During the Africa Investment Forum, held in Marrakech, Morocco, from 8 to 10 November 2023, the Secretary General of the EAC <u>indicated</u> that Somalia is likely to be admitted to the EAC <u>b</u> y the end of this month

. More importantly, it seems that also Ethiopia and Djibouti showed interest to join the bloc. If this will happen, this Regional Economic Community (REC) will expand considerably its geographical reach to cover a good part of the Horn of Africa peninsula. This expansion will threaten the survival of another REC representing African countries in the Horn: the Intergovernmental Authority on Development (IGAD), as Kenya, Uganda, South Sudan and Somalia are also members (or prospective members, such as in the case of Somalia), of the EAC. In fact, if Djibouti and Ethiopia will join the EAC, the only IGAD members that will be left out of the EAC will be Sudan and Eritrea. This will probably revive the debate

on the possible merging of the two Communities. To be noted that participation of African States to RECs is not free, as annual contributions need to be paid for such membership. African countries should therefore make a choice and select cartefully the RECs to which participate.

IGAD is one of the eight RECs <u>recognized by the African Union</u> (AU) that was created in 1996 to supersede the Intergovernmental Authority on Drought and Development (IGADD), founded in 1986 by six countries in the Horn of Africa (Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda) to combat desertification and drought in the region. Its creation was based on a recommendation contained in the

UN General Assembly resolution 35/90 of December 1980

that urged such States to create

'an intergovernmental body with the responsibility for co-ordinating and supporting the countries' efforts to combat the effects of drought and other natural disasters and to deal with the problem of medium-term and long-term recovery and rehabilitation'

, on

the example of the

<u>Comité Permanent Inter Etat de la Lutte Contre la Sécheresse dans le Sahel</u> (CILSS)

, established in 1973 among 13

Sahel countries

to coordinate the fight against drought and famine in their fragile economies. Eritrea joined IGADD in 1993 soon after its separation from Ethiopia and its international recognition as an independent and sovereign state, while South Sudan joined in 2011. On 21 March 1996, with the 'Letter of Instrument to Amend the IGADD Charter / Agreement', the Assembly of Heads of State and Government of IGADD changed the name of this REC from IGADD to IGAD, giving to the new Community a broader mandate covering other areas of regional cooperation. To date, however, IGAD is among the African RECs that has made less progress in regional integration, especially in the area of trade. In fact, the

regional trade policy

adopted by IGAD in 2022 (a cooperation framework which aims at guiding IGAD member States

towards closer economic and trade integration), recognizes that this Community is lagging behind the other African RECs in terms of trade integration. In this regard, the document notes that to date, no Free Trade Agreement (FTA) is in place among IGAD members, as foreseen by the

## Treaty of Abuja

, that at article 6 calls for the establishment of FTAs in each African REC, with their subsequent transformation in Customs Unions. Accordingly, the IGAD Trade Policy points out the need for such Community to revisit its regional economic integration agenda, considering that market integration and a broad regional economic integration are among its key objectives.

On the other hand, the East African Community, which is another one of the eight AU-recognized African RECs (this recognition was done by the AU Assembly with the <u>decision</u> on the RECs moratorium of 2006

), has shown a strong dynamism in the latest years. Considered as one of the most successful regional integration achievements on the African continent, with a share of Intra-EAC commerce that has doubled in the last ten years reaching almost 20 percent, this Community has established a Customs Union which is fully operational since 2010, and is in the process of consolidating its Common Market, also established in 2010, when the EAC Common Market Protocol

entered into force. It must be remembered that on October 12, 2013, the IGAD and EAC Heads of State and Governments convened in Addis Ababa and announced plans for a possible merger of the two Communities. To this end, they mandated their respective Ministers of Foreign Affairs with the task to examine the feasibility of such a merger. However, so far, nothing has been done and both the study and discussions are reported

as still 'in progress'.

Only one year ago, the Democratic Republic of Congo (DRC) joined such Community, giving to the EAC geographical coverage from coast to coast. However, at present, the DRC, like South Sudan, still do not fully participate to the EAC Customs Union, as both countries have not yet completed all the steps in the roadmaps developed by the EAC Secretariat which define the path for their integration in the EAC Customs Union.

Now, already by the end of November, the EAC will probably admit also Somalia, extending the coastline of the East African Community in the north to reach the gulf of Aden, one of the world's busiest transit route and a natural link between the Red Sea and the Arabian Sea. This gives the process of Somalia accession to the EAC a strategic significance.

More importantly, the inclusion of Ethiopia in the EAC will allow this country to be more effectively connected to costal countries in the Community, significantly reducing costs to reach their ports, solving one of the problems that currently beset the Ethiopian government. Indeed, regional trade arrangements - and customs unions in particular - are particularly beneficial to Africa's landlocked countries, as they reduce trade barriers, how described in this IMF paper (page 9).

In the case of Somalia, once admitted, its integration path into the EAC will not be straightforward, as many efforts will be needed to complete this process, how the experiences of South Sudan and DRC show. In this regard, a recent <u>policy note</u> of the Economic Research Policy Centre (ERPC) warned that Somalia will integrate economically and politically within the EAC, only on condition that it will address its internal longstanding conflicts and will focus its production on goods where it has a comparative advantage. To these conclusions, we add that if Somalia does not want to risk being stuck in its current position as a net importer from the region, it will be necessary for it to re-focus its exports not only on products in which it is rich or has a comparative advantage (e.g., livestock or fish), but especially on high-value-added products. But this will require the creation of a stable macroeconomic environment and effective industrialization strategies, which are currently lacking. And it will take time...