are calculated as the average for the subregion.

Table 8.9: SADC export concentration, 2000–13

	2000	2005	2010	2011	2012	2013
Angola	0.8816	0.9445	0.9656	0.9639	0.9663	0.9677
Botswana	0.6465	0.7743	0.6009	0.7848	0.7889	0.7891
DRC	0.5983	0.4151	0.3870	0.4041	0.4824	0.5743
Lesotho	0.3881	0.4051	0.4280	0.4727	0.4701	0.4653
Madagascar	0.2588	0.2304	0.1817	0.2654	0.2420	0.1954
Malawi	0.6270	0.5693	0.5295	0.4369	0.4713	0.4684
Mauritius	0.3646	0.2804	0.2487	0.2407	0.2384	0.2474
Mozambique	0.2982	0.6141	0.4995	0.3706	0.2916	0.2627
Namibia	0.3208	0.3074	0.2156	0.2393	0.2764	0.2564
Seychelles	0.5708	0.4434	0.4398	0.5166	0.5081	0.4889
South Africa	0.1151	0.1396	0.1463	0.1813	0.1818	0.1718
Swaziland	0.2253	0.2210	0.2437	0.2452	0.2190	0.2197
Tanzania	0.2177	0.2313	0.1908	0.2306	0.1825	0.1990
Zambia	0.4437	0.5201	0.6864	0.7082	0.6320	0.5874
Zimbabwe	0.2794	0.2103	0.2086	0.2398	0.2671	0.2601
SADC	0.4157	0.4204	0.3981	0.4200	0.4145	0.4102

Source: UNCTAD STATS (2014).

Note: SADC figures are calculated as the average for the subregion.

Africa (0.17), Madagascar (0.20), and Tanzania (0.20), since these countries all have broad markets for their exports of agricultural produce, ores and metals, fuels, processed foods, and other products. At the other extreme were three countries with very high export concentration indices: Angola (0.97), Botswana (0.79), and Zambia (0.59). Fuels comprise 99 percent of Angola's exports, while Botswana exports mainly diamonds and beef—mostly to the United Kingdom—and copper accounts for more than 70 percent of Zambian exports.

The SADC's average index for export diversification was 0.77 in 2013, down slightly from 0.79 in 2000. It has remained high for most member states, except for South Africa (at 0.59). In fact, Botswana (0.89), Lesotho (0.85), and Angola (0.85) topped the export diversification index in 2013; all three depend heavily on commodity exports and are extremely vulnerable to external shocks. The key dilemma facing SADC leaders is how to boost export revenues while stabilizing export earnings and increasing added value. As such, member states must increase the variety of their export basket, especially countries with a very high concentration and diversification index.

The success of high-performing Asian economies that enjoyed a substantial increase in exports—specifically exports of manufactured

Table 8.10: SADC export diversification, 2000–13

	2000	2005	2010	2011	2012	2013
Angola	0.8162	0.8355	0.8391	0.8295	0.8420	0.8453
Botswana	0.8513	0.9158	0.8578	0.8952	0.8947	0.8926
DRC	0.8100	0.7817	0.8044	0.7987	0.8015	0.8389
Lesotho	0.8105	0.8485	0.8737	0.8602	0.8590	0.8516
Madagascar	0.7586	0.7391	0.6983	0.7329	0.7573	0.7155
Malawi	0.8653	0.8253	0.8174	0.8071	0.7964	0.8166
Mauritius	0.8365	0.7027	0.7075	0.7014	0.6972	0.6976
Mozambique	0.7865	0.8105	0.8343	0.7349	0.7610	0.7420
Namibia	0.7832	0.8064	0.7638	0.7826	0.7747	0.7640
Seychelles	0.8239	0.8405	0.8060	0.8332	0.8274	0.8312
South Africa	0.5553	0.5798	0.5690	0.6072	0.5889	0.5856
Swaziland	0.7610	0.7627	0.7305	0.7480	0.7210	0.6998
Tanzania	0.7721	0.7594	0.7503	0.7693	0.7563	0.7445
Zambia	0.8427	0.8702	0.8663	0.8589	0.7973	0.8206
Zimbabwe	0.7487	0.7568	0.7753	0.8288	0.7819	0.7627
SADC	0.7881	0.7890	0.7796	0.7858	0.7771	0.7739

Source: UNCTAD STATS (2014).

Note: SADC figures are calculated as the average for the subregion.

goods over decades—has built a consensus for export development and diversification, in terms of selective market-friendly interventions that will drive trade policy reforms. As can be seen from table 8.10, export diversification for the SADC subregion has remained relatively stagnant since 2000, with Mauritius the only member country that significantly diversified its exports between 2000 and 2013.

Trade trends: Intragroup, rest of Africa, and rest of the world

Exports within the 15-member bloc increased to 16.8 percent of total exports in 2013, from 13.3 percent in 2012 (table 8.11) Its intratrade policies have paid off over the years, redirecting exports from the rest of the world to the regional level. Perhaps this is due to the economic activities of South Africa's neighbors—Zimbabwe, Lesotho, and Swaziland—all of which depend deeply on the South African economy. Indeed, South Africa is a strategic hub for most SADC states; 10 of them count South Africa as one of their top five trading partners. Therefore, any economic and trade policy shifts by South Africa will have high multiplier effects on the other SADC members.

Table 8.11: SADC flow of exports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	6,151	12.1	1,080	14.9	44,522	87.9
2005	9,083	9.7	2,515	21.7	84,232	90.3
2010	22,813	12.6	5,805	20.3	158,085	87.4
2011	24,000	10.8	5,813	19.5	198,893	89.2
2012	29,072	13.3	5,585	16.1	190,322	86.7
2013	36,105	16.8	4,578	11.3	178,899	83.2

Source: UNCTAD STATS (2014).

Table 8.12: SADC flow of imports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	9,819	21.6	757	7.2	35,560	78.4
2005	16,955	17.0	2,450	12.6	82,619	83.0
2010	30,972	18.7	7,640	19.8	134,708	81.3
2011	36,528	17.5	8,182	18.3	172,408	82.5
2012	35,957	16.4	11,256	23.8	183,951	83.6
2013	42,659	19.0	8,842	17.2	181,724	81.0

Source: UNCTAD STATS (2014).

In 2013, SADC's exports to the rest of the world (83.2 percent of total exports) was valued at $178.9 billion, down from $190.3 billion in 2012. The bloc's success in sourcing its commodity needs from member states has been remarkable when compared to Africa's seven other RECs.

The SADC's intragroup import flow also improved, from 16.4 percent of total imports in 2012 to 19.0 percent in 2013, valued at $42.7 billion (table 8.12). Imports from the rest of Africa dropped more sharply to 17.2 percent, while the share to the rest of the world fell by 3.1 percent to 81 percent in 2013. Yet the bloc must still make significant efforts to strengthen activities in the agricultural sector, promoting added value and selective trade policy reforms. This will help boost economic growth and integration, export development, and diversification within SADC.

Human development performance

The average HDI for SADC rose to 0.543 in 2013, despite poor scores by over half of the bloc's member countries. Even so, scores generally improved between 2000 and 2013 thanks to better economic opportunities in most of Africa. HDI trends for SADC's top performing countries are linked significantly with per capita growth and improvements in governance and public utilities.

Botswana has done especially well, having boosted its HDI score from 0.470 in 1980 to 0.683 in 2013. Once among the world's poorest nations—with per capita GDP of about $70 in the late 1960s—Botswana has since transformed itself into one of Africa's fastest-growing countries, with per capita GDP of $7,023 in 2013. Over the years, the country has boosted its expenditures on health, education, and welfare, while emphasizing gender rights.

Average life expectancy in the SADC subregion was 59 years in 2013, while the average adult in its 15 countries had six years of schooling. Yet huge gaps persist in levels of economic and social integration among member states. For example, while the average Mozambican or Congolese spent only three years in school, citizens of Botswana, Mauritius and Seychelles got nine years of schooling, and South Africans 10 years. Likewise, life expectancy at birth exceeds 70 years in Mauritius and Seychelles, but is under 50 years in Swaziland, Lesotho, Mozambique, and DRC.

Of Africa's eight RECs, SADC ranks highest in quality of governance with an overall score of 58.5. The subregion has consistently done so since 2000, when it scored 53.7 overall, with six of its member states ranking among the top 10 countries in the IIAG index. Africa's best-scoring nation, Mauritius has continued boosting public investments in health, education, and welfare, while ensuring gender rights, public management and expansion of rural economic opportunities. Botswana and South Africa followed as the subregion's second and third countries, with overall IIAG scores of 76.2 (third in Africa) and 73.3 (fourth in Africa). Both have strong political institutions that not only ensure safety and rule of law, but also protect human rights and citizen engagement. Their political governance scores are double those of Angola, Zimbabwe, and DRC.

Main achievements and challenges

The SADC has seen tremendous achievements in many areas including peace, security, political stability, and economic development since its 1980 launch in Lusaka. Six of the 10 top-ranked countries in the 2014 Mo Ibrahim Index on African Governance belong to the SADC. Southern Africa continued to score well in three of the four categories the index measures, namely safety and rule of law; participation and human rights; and sustainable economic opportunity.

The SADC has undertaken several infrastructure projects, led by the rehabilitation of roads, railways and harbors. On 10 June 2015, the Heads of State and Government of SADC, the Common Market for Eastern and Southern Africa (COMESA), and the East African Community (EAC) met in Sharm El Sheikh, Egypt, at the Third Tripartite Summit to officially launch the COMESA-EAC-SADC Tripartite Free Trade Area (TFTA). This TFTA represents an integrated market of 26 nations with a combined population of 632 million, which is 57 percent of Africa's population; its GDP of $1.3 trillion represents 58 percent of Africa's total GDP. Establishment of the TFTA will clearly bolster intraregional trade by creating a wider market, boosting investment flows, enhancing competitiveness and encouraging regional infrastructure development.

Table 8.13: SADC Human Development Index trends, 1980–2013

HDI rank	Country/ region	Human Development Index (HDI)									Compound annual growth rate (%)		
		1980	1990	2000	2005	2008	2010	2011	2012	2013	1980–90	1990–2000	2000–13
High human development													
63	Mauritius	0.558	0.621	0.686	0.722	0.741	0.753	0.759	0.769	0.771	1.07	1.01	0.90
71	Seychelles	-	-	0.743	0.757	0.766	0.763	0.749	0.755	0.756	-	-	0.14
Medium human development													
109	Botswana	0.470	0.583	0.560	0.610	0.656	0.672	0.678	0.681	0.683	2.18	-0.40	1.54
118	South Africa	0.569	0.619	0.628	0.608	0.623	0.638	0.646	0.654	0.658	0.86	0.14	0.36
127	Namibia	0.550	0.577	0.556	0.570	0.598	0.610	0.616	0.620	0.624	0.48	-0.36	0.89
Low human development													
148	Swaziland	0.477	0.538	0.498	0.498	0.518	0.527	0.530	0.529	0.530	1.20	-0.77	0.48
149	Angola	-	-	0.377	0.446	0.490	0.504	0.521	0.524	0.526	-	-	2.60
155	Madagascar	-	-	0.453	0.470	0.487	0.494	0.495	0.496	0.498	-	-	0.73
156	Zimbabwe	0.437	0.488	0.428	0.412	0.422	0.459	0.473	0.484	0.492	1.12	-1.30	1.08
159	Tanzania	0.377	0.354	0.376	0.419	0.451	0.464	0.478	0.484	0.488	-0.64	0.59	2.04
161	Mauritania	0.347	0.367	0.433	0.455	0.466	0.475	0.475	0.485	0.487	0.55	1.67	0.91
162	Lesotho	0.443	0.493	0.443	0.437	0.456	0.472	0.476	0.481	0.486	1.06	-1.06	0.72
174	Malawi	0.270	0.283	0.341	0.368	0.395	0.406	0.411	0.411	0.414	0.46	1.88	1.50
178	Mozambique	0.246	0.216	0.285	0.343	0.366	0.380	0.384	0.389	0.393	-1.31	2.84	2.49
186	DRC	0.336	0.319	0.274	0.292	0.307	0.319	0.323	0.333	0.338	-0.53	-1.52	1.64
	SADC	0.418	0.455	0.472	0.494	0.516	0.529	0.534	0.540	0.543	0.84	0.37	1.10

Source: Human Development Report (2014).

Note: SADC index values are calculated as the average for the subregion.

Table 8.14: SADC Human Development Index and its components, 2013

		Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	Human Development Index (HDI)	Change in rank
		Value	(years)	(years)	(years)	(2011 PPP $)	Value	
HDI rank	Country/region	2013	2013	2012	2012	2013	2012	2012-2013
High human development								
63	Mauritius	0.771	73.6	8.5	15.6	16,777	0.769	0
71	Seychelles	0.756	73.2	9.4	11.6	24,632	0.755	-1
Medium human development								
109	Botswana	0.683	64.4	8.8	11.7	14,792	0.681	-1
118	South Africa	0.658	56.9	9.9	13.1	11,788	0.654	1
127	Namibia	0.624	64.5	6.2	11.3	9,185	0.620	0
Low human development								
148	Swaziland	0.530	49.0	7.1	11.3	5,536	0.529	0
149	Angola	0.526	51.9	4.7	11.4	6,323	0.524	0
155	Madagascar	0.498	64.7	5.2	10.3	1,333	0.496	0
156	Zimbabwe	0.492	59.9	7.2	9.3	1,307	0.484	4
159	Tanzania	0.488	61.5	5.1	9.2	1,702	0.484	1
161	Mauritania	0.487	61.6	3.7	8.2	2,988	0.485	-2
162	Lesotho	0.486	49.4	5.9	11.1	2,798	0.481	1
174	Malawi	0.414	55.3	4.2	10.8	715	0.411	0
178	Mozambique	0.393	50.3	3.2	9.5	1,011	0.389	1
186	DRC	0.338	50.0	3.1	9.7	444	0.333	1
	SADC	0.543	59.1	6.1	10.9	6,755	0.540	-

Source: Human Development Report (2014).

Note: SADC index values are calculated as the average for the subregion.

Yet several factors hinder further economic integration among SADC members. Among them:

Overly ambitious targets

In line with its vision and agenda, SADC set up a number of ambitious targets but has failed to achieve most of them. A trade protocol signed by 11 of the subregion's 15 member states in 2000 sought to liberalize 85 percent of intraregional trade by 2008 and 100 percent of trade by 2012. It also hoped to form a regional customs union by 2010. All these targets have been missed. So have efforts to establish a common market by 2012 and a monetary union by 2016. Finally, nearly all SADC members have shown a propensity to promote their own national economic and political interests, contrary to the regional vision enshrined in its protocols. This partly explains why southern Africa has been so slow to implement accords that encourage regional integration.

Multiple and concurrent memberships to RECs

Multiple and concurrent memberships to numerous regional economic communities (RECs) have presented the most daunting challenge to economic regional integration

Table 8.15: SADC Ibrahim Index of African Governance, 2013

	Overall score	Safety and rule of law	Participation and human rights	Sustainable economic opportunity	Human development
Mauritius	81.7	84.5	77	79.7	85.6
Botswana	76.2	85.3	73.1	65.9	80.4
South Africa	73.3	68.1	74.4	71.9	78.8
Seychelles	73.2	70.8	74.1	63.6	84.4
Namibia	70.3	74.9	75	62.2	68.9
Lesotho	62.3	69.5	69.9	50.4	59.3
Zambia	59.4	65.1	60.4	51	61.4
Tanzania	58.2	57.4	65.5	50.5	59.6
Malawi	57.6	64.6	62.9	45.9	56.8
Mozambique	52.2	50.8	60.7	46.8	50.5
Swaziland	51.5	60.8	31	51.6	62.6
Madagascar	48.2	49	51	44.1	48.6
Angola	40.9	43.1	37.3	34.6	48.6
Zimbabwe	38	37.7	37	23.5	53.9
DRC	34.1	23.7	32.6	34.8	45.2
SADC	58.5	60.4	58.8	51.8	63

Source: Mo Ibrahim Foundation (2014).

within SADC. South Africa, Botswana, Lesotho, and Swaziland are members of both SADC and the Southern African Customs Union (SACU), headquartered in Windhoek, Namibia, while Namibia and Swaziland both hold memberships in three regional integration pacts and belong to the Common Monetary Area, which also includes South Africa and Lesotho. In addition, nine of SADC's 15 members also belong to COMESA. Consequently, multiple memberships are not only costly but inefficient as well, and are partly responsible for the limited capacity and success of SADC and other RECs.

South Africa's dominance of SADC

South Africa's control of SADC is an obstacle to regional integration. This one country accounts for over 60 percent of all intra-SADC trade and about 70 percent of the subgroup's total GDP. Given this vast economic power asymmetry between South Africa and other SADC and SACU members, the country cannot be treated as an equal partner. The result is that South Africa has been able to flout regulations without much protest from other members. It is also negotiating its own Economic Partnership Agreement with the EU rather than on behalf of the regional bloc.

Coexistence of SADC and SACU

The existence of SADC and SACU alongside each other, with similar objectives results in states finding themselves divided between the two institutions. Even though SACU member states may not sign new preferential trade agreements with third parties, several countries have flouted this regulation. In addition, powerful economic blocs like the EU seek to divide SADC and SACU by negotiating with them separately, even though SACU membership is enshrined in SADC treaties.

Other challenges

Other challenges include the dearth of resources—a major impediment to regional integration, as well as an inability to make decisions due to member states' lack of knowledge about regional issues. Also a problem is the ambiguous language in which several SADC provisions are written, and SADC's weak governance structures, which some member states view as non-inclusive.

Capacity needs assessment

Main findings of the 2006 ACBF survey

In 2006, ACBF surveyed the capacity needs of Africa's RECs regarding implementation of the NEPAD Short Term Action Plan, with a focus on regional integration. At their extraordinary summit in 2001, the SADC Heads of State and Government approved a program for organizational restructuring, key features of which included:

- Centralization of program coordination and implementation within the Secretariat, with 21 sector coordinating units grouped under four new directorates.
- The establishment of SADC National Committees in all member states, comprising representatives from government, the private sector, and civil society.
- Preparation of a business plan for the Regional Indicative Strategic Development Plan (RISDP). The plan was supported by GI, using "Think Tools" techniques, and

facilitated by Deloitte. It set out activities to be undertaken based on timelines, targets to be achieved, and indications of costs. Such plans positioned SADC as a major player in the implementation of NEPAD and STAP projects.

- Implementation of 400 NEPAD/STAP/AU projects, which sadly suffer from institutional and staff constraints. The Secretariat lacks the decision-making powers and autonomy to operate effectively, since most decisions are tied to SADC's political structure.

- Unclear arrangements between the Secretariat and member-country departments. Closely linked to issues raised under "institutional development" are human resource issues faced by the Secretariat such as a mismatch among available staffing, resources, and workloads in the technical functions; poor investment in staff development to enhance management capacities, and lack of a dedicated financial management and reporting system.

Our 2006 study recommended that SADC should invest heavily in technical human resources in order to address the immediate needs of NEPAD/AU projects, as well as prepare a plan of intervention for short-term experts. The supported skills would enhance managerial and technical capacities in such areas as project planning development and management, monitoring and evaluation (M&E), and ICP financing and reporting procedures.

Main findings of the 2013 ACBF survey

As a follow-up to the 2006 survey, in 2013 the ACBF organized another survey to identify new capacity changes triggered by new and emerging institutional developments. Our team conducted the capacity building mission 9-13 December 2013 at the SADC Secretariat, during which time it met selected staff and collected data through a survey questionnaire. Here are the main findings:

Capacity for managing results

Capacity building is a key agenda for SADC, and it takes up a critical component of the SADC global strategic document. Although member states have coordinated their strategies, at the inter-REC level this coordination has been sustained mainly with support from development partners. This approach has been bottom-up at the member state level, and top-down through the Regular Program of Technical Cooperation (RPTC). Publications of capacity building strategies target professionals at the SADC level, decision-makers at the country level, and the general public.

SADC assesses its policy cycle based on management analysis, and subjects all its policies to independent assessment. The institutional infrastructure also has a risk management framework. Its policies are resilient to extreme event strategies—with external support at the member state level—allowing SADC to leave its capacity building strategy relatively unchanged since 2006.

Besides its quality assessment framework, SADC has an M&E framework for its policies; both are guided by yearly progress reports. Yet progress toward regional integration has been tough; issues include achieving free movement of people; a free trade area, customs union, and fiscal, economic, and political integration. Even so, SADC participates in all AU/NEPAD initiatives.

SADC's statistics strategy helps it contribute to African statistical initiatives through workshops, meetings, technical assistance, and mobilization of resources. Although it has a comprehensive database on regional integration, it lacks a training center offering specific courses on statistics.

Since the 2006 ACBF survey did not generate enough impact on SADC's capacity profile, the organization carried out an independent assessment of its needs, with funding from both the EU and GIZ. A final report has since been validated and made accessible to the public.

Budget, resource management, and projects

Member states fund 40 percent of SADC's budget; the other 60 percent comes from development partners and NGOs including the EU, UN, GIZ, DFID, and ACBF. These partners provide grants and loans, as well as opportunities for building public-private partnerships. But SADC has not always succeeded in collecting dues; at some point, Madagascar could not meet its obligations.

The institution is fully involved in all AU/NEPAD projects, and it sources capacity for designing projects in-house, as well as technical consultants. This has put SADC in a good position to offer technical assistance, resources, managerial expertise, and other support to member countries.

The organization's technical assistance/capacity building strategy is the Capacity Building for Regional Integration (CBRI). Through this system, up to 300 professional staffers have been trained in the areas of peace, security, and good governance. SADC has resolved to make sure that its human resource is aligned with its mandate.

Available human resource base

All SADC departments have requested capacity building, including its Executive Secretariat and related organs; the directorates of trade, industry finance, and investment; infrastructure and services; food, agriculture, and natural resources; social and human development and special programs; policy, planning, and resource mobilization, and finance and administration.

Over the years, conflict management has remained a major policy issue among member states; this is why SADC still allocates about 80 percent of its time to conflict resolution and mitigation. Integration matters, although priority at the senior level (about 80 percent of staff time), remains of low importance at the institution as a whole (about 20 percent of staff time).

SADC's incentive policy is based on salaries, fringe benefits and the working environment. It also has a mechanism for sharing knowledge, experiences, and best practices with other RECs. This is primarily carried out through its training plan. Table 8.16 presents SADC's human resource appointment structure, while Table 8.17 explains the composition of SADC staff.

SADC has established a statistical research unit, though it employs only one full-time researcher. IT penetration is fully embedded, and all staff are computer-literate, with Internet access.

SADC's common agriculture strategy is the Regional Agricultural Policy (RAP), which extends from 2014 to 2019. Its capacity building strategies are integrated with specific objectives. So far, the institution has carried out fewer than 10 agriculture projects. Through the CAADP process, SADC implements, provides technical assistance ,and mobilizes resources among member states. It has also partially established a comprehensive database on agriculture, food, and security.

Key capacity building initiatives (short, medium, and long term)

Although SADC complies with EU benchmarks of good practice, its absorption capacity is still low. To address this gap, the Secretariat seeks to implement its Strategy Development, Planning, Monitoring, and Evaluation (SPME) and align staff with activities mapped out in the Regional Indicative Strategic Development Plan (RISDP 2005–20) and the Strategic Indicative Plan for the Organs (SIPO). SADC seeks to improve this critical mass, upgrade staff skills, and acquire tools.

Immediate needs

SADC needs immediate action to facilitate its work towards regional integration. This includes:

SADC research network with think tanks. The creation of research unit networks with local think tanks will produce knowledge and build indicators. Progress toward an SADC common market would depend on the relevance of specific information provided by the research unit on the feasibility of a Common External Tariff (CET).

Skills upgrading. Training of Secretariat staff and key officials in member states would speed up implementation of the four pillars in the following areas:

- Accounting
- External audit standards
- Internal control and audit
- Procurement standards

Table 8.16: SADC human resource appointment structure

Appointment	Percent
Political appointment	0%
Secondment by governments	12%
Multilateral organizations	1%
Competitive, professional appointment	60%
Gender quota	50/50

- Comprehensive database, dataset, and/or data mapper
- Monitoring and evaluation
- Results-based management
- Delivery
- Quality management framework
- Risk and resilience assessment
- Impact evaluation and evidence-based analysis
- Research, training, and networking needs assessment
- Planning, programming and budgeting through a comprehensive framework
- Value chain coordination and planning.

Short-term needs

Policy, planning, and resource mobilization

- Develop the M&E and reporting framework for the implementation of the RISDP.
- Develop quality framework and quality assurance procedures for all activities

Table 8.17: Composition and characteristics of SADC staff

Current staff size:		Executive Secretariat and all cross-cutting units and organs	Directorate: trade, industry, finance, and investment	Directorate: infrastructure and services	Directorate: food, agriculture, and natural resources	Directorate: social/ human development and special program	Directorate: policy, planning, and resource mobilization	Directorate: finance and administration	Directorate: budget and finance
Current staff size		9	16	11	8	8	6	50	39
Professional staff:		4	14	9	6	6	5	19	27
Gender	**Male**	2	8	6	5	2	1	6	14
	female	2	6	3	1	4	4	13	13
Term of contract	**> 6 months**	9	16	11	8	8	6	50	39
	< 6 months								
Level of education	**Doctorate Degree**	2	1	1	1	2	2	1	1
	Master's Degrees	2	13	8	5	4	3	18	26
	Bachelor's degree (BA/BS)								
	Professional Qualifications								
Language proficiency	**Fluent Arabic**								
	Fluent English	4	14	9	6	6	5	19	27
	Fluent French	0	2	1	0	1	0	4	3
	Fluent Portuguese	0	0	0	0	1	1	4	2
	Fluent Spanish	0	0	0	0	0	0	0	0
Support staff:		5	2	2	2	2	1	31	12

mapped in the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ (SIPO).

- Develop macro-convergence scenarios and impact on SADC, member countries and the private sector.

In-depth analysis

- Conduct in-depth analysis on obstacles to implementing the SADC Protocol on Trade, which was signed in Maseru in 1996 and which entered into force in 2000.
- Address BRICS challenges and implications for SADC regional strategy towards China.
- Implement the COMESA-EAC-SADC Tripartite Agreement.

Medium-term needs

Statistics. Strengthen the Statistics Unit's capacity to implement the Regional Strategy for Development of Statistics (RSDS 2013-18) at member state level through a comprehensive capacity building program.

SADC Policy Cycle. Strengthen the SADC Policy Cycle's stability, predictability, and compliance with international benchmarks of good practice in institutional management. Develop an integrated system for planning, M&E, budget and finance, and the SADC Integrated Management System (SIMS), and assess the readiness of directorates and services to adopt the SADC Policy Cycle.

RISDP Phase III. Assess the SADC Secretariat's capacity needs in the implementation of RISDP 2015–20**.**

Capacity building strategies and required resources

A comprehensive capacity building strategy, with an estimated budget and financing strategy:

- Establish research unit networks.
- Upgrade skills at Secretariat and partner states.
- Develop M&E and reporting framework for implementation of RISDP.
- Develop quality framework and quality assurance procedures for all activities mapped in RISDP and SIPO.
- Develop macro-convergence scenarios and their impact on SADC, member countries, and the private sector.
- Conduct in-depth analysis on obstacles to the implementation of the SADC Protocol on Trade; BRICS challenges and implications for SADC regional strategy; and implementation of the COMESA-EAC-SADC Tripartite Agreement.
- Strengthen the capacity of the Statistics Unit to implement the Regional Strategy for Development of Statistics (RSDS 2013–18) at the member states level through a comprehensive capacity building program.
- Strengthen the stability and predictability of the SADC Policy Cycle and its compliance with international benchmarks of good practice in institutional management.
- Develop an integrated system for planning, M&E, budget and finance, and the SADC Integrated Management System (SIMS).
- Assess SADC Secretariat capacity needs in the implementation of RISDP 2015–20.

Table 8.18 shows how much money SADC needs to fund the identified capacity building needs.

Table 8.18: Resources required to fund SADC capacity building needs

	Immediate needs (USD)	Short-term needs (USD)	Medium-term needs (USD)
Establish research unit networks	100,000		
Skills upgrading at Secretariat and partner states	1,500,000		
Develop the M&E and reporting framework for implementation of RISDP		500,000	
Develop the quality framework and quality assurance procedures for all activities mapped in RISDP and SIPO		500,000	
Develop macro-convergence scenarios and impact on SADC, member countries, and the private sector		500,000	
In-depth analysis on obstacles to the implementation of the SADC Protocol on Trade; BRICS challenges and implications for SADC regional strategy; and implement the COMESA-EAC- SADC Tripartite Agreement		500,000	
Strengthen the capacity of Statistics Unit to implement the Regional Strategy for Development of Statistics, (RSDS 2013–18) at the member state level through a comprehensive capacity building program			1,000,000
Strengthen stability, predictability of the SADC Policy Cycle and compliance with international benchmarks of good practice in institutional management			500,000
Develop an integrated system for planning, M&E, budget and finance, and SADC Integrated Management System (SIMS).			100,000
SADC Secretariat capacity needs in the implementation of RISDP 2015–20			500,000
Total	1,600,000	2,000,000	1,700,000

Table 8.19: Persons contacted

Dr. Angelo E. Mondlane	Director, Policy Planning and Resource Mobilisation (PPRM)
Martin T. Muchero	RAP Coordinator Food, Agriculture and Natural Resources, FANR Directorate
Russel S. Mufaya	Director, Human Resources and Administration
Hendrix A.D. Tonde	Senior Officer, Human Resources
Prof. Jonathan M. Kaunda	Senior Policy and Strategy Development Directorate, PPRM
Kalinde Chindebwu	APSA Program Coordinator (former Institutional Capacity Development, ICDP Officer)
Ackim Jere	Senior Officer, Statistics, PPRM
Mabel Mpofu	Senior Policy Adviser, Poverty, PPRM

9

INTERGOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD)

In 1996, IGAD replaced the Intergovernmental Authority on Drought and Development, which had been established in 1986 by Djibouti, Ethiopia, Kenya, Somalia, Sudan, and Uganda, in the aftermath of a 12-year drought that had caused widespread famine, ecological degradation, and economic decline throughout the Horn of Africa. The revitalized body, meeting in Djibouti, expanded its mandate to coordinate and harmonize policies in the areas of socioeconomic and agricultural development, environmental protection, and political and humanitarian affairs.

Following its re-engineering, the African Union—meeting in Banjul in July 2006—recognized IGAD as a strong and viable regional economic community (REC). A January 2008 protocol on the relationship between the AU and Africa's RECs recognized IGAD as a full-fledged REC, rejecting a high-level recommendation that would have relegated it to an organization dealing only with peace and security as well as desertification matters. IGAD's membership increased to eight nations after Eritrea gained independence in 1993; South Sudan followed suit in 2011.

IGAD's mission is to "promote regional cooperation and integration to add value to member states' efforts in achieving peace, security, and prosperity." The organization hopes to achieve its objectives through increased cooperation in the following areas:

- Food security and environmental protection.
- Promotion and maintenance of peace and security and humanitarian affairs.
- Economic cooperation and integration.

Governance structure

On 21 March 1996, leaders of the six original members of the Intergovernmental Authority on Drought and Development, meeting in Nairobi, signed a "Letter of Instrument to Amend the IGADD Charter/Agreement" and rebranded the group with a new name: the Intergovernmental Authority on Development. IGAD consists of four hierarchical policy organs that were created to conceive and approve policies, oversee IGAD's activities, and implement programs and projects:

Figure 9.1: IGAD member states

Source: ACBF.

- The Assembly of Heads of State and Government
- The Council of Ministers
- The Committee of Ambassadors
- The Secretariat

To coordinate, monitor and evaluate programs, the following additional bodies were created:

- IGAD focal points
- IGAD Committee of Experts
- IGAD Strategy Implementation Committee (ISIC)
- IGAD Partners Forum (IPF)

Figure 9.2 depicts IGAD's institutional structure, while table 9.1 summarizes the specific functions of each body with the description and role of IGAD entities.

IGAD's Secretariat is headed by an executive secretary selected by the Assembly of Heads of State and Government for a four-year, renewable term. The Secretariat helps member states conceive regional projects in priority areas; coordinates and harmonizes development policies; mobilizes resources to enact regional projects and programs approved by the Council, and reinforces national infrastructures necessary for implementing regional projects and policies.

The executive secretary is assisted by four directors heading Divisions of Economic Cooperation and Social Development; Agriculture and Environment; Peace and Security; and Administration and Finance, plus 22 professional staffers as well as short-term project and technical staffers.

Regional development context

Economic performance

Real GDP for the IGAD subregion grew by 4.1 percent, from $126.1 billion in 2013 to $131.4 billion in 2014, contributing 8.2 percent of Africa's real GDP (see table 9.2). IGAD's population grew by 2.8 percent, from 236.5 million in 2012 to 243 million people in 2013, led by Ethiopia, with 94.1 million people. IGAD's leading economy is oil exporter Sudan, with a 2014 GDP of $35.9 billion, or 27.4 percent of the subregion's total GDP. In 2013, Sudan lured $3.1 billion in foreign direct investment (FDI), relying mainly on Asian trading partners to buy its exports. Among IGAD members, Ethiopia had the fastest-growing economy, with 8.9 percent real GDP compound annual growth from 2000 to 2014. Expansion of Ethiopia's agricultural and services sectors account for most of this growth, while manufacturing growth was relatively modest. Private consumption and public investment also explain the country's demand-side growth, with the latter assuming an increasing role in recent years.

Table 9.1: Description and role of IGAD entities[32]

Body	Composition	Responsibilities
Assembly of Heads of State and Government	Representatives of all member states	Supreme policy-making body; determines objectives, guidelines and programs
Council of Ministers	Ministers of foreign affairs plus one "focal" minister appointed by each member state	Recommends policy, approves work programs, annual budgets, staff appointments, and financial rules/regulations
Committee of Ambassadors	Representatives of each member state accredited to Djibouti	Provides advice and guidance to the Executive Secretary
Executive Secretariat	Executive body	Implements the decisions of the Assembly and the Council Performs surveys and other studies and develops information and guidelines for broadening and deepening cooperation among member states Initiates, identifies, and coordinates development programs and projects Performs other functions as entrusted to it by any other body of the authority
IGAD focal points	Representatives of member states: ministry of foreign affairs, focal ministry (technical), ministry of planning/economy and IGAD Secretariat	To assist the Secretariat coordinate, monitor and evaluate programs, and serve as a link with line ministries in member states
IGAD Strategy Implementation Committee (ISIC)	Representatives of member states' technical ministries and development partners	Engages in technical discussion on operational/ implementation issues relating to IGAD programs
IGAD Partners Forum (IPF) Project Implementation Committee	Representatives at ambassadorial level of member states and diplomatic representatives from donor countries	Replaced by ISIC

Yet IGAD's total 2014 GDP of $131.4 billion was only 43 percent of Nigeria's GDP, and just 40 percent of South Africa's. Its tiny economic output is the result of political unrest, wars, famines, and droughts that have long plagued most of its member states. Even so, IGAD's GDP grew an average 5.4 percent a year from 2000 to 2014, compared to 4.7 percent for Africa as a whole.

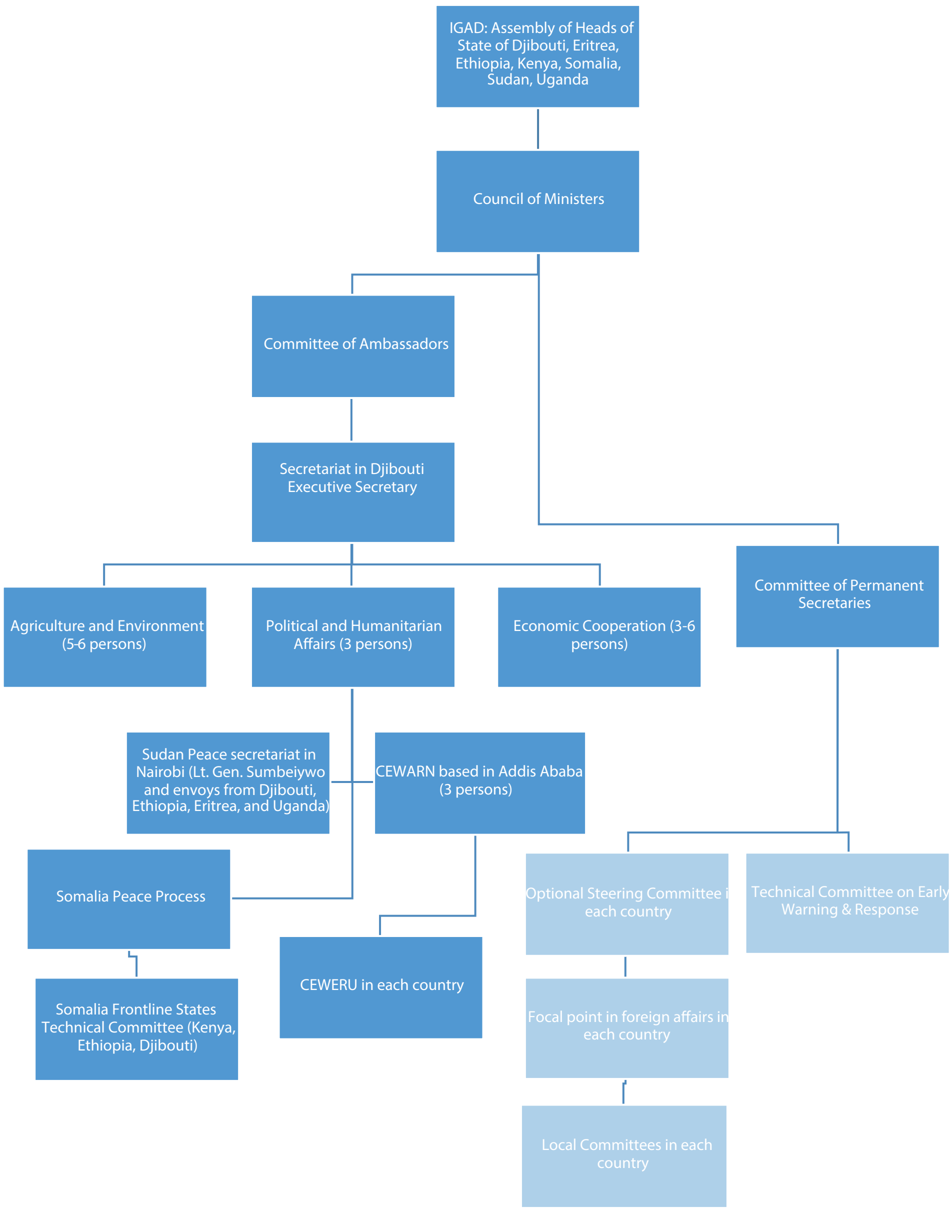
With only 900,000 people and real GDP of $1.2 billion in 2014, Djibouti is home to the smallest economy in the IGAD subregion. In 2013, Djibouti attracted $286 million in FDI inflows, yet that was six times the $43.9 million in FDI that went to Eritrea, with 6.3 million inhabitants. Given that gold accounts for about 90 percent of total exports, Eritrea's external trade is highly concentrated in both product and market share, creating a highly volatile economy susceptible to global market shocks. In 2013, Eritrea suffered a 31.2 percent drop in merchandise exports.

IGAD is home to some of Africa's poorest countries including Ethiopia, Somalia, and Eritrea— each with per capita GDP below $350 (table 9.5). On a per capita basis, Djibouti is the region's most prosperous economy; its per capita GDP is almost as much as that of the four bottom states combined. Ethiopia's per capita income has increased rapidly, rising by an average 5.9 percent a year between 2000 and 2014, though it still has a long way to go to climb out of poverty.

FDI trends

In 2014, IGAD saw FDI flows drop by 8.3 percent to $4.2 billion in 2014. Ethiopia's expanding textile sector continues to attract FDI

Figure 9.2: IGAD organogram



Source: IGAD.

Table 9.2: IGAD GDP, 2000–14

(millions of USD at constant 2005 prices)

Area/ country	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC Share	Compound annual growth rate (2000–14)
Djibouti	617	1.0%	709	0.8%	971	0.8%	1,014	0.8%	1,063	0.9%	1,116	0.9%	1,178	0.9%	4.7%
Eritrea	968	1.5%	1,098	1.3%	1,057	0.9%	1,148	1.0%	1,229	1.0%	1,243	1.0%	1,283	1.0%	2.0%
Ethiopia	8,904	14.1%	12,164	14.3%	20,386	17.4%	22,645	18.8%	24,621	20.7%	27,172	21.5%	29,243	22.3%	8.9%
Kenya	17,859	28.3%	21,493	25.2%	26,872	23.0%	28,070	23.3%	29,647	24.9%	31,433	24.9%	33,068	25.2%	4.5%
Somalia	1,978	3.1%	2,316	2.7%	2,628	2.2%	2,696	2.2%	2,766	2.3%	2,838	2.2%	2,912	2.2%	2.8%
South Sudan	-	-	-	-	-	-	-	-	5,614	4.7%	6,351	5.0%	6,415	4.9%	-
Sudan	24,315	38.5%	35183	41.3%	46,824	40.1%	45,901	38.1%	34,424	29.0%	35,578	28.2%	35,934	27.4%	2.8%
Uganda	8,545	13.5%	12,295	14.4%	18,116	15.5%	18,915	15.7%	19,534	16.4%	20,414	16.2%	21,319	16.2%	6.7%
IGAD	63,186	100%	85,258	100%	116,854	100%	120,389	100%	118,898	100%	126,145	100%	131,352	100%	5.4%
Africa	845,989		1,104,386		1,416,587		1,430,176		1,502,399		1,553,778		1,603,842		4.7%

Source: UNCTAD STATS (2015).

Table 9.3: IGAD GDP per capita, 2000–14

(in USD at constant 2005 prices)

	2000	2005	2010	2011	2012	2013	2014	Compound annual growth rate (2000–14)
Djibouti	854	912	1,164	1,198	1,237	1,279	1,329	3.2%
Sudan	-	-	-	-	926	937	927	-
Kenya	571	601	657	668	687	709	726	1.7%
South Sudan	-	-	-	-	518	562	546	-
Uganda	352	428	533	538	537	543	549	3.2%
Ethiopia	135	160	234	253	268	289	303	5.9%
Somalia	268	273	273	272	271	270	269	0.0%
Eritrea	246	226	184	194	200	196	196	-1.6%

Source: UNCTAD STATS (2015).

with its low wages and cheap power; its industrial zones have lured textile, garment, and leather factories. In Sudan, on the other hand, FDI has fallen in recent times, mainly due to poor governance and inefficient regulations; so have civil war and political conflict. All have undermined the development of a stable society ready for sustainable economic growth. South Sudan has also fared poorly with regard to FDI; this is because of excessive bureaucracy, limited human capital, and inadequate infrastructure.

Structure of IGAD's economy

In 2013, as seen in table 9.5, services accounted for 49.0 percent of GDP among IGAD member states, followed by industry (22.4 percent), and agriculture (28.6 percent). Large deviations exist among individual states, however. In Djibouti, services—mainly transport services—comprised 75.7 percent of GDP. Yet its agriculture share of GDP was only 3.7 percent, the lowest in IGAD. That contrasts with Somalia, where agriculture contributes 60.2 percent of GDP, and where food items (such as livestock, sheep, goats, and oilseeds) comprised 90 percent of total 2013 exports.

Among IGAD nations, landlocked South Sudan had the highest industry share, at 59.6 percent. South Sudan, which joined the regional bloc in 2011, is almost 100 percent reliant on crude oil exports to China and Japan. Similarly, industry accounted for 23 percent of Eritrea's total GDP in 2013, sustained mainly from exports of gold, silver, iron ore, and other high-value minerals.

The subregion has continued to see steady growth in its service sector, from 45 percent of GDP in 2000 to 49 percent in 2013, with strong performances in wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services.

Trade composition and patterns

IGAD's exports to the rest of the world have mainly been primary commodities (especially

Table 9.4: IGAD FDI inflows, 2000–14

(millions of current USD)

Countries	2000	REC share	2005	REC share	2010	REC share	2011	REC share	2012	REC share	2013	REC share	2014	REC share	Compound annual growth rate (2000–14)
Djibouti	3	0%	22	1%	37	1%	79	2%	110	3%	286	6%	153	4%	32.4%
Eritrea	28	3%	1	0%	91	3%	39	1%	41	1%	44	1%	47	1%	3.8%
Ethiopia	135	16%	265	11%	288	9%	627	16%	279	6%	953	21%	1200	28%	16.9%
Kenya	111	13%	21	1%	178	5%	335	9%	259	6%	505	11%	989	23%	16.9%
Somalia	0	0%	24	1%	112	3%	102	3%	107	2%	107	2%	106	3%	53.2%
South Sudan	_	_	_	_	_	_	_	_	0	0%	-78	-2%	-700	-17%	-
Sudan	_	_	_	_	_	_	_	_	2311	54%	1688	37%	1277	30%	-
Sudan (2011)	392	46%	1617	69%	2064	62%	1734	46%	_	_	_	_	_	_	-
Uganda	181	21%	380	16%	544	16%	894	23%	1205	28%	1096	24%	1147	27%	14.1%
IGAD	850	100%	2331	100%	3313	100%	3810	100%	4313	100%	4601	100%	4218	100%	12.1%

Source: UNCTAD STATS (2015).

Table 9.5: IGAD sector shares of GDP, 2013

(%)

	Agriculture	Industry	Services
Djibouti	3.7	20.6	75.7
Eritrea	17.6	23.5	58.9
Ethiopia	45.5	11.1	43.5
Kenya	28.7	19.3	52.1
Somalia	60.2	7.4	32.5
South Sudan	4.0	59.6	36.4
Sudan	42.6	15.5	41.8
Uganda	26.8	22.3	50.9
IGAD	28.6	22.4	49.0

Source: UNSTATS (2014).

Note: IGAD figures are calculated the average for the subregion.

food, live animals, and mineral fuels), accounting for 79 percent of total exports (table 9.6). Trade in commodities and transactions has risen dramatically, from \$127 million in 2000 to \$2.3 billion in 2013. However, trade in manufactured goods has remained in fifth place over the past decade, accounting for only 7 percent of product exports in 2013—even as mineral fuels, lubricants, and related materials made up 26.5 percent of such exports. Uganda is the only IGAD member nation with four of its top trading partners in Africa (Sudan, Rwanda, DRC, and Kenya). Its exports are diverse, ranging from coffee and cement to refined petroleum and broadcasting equipment. Even so, the absence of modern infrastructure, logistics, and non-harmonized customs—not to mention inconsistent trade policies—has hampered the growth of intra-regional trade within IGAD.

Export and import trends

In 2013, the total value of IGAD exports was \$17.4 billion, down from \$23 billion in 2011.

Table 9.6: IGAD merchandise trade matrix, 2013

(exports in millions of USD)

Product group	2013	Share (%)
Food and live animals	5,492	28.9
Mineral fuels, lubricants, and related materials	5,035	26.5
Commodities and transactions, n.e.s.	2,267	11.9
Crude materials, inedible, except fuels	2,161	11.4
Manufactured goods	1,309	6.9
Chemicals and related products, n.e.s.	780	4.1
Miscellaneous manufactured articles	719	3.8
Machinery and transport equipment	690	3.6
Beverages and tobacco	374	2.0
Animal and vegetable oils, fats, and waxes	203	1.1

Source: UNCTAD STATS (2014).

Table 9.7: IGAD exports and imports of goods and services, 2000–13

(millions of USD)

	Djibouti		Eritrea		Ethiopia		Kenya		Somalia		South Sudan		Sudan		Uganda		IGAD	
	X	M	X	M	X	M	X	M	X	M			X	M	X	M	X	M
2000	234	354	66	572	937	2,106	3,470	4,962	7	39	-	-	-	-	860	2,000	5,574	10,033
2005	314	454	68	603	1,855	4,359	5,089	6,785	7	39	-	-	-	-	1,854	2,938	9,187	15,178
2010	487	719	85	313	2,428	9,141	5,875	11,021	9	44	8,268	3,136	2,064	4,893	3,260	5,219	22,476	34,486
2011	541	916	284	346	2,492	9,049	6,416	12,480	9	46	8,097	3,054	1,399	4,987	3,788	5,594	23,026	36,472
2012	566	1,056	418	379	2,362	11,143	6,403	13,150	9	47	657	1,977	1,290	4,738	4,088	5,601	15,793	38,091
2013	578	1,162	412	406	2,824	11,910	6,350	13,183	9	48	1,311	2,188	1,594	4,915	4,318	5,387	17,396	39,199

Source: UNSTATS (2014).

Note: X represents exports and M represents imports. IGAD figures are calculated as the total for the subregion.

This was only one-fifth of South Africa's $78.3 billion in exports that year, and represents just a 3.9 percent contribution to overall African exports. Table 9.7 shows that IGAD exports, which have steadily trailed imports by value, fell to nearly half of the value of imports in 2013. Although exports have risen more rapidly over time, IGAD remains import-dependent, like most of Africa.

South Sudan—which in 2011 led the subregion's exports—saw its share fall by over 90 percent as crude oil export revenues fell from nearly $11 billion in 2010 to under $1.8 billion in 2012.[33] The country's ongoing civil war has also hurt neighboring Ethiopia, Kenya, Sudan, and Uganda, and has been aggravated by regional famine. These economic costs, which have lowered export earnings drastically, are projected to have caused a 15 percent drop in Sudanese GDP in 2014.[34]

With exports of $6.4 billion, Kenya now accounts for 36.5 percent of IGAD's total exports, followed by Uganda, which has one-fourth of the subregion's exports. Continued piracy attacks have harmed Somalia's global trade, since those attacks often lead to high indirect costs such as cargo delivery delays, breach of contract, and falling value of goods and services. Somalia's global losses are estimated at between $1 billion and $16 billion a

Table 9.8: IGAD export and import shares of GDP, 2000–13

Export share (%)									
	Djibouti	Eritrea	Ethiopia	Kenya	Somalia	South Sudan	Sudan	Uganda	IGAD
2000	43.8	9.7	12.1	19	0.3	-	-	10.8	16.0
2005	44.4	6.2	15.3	23.7	0.3	-	-	15.1	17.5
2010	33.1	4.8	13.8	20.8	0.3	61.4	4.2	18.4	19.6
2011	33.1	14.4	17	22.2	0.3	66.1	3.8	19.9	22.1
2012	33.3	19.1	13.9	20.1	0.3	10.1	1.9	20.2	14.9
2013	32.4	17.1	12.7	18	0.3	18.2	1.7	19.8	15.0
Import share (%)									
	Djibouti	Eritrea	Ethiopia	Kenya	Somalia	South Sudan	Sudan	Uganda	IGAD
2000	63.3	58.2	24.2	26	1.7	-	-	20.9	32.4
2005	64.1	54.9	35.8	31.6	1.7	-	-	23.9	35.3
2010	54.6	23.3	33.3	33.8	1.7	29.5	12.6	33.5	27.8
2011	54.6	23.2	32.1	39.9	1.7	27.2	11.4	32.9	27.9
2012	54.9	22.8	32	36	1.7	45.3	12.3	30.5	29.4
2013	57.5	22	28	33.7	1.7	42.8	11.5	29.2	28.3

Source: UNSTATS (2014).

Note: IGAD figures are calculated as the average for the subregion.

year.[35] In 2013, total Somali exports were $9 million; only the tiny Pacific island nations of Nauru and Tuvalu exported less.

In 2013, IGAD members had a combined trade deficit of $21.8 billion, or 27.9 percent of Africa's total trade deficit. Member states are largely import-dependent, especially Ethiopia—which imports more than four times what its exports. Kenya, Somalia, and Djibouti have not fared any better. IGAD's export share of total GDP rose from 16 percent in 2000 to 22.1 percent in 2011, then fell to 15 percent in 2013. Djibouti saw a steep drop in its export share, from 43.8 percent in 2000 to 32.4 percent in 2013, while Sudan's export share also fell over time. Ethiopia, IGAD's most populous country, saw its export share rise from 12.1 percent of GDP in 2000 to a peak of 17 percent in 2011, falling to 12.7 percent in 2013. Table 9.8 shows how import-dependent IGAD is—led by Sudan and Ethiopia—though, Eritrea continues to reduce its export-import gap.

Trends in export concentration and diversification

IGAD export concentration—the degree to which subregional exports focus on a narrow range of products—has gradually increased over time (table 9.9). Interestingly, Somalia and Sudan, which have barely seen any real

Table 9.9: IGAD export concentration, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Djibouti	0.1154	0.1619	0.3488	0.2999	0.2468	0.1944
Eritrea	0.2586	0.1845	0.1578	0.6101	0.5851	0.3879
Ethiopia	0.5043	0.3790	0.3479	0.3612	0.3596	0.3310
Kenya	0.2684	0.2113	0.2173	0.2016	0.2033	0.1906
Somalia	0.6479	0.5648	0.5012	0.5543	0.8432	0.8998
South Sudan	-	-	-	-	-	-
Sudan	-	-	-	-	0.5248	0.6837
Uganda	0.3758	0.2645	0.1968	0.2244	0.1830	0.1803
IGAD	0.3617	0.2943	0.2950	0.3753	0.4208	0.4097

Source: UNCTAD STATS (2014).

Note: IGAD figures are calculated as the average for the subregion.

growth in their export share of GDP, have the highest export concentration ratios. And despite the bloc's growing participation in world trade, IGAD's export concentration average of 0.41 in 2013 remains much higher than that of middle-income developing countries (0.08) and low-income developing countries (0.21).

Djibouti, Kenya, and Uganda score relatively low on the Herfindahl-Hirschmann Index, though a significant share of their exports are primary products.[36] Key causes of export concentration are a lack of technological capacity to produce a wider variety of products and symptoms of the so-called Dutch disease.[37]

Policy measures that focus on building national economic resilience have elevated the importance of a trade agenda on export diversification. In fact, export diversification is rising in most IGAD states (see table 9.10), with Somalia and Sudan reporting the subregion's lowest export diversification indices. The index was far higher than that of low-income developing countries (0.43) and middle-income developing countries (0.31). Kenya was the only IGAD nation whose export diversification index fell, from 0.75 in 2000 to 0.64 in 2013.

Trade trends: Intragroup, rest of Africa, and rest of the world

IGAD members haven't exported much among themselves over the past decade. In 2013, exports among the eight nations were only 12.6 percent of total exports, up marginally from 11.3 percent in 2000 (table 9.11). Regional integration has played a negligible role in the supply of goods and services among member nations due to conflicts, though the rest of Africa bought for 49.5 percent of its exports. IGAD's best customers have always been outside the subregion, despite a slight decline to 87.4 percent in 2013 from 91 percent in 2010.

IGAD intragroup imports have declined, meaning member states are less dependent on each other for goods and services (table 9.12). Imports among countries fell steadily, from 9.1 percent in 2000 to 3.6 percentage in 2013,

Table 9.10: IGAD export diversification, 2000–13

Country/region	2000	2005	2010	2011	2012	2013
Djibouti	0.5299	0.6565	0.6428	0.6168	0.5937	0.5795
Eritrea	0.6467	0.6458	0.6692	0.8061	0.7493	0.7511
Ethiopia	0.5697	0.6437	0.8012	0.7949	0.7878	0.7745
Kenya	0.7479	0.7136	0.6717	0.6401	0.6409	0.6423
Somalia	0.8002	0.7757	0.7810	0.7594	0.7714	0.7809
South Sudan	-	-	-	-	-	-
Sudan	0.8194	0.8083	0.8506	0.8231	0.7871	0.8181
Uganda	-	-	-	-	0.7254	0.7238
IGAD	0.6856	0.7072	0.7361	0.7422	0.7222	0.7243

Source: UNCTAD STATS (2014).

Note: IGAD figures are calculated as the average for the subregion.

Table 9.11: IGAD flow of exports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	491	11.3	415	45.8	3857	88.7
2005	980	9.8	926	48.6	8985	90.2
2010	1951	9.2	1914	49.5	19244	90.8
2011	2431	11.8	2164	47.1	18111	88.2
2012	2336	14.1	2510	51.8	14231	85.9
2013	2405	12.6	2354	49.5	16625	87.4

Source: UNCTAD STATS (2014).

even as the subregion grows more dependent on the rest of the world, with import flows climbing from 90.9 percent of total imports in 2000 to 96.4 percent in 2013. Despite regional integration efforts within IGAD, intragroup imports steadily declined from 4.9 percent of the total in 2010 to 4.7 percent in 2011 and 3.6 in 2013—even as imports from the rest of Africa edged up from 3.1 percent in 2010 to 3.6 percent in 2013. Regional conflicts continue to hinder trade, distribution, and transnational infrastructure development.

Human development performance

IGAD's Human Development Index averaged 0.462 in 2013—far lower than sub-Saharan

Table 9.12: IGAD flow of imports, 2000–13

(million USD at current prices)

	Intragroup	Share (%)	Rest of Africa	Share (%)	Rest of the world	Share (%)
2000	752	9.1	554	2.4	7,509	90.9
2005	1,119	5.4	1,460	6.6	19,628	94.6
2010	1,832	4.9	3,137	3.1	35,434	95.1
2011	1,947	4.7	3,259	2.6	39,553	95.3
2012	1,947	4.2	3,368	3.4	44,493	95.8
2013	1,725	3.6	3,009	3.6	45,601	96.4

Source: UNCTAD STATS (2014).

Africa's average of 0.502 and lower than that of the world's least-developed nations as a whole (0.487). Growth has also been fragile, despite Ethiopia's recent progress. Political conflicts have plagued IGAD as officials re-allocate state investments in welfare, education, and health care to other urgent needs—or eliminate them altogether.

In 2013, life expectancy at birth among IGAD member states was just 60 years, while adults in the subregion had an average of only four years of schooling, and children in IGAD countries could expect to receive, on average, eight years of schooling. Yet aside from the lack of key education infrastructure, average families in these nations are too poor to send their children to school. In Ethiopia, government education expenditures come to only 4.7 percent of total GDP, and in Eritrea, such expenditures constitute only 2.1 percent of GDP.

Quality of governance

IGAD ranks lowest among Africa's eight RECs in quality of governance. Improvement has been very slow, with the subregion's score on the Ibrahim Index of African Governance growing by only 2.4 points—from 38.8 in 2000 to 41.2 in 2013. Kenya scored 57.4—the highest in the subregion—exceeding 50 percent in all government indicators. This wasn't the case for Eritrea and Somalia, where political institutions are weak and public utilities are failing. Somalia, which scored just 9.4 in 2000, did badly in most categories including rule of law, education, and a business environment that is practically non-existent. Since then, its overall score has declined further, to 8.6 in 2013. Because of instability, widespread violence, and the protracted lack of a permanent central authority, Somalia topped the Fragile States Index (FSI)[38] from 2008 to 2013. Eritrea ranked 50th in Africa, with the country's overall score falling from 33.5 in 2000 to 29.8 in 2013.

Main achievements and challenges

Despite the subregion's poor performance in deepening economic integration, it saw a few successes:

- IGAD's efforts have helped broker peace and security initiatives in South Sudan and

Somalia, though these deals would be much stronger and more sustainable if complemented by increased subregional trade relations and cross-border investment.

- Creation of the IGAD Platform and the Interim Steering Committee for Drought Disaster Resilience and Sustainability Initiative (IDDRSI) has helped build drought resilience in the Horn of Africa.

- The IGAD Climate Prediction and Applications Center (ICPAC) has seen several achievements in the area of climate change, through timely production and dissemination of climate early warning information; improvement of knowledge of processes and new empirical models for seasonal forecasts; and successful networking with users of climate information, climate scientists, and gender and media groups in disseminating weather information and products, among other things.

- IGAD's Conflict Early Warning and Response Mechanism (CEWARN) initiative has proven to be effective in providing conflict early warning and early response. It fosters cooperation among all relevant parties in responding to potential and actual violent regional conflicts in a timely manner. Thanks to CEWARN, IGAD has played a key role in both the Sudanese and Somali peace processes.

While other RECs have pursued customs unions, free trade agreements, and even common currencies among their members, IGAD has yet to take even the most basic steps toward regional economic integration; its plan to create a free trade area by 2012 never materialized. Indeed, as the Horn of Africa suffers, integration remains very low on the IGAD agenda, with few achievements recorded in the last decade (see table 9.16).

Key regional challenges

Lack of security

Piracy, unrest, and the high cost of doing business highlight the need for robust economic initiatives that can lead to interdependence, integration, and, perhaps, stability. Insecurity, along with governments' inability to enforce law and order, have continued to worsen conditions in which the private economy operates.

Poor governance

Poor governance and weak economic institutions have contributed to the subregion's setbacks in stimulating economic integration. IGAD member states score poorly on the Human Development Index, and according to the World Bank's *Doing Business 2014* report, the cost of doing business in member states is very high, as no country ranked close to 100; Ethiopia ranked 125th on the list, and Kenya 129th.

Political neglect

Economic integration has been a sorely neglected foreign policy instrument among IGAD countries. Given their vast differences in history, governance, and national development strategy, policy harmonization and formulation of a common regional vision is a formidable challenge.

Membership in other RECs

Parallel membership in other integration schemes has had a particularly negative impact on the effectiveness of IGAD. Kenya, for example, belongs to five regional schemes (IGAD, COMESA, EAC, CEN-SAD, and ICGLR), while Uganda and Sudan each belong to four (IGAD, COMESA, EAC, and ICGLR). Kenya and Uganda are also more deeply committed

Table 9.13: IGAD Human Development Index trends, 1980–2013

HDI rank	Country/ region	Human Development Index (HDI)									Compound annual growth rate (%)		
		1980	1990	2000	2005	2008	2010	2011	2012	2013	1980–90	1990–2000	2000–13
Low human development													
147	Kenya	0.446	0.471	0.455	0.479	0.508	0.522	0.527	0.531	0.535	0.55	-0.34	1.25
164	Uganda	0.293	0.310	0.392	0.429	0.458	0.472	0.477	0.480	0.484	0.55	2.38	1.63
166	Sudan	0.331	0.342	0.385	0.423	0.447	0.463	0.468	0.472	0.473	0.33	1.20	1.59
170	Djibouti	-	-	-	0.412	0.438	0.452	0.461	0.465	0.467	-	-	-
173	Ethiopia	-	-	0.284	0.339	0.394	0.409	0.422	0.429	0.435	-	-	3.35
182	Eritrea	-	-	-	-	-	0.373	0.377	0.380	0.381	-	-	-
	Somalia	-	-	-	-	-	-	-	-	-	-	-	-
	South Sudan	-	-	-	-	-	-	-	-	-	-	-	-
	IGAD	0.357	0.374	0.379	0.416	0.449	0.449	0.456	0.459	0.462	0.48	0.12	1.54

Source: Human Development Report (2014).

Note: IGAD index values are calculated as the average for the subregion.

Table 9.14: IGAD Human Development Index and its components, 2013

HDI rank	Country/region	Human Development Index (HDI)	Life expectancy at birth	Mean years of schooling	Expected years of schooling	Gross national income (GNI) per capita	Human Development Index (HDI)	Change in rank
		Value	(years)	(years)	(years)	(2011 PPP $)	Value	
		2013	2013	2012	2012	2013	2012	2012-2013
Low human development								
147	Kenya	0.535	61.7	6.3	11.0	2,158	0.531	0
164	Uganda	0.484	59.2	5.4	10.8	1,335	0.480	0
166	Sudan	0.473	62.1	3.1	7.3	3,428	0.472	0
170	Djibouti	0.467	61.8	3.8	6.4	3,109	0.465	0
173	Ethiopia	0.435	63.6	2.4	8.5	1,303	0.429	0
182	Eritrea	0.381	62.9	3.4	4.1	1,147	0.380	0
	Somalia	-	55.1	-	-	-	-	-
	South Sudan	-	55.3	-	-	1,450	-	-
	IGAD	0.462	60.2	4.1	8.0	1,990	0.46	-

Source: Human Development Report (2014).

Note: IGAD index values are calculated as the average for the subregion.

Table 9.15: IGAD Ibrahim Index of African Governance, 2013

	Overall score	Safety and rule of law	Participation and human rights	Sustainable economic opportunity	Human development
Kenya	57.4	51.3	59.3	54.4	64.6
Uganda	56.1	53.3	58.4	50.1	62.8
Ethiopia	48.5	50	36.7	50.4	56.9
Djibouti	46.8	50.6	32.1	48.1	56.4
Eritrea	29.8	31	22.8	21.9	43.5
Somalia	8.6	5.9	10.7	3.5	14.1
IGAD	41.2	40.3	36.7	38.1	49.7

Source: Mo Ibrahim Foundation (2014).

Table 9.16: IGAD level of integration

Integration issues	Level of Integration from 1 (lowest) to 5 (highest)
Free movement of people	1
Free trade area	1
Customs union issues	1
Monetary integration	1
Economic integration	1
Political integration	1

Source: ACBF compilation.

to the EAC. Elsewhere in the Horn of Africa, Eritrea continues to use force to settle policy differences with its neighbors, Ethiopia remains oblivious to regional markets, and Somalia has little control over its own trade, diplomacy, and macroeconomic policy.

Structural issues

Aside from these realities, structural issues also discourage trade-led integration in IGAD. Even compared to other developing economies, the Horn's manufacturing sector is undersized (and almost non-existent in Somalia, Djibouti, and South Sudan). The overwhelming majority of imports, therefore, come from outside the subregion. Meanwhile, IGAD states export only a limited number of primary commodities such as coffee, livestock, and oil seeds, and many do so in competition with each another for international markets.

Capacity development and the commission

Given the Horn of Africa's political volatility and its ongoing and frequent conflicts, African states and the international community view IGAD as a priority area for both security and development.

The IGAD Secretariat has strived to provide quality service to all IGAD operational divisions and programs through available knowledge, skills, and technology. For years, its human resources unit has offered training and development activities to help supervisors and employees do their jobs more efficiently, while ensuring safe, effective delivery of planned objectives. Yet implementation of its mandate, including NEPAD STAP priority projects, is hurt by human, institutional, physical, and financial capacity constraints in these areas:

- Agriculture and environment
- Economic cooperation and social development
- Peace and security
- Drought
- Food security
- Climate prediction

Some of its major challenges include:

- Inadequate staff to carry out mandated activities
- The lengthy procurement process delaying implementation of priority projects
- Absence of in-house research capacity
- Little capacity for other priority sector besides peace and security
- Lack of training and human development policies and programs to upgrade skills of existing staff
- Lack of common strategy on economic cooperation
- Deficient HR incentive policy
- Lack of a comprehensive database for most areas, including economic integration and agriculture
- High dependence on donor assistance
- Weakness of IGAD focal points in member states

IGAD's major achievements of 2013 include participation and coordination of staff recruitment and appointment for the IGAD Secretariat, as well as its specialized institutions and field programs; managing staff contracts; and facilitating and managing staff travels. The HR unit implemented a policy and strategy, and finalized a policy manual for recruiting project staff and consultants, and hired 46 staffers in 2013 (see table 9.17). That policy was essential to harmonize the terms and conditions of employment of project staff.

Finance

IGAD's 2013 budget was approved in May 2013 in Addis Ababa after being scrutinized in December 2012 by the Committee of Experts, meeting in Nairobi. The financial year saw the launch of the IDDRSI and realized substantial inflows from partners for the initiative. Furthermore, contributions received from IGAD member states rose to $5,085,926 (or 83 percent of IGAD's total proposed budget), up from $2,343,514 (or 42 percent of IGAD's total proposed budget) the year before (see table 9.18).

In 2013, arrears stood at $14.47 million, up slightly from $13.46 million the year before (see table 9.20). This represents nearly two and a half years' expenditure, implying that the IGAD Secretariat's activities were behind

Table 9.17: IGAD staff recruitment and appointments

Personnel changes	2012	2013
Appointments	28	42
Retirements	4	4
Terminations	-	1
Resignations	-	10

Table 9.18: Member state contributions remittances outturn, 2009–13

(current USD)

	2013	2012	2011	2010	2009	Average
Approved	6,096,515	5,546,410	5,291,334	4,762,595	4,498,622	5,024,740
Remittances	5,085,926	2,343,514	4,089,162	3,237,473	1,959,210	2,907,340
Percentage	83%	42%	77.3%	68.0%	43.6%	58%

Source: IGAD Annual Report.

schedule as full utilization was often limited by shortfalls in member states' contributions.

Funding from partners

Development partners continue to fund IGAD, disbursing $14,987,331 for various programs in 2013 (table 9.21). They have also contributed to IDDRSI, and have formed a global alliance to channel all such efforts.

2014 budget

The proposed 2014 budget was $7,316,694, up roughly 20 percent from the $6,096,515 approved for 2013. The development partners' budget proposal for IDDRSI activities was about $300 million, including for the initiative's individual country support programs. Member states' 2013 contributions were as per the approved budget, and the IGAD Secretariat collected 35 percent of its contribution arrears during the year.

Expenditures for 2013

Expenditures for 2013 were at about 83 percent of proposed budget levels (table 9.23). The Secretariat's expenditure (including specialized institutions of CEWARN and ICPAC) came to $5,077,613 for the year.

Table 9.19: Record of remittances for 2013

(current USD)

Member state	Amount paid
Djibouti	910,000
Sudan	988,462
Ethiopia	1,256,883
Kenya	1,340,580
Uganda	590,000
GRAND TOTAL	5,085,926

Source: IGAD Annual Report

Table 9.20: Member state arrears in 2013 and cumulative closing balances

(current USD)

Member state	2013	Closing balance
Djibouti	580,490	1,081,521
Eritrea		1,207,744
Ethiopia	124,728	124,728
Kenya	1,451,682	1,907,177
Somalia	-	-
Sudan	754,850	1,554,765
South Sudan	754,850	2,058,652
Uganda	1,173,071	6,533,233
Grand total	4,839,671	14,470,820

Table 9.21: Annual disbursements of development partners, November 2013

(current USD)

Project name	Amount (2013)	Amount (2012)
IRIISP (World Bank)	178,812	160,176
IGAD/SUDAN OPERATION/SWEDEN	0	1,034,585
USAID/LSGA	595,982	977,208
World Bank HIV/AIDS PPSP	1,400,000	1,973,220
RRF	0	195,851
GFDRR	0	154,461
Danish Peace Fund	1,200,000	1,099,989
IGAD/EU RISP II	1,581,612	514,772
IGAD/AU – APSA	733,997	1,056,427
Somali Effort Denmark – MGD	0	769,485
GiZ	439,567	920,483
JFA Fund	750,000	979,079
IGAD/ACP-EU Reg. Disaster	0	1,279,621
Reproduction Health (UNFPA)	486,121	228,502
RIHSSP (EU)	424,056	306,463
PPMU (Finland)	0	255,193
IRCC/EU Fund	0	408,948
INWRM (EU)	2,231,753	532,054
GMSSF	0	14,987
ERM - SOMALIA FACILITATION OFFICE	758,407	254,183
IGAD CPMR (EU)	0	1,023,381
REFORM (EU)	0	103,448
IGAD/ICA AFDB	1,110,677	19,968
Italian Special Fund	0	650,518
Counter Terrorism (Netherlands)	0	1,430,000
Counter Terrorism (USA)	0	302,475
IGAD/Peace Fund	0	49,597
IGAD-TSU Funds-Norway	20,000	176,539
AMESD	0	561,467
Climate Development	0	85,614
One Time Off Projects	0	302,919
Knowledge Sharing- USD	0	32,535
JFA Peace & Security	2,844,192	0
Bio Diversity Management EU	232,157	0
Grand Total	14,987,331	17,814,680

Source: Annual IGAD Annual Report (2014).

Table 9.22: Allocation of contributions

(current USD)

Member state	Percentage rate	Allocation of contribution	
		2014	2013
Djibouti	9.52	636,936	580,388
Eritrea	0	—	—
Ethiopia	22.66	1,521,945	1,381,470
Kenya	23.81	1,595,595	1,451,580
Somalia	—	—	—
Sudan	12.38	831,370	754,749
South Sudan	12.38	831,370	754,749
Uganda	19.24	1,287,283	1,172,969
Grand Total	100	6,704,599	6,096,515

Source: Annual IGAD Annual Report (2014).

Main findings of the 2013 ACBF survey

The ACBF consulting team conducted its capacity building assessment at IGAD's Djibouti headquarters from 29 November to 5 December 2014. The team met IGAD's executive secretary and other staff to discuss the organization's capacity needs and identify capacity gaps in its three main divisions: Economic and Social Development, Agriculture and Environment, and Peace and Security. The team also interviewed officials of the drought program (IDRISS) as well as the Project Monitoring and Evaluation Unit. These discussions—guided by a questionnaire customized for IGAD—resulted in a comprehensive status of IGAD's capacity needs, and is part of the conclusion of an assessment by IGAD's development partners: the EU and CIDA.

Policy and strategy cycle

Since ACBF's 2006 survey, IGAD has changed its capacity building strategy twice. The EU later did an institutional assessment to evaluate the effectiveness of IGAD's Executive Secretariat in fulfilling its operational responsibilities in light of commitments to its development partners, In 2006, CIDA and IGAD agreed to jointly assess CIDA's

Table 9.23: Analysis of projected budget performance for 2013

(current USD)

Item	Budget (a)	Actual January to October	Projected November and December	Total (b)	Variance (c) = (a)-(b)	Percentage utilized (b)/(a)
Staff costs	2,545,826	1,908,141	381,628	2,289,769	256,057	90%
Other staff costs	877,641	458,407	91,681	550,088	327,553	63%
Operational costs	926,530	553,867	110,773	664,640	261,890	72%
Cabox	125,000	9,666	1,933	12,000	113,000	90%
CEWARN	313,398	261,165	52,233	313,398	0	100%
ICPAC	918,641	765,701	153,140	918,841	0	100%
Additional support (adopted institutions)	329,478	274,565	54,913	329,478	0	100%
Contingency	60,000	0	0	0	60,000	0%
Grand Total	6,096,515	4,231,512	846,301	5,077,613	1,018,902	83%

investments in IGAD, and conduct a broader assessment to identify IGAD's strengths and areas for improvement. These capacity building strategies were included in IGAD's global strategic document, though they are not clearly specified, either at the regional or country level. As a result, coordination among member states has therefore been poor, given that each country conducts its capacity building activities in isolation. Inter-REC coordination has been supported mainly by development partners.

Usually, publications of capacity building strategies have targeted professionals at the level of IGAD only, with no recognition of decision-makers at the country level, or of the public. At the member state level, the approach has been bottom-up in consolidation with national strategies. IGAD assesses its policy cycle based on cost-benefit ratio analysis as well as issues and performances. All its policies have been subjected to independent assessment and it implemented one resilient-to-extreme-events strategy which received external support at the member state level. IGAD has a risk management framework for its policy and strategy cycle.

Capacity for monitoring and evaluation

In terms of capacity for monitoring and evaluation, IGAD has neither an existing framework for its policies, nor a quality assessment framework. The Secretariat is in the process of creating an M&E framework, even though it seems it has already produced two progress reports with results framework.

Although IGAD has a signed roadmap for establishing a free trade area, its level of integration has been ranked very poor for all indicators, including free movement of people; free trade area, customs union, monetary and economic integration, and political integration. Even so, AU/NEPAD has several initiatives, and IGAD has participated in most of them. IGAD does not have a strategy on statistics, nor does it have the capacity for database management. It only contributes to the implementation of Africa's initiatives on statistics in member states via coordination mechanisms such as workshops, conferences, and meetings. It does not support these initiatives with any form of technical assistance or resource mobilization.

Capacity for statistics, database, and dataset

Because of the absence of capacity for statistics, the regional bloc is unable to build a comprehensive data on regional integration or support a training center that delivers courses on statistics.

Capacity profile/assessment of needs

The 2006 ACBF survey was unable to bring any useful contribution to IGAD because the report was delivered late to the Secretariat at the time, even as IGAD was undergoing another assessment.

Budget, resource management, and projects

To carry out resource management and project activities, IGAD's resources are totally funded by grants. Funds are sourced from member states and development partners as shown in table 9.24 below:

Table 9.24: Sources of funds

Sources of funds	Ratio
Member state contributions	25.8%
Development partners Multilateral 56% Bilateral 44%	74.2%

Because of its funding structure, gaps do exist, usually as a result of the failure of member states to meet commitments. Political crisis in Eritrea and Somalia resulted in a 16.6 percent gap in the total planned budget, although IGAD has been able to mobilize resources for its operations.

Interventions/projects in capacity building

Intervention funds for capacity building have focused only on IGAD itself, and are provided by development partners such as the USAID/Finland $2 million capacity building facility. IGAD has no intervention from its own budget. IGAD member states do not request technical assistance, resource mobilization, or managerial support; support has usually focused on workshops and conflict mediation. IGAD is involved only in a few AU/NEPAD projects, as it sources most of its capacity for designing projects in-house, from consultants, or through the technical assistance of development partners.

Technical assistance and training

GiZ permanently supports IGAD with technical assistance, while Finland funds technical support for M&E. IGAD has received a few dozen experts in technical assistance over the past five years; this has been useful, as IGAD's human resources are aligned with its mandate.

Communication and events

In light of these needs, IGAD expresses official statements and interests for capacity through its reports and its website. The Secretariat has also organized events to discuss their needs with stakeholders.

Available human resource base

IGAD's five departments—Office of the Executive Secretary; Agriculture and Environment; Economic Cooperation and Social Development, Political and Humanitarian Affairs; and Peace and Security—have all expressed the need for more staff. The Economic Cooperation and Social Development Department has specifically requested trade and statistics experts, while the Political and Humanitarian Affairs and Peace and Security departments have asked for mediation experts. Given the political crisis IGAD faces, the REC dedicates 90 percent of its time on conflict management, while integration and other matters take up only 5 percent of IGAD's time. Likewise, senior staff members dedicate 90 percent and 5 percent of their time to conflict management and integration matters, respectively.

IGAD, like most RECs, has one politically appointed staffer. Six more are seconded by governments, and development partners support five technical experts. Remaining staffers are recruited through competitive processes, though the Secretariat has no incentive policy for fringe benefits and working environment except salary. In terms of knowledge management, IGAD has a mechanism for sharing knowledge, experiences, and best practices with other RECs, though less than 2 percent of its budget goes to a library and information center. IGAD lacks a research unit, but all its staffers are computer-literate and enjoy Internet access.

Priority sector in relation to capacity needs

IGAD's agricultural and food security policies are guided by a common strategic plan for 2014 to 2020. Although capacity building is integrated in this plan, no specific objective is stated for it. The community has dozens of projects in this sector. For instance, in its CAADP program, it coordinates implementation among members and assists member states in mobilizing resources. As stated earlier, however, it does not provide technical assistance support. IGAD currently has no database on agriculture or food security.

IGAD performs much better in drought and peace and security, where it has a common integrated strategy and a comprehensive database; however it has none for economic integration. IGAD employs 104 staffers in peace and security, compared to only four in economic cooperation and development (table 9.25 and 9.26).

Capacity development priorities

IGAD has undergone a series of reviews—frequently driven by individual donors—and institutional changes that have strengthened its internal capacity in strategic planning, human resources management, and other areas. However, it has not addressed fundamental institutional challenges. For example, IGAD has highly trained and capable senior staff, but they are not enough to implement IGAD objectives. Almost all of the entity's directorates and units, while recognizing and mainstreaming capacity building in their

Table 9.25: Personnel allocation in IGAD

Sector/priority	% of personnel allocated	Number of ongoing projects	% of total budget allocated
Agriculture and environment	5	8	10
Economic cooperation and social development	3.8	25	-
Political and humanitarian affairs	10	-	-
Peace and security	13.8	-	-
Drought	6.7	1	-
Food security	4.8	-	-
Climate prediction	11	-	-

Source: IGAD Secretariat.

Table 9.26: Composition and characteristics of IGAD staff

<table>
<tr><th colspan="2">Current staff size:</th><th>Executive Secretariat and all other cross-cutting units</th><th>Division of Agriculture and Environment</th><th>Division of Economic Cooperation and Social Development</th><th>Division of Peace and Security</th><th>Total</th></tr>
<tr><td colspan="2">Professional staff:</td><td>6</td><td>5</td><td>4</td><td>104</td><td>119</td></tr>
<tr><td rowspan="2">Gender</td><td>Male</td><td>4</td><td>4</td><td>2</td><td>73</td><td>83</td></tr>
<tr><td>female</td><td>2</td><td>1</td><td>2</td><td>37</td><td>42</td></tr>
<tr><td rowspan="2">Term of contract</td><td>> 6 months</td><td>6</td><td>5</td><td>4</td><td>16</td><td>31</td></tr>
<tr><td>< 6 months</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
</table>

Source: IGAD Secretariat.

Table 9.27: Resources required to fund IGAD capacity building needs

	Immediate needs (USD)	Short-term needs (USD)	Medium-term needs (USD)
Reinforcement of the personnel of Economic and Social Division	1,000,000		
Skills development: training of the staff at the commission to speed up its implementation policies	1,000,000		
Engage the services of experts to deepen policy strategies in integration areas and extend technical support to member states		2,000,000	
Continue to train IGAD and member countries personnel on project and data collection and management		2,000,000	
Train member countries to recruit and train focal points personnel on implementing integration policies			3,000,000
Total	2,000,000	4,000,000	3,000,000

Table 9.28: Persons contacted

Name	Department/unit	Position
Amb. (Engr.) Mahboub M. Maalim	Executive Secretary	Executive Secretary
Dr. Ayan Mahamoud	Drought Resilience Platform Unit	Coordinator for Regional Programming
Daniel Yifru	Peace and Security Division	Senior Peace and Security Advisor
Helen Hailu	Peace and Security Division	Program Officer Governance and Elections
Zeinab Mahmoud	Peace and Security Division	Program Officer
Joseph Rwanshote		Program Manager Trade, Industry and Tourism
Muhamad H. M. Yousif	Economic Cooperation and Social Development Division Project Preparation and Management Unit (PPMU)	Regional Expert for Studies (PPMU)
Dr. Leena M. Kirjavainen	Economic Cooperation and Social Development Division (PPMU)	Senior Consultant/CTA (Finland Technical Assistance to IGAD)
Beyene Belachew	Economic Cooperation and Social Development Division (PPMU)	Regional Experts for Projects (PPMU)
El-Sadig A. Abdalla	Economic Cooperation and Social Development Division	Director
Mubarak Mabuya	Economic Cooperation and Social Development Division	Program Manager Gender Affairs
Mohamed Moussa Mohamed	Agriculture and Environment Division	Director
Ahmed Habbane	Economic Cooperation and Social Development Division	Program and Project Coordinator
Samuel Zziwa	Agriculture and Environment Division	P.M. Agriculture, Livestock and Food Security
Dr. Eshete Dejen	Agriculture and Environment Division	Fisheries Expert
Abdullahi Busuri	Information & Documentation	Program Manager

activities, say they do not have sufficient personnel necessary to execute IGAD's mandate. For example, the organization urgently needs a statistical department to monitor the progress of its units on regional integration issues.

Immediate needs. IGAD's current situation calls for certain immediate action, including reinforcing personnel at the Economic and Social Division by hiring trade experts and a policy advisor to facilitate regional efforts toward regional integration, as stated in the Abuja Treaty.

Short-term needs. IGAD must establish a statistical unit staffed by expert statisticians.

Medium-term needs. IGAD told the team that the capacity gaps assessed in 2007 with EU support are still relevant, and that even though it needs to be updated, the assessment's conclusions and recommendations remain valid.

Long-term needs. IGAD is currently focusing on two main areas: peace and security issues, and agriculture and environment issues (particularly those dealing with the drought). IGAD needs assistance in building the requisite capacity that would allow it to tackle other pillars of regional integration, including trade, free movement of people, and a customs union, as envisioned in the Abuja Treaty.

10

MAJOR FINDINGS ACROSS THE SURVEYED REGIONAL ECONOMIC COMMUNITIES (RECs)

The preceding seven chapters presented the results for each of the surveyed RECs. What follows is a summary of our major findings across the seven surveyed RECs, with the intent of comparing the results.

Stock-taking from the 2006 survey and self-assessment of capacity needs

A logical starting point was to appraise to what extent RECs have followed the recommendations of the 2006 survey, the precursor to this study done by ACBF to examine the RECs' capacity constraints in implementing the NEPAD short-term action plan. Our results indicate that RECs' views on the 2006 survey differed. On one hand, some RECs like ECOWAS and ECCAS understood and appreciated its usefulness. In fact, the survey led to the establishment of some capacity development-specific projects and interventions that were either funded directly by ACBF or by other donors such as the AfDB.

On the other hand, for RECs like IGAD, which had minimal intervention from ACBF, and AMU, which was not part of the 2006 survey, there is less appreciation of the survey and its results. IGAD delivered its results late and its Secretariat conducted its own capacity needs assessment with support from Canada's CIDA and the EU. Both documents are still the reference point for any meaningful capacity development activities of the REC, including the current survey.

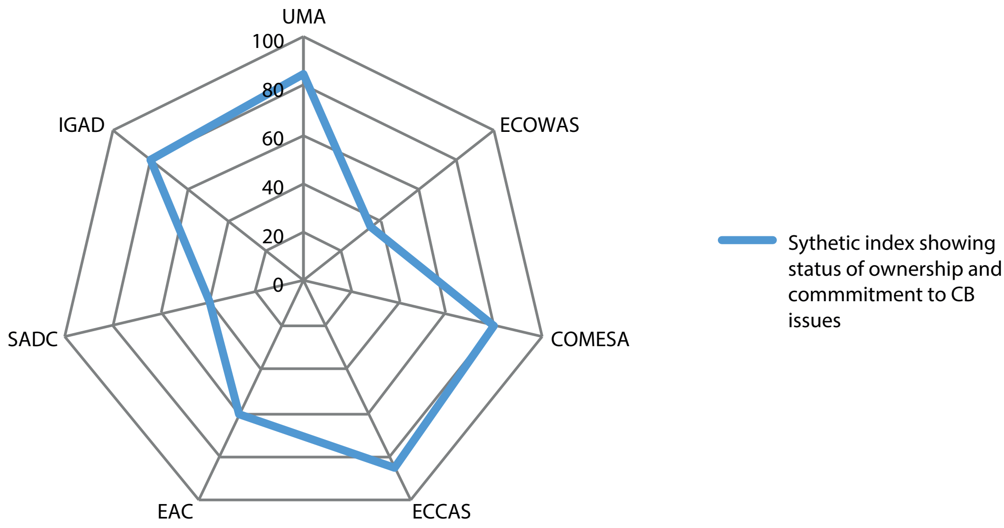
The analysis indicates that all the RECs have internalized capacity building and take it seriously. Yet despite the perceived need and potential impact on their ability to deliver results according to their mandates, only three out of the six surveyed RECs had undertaken capacity needs assessments on their own. Development partners such as DFID, EU, GiZ, and CIDA funded these assessments, with implications on ownership and commitment. Commendably, COMESA did a self-assessment of its capacity needs with its own resources.

Ownership and political commitment to capacity building

Nearly all the RECs visited have policy documents on capacity building and strategic

Figure 10.1: Illustration of ownership and commitment to CB issues at the political level

(%)



action plans indicating the main directions of their interventions in the short, medium, and long term. The RECs were specifically asked if they specify capacity building in their global policy, strategy, or action plan as a component. Figure 10.1 illustrates the RECs' ownership and commitment to capacity building at the political level.

AMU, ECCAS, COMESA, and IGAD have shown a high level of ownership and commitment to CB issues. In fact, these four RECs specifically indicated that CB is a major component of their policy and strategy. In addition, the four have demonstrated their commitment to improving their capacity through the allocation of domestic resources to capacity-related activities or projects, even though the allocation is not large.

At the other extreme, ECOWAS demonstrates a low level of ownership and commitment to capacity needs. This is a result of two related issues: poor commitment from ECOWAS management to allocating internal resource CB issues, and a political decision to freeze recruitments of professionals for several years now.

Capacity challenges in terms of inter- and intra-REC coordination

The 2006 survey stated in its findings the importance of coordination and a clear division of labor within the RECs, among its development partners—either traditional donors or non-state actors like the private sector and civil society—and among the RECs themselves. The tripartite task force of COMESA, EAC, and SADC is a commendable practice in inter-REC coordination, and a milestone in African integration (see box 10.1).

This tripartite arrangement helps the three RECs and its member states to advance coherently through the implementation of the Abuja Treaty and the various stages of regional integration. Indeed, several other RECs also hope to forge partnership agreements to coordinate and harmonize their activities and programs. For instance, IGAD has signed partnership accords with both COMESA and EAC, with EU support.

Similarly, CEN-SAD has partnership agreements with AMU and ECOWAS, while ECOWAS and ECCAS have developed a coordinated marine security management agreement. However, many of these agreements are not being effectively implemented. AMU, for instance, reported that it has already initiated an exchange agreement with ECOWAS in agriculture, desertification and food security, but the project is still pending.

Figure 10.2 depicts the level of importance of coordination for each REC in terms of its ability to coordinate and harmonize its actions with other RECs and/or with its member states. It is measured through a composite index combining all questions contributing to each REC's capacity in this regard. The figure confirms the good standing of SADC,

Box 10.1: The Tripartite Arrangement: A major milestone towards Africa's integration

The tripartite arrangement linking three regional economic communities (RECs) in eastern and southern Africa will consolidate a $1 trillion market, comprising 58 percent of Africa's GDP) and about 587 million consumers in 26 countries. By harmonizing and coordinating their regional programs, the three RECs—COMESA, EAC, and SADC—will play a pivotal role in not only boosting intra-African trade but also in rationalizing cooperation among different RECs.

The Heads of State and Government established this arrangement at the first Tripartite Summit held in Kampala, Uganda, in 2008. At the second meeting held in Johannesburg, South Africa, in 2011, the Tripartite Summit launched TFTA negotiations and approved a 36-month roadmap for their completion. Implementation of the 26-member Tripartite Arrangement began in 2014, and could ultimately fast-track the CFTA. It is anchored on three pillars comprising market integration, industrial development, and infrastructure development.

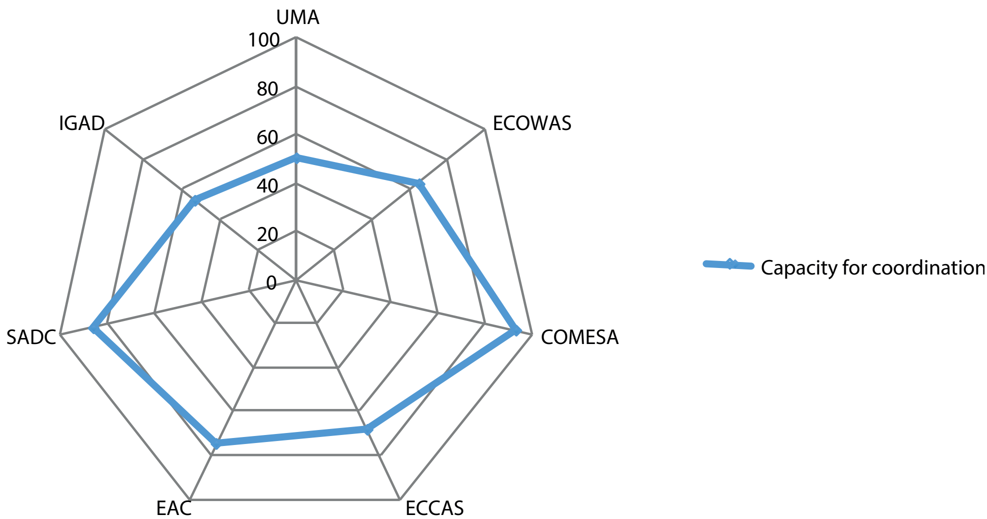
Nonetheless, the current coordination of tripartite activities is shared under the Tripartite Task Force, which is headed by a chair that rotates among the three RECs on an annual basis. With the exception of the EAC, the other two RECs have no dedicated unit to handle tripartite activities. Thus, the tripartite work program is handled by an already overstretched staff.

In order to address capacity-related constraints, the African Development Bank, in consultation with the RECs, has agreed to develop a Tripartite Capacity Building Program (TCBP) to complement the support provided by other development partners. Through short-term technical assistance and in-depth analytical technical analysis, the TCBP will enable RECs to effectively articulate their positions in the tripartite trade talks while bolstering their coordination of the negotiation process.

Source: Adapted from African Development Bank (2013).

Figure 10.2: Existing capacity for inter- and intra-REC coordination

(%)



EAC, and COMESA—mainly attributable to the establishment of the tripartite Secretariat. At the lower rung is AMU, which seems isolated from other African RECs. However, for nearly all RECs, some thematic and sectoral workshops—especially in the area of statistics—have always occurred, but this must still be strengthened to improve harmonization of activities conducted within each REC.

Intra-REC coordination with member states

Judging from the response to the interviews we conducted, it seems that a major capacity challenge for most RECs is the difficulty in interfacing with their member states. Therefore, dealing with capacity in member states is as important as those of RECs if they are to contribute meaningfully to the integration process.

For instance, given the RECs' coordination role in several analytical areas such as statistics and M&E, the performance of RECs depends, in large part, on existing capacity at the country level. Most of the databases for both primary and secondary data at the level of RECs are populated by data provided by member states. If capacity at the member state level is weak, there isn't much a REC can do. This calls into reckoning the need to also build the capacity of institutions at the national level which interface with RECs.

Available human resources base

Throughout all seven surveyed RECs, citizenship of member states or political considerations—primarily through elections—dominates staff recruitment. However, skills are also a factor when selecting candidates.

Our analysis shows strong links between a REC's mandate and the way it recruits its staff. Those like EAU or AMU, whose mandates are political, tend to recruit staff based on citizenship or political considerations, either through secondments by their governments or by political appointments. This process is largely based on a quota system, which is either implicit—without predefined distribution among member states—or initially fixed and equitable among them.

On the other hand, COMESA and SADC—whose main regional objective is trade integration—recruit staff mainly through competitive processes; this is also the case for IGAD, 80 percent of whose staff is recruited competitively. ECOWAS and ECCAS, which aim for a mix of politics and competition, have adopted a formula that combined both recruitment modes, but the balance still tilts in favor of political considerations.

As indicated in figure 10.3, AMU is clearly an outlier, as all its professional staff are appointed by political consideration. A quota exists for each of its five member states, corresponding to the five directorates of the AMU Secretariat. In addition, even the headquarters of its institutions are scattered in different countries.

Language proficiency

Data on personnel disaggregated by language proficiency is available only for three of the seven surveyed RECs: AMU, COMESA, and SADC. As to be expected, most SADC and COMESA staffers are fluent in English, and, to a lesser degree, French. AMU staffers are proficient in both Arabic and French (figure 10.4).

Figure 10.3: Distribution of staff personnel according to mode of recruitment

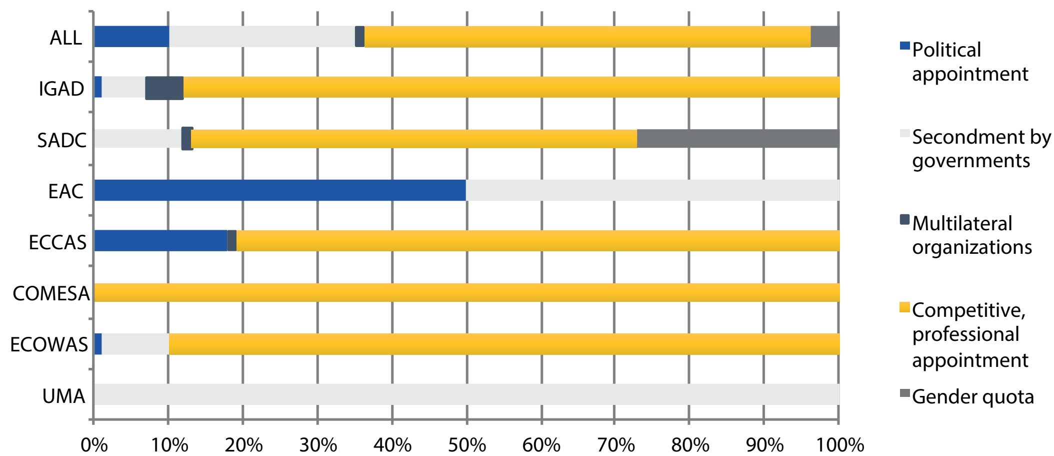
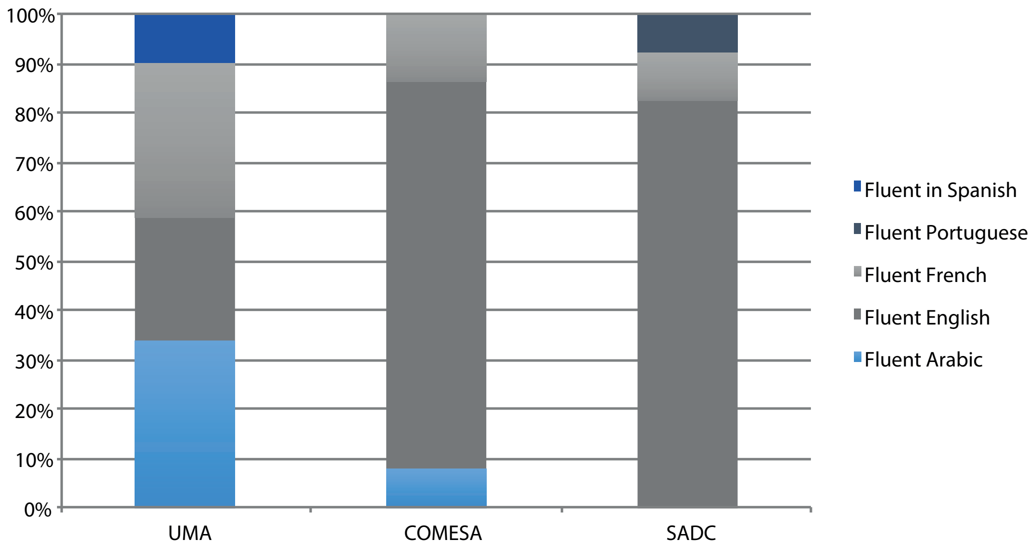


Figure 10.4: Language proficiency of staff



Communication, publications, reporting, and outreach

All surveyed RECs communicate mainly through their websites and annual reports, which are dynamic and up to date, except in AMU's case. Besides its online presence and the publication of regular reports and other materials, COMESA is a leader in the dissemination of documents and messages through public exhibition and media house events, supported by an operational information center.

Capacity for statistics and M&E

To assess the RECs' existing capacity in statistics and M&E, the questionnaire captured detailed information which can be structured in three main categories:

- Existence and operability of a specific framework dedicated to these issues, with a special focus on regional integration databases and processes.
- Ability of such a framework to tackle related challenges among member states and link them to African initiatives. This assessment is based on actions RECs take in terms of coordination, technical support, and resource mobilization to help implement such initiatives at the member state level.
- Support for training institutions that offer statistical courses and graduate statisticians and M&E specialists.

Statistical system

Our findings show that while all other RECs have specific units dedicated to statistics or

M&E, AMU and IGAD have yet to put such systems in place. Therefore, both have indicated that building a statistical framework that aims to provide a comprehensive regional database is among their most important and immediate needs. Even other RECs that have statistical and/or M&E units still face obstacles. For instance, ECCAS and COMESA each have only one or two statisticians in charge of the whole process (figure 10.5).

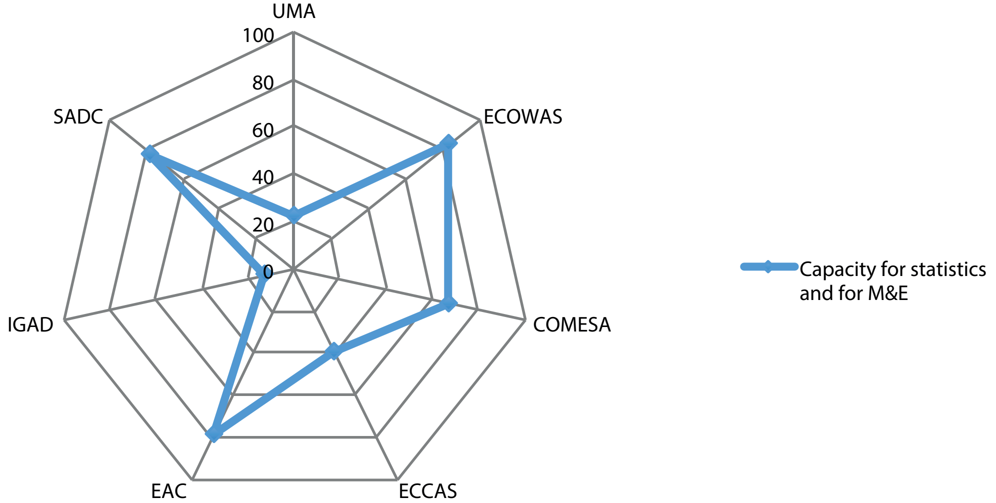
On the other hand, survey results show that all RECs could coordinate the implementation of continent-wide statistical initiatives (such as NSDS and the AU Charter of Statistics). However, due to limited staffing, few RECs were able to provide consistent direct technical assistance to national statistical systems.

The most commonly reported support from RECs to member states is reinforcement of smooth, harmonized data exchange from the national to the regional level. This process leads to a comprehensive and reliable database on regional integration issues such as demography, markets, customs, and infrastructure. However, our findings show major discrepancies among RECs in meeting this objective. While EAC, COMESA, and SADC are well on their way to completing these integration pillars, ECOWAS is still starting some of them, ECCAS populates its database only by trade statistics, and AMU and IGAD haven't even begun the process.

Regarding the last point used to assess capacity in statistics, only EAC says it has supported a training center offering a statistical course, thereby helping to boost the number of professionals in this area for the future.

Figure 10.5: Capacity for statistics and M&E

(%)



Monitoring and evaluation

With respect to M&E, all the RECs except ECCAS reported that they have in place a specific unit and/or personnel dedicated to deal with monitoring and evaluation issues. However, even for RECs that claimed to have this framework in place, their commitment to manage M&E activities remains weak as shown by the very limited human and financial resources they allocate for such activities. The main M&E outputs done by most RECs focus only on producing annual activity reports. Finally, only three of the seven RECs surveyed have quality assessment frameworks in place. Commendably, EAC's resulted from a performance-based contract that aims to monitor the efficiency of its personnel and that of the REC as a whole.

Functionality of websites

Given today's level of regionalization and globalization, intergovernmental websites are not only necessary, but must be well-designed and functional. The websites of EAC, COMESA, SADC, IGAD, and ECOWAS are all registered under the .int domain, which is characteristically used and reserved for international treaty-based organizations. The AMU and ECCAS websites both use the .org domain. Average benchmarking also shows that most sites performed better in design/appearance, navigational/site structure and content uploads than in level of public engagement. Capacity for engaging with the public is particularly weak, especially with regard to feedback and time lapses in receiving responses after filling out the contact form; accessibility to frequently asked questions (FAQs); the ability of site users to sign up to newsletter subscriptions; and the presence of

Table 10.1: Website scorecard for Africa's RECs

REC	AMU	EAC	COMESA	SADC	IGAD	ECOWAS	ECCAS		
Website	www.maghrebarabe.org	www.eac.int	www.comesa.int	www.sadc.int	www.igad.int	www.ecowas.int	www.ceeac-eccas.org	Average	Max Score Limit
Technical	27.5	37	36.5	32	34	32.5	26	32.2	40
Design/ appearance	27.5	32	32	37	34	40	29	33.1	40
Navigation/ site structure	29	34	34	32	36	36	30	33.0	40
Content	20.5	34.5	34	32	35	40	26	31.7	40
Engagement	28	26	25	16.5	18	36	16.5	23.7	40
Average	27.2	33.5	33.1	30.9	32.2	37.7	26	31.5	

Source: Author's compilation (2015).[39]

social media links for sharing relevant contents, including videos and articles.

Coincidently, RECs that used the .int domain scored relatively better on average than ones using a .org domain. ECOWAS (with a score of 37.7 out of a possible 40) and EAC (33.5) had better functional sites than that of AMU (27.2) and ECCAS (26). Suggested recommendations would require proper domain name registrations for AMU and ECCAS as intergovernmental organizations, and the need for a properly designed search engine across all community websites. RECs will also need to promote content sharing and public engagement, both at the member state and the organizational level.

Status of regional integration stages completed by the RECs

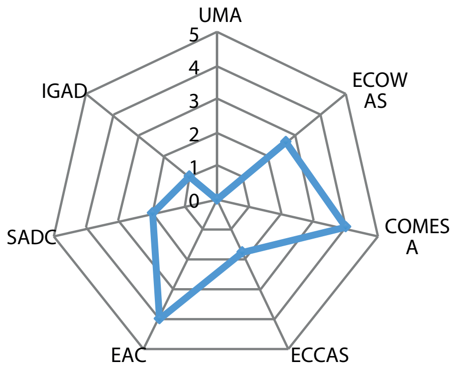
While each REC has its own areas of interest according to its respective mandate and vision with regard to regional integration issues, all concentrate mainly on establishing trade blocs. To some extent, all involve political and economic cooperation; even though some focus on a specific aspect of regional integration, our survey tried to form a global view of all stages from respondents. Findings are summarized in figure 10.6.

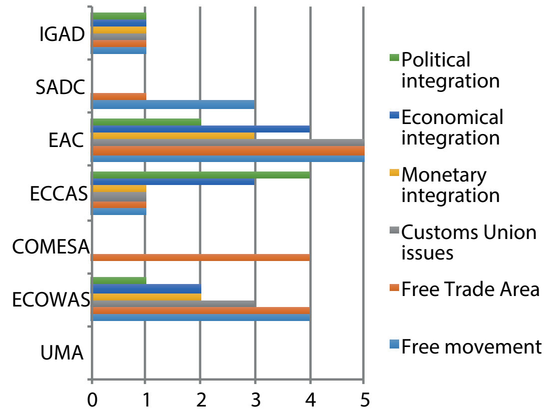
As noted previously, the RECs have made significant progress since their establishment in various fields. For some, implementing their programs is still a slow process, and they need the support of different actors. Knowing that RECs have different visions and approaches in terms of integration and prioritization of areas, all RECs cannot be expected to progress at the same pace, record the same level of achievements, or reach the same stage of development and integration at the same time.

As shown in the first part of figure 10.6, a REC that focuses its mandate on a specific

Figure 10.6: Level of completion of regional integration stages by RECs

(scale of 1 to 5 based on the ACBF questionnaire)





pillar of regional integration tends to complete that stage much more quickly. For instance COMESA is closer to completing the only pillar on which its mandate is focused—creation of a free trade area—with 16 of its 19 member states having ratified the common market protocols.

On the other hand, RECs that focused on many regional integration pillars at the same time—free movement of people and economic, political, and monetary integration—appear to have difficulties completing any one of these intended pillars. This is likely the case with ECCAS, ECOWAS, SADC, and IGAD. ECCAS is now focused on resolving Central Africa's political crisis at the expense of other crises. ECOWAS has inaugurated its FTA and plans to launch a customs union, but faces many obstacles, including the hesitation of some member states to fully engage themselves in sensitive areas like a free trade area or a common currency.

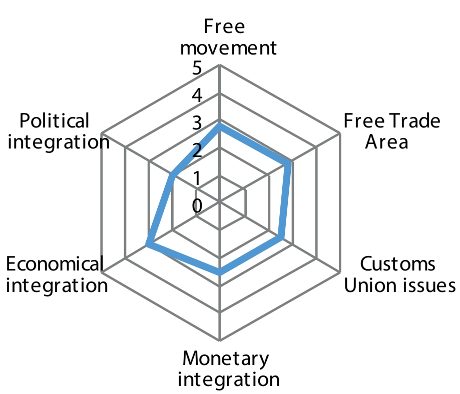
EAC seems to be an exception, with remarkable progress in all pillars. Actually, three of the main pillars are effective: political and economic integration, as well as monetary integration after the endorsement and ratification of the common currency protocol.

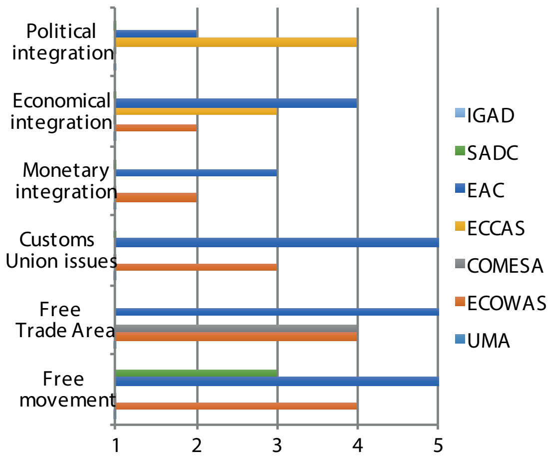
AMU is relatively slower. It is still in the earliest stage of enhancing cooperation among its member states. The same is true of CEN-SAD. For IGAD, the delay is a consequence of the focus on crisis management in the Horn of Africa; 104 of its staffers work in the Peace and Security Department, compared to only four in the Economic Cooperation and Social Development Department.

Figure 10.7 below shows the level of completion for each of the regional integration pillars. It shows that from a global point of view, no REC has fully completed any one of the stages of regional integration. The most advanced integration scheme seems to be free

Figure 10.7: Level of completion for each of the regional integration stages by pillar

(scale of 1 to 5 based on the ACBF questionnaire)





movement of people, mainly thanks to the achievements of ECOWAS and EAC in this regard.

Analyzing respondents' additional comments on completing the regional integration pillars, we can attribute the poor result to existing capacity gaps at the REC level—led by the lack of qualified personnel as one of the worst bottlenecks undermining the delivery of expected outcomes, despite the political will shown by REC leaders and the efforts made in this regard.

11

SUMMARY OF MAJOR FINDINGS, RECOMMENDATIONS, AND CONCLUSIONS

This study addresses the critical, pressing problem of capacity building in Africa's regional economic communities (RECs), which have been identified as the "building blocks" of the African Union. They also play a pivotal role in implementing various regional projects and programs. The survey evaluates and reappraises the capacity needs of Africa's RECs in view of their new strategic thrust and development imperatives, both current and prospective. It also seeks to offer guidance to key development partners on their interventions and programs in capacity building, taking into consideration new development priorities and scenarios such as Agenda 2063, the focus on green economy, inclusive growth, youth employment creation, and the increasing role of non-traditional partners such as China and India.

The study report focuses on seven of Africa's eight RECs: the Arab Maghreb Union (AMU), the East African Community (EAC), the Economic Community of Central African States (ECCAS), the Economic Community of West African States (ECOWAS), the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), and the Intergovernmental Authority on Development (IGAD). CEN-SAD could not be surveyed due to logistic challenges. Following is a summary of our key findings, including some general observations.

General observations

- The treaty establishing a REC is signed by all heads of states and government, is well documented, and is ratified by parliamentary institutions. Protocols and pending protocols are presented in annual and other reports.

- The Secretariat of each REC is clearly identified and recognizable. While ECOWAS and ECCAS rent premises, EAC owns its property, and SADC has a public-private partnership arrangement for its headquarters. All the RECs have professional staff with high-level skills.

- Management recruitment differs considerably among the RECs. AMU has a rotation system for the Secretary General with national quotas for senior professional personnel, while ECOWAS has a rotation system for the president of its commission; there is national representation of commissioners; and competitive and professional appointments with recognition of member state representation. EAC has a rotation system for the secretary general, and its staff are recruited on a professional and competitive basis, with respect for the equity of member states. In contrast, SADC has a competitive recruitment system, in which member countries nominate candidates for executive secretary, who are interviewed by the Council of Ministers; all other management positions are advertised, and candidates are interviewed by a panel consisting of member states.

- All RECs without exception expressed concern about inadequate staffing as well as lack of funds, and in some cases, the procedures to recruit required staffing levels. Each REC's activities are conducted by management, senior, and support personnel at their Secretariats, which develop regional policies, processes, and procedures to fulfill their mandates; they are then implemented by member states. All the RECs indicated the need to strengthen linkages between their secretariats and member states. Indeed, one deputy secretary general told our survey team: "If you strengthen the capacity of the Secretariat without strengthening that of the member states, then it is of no use."

- RECs are unable to recruit and train personnel prior to ratifying protocols, especially when moving from one stage of the integration process to another. For example, EAC and ECOWAS are now scrambling to train existing staff and recruit personnel for the monetary unions of their respective institutions even though the protocols establishing this level of integration process are in place. Indeed, EAC leaders signed the protocols on 30 November 2013; ECOWAS leaders are not far behind.

- Although all partner states must contribute towards the operation of the REC to which they belong, most fall short in paying the necessary dues. Consequently, development partners have funded 40 to 60 percent of their budgets; the only exception is AMU, which is fully funded by its member states.

- With the exception of COMESA, all of Africa's RECs have been immersed in conflict resolution activity at one time or another. AMU and ECCAS have practically suspended all trade activities and negotiations; SADC reinstated Madagascar in early 2014 after suspending its membership in 2009 for political reasons, and ECOWAS recently enlisted French and British help during the recent civil uprising in Mali.

- RECs are sharing knowledge and experiences. For example, EAC and UEMOA now collaborate on monetary integration and have held high-level technical cooperation meetings. Likewise, AMU and ECOWAS interact on environmental issues, and EAC, SADC, and COMESA have a joint technical team on human resource management.

- Harmonization of national accounts, monetary and financial variables, and policies on agriculture, industry, energy, health, poverty, trade, commerce, and cost of living are fundamental to regional integration. All depend on data and information gathering.

- The RECs' Statistical Units are inadequately staffed, particularly at the national level, and none of the RECs expressed confidence in the data provided by member states.

- RECs need adequate research to inform the integration process. ECOWAS has established its own Economic Policy Research Unit, while SADC has hired a senior-level official to establish such a unit. AMU does not have a research or statistical unit, and EAC has a statistical unit but not a research unit.

- Monitoring and Evaluation is important for consolidating gains and guiding future programs. All the RECs recognize this, and in some cases, their M&E departments have developed elaborate user-friendly, web-based monitoring systems, especially for Secretariat activities. But the "E" in the M&E is weak at best. RECs are concerned that there is little evaluation of projects and programs, and implementation of regional policies, processes, and procedures by member states is virtually non-existent.

- Innovative ideas abound at RECs. Secretariats teem with creative, energetic, forward-looking staffers. Efforts are afoot to set up a trained team of experts to peer-review data and statistics provided by member states, with a view to establish think tanks to act as a hub for conducting research within the RECs.

Major findings on capacity building

- ACBF did no systematic follow-up on recommendations of the 2006 Assessment of Capacity of RECs to implement the NEPAD short-term action plans on infrastructure.

- As ACBF has espoused in recent years, capacity is undoubtedly at the heart of Africa's quest for impactful, sustainable results from regional integration efforts. Evidently, the capacity interventions deployed over the years have been largely fragmented and reactive, rather than well-planned initiatives that respond to the region's development needs and challenges. All RECs lack sufficient capacity in the four assessment areas, particularly in policy and strategy, M&E, statistics, budget, resource management, and human resources.

- Efforts to enhance learning at the REC level have been dominated by training approaches that are often ad hoc in nature, delivered by different parts of the organization using different standards without a clear, comprehensive understanding of the actual impact. Follow-up has also been lacking. Divisions and units tend to operate in silos. Increasingly, capacity development strategy requires spaces that foster joint strategizing and constructive collaboration.

- Some RECs, through their mode of appointments and capacity building programs, display gender insensitivity with regard to staff composition and hiring of consultants.

- In general, RECs rely too much on external sources for funding capacity building activities, which are largely financed by development partners. Most RECs have a weak foundation in resource mobilization, utilization, and management as reflected in the prevalence of member-state arrears and poorly harmonized donor support systems.

- While most RECs have enacted initiatives to improve their abilities to live up to their mandates and contribute to Africa's continental agenda, the synergy is seemingly absent. RECs have not delivered effectively and efficiently, in a coordinated manner.

Main recommendations

The capacity of RECs and other African institutions will determine, to a large extent, any progress in regional integration. As SADC's executive secretary recently observed, such integration will require a robust network of national and regional institutions—including RECs—as the building blocks for Africa's transformation. This fundamentally implies the need for efficient RECs as coordinating and facilitating institutions whose own capacities are strong enough to drive regional integration. We offer the following recommendations, based on our surveys, as a way of strengthening capacity building in African RECs.

Regional economic communities

- Africa's RECs must urgently strengthen the mandates of their executive secretaries, not only managing internal mechanisms within their Secretariats and complementary governance structures, but also advising member states on key regional integration issues. This approach would be effective in driving an integrated approach to ensuring consistent engagement and implementation of subregional priorities.

- Mindful that training has often been used as "quick-fix" solution indiscriminately thrown at complex capacity problems, skills development should increasingly be supported in ways that better bridge individual learning and changes in the institutional environment. Several innovative approaches should be explored including coaching and mentoring, E-learning, knowledge management, organization strengthening, and developing partnerships with universities and peer institutions.

- The knowledge management component is at the heart of knowledge capturing, sharing, exchange, and dissemination. Knowledge management services should include the establishment of Communities of Practice (COPs) where practitioners share knowledge and experience towards finding sustainable and well-researched solution to problems.

- All major projects must have a training component. Some RECs have instituted policies requiring that this training component is funded along with the activities of the project. This is a creative strategy to address the capacity needs of personnel working on a specific project, and it should be adopted by other RECs.

- RECs should strive to minimize duplication of capacity building activities; this would improve efficiency and maximize the opportunities offered to RECs for institutional and human resource capacity building.

- To accommodate gender balance in capacity building, all RECs should design a gender policy anchored on international conventions, specifically the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), and adherence to the AU solemn declaration on gender equality in Africa. A comprehensive gender policy, coupled with adequate human and financial resources would provide a sufficient framework to address gender issues more meaningfully.

- A robust Monitoring, Evaluation, and Reporting System for RECs is not only an essential management tool for policy effectiveness, but it would also adequately institutionalize the implementation process of their capacity development plans. The system should be simple, manageable, and versatile enough to be utilized and applied across member states.

- Africa's RECs must enhance their internal capacities to devise innovative resource planning, mobilization, and utilization strategies. They need sustainable funding for various activities including capacity building; in this regard, a trust fund should be established and financed by contributions from both member states and development partners. A specified percentage of money from each group should be set aside to finance the fund, and the REC should decide the proportion of the fund to be allocated to capacity building. The ECOWAS Commission is developing such a strategy and the other RECs may consult it for guidance. Introduced in 1996, the 0.5 percent levy on goods imported into the region from third countries will enable the community to fund its programs as a replacement for the previous regime of assessed dues.

African Capacity Building Foundation

- The ACBF should strive to undertake a similar assessment of the capacity of key institutions and actors at the national level that interface with RECs.

- In collaboration with the African Union Commission, the ACBF should monitor and track developments in RECs on an annual basis, including implementation of this study's recommendations.

- It should continue to help RECs build critical capacity; create and support a Community of Practice (CoP) to share good practices in capacity building; and develop regional standards and common indicators to measure progress and a harmonized reporting format to ensure comparability of each country's performance.

African Union

The capacity of the entire AU institutional architecture requires attention, as part of the RECs capacity and institution building process. This is particularly true as it relates to effective linkage with other AU institutions in avoiding the long-standing and unattended problem of overlaps and duplication by institutions which are supposed to work in coherence, linking and reinforcing transformation efforts.[40] Thus, an integrated model of capacity building linking the AU, RECs, and member states is an urgent imperative. The initiative should aim at forging functional linkages among RECs and other AU organs and institutions with a view to creating synergies, while avoiding duplication and waste.

Development partners

We encourage partners to continue assisting RECs to develop their capacity. The support of development partners is crucial in several key areas including developing an enforcement mechanism to ensure that capacity development interventions bring about the desired impact; strengthening the RECs' coordination capacities; building coherent and coordinated systems for monitoring and evaluation; and promoting knowledge/experience sharing and learning platforms so as to nurture sustainability and continuous improvement. However, a clear definition of the role and space of cooperating partners in strengthening institutional capacities is of critical importance. This will allow for entrenched ownership of Africa's development agenda by Africans.

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APPENDIX 1: THE QUESTIONNAIRE

THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE

A SURVEY ON CAPACITY BUILDING NEEDS OF AFRICAN REGIONAL ECONOMIC COMMUNITIES

GUIDELINES

(QUESTIONNAIRE)

2006-2013

REC

July 2013

CONTENTS

SECTION A: CAPACITY FOR MANAGING RESULTS

A.I. POLICY AND STRATEGY CYCLE

a. Is capacity building included in the REC global strategic document /action plan as one of its component?

the REC level: 1.Yes with a specific chapter 2.Yes but not clearly specified 3.No

country level: 1.Yes with a specific chapter 2.Yes but not clearly specified 3.No

b. How important is the coordination of Capacity Building strategies of the REC?

1. Poor 2. Medium 3. Strong

Comment: ____

____

c. How many Capacity Building strategies are in coordination at inter-REC level and published?

1. All 2. Some 3. None

Comment: ____

____

d. Do the publications of the Capacity Building strategies target:

1.Professionnals at the level of the REC only *1.Yes 2.No*

2.Decision makers at country level *1.Yes 2.No*

3.Public at country level *1.Yes 2.No*

e. Does the Capacity Building strategy of the REC take into account a continental or national dimension?

1. At member states level: *1.Yes* *2.No*

2. Continent level: *1.Yes* *2.No*

f. If YES at member states level, what approach? *1. Bottom-up* *2.Top-down*

g. If NO, what is the best way to ensure coherence between the REC and countries strategies

1. Consolidate national strategies to build the REC's ones

2. Strategies are set at the REC level and spread out to countries

h. How many times has the REC Capacity Building strategy changed since 2006?

1.No change *2.Every year* *3.Two times* *4.Don't know*

i. What analytical tool does the REC use to assess its policy cycle?

1. Economic (cost benefit) *1.Yes* *2.No* *3. Don't know*

2. Prospective (scenario, metaphor…) *1.Yes* *2.No* *3. Don't know*

3. Management *1.Yes* *2.No* *3. Don't know*

4. Others:____

j. How many policies have been subjected to independent assessment?

Number: _________

k. How many resilience-to-extreme-events strategies have been implemented?

Number: _________

l. If any, did the REC receive any support from external organization/countries dealing with these resilience-to-extreme-events at member states level?

1. Yes 2. No

m. Does the REC have a risk management framework?

1. Yes 2. No

A. II. CAPACITY FOR MONITORING AND EVALUATION

a. Does the REC have a monitoring and evaluation framework of its policies?

1.Yes 2.No

b. Does the REC have a quality assessment framework?

1.Yes 2.No

b-bis. If YES, who designed it?

1. International independent organization

2. Local private firm

3. External partner

4. Internal service

*5. Other (specify):*______________________________________

c. How many progress reports with result frameworks have been produced so far?

Number: ______

d. How many Regional Integration stages have been completed so far by the REC?

Number: ______

Comment: ____

____

d-bis. Integration issues	Level of integration From 1 (bad) to 5 (best)	Observations
Free movement of the population		
Free Trade Area		
Customs Union issues		
Monetary integration		
Economic integration		
Political integration		

e. How many AU/NEPAD initiatives has the REC been involved in?

Number: ________ *1. All of them* *2.Many of them* *3. Few* *4. None*

A. III. CAPACITY FOR STATISTICS, DATABASE AND DATASET

a. Does the REC have a strategy on statistics? *1.Yes* *2.No*

b. How does the REC contribute to the implementation of the Africa's initiatives on statistics in member states (SNDS, African charter of statistics and so on)?

1. Coordination (workshops, meetings of member states…) *1.Yes* *2.No*

2. Technical assistance? *1.Yes* *2.No*

3. Resources mobilization? *1.Yes* *2.No*

4. Other: ____

If one of the answers is NO, please explain:____

____

c. Does the REC support a training center delivering a specific course on statistics?

1.Yes *2.No*

d. Does the REC have a comprehensive database on regional integration?

1. Yes *2. Ongoing* *3. No*

A. IV. CAPACITY PROFILE / ASSESMENT OF CAPACITY NEEDS

a. To what extend has the 2006 ACBF survey on capacity needs been useful to the REC?

1. Very useful *2. Somewhat* *3. Not useful* *4. Don't know*

Specify: ____

____

____

b. Has the REC conducted any assessment of capacity needs within the past 5 years?

- for the Union *1. Yes 2. No*

- for its member states *1. Yes 2. No*

c. If yes, who undertook the assessment?

1. Independent body

2. the REC itself

3. Other: ____________________________

d. If yes, who funded the assessment?

1. the REC itself

2. DP (specify):________________________

3. Others: ____________________________

e. Is the final report validated and available?

1. *Yes, accessible to the public*

2. Yes, but not accessible

3. Yes, ACBF team can get one copy

4. No

SECTION B: BUDGET, RESOURCE MANAGEMENT, AND PROJECTS

B. I. BUDGET AND RESOURCE MANAGEMENT

a. What are the REC's source of funds?

1. Member states contributions: ________%

2. Development Partners: ________%

Multilateral ________%

Bilateral ________%

Foundations/NGO ________%

Private sector: specify:________________________________ ________%

Comments:____

____

b. Type of resources: 1. Grants ________%

2. Loans ________%

c. Gap in the budget (% of the total planned budget): ________%

d. Why is there a gap? *1.Failure in commitments*

*2. Other, specify:*________________________

e. Which did not fully commit?

1. Member states. Why?____

2. Developpment Partners, Why?____

3. Others (specify) : ____

f. What is the REC ability to mobilize resources?

1. Doing well *2. Somewhat* *3. Not sufficient* *4. Don't know*

B. II. INTERVENTIONS / PROJECTS IN CAPACITY BUILDING

a. Amount or percentages allocated to ongoing capacity building activities:

	Capacity of the REC itself	Capacity for member states
From the REC's own budget		
DPs		
Other:________________________		

b. How many AU/NEPAD projects is the REC involved in? Number: __________

1. All of them 2. Many of them 3. Few 4. None

c. What is the source of the capacity for designing the REC projects?

1. In-house *1. Yes 2. No*

2. Consultants *1. Yes 2. No*

3. Other:____

d. Has any member state requested support from the REC?

1. Technical assistance: *1. Yes 2. No*

2. Resource mobilization: *1. Yes 2. No*

3. Managerial: *1. Yes 2. No*

4. Others (specify): ____

B. III. TECHNICAL ASSISTANCE / TRAINING

a. Does the REC have a Technical Assistance/Capacity Building Programs?

1. Yes 2. No

If YES, specify:______________________________

b. Cumulative amount of funds (or number of experts) received for technical assistance for the past 3 years:

Number of experts: ______ *or Amount:* _____________

1. More than 20 2. Dozens 3. Less than 10

c. Areas of training attended by professional staff and capacity needs in the medium-term:

Area of expertise	Number of professional attended training in this area	Minimum needs expressed in next 3-5 years
Regional integration and trade		
Peace, security, and good governance		
Infrastructure		
Agriculture and food security		
Environment and climate change		
Natural resources and extractive industries		
Economic transformation for youth employment / gender issues		
Private sector development		
Green, inclusive socio-economic development		
Supply chain connectivity and value chain integration		
Other area1:_____________________________________		

Comments:____

____

d. To what extent is the REC human resource aligned with its mandate?

1. Fully aligned   2. Aligned   3. Not aligned

B. IV. COMMUNICATIONS AND EVENTS

a- How many times have the member states expressed official statements/interest on the capacity needs of the REC during the past 5 years?

1. Often   2. Sometimes   3. Never

b. What are the REC's means of communications?

Mean 1:____

Mean 2:____

Mean 3:____

Mean 4:____

c. Is the website: *1. Static   2. Dynamic*

d. Has the REC organized an event to discuss capacity building with stakeholders?

1. Yes   2.No

SECTION C: AVAILABLE HUMAN RESOURCE BASE:

C. I. GENERAL SITUATION:

a. Departments	Has expressed needs *(Yes/No)*	Comments

b. Time allocation to the following important matters:

	% of time senior staff allocate to:	% of time the REC, as an institution allocate to:
Conflict management		
Integration matters:		
Other: ____________________		

c. What is the number of staff appointed by:

Political appointment (e.g. elected/designated by Governments, national quota, etc.) ________________

Secondment by governments ________________

Multilateral organizations ________________

Competitive, professional appointment (with no national quotas) ________________

Gender quota: ________________

Others :____

d. Does the REC have an incentive policy with respect to:

Salary *1.Yes 2. No*

Fringe benefits *1.Yes 2. No*

Working environment *1.Yes 2. No*

e. What percent of annual budget is allocated to Library and Information Centre: _________

1. Amount or perecnt, if any 2. Don't have one yet 3. Ongoing

f. Does the REC have a mechanism for sharing knowledge, experiences and best practices with other RECs?

1. Yes 2. No 3. At conception stage

C. II. Composition and characteristics of the REC Staff

Current staff size:		Administration	Budget and Finance	Executive Direction & Management	Trade Customs & Monetary Affairs	Infrastructure	Investment Promotion and Private Sector Department.	Gender and Social Affairs
Current staff size								
Professional staff:								
Gender	Male							
	female							
Term of contract	> 6 months							
	< 6 months							
Level of education	Doctorate Degree							
	Master's Degrees							
	Bachelor's degree (BA/BS)							
	Professional Qualifications							
Language proficiency	Fluent Arabic							
	Fluent English							
	Fluent French							
	Fluent Portuguese							
	Fluent Spanish							
Support staff:								
Consultants since 2006								
Consultants, specify:								
If the REC had its way:								
What would be the optimal staff size?								
What would be the proportion of professionals?								

Current staff size:		Legal	Information and Networking	Secretary General's Office	Assistant Secretary General's Office Program	Governance Peace and Security	Internal Audit	Technical Cooperation and Resource Mobilisation
Current staff size								
Professional staff:								
Gender	Male							
	female							
Term of contract	> 6 months							
	< 6 months							
Level of education	Doctorate Degree							
	Master's Degrees							
	Bachelor's degree (BA/BS)							
	Professional Qualifications							
Language proficiency	Fluent Arabic							
	Fluent English							
	Fluent French							
	Fluent Portuguese							
	Fluent Spanish							
Support staff:								
Consultants since 2006								
Consultants, specify:								
If the REC had its way:								
What would be the optimal staff size?								
What would be the proportion of professionals?								

C. III. SKILLS / AREA OF COMPETENCY of the staff

a. Area of competency	Number of professionals
Economics (Macro-and Micro-economics) and International Trade	
Public Finance (Tax/Tariffs and Revenue; PublicSector Economics)	
Political Science (conflict management, peace and security)	
Agriculture	
Education	
Environment	
Gender Issues	
Governance	
Institutional Development	
Health	
Industry and Energy	
IT, Software, and Computer Applications	
Systems Design	
International Finance and Banking	
Financial Engineering	
Project / Matrix Management	
Project and Investment Analysis	
Trade Policy Development, Trade, and Investment Promotion	
Transport and Communications	
Resource Mobilization and Donor Policies	
Public and Private Partnerships in Infrastructure Projects	
Others (specify):________________________________	
Others (specify):________________________________	
Others (specify):________________________________	
Others (specify):________________________________	

In-house Research Capacity:

b. Does the REC have a research unit? *1. Yes 2. No*

c. What the number of full-time researchers? ______________

d. What is the number of part-time researchers? ______________

e. Is the research output peer-reviewed? *1. Yes 2. No*

C. IV. Information Technology Penetration

a. Are all staff computer literate? *1. Yes 2. No*

b. Do all staff member have access to Internet connectivity? *1. Yes 2. No*

SECTION D: Priority sector in terms of capacity needs:

D. I. What are the priorities of the REC since 2006:

Sector / priority	% of personnel allocated to:	Number of ongoing projects	% total budget allocated to:	Observations

Indications for sector/priorities

Regional integration and trade
Peace, security and good governance
Infrastructure gap
Agriculture and food security
Environment and climate change
Natural resources and extractive industries
Economic transformation for youth employment
Private sector development
Green, inclusive socio-economic development

D. II. AGRICULTURE AND FOOD SECURITY

a. Does the REC have a common strategy for the Agriculture sector? *1. Yes 2. No*

b. If YES, which period does it cover? ______________________________

c. Is the capacity building in the agriculture sector integrated in that strategy?

1. Yes with specific objectives 2. Yes but without specific objective 3. No at all

d. How many projects does the REC have in this sector?

Number if precise: ___________ *1. More than 20 2. Dozens 3. Less than 10 4. None*

e. What does the REC do in the CAADP process:

Coordinates implementation among member states *1.Yes 2.No*

Provides technical assistance to member states *1.Yes 2.No*

Assists member states in resource mobilization *1.Yes 2.No*

f. Does the REC have a database on agriculture and/or food security?

1.Yes, comprehensive database 2.Yes but partially 3. No, no database

D. III. OTHER SECTORS / PRIORITIES

Sector / Priority	a. Does the REC have a common strategy for that sector? 1.Yes or 2.No	b. Is Capacity building integrated in that strategy? 1. Yes with specific objectives 2.Yes but without specific objective 3.No at all	c. Does the REC have a comprehensive database? 1.Yes, comprehensive database 2.Yes but partially 3. No, no database	d. Observations

Indications for sector/priorities

Regional integration and trade
Peace, security and good governance
Infrastructure gap
Agriculture and food security
Environment and climate change
Natural resources and extractive industries
Economic transformation for youth employment
Private sector development
Green, inclusive socio-economic development

APPENDIX 2

AFRICA RECS WEBSITE BENCHMARKING

Scoring Guide:

Marks are scored 1–5 using the following scale: 5–Excellent; 2.5–Average; 1–Poor

S/N	SCORING CRITERIA		SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)
	REC.		AMU	EAC	COMESA	SADC	IGAD	ECOWAS	ECCAS
	Website		www.maghrebarabe.org	www.eac.int	www.comesa.int	www.sadc.int	www.igad.int	www.ecowas.int	www.ceeac-eccas.org
1	**Technical**								
	a. Functionality	Is the website functional?	4	5	5	5	5	5	2.5
	b. Domain name	Is the URL an .int domain?	1	5	5	5	5	5	1
	c. Landing page load time	Does the page load time seem reasonable?	4	4	5	4	4	4	4
	d. Compatibility	Is the site accessible in these browsers:							
		Internet Explorer?	3	4	4	3	2.5	2.5	1
		Mozilla Firefox?	4	5	5	5	5	5	5
		Mobile Apps?	2.5	4	2.5		2.5	1	2.5
		Is it cross-platform compatible?	3.5	4	4	5	4	4	2.5
		Mac	5	5	5	5	5	5	5
		Windows	4	5	5	5	5	5	5

S/N	SCORING CRITERIA		SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)
2	**DESIGN/APPEARANCE**								
	a. Home Page	Do all home page graphics and text load ok?	4	4	4	5	5	5	4
		Is the home page cluttered?	2.5	4	4	4	4	5	2.5
		Is the site's purpose clear?	3	4	4	5	4	5	1
		Are there broken links, images or overlapping text?	4	4	4	5	5	5	4
		Does every page on the site clearly display the name of the REC?	3.5	5	5	5	5	5	5
	b. Multi-Lingual Support	Does the website offer multi-lingual support?	2.5	1	1	5	1	5	5
	c. Logo	Is the logo visible on all pages and in a prominent position?	3	5	5	5	5	5	2.5
	d. Graphics	Can you return to the homepage by clicking on the logo/home button?	5	5	5	3	5	5	5
3	**NAVIGATION/SITE STRUCTURE**								
	a. Buttons	Do they match/ compliment the page layout and design?	4	5	4	5	5	5	2.5
	b. Scrolling	Does the side scroll bar work?	5	5	5	5	5	5	4
	c. Global Navigation	Is the home button easy to find?	4	5	4	1	5	5	5
		Can you go back/ forward to pages easily?	4	5	5	5	5	5	5
	d. Search	Is there a search function on the site?	4	5	5	5	5	5	5
		Does this work and is it easily accessible throughout the site?	4	4	5	5	5	5	5
		Can the search tool deal with misspellings?	1	1	2	2	1	1	1
		Are search results clear and relevant?	3	4	4	4	5	5	2.5

S/N	SCORING CRITERIA		SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)
4	**CONTENT**								
	a. Content	Is the content appropriate/ sufficient for the intended audience?	2.5	4	4	4	4	5	4
		Are there spelling mistakes?	5	5	4	5	5	5	4
		Is the content updated frequently?	1	5	5	5	4	5	2.5
		Is there sufficient use of images, audio and video?	2	3	3	2.5	4	5	4
		Are the images, audio and video relevant to the content?	3.5	4	3	4	5	5	4
		Is there an About Us page?	1	5	5	4	5	5	1
		Do they have a press release section and is this section updated regularly?	3.5	5	5	5	4	5	4
		Is contact information easily accessible from the homepage, and does the Contact Us view provide useful contact?	2	3.5	5	2.5	4	5	2.5
5	**ENGAGEMENT**								
	a. Feedback	Does the site encourage visitors to contact them or give feedback?	5	4	4	2.5	2.5	5	2.5
		Does the contact or email form work when submitting?	4	5	4	1	1	5	1
	b. FAQ	Does the site have a page called "Frequently Asked Questions" or "Common Questions?"	4	5	1	1	1	5	1
	c. Newsletters/ Email	Can users subscribe to newsletters or email updates?	5		5	5	1	5	1
		Is there a clear link encouraging users to sign up?	4	1	1	1	5	1	5

S/N	SCORING CRITERIA		SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)	SCORE (1–5)
	d. Social Media Links	Are there links to external Social Media content (such as Facebook, Twitter, etc.) and do they work?	1	5	4	1	2.5	5	1
		Are links clear and easy to find on the Homepage and throughout site?	4	5	4	4	4	5	4
		Can relevant content, such as videos and articles, be shared?	1	1	2	1	1	5	1

Notes

1. The IIAG assesses governance in four categories: safety and rule of law; participation and human rights; sustainable economic opportunity; and human development.

2. See African Union (2013), Agenda 2063. Chapter 1.

3. The AAP 2010–2015 is the revised version of its predecessor, AAP 2008, which was adopted in Tokyo, Japan, in 2008.

4. See AEC Treaty, Article 4(1).

5. RECs not among the eight selected to form the AEC are: Central African Federation (CAF), Communaute de l'Afrique de l'Ouest (CEAO), Conference of East and Central African States (CECAS), Economic and Monetary Community of Central Africa (CEMAC), Communaute Economique des Pays des Grand Lacs (CEPGL), Front Line States (FLS), Mano River Union (MRU), Nile Basin Initiative (NBI), Preferential Trade Area of Southern and Eastern Africa (PTA), Southern African Customs Union (SACU), Southern African Development Coordination Conference (SADCC), Union Douaniere et Economique de'l Afrique Centrale (UDEAC), and Union Economique et Monetaire Ouest-Africaine (UEMOA).

6. The Tripartite FTA: Is It the Way to Deepen Integration in Africa? / Jaime de Melo, Brookings Institution, November 2014.

7. The role of the RECs as building blocks of the African Economic Community (AEC) and their formal relation with the AU are governed by a series of formal agreements: Articles 33 and 34 of the AU Constitutive Act, the AU-REC Protocol of 1998, Article 16 (9) of the AU PSC Protocol Relating to the Establishment of the Peace and Security Council and the subsequent MoUs between the AU and individual RECs.

8. See ACBF (2014) for details.

9. The Herfindahl-Hirschmann Index (HHI) measures the degree of export concentration in a country. It is normalized to assume a value between 0 and 1, with 1 indicating that only a single product is exported. Higher values indicate that exports are concentrated in fewer sectors.

10. This is based on the Ibrahim Index of African Governance which provides data since 2000 for every African country. Each country receives a score on a scale of 0–100 with the highest score showing the best performance. Countries are ranked from 1–54 based on the provision of the political, social and economic goods that citizens have the right to expect from their state,

and that any state has the responsibility to deliver to its citizens.

11. The IIAG assesses governance provision within four distinct conceptual categories: Safety and Rule of Law; Participation and Human Rights; Sustainable Economic Opportunity; and Human Development.

12. South Sudan and Sudan are not considered in the calculation of the 2014 IIAG.

13. In 2003 the Comprehensive Africa Agriculture Development Programme (CAADP) was established by the Assembly of the African Union (AU) aiming to raise agricultural productivity by at least 6 percent a year and increasing public investment in agriculture to 10 percent of national budgets per year. After an initial phase focused primarily on interventions at the national level, there is growing awareness on the need to work more on the regional dimensions of the CAADP.

14. See Ibeanu, Okechukwu (2007) Beyond Declarations: Law Enforcement Officials and ECOWAS Protocols on Free Movement of Persons and Goods in West Africa, CLEEN Foundation.

15. ECOWAS Commission Capacity Development Plan (ECCDP) 2011–2015, page 5.

16. ECOWAS Strategic Plan 2011–2015: A Proactive Mechanism for Change, page 54.

17. ECOWAS Commission Capacity Development Plan (ECCDP) 2011–2015, Page 10.

18. The ECOWAS Monitoring and Evaluation Manual is a comprehensive, 102-page document detailing various facets of monitoring and evaluation in the organization. It was developed with the support of development partners.

19. http://trade.ec.europa.eu/doclib/press/index.cfm?id=1218.

20. Education expenditure is the total public expenditure (current and capital) on education, expressed as a percentage of GDP.

21. AfDB, OECD, UNDP 2015.

22. Odularu, G.O (2009) Export diversification as a promotion strategy for intra-ECOWAS trade expansion.

23. Imports from the world also include imports from the region (Africa).

24. The AU Outlook on Education Report 2014: Arab Maghreb Union, AU Outlook on Education, April 2014.

25. See Ahmed, G. B, and S. Othman (2014).

26. EAC Concept Vision 2050, EAC Secretariat, August 2013.

27. EAC Concept Vision 2050, EAC Secretariat, August 2013.

28. http://www.sadc.int/news-events/news/sadc-lifts-madagascar-suspension/.

29. http://www.sadc.int/about-sadc/overview/sadc-facts-figures/.

30. Swaziland, Zambia, Tanzania, DRC, and Angola.

31. DRC, South Africa, and Zimbabwe.

32. Institutional Assessment of the Intergovernmental Authority for Development (IGAD) for the delegation of the European Commission to Ethiopia.

33. EIA Country Analysis Brief: Sudan and South Sudan (2014).

34. Frontier Economics (2015) South Sudan: The Cost of War.

35. Rengelink, H. (2012) Tackling Somali Piracy.

36. The Herfindahl-Hirschmann index (HHI) measures the degree of export concentration in a country. It is normalized to assume a value between 0 and 1, with 1 indicating that only a single product is exported. Higher values indicate that exports are concentrated in fewer sectors.

37. Nicita, A, et al. (2013) Survival Analysis of LDCs' Exports: Role of Comparative Advantage. Study Series No. 54.

38. The Fragile States Index (formerly the Failed States Index) is compiled by Fund for Peace, a U.S. think tank. A fragile state has common indicators, including a state whose the central government is so weak or ineffective that it has little practical control over much of its territory; non-provision of public services; widespread corruption and criminality; refugees and involuntary movement of populations, and sharp economic decline.

39. Please see appendix 2 for the full website scorecard for RECs.

40. See statement by SADC Executive Secretary Dr. Stergomena Lawrence Tax at the meeting of NEPAD Heads Of State and Government Orientation Committee (HSGOC) on Capacity Development and Institutional Transformation of Africa's RECs for Accelerated Regional Integration on 13 June 2015, in Sandton, South Africa.

The second Capacity Survey of the Regional Economic Communities in Africa aims to reassess the capacity needs of the eight RECs in African Union (AU) member states in line with their new strategic thrusts and prospective development imperatives. It also seeks to provide strategic guidance to the key development partners of the RECs on strategic programming.

The study recognizes the need for efficient RECs as coordinating and facilitating institutions, with capacities strong enough to drive the regional integration agenda. Specific actions include:

- Strengthening the mandates of the executive secretaries and heads of Africa's RECs to manage internal mechanisms and governance structures, and to advise member states on key regional integration issues.
- Supporting skill development in ways that bridge individual learning and institutional change.
- Establishing communities of practice to share knowledge and experience in pursuing well-researched and sustainable solutions.
- Minimizing duplication of capacity building activities to increase efficiency and maximize institutional and human capabilities.
- Encouraging all RECs to formulate gender policies, anchored on international conventions, specifically the Convention on the Elimination of all Forms of Discrimination against Women, and adhering to the AU solemn declaration on gender equality in Africa.
- Establishing a trust fund with contributions from member states and development partners.

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