



TRIPARTITE TASKFORCE PROGRESS REPORT ON IMPLEMENTATION OF DECISIONS OF THE FIRST COMESA-EAC- SADC TRIPARTITE SUMMIT

Vision: TOWARDS A SINGLE MARKET

Theme: Deepening COMESA-EAC-SADC Integration

**9 May 2011
Mulungushi International Conference Centre
Lusaka, Zambia**

Background

1. In pursuit of the broader objectives of the African Union to accelerate economic integration of the continent, with the aim of achieving economic growth, reducing poverty and attaining sustainable economic development, the Heads of State and Government of the Member and Partner States of the Common Market for East and Southern Africa (COMESA), East African Community (EAC) and the Southern Africa Development Community (SADC) met in Kampala, Uganda on 22 October 2008.
2. The First Tripartite Summit agreed on a programme of harmonisation of trading arrangements amongst the three RECs, free movement of business persons, joint implementation of inter-regional infrastructure programmes as well as institutional arrangements on the basis of which the three RECs would foster cooperation with a long term view of merging the three REC's.
3. This report assesses the status of implementation of the decisions made by the Tripartite Summit

1. Trade, Customs and Economic Integration

2.1 Tripartite Free Trade Area

Summit Decisions:

In the area of trade, customs and economic integration, the Tripartite Summit approved the expeditious establishment of a Free Trade Area (FTA) encompassing the Member/Partner States of the 3 RECs with the ultimate goal of establishing a single Customs Union and directed the three RECs to undertake a study incorporating, among other things, the following elements:

- i) Development of the roadmap, within 6 months, for the establishment of the FTA which would take into account the principle of variable geometry;*
- ii) The legal and institutional framework to underpin the FTA; and*
- iii) Measures to facilitate the movement of business persons across the RECs.*

Summit directed the Chairpersons of the Councils of Ministers of the three RECs to ensure that the RECs speed up the development of joint programmes that enhance co-operation and deepening of co-ordination in industrial and competition policies, financial and payments systems, development of capital markets and Commodity Exchanges

2.2 Development of the Roadmap for Establishing the FTA

4. A study to examine options on the establishment of a Tripartite FTA was undertaken and provided input into the draft FTA Agreement.

5. Since the Heads of State took their decision on the Tripartite FTA, the Tripartite Task Force, through the Tripartite Trade and Customs Sub-Committee, has prepared a Draft FTA Roadmap and a Draft Agreement establishing the Tripartite FTA, including annexes on tariff liberalisation, non-tariff barriers, rules of origin, customs co-operation and related matters, transit trade and transit facilities, trade remedies, competition policy and law, technical standards, sanitary and phyto-sanitary measures, movement of business persons, Intellectual Property Rights, trade development, trade in services, and a dispute settlement mechanism.
6. In addition to the draft Roadmap and draft FTA Agreement, other documents necessary for the establishment of the FTA have been prepared. These are proposed Negotiating Principles, and a Declaration Launching the FTA Negotiations.
7. All the FTA draft documents have been formally submitted to the Tripartite membership for consideration in preparation for the negotiations.
8. A number of country missions to explain the contents of the draft Agreement and the benefits have been undertaken. Regional consultations have also been undertaken at individual REC level and technical workshops organised at the Tripartite level.

2.3 Coordination and Harmonisation of Trade Policies and Trade Related Issues in Support of the COMESA-EAC-SADC FTA

9. Summit approved a work programme aimed at harmonising trade policy as well as customs and trade-related areas, and progress has been made in improving coordination and harmonisation of a number of these issues that complement the draft Agreement. These include:

2.3.1. Rules of Origin

10. Training workshops were conducted for the Tripartite focusing on creating awareness on the proposed Tripartite FTA RoO by the Member States.
The Tripartite Task Force is providing capacity building support to national customs administrations aimed at modernising and improving their capability to administer rules of origin.
11. The Tripartite Task Force is developing a comprehensive electronic RoO database covering a wide range of regional and international trading arrangements. The database will provide ready access to up-to-date and reliable information and will enable traders to determine whether their products qualify under the different trading regimes.

2.3.2 Harmonisation and simplification of customs laws, procedures and documentation

12. The Tripartite Task Force has been supporting the harmonisation of customs laws, procedures, risk management and modernisation programmes benchmarked against international best practices and conventions. The number of customs documentation has been rationalised, resulting in a the single harmonised administrative form.
13. The operational efficiency of key border posts on the North South Corridor has been improved through the adoption of coordinated approaches to border management which ensure that all border agencies work closely in a structured manner.

2.3.3 Development of customs training and capacity building schemes

14. In an effort to develop uniform capacity within the Tripartite region, joint capacity building programmes based on standardised curricula and training materials are being developed and implemented.

2.3.4 Rationalisation of the COMESA and SADC customs bond guarantee schemes

15. A study was conducted aimed at harmonising the COMESA and SADC transit procedures and in particular the customs bond guarantee schemes. It proposed a system that builds on the common elements and strengths of the COMESA and SADC systems.
16. COMESA and SADC Secretariats have signed a Memorandum of Understanding for the joint development of a Tripartite Transit Information Management System.

2.3.5 Harmonisation of product technical standards and SPS measures

17. It is recognised that technical standards that are not harmonised can potentially be barriers to trade. Significant efforts have therefore been undertaken to harmonise technical standards at the level of individual RECs. The Tripartite Task Force is implementing a programme to develop common standards that conform to international standards and practices building on the successes already achieved by the RECs. In this regard, a framework of principles and procedures that will guide the development and adoption of Tripartite product standards has been developed and priority areas identified.
18. With regards to SPS measures, the Tripartite has developed a comprehensive programme aimed at addressing the key challenges relating to the implementation of the international commitments and obligations under the WTO Agreement on the Application of Sanitary and Phytosanitary measures and the lack of capacity in Member States, including the strengthening of Enquiry and Notification Points.

19. Efforts are underway to develop activities aimed at addressing SPS-related private standards which are currently not being dealt with under the WTO in a coherent manner.

2.3.6 Cooperation in competition policies

20. The Tripartite Member States recognise the significance of putting in place competition policies that will ensure fair business practices and consumer protection. Accordingly competition policy frameworks have been adopted at individual REC level: COMESA and EAC have established regional competition authorities; and SADC has adopted a cooperative arrangement. Efforts are underway to develop a structured cooperative framework at the Tripartite level which will involve deeper collaboration among the regional and the national competition bodies in such areas as joint capacity building, sharing of information and undertaking joint investigations and studies.

2.3.7 Identification, removal and monitoring of non-tariff barriers

21. Non-tariff barriers continue to adversely affect trade within the Tripartite region and between the Tripartite countries and the rest of the world and the RECs, as enshrined in their treaties/trade protocols, are committed to removing the NTBs and refraining from introducing new ones. The Tripartite Task Force, together with the Member States, has established a framework and a web based mechanism for identifying, monitoring and eliminating NTBs in a transparent and structured manner. This mechanism enables Governments, traders, organised business and service providers involved in trade facilitation to report NTBs as they encounter them. The mechanism continues to be upgraded.

22. The table below shows that two-thirds of the reported and verified NTBs totalling 331 as of May 2011 have been resolved. The categories of NTBs that were reported and resolved are also shown in the table.

Reported and Resolved NTBs: Status As of May 2011

Category	Total Number Reported	No. Resolved	No. Unresolved	Proportion Resolved	Proportion Unresolved
Government Participation in Trade & restrictive practices tolerated by Governments	56	34	22	60.7%	39.3%
Customs & Administrative Entry Procedures	56	34	22	60.7%	39.3%
Technical Barriers to Trade	30	22	8	73.3%	26.7%
Sanitary & Phytosanitary Measures	23	18	5	78.3%	21.7%
Specific Limitations	97	64	33	66.0%	34.0%
Charges on Imports	60	48	12	80.0%	20.0%
Procedural Problems	8	1	7	12.5%	87.5%
Other	1	0	1	0.0%	100.0%
Total	331	221	110	66.8%	33.2%

2.3.8 Measures to facilitate the movement of business persons across the RECs

23. The Tripartite will build upon the progress made in the individual RECs in facilitating the movement of business persons. Proposals for facilitating free movement of business persons have been made and will be negotiated through a separate track as a component of the Draft FTA Agreement.

2.3.9 Establishment of One Stop Border Posts

24. A one stop border post was officially launched at Chirundu by the Presidents of Zambia and Zimbabwe on 5 December 2009. As a result it has been possible to improve the border crossing's operational efficiency, thereby reducing transit times and transaction costs of trading and doing business. Work to establish one stop border posts is in progress at Nakonde–Tunduma and Malaba. Additionally, similar work is planned at Kazungula,

It is recommended that the meeting note that:

25. On the Draft TFTA Agreement and its annexes, the meeting noted that the Tripartite Task Force had prepared and submitted the Draft TFTA Agreement and annexes to all the Tripartite Member States in November 2009 and the revised versions in December 2010; the substance of the draft TFTA Agreement and the annexes has not been discussed in a formal Tripartite Meeting; further consultations are required by Member States and the RECs, and the subject matter of the draft documents will be covered by the TFTA negotiations.

2.4 Harmonisation of positions in WTO and EPAs

Summit Decision: *Summit directed the Chairpersons of the Councils of Ministers of the three RECs to ensure that the Secretariats participate, co-ordinate and harmonise positions on the EPA negotiations and other multilateral negotiations including the WTO Doha Development Round Negotiations.*

Progress on Summit Decision

26. Slow progress has been made in this area since the Tripartite Summit of 2008. There has been a lack of consensus between Member and Partner countries within the three RECs on the Economic Partnership Agreement, with some countries convinced of the benefits that will accrue from signing an EPA with the EU; while others (especially Least Developed Countries) convinced that EPAs would not be beneficial to their economic development either in the short or in the long run; and the rest seeming ambivalent.

27. Since the Tripartite Summit in October 2008, little progress had been made in negotiating the multilateral Doha Development Agenda Round, despite regular calls to conclude the Round.
28. The RECs are working on bilateral and multilateral trade negotiations and arrangements within the framework of the African Union.
29. Sharing of information between the three RECs on both EPAs and the WTO is now institutionalised and a joint matrix of issues and positions on EPAs has been prepared. The matrix will be circulated.

3 Infrastructure and Trade Facilitation

3.1 Air Transport Liberalisation

***Summit Decision:** In the area of infrastructure development, the Tripartite Summit launched the Joint Competition Authority (JCA) on Air Transport Liberalisation which will oversee the full implementation of the Yamoussoukro Decision on Air Transport in the three RECs commencing January 2009. The JCA comprises seven members, two members each from EAC, COMESA and SADC plus a chairperson on a rotational basis.*

Summit directed the three RECs to put in place, within one year a joint programme for the implementation of a single seamless upper airspace.

3.1.1 Joint Competition Authority on Air Transport Liberalisation

30. Following its launch at the Tripartite Summit, the Joint Competition Authority (JCA) is in the process of being operationalised. The temporary Secretariat of the JCA is hosted by the SADC Secretariat. The JCA comprises seven members, two members each from EAC, COMESA and SADC plus a chairperson on a rotational basis. The nomination of the members representing COMESA, EAC and SADC to JCA has been completed. The members of the JCA are: Malawi and Sudan, and Kenya as Chair, (representing COMESA); Burundi and Uganda (representing EAC); and South Africa and Zimbabwe (representing SADC). The implementation roadmap for JCA has been adopted by the Tripartite Task Force and it includes the development of the legal and institutional framework, organisational structure for the JCA Secretariat, sustainable mechanisms for funding the JCA and a Multilateral Air Services Agreement (MASA) for the implementation of the Yamoussoukro Decision within the Tripartite framework. The Tripartite Task Force is finalising a process for engaging a consultant to develop a JCA framework and funding has been secured.

3.1.2 Implementation of a Single Seamless Upper Airspace

31. SADC and EAC (feasibility and design) Upper Flight Information Region (UFIR) studies have been completed and the on-going COMESA study will address the issue of harmonisation of the three studies so as to arrive at a

single project proposal for the implementation of a single seamless upper airspace. The COMESA study also covers countries which were not covered by SADC and EAC studies.

32. EAC is undertaking a follow-on study on the sustainability of the lower airspace without the revenues from the Upper Airspace and review of the safety oversight aspects of the unified airspace. Discussions are under way with COMESA on the financial support for the follow on study.
33. COMESA signed a Grant Protocol Agreement with AfDB for US\$8.6 million in February 2011 for funding the Tripartite Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM) system project. The Project will build upon the SADC, EAC and COMESA feasibility studies. A roadmap for implementation of the CNS/ATM system project has been adopted by the Tripartite Task Force.

3.2 Joint Programme on ICT

Summit Decision: *Summit directed that a joint programme for the implementation of an accelerated, seamless inter-regional ICT Broadband Infrastructure network; and a joint programme for implementation of a harmonised policy and regulatory framework that will govern ICT and infrastructural development in the three RECs be put in place*

Progress on Summit Decision

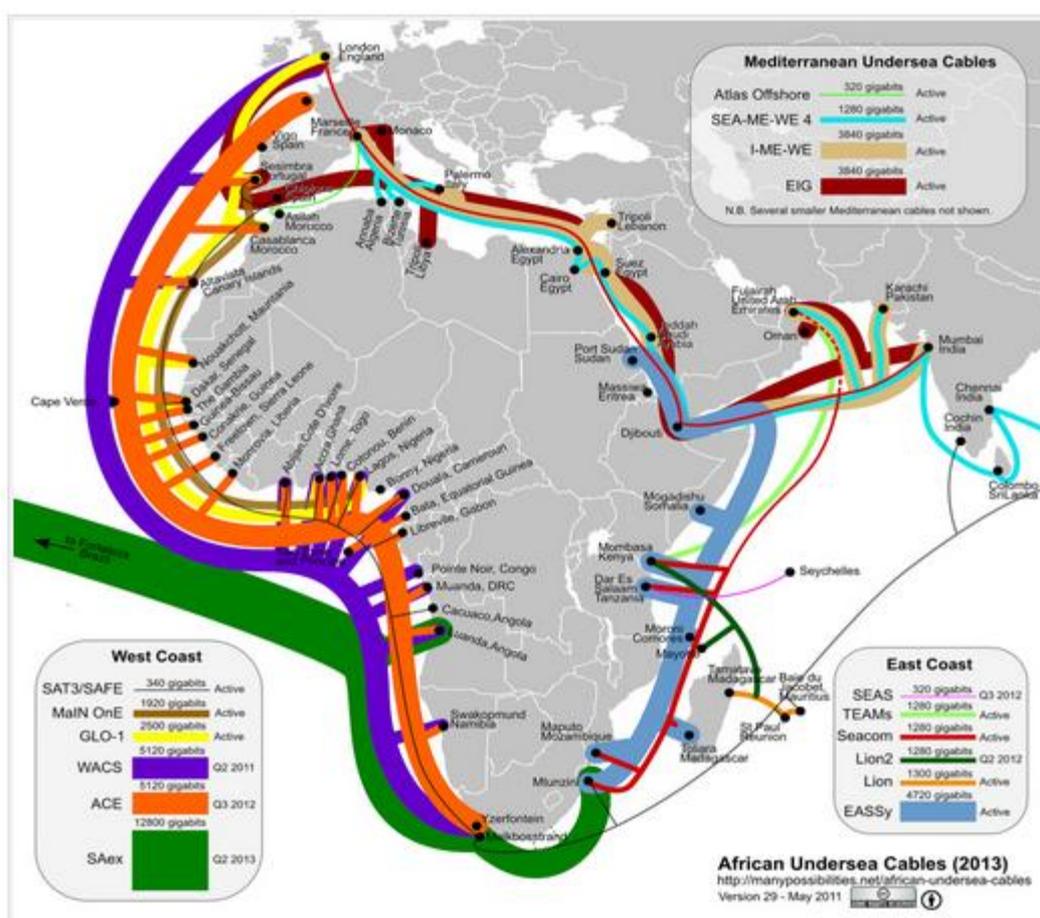
34. Considerable progress has been made in developing broadband ICT infrastructure for Africa. Within the Tripartite, the backbone ICT infrastructure is being developed based on the SRII, COMTEL and EAC-BIN which are interconnecting the landlocked countries and linking them to the undersea cables. Priority has been given to facilitating the linkage between the continental terrestrial networks to the global ICT network through undersea cables. The undersea cables that have been commissioned within the last three years include: Seacom, EASSy, TEAMS and WACS which will be commissioned in 2011.
35. The status of the commissioned and planned undersea cables serving Africa is shown in the map below:

Source: <http://manypossibilities.net/african-undersea-cables/>

36. The implementation of undersea and terrestrial fibre cables has increased the availability, accessibility and capacity of ICT services in the region. In terms of cost of the ICT services, there has been a remarkable reduction of cost of both the data and voice services. It is expected that there would be further reduction of cost of the ICT services due to increased competition as the ICT markets are opened up and liberalized.

37. The on-going implementation of adopted ICT policies and regulatory frameworks in the region continues to promote the creation of an appropriate enabling environment for scaling up investment in the ICT sector.

3.3 Regional Infrastructure Coordination



Summit Decision: Summit directed the three RECs to effectively coordinate and harmonise within one year:

(a) The Regional Transport Master Plans of the three RECs; and

- (b) *The Regional Energy Priority Investment Plans and the Energy Master Plans of the three RECS.*

3.3.1 Harmonisation of Infrastructure Master Plans

38. COMESA and EAC have completed their Transport Master Plans. EAC completed its Railway Master Plan in 2009 and it has been presented at an investment conference attended by key development partners. The EAC is also finalising a regional Transport Strategy and Road Sector Development Programme. COMESA has prepared its Transport and Communications Strategy / Priority Investment Programme (TCS/PIP) and this has been adopted by COMESA's Policy Organs in 2010. Work on the SADC Infrastructure Master Plan has resumed, using different contractors and financiers and should be completed by end-2011.
39. During the process of completing the SADC Infrastructure Master Plan, the process of preparing a comprehensive Tripartite Transport Infrastructure Master Plan will commence. The Tripartite Master Plan will consolidate the existing REC Master Plans; draw on and feed into the Programme for Infrastructure Development in Africa (PIDA) as well as draw on other relevant initiatives.

3.3.2 Comprehensive Tripartite Trade and Transport Facilitation Programme

40. The Tripartite has developed a Comprehensive Tripartite Trade and Transport Facilitation Programme (CTTTFP) comprising a series of initiatives from different RECs that are being rolled out as a pilot on the North South Corridor. The CTTTFP includes customs procedures (harmonised nomenclatures), Integrated Border Management systems, regional customs bond, transit, simplification and harmonisation of cross-border procedures and regulatory requirements for commercial vehicles; regional 3rd party motor vehicle insurance scheme, vehicle overload control system, and harmonisation of vehicle dimensions and standards, road user charges, self-regulation-regional road transport management system and establishment of corridor management institutions.

3.4 Energy and Power Interconnectors

41. The Southern African Power Pool (SAPP) Plan, including the development of an integrated generation and transmission expansion plan, was completed at the end of 2008. The Eastern Africa Power Pool (EAPP) draft Master Plan has been completed and will be considered by the Conference of Ministers of EAPP to be held in Kigali. The master plan covers the entire Eastern Africa region. Ultimately, these plans are intended to address the supply side constraint and enable the Eastern and Southern Africa Region develop an efficient, seamless and cost-effective energy infrastructure projects that would promote regional integration and socio-economic growth in member states.

42. The Tripartite is fast-tracking the implementation of electric power interconnection projects including the Zambia-Tanzania-Kenya (ZTK) interconnector, which will link the EAPP and SAPP and will enhance power trade within the Tripartite. The sponsors of this project are committed to the Project and have reached agreement on the supply of power, the project structure and the establishment of a Project Implementation Unit (PIU). The PIU will be set up to manage the project and the project will then be converted into a public sector Special Purpose Vehicle owned by the three governments. The Tripartite has secured funding for the operations of the PIU and for the transaction adviser.

43. The other interconnectors that are being fast-tracked by the Tripartite are the Ethiopia-Kenya, Eritrea-Sudan and Uganda-Sudan interconnectors. The World Bank, African Development Bank (AfDB), European Investment Bank (EIB) and Japan International Cooperation Agency (JICA) have expressed interest to support the Ethiopia-Kenya interconnector project but have stressed the need to complete the on-going supplementary environmental and social impact assessments and supplementary robustness study before financing of the project can be considered. Draft Project Information Memorandums (PIMs) for Eritrea/Sudan and Uganda/Sudan (South Sudan) power interconnection projects have been prepared by the African Development Bank and draft Inter-Government Memoranda of Understanding (MoUs) and draft Inter-Utility MoUs of the two projects have been prepared by the COMESA Secretariat.

3.5 North South Corridor

44. Following the Kampala Summit in 2008, the Tripartite convened a High Level Conference held in Lusaka, Zambia in April 2009 in which a total of US\$1.2 billion was pledged for the NSC Aid for Trade programme as follows:

- a. European Commission - €115 million to the North South Corridor, this being €60 million from the EDF10 Regional Indicative Programme and €55 million committed to on-going infrastructure projects related to the North South Corridor. This money has been committed to a section of the Lusaka-Nacala road and to project preparation activities and the balance will be committed to NSC infrastructure projects.
- b. World Bank – US\$500 million, of which US\$160 million was committed to on-going infrastructural projects related to the North South Corridor. An additional US\$340 million was to be committed over the next three years to infrastructure development and this programming is taking place. The World Bank also committed an additional US\$500 million to other infrastructure projects in the East and Southern Africa region not specific to the North South Corridor
- c. UK Government (DFID) committed GBP 100 million over the next five years, of which GBP67 million was earmarked to support infrastructure upgrades and was committed to the

- Tripartite Trust Account and to be used for infrastructure projects on the NSC.
- d. African Development Bank – Committed US\$600 million to infrastructure projects including the design of the Kazungula bridge and road sections on the Lusaka-Nacala road.
 - e. The Development Bank of Southern Africa (DBSA) and the European Investment Bank (through the EU-Africa Infrastructure Fund) also committed themselves to supporting infrastructure development in the COMESA-EAC-SADC region but were not specific as to exactly how much was being committed or what was already committed.

Achievements

45. In the implementation of the NSC Aid for Trade Programme:

- a. The Chirundu one stop border post was opened on 5 December 2009 as sub-Saharan's first one stop border post and this has reduced clearance times to less than a day from 3-4 days. Assessments have been done on requirements for converting the following border posts into the OSBPs: Beit Bridge, Kazungula, Kasumbalesa, Nakonde/Tunduma, Songwe, Mwami/MchinjiNyamapanda/Cuchimano and Forbes/Machipanda. Mwanza/Zombwe and Dedza/Calomve will be considered as well. In addition, Beitbridge is soon to implement the Beitbridge Efficiency Management System (BBEMS), and a programme on Integrated Border Management is being developed.
- b. The Tripartite Trust Account (TTA) has been established at DBSA with DBSA as a Fund Manager. In addition, an Investment Committee has been established and is now operational. The fund has a total of GBP67 million (from DFID) and US\$1 million (from DBSA). Other donors to the TTA are being sought.
- c. Nine road infrastructure projects have been packaged and assessed by the Investment Committee and have been submitted to the Fund Manager for funding. Other projects are being prepared for consideration by the Investment Committee for submission to the Fund Manager.
- d. Design of the Kazungula bridge and one stop border post has been completed and preparations for implementation, including sourcing of funding, is on-going.
- e. Tenders for the Detailed Design and Environmental and Social Impact Assessment of the for Serenje-Nakonde road have been launched and would be funded through the 10th EDF.

- a. Preparatory studies on the development of navigational facilities on the Shire–Zambezi waterways under funding from AfDB are at an advanced stage.
- f. A draft Memorandum of Understanding on the establishment of corridor management institutions has been discussed by the North South Corridor states and should be ready for signature by the end of 2011.
- g. An assessment of what needs to be done on all regional trunk roads on the North South Corridor, in terms of works and finances required, to maintain them in good condition for the next 20 years has been done.
- h. Railways have been assessed and proposals for improvement prepared, including a strategic and business plan for TAZARA, which is in the process of being prepared.
- i. All information has been up-loaded onto a Geographical Information System (GIS) database and map, layered by corridor. The real-time information includes data on roads categorised by condition/level of preparedness; one-stop border posts; rail projects; mining and ICT.
- j. Terms of Reference for a Tripartite Project Preparation and Implementation Unit (PPIU) have been prepared and the establishment of the PPIU is underway. The PPIU will be hosted by COMESA and will be responsible for preparation of Project Information Memoranda (PIMs), liaising with project preparation facilities, monitoring project implementation, and implementing small projects on behalf of the Tripartite.

3.6 Central Corridor (Dar es Salaam – Isaka – Bujumbura – Kigali – Goma - Kisangani) and Northern Corridor (Mombasa – Kampala – Kigali – Bujumbura/Goma - Kisangani) Corridor Diagnostic Study

46. The Corridor Diagnostic Study (CDS) was completed in early 2011. The main findings of the study were the following:
 - i) The traffic forecast for the Northern and Central Corridors will overwhelm the existing infrastructure and will require substantial investments. Traffic growth implies large future demand on ports (24 million tons by 2015 and 117 million tons by 2030), highways (80 percent more traffic by 2015 and 4 times more traffic by 2030), rail (6.5 million tons in 2015 and 17.7million tons by 2030).
 - ii) The two corridors are performing at a level that generally corresponds to “fair” based on comparisons with other international corridors. Observations include:
 - Excessive cargo dwell time of up to 9 days in Mombasa and 12 days in Dar es Salaam.
 - High road transport costs.
 - Multimodal shipments can take a longer time than road but can have a lower cost.

- Unreliable rail services which are priced just below road transport rates.
 - Long delays at border crossings.
 - Extra inventory costs have a significant impact on the total costs of the goods, accounting for 10-25 per cent of the total logistics cost.
 - In Kenya, vehicles licensed for transit cannot carry domestic cargo and must use prescribed transit routes. This has the effect of many return trips being empty. Similarly in Tanzania, the Revenue Authority licenses trucks for transit or domestic with the same effect.
 - Existing overloading control strategy is aimed at achieving 100 per cent inspection of all commercial vehicles. Targeted risk management approaches and incentive to encourage truckers to self-regulate need to be implemented.
- iii) Improving the efficiency and reliability of the Northern and Central Corridors will require the adoption and implementation of Aid for Trade programme to simultaneously address infrastructure constraints, including constraints at border posts such as Namanga and Rusumo and bottlenecks and operational inefficiencies, policies and procedures.
- iv) The transport infrastructure projects that have been proposed for consideration in the Action Plan have a total cost of US\$4.2 billion. It is anticipated that 22 of the 28 projects could be implemented under a PPP arrangement with varying degrees of private sector participation. Central Corridor projects have a total cost of US\$2.1 billion and the Northern Corridor projects are estimated to cost US\$2.1 billion.
- v) Overall, annual transport cost savings from implementation of the proposed projects by 2015 are estimated at US\$ 1.9 billion, corresponding to an average reduction in transport costs of 28 per cent. Due to the larger volumes and longer average distances, the Northern Corridor accounts for about three-quarters of the total transport cost savings with cost reduction of US\$1.4 billion. The Central Corridor has annual transport cost savings of US\$0.4 billion by 2015.

3.7 Lamu Corridor (Lamu – Isiolo – Lokichoggio – Juba/Isiolo - Moyale – Addis Ababa)

47. The new Lamu Corridor will link Kenya, Sudan and Ethiopia and will also serve the East African region. The Port of Lamu, which is estimated to cost \$3.5 billion, has the ability to handle post-Panamax vessels because of its deep natural channel which is 18 meters in depth. The corridor will comprise three modes of transport, i.e. road, rail and pipe line. An oil refinery with a capacity to process 120,000 barrels of oil per day will be constructed at the new port of Lamu to meet the growing demand for oil products in the region.
48. The African Development Bank has approved a US\$326 million loan to finance the second phase of the Mombasa-Nairobi-Addis Ababa Road

Corridor Project involving the construction and tarring of 438 km of road sections and the construction of a One-Stop-Border-Post.

International airports will be constructed in Lamu, Isiolo and Lokichoggio, three important centres along the new transport corridor.

Djibouti Corridor (Djibouti – Addis Ababa – Juba/Khartoum)

49. A corridor diagnostic study was done on the Djibouti Corridor to identify the major infrastructure and facilitation challenges which need to be addressed in order to reduce the cost of transport.
50. The necessary interventions on the corridor include the reconstruction of the Ethio/Djibouti railway from Djibouti to Addis Ababa and an extension of the rail to the new container terminal at Port Dolareh. On the road sector necessary interventions include construction of missing road links to the borders with South Sudan and the rehabilitation of Agremariam to Moyale on the Kenyan boarder. There is also need to provide facilities for inland container terminals in Mojo, Addis Ababa, and Awash. The relevant projects have been identified and prioritised for infrastructure development and will be show cased in the upcoming Tripartite/IGAD Infrastructure Investment Conference.
51. Under trade and transport facilitation, the main interventions will include the implementation of the Comprehensive Tripartite Trade and Transport Facilitation Programme (CTTTFP) along the corridor. A project proposal has been prepared to speed up the implementation of the relevant trade and transport facilitation instruments along the corridor

3.8 Maritime Corridor for Island States

52. SADC as the lead REC has already undertaken consultations with Seychelles and Mauritius on the development of the maritime corridors for Island States with linkages to mainland States. Further consultations with other Island States and the Indian Ocean Commission will be undertaken in order to develop an action plan for the maritime corridor programme.

4. Joint Financing and Implementation Mechanisms for Infrastructure Development

Summit Decision: *Summit directed the three RECs to develop joint financing and implementation mechanisms for infrastructure development within one year.*

4.1 Tripartite and IGAD High Level Investment Conference

53. The three RECs have initiated cooperation in the funding of infrastructure projects through the holding of joint corridor investor conferences. Following the successful convening of the High Level North South Corridor Investment Conference in April 2009, the Tripartite in conjunction with IGAD are planning to convene second High Level Investment Conference in September 2011 in Nairobi, Kenya. Already a preparatory conference was convened in September 2010.
54. The High Level Investment Conference will cover priority infrastructure projects and programmes along the Central, Northern, Lamu and Djibouti corridors. Preparations for this Conference are at advanced stage.

Recommendations

The Tripartite Task Force requests the Tripartite Sectoral Ministers to:

- a) Take note of the foregoing progress of implementation of the Tripartite Infrastructure Projects;*
- b) Urge the Member/Partner States to expedite the implementation of already financed projects components and make available to potential funders all necessary documentation;*
- c) Take note that the Tripartite/IGAD Infrastructure Investment Conference is planned for Nairobi in September 2011; and*
- d) Take note that funding for the Conference in c) above has been secured and the documentation process for the meeting has already commenced.*

5. Legal and Institutional Framework

55. Summit established a Tripartite Summit of Heads of State and/or Government which shall sit once every two years. In the interim, pending the signing of the MoU, the Tripartite Heads of State and Government:
- (a) Established a Tripartite Council of Ministers which will meet at least once every two years;
 - (b) Established a Tripartite Sectoral Ministerial Committee on Trade, Finance, Customs, Economic Matters and Home/Internal Affairs; a Tripartite Sectoral Ministerial Committee on Infrastructure; a Tripartite Sectoral Ministerial Committee on Legal Affairs and any other Ministerial committees, as established by the Tripartite Council of Ministers, which shall meet at least once a year;
 - (c) Approved extra ordinary meetings of the Tripartite Summit and Tripartite Council of Ministers to be held as and when necessary;
 - (d) Established a Tripartite Committee of Senior Officials and of Experts which shall meet at least once a year; and

- (e) Established a Tripartite Task Force of the Secretariats of the three RECs to meet at least twice a year.

Summit Decision: *Summit directed*

- (i) *The Council of Ministers of each of the three RECs to, within six months, 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.*
- (ii) *That the approved Memorandum of Understanding be signed by the Chairpersons of the three RECs, within one month of its approval.*

Progress on Summit Decision

- 56. The three Chairs of COMESA, EAC and SADC, these being His Majesty King Mswatilll, His Excellency Dr.Jakaya Mrisho Kikwete and His Excellency Hifikepunye Pohamba respectively, signed the Memorandum of Understanding on Inter-Regional Cooperation and Integration amongst COMESA, EAC and SADC in January 2011.
- 57. The MoU addresses: Areas of Cooperation; Harmonisation of Trade and Investment Regimes; Harmonisation of Infrastructure Programmes; Cooperation in the Programme on Facilitation of Movement of Persons; Cooperation in Other Policies; Establishment of the Tripartite Coordination Mechanism and Meetings; Consultations and Exchange of Information and Expertise; Financial Responsibilities; Programming; Reciprocity; and Dispute Settlement.
- 58. COMESA, EAC and SADC Secretariats have established a Tripartite Coordination Mechanism comprising coordination units that, together, act as the interim secretariat for the Tripartite Task Force.

6 Merger of COMESA, EAC and SADC

Summit Decision: *The Tripartite Summit resolved that the three RECs should immediately start working towards a merger into a single REC with the objective of fast tracking the attainment of the African Economic Community. The Tripartite Summit directed the Tripartite Task Force of the three Secretariats to develop a roadmap for the implementation of this merger for consideration at its next meeting.*

Progress on the Summit Decision:

- 59. In compliance with the decision of the First Tripartite Summit in Kampala, priority has been given to the preparatory work towards the establishment of the Tripartite Free Trade Area. Hence, in terms of sequencing, the merger of the three RECs will be addressed at an appropriate time.