FIRST COMESA-EAC-SADC TRIPARTITE SUMMIT
20th OCTOBER 2008

VISION: TOWARDS A SINGLE MARKET

THEME: DEEPENING COMESA-EAC-SADC INTEGRATION

KAMPALA, UGANDA

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1.0 BACKGROUND

1. The 3 Regional Economic Communities (RECs) in Eastern and Southern Africa, namely Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and Southern African Development Community (SADC), comprise 26 countries with a combined population of 527 million people, a combined Gross Domestic Product (GDP) of US$ 624 billion, and a GDP per capita averaging US$1,184. The 26 countries make up half of the African Union (AU) in terms of membership and just over 58% in terms contribution to GDP and 57% of the total population of the African Union.

African Union, COMESA-EAC-SADC GDP and Population, 2006

	Membership	GDP, US$' million	Population, '000
African Union	53	1,065,228	917,564
COMESA-EAC-SADC	26	624,368	527,131
of which			
COMESA	19 (*4 EAC,8 SADC*)	286,775	398,130
EAC	5(*4 COMESA,1 SADC*)	46,593	121,571
SADC	15(*8 COMESA,1 EAC*)	379,256	248,002
COMESA-EAC-SADC as share of AU, %	50	58.6	57.4

***Source*: World Bank, 2006 data**

2. The 3 RECs are building blocs to the African Economic Community (AEC) recognised by the African Union Constitutive Act and the Abuja Treaty. As building blocs, the RECs are implementing regional integration programmes in trade and economic development covering establishment of Free Trade Areas, Customs Unions, Monetary Union and Common Markets as well as regional infrastructure development programmes in transport, information communications technology and energy as a first step and a contribution to the realisation of the continental integration leading to the establishment of the AEC.

3. The overarching objective of the three regional organizations is to alleviate poverty and to improve quality of life for the people of the Eastern and Southern African Region.

4. One of the main challenges facing the COMESA, EAC and SADC in the implementation of their integration programmes is the overlapping membership. EAC is already a customs union but EAC shares four Member States with COMESA and one Member State with SADC. Five of SADC member States are members of Southern African Customs Union (SACU). There are, therefore, ten countries in the region that are already members of customs unions but all ten are also involved in negotiations that are aimed at establishing alternative customs unions to the one they currently belong to. COMESA and SADC have seven Member States in common that are not part of a customs union but are all involved in preparing customs unions for both COMESA and SADC. Therefore, of the twenty-six countries that constitute the combined membership of

COMESA, EAC and SADC, seventeen (or almost two-thirds) are either in a customs union and participating in negotiating an alternative customs union to the one they belong to or are in the process of negotiating two separate customs unions.

5. This has led to the recognition by the three RECs of the need to initiate a process of coordination and harmonization of their regional integration programmes as a way of mitigating the challenge of multiple membership.

2.0 COMESA-EAC-SADC Tripartite Framework

6. Against this background and in order to accelerate this process the Chairpersons of the COMESA Authority and the SADC Summit met in Cairo, Egypt and agreed to set up a joint COMESA-SADC Task Force at the Secretariat level to discuss and agree on harmonisation of programmes of the two organisations. In 2005, the Task Force was expanded as the EAC was co-opted to establish a Tripartite Task Force. The Task Force has met several times under the guidance of the Chief Executive Officer (CEOs) and the discussions and cooperation programmes have focused on harmonisation of programmes in the area of trade, customs, free movement of people and infrastructure development.

7. In recognition of the importance of greater member states ownership, in 2007 the Tripartite Task Force agreed and recommended that a tripartite Summit of Heads of State and Government of COMESA, EAC and SADC be convened to give political endorsement and direction to the process of cooperation and harmonisation. The recommendation was accepted by COMESA Summit in May 2007, EAC Summit in Kigali in June 2008 and SADC Summit in August 2007. The date for the Tripartite Summit was set for 20 October 2008 in Kampala, Uganda.

3.0 PURPOSE AND OBJECTIVES OF THE TRIPARTITE SUMMIT

8. The main purpose of the Summit is to provide a platform for the three RECs to discuss and make decisions on areas that enhance integration among the three RECs.

9. The main objective of the Summit is to provide strategic and policy direction relating to cooperation on trade and economic liberalisation including a Road Map for establishing a pan-regional Free Trade Area encompassing the three RECs and a joint programme for free movement of persons and infrastructure development.

10. As the three RECs move into deeper integration, agreement on these strategic and policy issues at the Tripartite Summit level will help mitigate challenges of multiple membership being faced by some of the member states as well as pave the way for accelerated inter-regional economic integration.

4.0 BRIEF PROFILE OF COMESA, EAC AND SADC

11. **COMESA** was established in 1994 and launched a Free Trade Area (FTA) in October 2000. It has nineteen (19[1]) member States, fourteen (14[2]) of whom are part of the Free Trade Area while the remaining five (5) are working towards joining the FTA. COMESA plans to deepen its integration by launching a Customs Union in December 2008 and establishing a Common Market in 2014.

12. The FTA has resulted in greater competition among companies, new markets, greater choice for consumers, reduction of transaction costs, increase of cross border trade and harmonization of customs systems and procedures.

13. Intra-COMESA trade increased by 30% in 2007 over 2006 to reach US$8 Billion. This growth supersedes the annual growth rate of 20% for the period 2000 - 2006 and is mostly fuelled by increases in demand for intra-regional products in countries such as the Democratic Republic of Congo (156%), Malawi (141%), Burundi (67%), Uganda (57%), and Rwanda (40%). This trend once more emphasizes the increased preference for regional sourcing emanating from enhanced competitiveness and exploitation of regional markets.

14. The COMESA FTA has created opportunities for cross-border investment, franchise and agency arrangements and joint venture operations.

15. **EAC** was revived in 2000 and has five (5[3]) members. The Community commenced implementation of the Customs Union in January 2005. It is implementing a gradual reduction of internal tariffs which will be completed in 2010 and will coincide with the establishment of the Common Market. EAC plans to establish a monetary union in 2012 and ultimately a political federation.

16. The structure of the EAC customs union and proposed COMESA customs union are similar in that the EAC has adopted a Common External Tariff with a three band structure of 0% for raw materials and plant and machinery, 10% for intermediate goods and 25% on finished goods. The COMESA common external tariff is exactly the same except that there are two zero rates, these being for raw materials and for capital goods.

17. The EAC intra trade has registered a significant increase since the commencement of the Customs Union. In 2007 trade grew by 42% since 2004. Although Kenya is the biggest exporter of goods to other Partner States, exports

[1] The 19 members of COMESA are Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

[2] The 14 members of COMESA participating in the FTA are Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Zambia and Zimbabwe.

[3] The 5 members of the EAC are Burundi, Kenya, Rwanda, Uganda and Tanzania.

from the Uganda and Tanzania to Kenya have increased by about 4 fold since 2004. Export performance has increased in trade in agricultural products and processed goods. The region attracted investment both from foreign and cross border which increased by 77% in number of projects and 348% in value in 2006 over 2005. Most of the investment is cross border particularly from Kenya into other Partner States.

18. **SADC** was established as a development co-ordinating conference in 1980 and was later transformed into a Development Community in 1992. SADC has fifteen (15[4]) member States and attained its Free Trade Area in January 2008. SADC aims at attaining a Customs Union in 2010 and a Common Market in 2015.

19. SADC has a total population of 270 million and a combined potential market income of USD430 billion. As of 2006, intra-SADC trade accounted for about 20% of SADC's total trade. SADC's share of total world exports has for the past 7 years been restricted to just around 1% of total world exports. The region has during 2007 registered an average real GDP growth of approximately 6%.

20. An assessment of intra-SADC trade reveals that most of this trade is attributed to South Africa, which for exports amounted to 70% shre of total intra-SADC exports during the period 2000 to 2006.

21. Regional average inflation slowed down to 8.3% in 2007 (excluding Zimbabwe) from the 9.7% recorded in 2006. In 2007 the region recorded an average investment/GDP ratio of 22.5% which remains below the region's agreed target of 30% for 2008.

22. All three RECs have adopted trade and customs instruments and programmes including:

- i) customs ICT systems;
- ii) simplified customs procedures;
- iii) rules of origin;
- iv) common valuation systems as prescribed by the World Customs Organisation (WCO);
- v) single Customs Declaration documents (CDs);
- vi) common tariff nomenclatures based on the WCO's Harmonised Commodity Description and Coding System (HS Code);
- vii) third party motor vehicle insurance schemes;
- viii) customs bond guarantee schemes;
- ix) measures for monitoring and eliminating non-tariff barriers (NTBs);
- x) One Stop Border Posts;
- xi) Technical Barriers to Trade (TBT), including harmonised document and measurement standards; and
- xii) Sanitary and Phytosanitary (SPS) measures.

[4] The 15 members of SADC are Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

23. Under the Tripartite Framework, COMESA, EAC and SADC have made significant progress in:

- i) Harmonisation of Rules of Origin;
- ii) Simplification of customs procedures and documentation;
- iii) rationalisation of the COMESA and SADC customs bond guarantee schemes;
- iv) development of customs training and capacity building schemes;
- v) preparation of an inventory of harmonised product standards;
- vi) co-ordination of competition policies and institutional frameworks;
- vii) identification, removal and monitoring of non-tariff barriers; and
- viii) establishment of One-Stop Border Posts

5.0 CHALLENGES OF INTER-REC INTEGRATION

24. In addition to overlapping membership, other challenges of inter-REC integration include:

- i) risk of trade deflection due to multiple membership of member/partner states in different RECs with differing trade regime;
- ii) Multiplicity of trade regimes and instruments for different trade arrangements which creates legal and administrative bottlenecks;
- iii) market expansion restriction due to varying tariff and non-tariff barriers to trade between the RECs;
- iv) lack of competitiveness at regional and international levels;
- v) varying trade facilitation instruments between regions which greatly impact on inter-regional business activities;
- vi) unattractive investment environment across the regions;
- vii) restrictions in the movement of persons, in particular businesspersons;
- viii) limited capacity development;
- ix) underdeveloped regional infrastructure; and
- **x) Low levels of industrial developments**

6.0 STRATEGIES FOR INTER-REC INTEGRATION

25. The strategies to address the above challenges are:

- a) **Promoting and** establishing trade arrangements among COMESA, EAC and SADC;
- b) enhancing inter-REC economic co-operation;
- c) facilitating free movement of businesspersons;
- d) enhancing co-operation with multilateral/bilateral partners;
- e) promoting industrialisation; and
- **f) enabling intra regional investments.**

6.1 Establishing Trade Arrangements among COMESA, EAC and SADC

26. To minimise and eventually eliminate the contradictions brought about by overlapping membership, the 3 RECs should rationalise and harmonise their trade arrangements through establishment of a Free Trade Area. The Free Trade Area will take into account the levels of integration of the three RECs.

27. Given that regional integration has a number of objectives which translate into economic benefits to RECs and its member/partner states, the same applies to establishment of inter-REC trade co-operation which mirrors similar objectives and benefits at wider perspective. The objectives of inter-REC trade arrangements are to:

- i) promote trade in the region through creation of a wider market;
- ii) increase inter-REC and extra-REC investment flows;
- iii) enhance competitiveness of the region in the globalised environment due to improved production efficiency and value addition;
- iv) develop cross-regional infrastructure;
- v) develop inter-REC financial and capital architecture which will deepen financial intermediation; and
- vi) strengthen the region's negotiating positions in multilateral and bilateral trade arrangements.

6.2 Benefits of Free Trade Area (FTA)

28. The following benefits will be derived from the FTA:

- i) welfare gains through lower prices, wider choice, and improved quality;
- ii) larger market;
- iii) increased efficiency in production;
- iv) increased trade and investment across the region;
- v) common rules of origin which allow cumulation and enhances value-addition;
- vi) promotion of the cross-border movement of financial and capital assets;
- vii) stronger negotiation positions;
- viii) increased competitiveness of the region; and
- ix) employment creation.

29. The priority areas for policy harmonisation and coordination amongst EAC, COMESA and SADC under the Free Trade Area include;

- i) Inter REC tariff regime
- ii) Rules of Origin;

iii) Customs laws, simplified customs procedures and documentation;
iv) rationalisation of the COMESA and SADC customs bond guarantee schemes;
v) development of customs training and capacity building schemes;
vi) preparation of an inventory of harmonised product standards;
vii) co-ordination of competition policies and institutional frameworks;
viii) identification, removal and monitoring of non-tariff barriers; and
ix) establishment of One-Stop Border Posts
x) safeguard measures and dispute settlement mechanism

30. A legal and institutional framework for the Free Trade Area of the three RECs is necessary as a basis for the trade arrangement and its functioning.

6.3 Enhancing inter-REC Economic Co-operation

Promoting inter-REC Investment Flows

31. The following measures are recommended to promote inter-REC investment flows:

i) develop and implement an inter-REC framework and roadmap for the harmonization of investment policies and regulations/laws;
ii) develop inter-REC private sector development strategies to promote investment;
iii) promote regular and functioning policy dialogue between the RECs and the private sector on investment policies;
iv) adopt harmonised agreements on avoidance of double taxation;
v) adopt harmonised investment incentives;
vi) promote transparency with regard to policies, practices, regulations and procedures relating to investment.

Co-operation in Competition Policy

32. The 3 RECs have recognised the significance of competition policy to ensure fair business practices and consumer protection. In this regard, the RECs have adopted competition frameworks at the regional level and need to extend their co-operation on competition issues by:

i) developing an inter-REC competition policy framework including a dispute settlement mechanism;
ii) harmonising their competition instruments; and
iii) undertaking joint capacity building activities.

Financial and Payments Systems

33. Efficient financial and payments systems are essential for the promotion of regional trade and investment. It contributes to the reduction in the cost of doing business through timely payments. In this regard, the 3 RECs should co-ordinate and co-operate in areas of

i) Real Time Gross Settlement Systems (RTGS);
ii) cross-border transactions and settlement and the building of domestic and inter-REC Payment System overnight capacity;
iii) electronic money regulation;

iv) the regulatory framework to facilitate effective co-operation in payments and clearing;
v) effective mechanisms for anti-money laundering and the combating of financial terrorism (AML/CFT); and
vi) risk assessment system in the financial sector.

Co-operation in Development of Capital Markets

34. Effective capital markets are a critical factor for the mobilisation of investment resources. The existing capital markets in the region are nascent and small in size due to the limited sizes of national economies. It is, therefore, important to jointly promote the development of capital markets in the region. This can be achieved through:

i) the development of harmonised inter-REC capital market policies;
ii) providing incentives for the development of the capital markets;
iii) providing a framework to allow cross-listing of firms across RECs;
iv) developing a regulatory framework relating to participation of market players, investors, issuers, investors in the markets of RECs;
v) developing regional stock exchanges.
vi) harmonising regulatory framework for trading, clearing and settlement rules of the Stock Exchanges;
vii) undertaking capacity building and sensitisation on capital markets in the region.

Development and Co-operation in Commodity Exchanges

35. The November 2005 Arusha Declaration and Plan of Action on Africa Commodities, already calls upon the AU to facilitate the establishment of a forum for discussions on the implementation of commodity exchange initiatives for the African continent. The RECs should, therefore, initiate a platform for the establishment of such a forum for the region. The RECs should develop commodity exchanges in the region as well as a policy and regulatory framework for the development of commodity exchange products.

6.4 Free Movement of Businesspersons

36. Movement of people reinforces trade liberalisation across regions. COMESA, EAC and SADC have developed programmes to ease movement of people in their respective RECs. In order to promote trade and cross-regional investment, it is necessary to ease movement of persons between the RECs. This will facilitate cross-border trade through movement of goods and services and promote cross-border investment.

Proposal on Free Movement of Persons

37. The free movement of people should target the people engaged in business operating across borders. The RECs can attain this by relaxing the visa requirements for business people and other professionals and gradually be extended the rest of the citizens.

38. The RECs should also recognise regional passports used by their citizens and for those RECs without regional passports should establish and issue them to their citizens.

39. This can be attained through a binding agreement or protocol where the Member/Partner states undertake to relax visas on a progressive basis starting with business people and professionals and then extend it to other citizens. In the same agreement, recognition of regional passports should also be provided for.

6.5 Enhanced Inter-REC co-operation on Multilateral/Bilateral trade negotiations

Economic Partnership Agreements (EPAs)

40. All Members belonging to the three organisations are involved in the EPA negotiations. Notwithstanding the different configurations under which these negotiations are being conducted, it is important that the second and subsequent phases of these negotiations be used as a vehicle towards greater convergence in interfacing regionally and with third parties. EPA-related capacity building support could be targeted to achieve greater harmonisation in TBT/SPS issues, development and rules of origin. EPAs could also be a catalyst for achieving regulatory convergence on trade in services, investment and other trade-related areas which are the subject of the current and future phases of the EPA process.

41. The current study on common rules of origin for the trading arrangements in the three RECs should lead to substantive negotiations, adoption and implementation. This should impact on the EPA negotiations and facilitate provision for cumulation between the countries in the different EPA configurations as well as with those in the region outside the EPA arrangements.

World Trade Organisation

42. Following the breakdown of the latest high level attempt to break the impasse in the WTO Doha Round of trade negotiations, the role of bilateral and regional arrangements in advancing trade cooperation will take centre stage. Within the region there is an increasing trend of member states forging bilateral trade and investment frameworks with strategic third parties such as China, India, Mercusor, etc. Greater co-operation and eventually common approaches may be necessary amongst the three RECs in their interaction with key partners.

43. The WTO Doha Round of Trade Negotiations is critical to the advancement of developing countries. It is therefore important that the 3 RECs participate fully in these trade negotiations including developing common positions in these Rounds. Reports from Geneva indicate that there is general desire from Ministers to capture the progress that was made during the mini-Ministerial summit.

7.0 RECOMMENDATIONS

44. In the light of the foregoing, it is recommended that the Joint Summit

i) approves the establishment of an FTA encompassing the member/partner States of the 3 RECs within **5** years;

ii) direct the three RECs to develop a roadmap within 6 months for the establishment of the proposed FTA taking into account the principle of variable geometry ;

iii) direct the Secretariats to develop a legal and institutional framework as a constituent part of the roadmap

iv) direct member/partner states to facilitate freer movement of business persons across the 3 RECs within one year;

v) directs the Secretariats of the 3 RECs to develop joint programmes that enhance co-operation and strengthen co-ordination on Competition Policy, Financial and Payments Systems, Capital Markets and Commodity Exchanges and industrial policies;

vi) directs the Secretariats of the 3 RECs to coordinate and develop common positions on the EPA negotiations and other multilateral and bilateral trade negotiations;

vii) directs that the Secretariats of the three RECs to participate actively and be enjoined in the meetings of Ministers of Trade/ Commerce and of Agriculture in the whole process of the Doha Development Agenda.

8.0 REGIONAL INFRASTRUCTURE DEVELOPMENT

45. Regional trade liberalisation initiatives outlined above, on their own, can not have the desired effects in terms of promoting economic growth and poverty reduction. Inadequate investment in infrastructure, services and utilities, coupled with skills deficiency and inappropriate reforms of the regulatory regimes among others, have led to depressed socio-economic development. Enhancing physical interconnectivity, therefore, is an important factor in speeding up development and facilitating inter-regional trade. Moreover, providing adequate infrastructure that can be accessed by the poor is certainly a critical component of an overall poverty reduction strategy.

46. With rapid globalization and the integration of regional markets, roads, aviation and railway networks can no longer be limited within national boundaries if they are to spur inter-regional trade and development. This is particularly important in the three RECs, where many countries are geographically contiguous and landlocked. Adequate road and railways infrastructure, for instance, is critically important for countries in the three RECs, to strengthen economic links among themselves and with other countries in Africa.

47. The critical shortage of power remains another major constraint to economic development. To this end, additional power generation capacity and inter-connected transmission infrastructure are needed to meet the growing power needs of the region and to facilitate power trade between countries and cross-border investments.

48. The development of telecommunications infrastructure and services, in this digital era, where countries face the challenge of survival amidst rapidly changing technologies as well as the opportunity of jumpstarting development by pursuing knowledge - and ICT-based activities, is vital. The last decade has shown the critical importance of the telecommunications sector, not only as a growth industry itself, but also as an enabler for other economic activities, boosting trade and enhancing the remote communities' access to information, thereby empowering them to participate more closely in the development process.

49. Another set of challenges pertains to the need to ensure that infrastructure development does not impinge on environmental sustainability. Great care must be taken to prioritize programmed infrastructure projects in such a way that damage to the environment is minimized and mitigated, that the infrastructure to be built does not lead to social and health problems, and that the benefits are equitably shared among the population.

50. Estimates on annual investment level currently required by the region to construct and improve physical infrastructure are in the order of US$40 billion (covering various priority projects and programmes in roads, railways, maritime transport, civil aviation, ICT and energy) which have been identified for funding in order to enhance regional infrastructure networks. The three RECs, therefore, faces a formidable challenge of financing the development of the infrastructure crucial to promoting growth and reducing poverty. This calls for urgent and diversified joint mobilisation of financial and technical resources.

51. In the recent past COMESA, EAC and SADC have put emphasis on co-ordinating, promoting, development and implementation of joint regional infrastructure in transport, communications and energy. The interventions have been at policy and regulatory harmonisation, trade and transport facilitation and development of physical infrastructure. More achievements have been realised in the area of policy and regulatory harmonisation and trade and transport facilitation instruments than in the physical infrastructure development.

9.0 STATUS OF REGIONAL INFRASTRUCTURE AND SERVICES

9.1 Surface Transport

52. The Eastern and Southern African Region has adopted development of priority corridors as a strategy for facilitating trade in the sub-regions as well as the movement of people. The three sub-regions are working towards developing and implementing a joint and robust programme of corridor infrastructure development encompassing road, rail and ports infrastructure as well as trade and transit transport facilitation. This initiative requires a collective approach, given the regional and multinational nature of corridors, which include among others, the following:

- Djibouti Corridor;
- Northern Corridor (Mombasa-Malaba-Kampala-Katuna-Bujumbura)

- Central Development Corridor and CCTTFA (Dar es Salaam – Kigoma – Burundi, Rwanda, DRC and Uganda);
- Dar es Salaam Corridor (Dar es Salaam – Kapiri Mposhi-Lubumbashi);
- North-South Corridor (Durban-Lubumbashi);
- Tunduma – Namanga – Moyale Corridor
- Mtwara Development Corridor;
- Nacala Development Corridor;
- Beira Corridor;
- Limpopo Development Corridor;
- Maputo Development Corridor;
- Lebombo Development Corridor;
- Trans Kalahari Corridor;
- Trans Kunene Corridor
- Trans Caprivi Corridor;
- Namibe Corridor;
- Lobito Corridor; and
- Malanje Development Corridor

9.1.1 Road Transport

53. The regional road transport sector is characterised by deregulated road transport services competing with relatively more inefficient rail services which has led to a shift in general freight volumes from rail to road. The permissible gross vehicle mass of 56 tonnes is one of the highest in the world (with only Australia having a higher allowable GVM) and has the effect of increasing the competitiveness of road against rail, and also of significantly increasing the cost of road maintenance, which is not fully compensated for in the setting of road user charges and toll fees. There is also a degree of cross subsidisation of road freight from passenger vehicles and directly from government.

54. In terms of volumes, regional trade is characterised by exports of mining and agricultural products and imports of manufactured goods. The main operating feature of the regional road transport routes, which affects transport efficiency, costs and tariffs, is the imbalance of freight flows, leading to empty return hauls, or waiting for return hauls. This imbalance can be seasonal and can also vary month by month. An empty return haul by road effectively means that transport costs almost double.

55. The road network is generally in good condition although there are sections of road that are in urgent need of rehabilitation and upgrading. There are also sections that are common to more than one transport corridor and are more heavily used and if there is a blockage in these sections the whole corridor network may be closed. It is also the case, that recent increases in mining activities have led to much heavier use of the road network in particular and there are now sections of the regional road network that are being used above their design capacity.

56. In this sub-sector another challenge is overloading of vehicles by the transport operators which is causing premature damage to the road

infrastructure. The region has developed a harmonised axle load control system for implementation across the entire region.

9.1.2 Rail Transport

57. With the exception of the South African dedicated bulk lines, the regional rail freight transport sector is characterised by long hauls, relatively low volumes and relatively high railway tariffs. It is also generally characterised by inflexibility, unreliability, and inefficiency (in relation to schedules and poor inter-modality), resulting in delays and increased transport costs.

58. The regional railways are mostly built to the 'Cape gauge' of 1,067 mm (3'6") between the rails, with the exception of the TRC system in Tanzania, the Kenyan-Ugandan and the Ethiopia-Djibouti systems which have a 1,000 mm gauge. Thus there is almost no railway interconnectivity between Eastern and Southern Africa which if addressed is one way of making the rail more effective. Axle loads are generally 15 tonnes to 18 tonnes in the region and up to 26 tonnes in South Africa. To make rail more competitive with road, axle weights should not be less than 20t. This would allow a railway wagon to carry almost twice as much as a large combination road rig. Braking systems are gradually being upgraded to air to allow trains longer than 40 wagons.

59. The shift in traffic from rail to road is partly due to relatively high rail tariffs and unreliable service, both attributed to poor management, inadequate use of assets and poor costing practices. Almost all the regional railway systems, including in Zimbabwe (BBR), Zambia (RSZ), Malawi (CEAR), central Mozambique (CCFB), northern Mozambique (CDN), Tanzania (TRC) and Kenya Uganda Railway (KRC and URC) have been privatised through concession agreements that focus on improving management rather than infrastructure and have been criticised as replacing an inefficient public sector monopoly with an inefficient private sector monopoly.

60. Balanced freight flows are less critical for rail than they are for road, because of the inflexibility of the system, the cost and time of repositioning wagons and the breaking up of unit trains. It is often more efficient to return wagons as quickly as possibly to pick up the next load on a fixed schedule basis to achieve optimum equipment utilisation than it is to wait for a return load.

9.1.3 Ports and Harbours

61. The region has a number of natural harbours with good access from the sea. However, the most important operational feature of the regional ports, besides road and rail access and the efficiency of the terminal handling equipment, is the depth of the port and quays. Increasing volumes of international trade requires the use of larger vessels and most regional ports do not have sufficient depth (at least 13m) and capacity to handle these larger (Capesize and Panamax) vessels. There is, therefore, need for expansion and

modernization of the regional ports to improve the capacity and operational efficiency.

9.1.4 Improved Trade and Transit Transport Facilitation Measures Along Corridors

62. Trade facilitation is recognised as an effective way of reducing the cost of doing business and generally lowering transaction costs in international trade along key transit corridors. The implementation of harmonised trade facilitation instruments ensures smooth and seamless flow of transit traffic within the intra-regional framework. All three RECs are jointly developing and implementing trade facilitation programmes. The Tripartite Framework of implementation of these programmes ensures that the facilitation programmes being developed and rolled out by COMESA, EAC and SADC neither duplicate nor contradict each other.

63. The trade facilitation instruments which are in place and are at different stages of development and implementation include the following:

One Stop Border Posts:
64. One Stop Border Post is a border post shared by border officers from two adjacent countries to conduct jointly cross-border and security clearance procedures. It is seen as a practical way to reduce duplication of controls and involves setting up a common border post for two countries in a single physical location. A One Stop Border Post should reduce costs for both the countries concerned, and reduce border dwell times by up to 40 – 50%.

Simplification and Harmonisation of Customs Procedures and Legislation:
65. As indicated in Paragraph 20 significant progress has been made in the harmonization of customs procedures and legislation. In order to make processing of documentation quicker it is necessary to harmonise customs procedures and legislation, such as bringing countries onto the GATT valuation system; ensuring countries are on the same version of the Harmonised System of Customs Classification, simplify and harmonise temporary admission, re-exportation and transit procedures, harmonise exemption and other duty relief measures, dispense with all pre-shipment inspections, adopt regional antidumping and countervailing duty regulations, etc.

Single Administrative Document for Customs:
66. COMESA, SADC and EAC have all agreed that one document common to all should be used to clear customs in the region but this Single Administrative Document is yet to be agreed on by all countries and utilised.

Harmonisation of IT systems and electronic customs management systems:
67. COMESA, EAC and SADC have agreed to implement electronic customs management information systems and to develop IT network for information exchange and transmission.

Harmonised Axle Loading:

68. In order to preserve the road infrastructure and ensure reasonable usable life times, countries in the COMESA, EAC and SADC have agreed the following axle load limits for freight vehicles:

single steering axle (two tyres)	8 tonnes
single axle (dual tyres)	10 tonnes
tandem axle (four tyres)	16 tonnes
tandem axle (dual tyres)	18 tonnes
triple axle (six tyres)	24 tonnes
triple axle (twelve tyres)	24 tonnes
combination rig (gross vehicle mass)	56 tonnes

69. However, not all countries apply these axle loading limits so the load weight on a freight vehicle will be limited to the load which is in compliance with the lowest axle load limit along the entire route

Maximum Vehicle Dimensions:
70. COMESA, EAC and SADC have agreed on maximum vehicle dimensions, in terms of height, width and length of vehicles. Member States have agreed to these maximum vehicle dimensions at the regional level, few countries have passed national legislation to enforce this instrument and even fewer countries actually implement this instrument.

Harmonised Road Transit Charges:
71. In practice road charges vary by country. The RECs have introduced systems of harmonised road transit charges whereby most countries apply a road transit charge of US$10 per 100km.

Multilateral Road Transport Agreements .e.g. Carrier's License:
72. RECs have introduced a regional carrier's license which allows commercial goods vehicles to be licensed with one license which is valid throughout the region so that the vehicles can operate in all of these States. This means that vehicles can pick up back-loads in other countries that allow more efficient use of the region's transport fleet so reduces the cost of trade. However, evidence suggests that the regional carrier's license is not operational or usable in all countries that have signed up to using this instrument.

Regional Third-Party Vehicle Insurance:
73. The COMESA Yellow Card is a vehicle insurance scheme which covers third-party liability and medical expenses. A Yellow Card issued in one COMESA country is valid in all other countries participating in the scheme. This saves time and money in taking out insurance each time a border is crossed. In South Africa and Botswana (along the North-South Corridor) a third-party vehicle insurance levy is included in the price of fuel.

Regional Customs Bond Guarantee Schemes:
74. COMESA, EAC and SADC have developed and are in the process of operationalising a harmonised regional customs bond guarantee scheme. The regional bond is intended to eliminate the avoidable administrative and financial

costs that are associated with the current practice of nationally executed customs bond guarantees for transit traffic.

9.2 Air Transport

75. Air transport in the region has improved considerably with the implementation of liberalised air transport policies within the framework of the Yamoussoukro Declaration (YD) and improved competition regulations. In 2005 the growth in Africa's air traffic, at 11%, was the highest in the world. There are now many more daily flights between city pairs than there were five years ago and the air transport fares and cargo rates have declined in real terms. Although a number of national carriers have collapsed, capacity has increased owing to the privatisation of some national air carriers and new private sector entrants into the market.

76. COMESA, EAC and SADC are jointly implementing the YD. In this regard, the region has adopted common Air Transport Services Liberalisation Regulations; Guidelines, Provisions and Procedures for the implementation of the common regulations and established a Joint Competition Authority to oversee the air transport liberalisation process. This means that the region has completed the legal and institutional framework that is required for the commencement of the full implementation of YD by 1st January 2009. The JCA will represent the region at the Africa-wide Executive Agency of the YD. The following milestones have been achieved:

- Each of the three RECs, have nominated two of their Member States to the JCA as follows;
  - i. COMESA - Malawi and Sudan
  - ii. EAC – Kenya and Uganda
  - iii. SADC – South Africa and Zimbabwe
- The chairing REC for the first term, COMESA, has also nominated the Chair of the JCA – Kenya;
- SADC has put in place the administrative structure for the JCA Secretariat; and
- The Joint Meeting of COMESA, EAC and SADC Ministers responsible for air transport approved the establishment of the Joint Competition Authority (JCA).

77. Partner States are also engaged in various airport projects to support the expanded operations. Further, the region is cooperating in the development and implementation of a regional air transport programmes covering:

- Upper Airspace Control Centre (UACC) project for communications, navigation and surveillance/air traffic management (CNS/ATM) systems; EAC and SADC have completed studies for the creation of upper air spaces and COMESA is conducting a study to include non EAC and non SADC Member States in order to harmonise the air space;
- Air Transport Safety;
- Aviation Security; and
- Aviation Search and Rescue.

9.3 Information Communications Technology (ICT)

78. Remarkable technological and market developments over the past two decades have resulted in significant change in the assumptions and practices that previously influenced policy debates and the roll out of services in our region in line with global trends. The reform of the sector which has resulted in changes in legislative and regulatory frameworks has been experienced by most if not all of the Partner/ Member States which has seen the liberalisation of the sector and the introduction of competition leading to more private sector entities becoming players in our market segments. This development and the accompanying growth in mobile subscribers has resulted in a shift from the traditional focus on fixed line incumbents for service delivery to mobile and wireless services and has had significant implications on the design and delivery of universal Service goals and policies.

79. As regards access to services the region continues to be lacking in investment and continues to face huge developmental challenges including that of bridging the digital divide, thus leaving the region with a great potential to improve telecommunications usage and infrastructure deployment.

80. The region recognises the widening digital divide as a special problem that requires timely and concerted regional efforts. Today, for example more than 75% of the world's internet users live in the developed world that accounts for less than 15% of the world's population.

81. The gap between Africa and the industrialized world in terms of access to and the use of ICTs for development is widening and the situation below illustrates the point:

i) Internet penetration in Africa as at December 2007 according to Internet World Statistics is about 4.7% compared with 43.4% in Europe , 71.1% in North America, 57.1% in Oceania/Australia, 22.2% in Latin America/Caribbean, 17.4% in the Middle East and 13.7% in Asia;

ii) In terms of % of world usage of the internet Africa is 3.4%, Asia 38.7%, Europe 26.4%, Middle East 2.5%, North America 18%, Latin America/Caribbean 9.6% and Oceanic/Australia 1.5%. The situation in Africa is very serious taking into account that about 14.2 % of the world population are from the continent and a very high number of the internet users in Africa are nationals of other parts of the world residing in Africa; and

iii) According to the 2006 Report of the ITU, countries in the COMESA-EAC- SADC Region did not meet the 2005 tele-density targets of 4% for fixed telephony and 7% for the mobile telephony.

82. For historical reasons, many countries in Africa have been well connected to Europe and to some extent the USA. This has meant that traffic originating and terminating in the region is currently routed via Europe and USA thereby making the call charges more expensive and also resulting in a foreign exchange

drain from the sub-regions. It is estimated that the region spends more than USD 150 million per annum on transit charges paid for in hard currencies. Therefore, one of the region's major challenges should be to minimise such foreign exchange outflows. This can be achieved through accelerated regional connectivity programmes that would ensure access to intra-regional connectivity, which would in turn increase the flow of communications traffic between countries and help promote regional integration.

83. As part of the regional effort COMESA, EAC and SADC have been cooperating in the development and implementation of programmes in the areas of:

- i) ICT policy, legislative and regulatory framework harmonisation;
- ii) ICT broad band infrastructure development;
- iv) Harmonisation of ICT Infrastructure master plans; and
- v) Joint programme implementation and resource mobilisation

84. COMESA, EAC and SADC have already in place effective Legal and regulatory frameworks that are aimed at fostering an enabling environment that supports public confidence and ensures stability, transparency, competition, investment, innovation and growth in the Information and Communications Sector.

85. The ESA Region is currently engaged in creating harmonised regulatory incentives, undertaking policy and regulatory reforms to encourage public private partnership investment in the roll out of backbone networks and ICT Broadband Infrastructures.

86. The region is currently looking at ways in which it can undertake joint and common programmes through a harmonised ICT Infrastructure master plan. There is a need for the three RECs to create improved awareness to policy makers of resource mobilization and investment options (e.g. public-private partnerships, generation of local resources, stimulating private investment or new sources through policy incentives, soft loans, etc.), on priorities (national and regional backhaul or distribution networks) and other related policy issues..

9.4 Energy

87. The three RECs are endowed with huge energy potential but most of it is not exploited. Of great significance is the 100,000 Mega Watts (MW) hydro power potential of the Democratic Republic of Congo (DRC), which is the highest in the region, most of which is concentrated on Inga. The total installed power capacity of the three sub-regions is around 79 300 MW, which is 74 % of Africa's installed capacity. Almost 79 % of the installed capacity is thermal, whereas 18 % of it is hydro based. The electricity supply – demand balance situation in all the three sub-regions continues to be unstable and is adversely affecting regional trade, provision of social services and regional integration. The power supply deficit is expected worsen in the forthcoming years due to increased demand as a result of sustained economic growth in most countries in the three sub-regions.

88. In terms of the other energy sources, the proven crude oil reserves for the three sub-regions are in excess 32,394 billion barrels. Regional current

production of oil is approximately 4.2 million barrels per day (bb/d) whereas total consumption is slightly above 1.8million bb/d. Gas reserves of the three sub-regions are about 131 trillion cubic feet, whereas, the production is about 2.308 trillion cubic feet and the consumption is about 1.414 trillion cubic feet per annum, respectively. The recoverable coal reserves in three sub-regions are 55,151 million short tones. Total coal production and consumption are 276 and 202 million short tones per annum, respectively. There is also considerable potential for renewable energy resources such as nuclear, biomass (in terms of fuel-wood and charcoal), bio-fuels, solar, wind, geothermal, small hydropower, biogas, waste to energy in the three sub-regions.

89. With all these vast energy resources, the Region continues to faces an acute shortage of power and has some of the lowest access rates to modern energy for most of its Member States.

90. As part of the regional effort, the three RECs have been cooperating in the development and implementation of programmes in the areas of:

- Energy policy and regulatory harmonisation;
- Development of Power Pools;
- Inter-regional Power Trading arrangements;
- Development of Master Plans;
- Generation and transmission infrastructure development; and
- Mobilisation of financial resources.

91. COMESA, EAC and SADC have adopted an integrated approach to generation and transmission expansion for their respective power pools with a view to take advantage of the economies of scale that can be derived for the synergy of their individual expansion plans. East African Power Pool (EAPP) is in the process of developing an electrical power master plan while Southern Agrica Power Pool (SAPP) is reviewing its Power Expansion Plan, which is expected to be completed by the end of 2008. Taking cognisance of scarcity of financial resources for the development of power sector and in order to further take advantage of the collective benefits of discounted costs savings it is important that the three RECs further integrate their power investment plans for harmonised resources mobilization in order to accelerate attainment of the most needed additional power generation capacity and inter-connected transmission infrastructure.

10.0 REVIEW OF IMPLEMENTATION AND HARMONISATION OF INFRASTRUCTURE MASTER PLANS

92. The three RECs are developing infrastructure master plans and have agreed to harmonise them under the Tripartite Framework, and that SADC should take the lead. The Master Plans will cover areas of transport, energy and ICT/communications.

11.0 FUNDING OF INFRASTRUCTURE IMPROVEMENTS

93. Although there are significant amounts of aid flowing into the region, it is not enough to meet the costs of development of the region which have been estimated to be USD40 billion annually. It is recognised that for infrastructure to be fully developed to meet the needs of the economic operators then there will be need for significant levels of investment from the public and private sector (including public private partnerships (PPPs)) and from private sector financing institutions. However, it is also recognised that, until there is an attractive rate of return to be realised from investments in Africa, the necessary level of investment from the private sector will not take place.

94. There is also a need to develop a funding mechanism such as regional infrastructure funds (COMESA Infrastructure Fund, EAC and SADC Development Funds) which can be used to finance infrastructure.

12.0 PROPOSED WAY FORWARD

95. In order to accelerate infrastructure development, a comprehensive programme on institutional development and capacity building at the level of Member States and implementing agencies is required, with the view to improving the enabling environment for investment.

96. As a basis for the implementation of infrastructure development, the different RECs are developing infrastructure master plans which define their ultimate infrastructure requirements. There is need to harmonise the regional infrastructure master plans in order to avoid duplication and facilitate inter-REC connectivity and trade. The three RECs have up-scaled inter-regional cooperation on joint development and implementation of infrastructure projects, with particular emphasis on areas of extra-regional overlaps. Inter regional cooperation is an effective vehicle for development of infrastructure on a joint basis.

97. One of the key bottlenecks to development of infrastructure projects has emerged as the lack of properly packaged projects, which could be marketed for development through Public Private Partnerships or the private sector. The region has, in collaboration with NEPAD and other partners, intensified the process of project preparation, development, packaging and feasibility studies, to transform them into bankable projects for investment. In addition, through the NEPAD Infrastructure Projects Preparation Fund (IPPF), the sub-regions have leveraged a number of project preparation and development funds, which should be utilised to best advantage.

98. One of the key challenges to infrastructure development is lack of resources. Experience has shown that most countries that have experienced an infrastructure boom have had to mobilise resources at a local level to support such programmes. Clearly, innovative measures to mobilise infrastructure financing resources are required. The establishment of regional development funds and allied initiatives which have been initiated by the RECs should be finalised as a matter of urgency.

99. The New Partnership for Africa's Development (NEPAD) has considered a number of regional projects with the view to providing financing support. The African Development Bank (ADB) was appointed agency to administer funding for NEPAD Projects. To this end, the African Union, the Regional Economic Communities (RECs), NEPAD and the Infrastructure Consortium for Africa, constituted the NEPAD Infrastructure Project Preparation Facility (IPPF) Special Fund, to facilitate the development and packaging of regional infrastructure projects up to the stage of feasibility studies, in order to provide a pipeline of bankable projects for investors. To this end, it is necessary for the three RECs to take full advantage of the opportunities offered by the NEPAD framework and other collaborative partners. It is also critical for the NEPAD Implementation Committee to impress on parties that have made pledges to honour them as soon as possible and formulate modalities for investment in infrastructure in Africa.

13.0 RECOMMENDATIONS

100. The Tripartite Summit is invited to:

(i) Launch the Joint Competition Authority (JCA) which will oversee the full implementation of the Yamoussoukro Decision on Air Transport in the three RECs. The JCA comprises: Kenya and Uganda (EAC), Malawi and Sudan (COMESA) as well as South Africa and Zimbabwe (SADC). For the first term Kenya (COMESA) will chair the JCA, on a rotational basis as provided for in the Joint Competition Regulations.

(ii) Direct the three RECs to:

(a) develop a single seamless upper airspace;
(b) develop a joint programme for the implementation of an accelerated, seamless inter-regional ICT Broadband Infrastructure network;
(c) develop a hamonised policy and regulatory framework that will govern ICT and infrastructural development in the three RECs
(d) Coordinate and harmonize the Regional Transport Master Plans of the three RECs.
(e) Coordinate and harmonize the Regional Energy Priority Investment Plans and the Energy Master Plans of the three RECS;

(iii) Direct the three RECs to develop a joint financing and implementation mechanism for infrastructure development.

14.0 ESTABLISHMENT OF A FORMAL LEGAL AND INSTITUTIONAL FRAMEWORK

101. The ongoing cooperation amongst the three RECs has occurred under the general provisions of the Treaties of the organisations and within the framework of the African Economic Integration provided for in the African Union Constitutive Act and the Abuja Treaty. Although, at the Secretariat level there has already been established the Tripartite Task Force, there is still need to establish a formal and legal institutional framework for the cooperation amongst the three RECs.

102. The proposed legal and institutional framework will outline the principles, objectives and main areas of cooperation and integration to be pursued as well as the institutional arrangements for their implementation. It is proposed that the three RECs enter into a Memorandum of Understanding (MoU) the principles, objectives and main areas of cooperation. A proposed MOU between the RECs is hereby attached as Annex I.

103. The institutional structures of the Tripartite Framework shall comprise:

a) Tripartite Summit of Heads of State and Government
b) Tripartite Council of Ministers
c) Tripartite Sectoral Ministerial Committee on Trade, Customs and Economic Matters
d) Tripartite Sectoral Ministerial Committee on Infrastructure
e) Tripartite Task Force of the Chief Executives Officers of RECs

Recommendation

104. It is recommended that the Tripartite Summit:

a) decide that the Council of Ministers of each of the three RECs consider and approve the Memorandum of Understanding on inter regional cooperation and integration which should also provide for the powers of each decision making level;
b) decide that the approved Memorandum of Understanding be signed by the Chief Executive Officers of the three RECs;
c) establish a Tripartite Summit of Heads of State and/or Government which will sit at least once every three years;
d) establish a Tripartite Council of Ministers which will meet at least once every three years;
e) Tripartite Sectoral Ministerial Committee on Trade, Customs and Economic Matters and a Sectoral Ministerial Committee on Infrastructure both to meet at least once every two years;
f) Establish a Tripartite Task Force of the Secretariats of the three RECs to meet at least twice a year.

ANNEXES

Annex I - Size of the COMESA Market, 2006

Country	GDP, US$' m	Population, '000	GDP per capita, US$	GDP/capita/ day, US$	GDP Country Share, %
Egypt, Arab Rep.	107,484	75,397	1,425.57	3.91	37.5
Libya	50,320	5,965	8,435.88	23.11	17.5
Sudan	37,565	37,003	1,015.19	2.78	13.1
Kenya	21,186	35,143	602.85	1.65	7.4
Ethiopia	13,315	72,712	183.12	0.50	4.6
Uganda	9,322	29,874	312.04	0.85	3.3
Zambia	10,907	11,862	919.49	2.52	3.8
Congo, Dem. Rep.	8,543	59,338	143.97	0.39	3.0
Mauritius	6,448	1,253	5,146.05	14.10	2.2
Madagascar	5,499	19,087	288.10	0.79	1.9
Zimbabwe	5,010	13,086	382.85	1.05	1.7
Swaziland	2,648	1,126	2,351.69	6.44	0.9
Rwanda	2,494	9,244	269.80	0.74	0.9
Malawi	2,232	13,163	169.57	0.46	0.8
Eritrea	1,085	4,538	239.09	0.66	0.4
Burundi	807	7,833	103.03	0.28	0.3
Djibouti	757	806	939.21	2.57	0.3
Seychelles	750	86	8,720.93	23.89	0.3
Comoros	403	614	656.35	1.80	0.1
Totals	**286,775**	**398,130**	**720.30**	**1.97**	**100.0**

***Source*: World Bank, 2006 data**

Annex III - Size of the EAC Market, 2006

Country	GDP, US$' Mn	Population, '000	GDP per capita, US$	GDP/capita/ day, US$	GDP Country Share, %
Kenya	21,186	35,143	602.85	1.65	45.5
Tanzania	12,784	39,477	323.83	0.89	27.4
Uganda	9,322	29,874	312.04	0.85	20.0
Rwanda	2,494	9,244	269.80	0.74	5.4
Burundi	807	7,833	103.03	0.28	1.7
Totals	**46,593**	**121,571**	383.26	1.05	100.0

***Source*: World Bank, 2006 data**

Annex III- Size of the SADC market, 2006

Country	GDP, US$' Million	Population, '000	GDP per capita, US$	GDP/capita/ day, US$	GDP Country Share, %
South Africa	254,992	47,391	5,380.60	14.74	67.2
Angola	44,033	16,391	2,686.41	7.36	11.6
Tanzania	12,784	39,477	323.83	0.89	3.4
Botswana	10,328	1,758	5,874.86	16.10	2.7
Zambia	10,907	11,862	919.49	2.52	2.8
Congo, Dem Rep.	8,543	59,338	143.97	0.39	2.3
Mozambique	7,608	20,144	377.68	1.03	2.0
Mauritius	6,448	1,253	5,146.05	14.10	1.7
Namibia	6,372	2,051	3,106.78	8.51	1.7
Madagascar	5,499	19,087	288.10	0.79	1.4
Zimbabwe	5,010	13,086	382.85	1.05	1.3
Swaziland	2,648	1,126	2,351.69	6.44	0.7
Malawi	2,232	13,163	169.57	0.46	0.6
Lesotho	1,476	1,789	825.04	2.26	0.4
Seychelles	750	86	8,720.93	23.89	0.2
Totals	**379,256**	**248,002**	**1,529.25**	**4.19**	**100.0**

***Source*: World Bank, 2006 data**

Annex IV - Size of the COMESA/SADC/EAC Market, 2006

Country	GDP, US$' m	Population, '000	GDP per capita, US$	GDP per capita/day, US$	GDP Country Share, %
South Africa	254,992	47,391	5,380.60	14.74	40.84002
Egypt, Arab Rep.	107,484	75,397	1,425.57	3.91	17.21485
Angola	44,033	16,391	2,686.41	7.36	7.052411
Libya	50,320	5,965	8,435.88	23.11	8.05935
Sudan	37,565	37,003	1,015.19	2.78	6.016484
Kenya	21,186	35,143	602.85	1.65	3.393191
Ethiopia	13,315	72,712	183.12	0.50	2.132556
Tanzania	12,784	39,477	323.83	0.89	2.04751
Zambia	10,907	11,862	919.49	2.52	1.746886
Botswana	10,328	1,758	5,874.86	16.10	1.654153
Uganda	9,322	29,874	312.04	0.85	1.49303
Congo, Dem. Rep.	8,543	59,338	143.97	0.39	1.368264
Mozambique	7,608	20,144	377.68	1.03	1.218512
Mauritius	6,448	1,253	5,146.05	14.10	1.032724
Namibia	6,372	2,051	3,106.78	8.51	1.020552
Madagascar	5,499	19,087	288.10	0.79	0.880731
Zimbabwe	5,010	13,086	382.85	1.05	0.802411
Swaziland	2,648	1,126	2,351.69	6.44	0.424109
Rwanda	2,494	9,244	269.80	0.74	0.399444
Malawi	2,232	13,163	169.57	0.46	0.357481
Lesotho	1,476	1,789	825.04	2.26	0.236399
Eritrea	1,085	4,538	239.09	0.66	0.173776
Burundi	807	7,833	103.03	0.28	0.129251
Djibouti	757	806	939.21	2.57	0.121243
Seychelles	750	86	8,720.93	23.89	0.120121
Comoros	403	614	656.35	1.80	0.064545
Totals	624,368	527,131	50,879.98	139.38	**100**

***Source*: World Bank, 2006 data**

Annex V- GDP and Population Statistics of AU, COMESA, EAC and SADC

Global Ranking, 2006	African Ranking, 2006	Country	GDP, US$' million	Population, in '000	GDP per Capita, US$	GDP per capita per day, US$	GDP Country Share, %
27	1	South Africa	254,992	47,391	5,381	14.74	23.9
47	2	Algeria	114,727	33,348	3,440	9.43	10.8
48	3	Nigeria	114,686	144,749	792	2.17	10.8
50	4	Egypt, Arab Rep.	107,484	75,397	1,426	3.91	10.1
58	5	Morocco	57,307	30,497	1,879	5.15	5.4
60	6	Libya	50,320	5,965	8,436	23.11	4.7
61	7	Angola	44,033	16,391	2,686	7.36	4.1
66	8	Sudan	37,565	37,003	1,015	2.78	3.5
74	9	Tunisia	30,298	10,132	2,990	8.19	2.8
80	10	Kenya	21,186	35,143	603	1.65	2.0
86	11	Cameroon	18,323	16,683	1,098	3.01	1.7
88	12	Côte d'Ivoire	17,484	18,468	947	2.59	1.6
96	13	Ethiopia	13,315	72,712	183	0.50	1.2
98	14	Ghana	12,906	22,533	573	1.57	1.2
99	15	Tanzania	12,784	39,477	324	0.89	1.2
102	16	Zambia	10,907	11,862	919	2.52	1.0
105	17	Botswana	10,328	1,758	5,875	16.10	1.0
106	18	Gabon	9,546	1,406	6,789	18.60	0.9
107	19	Uganda	9,322	29,874	312	0.85	0.9
111	20	Senegal	8,936	11,928	749	2.05	0.8
112	21	Equatorial Guinea	8,563	515	16,627	45.55	0.8
113	22	Congo Dem. Rep.	8,543	59,338	144	0.39	0.8
116	23	Mozambique	7,608	20,144	378	1.03	0.7
118	24	Congo, Rep.	7,385	4,105	1,799	4.93	0.7
120	25	Chad	6,541	9,987	655	1.79	0.6
121	26	Mauritius	6,448	1,253	5,146	14.10	0.6
124	27	Namibia	6,372	2,051	3,107	8.51	0.6
126	28	Burkina Faso	6,205	13,586	457	1.25	0.6
127	29	Mali	5,929	13,911	426	1.17	0.6
130	30	Madagascar	5,499	19,087	288	0.79	0.5
132	31	Zimbabwe	5,010	13,086	383	1.05	0.5
134	32	Benin	4,775	8,693	549	1.50	0.4
136	33	Niger	3,544	14,417	246	0.67	0.3
138	34	Guinea	3,317	9,199	361	0.99	0.3
145	35	Mauritania	2,663	3,154	844	2.31	0.2
146	36	Swaziland	2,648	1,126	2,352	6.44	0.2
147	37	Rwanda	2,494	9,244	270	0.74	0.2
149	38	Malawi	2,232	13,163	170	0.46	0.2
150	39	Togo	2,206	6,302	350	0.96	0.2
152	40	Central Africa Rep	1,486	4,095	363	0.99	0.1
153	41	Lesotho	1,476	1,789	825	2.26	0.1
154	42	Sierra Leone	1,443	5,641	256	0.70	0.1
156	43	Cape Verde	1,144	518	2,208	6.05	0.1
157	44	Eritrea	1,085	4,538	239	0.66	0.1
163	45	Burundi	807	7,833	103	0.28	0.1

164	46	Djibouti	757	806	939	2.57	0.1
165	47	Seychelles	750	86	8,721	23.89	0.1
166	48	Liberia	631	3,380	187	0.51	0.1
168	49	Gambia, The	511	1,553	329	0.90	0.0
172	50	Comoros	403	614	656	1.80	0.0
176	51	Guinea-Bissau	304	1,633	186	0.51	0.0
….177	52	Somalia	na	na	na	na	na
		Total	**1,065,228**	**917,564**	**1,161**	**3.18**	**100.0**

***Source*: World Bank, 2006 data**

Annex VI: Analysis of Internet Penetration in Africa

Region		%
Africa	Internet Penetration	4.7
	% of World	3.4
Europe	Internet Penetration	43.4
	% of World	26.4
North America	Internet Penetration	57.1
	% of World	18
Oceania/ Australia	Internet Penetration	57.1
	% of World	1.5
Latin America / Caribbean	Internet Penetration	22.2
	% of World	9.6
Middle East	Internet Penetration	17.4
	% of World	2.5
Asia	Internet Penetration	13.7
	% of World	38.7