African Economic Integration:
Assessing the Tripartite Free Trade Area

A Critical Case Study

By:

Hoda Ahmed Dorra

Project submitted in partial fulfilment of the degree requirements of a Master in

Global Affairs at the Department of Public Policy and Administration,

The American University in Cairo.

Fall 2017

Foreword

First and foremost, I need to thank Allah the Almighty for overwhelming me with His kindness and blessings and for giving me the strength and patience to reach this point in my life.

I would like to express my gratitude to Prof. Ibrahim Awad, my great supervisor, whose knowledge and excellence have directed me to this point, and whose directions have guided me throughout the process of writing this paper. Thank you Professor for your endless support and efforts. I was lucky to have been one of your students.

I would also like to extend my thanks to all my professors at the American University in Cairo, and to the Yousef Jameel Public Leadership Program for giving me the opportunity to be part of this master's program.

To my parents, thank you for your trust and support. Without you, I would have never become the person I am today.

To my family and friends, you were always my sanctuary throughout these years, and will always be.

To my great partner, thank you for making me realize my real potential, for your support and prayers, and for your limitless love. Your pride and belief are the main drivers that pushed me forward.

Finally, I would like to recognize the support and efforts of my great boss Mr. Mohamed Khallaf, Mrs. Judica Lawson of PACPS, Dr. Francis Mangeni of COMESA, and Mr. Hussien Hassan of the AU.

Table of Contents

“It is clear that we must find an African solution to our problems, and that this can only be found in African unity.

Divided we are weak; united, Africa could become one of the greatest forces for good in the world.”

Kwame Nkrumah, the former President of Ghana (1960-1966)

Abstract

In 2015, Member States of COMESA, EAC and SADC signed the Tripartite FTA to integrate their three RECs into a single market "from Cape to Cairo". The agreement came in response to many challenges that faced the three communities in their integration programs, specifically challenges related to market integration and overlapping membership. Using qualitative data, this paper studies the economic integration model of COMESA, and the Tripartite FTA The paper argues that many of the challenges that faced COMESA within its integration plan have been accounted for within the Tripartite FTA, especially the problems related to overlapping membership and economic development of Member States. However, for the tripartite integration plan to be successful, it is necessary that it replaces the original three RECs on the long run, in addition to becoming the foundation upon which the Continental FTA is built in order to create a broader form of economic integration in the continent.

Key words: COMESA, African integration, FTA, Tripartite, Overlapping membership.

List of Abbreviations and Acronyms

AFDB	African Development Bank
AEC	African Economic Community
AUC	African Union Commission
ASEAN	Association of Southeast Asia Nations
AU	African Union
CAADP	Comprehensive Africa Agricultural Development Program
CET	Common External Tariff
CFTA	Continental Free Trade Area
COMESA	Common Market for East and South Africa
CTN	Common Tariff Nomenclature
DRC	Democratic Republic of Congo
EAC	East African Community
ECA	Economic Commission for Africa
ECSC	European Coal and Steel Community
EEC	European Economic Community
ESA	East and South Africa
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Area
GATT	General Agreement on Trade and Tariffs
GDP	Gross Domestic Product
IGAD	Intergovernmental Authority for Development
IMF	International Monetary Fund
IRB	International Review Board
LDCs	Least-developed Countries
LPA	Lagos Plan of Action
MFN	Most Favored Nation principle
MOU	Memorandum of Understanding
NEPAD	New Partnership for Africa's Development
NGO	Non-governmental Organization
NTB	Non-tariff Barrier(s)
OAU	Organization of African Unity
PIDA	Program for Infrastructure Development in Africa
PTA	Preferential Trade Agreement

RCTG	Regional Customs Guarantee Scheme
REC	Regional Economic Community
RTA	Regional Trade Agreement(s)
SACU	South African Customs Union
SADC	South African Development Community
SPS	Sanitary and Phytosanitary measures
TBTs	Technical Barriers to Trade
TFTA	Tripartite Free Trade Agreement
UN	United Nations
UNECA	United Nations Economic Commission for Africa
VAT	Value Added Tax
VICMED	Navigation route between Lake Victoria and the Mediterranean Sea
WB	World Bank
WCO	World Customs Organization
WDI	World Development Index
WTO	World Trade Organization
WWII	World War II

CHAPTER ONE

Introduction

1.1 Introduction

Inspired by the European experience, African leaders gathered in 1991 in Abuja - Nigeria, where they signed a treaty aiming at creating an African Economic Community (AEC) by the year 2028. The treaty has designed six stages through which the whole African continent should end up fully integrated. This treaty was seen as a renewal of the commitment of African States to pursue integration for development, since the 1981 Lagos Plan of Action has failed to achieve its objectives (Umar, 2014). Nevertheless, many factors have slowed down the implementation of Abuja Treaty. None of the treaty's six stages was implemented, except the first stage of strengthening the existing regional economic communities (RECs) in the continent and encouraging member states to form economic communities where they do not exist.

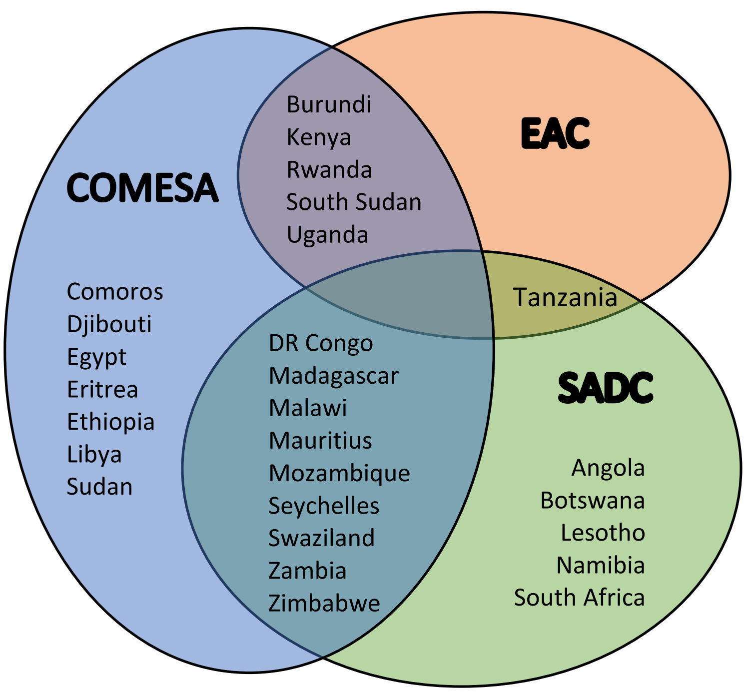
African leaders have seen continental integration as a "rational response" to the challenges that face Africa, a continent with many small, least-developed national markets and landlocked states (Hartzenberg, 2011). Therefore, they have attempted to sign a large number of regional integration arrangements, several of which have significant membership overlap. These arrangements, while characterized by ambitious targets, have a dismally poor implementation record (Umar, 2014). Part of the problem may lie in the paradigm of linear market integration, which starts with a free trade area and goes forward until it reaches a full economic union. All organizations that aim to integrate regional economies in Africa have adopted market integration as a component of their strategy, with a view to increase intra-regional trade, as adopted by the EU (Lee, 2002). Classic economic theory predicts that trade flows will increase when barriers are reduced, but that was not the case for African economic communities. The gradual integration of goods, labor and capital markets, and eventually monetary and fiscal integration, does not seem to be working with the continent, even at the regional level (Foote, 2009). This is because of the similarities between the industrial and export structures of African countries, in addition to relying on exports of raw materials and intermediate products, which makes any African country incapable of satisfying its neighboring markets' demands of goods and services.

Thus, the real economic power in Africa is concentrated in regional economic communities (RECs), and thus far little integration has been accomplished at the continental level (Foote, 2009). RECs are primarily economic agreements, although some also have provisions for political and military cooperation. The AEC has named eight major regional communities (pillars), some of which have overlapping membership. One of these communities is the Common Market for East and South Africa (COMESA).

Established initially in 1981 as a PTA, COMESA was turned into a common market treaty in 1994, with the aim on integrating its members through "trade and development of natural and human resources for the mutual benefit of all people in the region". COMESA Members agreed on establishing a fully free trade area among themselves as a step towards a customs union that guarantees the free movement of labor and capital, and the eventual creation of a monetary union. Despite the compliance of COMESA's objectives with the objectives of the 1991 Abuja Treaty, only the goal of establishing an FTA among COMESA Members was achieved (Musila, 2005). This is because of major administrative, economic, and political obstacles that hindered the implementation of the rest of COMESA's integration plan.

In 2015, Member States of COMESA, along with Member states of the East Africa Community (EAC), and the South African Development Community (SADC), have decided to create the Tripartite Free Trade Agreement (TFTA) to integrate their three major economic communities in East and South Africa region (ESA) into a single market (Dari, 2015). This agreement is perceived to be a step forward towards achieving the objectives of the 1991 Abuja Treaty. These three blocs have designed a plan through which their communities are to become one free trade area, liberalizing trade among their member states in goods and services, and solving the problem of overlapping membership among their communities. Figure (1) below shows the intensity of overlapping membership between the three RECs:

- Figure (1): overlapping membership among COMESA, EAC, and SADC:



Source: (UNECA, 2012).

This area is considered to be the largest in all Africa. It includes 26 countries, whose GDP comprises over 60% of Africa's GDP, and a market of 640 million consumer (WDI, 2016). These numbers represent a significantly large market by all standards, and place the TFTA in the 16th place in terms of the size of the economy compared to the world (Mold & Mukwaya, 2015).

Using qualitative data, this paper studies the economic integration model of COMESA, a free trade area that consists of 19 countries in East and South Africa. The focus will be on the challenges that faced COMESA to achieve its goals, and how they are related to the challenges that face economic integration in Africa as a whole. The paper then looks into the Tripartite Free Trade Area (TFTA), whose negotiations commenced in 2004 and still ongoing, and studies whether the TFTA addresses the challenges that faced COMESA? How can African leaders take into consideration the lessons learned from COMESA and other African integration arrangements to make the TFTA a successful model of regional economic integration in the continent.

1.2 Research Question(s)

African states have created the TFTA in order to overcome many of the integration hurdles that faced their integration programs in their original communities. These hurdles raise a flag about the effectiveness of following the linear market integration model in creating a continentally integrated Africa. And therefore, the TFTA may not be an effective solution for the challenges facing its three main pillars, mainly COMESA.

Looking into the COMESA model of integration, this paper tries to answer the questions of *what are COMESA achievements, and what challenges and obstacles might have hindered COMESA Member States from realizing their objectives?*

In light of the current progress in the negotiations of the TFTA, this paper tries to find out *whether the TFTA works on solving the challenges that faced economic integration in COMESA? Or, is it just another integration plan that is not meant to be?* And finally, *what do African countries need in order to create a successful model of economic integration?*

1.3 Preview of findings

This study argues that the weak level of implementation of COMESA integration plans and programs is attributed to some implementation challenges, as well as empirical challenges. Implementation challenges include the lack of both financial and human resources, the lack of coordination and coherence in national policies of Members, overlapping membership between COMESA and other RECs in the region, and the reluctance of some Member States to ship away part of their economic sovereignty to a regional body. On the other hand, empirical challenges are represented in the application of regional economic integration theory, as it has proven its inapplicability for COMESA, nor for Africa as a whole.

The study has found that the Tripartite FTA has offered some solutions for the challenges that faced COMESA, and the rest of the RECs that comprise the FTA. First, The Tripartite has provided for harmonizing integration programs of its three RECs into a tripartite integration plan. This will facilitate the implementation of these programs by Members who belong to more than one REC, in addition to the exchange of knowledge and expertise among the RECs, which will eventually benefit the region as a whole. Second, the Tripartite has accounted for any conflicts that might arise during the coordination of programs among the three RECs. Article (41) paragraph (2) of the agreement has tackled this issue by stating clearly that the Tripartite provisions shall prevail over the provisions of any of the three RECs. Third, the agreement adopted the developmental approach as the basis of its integration plan, which focuses on industrial and infrastructure development besides market integration. Integration programs that focus more on industrial and infrastructure development create a more equitable welfare distribution among LDCs and their developing partners with no regard to their level of economic performance. Forth, the tripartite has taken into consideration the variations in Members' capacities to abide by integration commitments, by adopting the principle of "variable geometry" as one of its basic integration principles[1]. Finally, the agreement brings together a vast market with various economic resources and production capacities. It provides for the merger of the three industrial strategies of its RECs into one that focuses on developing industrial clusters and value chains across the ESA region.

Some key issues should be taken into account, however, in order to make the Tripartite FTA a successful integration model in the continent. For example, the Tripartite FTA should replace the other three RECs and their Secretariat bodies in the long run, as it is impossible to harmonize the customs duties and rules of origin of three different regional arrangements without replacing all three of them with a new comprehensive one. In addition, it is essential that the Tripartite Member States work on initiatives to mobilize resources for their integration programs, and promote their ownership of their integration project. Moreover, the Tripartite Member States need to renew their commitments towards Article (38) of the agreement in order to create an enforcement mechanism that ensures meeting the FTA's obligations in a timely manner. Finally,

[1] The principle of variable geometry allows for differentiation in the speed of implementation of integration programs among the members of one or more regional organization in order to accommodate each member's resources and capabilities (Cornford, 2004).

the Tripartite should be considered the basis on which the Continental FTA is built, so as to progressively achieve the ultimate goal of an African Economic Community.

1.4 Background

This section will shed light on the historical background of the research topic, and how the research problem has evolved. The first part will discuss the concept of economic integration in Africa; how it started, and what inspired African states to pursue an economic integration model like that of the European Union. The second part will explain the history of the establishment of COMESA and its objectives. Finally, the third part will showcase how and why three African regional economic blocs have decided to merge into one, and how this will serve the objectives of the original plan to create the AEC.

1.4.1 African Economic Integration

The idea of integrating Africa economically has emerged from the desire of the newly independent African states to overcome the adverse effects of colonization by mobilizing the continent's resources. This desire was reflected in the efforts of the former Ghanaian president Kwame Nkrumah during the 1960s. Nkrumah has promoted for African unity and Pan-Africanism, and a project to create "The United States of Africa" (Okumu, 2009). Although this project never came true, it was translated differently through the rapid increase in the number of organizations and integration bodies in the continent that were created in the aftermath of the decolonization of Africa (Umar, 2014). The number of these bodies have continued to rise and reached its peak in the 1980s, until it was concluded with the Lagos Plan of Action and the Final Act of Lagos in

1981.This was an economic development plan backed by the Organization of African Unity (OAU) that aims at cooperation among African states in most aspects of economic development.

In 1991, African Leaders met in Abuja - Nigeria, and adopted the Abuja Treaty to establish the African Economic Community (AEC). The Treaty states that AEC would be established with a major objective to achieve full integration of the whole continent (Umar, 2014). After the establishment of the African Union (AU) in 2002, the laws of its Constitutive Act 2002 stated that these two bodies (AU & AEC) are to be united within one body by 2028, which is the Economic Community and Political Union of African States.

The Abuja Treaty 1991 has laid down a six-stages plan to achieve the African Economic Community (AEC). According to Article (6) of the treaty, this plan was designed to follow the step-by-step economic integration theory to create the AEC, where “The Community shall be established gradually in six (6) stages of variable duration over a transitional period not exceeding thirty-four (34) years”. The only difference between the African case and the economic theory is that this plan was meant to be implemented on regional and/or sub-regional level first, before the continental level (Umar, 2014).

The first stage of creating the community was strengthening the existing economic communities and encouraging the establishment of regional economic arrangements where there is none. The second stage involved the stabilization of tariff and non-tariff barriers among members of regional communities and the establishment of time tables in order to achieve the full elimination of trade barriers within these communities, in addition to enhancing the sectoral integration among members of these communities. Then, regional economic communities were expected to establish a customs union among themselves through the full elimination of trade barriers and the establishment of a common tariff against non-members, this stage was designed to be implemented over a period of 10 years. During the fourth stage, different regional economic communities were supposed to start harmonizing tariff and non-tariff barriers among themselves, with a view of establishing a customs union on the continental level. The fifth stage involved the establishment of the African Common Market through the adoption of common policies, mainly fiscal and monetary policies, and allowing for the free movement of the factors of production. The last stage focuses on strengthening the structure of the African Economic Community and implementing the final step of creating the African Monetary Union, Pan-African Parliament, and the executive organs of the Community.

So far, the first stage of this plan is the only stage that is successfully implemented. African states have created a large number of regional economic communities (RECs), most of which suffer from membership overlap, and enjoy few success stories (Hartzenberg, 2011). They have laid down very ambitious integration plans with unrealistic time frames to reach deeper integration levels. The end result was a failure in most of these plans due to many administrative and economic obstacles that hindered their implementation.

1.4.2 The Establishment of COMESA

The notions of African unity and self-reliance, which followed the independence of many African countries in the 1960s, have been crystalized in the formation of the United Nations Economic Commission for Africa (UNECA) in 1965. The Commission has held a ministerial meeting for Eastern and Southern African states in Lusaka - Zambia, in which various proposals for integration on regional and/or sub-regional levels were discussed. In this meeting, the Commission proposed the formation of an "Economic Community for Eastern and Central African States", and thus, an Interim Council of Ministers was formed to discuss proposals for the structural formation of such community (Foote, 2009). Very slow progress has been achieved during these discussions, until the year 1981, when it was finally decided to establish the Preferential Trade Area for Eastern and Southern African States (PTA). According to this agreement, member states have agreed to eliminate restrictions on trade as a step towards the establishment of a free trade area.

Today's COMESA was established in 1993, with an objective to reach the target of a full free trade area by October 2000, yet on that date only nine members of the nineteen member states of COMESA have met their obligations. COMESA also had further integration goals: to achieve full harmonization of monetary, financial and fiscal policies by 2014; to establish a monetary union by 2018; and to create a single free investment and trade space by 2028 (Umar, 2014).

1.4.3 The Tripartite Free Trade Area

African states have created a large number of regional economic communities (RECs), most of which suffer from membership overlap, and enjoy few success stories (Hartzenberg, 2011). They have laid down very ambitious integration plans with unrealistic time frames to reach deeper integration levels. The end result, therefore, was a failure in most of these plans due to many administrative and economic obstacles that hindered their implementation.

Administrative obstacles are highlighted in the problem of overlapping membership between different regional economic communities in the continent, which is the main challenge that faces regional economic integration plans in Africa. While economic obstacles include infrastructure weaknesses in both transportation and communication, complicated administrative procedures on borders and customs, fragile capital markets and weak banking systems, similarities between economies in terms of production and export structures and the lack of coordination among regional policies (UNECA, 2012).

Overlapping membership is one of the main challenges facing Africa's RECs. UNECA has issued a report in 2012 that explained the membership overlap problem in East African regional communities, mainly COMESA; the East African Community (EAC); and the South African Development Community (SADC). EAC is a common market that shares some of its members with COMESA, and one of its members is a member of SADC. On the other hand, five Members of SADC are also members of another community, the South African Customs Union (SACU). Moreover, seven COMESA members are also SADC members. Hence, "of the 26 countries in COMESA, EAC and SADC, 17 are either in a customs union and negotiating an alternative customs union to the one they belong, or are negotiating two separate customs unions" (UNECA, 2012).

The establishment of the Tripartite FTA goes back to 2004, particularly with the establishment of the joint Task Force between COMESA and SADC. The main mission of the task force was to coordinate between programmes of the two regional communities to overcome challenges that face regional integration in their regions. In 2005, the two RECs where joined by the Secretariats of the East African Community (EAC), which marked the materialization of the Tripartite Task Force (Dari, 2015). After several meetings between the years 2005-2007, the task force raised a recommendation to hold a Tripartite Summit of Heads of States of COMESA, EAC, and SADC.

In October 2008, the Heads of States of COMESA, EAC and SADC held a Summit in Kampala - Uganda. They agreed to establish the Tripartite FTA (TFTA) through which they will integrate their three RECs into one “from Cape to Cairo” (Fundira et al., 2011), and they have also signed the TFTA draft agreement (Dari, 2015). Negotiations were officially launched during the second tripartite Summit, held in South Africa in 2011, and several technical meetings have followed where many outstanding issues have been agreed upon. These issues include “negotiating principles, institutional framework, roadmap and timelines for establishing the Tripartite FTA” (Dari, 2015).

In June 2015, African leaders have launched the Tripartite FTA (TFTA) at the third Tripartite Summit held in Sharm El Sheikh - Egypt; and opened the agreement for signature. The communique of the Summit has reiterated that the tripartite integration process is following a developmental approach that is based on three main pillars: Market integration, infrastructure development; and industrial development (Dari, 2015).

In summary, despite the application of the economic integration theory in the African plan for integration, the continent does not seem to enjoy the promised welfare gains, and thus, none of the economic integration plans seems to have achieved its objectives in a timely manner. Even on the regional level, regional economic arrangements in Africa had very ambitious plans to integrate their economies, yet very few were able to meet them. The movement towards a larger FTA in

East and South Africa (ESA) through the TFTA raises a question: will this FTA achieve its objectives, or will it face the same difficulties that hindered the implementation of its predecessors?

1.5 Organization of Chapters

This study is divided into six chapters. The first chapter includes the introduction to the study, the research questions, a background to the research topic, and a brief preview of the study's findings. The second chapter is mainly the study's literature review and conceptual framework. The third chapter discuss the study's methodology as it sheds the light on the study area, the data collection process; and the methods of data analysis. Chapter four explains the history of COMESA establishment and its objectives, whether it has realized these objectives or not; and the challenges that faced COMESA to achieve its integration goals. Chapter five proceeds with the establishment of the TFTA, how its negotiations have developed, which stage have Members reached, and an assessment to the agreement, its objectives; and its expected outcomes. Finally, chapter six includes a summary of the study, the conclusion; and recommendations.

CHAPTER TWO
Literature Review and Conceptual Framework

2.1 Literature Review

Literature on regional economic integration in Africa and the case of COMESA and TFTA can be categorized into three major themes. First, literature tackling the theory of economic integration, how it evolved and the different examples of its application. Second, the history of economic integration in Africa, how it started and why, and what are the challenges that faced African states in fulfilling their integration goals. Third, studies evaluating the process of economic integration of COMESA and the evolvement of the TFTA, how successful it is, how did it influence trade among its members, and what challenges it has faced? Most of the literature on African integration agrees that the continent has not been very successful in continental integration as it is in regional integration.

2.1.1 The Theory of Regional Economic Integration

The theory of regional integration stems from the pragmatic functional approach to peace introduced by David Mitrany in 1943. Mitrany wrote an essay entitled “A Working Peace System”, in which he claimed that, “the problem of our time is not how to keep nations peacefully apart, but how to bring them actively together”. He argued that state sovereignty is the main source of conflict; thus, peace is attainable only when states give up a part of their sovereignty to a supra-national body, where they work collectively to achieve their common interests. Hence, peace “is more likely to grow through doing things together in workshops and marketplace than by signing pacts in chancelleries” (Mitrany, 1943).

This approach proposes gradual integration, where cooperation begins at the "low-key" economic and social aspects of cooperation such as trade; and then it goes up to the political aspects of cooperation. This is achieved by bringing nations to work together, which builds strong foundations of cooperation and development that gradually facilitates political cooperation. "Any political scheme would start a disputation; any working arrangement would raise a hope and make for confidence and patience" (Mitrany, 1943). Therefore, gradual economic integration will lead to development and prosperity; and will eventually create a foundation for peaceful political cooperation.

Nevertheless, some researchers argued that the functional approach to integration has some weaknesses. For example, Mattli (1999) claimed that the functional approach to integration is not a real theory of regional integration, but rather a normative method of how and why integration should be pursued. The functional approach did not specify the conditions that should be available for integration to be feasible. Moreover, it did not list the reasons why integration is more feasible in economic or social areas rather than political ones (Mattli, 1999).

Moreover, Balassa (1961) has argued against the economic convenience of functional integration, as economic integration may not result in a political one. In his opinion, economic integration results in an increase in the nation's welfare through trade, not the creation of a fertile basis for political cooperation. However, Balassa agrees with the functional approach to integration on the gradual process of integration. He used this idea in explaining the stages of economic integration. According to Balassa, economic integration is a process that involves the gradual elimination of tariff and non-tariff barriers among member states, and the removal of any form of discrimination among them.

The functional approach to integration has been restated through the theory of Neofunctionalism, where its tools and instruments were reiterated in order to explain regional instead of international integration. Neofunctionalism was first introduced by Ernst Haas (1958). Haas (1958) attempted to explain the reasons why nation states might chip away part of their sovereignty to a supranational body, and the process of fulfilling that. He argued that regional integration is a process through which "political actors in several distinct national settings are persuaded to shift their loyalties, expectations, and political activities towards a new and larger centre, whose institutions possess or demand jurisdiction over the pre-existing states" (Haas, 1958).

According to Neofunctionalism, the motives to regional integration is not to achieve "common good" or to encourage peace-making. It is rather an interests based process where states agree to give away some of their sovereignty in order to profit from the process of integration. This approach agrees with the functional approach that integration starts with the economic and technical "low key" aspects of cooperation; however, it does not necessarily lead to a political one. According to neofunctionalism, the relationship between technical and political aspects of cooperation is continuous. Since "the purely economic decisions always acquire political significance", economic integration leads indirectly to a political one (Haas, 1958).

Despite the academic arguments against the neofunctionalist approach to integration, the theory has proven its applicability in the case of European integration, especially in the aftermath of WWII (Schiff & Winters, 2003). The creation of the Benelux Customs Union in 1947 followed by the emergence of the European Coal and Steel Community (ECSC) in 1951; and the convergence of both into the European Economic Community (EEC) in 1957 has paved the way for more political stability in Europe and helped in the reconstruction and development of European countries after WWII.

In addition, the success of the European integration attempts has provided an incentive for other regions to pursue economic integration for the sake of economic and political stability, which resulted in the creation of a large number of economic integration bodies since the 1960s (Schiff & Winters, 2003).

2.1.2 Debates on African economic integration

Various studies have tackled the history of attempts to integrate the African continent economically (e.g. Hartzenberg 2011 & Umar 2014). Although, many of these studies have had different opinions about the validity of these attempts of integration, they have all agreed upon the necessity to integrate.

The idea of integrating Africa economically has stemmed up from African leaders' desire to overcome the adverse effects of colonization by mobilizing the continent's resources (Umar, 2014). These ideas were crystalized in the rapid increase in the number of organizations and integration bodies created in Africa during the 1960s and 1970s. The number of these bodies have continued to rise and reached its peak in the 1980s, when it was crowned by the adoption of the Lagos Plan of Action and the Final Act of Lagos in 1981 and the Abuja Treaty establishing the AEC in 1991.

Hartzenberg (2011) viewed regional integration in Africa as a "rational response" to the challenges that the continent face due to globalization, despite the weak implementation. Africa is characterized by the existence of many small landlocked markets, with very weak economic performance. Despite the strong economic growth achieved by the continent recently, it is still marginalized in terms of global economic performance, as its economies collectively contribute to the share of the world trade by only 3.2% (UNECA, 2012). Hence, attempts to integrate these economies into one continental economy is vital for the development of the continent as a whole. However, African states have created a large number of regional economic communities (RECs), most of which suffer from membership overlap, and enjoy few success stories (Hartzenberg, 2011).

Foote (2009) noted that the weak progress in African integration plans have only been accomplished on a regional, rather than continental, level. Regional economic bodies in Africa were meant to be the basis for the AEC. However, African states have laid down very ambitious integration plans with unrealistic time frames to reach deeper integration levels. The end result, therefore, was a failure in most of these plans due to many administrative and economic obstacles that hindered their implementation (Foote, 2009).

Asante (1997) has also criticized the process of economically integrating the African continent, and listed some of the challenges that slowed down its success. In his opinion, the import substitution strategy that African states have adopted in their integration process was one of these challenges, since these states share similar production and export schemes, which has encouraged market competition among them instead of market integration (Asante, 1997). Moreover, Africa lacks important factors that have to be available in order to achieve successful economic integration. He gave examples for these factors such as the absence of local competition among national producers, so that the economy can effectively compete with foreign suppliers; the weak and absence of sustainable economic growth; and the lack of political support necessary to implement the trade liberalization and regional integration policies (Asante, 1997). Hence, the main economic drivers that make the integration process successful were absent in the case of Africa.

McCarthy (2010) had another opinion concerning the process of regional integration in Africa. He argued that the problem lied in the paradigm that African states have followed in their integration plans. They have focused more on the institutional side of the integration process, which involved following the step-by-step integration process explained by Balassa (1961), instead of working on developing their production capacities so that their economies can produce high quality products with competitive prices (McCarthy, 2010). For him, this is a more effective trade barrier that should have been reduced rather than focusing only on reducing tariff barriers.

In addition, there were other non-economic factors that hindered the integration process in Africa (McCarthy, 2010). The newly independent African states were reluctant to give away part of their economic sovereignty to a supra-national body. The lack of political will to chip away part of the state's sovereignty is a major obstacle to integrate, especially in Africa, since the state controls most of the economic resources and has the power to influence the market. Without the political will to integrate, it was more difficult to yield a fruitful integration arrangement (McCarthy, 2010).

Tuluy (2016) have also discussed the obstacles that faced economic integration in Africa. He pointed out that the most challenging economic obstacle that Africa faces in its integration process is the lack of diversity in the economic structure of its countries. African economies are still following the production and export patterns of the colonial era, which tends to favour the export of raw materials and primary goods and the import of finished goods (Tuluy, 2016). They have failed to materially restructure their economies to be more industrialized, and concentrated their attention on developing the service sector, which has increased trade flows from developed countries rather than increasing the intra-continental trade.

To sum up, economic integration is a necessary step for the development of African economies, and a tool to integrate these economies into the global market, especially the small landlocked ones. However, most of the attempts to reach an integrated African continent were challenged by a number of obstacles that have either hindered or prevented the realization of this goal. Most scholars have agreed that weaknesses in the supply-side of the economy; and the lack of the political will to give away part of the state's control over its economy, are the main factors that have slowed down economic integration in Africa, despite its necessity for the continent's overall development.

2.1.3 Evaluating the COMESA integration experience

As mentioned above, the 1991 Abuja Treaty has laid down six stages of integration towards the creation of the AEC. The first stage has emphasized the importance of strengthening the existing regional economic communities (RECs), and has named eight RECs as the "building blocks" of the AEC. One of these blocks is the Common Market of East and South Africa (COMESA), established in 1994.

Most of the studies examining COMESA are based on a quantitative analysis measuring its success in increasing intra-members trade and enhancing their economic performance and development (e.g. Ebaidallah and Yahia, 2014). Qualitative studies have focused on the challenges that faced COMESA members in their pursuit of deep economic integration (e.g. Umar, 2014); and the potentials that COMESA has in positively influencing trade and economic development in East and South Africa region (e.g. Khandelwal, 2007).

Umar (2014) pointed out that COMESA, just like other regional integration arrangements in Africa, has failed to realize many of its objectives as it suffers from most, if not all, of the difficulties and challenges that face African integration in general. Among these challenges are lack of proper communication and networking within the region, high cost of production, poor infrastructure in terms of transportation and telecommunication, low FDI inflows, weak technological developments, lack of harmonization in regional policy, overlapping membership with other regional economic communities, and inefficient mobilization of resources. In his opinion; however, there are some specific challenges that face COMESA in particular. For instance, some member states have not yet fulfilled their obligations to enter into the COMESA free trade area, which is a necessary step prior to establishing the COMESA Customs Union (Umar, 2014). There are also the administrative obstacles that hinder the finalization of the COMESA regional framework on trade in services, and have delayed the full implementation of the transport facilitation instruments, whose main goal is to overcome high transport costs that affects competiveness of COMESA exports.

Boopen and Sawkat (2010) supported Umar’s point of view on overlapping membership by proving that members of COMESA, who are members of other RECs (such as SADC, SACU, or EAC), are the main reason why the FTA is not fully implemented, since its implementation will have a negative impact on their economies. They ran a quantitative model to assess the impact of fully implementing the COMESA FTA among its members, and to test whether the COMESA member states are losing from not liberalizing trade among themselves completely. The results of the test showed that the full implementation of the COMESA FTA among its members will have positive effects on their economies as their real GDP is likely to increase, trade among them will rise, and exports of COMESA members to other REC members will rise. However, members of COMESA who are members of other RECs will suffer a loss in economic welfare due to the double taxation on products entering their markets and the loss of tariff revenue on products coming from COMESA members and entering other non-member markets. Hence, these countries, namely Uganda, DRC, and Swaziland, are not likely to implement the COMESA FTA due to overlapping membership with other RECs.

On the other hand, Ebaidallah and Yahia (2014) argued that the current level of intra-COMESA trade is still far from the potential trade level of its countries, despite the significant increase in its intra-members trade since its inception in 1994. They conducted their model based on a comparative analysis with the ASEAN model of integration, and using its potential trade estimates as a benchmark to which they compared trade among a sample of eight COMESA members. The hypothesis was based on measuring the success of COMESA through the difference between the potential and actual trade levels of the selected sample. The results of the model showed that all the eight COMESA members are far from their potential trade levels, which implies weak performance of COMESA in terms of promoting intra-regional trade. Nevertheless, the difference between the potential and actual trade levels had a decreasing trend, which indicates that intra-COMESA trade has witnessed some progress in the last decade, and tends to converge to its potential level on the long run (Ebaidallah and Yahia, 2014).

Therefore, when it comes to economic integration, COMESA is not doing any better than other RECs in Africa. Its member states still suffer from the same problems that all African economies suffer from, adding to them the overlapping membership that COMESA has with other RECs in the region. This does not deny that COMESA has had a significant role in increasing intra-regional trade among its members. Should the problems that face COMESA economies be solved, its members might reach their potentials in terms of economic development and regional trade levels.

2.1.4 Assessment of the TFTA

Despite the lack of sufficient literature on the TFTA and its impact on intra-regional trade in Africa, the TFTA is perceived by many scholars as a step forward towards achieving the objectives of the 1991 Abuja Treaty (e.g. Makochekanwa, 2014). The three regional communities of the TFTA (COMESA, EAC, and SADC) have designed a plan through which they are to become one FTA, liberalizing trade among their member states in goods and services, and solving the problem of overlapping membership among their communities.

Makochekanwa (2014) assessed the welfare gains of the implementation of the Tripartite FTA on the 26 member countries using quantitative analysis. He found that the value of new trade created (trade creation effect of the agreement) by the TFTA is estimated to be around USD 2 billion, where the major beneficiaries would be Angola and Congo DR. The value of trade diverted due to the implementation of the agreement is estimated to be USD 454 million. This means that the net result of the TFTA is a positive net trade creation of USD 1.5 billion distributed among the 26 Member States. However, Makochekanwa (2014) estimated that around USD 1 billion of revenues will be lost due to the elimination of tariffs on trade among member states, which is the major reason why many African states are reluctant to sign the agreement.

On the other hand, Mold & Mukwaya (2015) argued that "the existing economic geography of the TFTA is highly uneven". They viewed the economic status of TFTA members in terms of GDP and found that the GDP of the two largest member states (South Africa and Egypt) comprises more than half of the area's total GDP. In addition, if the sum of GDP of the next largest five economies was added to the biggest two, together will comprise 80% of the total TFTA's GDP, which means that the rest of the 19 member states contribute to the area's GDP by less than 25%.

Moreover, Mold & Mukwaya (2015) argued that, in addition to the level of economic performance (economic geography), industrial capabilities are also uneven among TFTA members. Egypt and South Africa account for almost 67% of the industrial capabilities of the area. This raises concerns that the implementation of the agreement might result in a "polarization of the benefits at the two geographical extremes at the expense of the relatively weak and undeveloped economies in the region" (Mold & Mukwaya, 2015).

Bienen (2010) had another opinion concerning the harmonization problem that might occur between the three TFTA communities. In his paper, he argued that the TFTA will be successful in solving the problem of overlapping membership if, and only if, it will replace the original three RECs, at least on the long term. The replacement of the Secretariats of the three RECs with a Tripartite Secretariat is a must to solve this problem. "Otherwise, it would create another layer of regional integration and might even further complicate trade in the region and increase transaction costs for both importers and exporters" (Bienen, 2010). Hence, the TFTA and its three founding

RECs need to develop a harmonization strategy. This strategy should address all aspects of integration (legal, economic, political….etc), and define a specific role for each of the communities (and their institutions) within the framework of the TFTA, so that they might avoid any possible duplication in their efforts or waste in their resources (Bienen, 2010).

Kalenga (2013) suggested that for the TFTA to be a successful integration model, it should build on the progress already achieved by its three father RECs, and not waste resources on previously tackled issues. In his opinion, the TFTA must concentrate on overcoming the supply-side constraints that face most of the region's economies. TFTA member states should avoid wasting time on the pointless arguments of tariff liberalization, and the exclusion of some products from liberalization (the mercantilist approach to regional integration). Instead, the TFTA should focus on the high cost non-tariff barriers hindering trade in the region, such as the high transportation costs; and the restrictive rules of origin. In addition, liberalizing trade in services should be taken more seriously in the TFTA, as it is crucial for enhancing trade facilitation, and attractiveness to foreign investments.

In summary, the TFTA has been perceived as the ultimate solution for the problems that face the success of regional economic integration in the ESA region; however, there is a growing fear that it might represent a major obstacle in this process instead. Numerous factors should be taken into account during the negotiations of this treaty, and the implementation of its rules. Focus should be given to the supply-side of the equation, which has been suffering from high costs of production and transportation, low capacity building, and restrictive measures by importing countries. The TFTA should not work as a catalyst to increase polarization in industrial and trade capacities in the region. It should not represent another integration arrangement that complicates trade in the region rather than facilitating it. These issues have to be addressed seriously in order to see the TFTA succeed in realizing its objectives.

2.2 Conceptual Framework

The conceptual framework of this study is based on David Mitrany's functional approach to peace, and Bela Balassa's theory of regional economic integration. These two theories offer a clear perspective on the idea of regional integration, its purpose; and its expected outcomes.

The concept of bringing nations to work together for peace purposes started to emerge with the pragmatic functional approach to peace designed by David Mitrany in 1943. This approach revolves around the idea of actively bringing nations together in groups seeking mutual interests instead of trying to make them survive apart in peace. Since state's sovereignty is the main source of conflicts, peace will be only attainable when "nation states start to give up a part of their sovereignty to a supra-national body, where they work collectively to achieve their common interests". Thus, diverting energy and resources from war and disputes to more productive and collective activities that force nations to depend on each other, which lessens the probabilities of war in the future.

The functional approach to integration was upgraded in the theory of Neofunctionalism by Ernst Haas in 1958. He argued that integration should be tackled on a regional rather than an international level, where economic and political aspects of integration are inter-connected. Neofunctionalism has identified three main concepts upon which the process of integration is based: functional spillover, political spillover, and upgrading common interests (Haas, 1958).

The functional spillover concept assumes that, in modern economies, integration in one sector will eventually lead to integration in other sectors of the economy, since all sectors in a market economy are interdependent. This concept agrees with the functional approach that integration starts with the economic and technical “low key” aspects of cooperation. However, the political spillover concept assumes that economic cooperation does not necessary lead to political cooperation. Finally, the upgrading of common interests concept simply suggests that nation states will be willing to compromise for the sake of achieving the common interests of the whole region under the influence and coordination of a certain mediating institution, which is the supranational regional body (Haas, 1958).

This approach was adopted intensively after the Second World War (WWII) in both political and economic aspects of international relations, with the objectives of creating welfare gains for the larger population, promoting the capitalist economic model; and avoiding the causes of war. Hence, integration comes as a response to crisis, whether economic or political, and the need of each state to work with its neighbours in order to overcome the consequences of these crisis (Farrell et al., 2005). These notions were crystalized in the creation of the European Economic Community (EEC) after WWII, and the adoption of the Lagos Plan of Action to create an African Economic Community (AEC) in the aftermath of the decolonization of Africa.

On the other hand, the economic integration plan adopted in the 1991 Abuja treaty follows the step-by-step economic integration process explained by Bela Balassa (1961). Article (6) of the treaty states that “The Community shall be established gradually in six (6) stages of variable duration over a transitional period not exceeding thirty-four (34) years”. The only difference in the

African case is that this plan is meant to be implemented on regional and/or sub-regional level first, before the continental level (Umar, 2014).

According to Balassa (1961), full economic integration is achieved over a number of complementary stages, where types of economic integration vary according to its degree. A pre-first step of economic integration is a preferential trade agreement (PTA), which allows a certain number of products to be given a preferential treatment through the reduction (not the elimination) of tariffs on these products (Snorrason, 2012). PTAs facilitate the formation of the first stage of economic integration: free trade areas (FTAs), where both tariff and non-tariff restrictions on trade among partners are eliminated; however, each country retains its own tariffs against non-members.

The second stage of economic integration is a customs union. It is created when tariffs against non-members are unified, and goods are granted a free movement among the trading partners. Customs revenue are gathered into a customs pool, and then distributed among member states according to an agreed upon formula. A higher level of integration is achieved in a common market, where not only trade restrictions are lifted, but also other factors of production (mainly labour and capital) are granted free movement among member states. The next level of integration, an economic union, combines the elimination of restrictions on commodity and factor policies, in order to create a harmony and remove discrimination that was due to inconsistencies in these policies. The final stage of economic integration, the total economic integration, involves the unification of monetary, fiscal, social, and countercyclical policies, and requires the setting up of a supra-national authority whose decisions are binding for the member states. The most well-known successful model of a partial economic integration is the European Union (EU).

2.2.1 Economic Integration and Welfare

The economic approach to analysing the outcomes of integration identifies the main objective of economic integration (or any economic activity per say) as to create an increase in welfare. This approach depends mainly on the two types of analysis of welfare outcomes of economic integration: the dynamic analysis and static analysis. Both types of analysis depend on the economic relationship between goods and factors of production; however, they neglect other political and/or institutional factors that may have an influence over the integration process (Mattli, 1999). Such factors can be the changes that occur in the rules and regulations governing the integrating region, the political dynamics of the integration states; and the politics of the region.

The dynamic analysis of economic integration assumes that welfare, as an outcome of integration, is expected to increase within member countries through an increase in the level of production due to a number of economic factors. These factors include specialization according to the comparative advantage of each member, a decrease in the degree of discrimination between domestic and foreign goods, a more equitable distribution of income (income redistribution) between individuals in member countries; and an even more equitable redistribution of income within member states themselves (Balassa, 1961). Other welfare gains of economic integration include its positive impact on the quality and/or quantity of the factors of production through facilitating the flow of capital and labour; and improvements in the level of technological advancement due to the increase in knowledge transfers (Lee, 2002).

On the other hand, the static effects of economic integration are based on the concepts of trade creation and trade diversion. “Trade creation takes place when establishing regional trade agreements (RTAs) causes a shift from a high-cost, less efficient regional producer to a low-cost, more efficient regional producer. On the other hand, trade diversion represents the shift from a low-cost, more efficient non-member producer to a high-cost, less efficient member producer" (Lee, 2002). In other words, economic integration does not only create trade among member states, but it also diverts trade, and hence welfare, from non-member states. Therefore, economic integration is not expected to achieve an increase in world welfare (Balassa, 1961).

Moreover, it is worth mentioning that the larger the size and growth rates of the integrating economies, the more they gain from integration in terms of welfare. Balassa (1961) argues that fast growing economies are more likely to gain from economic integration than their slow growing partners. Abdel Jaber (1971) has also confirmed this point by claiming that the size of the economy, measured by its GDP, is one of the main determinants of economic integration gains. Thus, developing and least-developed economies are more likely to gain less from integration than their developed partners. The same applies for integration arrangements among developing countries, where economies with higher growth rates are expected to gain more from integration than economies with relatively lower economic growth rates.

Again, Bela Balassa's step-by-step economic integration process have been outlined in the Abuja plan to create AEC. This study tries to emphasize how far the AEC has achieved its plan of economic integration; and what are the factors that have affected the implementation of this plan so far. This is done by examining a case of regional integration in ESA, COMESA. This study tries to bring in new empirical views on this topic that might help in filling the gaps in the existing literature.

CHAPTER THREE

Methodology

3.1 Data Collection

This study depends merely on qualitative analysis, and thus it uses non-probability sampling, as it does not aim at producing a statistically representative sample or draw statistical inferences. Specifically, the study uses a purposive non-random sampling technique as the characteristics and the professional and/or academic backgrounds of the participants are more important than their number, and thus they are the basis upon which participants are selected.

The study depends mainly on qualitative data collected from interviews and observations. Interviews about issues of African economic integration, COMESA objectives and the TFTA negotiations were conducted with different stakeholders that are directly and/or indirectly involved in the process. Selection of the interviewees was based on the relevant experience that the interviewee has, and its readiness to participate in the research. An approval from the Institutional Review Board (IRB) at the American University in Cairo (AUC) was given to the researcher in October 2017 to conduct interviews for her study. The researcher has set a sample of fifteen interviews for the study; however, only ten interviews were conducted given the time constraints and availability of interviewees, which provided a very sufficient amount of data for the study.

Most of the interviewees are working at the Egyptian Ministry of Trade and Industry and the Ministry of Foreign Affairs, others are current members of the AU and/or COMESA Secretariat bodies, and some think tanks in Africa. The researcher has conducted a number of ten interviews. Five of them were conducted with officials in the Egyptian government who have direct connection with African integration topics, or who possess sufficient experience on the subject. Two interviews were conducted with top officials of COMESA Secretariat, one with an official of the EAC Secretariat, and two with top officials from the AU. Most of the interviewees requested not to mention their names; thus, the researcher has decided not to mention interviewees' names nor use pseudo names in the study.

Interview questions varied according to the position and experience of each interviewee. Most of the interviewees were asked about their opinions on COMESA's overall performance and their perception about the Tripartite FTA. Officials from the Egyptian government were asked about the advantages of being part of COMESA and the Tripartite FTA, and how they think negotiations of the later will develop in the future. COMESA Secretariats were asked to provide more details about the COMESA trade liberalization and industrial development programs, and the progress achieved in these programs; in addition to the challenges that face COMESA Member States in realizing their stated goals and their prospects for COMESA in the future.

The interviews with the EAC official and the AUC officials were quite interesting because they showed very different points of view about COMESA and TFTA from the COMESA's point of view. EAC has a different organizational structure than COMESA, and its member states are highly committed to achieve its goals, despite the fact that four of its five members are already members of COMESA. On the other hand, the AU functions as a supervisory authority over the RECs in Africa; however, it has its own trade liberalization and industrial development strategies as well. It was very important to know how the AU perceives the different initiatives and programs implemented by the RECs in Africa, and how it plans to integrate all these programs into one continental program that serves all African countries under the umbrella of the AEC.

Data collection was conducted over a period of two months. Data collected from Egyptian government officials were through face-to-face interviews and interviews were audio taped. Interviews with officials from AU and one of the COMESA officials were conducted in a written transcription through email. The researcher has also relied on information gathered during the participation in a Symposium on African Regional Integration, held in Arusha[2] - Tanzania, where the researcher met another COMESA top official and an official from EAC. The researcher participated as a panellist during the Symposium, and had the ability to conduct some interviews with representatives of some African RECs. The researcher has also contributed to drafting the recommendations of the Symposium, and have used the executive summary of the Symposium as one of the primary data sources for this study.

Data on the history of economic integration in Africa were gathered from secondary data sources, like reports, papers, periodicals; and previous research on the matter.

3.2 Method of Data Analysis

The main purpose of this study is analysing the history of Economic Integration in Africa, with a special focus on the cases of COMESA and the TFTA. This was conducted through a mixed approach using both comparative historical analysis and qualitative analysis.

Comparative historical analysis aims at studying different events at different points of time and creating a certain conclusion that is valid for a current issue (Kreuger & Neuman, 2006). It

[2] The Symposium was organized by the Pan African Center for Policy Studies (PACPS) located in Arusha – Tanzania from the 1st to the 3rd of November 2017. The Symposium was on the Quality of Public Institutions on the African Continent under the title: "Beyond the Abuja Treaty: Regional Economic Communities and Continental Integration – Integration of Functions or of Values?"

tends to reveal developments that have occurred over long periods of time or across societies. Comparative historical analysis is used in this study in order to explain the developments that have occurred in the process of integrating Africa economically, and the challenges that faced African nations in their attempts to pursue their integration plans.

Comparative historical analysis was conducted, specifically, to analyse the establishment of COMESA and why it has not realized its stated goals. The analysis is extended to the TFTA in attempt to explain how it is supposed to fulfil the development and integration objectives that were not realized through COMESA.

On the other hand, qualitative analysis was used in order to explain the reasons why integration plans in Africa have failed to achieve their stated goals. It is conducted in order to crystalize the main hurdles that prevent the COMESA members from meeting their development and integration objectives, as well as the expected impact of the TFTA plan on overcoming these hurdles. Qualitative analysis was applied mainly on interviews with some of the concerned stakeholders and observations gained from the work environment.

Information gathered from the interviews were compared to the literature and validated by interviewing more than one official in the same entity. Responses provided by COMESA officials were sometimes misleading, especially when asked about the organization’s performance in terms of trade liberalization. Most of the literature in that subject have criticized COMESA’s low performance in terms of realizing its stated objectives although other RECs were able to do so and they did not possess the amount of resources that COMESA member states enjoy.

Moreover, Egyptian government officials were sometimes biased when discussing the challenges that face them in the negotiation process of the Tripartite FTA. They blamed some of the member states of being reluctant when it comes to signing the agreement and/or ratifying it, without giving any consideration to the differences in the levels of development in both economic and legal capacities of member states that might have delayed finalizing their official positions.

All these issues were taken into consideration through the data analysis to ensure objectivity and accuracy. Interviews were transcripted and organized in order of topic. Information provided within each category was compared to the literature and validated through examining the performance indexes and officials reports tackling the issue on question.

3.3 Scope and Limitations

3.3.1 Limitations of the study

One of the key limitations of this study was the inability of the researcher to travel to different African countries to interview Secretariats from COMESA or the African Union. Hence, interviews were conducted in a written form, where the interview questions were sent to the interviewee and responses were received in paper transcription. Moreover, most of the interviews were conducted with Egyptian officials at the Ministry of Trade and Industry or the Ministry of Foreign Affairs, which might create bias in the responses received by the researcher, especially in questions related to administrative obstacles and challenges that face the African integration process.

3.3.2 Ethical Considerations

Qualitative research relies mainly on responses deducted from interviews with human participants. For this reason, the researcher has followed the instructions of the IRB at AUC and provided all interviewees with consent forms that provide full information about the research and its whereabouts. Also, the researcher decided not to mention any names for the interviewees in order to protect them and to ensure their comfort in taking part of the research. Moreover, the researcher provided all information about the research verbally, and accepted the desire of the interviewees to withdraw from participation in the research at any time (fortunately this incident did not occur). The participants were asked to read the consent forms carefully and to sign it prior to the beginning of the interview, and were clearly informed that their interview will be audio-taped in case of face-to-face interviews.

CHAPTER FOUR

The Common Market of East and South Africa (COMESA)

4.1 Overview on COMESA and its objectives

4.1.1 Establishment of COMESA

In the aftermath of the decolonization of Africa, there was a deep realization among African states that the survival of their independence and the development of their economies is highly dependent on the unity of the whole continent. Hence, the notions of African unity and self-reliance have been intensively mentioned in the speeches of African leaders during their conferences in the late 1950s and early 1960s. These notions were translated in the establishment of the Organization of African Unity (OAU) during the conference of African Heads of states held in Addis Ababa in 1963. The OAU aimed at promoting African unity, defending the solidarity and territorial independence of African states, eradicating colonialism in Africa, and achieving better lives for African people[3].

In 1981, African leaders held their first economic summit in Lagos – Nigeria, where they adopted the Lagos Plan of Action (LPA) for the economic development of Africa (1980-2000). The LPA was an OAU-backed plan for restructuring African economies, adopted in the light of the decisions highlighted in the Monrovia declaration 1979: to promote self-reliance in the continent for economic and social development. The plan has laid down strategies for the continent to achieve food security, economic development, and promote economic integration.

[3] Article II (1), the Charter of the OAU, 1963.

The strategies that African states laid down in the LPA were translated into a concrete plan when African leaders gathered in Abuja – Nigeria in 1991 and signed the Abuja Treaty establishing the African Economic Community (AEC). The Treaty stated that AEC would be established in the light of the objectives of the OAU, and with a major goal to achieve full integration for the whole continent by the year 2028 (Umar, 2014). The treaty has laid down a six-stages plan to achieve the AEC. According to Article (6) of the treaty, this plan was designed to follow the step-by-step economic integration theory, where "The Community shall be established gradually in six (6) stages of variable duration over a transitional period not exceeding thirty-four (34) years". The first stage, and the only implemented stage, of creating the community is strengthening the existing economic communities and encouraging the establishment of regional economic communities where they do not exist in the continent.

In addition to the OAU, the United Nations Economic Commission for Africa (UNECA) was formed in 1965. One of the Commission's main objectives is to create a floor for regional and sub/regional bodies in Africa to exchange dialogues on their research findings, with the aim of promoting economic development in the continent. Pursuant to that objective, the Commission has held a ministerial meeting for Eastern and Southern African states in Lusaka - Zambia, in which various proposals for integration on regional and/or sub-regional levels have been discussed. In this meeting, the Commission proposed the formation of an "Economic Community for Eastern and Central African States", and thus, an Interim Council of Ministers was formed to discuss proposals for the structural formation of such community (Foote, 2009). Very slow progress has been achieved during these discussions, until the year 1981, when it was finally decided to establish the Preferential Trade Area for Eastern and Southern African States (PTA). According to this agreement, Member States have agreed to eliminate restrictions on trade as a step towards the establishment of a free trade area.

Member States of the Preferential Trade Area for Eastern and Southern Africa have picked up from what was stated in the 1991 Abuja treaty, and decided to move forward with their PTA towards a stronger form of regional economic integration. In 1993, the Common Market for East and Southern Africa (COMESA) was established, with the aim of benefiting from the bigger market size of its members, spreading the region's common heritage among its people; and creating an opportunity for deeper socio-economic cooperation. It had twenty one (21) founding members from the region, and they were Angola, Burundi, Comoros, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zaire (the Democratic Republic of Congo), Zambia, and Zimbabwe. The number of member states have now been reduced to only nineteen (19) states, with the exit of Tanzania due to its membership in EAC, and Angola due to its membership in SADC; and the inclusion of Libya in the FTA. Negotiations are currently ongoing to include Tunisia in the FTA as the 20th member state.

The treaty entered into force on December 8th 1994, and its members agreed to launch their free trade area in October 2000. Yet, on that date, only nine members of the nineteen member states of COMESA have met their obligation of removing tariff barriers on imports from member states (Foote, 2008).

4.1.2 COMESA Objectives

The COMESA Treaty has identified six general objectives for the Common Market[4], and a number of specific undertakings in six sectors of cooperation[5]. The general objectives of the Common Market are to:

1. Ensure sustainable economic growth and development for Member States;
2. Improve the standards of living of its peoples and deepen the economic and social relations among Member States;
3. Create an investment friendly environment through promoting research and technological development;
4. Cooperate in the fields of peace and security in order to ensure political and economic stability among Member States;
5. Strengthen the relations of the Common Market with the rest of the world, and encourage Member States to adopt support other Members' positions in international fora;
6. Contribute in the realization of the continental goal of establishing the AEC.

The Specific undertakings of COMESA have stated on cooperation in six major sectors, namely:

1. Trade liberalization and customs: cooperate in establishing a customs union, a common external tariff, and COMESA rules of origin;

[4] Article III, the Treaty Establishing the Common Market for East and South Africa (COMESA Treaty), 1993.
[5] Article IV, the Treaty Establishing the Common Market for East and South Africa (COMESA Treaty), 1993.

2. Transport and communications: facilitate the movement of goods, services, and people among Member States;
3. Industry and energy: create an industrial friendly environment that ensures the improvement in production capabilities of Member States;
4. Monetary affairs and finance: achieve full harmonization of monetary, financial and fiscal policies as a basis for the creation of a monetary union;
5. Agriculture: to cooperate in agricultural development and ensure food sufficiency among Member States, in addition to improving the export of agricultural and agro-industrial products;
6. Economic and social development: enhance cooperation among Member States in cultural and social affairs, specially tourism, wildlife development, environmental policies, and solving economic problems that may face Member States during the implementation of the Treaty provisions.

COMESA Member States have launched the Customs Union in 2009, with a goal to fully implement the Customs Union by 2011; however, this goal was not attained. COMESA had further integration goals: to achieve full harmonization of monetary, financial and fiscal policies by 2014; to establish a monetary union by 2018; and to create a single free investment and trade space by 2028 (Umar, 2014). Nevertheless, none of these goals was realized. Even the COMESA free trade area, which is the first step towards the Common Market, is not fully implemented by Member States for several reasons.

The next section of this chapter will discuss how successful COMESA was in achieving some of its stated goals.

4.2 How far has COMESA realized its objectives?

As mentioned above, COMESA Member States have laid down an ambitious plan to achieve its main goal, which is creating a Common Market in East and South Africa that guarantees the free movement of labor and capital. In addition to this major goal, COMESA had plans to increase cooperation among its members in many sectors that are directly connected to regional trade and economic development.

Nevertheless, none of COMESA goals was realized in a timely manner. COMESA was established in 1994, with a plan to launch its free trade area in 2000. However, on that date only nine member states were ready to do so. In 2009, COMESA launched its Customs Union, with an objective of full implementation by 2011. Until now, the COMESA Customs Union is not implemented. These facts raise important questions: how far has COMESA realized any of its stated goals? Was COMESA a failure in terms of trade liberalization and economic development? The answers to these questions lie in the progress that COMESA has achieved throughout its different integration and development programs.

4.2.1 Progress achieved in trade liberalization

COMESA may have failed in meeting its objectives in their specified deadlines; however, it has achieved some progress in terms of increasing intra-members trade and encouraging cooperation on infrastructure and industrial projects in the region. This has been highlighted by one of the COMESA top officials when he said:

"COMESA might have attribution problems; however, it has managed to increase intra-members trade by $10 billion since its inception, contributed to the creation of many job opportunities in the region; and managed to address non-tariff barriers and solve most of them".

This observation is based on what was published by COMESA itself that intra-Members trade has increased annually by 7% on average since the establishment of the COMESA FTA (COMESA, 2014). It also goes along with what was proven by Ebaidallah and Yahia (2014). In their study, they estimated that the COMESA has managed to create a significant increase in its intra-Members trade since its inception in 1994, despite the fact that its current level of intra-COMESA trade is still far from the potential trade level of its countries.

Nevertheless, COMESA Member States had a period of 16 years since the launch of the signing of the agreement to progressively remove tariff barriers on goods originating from other Member States. However, when the FTA was launched in October 2000, only 9 countries were ready to implement it. Today, only 12 countries of the 19 Member States are implementing the COMESA FTA (COMESA, 2014). The other seven Member States are implementing tariff reductions between 60-90% (COMESA, 2014).

In practice, these Member States are not really abiding by their obligations. For example, some countries have joined the FTA in law (by ratifying the agreement), yet they have not implemented it (e.g. DRC). Others have requested for a freezing period for a specific amount of time for a list of "sensitive products", e.g. Uganda and Seychelles; although, their policies are not very transparent when it comes to providing the other Member States with lists of these sensitive products.

In addition to the tariff barriers, COMESA Member States use non-tariff barriers (NTBs) in order to hinder the access of imports into their markets. NTBs are defined by the EAC as *"quantitative restrictions and specific limitations that are obstacles to trade."* Article (49) of the Treaty establishing COMESA states that Member States are obliged to immediately remove all forms of NTBs to imports originating from COMESA[6], in addition to establishing focal points in their relevant ministries for monitoring and reporting any forms of NTBs on imports (Musengele & Nsubuga, 2014).

Despite these efforts, NTBs still represent a major obstacle to trade among COMESA Member States; and the adopted approach to removing them has not been very successful in this job. When asked about NTBs among COMESA Members, a top COMESA official argued that;

"The number of registered NTBs among COMESA Member States have increased to 204 complaints from 2008. Most of these NTBs were eliminated; while those that have a greater impact on the intra-region's trade are still not resolved yet."

In other words, the official is stating that Members of COMESA have been more willing to impose NTBs on trade from the region to protect their own national production. The number of complaints submitted to COMESA on NTBs have increased by the year 2008 to 204 complaints, where most of them are now resolved. However, a number of NTBs are still in force, and their distorting impact on intra-regional trade is higher than those resolved.

[6] Paragraph (1), Article 49, the Treaty Establishing the Common Market for East and South Africa (COMESA Treaty), 1993.

The problem mainly lies in the legal provisions of the COMESA Treaty, which are not binding for Member States. Hence, the initiatives undertaken by Member States are all voluntary; and rely mainly on the “good will” of the Members to implement them; which makes them ineffective and inefficient (Musengele & Nsubuga, 2014).

On the other hand, COMESA has introduced a vast number of trade facilitation programs that aim to reduce the time and cost of transportation of goods from one Member State to the other. These programs, despite their importance, have not been widely implemented by Member States. An official at the COMESA Secretariat body highlighted this point by declaring that;

“Trade facilitation programs are a crucial part of COMESA’s efforts to realize its goals. The COMESA Secretariat has exerted tremendous efforts in raising funds for these programs; however, most of these programs have seen very low implementation levels.”

The low implementation levels of trade facilitation programs were very obvious among COMESA Member States, where some programs are practically implemented by only two or three Members. For example, the Regional Customs Guarantee Scheme (RCTG) is a program designed to develop bond guarantees that allows transit goods crossing the boarders of any Member State to pay the entry fees only once upon entry and travel through the whole COMESA region by means of an issued RCTG bond. The program is said to be applied by Burundi, DRC, Djibouti, Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Sudan, Uganda, Zambia, and Zimbabwe. However, the program was practically implemented only along the Northern Corridor in 2012, from Mombasa – Kenya to Rwanda, while none of the other Members has undertaken any further steps in applying this scheme (COMESA, 2014).

Concerning the implementation of the COMESA Custom Union, the Council of Ministers have adopted the COMESA Common Tariff Nomenclature and Common External tariff (CTN/ CET) on the basis of the HS2012 of the World Customs Organization (WCO)[7]. According to the CTN/CET, all COMESA Members are expected to unify their MFN tariff duties against third parties (non-COMESA Members). The implementation has seen very slow progress so far. Some Members have started the process of adopting the COMESA CTN, while others began to merge their national tariff into the COMESA CET. The Customs Union was expected to be implemented in 2011, and the implementation phase has been very slow. In response, COMESA has adopted the "principle of variable geometry", which states that Member States who are ready to implement the Customs Union can proceed instead of waiting for all the other Members to be ready for implementation.

As a result to what was mentioned above, traders and suppliers in the region have shifted towards exporting to other regions and/or countries instead. Consequently, the growth of intra-COMESA trade since its inception is relatively low when compared to the growth of the region's trade with other trade partners, such as the EU, in terms of both exports and imports (Kapindula et al, 2016). Between the year 2000 and 2013, exports within COMESA have increased by 85% compared to an increase of 74% of the region's exports to the EU. This is basically because intra-COMESA exports rose from a much lower value than the region's exports to the EU (from USD 1.5 billion in 2000 to USD 10.1 billion in 2014). For the period 2000-2014, the share of intra-

[7] Harmonized Commodity Description and Coding System (commonly known as the Harmonized System "HS") is an international product nomenclature designed by the WCO for 5000 commodity groups, each is identified a six-digit code, and arranged in a specific legal and logical structure to create a uniform goods classification for international trade purposes (http://www.wcoomd.org/en/topics/nomenclature/overview/what-is-the-harmonized-system.aspx).

COMESA exports of the region's total exports accounted for about 6.4%, compared to 62% for the region's exports to the EU (Mangeni, 2011; Kapindula et al, 2016).

4.2.2 Progress achieved in economic development

COMESA has adopted many programs to develop infrastructure and industrialization among its Members. The main objective of these programs is to further deepen cooperation among Member States in other sectors related to trade and economic development, such as agriculture; industrialization; and infrastructure development.

First, in the field of agricultural development, COMESA has teamed up with the New Partnership for Africa's Development (NEPAD) in implementing the Comprehensive Africa Agricultural Development Program (CAADP). The program aims at addressing the challenges that face development in the agricultural sector in COMESA Member States, so that their economies can "reach a higher path of economic growth through agriculturally-led development, which eliminates hunger, reduces poverty and food insecurity, and enables expansion of exports" (Mangeni, 2011; COMESA, 2014). COMESA has used this program in order to mobilize resources for its implementation. By the end of 2013, 14 Member States have signed their CAADP national compacts; however, the program had not yielded any concrete developmental results in the agricultural production of these 14 countries so far.

Second, COMESA considers infrastructure development a fundamental part of its economic integration plan, as it is vital for production and facilitation of transportation of goods and factors of production. COMESA has designed programs for infrastructure development in the region that focus on policy harmonization, coordination; and the development of three main pillars:

transport, energy, and Information Communications Technology (ICT) (COMESA, 2013). COMESA infrastructure programs are progressing successfully, unlike trade facilitation programs. An AU official has pointed out on this fact by the following:

"COMESA realizes the importance of infrastructure development. Though, most of COMESA infrastructure development programs are adopted recently; its Members are working very hard in this direction. COMESA Members have strongly promoted the development of roads, maritime routes, electricity plants, and communication networks. The AU is backing them up with resources through the AFDB; and knowledge if possible."

The official has named some of these projects that have helped in enhancing the trade performance in the region, namely the Northern Corridor, which is the most important corridor in East Africa connecting Kenya, Uganda, Rwanda, Burundi, South Sudan and the Republic of Congo; the Djibouti Corridor (connecting Djibouti and Ethiopia); and the Central Corridor (starting at East DRC and ending at Dar es Salaam) among others. Most of these projects were supported by NEPAD, or the AFDB as a part of the Aid for Trade Initiative[8].

Finally, COMESA Member States have adopted the COMESA Industrialization Strategy in September 2017. The strategy is designed over a period of ten years (2017-2026), with an objective to restructure the region's economies, create more jobs; and raise the standards of living. The strategy also relies on many stakeholders, in addition to Members' governments, in its implementation such as the private sector, the diaspora, and the civil society (COMESA, 2017).

[8] Aid for Trade is a WTO initiative designed to help LDCs and developing countries trade through a number of programs implemented by regional key partners such as AFDB, Asian Development Bank, IMF …etc. The Initiative was launched in the Hong Kong Ministerial Conference in December 2005.

These stakeholders were included not only for the financial support they provide for, but also for the knowledge and technology they can bring in through the process of implementation of this strategy.

In summary, COMESA has adopted many programs in order to facilitate the process of integration among its Member States. Many of these programs lacked the adequate level of implementation. The reasons for the poor implementation are related to many obstacles that hinder not only COMESA programs, but the whole process of economic integration in the region.

4.3 Challenges facing COMESA integration plans

It appears from the previous display that COMESA has adopted several programs and integration plans that had issues in their design; and consequently, their implementation as well. None of the integration objectives was met in a timely manner, trade liberalization and facilitation programs had very low implementation levels, infrastructure development plans were adopted by donors; and the agricultural development program has yielded no concrete results so far.

4.3.1 Implementation Challenges

When asked about the challenges that hindered the implementation of COMESA regional integration plans, a top COMESA official has pointed out that;

"Implementation of some programs is difficult for some Members, as their national budgets could not afford the incurred costs. Others cannot afford the loss of revenue that might occur after removing their tariffs on imports from the region. While others have an opposite problem, as they have removed tariffs and adopted the CET but receive no similar treatment from other

Members. In my opinion, the main problem in COMESA is that there is no common problem among all Members so that we can adopt a collective solution for it. Every case must be dealt with on its own, which is very costly and time consuming."

The previous remark sheds the light on one of the main challenges facing COMESA in its integration process, which is the differences in Members' interests. The lack of coordination and coherence in national policies of COMESA Member States leads to low prioritization of integration programs (Geda & Kebert, 2007; Mangeni, 2011). Member States have very weak understanding of the integration process. They tend to reflect their national interests into the regional integration plans, which results in the production of programs that serve a specific group of States rather than the whole region. In other words, they tend to produce "national programs that get regionalized" (Mangeni, 2011).

Moreover, COMESA Member States and Secretariat lack the adequate capacity to implement its integration plans. For example, they lack the sufficient skilled human resources needed to assist and monitor the implementation of various COMESA programs on both the Secretariat and the Member States levels. In addition, there is a shortage of financial resources due to the huge dependence on donor funds that are directed to specific programs (Mangeni, 2011; Kapindula et al, 2016). Member States do not have the financial capabilities to fund COMESA programs properly. Some Members actually do not pay their share to the COMESA budget on time. This causes a deficiency in the Secretariat's ability to follow up on any of its activities, as well as the lack of ownership for the integration process by Member States.

Another challenge is related to the lack of political will at the national level to go further with integration plans (Kapindula et al, 2016). African States are characterized by very strong governments that control most of the wealth and resources in their countries, and have a strong hold over their markets. African leaders, therefore, can easily mobilize resources to fund integration programs. This leads to the conclusion that the lack of financial and/or human resources to implement COMESA programs is strongly related to the lack of political will to contribute to these programs.

Concerning the COMESA Customs Union, the implementation of the Customs Union has been delayed due to the reluctance of some Member States to ship away part of their economic sovereignty to a regional body (Mangeni, 2011). The adoption of the COMESA CET will result in loss of some of the tariff revenue collected by Members, which constructs, in some cases, a substantial part of these countries' budgets. This reduces the willingness of Member States to apply the Customs Union rules, which is the main reason why it was not implemented in 2011 as planned.

In the same context, most of COMESA Member States are also members of other RECs in the region, and are committed to abide by different policies that might contradict sometimes. This overlapping membership results in a confusion for policy makers in these countries. They might lack resources to undertake all these programs at once, and sometimes they are faced with a prioritization problem of which programs to implement. For example, Uganda was forced to hinder the free entry of some product from COMESA, so as to protect the interests of its EAC partners. The result was a delay in Uganda's the full implementation of COMESA FTA since it is also a member in EAC.

On the other hand, there has been a new wave recently that favors bilateral economic relations over multilateral ones. This was highlighted by an AU official as follows;

"*The strong presence of China and other developing countries in Africa might be positive in terms of the developmental projects that these countries fund. Yet, it is also very threatening as it turns all the continent's attention to enhancing their bilateral relations with these economies, ignoring totally their regional integration plans.*"

This remark sheds the light on one of the factor that has a string adverse effect on regional trade relations in Africa. The rise of developing economies like China and their increasing role in global trade and investment has strongly guided the continent in this direction (Mangeni, 2011). These economies have shifted to Africa seeking opportunities to invest and produce, which are widely available in the continent. They also have tremendous financial resources, which they made available for African countries to borrow to finance development projects. However, the great interest that these economies have in Africa is negatively related to the integration projects in the continent, and thus, has an adverse effect diverting the continent from its integration plans.

In summary, COMESA faces many challenges that hinder the implementation of its integration programs. Information asymmetry, weak banking systems, low production quality, weak participation of private sector, and other challenges can be added to the above-mentioned ones. Some of these challenges are related to the organization's structure and financial resources, while others are strongly connected to Member States themselves.

4.3.2 Empirical Challenges

Apart from the implementation challenges discussed above, COMESA regional integration plans, as well as most of integration plans in Africa, suffer from some theoretical and empirical issues that may justify the behavior of its Members. As Balassa (1961) explained, the theory of economic integration identifies its main objective to create an increase in welfare. Welfare gains from economic integration are expected to occur through the increase in levels of production due to specialization based on the comparative advantage of each member, less discrimination between domestic and foreign goods, and income redistribution within member states and also among themselves. These welfare gains are a direct result of the trade creation effect of economic integration (Balassa, 1961).

Nevertheless, these arguments are purely hypothetical, and practical application of regional integration raises many questions. First, regional integration promises welfare gains due to trade creation; although, it is not guaranteed that trade creation will exceed the trade diversion effect of integration. Many factors related to economic integration, such as political stability, institutional arrangements; and resource mobilization, can result in a large trade diversion effect, and thus, loss of welfare in Member States as a result integration.

Second, the theory of regional integration promises welfare gains due to specialization based on comparative advantage. However, it totally neglects the variations in production capacity of Member States and the attractiveness of some of them to economic activities more than others. The difference in "economic geography" is one of the main reasons economic integration fails among developing countries, especially in Africa (Geda & Kebert, 2007). Economic performance is not evenly distributed among African countries. Therefore, Member States, especially the least-developed ones, fear that their few existing industries might move out to relatively more attractive developing neighbors. Hence, these countries become more reluctant when it comes to meeting their obligations within regional economic arrangements.

Moreover, comparative advantage assumes differences in the production structure and resources of integration partners. This does not seem to be present in the case of Africa. African economies have very similar production and export structure. Most of these economies rely on the exportation of raw materials, or low value-added industries, and the importation of finished goods. Hence, African economies do not have a comparative advantage over their neighbors as most of them, with very few exceptions, produce, export and import goods that are considered more of substitutes than compliments (Geda & Kebert, 2007).

For example, the latest trade statistics issued by COMESA indicated that petroleum, raw materials and precious metals accounted for around 50% of total COMESA exports, while manufactured products comprise around 26% of the region's exports. In addition, countries individual trade profiles showed that most of the Member States export fuel, agriculture products like tea and coffee, or ores and metals like nickel and gold. The exports of manufactured products are mostly low value-added goods such as textile fabrics and ready-made garments (COMESA, 2016). On the other hand, high value-added manufactured goods, such as cars and telecommunication equipments, comprise around 64% of total COMESA imports in 2015[9]. It is,

[9] COMESA Statistics Unit (November, 2016), International Trade Statistics Bulletin, Bulletin no. 15.

therefore, predictable to find out that intra-COMESA exports and imports comprised only 12.2% and 5.2% of total COMESA trade respectively.

Finally, regional integration provide for a “lock-in” effect (Geda & Kebert, 2007). LDCs find themselves forced to enter regional integration arrangement with more developed partners out of fear of exclusion. However, this does not always turn out to be in their favor. LDCs find themselves committed to abide by similar policy frameworks as their more developed partners; who might have more capacity and resources to implement these frameworks. Hence, LDCs commitment to abide by agreed upon integration procedures and their willingness to implement market integration programs are negatively affected.

CHAPTER FIVE

The Tripartite Free Trade Area (TFTA)

5.1 Establishment of the TFTA and its Objectives

In the aftermath of decolonization, Africa has seen a significant rise in the number of RECs that aim at trade liberalization and economic development among their members. These RECs have designed many programs to achieve such goals, all of which follow the classic approach to economic integration: Market integration. African countries have been very enthusiastic to join RECs with their neighbors. Most of them tended to join more than one REC in their region, in order to benefit from the various developmental programs that each one offers.

Unfortunately, African economies lacked the factors necessary to make market integration work. Their economies suffer from weak production capacities, low quality infrastructure, and a shortage in expertise and skilled labor (Asante, 1997). Recently, African states have realized that the success of their market integration attempts is strongly related to economic development through industrialization and infrastructure projects. Hence, RECs in Africa have attempted to give more attention to developmental programs that specify certain commitments on their Member States to be met within a specific timeline. However, Member States, especially those who belong to more than one REC, found it difficult to design public policy frameworks that can accommodate their regional commitments, which resulted in a failure in the market integration approach.

In 2015, African states in the ESA region have picked up from these mistakes and signed the Tripartite FTA. The agreement has been promoted as a solution for the problem of overlapping membership among its three father RECs: EAC, SADC and COMESA. However, the core of this agreement was a new approach to economic integration that takes into account the special economic nature of the African continent. The agreement seeks market integration through a developmental approach based on three main pillars: market integration represented in the progressive elimination of tariff and non-tariff barriers among its members; infrastructural development through the merger of infrastructure projects within the region; and industrial development through the design of a common industrial development strategy based on value chains and comparative advantage.

This chapter explains the process through which the Tripartite FTA has evolved and its objectives. The chapter then discusses the developments that have occurred so far in the negotiations of the Tripartite FTA and the implementation of its rules. Finally, the chapter reflects on the tripartite integration plan through an assessment to the developments that were discussed earlier and the relationship between the Tripartite FTA and other integration arrangements in the continent.

5.1.1 The evolvement of the tripartite coalition

Over the past decade, RECs in Africa have worked intensively in order to find a solution for their common challenges. In the ESA region, overlapping membership among the RECs has been identified as one of their main challenges. UNECA issued a report in 2012 to analyze and offer solutions for the problem of overlapping membership between the RECs in the ESA region, which are COMESA, EAC, SADC, and the South African Customs Union (SACU)[10]. The report

[10] The South African Customs Union is a customs union regional arrangement in the SA region established in 1910 among five Member States: Botswana, Lesotho, South Africa, Namibia, and Swaziland. More can be found on: http://www.sacu.int/

explained the problem by stating that EAC shares four of its six members with COMESA, and one member with SADC. The latter has fifteen Member States, of which five members are already members of SACU. On the other hand, seven of the 19 COMESA Members are also SADC Members. Hence, "of the 26 countries in COMESA, EAC and SADC, 17 are either in a customs union and negotiating an alternative customs union to the one they belong to, or are negotiating two separate customs unions at the same time" (UNECA, 2012).

In pursuit of solving this chronic problem, COMESA and SADC established a joint Task Force between their Secretariat bodies in 2004. The joint Task Force was meant to coordinate between the programs adopted by the two RECs so as to overcome the challenges that face their common members in abiding by their commitments. The EAC Secretariat has joined the Task Force in 2005, and hence it was named the Tripartite Task Force (Dari, 2015). After several meetings between the years 2005-2007, the task force raised a recommendation to their respective Ministerial Councils to hold a Summit of Heads of Member States of COMESA, EAC, and SADC (a tripartite summit).

The Summit was held in October 2008 in Kampala - Uganda, where the Heads of States of COMESA, EAC and SADC agreed on harmonizing the programs of the three RECs to allow the free movement of "business persons" among their territories, the joint implementation of infrastructure development programs and the institutional coordination among the Secretariats of the three RECs. The Summit, also agreed to establish the Tripartite FTA (TFTA), as "a crucial building bloc towards achieving the African Economic Community as outlined by the Treaty of

Abuja"[11]. The FTA's main objective is to integrate the markets of the three RECs into one free market "from Cape to Cairo" (Fundira et al., 2011). The Heads of States have also signed the TFTA draft agreement during the Kampala Summit (Dari, 2015).

The second Tripartite Summit was held in Johannesburg - South Africa in June 2011, in which the first phase of negotiations on the technical prospectus of the TFTA was officially launched. The Summit has adopted the developmental approach to tripartite integration, which comprises market integration, infrastructure development and industrial development[12]. Market integration, on one hand, is represented in the gradual elimination of tariff and non-tariff barriers among Members and the creation of the FTA. On the other hand, infrastructure development comes as a realization of the high cost of connectivity, whether through telecommunication or transport, and doing business in the continent, accompanied by industrial development to work on enhancing the capacity of production of Member States and widening their export potentials. The Summit has also adopted the roadmap to establish the Tripartite FTA, and the negotiating principles of the FTA, its processes and institutional framework.

After four years of technical negotiations, African leaders launched the Tripartite FTA during their third Tripartite Summit held in Sharm El Sheikh – Egypt in June 2015; and thus, the agreement was opened for signature by Member States[13]. The communique of the Summit has

[11] Communique of the First COMESA-EAC-SADC Tripartite Summit of Heads of States and Government. December, 22nd, 2008. Retrieved from: https://www.eac.int/documents/category/comesa-eac-sadc-tripartite.

[12] Communique of the Second COMESA-EAC-SADC Tripartite Summit of Heads of States and Government. June, 12th, 2011. Retrieved from: https://www.eac.int/documents/category/comesa-eac-sadc-tripartite.

[13] Communique of the Third COMESA-EAC-SADC Tripartite Summit of Heads of States and Government. June, 10th, 2015. Retrieved from: https://www.eac.int/documents/category/comesa-eac-sadc-tripartite.

reiterated that the tripartite integration process is following a developmental approach, and highlighted the importance of the Tripartite FTA as a step towards the realization of the AEC.

5.1.2 Objectives of the Tripartite FTA

In January 2011, the three General Secretaries of COMESA, EAC and SADC signed a Memorandum of Understanding (MOU), in which they have lied down the institutional and legal underpinnings of the Tripartite FTA. Based on that MOU, the agreement establishing the Tripartite FTA has identified three main areas of scope: trade in goods, trade in services, and any other trade-related issues[14]. The treaty has also identified four main general objectives as follows:

1. Promotion of both social and economic development in the region;
2. Creation of a single market that guarantees the free movement of goods and services and enhances trade within the region;
3. Improvement of the process of both regional and continental integration;
4. Strengthening the Tripartite FTA to maximize the welfare of its people.

In pursuit of realizing these general objectives, the tripartite agreement listed five other "specific objectives" for the Member States to fulfil[15]:

1. The progressive elimination of tariff and non-tariff barriers to trade;
2. The liberalization of trade in services among Members;
3. Cooperation on trade facilitation and customs-related issues;

[14] Trade related issues include investment, trade related intellectual property rights, among others. Article (III), Agreement establishing the COMESA-EAC-SADC Tripartite FTA. June 2015.

[15] Article (V), Agreement establishing the COMESA-EAC-SADC Tripartite FTA. June 2015.

4. Promotion for cooperation on all trade-related matters among Members;
5. The establishment of an institutional framework for the Tripartite FTA administration.

In addition to these general and specific objectives, the agreement provided that Member States should work on concluding the outstanding issues in the negotiations of Phase I of the tripartite convergence, which covers liberalization of trade in goods. These outstanding issues are represented in adopting Annex I on elimination of customs duties and exchanging tariff offers, Annex II on trade remedies, and Annex IV on rules of origin[16]. The agreement also stated that Phase II of negotiations on liberalizing trade in services and other trade-related matters shall commence within 24 months after the agreement enters into force[17].

The third Tripartite Summit announced that Member States should sign and ratify the agreement within one year of opening it for signature, so that it can enter into force by 2016 and Member States can move to Phase II of the negotiations. However, until the time of this study, the Tripartite FTA has not yet entered into force, whereas few Member States have not signed the agreement and most of them have not ratified it.

5.2 Developments in TFTA implementation

As previously mentioned, the tripartite negotiations among COMESA, EAC and SADC have been ongoing since 2004. The developmental approach upon which the agreement is built has identified negotiations among Members to its three pillars: market integration, infrastructure

[16] Article (44), Agreement establishing the COMESA-EAC-SADC Tripartite FTA. June 2015.

[17] Article (45), Agreement establishing the COMESA-EAC-SADC Tripartite FTA. June 2015.

development and industrial development; in addition to institutional arrangements among their Secretariat bodies.

5.2.1 Developments in Market integration

Since the agreement was opened for signature, very few developments have occurred in its market integration plans. One of the Egyptian government's top officials highlighted Members' reluctance towards the agreement when he mentioned that;

"*The Tripartite Agreement has been opened for signature for two years since June 2015, which is quite an adequate period of time for Member governments to study the agreement and determine their positions towards it. But what do we have after two years? The agreement still needs five signatures from five Members, and only received two ratifications so far, which makes us question the willingness of Member States to apply this agreement or even abide by it in the first place.*"

This remark is speaking of the very slow progress in the administrative procedures of the Tripartite FTA. The agreement needs 14 ratification to enter into force. However, until the time of this study, only two Member States, namely Egypt and Uganda, have ratified the agreement. The agreement has had so far 21 out of 26 signatures, where the remaining signatures are those of Ethiopia, Eritrea, Mozambique, Lesotho and Botswana.

Member States' reluctance towards the agreement has also appeared in the process of negotiating the remaining aspects of the FTA, which are Annexes I, II and IV of the agreement. So far, only Annex II on trade remedies has been finalized and agreed upon, while the other two

Annexes on customs duties and rules of origin are not. These two annexes represent the most important aspects of an FTA. It seems; however, that harmonizing the customs duties and rules of origin of three different RECs with different programs and levels of integration has been more complicated than expected.

On the other hand, there is a justification for Members States' behavior towards the agreement. An official of EAC pointed out that;

"Tripartite has been supported politically by all governments of Member States. We cannot deny that there has been a delay in finalizing the outstanding aspects of the FTA because they are very complicated and differ from one REC to the other. But also we cannot deny that the three RECs have achieved good progress in that matter, especially in the negotiations of Annex IV on rules of origin, where the rules of origin for around 47% of product lines are already finalized and agreed upon."

The above view was seconded by one of COMESA's top officials when asked about a justification to Member States' reluctance to sign and ratify the agreement. The official also added that;

"It is well understood that most of the Tripartite Members do not want to ratify the agreement unless all its outstanding aspects are finalized, especially that these issues represent the most important aspects of an FTA. As for signing the agreement, the remaining five Members will eventually sign it, or they will risk being excluded from the new regional integration and development plan."

The above two views complement each other. The Tripartite FTA has received strong political support from all its Members. This does not contradict with the fact that most of them have delayed in signing the agreement, if not signing it at all, in addition to the few ratifications that the agreement gained. Apparently, the Tripartite Member States are following a very cautious approach to integration, which justifies why they are waiting for the outstanding issues to be resolved in order to ratify the agreement and commence its application.

5.2.2 Developments in infrastructure and industrial programs

The Tripartite developmental approach to integration has identified two other pillars, in addition to market integration, which are industrial development and infrastructure development. Unlike market integration, these two aspects have seen some progress in terms of agreement, implementation, and funding.

On one hand, a special regard has been given to infrastructure development in the region. A high level conference was held in Lusaka – Zambia in April 2009, where the Chairpersons of the Tripartite RECs agreed on launching the North South Corridor Pilot Project, as part of the Aid for Trade Program, with a total of USD 1.2 billion investments[18]. The project's main objective is to facilitate the transport of goods among the Tripartite Members territories by implementing "a corridor-based approach" to infrastructure development that focuses on connecting the Member States of the whole region with a network of roads that enjoy adequate services, power supply, and cross boarder facilities.

[18] Communique of the North South Corridor Pilot Aid for Trade Conference, 6th-7th of April, 2009.

In September 2011, the Tripartite RECs and IGAD[19] held a joint infrastructure investment conference, in which they agreed on extending the North-South Corridor Project to include all key transport programs in the ESA region. Hence, the project corridor will connect "the Northern and Central Corridors in East Africa with the Lamu and Djibouti Corridors in the Horn of Africa", in addition to extending the energy transmission programs across the region. The conference estimated the amount of investments by development partners and the private sector in this project to be USD 8.4 billion of actual investments, in addition to USD 2.5 billion of potential investments[20].

On the other hand, the three RECs have adopted the Tripartite Capacity Building Program (TCBP) with the aim of increasing "intra-Tripartite trade through support to the negotiations process and development of industrial cluster action plans and trade facilitation instruments". The program focuses on raising and diversifying the levels of industrial production within Member States in order to achieve a significant increase in intra-Members trade levels, among other objectives, (AFDB, 2013). This is achieved through directing attention towards developing regional value chains, and enhancing production capacities in three major industrial clusters: pharmaceuticals, mining and agro-processing. These three clusters have a well-established production basis in the region, and have high potential for linkages through regional value chains.

[19] Intergovernmental Authority for Development (IGAD) is a regional organization of eight Member States from the Horn of Africa, the Nile Basin, and the African Great lakes; whose main objective is the protection of the environment in this region, and the development of its economies.

[20] Communique of the Tripartite & IGAD Infrastructure Investment Conference, 28th -29th September 2011, Nairobi, Kenya.

The program has also gained the support of the AFDB in 2013, and was anchored to the AFDB's Strategy 2013- 2022 to boost regional integration in East and South Africa (AFDB, 2013).

In summary, the Tripartite FTA has introduced a new approach to regional integration in the ESA region. Unlike its predecessors, the TFTA has been approaching regional integration with very cautious steps that guarantee the consent of all its Member States and their commitment to implement. The question of the effectiveness of this regional integration plan, and whether it will succeed in what its three pillars failed in achieving is tackled in the next section of this chapter.

5.3 Assessment of the TFTA integration plan

Assessing the COMESA-EAC-SADC Tripartite integration project is challenging in many aspects. First, the project is quite new and was not implemented for enough time to measure its impact on trade flows in the region. Second, the implementation of the project has been facing some hurdles in terms of delays from Member States or the Secretariats of the three RECs to meet their commitments. Finally, the lack of sufficient funds to implement the tripartite integration programs also threatens to hinder the project from meeting its objectives in their specified dates. Therefore, the following assessment of the Tripartite FTA will be based on its overall objectives, implementation strategies, and its relation to other parallel integration projects in the continent.

5.3.1 With regard to objectives

The most distinct feature of the tripartite integration plan is the fact that it has combined market integration along with industrial and infrastructure development. This has been highlighted by one of COMESA's top officials;

"The developmental approach of the tripartite is the outcome of our learning from our own mistakes. Our three RECs have realized that market integration will never be successful without working on enhancing the industrial capacity of Member States, and improving the infrastructure in the region."

The previous remark explains why the agreement has adopted the developmental approach to integration. The tripartite integration approach has taken into consideration the interconnectivity of the market. Trade flows cannot be raised without having something to trade with, which implies the necessity of improving the industrial capacities of the economies in the region. Industrial capabilities in developing countries are enhanced through the import of new technologies and industrial knowhow and the attraction of more foreign direct investments (FDI). FDI attraction requires strong infrastructure that supplies energy, telecommunication services, transport, and water resources. This is the vicious cycle of international trade. Without any of these factors, international trade cannot occur and any international trade arrangement would probably fail to meet its objectives.

Moreover, the tripartite developmental approach has taken into account the "lock-in effect" that market integration creates on LDCs. As argued by Geda & Kebert (2007), integration projects that focus more on industrial and infrastructure development create a more equitable distribution of gains, as industrial and infrastructure development projects benefit all countries with no regard to their level of economic performance. Regional integration arrangements in Africa tend to create pressure on LDCs by simply binding them to the same commitments that apply to their relatively more developed partners. This, in some cases, create an unfair distribution of integration gains as less developed economies tend to have less capacity to meet their commitments, and thus, gain less from integration than their more developed partners (Balassa, 1961).

5.3.2 With regard to implementation

As mentioned above, the Tripartite FTA has not yet entered into force as it needs 14 ratifications from Member States and has only received two. The reason why most Members have not ratified the agreement yet is because of the delay in finalizing all outstanding aspects of the FTA. This raises fears of what will happen when all aspects are finalized, as well as fears of lack of commitment of Member States to abide by the agreement or to ratify it, as they might continue to resort to their original RECs provisions instead.

The Tripartite agreement has tried to account for this situation within its provisions. Article (6) of the agreement states that one of the principles that govern the TFTA is the principle of "variable geometry". Variable geometry allows for flexibility in application of integration commitments, where Member States can apply integration plans in different areas and with different speed. This means that upon adoption of the remaining annexes of the FTA, Members who find themselves ready to implement the agreement can go forward and do so, without waiting for the rest of the Members to be ready.

The European experience, however, has showed that relying on the principle of variable geometry might result in an unfair distribution of gains within Member States. Some members might end up enjoying the privileges of the regional arrangement without meeting their full obligations. The best example for this was the controversial position that the United Kingdom had within the EU (Harmsen, 1994). In addition, variable geometry within the EU has resulted in a problem of inconsistency within the union, and caused a burden on the EU Commission to coordinate and harmonize among its Members based on their different positions.

In the case of the Tripartite FTA, variable geometry might result in differentiation among the positions of Member States, as it is possible for some of them are implementing the agreement and going forward with the integration plan, while the rest are delaying the implementation. This might result in a total failure in implementation, and a waste in time and resources for Member States and Secretariats as well. However, it is also possible that Members who delay the implementation of the agreement might feel forced by the end to do so, as maintaining their status quo will threaten the exclusion from the new regional system, and consequently, from enjoying its welfare gains. Debates on this issue led to many potential future scenarios with equal probabilities to occur. Only the future will determine which of them might prevail.

Another implementation aspect of the tripartite arrangement is concerned with the institutional arrangements among the Secretariats of the three RECs. The Tripartite FTA has provided for harmonization among the three RECs and their integration programs in order to create one big market that covers the whole region and avoid the problem of overlapping membership. The tripartite agreement states that the agreement shall prevail over any of the arrangements of the three RECs (Article 41 (2)). This means that the programs of the three RECs and their Secretariat initiatives shall not contradict with the objectives of the Tripartite. In addition, the three Secretariat bodies of the Tripartite have been organizing meetings among Member States to merge the programs of the three RECs into one tripartite integration strategy, with unified timeline, procedures and funds.

5.3.3 With regard to other regional/continental plans

Negotiations of the Tripartite FTA have been launched by the three RECs in parallel to the Continental FTA (CFTA), which was launched by the AU in the same year. CFTA comprises the 55 Member States of the AU, and was expected to be finalized by the end of 2017, as per a deadline set by the African Heads of States in 2012. The CFTA has laid down a relatively more ambitious integration plan than the Tripartite FTA, mainly in the areas of tariff reduction, trade in services and investment. Hence, debates has been rising on the necessity of establishing the Tripartite FTA in the first place, as it will eventually merge into the CFTA.

Nevertheless, the path that CFTA negotiations have taken does not seem to be promising. CFTA Members have met in Niger in June 2017 to agree on the modalities of negotiations. After three weeks of negotiations, no consensus was met on the CFTA modalities. This is because the CFTA provided for liberalization of 90% of tariff lines over the period of five years for developing countries and ten years for LDCs, while the remaining 10% will be considered as sensitive products. Apparently, this did not seem suitable for many countries who submitted reservations on this proposal. In addition, the CFTA has adopted modalities for services negotiations, and provided draft texts on them for consideration by Member States, which has overloaded the whole process of negotiations.

In comparison, the Tripartite FTA has a more ambitious tariff liberalization plan than CFTA. The TFTA provides for 100% tariff liberalization, with elimination period of five to eight years, and a full tariff liberalization upon entry into force by 65-80% of product lines. The TFTA has also delayed negotiations on services and other trade-related issues to another phase of negotiations, which was a strategic decision in order not to waste time and resources on negotiations that will require very long time and delay implementation longer.

Officials at the AU and Secretariats of the Tripartite RECs feel that there is an unjustified rivalry between the two arrangements. When asked about this, a top COMESA official pointed out that;

"Governments of the AU, especially those of West Africa, seem to fear that the Tripartite will provide them with a done deal that they might find themselves forced to cope with, with no room for contribution or objection."

This remark explains how the Tripartite FTA is seen by the AU and the rest of African countries. The AU has launched the CFTA only few days after adopting the Tripartite FTA and opening it for signature. The CFTA was supposed to consider the TFTA as one of its main pillars, and to include it within its integration plan simply by recognizing the progress achieved by RECs in terms of economic integration. The Tripartite Member States represent half of the Members of the AU, more than 58% of the continent's GDP, and about 57% of the AU total population. Implementing the Tripartite FTA means that more than half of the AU's job is already done, and will ease the process of bringing the rest of the continent into the tripartite regime, so that together they form the CFTA. Nevertheless, the AU seems to neglect all that and insists on starting from square zero, which creates more complication and wastes more time and resources.

CHAPTER SIX

Conclusion and Recommendations

6.1 Summary

European integration has inspired many regions to pursue regional integration as well. Africa was one of the regions that sought to integrate its states in order to reap integration's promised economic gains. In 1991, African states gathered in Abuja - Nigeria, and adopted the Abuja treaty with an ambitious economic integration plan aiming at creating an African Economic Community (AEC) by the year 2028. The AEC treaty has designed six stages through which the whole African continent should end up fully integrated. This treaty was seen as a renewal of the commitments of African States to pursue integration for development that were stated in the 1981 Lagos Plan of Action (LPA).

Within the ESA region, a number of RECs have been established based on the provisions of Abuja treaty. One of these RECs is COMESA, which was established initially within LPA in 1981 as a PTA. COMESA was turned into a common market treaty in 1994 within the framework of Abuja Treaty, and with the aim on integrating its members through "trade and development of natural and human resources for the mutual benefit of all people in the region". In addition to this major goal, COMESA has plans to increase cooperation among its members in many sectors that are directly connected to regional trade and economic development. COMESA Member States have, also, laid down a very ambitious timeline to achieve deeper forms of economic integration among themselves.

Nevertheless, none of COMESA goals was realized in a timely manner. COMESA Member States had a period of 16 years since signing the agreement to progressively remove tariff barriers on goods originating from other Member States. However, when the FTA was launched in October 2000, only 9 countries were ready to implement it. Today, only 12 countries of the 19 Member States are implementing the COMESA FTA. The other seven Member States are implementing tariff reductions between 60-90% (COMESA, 2014).

In 2009, COMESA launched its Customs Union, with another ambitious objective of full implementation by 2011. However, the implementation process has been very slow. Until the time of this study, the COMESA Customs Union has not been fully implemented as planned. COMESA Council of Ministers has adopted its Common Tariff Nomenclature and Common External tariff (CTN/ CET) in 2012, according to which all COMESA Members are expected to unify their MFN tariff duties against third parties (non-COMESA Members). Some Members have started the process of adopting the COMESA CTN, others began to merge their national tariff into the COMESA CET, while most of them have not begun the process yet.

In addition, COMESA has adopted many programs to develop infrastructure and industrialization among its Members. The main objective of these programs is to further deepen cooperation among Member States in other sectors related to trade and economic development. These programs focused on trade facilitation, agriculture, industrial, and infrastructure development in Member countries. Nevertheless, many of these integration programs have not been implemented within their time frames. Trade liberalization and facilitation programs had very low implementation levels, infrastructure development plans were adopted by donors; and the agricultural development program has yielded no concrete results so far.

The weak level of implementation of COMESA integration plans and programs is attributed to many challenges that face the community as whole. Challenges facing COMESA can be classified into two categories: implementation challenges, and empirical challenges. On one hand, implementation challenges include the lack of both financial and human resources necessary to implement the programs, the lack of coordination and coherence in national policies of COMESA Member States that leads to low prioritization of integration programs, overlapping membership between COMESA and other RECs in the region, the lack of political will at the national level to go further with the integration plans, the reluctance of some Member States to ship away part of their economic sovereignty to a regional body, in addition to information asymmetry, weak banking systems, low production capacities of Members' economies, and weak involvement of private sector entities in the integration plans.

On the other hand, COMESA's empirical challenges were crystalized through the application of regional economic integration phases as explained by its theory. Practical application has shown that the theory does not work for COMESA, nor for Africa as a whole, due to a number of factors. First, the difference in "economic geography" among Member States made them more reluctant to integrate, especially LDCs, as they fear their few existing industries might prefer to immigrate to their more attractive developing partners. Moreover, the similarities between Member States' production and export structures made it difficult to build a regional trading system based on the comparative advantage of its members. Finally, the "lock in effect" that occurs due to binding LDCs with the same policy frameworks as their relatively more developed partners, as they might have no enough capacity to abide by these frameworks nor to implement them.

Realizing all these challenges, and in pursuit of offering a solution to them, COMESA and two of its neighboring RECs: SADC and EAC, with whom COMESA shares some of its members, agreed on establishing a Tripartite FTA among themselves. The FTA's main objective is to integrate the markets of the three RECs into one free market "from Cape to Cairo", and to harmonize the programs of the three RECs so as to make it more feasible for their Member States to apply them. The Tripartite Member States represent half of the Members of the AU, more than 58% of the continent's GDP, and about 57% of the AU total population.

The Tripartite agreement has seen some delay in its adoption and application, which has also delayed the implementation of its integration programs. It was opened for signature since 2015, with political support from all 26 Member States. However, some outstanding issues of the FTA have not been agreed upon yet, namely rules of origin, custom duties, and trade remedies. Consequently, very few Members have ratified the agreement, although most of them have signed it already.

The tripartite Member States have tried to learn from their past in designing the agreement. They tried to make sure that the agreement has taken into consideration many of the challenges that face its three pillars. Hence, they considered the interconnectivity of the market and adopted a developmental approach to integration, which comprises market integration, infrastructure development and industrial development. They have also adopted the principle of "variable geometry", which allows for flexibility in application of integration commitments, where Member States can apply integration plans in different areas and with different speed. Moreover, they tried to avoid any conflict between the agreement's provisions and the provisions of any of its father RECs, hence they added Article (41) that states that the Tripartite shall prevail over any of the arrangements of the three RECs. In addition, the Tripartite provided for establishing a framework for institutional arrangements between the three RECs and their Secretariat bodies.

6.2 Conclusion

The assessment of the Tripartite FTA has shown that it has provided for many solutions to the challenges that face its three father RECs. Looking specifically into COMESA and the challenges that face its integration plans, the Tripartite might offer feasible alternatives to solve most of these challenges. Through analyzing the data gathered from both primary and secondary sources, the study has found that many of the challenges that face COMESA, and its fellow RECs, during the implementation of their integration plans have been accounted for in the tripartite plan. This was concluded from the following:

First, one of the main challenges that hindered the realization of COMESA's integration objectives was overlapping membership with other RECs in the region. Overlapping membership has resulted in a confusion for policymakers in countries that hold more than one membership of RECs. Designing policies that comply with these countries' regional commitments has been a complicated process, which ended up with a delay in complying by these commitments or the inability to fulfill them at all due to insufficient resources. For example, Uganda has had many difficulties in fully implementing the COMESA FTA, as some of its provisions contradict with the provisions of the EAC, in which Uganda is a member as well. For that same reason, Tanzania has withdrawn from COMESA in 2004 due to its membership in EAC, as well as Angola due to its membership in SADC. The Tripartite has offered a solution for this issue by harmonizing integration programs of its three RECs into a tripartite integration plan. This will facilitate the implementation of these programs by Members who belong to more than one REC, in addition to allowing for the exchange of knowledge and expertise among the RECS, which will eventually benefit the region as a whole.

In the same context, the Tripartite has accounted for any conflicts that might arise during the coordination of programs among the three RECs. Article (41) paragraph (2) of the agreement has tackled this issue by stating clearly that the Tripartite provisions shall prevail over the provisions of any of the three RECs. This leaves no room for prioritization issues among Member States of more than one REC, as the first priority shall be given exclusively to the tripartite programs and commitments, regardless of any other commitments within the three RECs. In other words, commitments within the tripartite shall be implemented first, even if their implementation will come on behalf of other commitments within each REC.

Second, COMESA has seen very strong reluctance from its less developed members to abide by its provisions. This was found to be attributed to the application of the theory of economic integration and its inapplicability in Africa. Regional integration provides for a “lock-in” effect, where LDCs find themselves committed to abide by similar policy frameworks for market integration as their more developed partners; who might have more capacity and resources to implement these frameworks. Hence, LDCs’ commitment to abide by agreed upon integration procedures and implement market integration programs is negatively affected. This situation typically applies for COMESA, and many other RECs in Africa. Most of COMESA Members who have delayed the full implementation of the agreement are relatively less developed than the rest of Member economies e.g. Ethiopia, Swaziland, and DRC. They fear that an opened regional market might result in a loss of their natural resources and industrial basis to their relatively more developed regional partners due to the difference in "economic geography" among them. Hence, they tend to follow a protectionist approach to their economies by simply delaying the elimination of tariff and non-tariff barriers to trade so as to give their national production an advantage over imported products and, at the same time, benefit from the generation of revenue from import duties.

The Tripartite agreement has accounted for the problem of the "lock-in effect" as well. First, the agreement adopted a developmental approach as the basis of its integration plan. Integration projects that focus more on industrial and infrastructure development create a more equitable distribution of gains. Unlike market integration, industrial and infrastructure development projects benefit all countries with no regard to their level of economic performance. Second, the tripartite has taken into consideration the variation in Members' capacities to abide by integration commitments. Hence, the agreement adopted the principle of "variable geometry' as one of its basic integration principles. Variable geometry allows for flexibility in application of integration commitments, where Member States can apply integration plans in different areas and with different speed. This means that upon adoption of the remaining annexes of the FTA, Members who find themselves ready to implement the agreement can go forward and do so, without waiting for the rest of the Members to be ready. This principle was adopted mainly so as not to delay the progress of integration plans due to the lack of full implementation among Member States.

Third, the theory of regional integration promises welfare gains due to specialization based on comparative advantage, which assumes differences in the production structure and resources of integration partners. This does not seem to be present in the case of COMESA, and most of the African continent as well. COMESA Member States have very similar production and export structures. Most of these economies rely on the exportation of raw materials, or low value-added industries, and the importation of finished and high-tech goods. Hence, COMESA Members tend to rely less on their African partners and more on third parties in fulfilling their market needs, as most of them, with very few exceptions, produce, export and import goods that are considered more of substitutes than compliments.

The Tripartite offers an opportunity to change this reality. The agreement brings together a vast market with various economic resources and production capacities. The three RECs are also working on the merger of their three industrial strategies into one. The Tripartite industrial strategy will focus on developing industrial clusters and value chains across the region. This will make room for economic interdependence among Member States, and will raise the attractiveness of the region to FDI.

To sum up, regional economic integration has been faced with many implementation problems over the years. The Tripartite FTA is designed to offer many solutions for integration problems within the ESA region and to foster economic development and regional trade among its Members. The success of the tripartite initiative is highly dependent on the political will of its

Member States to go further with their integration plans. Without such commitment, the Tripartite will represent another initiative for economic integration in the region whose objectives are never to be realized, like most of its predecessors.

6.3 Recommendations

Economic integration in Africa is not only a necessary step for the continent's development, it is the foundation upon which African unity is built as well. In one of his speeches, Kwame Nkrumah, the former president of Ghana highlighted this fact when he said that: "*Africa is one continent, one people, and one nation. The notion that in order to have a nation it is necessary for there to be a common language, a common territory and common culture has failed to stand the test of time or the scrutiny of scientific definition of objective reality... The community of economic life is the major feature within a nation, and it is the economy which holds together the people living in a territory. It is on this basis that the new Africans recognize themselves as potentially one nation, whose dominion is the entire African continent.*"

Various studies have tackled the problems that faced attempts of economic integration in Africa. Most of the studies came up with recommendations that apply for Africa as a whole, and more specifically for the African Union. However, these recommendations were based on the experiences and case studies of other regions, which does not work for Africa.

Instead of studying Africa as a whole, this study focused on the most recent case of regional economic integration in ESA region, which is the Tripartite FTA. The reason for that is to add accuracy to the research and to make it more specific in order to reach the root causes of the problems that face economic integration in that region.

ESA states need to consider few issues in order to make the Tripartite FTA a successful model of economic integration that can be a basis for a continental arrangement. These issues can be summarized in the following:

First, the tripartite objectives will be fully realized if and only if the Tripartite FTA replaces the other three RECs and their Secretariat bodies in the long run. Although, the tripartite agreement states that the agreement shall prevail over any of the arrangements of the three RECs (Article 41 (2)), it is impossible to harmonize the customs duties and rules of origin of three different regional arrangements without replacing all three of them with a new comprehensive one. Moreover, it is quite confusing to have three different Secretariat bodies for three RECs who are implementing the same trade rules. Therefore, it is more efficient in terms of resources and time to merge all three Secretariat bodies into one for the whole region.

Second, the Tripartite Member States have to work on initiatives to mobilize resources for their integration programs, which goes hand in hand with the presence of a strong political will to integrate. Integration programs in Africa suffer from dependence on donor funds, which are usually unsustainable and directed to short term programs. African states, on the other hand, have strong control over their markets and their resources. Hence, the importance of owning the integration process should be promoted to governments. Financial institutions like COMESA PTA bank, African EXIM bank, and other financial institutions in Africa should have a direct role in integration programs. Without Africa's ownership of its integration plans, there will be a risk of having third parties interfering in the integration plan and imposing their agendas on it.

Third, most African regional integration arrangements lack an enforcement mechanism to ensure the commitment of its members to its plans and objectives. Member States usually delay in fulfilling their obligations, which consequently delays the whole integration process. In that sense, the Tripartite Member States should renew their commitments towards Article (38) of the Tripartite FTA. This Article states that Member States of the FTA shall impose sanctions on any other Member who fails in meeting its obligations. On this basis, Member States could add another annex to the agreement that clearly states the severity of such sanctions and the conditions under which these sanctions are effective. Such annex might provide an effective enforcement tool so as to overcome the commitment problems that most RECs in Africa suffer from.

Finally, coordination between the Tripartite and CFTA is necessary in order to move forward with both projects. The rivalry between the two programs will result in a huge waste of time and resources, and an eventual failure for one, if not both, of them. CFTA needs to recognize the progress that has been achieved by the RECs in economic integration, and hence, design its negotiation modalities based on that progress. A continental arrangement should not start from scratch and design a brand new agreement that ignores all the progress on the ground. Instead, it should design a plan to harmonize the programs of all RECs in the continent and to merge them into one integration arrangement. In this case, the Tripartite will mean that half of the AU's job is already done, and the next step will become harmonizing the provisions of the remaining RECs in the continent with those of the Tripartite FTA, which is closer to the plan designed in Abuja Treaty to create AEC by 2028.

Bibliography

Abdel Jaber, T. (1971) *A review article: The relevance of traditional integration theory to less developed countries*. Journal of Common Market Studies 9 (3).

Agreement establishing a tripartite free trade area among the Common Market for East and South Africa, the East African Community and the South African Development Community. June 15th, 2015.

Asante, SKB; (1997); *Regionalism and Africa's development: Expectations, reality and challenges*; London; Macmillan press Ltd.

Bach, D. C. (1999). *Regionalism versus regional integration: the emergence of a new paradigm in Africa*. Regionalism across the North-South Divide. State Strategies and Globalization, 152-166.

Balassa, B. (1961). *The theory of economic integration* (Routledge Revivals 2013). Routledge.

Beinen, D. (May, 2010). *The Tripartite free trade area and its implications for COMESA, the EAC and SADC.* Trade and development discussion paper no. 01/2010. BKP development research and consulting. Retrieved from: http://ssrn.com/abstract=2154331

Charter of the Organization of African Unity (OAU). May 25th, 1963.

Crawford, Jo-Ann; Fiorentino, Roberto V. (2005): *The changing landscape of regional trade agreements*, WTO Discussion Paper, No. 8, ISBN 9287033269.

COMESA (2014). *COMESA in Brief*. Retrieved from: http://www.comesa.int

COMESA statistics unit (November, 2016). International Trade statistics bulletin. Bulletin no. 15. Retrieved from: http://comstat.comesa.int/vbbjuw/resource-center

Communique of the First COMESA-EAC-SADC Tripartite Summit of Heads of States and Government. December, 22nd, 2008. Retrieved from: https://www.eac.int/documents/category/comesa-eac-sadc-tripartite.

Communique of the North South Corridor Pilot Aid for Trade Conference, 6th -7th of April, 2009.

Communique of the Second COMESA-EAC-SADC Tripartite Summit of Heads of States and Government. June, 12th, 2011. Retrieved from: https://www.eac.int/documents/category/comesa-eac-sadc-tripartite.

Communique of the Third COMESA-EAC-SADC Tripartite Summit of Heads of States and Government. June, 10th, 2015. Retrieved from: https://www.eac.int/documents/category/comesa-eac-sadc-tripartite.

Communique of the Tripartite & IGAD Infrastructure Investment Conference, 28th-29th September 2011, Nairobi, Kenya.

Constitutive Act of the African Union. July 11th, 2000.

Cosbey, A., Lim, H., Tay, S., & Walls, M. (2004). *The rush to regionalism: sustainable development and regional/bilateral approaches to trade and investment liberalization.* International institute for sustainable development.

Dari, T. T. (2015). *Tripartite free trade agreement as a solution to increasing intra-African trade*.

De Melo, J., & Tsikata, Y. (2015). *Regional integration in Africa: Challenges and prospects*.

Doidge, M. (2007). *From developmental regionalism to developmental inter-regionalism? The European Union approach*. NCRE.

Ebaidalla, E. M., & Yahia, A. M. (2014). *Performance of Intra-COMESA trade integration: A comparative study with ASEAN's trade integration*. African Development Review, 26(S1), 77-95.

Foote, T. (2009). *Economic integration in Africa: Effectiveness of regional agreements*.

Geda, A., & Kebret, H. (2008). *Regional economic integration in Africa: A review of problems and prospects with a case study of COMESA*. Journal of African Economies, 17(3), 357-394.

Gibb, R. (2009). *Regional integration and Africa's development trajectory: meta-theories, expectations and reality*. Third World Quarterly, 30(4), 701-721.

Haas, E. B. (1958). *The uniting of Europe: Political, social, and economic forces*, 1950-1957 (No. 42). Stanford University Press.

Haas, E. B. (1961). *International integration: The European and the universal process*. International organization, Vol. 15, No. 3, pp. 366-392. The MIT press

Haas, E. B. (1976). *Turbulent fields and the theory of regional integration*. International organization, Vol. 30, No. 2, pp. 173-212. The MIT press.

Harmsen, R. (1994). *A European Union of variable geometry: Problems and perspectives*. 45 N. Ir. Legal Q. 109.

Hartzenberg, T. (2011). *Regional integration in Africa*. Economic Research and Statistics Division. World Trade Organization (WTO). Staff Working Paper ERSD-2011-14.

Kapindula, V., Musengele, B., Othieno, L. (2016). *Intra-COMESA trade potential, opportunities, and challenges*. Key issues on regional integration Vol. IV. COMESA.

Khandelwal, P. (2004). *COMESA and SADC: Prospects and challenges for regional trade integration.* (No. 4-227). International Monetary Fund.

Lagos Plan of Action for the economic development of Africa (1980-2000). OAU. April 29th, 1980.

Lee, M. (2002). *Regionalism in Africa: A part of problem or a part of solution*. Polis/RCSP/CPSR, 9.

Makochekanwa, A. (2014). *Welfare implications of COMESA-EAC-SADC Tripartite free trade area*. African Development Review, 26(1), 186-202.

Mangeni, F. (2011). *Regional integration in COMESA: State of play and challenges*. TWP1105.

Mattli, W. (1999). *The logic of regional integration: Europe and beyond*. Cambridge University Press.

Maurice, S. (2002). *Regional integration and development in small states*. World Bank, Working Paper.

McCarthy C. (2010). *Reconsidering the African integration paradigm*. Trade Mark SA. Retrieved from: https://www.ictsd.org/bridges-news/trade-negotiations-insights.

Mitrany, D. (1966). *A working peace system.* (Vol. 205). Quadrangle Books.

Musengele, B., Nsubuga, R. (2014). *The adverse impact of non-tariff barriers on intra-COMESA trade*. Key issues on regional integration Vol. III. COMESA.

Musila, J. W. (2005). *The intensity of trade creation and trade diversion in COMESA, ECCAS and ECOWAS: A comparative analysis*. Journal of African Economies, 14(1), 117-141.

Odour, M. (2005). *Resolving trade disputes in Africa: Choosing between multilateralism and regionalism: The case of COMESA and the WTO*. Tulane Journal of International and Comparative Law. 13 Tul. J. Int'l & Comp. L. 177.

Okumu, W. (2009). *The African Union: Pitfalls and prospects for uniting Africa*. Journal of International Affairs, 93-111.

Punch, K. (2000). *Developing effective research proposals*. Sage.

Sandrey, R., Jensen, H. G., Vink, N., Fundira, T., & Viljoen, W. (2011). *Cape to Cairo: an assessment of the Tripartite free trade area*. Tralac.

Schiff, M. W., Winters, L. A. (2003). *Regional integration and development*. World Bank Publications.

Shinyekwa, I., & Othieno, L. (2011). *Prospects and challenges in the formation of the COMESA-EAC and SADC Tripartite free trade area* (No. 150241). Research series no. 87 – EPRC.

Snorrason, S. T. (2012). *The theory of trade agreements, economic integration, size of economies, trade costs and welfare*. In Asymmetric Economic Integration (pp. 9-46). Physica-Verlag HD.

Soloaga, I., & Wintersb, L. A. (2001). *Regionalism in the nineties: What effect on trade?* The North American Journal of Economics and Finance, 12(1), 1-29.

Treaty establishing the African economic community (AEC). June 3rd, 1991.

Treaty establishing the common market for East and South Africa (COMESA). November, 1994.

Umar, D. J. (2014). *An evaluation of implementation of the Abuja Treaty and the African integration process.* (2002-2012) (Doctoral dissertation).

UNECA, (2012). *Assessing regional integration in Africa: Towards an African continental free trade area.* Vol. 4. ISBN-13: 978-92-1-125117-3

Wereldbank. (2004). *Global economic prospects 2005: Trade, regionalism, and development*. World Bank.