Regional integration and socio-political and economic development in East Africa: Focus on the Intergovernmental Authority on Development (IGAD)

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Abstract

The paper is specifically focused on the assessment of the level performance and the areas of cooperation in the East Africa with specific emphasis on the Intergovernmental Authority on Development (IGAD) and to seek ways for more fruitful relationship among the member state for the betterment of all the members of the union and to see if it is possible to widen the scope of operation. Secondary sources of data collection were used and contextually analyzed and neo-functionalist theory was adopted as the tool of analysis. The findings of the paper are: all the members of IGAD belong to more than one regional group; there is Infrastructural deficit; many of the potentials are not well utilized; Inadequate capacity and resources among countries of the IGAD; Conflicting attitude towards regional integration; The countries in the region have similar resources which account for lack of comparative advantage; Insecurity and political instability; Water Scarcity and Management of Shared Water Resources.

This research sought to provide answers to the following questions: for what purpose was IGAD establish? How has the IGAD carried out its set objectives? How can the organization improve on its strategies and scope of operations, membership, and achievement? What are the internal effects of regional integration? Lastly the study arrived at the following recommendations: Member states should be persuaded to ensure that they do not belong to too many regional groups; Effort should be made towards improving on the region’s weak transport infrastructure; Countries in the region should be encouraged to adopt energy policies and established regulatory frameworks to liberalize the power sector; That it should pursue an aggressive capacity building and mobilization of resources among countries of the IGAD; That effort should be increased to relate well with the close neighbours that could allow them channel water from the region to the landlocked areas; The IGAD should Intensify Collaborative efforts leading to compromise and ultimate resolution of conflicts that will strengthen regional integration process; and The organization should ensure that countries that are conflicting over similar resources are helped to identify complementary areas of activities based on their comparative advantage and diversify them accordingly.

Keywords: Regional integration, Socio-political and Economic Development, East Africa and Intergovernmental Authority on Development (IGAD).

INTRODUCTION

After the end of the Cold War, regional and sub-regional groupings appeared to gain momentum as the way in which countries cooperate and should cooperate to pursue peace, stability, wealth and social justice. The
surge and resurgence of regional integration has triggered the proliferation of concepts and approaches. There is new and old regional integration, regional integration in its first, second and third generation; economic, monetary, security and cultural integration, state integration, shadow integration; cross-, inter-, trans, and multi- integration; pure and hybrid integration; offensive, extroverted, open, or neoliberal as opposed to defensive, introverted, closed, resistance, regulatory and developmental integration; lower level and higher level integration; North, South, and North-South integration; informal and institutional integration, just to name a few of the labels the literature has come up with to account for the new trend in International Relations.

Regional integration remains the principal strategy that will enable African governments to accelerate the transformation of their fragmented small economies, expand their markets, widen the region’s social, political and economic space, and reap the benefits of social stability, political development and economics of scale for production and trade, thereby maximizing the welfare of their nations. Regional integration increases competition in global trade and improves access to foreign technology, investment, and ideas. African leaders thus consider it an important path to broad-based development and a continental social, political and economic community.

Africa is increasingly focusing on regional integration as a strategy for achieving sustainable socio-political and economic development as there is an agreement that by merging its economies and pooling its capacities, endowments and energies, the continent can overcome its daunting developmental challenges. Deeper integration would allow it not only to achieve sustained and robust political and economic development, but it will also ensure poverty alleviation, enhanced movement of goods, services, capital and labour, socio-economic policy coordination and harmonization, infrastructure development as well as the promotion of peace and security within and between the regions. Africa’s unique physical, economic and political geography poses many challenges to economic development and management of shared public goods. Political borders are often not aligned with economic and natural resources and many countries are landlocked. National economies and populations are generally quite small, but cover large geographic expanses with poor connective infrastructure. Regional integration offers the means to overcome these obstacles and to be competitive in the global marketplace.

Many African countries are increasingly recognizing that collaborative actions and regional approaches are critical to achieving their development goals. The benefits from pursuing regional integration are myriad, including: i) reaping economies of scale or other efficiencies by acting collectively in the pursuit of common objectives to increase local supply capacity and improve access to markets; ii) integrated or harmonized treatment of trans-boundary issues such as trade, regulatory frameworks and policies, regional infrastructure and other cross border issues; and iii) management of shared natural resources. These solutions are particularly relevant for the many African countries that have small economies, small populations or are land-locked. Small countries often find it difficult to fund the large fixed costs associated with major infrastructure, making a regional approach attractive. Linking small markets can unlock the benefits of agglomeration and scale economies and spread investment opportunities and growth beyond current centers of development.

Africa’s diverse array of regional institutions is already promoting greater political and economic integration among neighboring countries and tackling shared resource management issues. At the continental level, the African Union seeks to unite African countries under a single political union and common market. At the regional level, Intergovernmental Authority on Development (IGAD) brings together some countries in the East Africa to address common development challenges and deepen economic and political integration. Africa’s regional technical bodies focus on specific cross-border issues such as river basin management, regional power trading and cross-border disease transmission. Strengthening the capacity of these institutions is critical to accelerating the integration agenda.

To this end therefore, this paper is focused on the assessment of the level and the areas of cooperation in the East Africa with specific emphasis on the Intergovernmental Authority on Development (IGAD) and to seek ways for more fruitful relationship among the member state for the betterment of all the members of the union and to see if it is possible to widen the scope of operation. Secondary sources of data collection were used and neo-functionalist theory was adopted as the tool of analysis. This research sought to provide answers to the following questions: for what purpose was IGAD establish? How has the IGAD carry out its set objectives? How can the organisation improve on its strategies and scope of operations, membership, and achievement? What are the internal effects of regional integration?

Conceptual Issues

In other to clarify issues of concept, it is expedient to define the key concept in this work which includes: regional integration, East Africa, social development, political development and economic development.

Regional integration

Regional integration has been defined as the process through which national states “voluntarily mingle, merge...
and mix with their neighbors so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflicts among themselves” (Haas, 1971: 3-44). De Lombaerde and Van Langenhove (2007: 377-384) describe it as a worldwide phenomenon of territorial systems that increases the interactions between their components and creates new forms of organisation, co-existing with traditional forms of state-led organisation at the national level. Some scholars see regional integration simply as the process by which states within a particular region increase their level of interaction with regard to economic, security, political, or social and cultural issues (Van Ginkel and Van Langenhove, 2003:1-9).

In short, regional integration is the joining of individual states within a region into a larger whole. The degree of integration depends upon the willingness and commitment of independent sovereign states to share their sovereignty. Deep integration that focuses on regulating the business environment in a more general sense is faced with many difficulties (Claar and Noelke, 2010: 114-117).

Regional integration initiatives, according to Van Langenhove, should fulfill at least eight important functions: (i) the creation of an appropriate enabling environment for private sector development; (ii) the development of infrastructure programmes in support of economic growth and regional integration; (iii) the development of strong public sector institutions and good governance; (iv) the reduction of social exclusion and the development of an inclusive civil society; (v) contribution to peace and security in the region; (vi) the building of environment programmes at the regional level; (vii) the strengthening of trade integration in the region and (viii) the strengthening of the region’s interaction with other regions of the world (De Lombaerde and Van Langenhove 2007: 377-383).

Social Development

It is described as putting people at the centre of development. This means that a commitment that development processes need to benefit people, not only the poor but also a recognition that people and the way they interact in groups and society, and the norms that facilitates such interaction, shape development process. Social cohesion is enhanced when peaceful and safe environment within neighbourhoods and communities are created (World summit for social development, 1995).

Political Development

It is the process of the evolution and establishment of institutions procedures and mechanisms that facilitate allocation of resources and values in such a way that conflicts over access to the use of these resources and values do not degenerate into violence. Democratization and good governance are constitutive of political development and conditions for sustained economic development, the rule of law and the development of the civil society (Peter, 2003).

Economic Development

This is referred to as the quantitative and qualitative changes in the economy. Such actions can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy and other initiatives (Sen, 1983:745-762).

Theoretical Framework

This paper adopts Neo-functionalism approach as a basis of analysis because of its suitability to the African situation. The neo-functionalists believed that integration is a contractual form of interdependent relations of state that share common experiences, values, interest and aspirations and that of commonly set goals. The leading proponents of this school of thought include David Mitrany, Karl Duetsch, Haas Ernst, Amitan Etzioni, Philippe Lombaede and Luk Van Langenhove among others.

Neo-functionalist approaches do not only provide an explanation for progressing social, political and economic integration by societal demand. Regional integration is also a means to overcome the resistance of national governments against the delegation of policies and political authority in the areas of defense and war, currency and domestic law and order, which lie at core of state sovereignty (Mitrany, 1966: 25; Haas, 1967: 323; Lindberg/Scheingold, 1970: 263-266). The link between economic, political and security integration is the so-called “functional spill-over” (Haas, 1958). Member states are willing to delegate policy tasks and political authority on political and economic issues of lower salience. Once the process is set into motion, however, further delegation is required in order to maintain and increase the economic benefits. Liberalizing trade not only leads to greater flows in goods but also in capital, services and people, which are still subject to national control reducing the economic gains of trans-border transactions. Neo-functionalist approach explains the gap between internal and external security integration. The European Union is a prime example of how economic integration fosters political and security integration among states that engage in mutual economic exchange.

The political rationale also applies in regions that lack economic interdependence as a major driver for integration. African, Latin American, Arab and Asian leaders have supported integration as a source of
domestic power and consolidation of national sovereignty (Herbst 2007; Okolo 1985; Nesadurai 2008; Barnett/Solingen 2007; Morales 2002). Weak states, in particular, should be more inclined to engage in “regime-boosting integration” (Söderbaum, 2004) because they are more dependent on economic growth to forge domestic stability, tackle societal problems, and strengthen their international standing in terms of bargaining power and legitimacy (Aschhoff, 2012). Moreover, non-state actors can more easily circumvent their governments in seeking transnational exchange (Bach 2005). Yet, states must not be too weak either – political instability can be a major obstacle to integration (Edi 2007).

Community-building was also at the core of neo-functionalism as developed by Karl Deutsch (Deutsch et al., 1957). His “security community” was formed by a group of states, which no longer considered force as a means to solve conflict. They remain formerly independent in pluralistic security communities. If states engaged in peaceful change agreed to politically merge, they became amalgamated security community. While regional institutions helped solve conflicts, cross-border social and economic transactions and communication were seen as the main drivers of community-building. It considered transnational interests as the main actors in overcoming the resistance of states against integration.

Furthermore, the lack of state capacity creates serious issues for the effectiveness of regional organizations when it comes to compliance with regional norms and rules (Goltermann, 2012). Regional organizations provide governments with additional perks for buying-off the loyalty of their clients (Kirschner/Stapel, 2012), integration can also curb resources, e.g. by decreasing tariff revenues (Allison, 2008; Collins, 2009). Finally, integration has served as a tool for settling conflicts and securing peace among (former) rival nations (Oelsner, 2004; Acharya, 2001; Francis, 2006; Gruber, 2000) and, more recently, for consolidating and promoting democracy in its member states (Pevehouse, 2005; Ribeiro Hoffmann/van der Vleuten, 2007). What national governments lose in authority to regional institutions, they gain in problem-solving capacity, particularly since many societal problems, such as environmental pollution, pandemics, drug trafficking or migration, are no longer confined to the boundaries of the nation-state. With policies increasingly made at the regional rather than the national level, political, economic and societal actors would increasingly shift their expectations and loyalties towards regional institutions giving rise to a new political community, in which states would settle their conflicts peacefully.

**Brief History of the IGAD**

The Intergovernmental Authority on Development (IGAD) was established in 1986. It succeeded the earlier Intergovernmental Authority on Drought and Development (IGADD), a multinational body founded in 1986 by Djibouti, Ethiopia, Somalia, Sudan, Uganda and Kenya, with a focus on development and environmental control. IGADD’s headquarter was later moved to Djibouti, following an agreement signed in January 1986 by the member states. Eritrea joined the organization in 1993, upon achieving independence (www.igad.org).

In April 1995, the Assembly of Heads of State and Government met in Addis Ababa, where they agreed to strengthen cooperation through the organization. This was followed with the signing of a Letter of Instrument to Amend the IGADD Charter / Agreement on 21 March 1996. The Revitalised IGAD, a new organizational structure, was eventually launched on 25 November 1996 in Djibouti (www.igad.org).

**Member States**

Those from the horn of Africa comprises Djibouti (founding member 1986) Eritrea (admitted 1993, suspended 2007) Ethiopia (founding member 1986) and Somalia (founding member 1986); members from the Nile Valley axis are Sudan (founding member 1986) South Sudan (admitted 2011); and those from the African Great Lakes region include: Kenya (founding member 1986) Uganda (founding member 1986)

The mission of the Intergovernmental Authority on Development was to help with supplying food, protecting the environment, and to help keep peace and security. They work to create well working policies in social, technological, and scientific fields. The group forms policies for trade, transport, along with many other projects and programs. They work toward forming free trade and for people to move freely throughout the region. They also start up and promote programs for food security and environmental protection to work against drought.

The IGAD is made up of four policy parts:

1. The Assembly of Heads of State and Government is the supreme policy making organ of the Authority. It determines the objectives, guidelines and programs for IGAD and meets once a year. A Chairman is elected from among the member states in rotation.
2. The Secretariat is headed by an Executive Secretary appointed by the Assembly of Heads of State and Government for a term of four years renewable once. The Secretariat assists member states in formulating regional projects in the priority areas, facilitates the coordination and harmonization of development policies, mobilizes resources to implement regional projects and programs approved by the Council and reinforces national infrastructures necessary for implementing regional projects and policies. The current Executive Secretary is Eng. Mahboub Maalim of Kenya (since 14 June 2008).
3. The Council of Ministers is composed of the Ministers of Foreign Affairs and one other Minister designated by each member state. The Council formulates policy, approves the work program and annual budget of the Secretariat during its biannual sessions.

4. The Committee of Ambassadors comprises IGAD member states’ Ambassadors or Plenipotentiaries accredited to the country of IGAD Headquarters. It convenes as often as the need arises to advise and guide the Executive Secretary. (www.igad.org)

Aims and Objectives of the IGAD

IGAD aims to expand the areas of regional co-operation, increase the members’ dependency on each other and promote policies of peace and stability in the region in order to attain food security, sustainable environment management and sustainable development.

The IGAD strategy is to attain sustainable economic development for its member countries. Regional economic co-operation and integration are given special impetus and high priority to promote long-term collective self-sustaining and integrated socioeconomic development. The leading principles of the IGAD strategy are stipulated in the agreement establishing IGAD, but are also mindful of the UN Charter and AU Constitutive Act. IGAD’s objectives are to:

i. Promote joint development strategies and gradually harmonise macro-economic policies and programmes in the social, technological and scientific fields;

ii. Harmonise policies with regard to trade, customs, transport, communications, agriculture and natural resources, and promote free movement of goods, services, and people within the sub-region;

iii. Create an enabling environment for foreign, cross-border and domestic trade and investment;

iv. Initiate and promote programmes and projects to achieve regional food security and sustainable development of natural resources and environmental protection, and encourage and assist efforts of member states to collectively combat drought and other natural and man-made disasters and their consequences;

v. Develop a co-ordinated and complementary infrastructure in the areas of transport, telecommunications and energy in the sub-region;

vi. Promote peace and stability in the sub-region and create mechanisms within the sub-region for the prevention, management and resolution of interstate and intrastate conflicts through dialogue;

vii. Mobilise resources for the implementation of emergency, short-term, medium term and long-term programmes within the framework of sub-regional cooperation;

viii. Facilitate, promote and strengthen co-operation in research development and application in science and technology. (www.igad.org)

An Overview of Structure of Regional Integration in East Africa

East African countries constitute a diverse group: four are landlocked, two island states, and the remaining six have access to sea. Of the eight with port facilities, three are either under international sanctions or remain plagued by conflict. The region reflects a diversity of culture, language, ethnic and religious identities. The challenge here is to increase their interconnectivity and trade patterns beyond the current sub-regional blocks, namely, the five EAC Partner States, the five countries in the Horn of Africa and the two Indian Ocean island countries. Five countries in the region (Burundi, Kenya, Rwanda, Tanzania and Uganda) constitute the EAC. The Permanent Tripartite Commission for East African Co-operation was first formed in 1967, but collapsed in 1977 due to political differences among the participating countries. The Community was re-established in January 2001 by a Treaty, which came into force on 7 July 2000. Burundi and Rwanda joined the Community on 18 June 2007. The EAC is a key driver of the regional integration process and has achieved positive results, including a common market status in July 2010. The target date for establishing a monetary union is 2012.

Common Market for Eastern and Southern Africa (COMESA): Eight of the 12 countries in the region (Djibouti, Comoros, Eritrea, Ethiopia, Kenya, Seychelles, Sudan and Uganda) are members of COMESA, together with 11 other African countries. COMESA has also attained an advanced stage of integration – a Customs Union and has recorded significant achievements including trade facilitation through elimination of trade and non-trade barriers among member states and establishment of COMESA fund to facilitate implementation of infrastructure projects. The vision of COMESA, as spelt out in its Treaty, is “building a fully integrated internationally competitive regional economic community in which there is economic prosperity; political and social stability; and free movement of goods, services, capital and labor across national geographical borders”. Its strategic objectives are: (i) removing barriers to factor mobility; (ii) building capacity for global competition; (iii) addressing supply-side constraints to infrastructure; (iv) peace and security; (v) cross cutting issues; and (vi) institutional development. (Africa Development Bank Report, 2011-2015).

Southern African Development Community (SADC): Two countries in the Eastern Africa region, Tanzania and Seychelles, belong to the 15-member Southern African
Development Community (SADC), established by the Windhoek declaration and Treaty on 17 August 1992. Before that, it has been in existence since 1980 as the Southern African Development Coordination Conference (SADCC). Its vision is one of a common future within a regional community that will ensure well-being, improvement of living standards and quality of life, freedom and social justice, and peace and security for the people of Southern Africa. SADC’s agenda is currently guided by its Regional Integration Strategic Development Plan (RISDP), 2005-2019, launched in October 2003. The RISDP’s goal of poverty elimination has been further articulated in the SADC Regional Poverty Reduction Framework prepared in April 2008. Its priority areas include regional infrastructure, science and technology, sustainable development and environment, food security, human, social and private sector development, statistical capacity building, and trade liberalization. SADC has made progress in a number of areas towards further regional integration. Best practices include establishment of the Southern Africa Power Pool (SAPP), and SADC Accreditation Services, the only regional accreditation body in Africa; and the e-SADC initiative launched in October 2009 in collaboration with the Economic Commission for Africa Southern Africa Office (Africa Development Bank Report, 2011-2015).

IGAD

The five countries in the Horn of Africa (Djibouti, Eritrea, Ethiopia, Somalia and Sudan) are members of IGAD, together with two EAC Partner States-- Kenya and Uganda. IGAD has a strong influence on the regional process in the Horn and is one of the designated pillars of the AEC. By an Agreement adopted by the Heads of State and Government on 21 March 1996, the Intergovernmental Authority on Drought and Development (IGADD) was transformed into IGAD and has since become the accepted vehicle for regional security and political dialogue. It has three priority areas: (i) conflict prevention, management and resolution and humanitarian affairs; (ii) infrastructure development (transport and communication); and (iii) food security and environment protection. In the context of the EC Horn of Africa Initiative, the current concern of linking IGAD infrastructure with the Tripartite.

The Indian Ocean Commission (IOC) is a regional organization grouping comprising two Eastern Africa countries (Comoros and Seychelles) with Madagascar, Mauritius and one ultra-peripheral region of the EU, Reunion, which is an overseas department of France. Maldives is also an observer of the Commission. The IOC was established in 1984 under the General Victoria Agreement. These countries have unique characteristics including insularity, smallness of their economies, isolation from the continental landmass and vulnerabilities to climatic and environmental shocks. The original ideas behind the IOC were to encourage trade and tourism. Recently, cooperation has focused on marine conservation and fisheries management. The 2005 Mauritius Conference deliberated on the strategic orientation of the IOC, with focus on poverty reduction and achievement of the MDGs. The IOC contributes to the process of economic integration in Eastern and Southern Africa by defending the position of its members. Within the CES Tripartite Arrangement, IOC issues include the development of the maritime corridor, strengthening trade links, ICT connectivity through the SEGANET and other fibre optic initiatives, and food security. The key challenge in the area is how to ensure effective connectivity of the island countries to the continental landmass (Africa Development Bank Report, 2011-2015).

Institutionally, Eastern Africa has the largest number of RECs and intergovernmental regional bodies. Nearly all of the countries are members of four of the eight RECs. Most of the members belong to at least two RECs while some belong to up to four RECs/ IGOs. This multiple membership often results in duplication of resources and conflicting goals and policies. In addition, these countries are also members of development finance institutions that span across different regional groupings. These include among other the PTA Bank, East African Development Bank, and Agency for Trade insurance.

An Assessment of Social, Political and Economic Issues in the East Africa

This section of the paper will be looking at issues related to structural issue, social, political and economic development in the East Africa and latter narrow it down to the IGAD region.

Social Issues

The challenge in Eastern Africa is to develop cost-effective and sustainable safety net for the poor and vulnerable. Over 50% of the population lives below the poverty line (less than $1 a day). Access to basic social services, especially water and sanitation, is also seriously inadequate. The refugee problem is an additional challenge in view of the conflict situation in the region. Despite all this, significant progress has been made in reducing communicable diseases (polio, malaria). While HIV/AIDS continues to impact not only the health sector, but potentially economic development, trend shows it is stabilizing or declining among adults (15-49 years). In the mid-1990s, HIV prevalence rate was up to 14% among that age group in most countries. According to UNAIDS, surveys carried out from 2005-2006 revealed lower
national adult prevalence rates amid evidence of changing behavior (abstinence, use of condoms and decrease in percentage of adults with multiple partners). Efforts underway to combat the pandemic include IGAD’s Regional HIV/AIDS Partnership Program for the Cross-Border Mobile Population, EAC and COMESA regional HIV/AIDS programs and those of development partners including the World Bank, UNAIDS, EU, USA, Global Fund and the Gates Foundation.

Education

Despite positive economic growth in the past few years, attaining the Millennium Development Goals remains a challenge in Eastern Africa. On the positive side, most countries will most likely meet the MDG for education, but the quality remains poor. Consequently, the EAC Partner States have agreed to improve education quality from the primary level. However, it remains unclear to what extent the education policies and programs at the national level will impact the economy in terms of skill and labour market needs. Fortunately, regional centres of further education and training have sprung up for meeting the region’s skill development needs.

Gender

All countries in the region, except Somalia and Sudan, have signed the Convention on the Elimination of all forms of Discrimination against Women. The EAC and COMESA have frameworks aimed at gender equality. The EAC Gender Strategic Plan addresses key issues, including policy and legislative framework for gender equality, gender disparity in power, and gender-based violence. COMESA Gender Policy (2002) aims to promote effective integration and participation of women at all levels, especially at the decision-making level; and to eliminate regulations and customs that are discriminatory against women. Despite governments’ firm commitment to gender equity, disparity remains pervasive in Eastern Africa.

Environmental Issue

Issues such as deforestation, land degradation, and illegal logging affect all countries. Therefore, ensuring adherence to international standards of forest management will help alleviate these problems. Transboundary wildlife corridors must be maintained for migratory species and a coherent approach adopted for the maintenance of wildlife numbers through initiatives such as the Convention in International Trade in Endangered Species. Conservation and sustainable management of marine and inland fisheries as well as shared water resources require regional approach. Climate change is complicating the environmental problem and eroding decades of hard-won development achievements in Eastern Africa. It has negatively impacted on water resources, food security, coastal development, biodiversity, tourism and human health. Historically, overreliance on hydropower has impacted countries’ energy supplies through vulnerability to prolonged periods of drought. The recent food crisis in the Horn of Africa is a combination of drought and climate change, aggravated by the ongoing civil war and institutional fragility in Somalia. EAC has developed a policy, with provision for the establishment of a climate change fund to help countries mitigate its adverse effects (Africa Development Bank Report, 2011-2015).

Political Issues

Consolidating peace and security and strengthening democratic process are critical to attract Foreign Direct Investment (FDI), enhance growth and reduce poverty. Over the decade, Eastern Africa has been plagued by civil wars, cross-border conflicts, social strife, arms trafficking and terrorism. Current security concerns in the region include the volatile situation in Somalia, conflict in Darfur South Sudan, stalemate between Ethiopia and Eritrea, Djibouti-Eritrea conflict, piracy off the coast of Somalia and the Gulf of Aden and some outstanding post-referendum issues between Sudan and South-Sudan, including border demarcation and the status of Abyei. There are also intermittent outburst of civil conflicts among the various constituent islands of Comoros and restive situation along the border between Rwanda and DR Congo. All these factors pose threat to private investment in East Africa. So, it is vital for the countries to consolidate peace and stability for deepening regional integration.

The region has made significant strides in strengthening political stability, civil liberty and openness. Nevertheless, democratic system remains fragile. While electoral processes have been reinforced, credibility of political institutions and election outcomes need to be enhanced. One notable exception was the successful completion of the South Sudan referendum in January 2011. The outcomes of the 2011 and 2012 elections in Seychelles and Kenya respectively will have significant medium to long-term impacts on peace and stability in the region.

Governance

The region’s performance aligns closely with the general governance standards in the SSA in terms of Effectiveness, Rule of Law, Voice and Accountability and Corruption Perception, but it performed more poorly in
corruption perception. The democratic system also remains fragile. However, in terms of good practice, several countries have acceded to the African Peer Review Mechanism (APRM). The APRM assessments indicate that several dimensions of governance, including the adoption of international standards in public taxation and revenue management, are being given increasing importance in many countries. The Bank provides assistance in good governance through institutional support and reform programs as well as through the EITI, primarily at the country level (Africa Development Bank Report, 2011-2015).

The AU, COMESA, EAC, IGAD and IOC have been implementing regional conflict prevention and arbitration mechanisms in line with the African Peace and Security Architecture with some degree of success as highlighted below.

### Economic Issues

In terms of weight, Eastern Africa accounts for about 26% of Africa’s population, 16% of the combined GDP in 2009 current prices, and 22% of the continental landmass. It clearly shows that an integrated Eastern Africa has great potential for trade expansion and poverty reduction. On balance, the region weathered the global economic crisis relatively well with positive real growth (5.8%) achieved in 2009. Regional GDP growth was propelled by rising oil output in Sudan; mineral exports in Ethiopia and Tanzania; and ongoing reforms across the region. Kenya is the regional trade hub and the transport link to the world for many of the countries. A robust services sector in the region would complement, integrate markets and boost demand for goods manufactured in the region. The uneven levels of enterprise competitiveness and productivity in some countries may dampen policy level appetite for greater regional integration in the short term. However, over the medium term, freer flow of capital, goods, services, skilled labor and technology will benefit all the countries. This issue is particularly relevant for countries with small populations and undeveloped internal markets.

### Foreign Direct Investment (FDI)

Eastern Africa had the lowest share of FDI flow out of the five African regions in 2008 and 2009, the civil conflict and governance challenges is attributable to this. Sudan attracted the highest share of FDI, mostly in the oil sector, followed by Uganda and Ethiopia. The flow is likely to improve in the medium term due to: (i) potential new investment in oil and mineral exploration in South Sudan, Uganda and Ethiopia; (ii) intensified reforms in business led by Rwanda; and (iii) on-going large infrastructure projects in corridor investments. A number of these investments are expected in the form of public-private-partnerships. The scale of initial capital outlay required to finance these new investments is likely to result in long lead time to implementation—whether through public or PPP operations. However, in the shorter term, significant gains could be made by mobilizing private investment and management capacity in the upgrading and operation of existing regional infrastructures (including those located in one country but serving regional markets). Furthermore, there is a need for improving foreign and domestic capital investment climate.

### Regional Financial Integration

There has been progress in integrating the financial market in Eastern Africa, especially within the EAC. Liberal access to foreign banks and cross-border bank ownership are allowed in most countries. For example, Kenyan banks operate across the region, with subsidiaries in Rwanda, Sudan and Uganda. The past decade has also seen the emergence of pan-African banks, facilitating intra-continental trade and investment. Even though efforts are underway to strengthen national level regulatory frameworks and supervision, development of uniform products for cross-border transactions will be difficult to achieve without harmonized regulations governing the structure and terms of financial products. Also, in the absence of cross-border credit information, which enhances lenders’ ability to collect debts effectively, domestic commercial banks may find it difficult to compete in the larger regional market. The EAC integration policy is to create a single harmonized market in financial services. In this regard, Partner States are modernizing and integrating payment and settlement systems, which will facilitate regional trade.

### Trade

In 2008-2009, the average share of intra-regional trade in Eastern Africa was 9%. Among the three regional groups, the EAC countries dominated intra-regional trade with a share of 71.82%, followed by the Horn of Africa (27.74%). The island countries had a lower share (0.44%), illustrating their limited trade link with the mainland. Kenya is the regional trade hub accounting for 33% of intra-regional trade, attributed to its larger private sector, followed by Uganda (21%) and Tanzania (11%). It is worth noting that official statistics often underestimate intra-regional trade as a substantial portion of cross-border trade is regarded as illegal. Significant trade barriers still persist. The lack of harmonized trade policy instruments in Eastern Africa limits inter-RECs trade. Cumbersome trade logistics along transport corridors and
time-wasting border procedures result in excessive delays and high transit costs. Efficient customs operations are hampered by excessive documentary requirements, insufficient use of automated systems, and lack of cooperation among customs and other government agencies. It results that Eastern African countries have the lowest trade logistic perception in the world in 2010 (Africa Development Bank Report, 2011-2015).

Major Security Concerns and the Role of IGAD in the Region

IGAD presentation during the RISP dialogue on 11 November 2010 and reactions of participants indicate the following major security concerns in the Horn of Africa:

1. Persistent conflict in Somalia, stalemate between Ethiopia and Eritrea and conflicts in Dafur and now South Sudan are among the major problems that create political instability in the region.

2. There have been more than 19 peace negotiations without success in Somalia, often torpedoed by warlords, insurgents, terrorists, and foreign fighters supported by Al-Qaeda.

3. Piracy off the coast of Somalia and the Gulf of Aden constituted more than 50 percent of worldwide piracy incidents in 2009. The piracy in Somalia coast is a "hostage-for-ransom situation" financed by some identified parties.

4. Piracy is disrupting fishing in the Indian Ocean, especially in Mauritius, Somalia and Seychelles. Seychelles’ Minister for Investment, Mr. Peter Sinon, has indicated that piracy has cut his country’s fishing output by 50 percent and tourism by 25 percent. The menace has forced many fishermen out of business. Under the circumstance, anti-piracy operations should be multi-dimensional; capacity of the affected states must be strengthened so that they can effectively patrol and secure their territorial waters; and regional naval capability should also be strengthened and supported.

5. Outstanding post-referendum issues in Sudan and South-Sudan negotiations, including border delimitation and the status of Abyie pose a security challenge for both countries and the region.

6. Other factors such as drought, famine, conflicts, scarce resources and grazing land trigger disputes. Cross-border ethnic groups engaging in cattle rustling together with the availability of small arms fuel persistent tensions. Furthermore, unresolved boundary disputes create tension and instability in some of the border areas, for instance, between Eritrea and Djibouti. As a result of Qatar’s mediation between the two countries, Eritrea has pulled out of the disputed land and negotiations are underway to seek a permanent solution.

7. IGAD is a major organ for regional security and political dialogue in the Horn of Africa. It has led and participated in regional and international forums to set judicial measure to control piracy in both Seychelles and Mauritius. It has also conducted regional workshop to discuss piracy and maritime security in the Eastern and Southern Africa and the Indian Ocean region. IGAD has established a liaison office in Juba to assist in creating conditions for peaceful referenda and post referenda process. IGAD harmonizes its activities with those of the African Union and by so doing has contributed significantly to the implementation of the continental framework on peace and security.

8. There are also country-level initiatives to combat piracy and resolve conflicts in the region. Djibouti has made its land and port facilities available to foreign partners including US, Japan and EU in combating piracy in the Gulf of Aden. Seychelles has also amended its penal code to allow for prosecution of pirates, including those captured by the EU naval forces outside Seychelles’ waters. A number of African countries also maintain peacekeeping troops in Sudan and Somalia, thus contributing to the international peacekeeping efforts in the region (Eastern Africa Regional Integration Strategy Paper, 2011).

Challenges to Achieving the Set Objectives of the Organisation

These are some of the challenges to the achievement of the objectives or IGAD vis-à-vis EAC.

Insufficient and poor regional transport infrastructure network

This limits economic growth and trade expansion. Infrastructure bottlenecks such as poor road network and inefficient railway system must be proactively addressed if Eastern Africa is to integrate further and attain the competitiveness required to underpin substantial economic growth through trade expansion. The regional transport infrastructure is weak and laced with missing links and incompatibilities in the regional systems. As a result, the different networks are not optimally utilized, thus limiting opportunities to achieve the economies of scale necessary to attract and sustain private investment to the networks. The railways system is burdened with aging tracks and lack of maintenance, different gauges of tracks prevent seamless regional connectivity between Eastern and Southern Africa, and a shortage of serviceable rolling stock limit operational performance. Rail companies, which own the tracks, do not have the fiscal space to invest in upgrading existing or developing new rail networks. Poor road quality networks constitute an added cost disadvantage. Some roads also have incompatibility problems, with some designed for higher axle load limits than others. Cumbersome trade logistics
and regional variations in technical standards constitute transit challenges. The major international seaports in the region (Dar es Salaam and Mombasa) face capacity constraints, resulting in congestion and berthing delays (Eastern Africa Regional Integration Strategy Paper, 2011).

Abundant Energy Resources Unutilized

In spite of its abundant energy resources, Eastern Africa faces an energy deficit, which limits productive capacity. Eastern Africa has diverse energy resources including hydro power, oil, gas, coal and NREs. Mainland Eastern Africa, with a population of about 270 million, has huge energy demand from households, commercial, industrial and mining sectors. However, power generation capacity is relatively low as is access to electricity. Due to shortage of financial resources, the region has not sufficiently invested in new energy infrastructure (generation plants, transmission lines and distribution networks), necessary for adequate, reliable and affordable power supply. The grid bottlenecks indicate lack of upkeep, maintenance and renovation on the existing networks. Although many of the countries in the region have adopted energy policies and established regulatory frameworks to liberalize the power sector and have enacted environmental laws to ensure conservation and protection of the environment, the existing laws and regulations have some weaknesses or grey areas, which tend to deter investment and promotion of regional power trade (Eastern Africa Regional Integration Strategy Paper, 2011).

ICT Infrastructural Constraints

While investment in ICT infrastructure in the region, and indeed the whole of Africa, has improved significantly, it has primarily focused on mobile infrastructure and access, leaving significant gaps in ICT backbone networks. Yet, ICT, in particular broadband networks, are increasingly recognized as fundamental for economic and social development. A recent study indicates that economic growth of up to 1.3 percentages points can be achieved through investment in broadband networks. In addition, effective high-speed internet services needed for e-application in government, business and domestic use continues to be either very expensive or unavailable. Where available, the cost of broadband internet access is exorbitant. Although the GSM coverage is relatively high, Eastern Africa lags behind other Africa regions on intra-regional roaming arrangements. Importantly, ICT infrastructure presents a significant opportunity to leapfrog paper-based business models across a range of economic sectors, in particular by significantly reducing the transactional costs of economic and financial exchanges within and across borders.

Weak Institutions and Human Capacity limit effectiveness

Inadequate capacity and resources among countries, RECs and IGOs, such as IGAD and the IOC, have made it difficult to plan, coordinate, and monitor the processes required for further integration. For example, both the EAC and COMESA Secretariats operate as the executive arms of their respective RECs while the authority for real decision and policy making rests with the Summit of Heads of State and the Council of Ministers. Linked to this is the reluctance of countries to cede some sovereignty to regional bodies, resulting in a situation where the REC secretariats have very little power to actually get things done. The RECs and IGOs also lack technical and human capacity to design sound ROs, especially in complicated corridor investment projects, and relevant monitoring and evaluation mechanism for ROs. At the country level, there is a lack of capacity for implementing ROs and corridor investment projects. Also lacking is an adequate capacity to negotiate international trade and other technical agreements (e.g., WTO Doha; EPAs with EU) at both national and regional level (Eastern Africa Regional Integration Strategy Paper, 2011).

Divergent attitude towards regional integration

In many cases, regional concerns and priorities are not reflected in national strategic frameworks. In addition, there is a tendency for Governments to resist ceding sufficient authority to the RECs and enacting proper legislation and regulations necessary to guide the integration process.

Insecurity and political instability pose serious obstacles to effective and deeper integration of the region

Political strife is a regional public "bad" that frightens investors, inhibits development and stifles economic growth. In addition, bombings in northern Uganda, Kenya's bomb attacks and acts of piracy off the coast of Somalia further create the perception that the region is not a safe place for business. These conflicts consume resources that could otherwise be channeled into productive activities. Collaborative efforts leading to detente and ultimate resolution of conflicts will strengthen regional integration process.
Lack of complementarities and similar comparative advantage hamper progress

The countries in the region have similar resources and their economies are largely based on similar activities. Thus, they do not complement each other sufficiently well and as a result compete in same markets. This situation impacts on the ability of the countries to trade internally within the region and across other regions. The challenge is for the countries to identify complementary areas of activities based on their comparative advantage and diversify them accordingly.

Water scarcity and management of shared water resources remain major challenges in Eastern Africa

Water distribution in the region is varied and spatial with precipitation ranging from 700mm/yr in Kenya to 1200mm/yr in Uganda. According to the 2006 United Nations World Water Development Report, countries in the region ranked poorly in terms of annual per capita water availability. For example, Uganda was ranked 115, Ethiopia 137 and Kenya 154 out of 180 countries covered. While Eastern Africa freshwater resources account for only 4.7% of Africa’s total, the region is home to 19% of the continent’s population. Thus, rising population exacerbates the perennial water shortage problem, which reduces agricultural productivity and access to clean water. Lake Victoria and the Nile basins are good examples of how riparian countries can cooperate in the use of shared water resources. The protracted Nile Basin Agreement also illustrates the difficulty of dealing with shared water resources. The countries of the Nile Basin negotiated for 13 years to craft a new agreement (still boycotted by Egypt and Sudan) regulating the use of Nile waters. It replaced the colonial agreements - the 1929 and 1959 Agreements - which gave Egypt and Sudan extensive control over the Nile water, a situation deemed unfavorable by the upstream countries (Eastern Africa Regional Integration Strategy Paper, 2011).

Opportunities for Regional Integration

i. Abundant natural resources, minerals and hydropower potential offer great opportunities. The region is home to a variety of exotic wildlife, beaches, lakes, waterfalls, forests, woodlands and orchards that produce timber and abundant marine life.

ii. The Tripartite Arrangement will encourage the three RECs and their development partners to scale up infrastructure development and intra-regional trade. Under the infrastructure pillar the key issues are on regional infrastructure such as railways, roads and one stop-border posts to be developed as part of corridor developments.

iii. A vibrant private sector plays a critical role in stimulating regional integration. Deepening regional integration in the Eastern Africa region implies creating the appropriate conditions for guaranteeing factor mobility, the free movement of people, goods and services. The policy thrust is also shifting more heavily towards the development of the private sector as the ultimate vehicle for the optimal allocation of resources to bring about development and prosperity to the region. For the private sector, the implementation of services, macroeconomic convergence and other complementary policies on investment, legal and regulatory frameworks would be instrumental to spurring competitiveness.

Responses to the Challenges and Initiatives

The EAC is implementing several regional initiatives including the sustainable development of Lake Victoria Basin, Lake Victoria Transport Project, Joint Concessioning of Railroads, East Africa Power Master plan, East Africa Submarine System, East Africa Infrastructure Master Plan, and joint tourism marketing and standardization of hotels. Other initiatives include the AUC/NEPAD African Action Plan launched in 2009. It provides harmonized framework for continental infrastructure development and the Program for Infrastructure Development in Africa (PIDA). Another major initiative is the development corridor approach, which has been adopted by the EAC and COMESA as well as their member states. Table1 below shows the one of the development corridor approach (transport corridor).

DISCUSSION OF FINDINGS

1. It is crystal clear that all the members of IGAD belong to more than one regional group and it may not allow them to be as effective as expected of them in the organisation.

2. Infrastructural deficit: The regional transport infrastructure is weak and laced with missing links and incompatibilities in the regional systems. As a result, the different networks are not optimally utilized, thus limiting opportunities to achieve the economies of scale necessary to attract and sustain private investment to the networks.

3. Unutilized potentials: the region has diverse energy resources including hydro power, oil, gas, coal and New and renewable Energy (NREs). Mainland Eastern Africa, with a population of about 270 million, has huge energy demand from households, commercial, industrial and mining sectors. However, power generation capacity is relatively low as is access to electricity. Due to shortage of financial resources, the region has not sufficiently invested in new energy infrastructure (generation plants,
Table 1. Transport Corridors Serving Eastern Africa Region.

<table>
<thead>
<tr>
<th>Country</th>
<th>Transport Corridors</th>
<th>Country</th>
<th>Transport Corridors</th>
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<tbody>
<tr>
<td>Burundi</td>
<td>1. Central Corridor (starting from Dar es Salaam: Isaka-Kigali-Bujumbura)</td>
<td>Uganda</td>
<td>1. Northern Corridor (starting from Mombasa) ending at borders with Rwanda and DRC</td>
</tr>
<tr>
<td></td>
<td>2. Northern Corridor (starting from Mombasa)</td>
<td></td>
<td>2. Kampala-Gulu-Juba</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>3. Possible to benefit from the undeveloped Tanga-Arusha-Musoma transport corridor</td>
</tr>
<tr>
<td>Kenya</td>
<td>1. Northern Corridor (starting from Mombasa)</td>
<td>Rwanda</td>
<td>1. Northern Corridor (starting from Mombasa)</td>
</tr>
<tr>
<td></td>
<td>3. North-South Corridor (Cape Town to Cairo)</td>
<td></td>
<td>3. Possible to benefit from the undeveloped Tanga-Arusha-Musoma transport corridor</td>
</tr>
<tr>
<td></td>
<td>4. Moyale-Negale-Addis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tanzania</td>
<td>1. North-South Corridor (Cape Town to Cairo)</td>
<td>Djibouti</td>
<td>Djibouti-Addis Ababa corridor</td>
</tr>
<tr>
<td></td>
<td>2. Dar es Salaam or Tazara Corridor</td>
<td>Eritrea</td>
<td>Transport corridors linking Asmara with Ethiopia and Somaliland</td>
</tr>
<tr>
<td></td>
<td>3. Central Corridor</td>
<td>Sudan</td>
<td>1. Southern-Sudan: Juba to Northern Uganda-Gulu</td>
</tr>
<tr>
<td></td>
<td>5. Potential: Tanga-Arusha-Musoma transport corridor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethiopia</td>
<td>1. Addis Ababa-Djibouti</td>
<td>Seychelles</td>
<td>Sea and Air links with continental Eastern African cities</td>
</tr>
<tr>
<td></td>
<td>2. Addis Ababa-Wendo-Negale-Moyale</td>
<td>and Comoros</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adopted from Japan International Cooperation Agency (JICA) Report, 2009

4. Inadequate capacity and resources among countries of the IGAD have made it difficult to plan, coordinate, and monitor the processes required for further integration.

5. Conflicting attitude towards regional integration inhibits harmonious relationship. In many cases, regional concerns and priorities are not reflected in national strategic frameworks. In addition, there is a tendency for Governments to resist ceding sufficient authority to the IGAD and enacting proper legislation and regulations necessary to guide the integration process.

6. The countries in the region have similar resources and their economies are largely based on similar activities. Thus, they do not complement each other sufficiently well and as a result compete in same markets. This situation impacts on the ability of the countries to trade internally within the region and across other regions.

7. Insecurity and political instability pose serious threat to effective and deeper integration of the region. It also inhibits development and stifles economic growth. The bombings in northern Uganda, Kenya’s bomb attacks, the current wave of terrorism and acts of piracy off the coast of Somalia further create the perception that the region is not a safe place for business. The resources that could have been channeled into productive activities are consumed by these conflicts.

8. Water Scarcity and Management of Shared Water Resources- Water distribution in the region is varied and spatial with precipitation ranging from 700mm/yr in Kenya to 1200mm/yr in Uganda. According to the 2006 United Nations World Water Development Report, countries in the region ranked poorly in terms of annual per capita water availability. For example, Uganda was ranked 115, Ethiopia 137 and Kenya 154 out of 180 countries covered.

CONCLUSION

There is no gainsaying that Integration has served as a tool for settling conflicts and securing peace among conflicting nations. This paper has assessed the performance of the Intergovernmental Authority on Development (IGAD) in the region and regional integration in the East Africa. And it has been discovered that regional integration remains the principal strategy that will enable African governments to accelerate the transformation of their fragmented small economies, expand their markets, widen the region’s social, political and economic space, and reap the benefits of social stability, political development and economies of scale for
production and trade, thereby maximizing the welfare of their nations. At the regional level, Intergovernmental Authority on Development (IGAD) brings together some countries in the East Africa to address common development challenges and deepen economic and political integration. With policies increasingly made at the regional rather than the national level, political, economic and societal actors would increasingly shift their expectations and loyalties towards regional institutions giving rise to a new political community, in which states would settle their conflicts peacefully. With the laudable mission of the IGAD to help with supplying food, protecting the environment, to help keep peace and security, and work to create well working policies in social, technological, and scientific fields in the region. But the multiple memberships of the member states often results in duplication of resources and conflicting goals and policies and lead to a divided loyalties and less commitment on the parts of members to the IGAD. Nonetheless, the region has made significant strides in strengthening political stability, civil liberty and economic prosperity. Even with fragile democratic system the fact remains that the electoral processes have been reinforced, but credible political institutions and election outcomes need to be enhanced.

RECOMMENDATIONS

The following recommendations are arrived at by this study:

i. Member states should be persuaded to make sure that they do not belong to too many regional groups so that their loyalties will not be divided and for them to be effective and focused on the specific union.

ii. Effort should be made towards improving on the region’s weak transportation infrastructure to ease network in the region.

iii. Countries in the region should be encouraged to adopt energy policies and established regulatory frameworks to liberalize the power sector and to enact environmental laws to ensure conservation and protection of the environment, and to change the existing laws and regulations that have some grey areas, which tend to deter investment and promotion of regional power trade.

iv. That it should pursue an aggressive capacity building and mobilization of resources among countries of the IGAD to be able to overcome the difficulties faced in planning, coordinating, and monitoring the processes required for further integration.

v. That effort should be increased to relate well with the close neighbours that could allow them channel water from the region to the landlocked areas.

vi. The IGAD should intensify collaborative efforts leading to compromise and ultimate resolution of conflicts that will strengthen regional integration process.

vii. The organisation should ensure that countries that are conflicting over similar resources are helped to identify complementary areas of activities based on their comparative advantage and diversify them accordingly.

REFERENCES


Organization 39/1.