

# COMESA-EAC-SADC TASK FORCE: DEEPENING ECONOMIC INTEGRATION WITHIN SOUTHERN AND EASTERN AFRICA

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# Membership and Profile

- **The 3 Regional Economic Communities (RECs) are major building blocs to the African Economic Community, accounting for:**
  - i. **just under half of the Africa Union's membership**
    - **COMESA:** 19 countries (4 *EAC*, 8 *SADC*)
    - **EAC:** 5 countries (4 *COMESA*, 1 *SADC*)
    - **SADC** 15 countries (8 *COMESA*, 1 *EAC*)

NB. Overlapping membership

# Membership and Profile cont.

- ii about 59 of the Africa Union's combined GDP**
- iii about 57% of the Africa Union's combined population**

# Membership and Profile cont.

	COMESA	EAC	SADC	COMESA- EAC-SADC	Africa Union
Membership	19	5	15	26	53
Population Mil	398	121	248	527	917
GDP US\$' Bil	287	47	379	624	1,065

# Origins of Task Force

- Started off as informal arrangement between COMESA and SADC – mainly for exchanging information
- EAC came on board during 2005 following a Ministers Meeting in Egypt
- First tripartite Ministers meeting held (in Rwanda) on the margins of COMESA Summit during 2006
- RTFP coordinates the task force programmes and meetings and also provides technical and financial support.

# Objective of Task Force

- Main objective to improve quality of life of REC's citizens
  - Expanding trade
  - Poverty alleviation
  - Deepen economic integration; coordination and harmonisation of common policies and programme, including implementing these jointly where possible

# Objective of Task Force cont.

- Address challenges of overlapping membership:  
10 countries currently members of customs unions and possibly up to 21 more could be added
  - EAC already a Customs union
  - COMESA launching Customs union in 2 weeks' times
  - SADC early stages of developing its customs union
  - SACU a subset of SADC already a Customs Union, while another 7 members of SADC are participating in negotiating and could become members of COMESA's customs union

# Objective of Task Force cont.

- Enhancing economic cooperation among RECs
  - Promoting inter-REC investment
  - Development of efficient financial and payment systems that will facilitate trade and investment
  - Development of capital markets
  - Development of commodity exchanges
  - Enhance cooperation on EPA, WTO and any other bilateral or multilateral negotiations



# Task Force Work Programme

- Two main components that complement each other. Already significant progress made in some areas and work continues on:
  1. **Trade: *Establishment of an FTA (expeditiously)***
- Development of an inter-REC tariff regime
- Identification, monitoring removal and/or elimination of NTBs
- Harmonisation of Rules of Origin

# Task Force Work Prog cont.

- Simplification and harmonisation of customs procedures, documentation and laws + customs training and capacity building
- rationalisation of the COMESA and SADC customs bond guarantee / transit management schemes
- Harmonisation of Sanitary and phytosanitary measures, product standards
- co-ordination of competition policies and institutional frameworks

# Task Force Work Prog cont.

- establishment of One-Stop Border Posts
- Facilitate free movement of business persons
- Development of safeguards and dispute settlement mechanism

# Task Force Work Prog cont.

2. Infrastructure: facilitates trade within the region and beyond and the movement of persons.
  - **Surface transport** (road, rail, ports, etc) – development of transport corridors to improve facilitation of trade and transit transport; harmonisation of trade facilitation instruments such axle load limits, road transit charges, vehicle insurance, carriers licences, vehicle dimensions, etc.

# Task Force Work Prog cont.

- **Air transport** – harmonisations and liberalisation of air transport policies, regulations, etc
- **ICT**
  - i. harmonisation of policy, legislative and regulatory framework;
  - ii. ICT broad band infrastructure development;  
Harmonisation of ICT Infrastructure master plans
  - iii. Joint programme implementation and resource mobilisation

# Task Force Work Prog cont.

## – Energy

- i. Energy policy and regulatory harmonisation
- ii. Development of Power Pools
- iii. Inter-regional Power Trading arrangements
- iv. Generation and transmission infrastructure development
- v. Mobilisation of financial resources

# Task Force Summit Outcomes

- First Summit held in Kampala 22 Oct 2008 approved Work Programme of the Task Force
  - i. Harmonisation of trading arrangements
  - ii. Free movement of business persons
  - iii. Joint implementation of the infrastructure programmes
- Resolved to work toward merging the 3 RECs – fast track the attainment of the African Economic Community

# Specific Summit Outcomes (Trade)

- Approved establishment of FTA (variable geometry) – leading to a customs union
- Study (to be completed within 12 months) to
  - develop a road map for the FTA within 6 months
  - develop legal and institutional framework for the FTA
  - develop measures to facilitate movement of business persons



# Specific Summit Outcomes (Trade) cont.

- Expedite development of joint programmes to enhance cooperation / deepen coordination of industrial and competition policies, financial and payment systems , development of capital markets, Commodity exchanges, etc
- Coordinate and harmonise positions on EPA negotiations, WTO, etc.

# Specific Summit Outcomes (Infrastructure)

- Launched joint competition Authority on Air Transport to oversee the implementation of the Yamoussoukro Declaration effective Jan 2009
- A joint programme for the implementation of a single seamless upper airspace to be in place within 1 year
- A joint programme for the implementation of an accelerated, seamless inter-regional ICT Broadband Infrastructure network to be in place within 1 year

# Specific Summit Outcomes (Infrastructure) cont.

- A joint programme for implementation of a harmonised policy and regulatory framework that will govern ICT and infrastructural development in the three RECs to be in place within 1 year
- Coordinate and harmonise Regional Transport Master Plans of the three RECs within one year
- Coordinate and harmonise Regional Energy Priority Investment Plans and the Energy Master Plans of the three RECs within one year
- develop joint financing and implementation mechanisms for infrastructure development within one year.

# Specific Summit Outcomes (Legal and Institutional Framework)

- The RECs Council of Ministers to consider and approve the MoU on inter regional cooperation and integration within 6 months
- Chairpersons of 3 RECs to sign MoU within one month of its approval
- Established Tripartite Summit of Head of States and Gvt – to sit every 2 years

# Which Way Now

- Summit resolutions are clear and time bound and political commitment abound.
- REC Secretariats are ready for the challenge and will meet mid Dec to finalise an implementation matrix and to consider TOR for the FTA study
- Attainment of targets will largely depend on the willingness of individual member states to cooperate and their ability to collectively view and deal with the important tasks and issues at the tripartite level – some RECs appear more enthusiastic than others.

# Is the FTA doable?

- YES, although it is not yet clear how the FTA will be structured
- The process will certainly be difficult and there are more questions than answers at this stage. What matters is that the commitment and political will is there
- The outcomes of the Tripartite Summit exceeded our (RTFP) expectations