



Regional Integration Update: Southern and Eastern Africa

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Outline

- Background: recent Tutwa work on the region
- Update on EAC, COMESA and SADC
- Key challenges for regional integration
- Implementation of Regional Integration: vision, courage and passion
- Case Study: SADC Corridors and Trade Facilitation Agenda



Background: Recent Tutwa Work

Regional Integration:

- EU Evaluation on Regional Support to Eastern and Southern Africa and the Indian Ocean under EDFs 10 and 11
 - Regional economic integration including infrastructure development in COMESA, EAC and SADC
- Support for the Southern African Business Forum
- Input into CCR process on Implementation Challenges in SADC

Trade Facilitation:

- Private sector priorities in Botswana, Malawi, Mozambique, Namibia, South Africa, Zambia and Zimbabwe (USAID and GIZ)
- Scoping of project at the Kasumbalesa border post between Zambia and DRC (GIZ)
- Options for a corridor monitoring platform in Southern Africa (USAID)
- Support for a corridor approach in SADC (GIZ)



EAST AFRICAN COMMUNITY

Burundi

Kenya

Rwanda

South Sudan

Tanzania

Uganda





EAC Update

- Some impressive progress – but when you scratch the surface much of it is driven by the Northern Corridor Initiative not the EAC
- Political will among Kenya, Rwanda and Uganda
- Challenges of conflicts in Burundi and South Sudan
- EAC facing big challenges as it enters its second decade
- High donor dependency
- Turn over of staff in the Secretariat
- What will be the implications of the EU-EAC Economic Partnership Agreement?
- Useful results from cooperation with AFRITAC and World Bank – including scorecard
- Need to bed down the customs union



COMESA

Largest grouping from
Swaziland to Egypt

HQ in Lusaka, Zambia





COMESA Update

- Donors fund 80% of activities – EU half of that – but not much donor coordination
- Led the way with development of regional policies in many areas but struggle with low levels of domestication
- Hollowed out staff contingent e.g. only 3 staff in the trade division
- Impact of overlapping membership most keenly felt by COMESA
- What will be the impact of the TFTA?
- COMESA Secretariat has proposed that member states champion particular issues (like the SADCC structure)
- Need to refocus on policy, convening and monitoring



SADC

15 Member States

South Africa to take
over the Chair from
August 2017





SADC Update

- Member States value the political agenda of SADC – peace and security interventions matter
- One of the African RECs with the highest level of Member State funding
- High turnover of staff in 2016 and 2017
- Restructuring of Secretariat underway – to accommodate industrialisation agenda
- Upscaling of private sector participation with Southern Africa Business Forum
- Monitoring effective in some areas e.g. gender and macroeconomics
- Potential trade wars brewing
- Capacity of management challenged – what will happen when new leadership appointed?

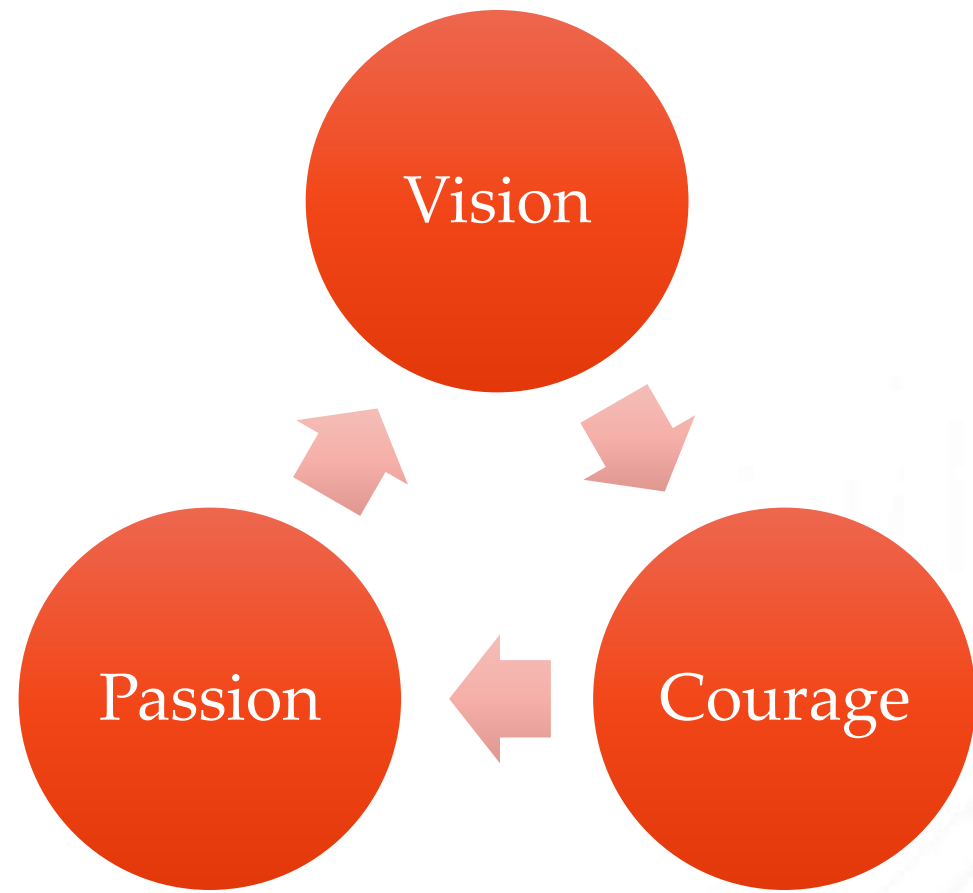


Key Challenges for Regional Integration

- Implementation gap – lots of good policies, programmes, protocols but difficulty to get them domesticated or transposed
- Who are the beneficiaries of regional integration? Do they have the power to push for greater implementation?
- Limited monitoring and accountability
- Weak Secretariats
- Donor dependence
- Overly ambitious agendas
- Constrained space for non-state actors to engage



Implementation of Regional Integration





Case Study: SADC Corridors and Trade Facilitation

- SADC is slowly building up a collection of firm level based research projects
- Assessment of trade facilitation priorities of the private sector in 7 countries with support of USAID and GIZ in 2016/2017
 - Botswana, Malawi, Mozambique, Namibia, South Africa, Zambia, Zimbabwe
- Provide context for corridor approach to economic development
- Benefits of corridor approach:
 - One of the direct ways to bring about regional economic integration.
 - Helps prioritise the development of infrastructure.
 - Enables the design of appropriate interventions to facilitate trade.
 - Provides a framework for collaboration between countries as well as the public and private sectors.
 - Helps break down silos within REC Secretariats.



Private Sector TF Priorities

Regional Issues:

- Transit permits and procedures
- Monitoring and accountability
- Harmonisation of documents, fees, standards etc.
- Corruption
- SACU, TFTA

Botswana:

- Road and rail infrastructure
- Non-tariff barriers
- Coordinated border management
- National Single Window

Namibia:

- National Single Window
- Harmonised customs procedures and IT connectivity
- Port and linking infrastructure

South Africa:

- Coordinated border management
- Non-tariff barriers
- Trade-related infrastructure (e.g. SEZs)

Malawi:

- Transit procedures
- National Single Window
- Customs Procedures
- Coordinated border management

Zambia:

- Coordinated border management
- Trade information portal
- National Single Window

Zimbabwe:

- Non-tariff barriers
- Coordinated border management
- Renewal of road and rail infrastructure
- National Single Window

Mozambique:

- Port related facilities
- Non-tariff barriers
- Coordinated border management



Cross-cutting Observations: Stating the Obvious

- Traders take a holistic view of the challenges to trade
- Challenges are with both hard and soft infrastructure
- Often don't distinguish between customs and other officials at borders
- Are keenly interested in implementation of policies to ensure certainty



Cross-cutting Observations: Nuance

- Nuance and situation specific responses are required to the challenges to trade along corridors – every border post is different, national approaches vary, industries experience trade in the region differently
- Size counts – the big players have systems and procedures in place to deal with problems and absorb costs
- Smaller and informal traders face other problems



Cross-cutting Observations: Sequencing

- Some issues that are a priority for the private sector are difficult to address effectively e.g. NTBs – dynamic, responsive to broader economic environment
- Awareness of political economy
- Variable geometry should be considered
- Quick wins
- Soft and hard infrastructure interventions must pull in same direction



Cross-cutting Observations: Coordination

- WTO Trade Facilitation Agreement now in place – expect additional aid for trade resources to be directed to trade facilitation
- Interventions need to do no harm
- Involving private sector does not always improve situation
- Coordination and cooperation among donors is critical to reduce proliferation of same type of interventions



Cross-cutting Observations: Public Private Dialogue

- Industrialisation requires private sector participation and a deep understanding of the specific dynamics in targeted sectors
- National level PPD exists in all SADC countries but weak linkages to regional level
- Opportunity to consider role of corridor forums
- Business, civil society, academics are critical to achieving SADC goals



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