INFRASTRUCTURE DEVELOPMENT IN THE INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT (IGAD) REGION: BOTTLENECKS AND PROSPECTS FOR REGIONAL INTEGRATION

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Abstract

IGAD was established as a practical approach to address the socio-economic

constraints of the region. Those challenges include poverty, drought, civil war and foreign dependency. IGAD has strongly recognised the development and expansion of the regional market as the cornerstone of its comprehensive development strategy. As clearly demonstrated in the preamble of the Agreement Establishing IGAD, it pursues comprehensive cooperation on the basis of equality and mutual benefit with the view to achieve regional integration. In the preamble of Article 7(b) of the Agreement establishing IGAD the organisation sought to cap its efforts by attaining a complete economic union through the harmonisation of agricultural, industrial, transport and communication, energy and infrastructural development as well as common economic and monetary policies between member states. This study dealt the role of infrastructure in the IGAD region as basic factor of regional integration in the Horn of Africa. The study analyses IGAD and its

performance in relation to the development of infrastructure. The study, therefore, articulates the emerging role of IGAD in the development of infrastructures search for the attainment of regional integration. This paper, thus, will look at the challenges associated with infrastructure development in the IGAD region and pinpoint policy recommendations on mechanisms to enhance infrastructure constraints.

Key words: IGAD, Horn of Africa, Infrastructure Development, Regional Integration, Regional Blocks Introduction

Background

In recent years, the regional integration discourse becomes one of the critical issues in international relation, trade and investment. The African Union under its Agenda 2063 has being revived interest in regional integration. The African Continental Free Trade Area (AfCFTA) has recognized eight regional blocs that will transform the integration of Africa. Among these eight groups the Intergovernmental Authority on Development (IGAD) is included. IGAD comprises eight countries of Eastern Africa including Djibouti, Ethiopia, Eritrea, Kenya, Somalia, South Sudan, Sudan and Uganda. IGAD has a legal framework that enacted in 1986 and other subsidiary laws, protocols etc, to meet its regional integration agenda. Despite lags behind in meeting certain deadlines, IGAD has made progress in free movement of people, mediating warring members etc. Yet, IGAD has to do a lot in realizing full regional integration.

The IGAD Secretariat

The Secretariat is the executive body of IGAD. It is headed by an Executive Secretary to be appointed by the Assembly for a term of four years renewable once and have its own staff and assisted by experts and technicians made available to it by member states. The functions of the Secretariat are to prepare surveys, studies, information and guidelines on legal, political, economic, social, cultural and technical matters of common concern to, and essential for broadening and deepening coordinate development programmes and projects (IGAD establishment Agreement Article 12 (2), 1995).

Moreover, the Secretariat has the responsibility to initiate, identify and coordinate development programmes and projects. It also assists the policy organ in their work relating to political and humanitarian affairs.

The Secretariat has three divisions, these are:

I. The Division of Agriculture and Environment.

II. The Division of Economic Cooperation and Social Development - this division

has three other programmes or sector to be focused:

▫ Trade, Industry and Tourism; ▫ Transport and Communications; ▫ Health and Social Development.

III. The Division of Peace and Security.

Thus, the division of Economic Cooperation and Social Development is the ultimate body of IGAD that's responsible for the development of infrastructure to speed up

the regional integration process.

Challenges

Infrastructure refers to transport, energy and communication. Infrastructure is one of the main drivers of integration. Despite numerous challenges, IGAD is facilitating and constructing numerous infrastructure projects. There are two kinds of regional integration challenges in the IGAD region, these are physical and non-physical

barriers. Infrastructure setbacks categorised under physical barriers of integration. Physical barriers refer to solid road blocks of regional integration. Physical barriers refer to infrastructure such as road, railway, and airways. The non-physical ones were identified as visas, immigration regulations and policies in general.

The regional integration process in general has tariff and non-tariff barriers. The imposition of heavy tariffs on goods that pass through member states is the main challenge for the promotion of Free Trade Area (FTA) in the region.

Infrastructure is one of the main drivers of integration. We are doing very well in terms of connectivity. Member states are doing a commendable job bilaterally. For people to be integrated, they need to move from one place to another to trade. For that to happen there should have the necessary infrastructure.

Financial constraints

The challenges of infrastructure are associated mainly with low budgetary allocations. Construction of an infrastructure is not adequate; it needs periodic maintenance and rehabilitation. In order to make infrastructure development, there is high demand of finance. Yet, the budgetary allocation in the region is limited. IGAD needs more projects on connectivity of roads. With the addition of the problem of donor fatigue due to duplicated projects in the South-Eastern Africa region, the infrastructure projects suffer from lack of sustainable financial contributions.

In addition, civil war and bureaucratic government policies have become the

barriers of the region's infrastructure development. For instance, it is difficult to build or rehabilitate the Somalia infrastructure, due to the concern of security. In some cases, the available infrastructure is demolished by insurgent groups just to discredit the achievement of the central government.

In the IGAD region, the costs of transport have been increased due to lack of harmonisation of transport policies. For instance, the COMESA Yellow card is implemented in Djibouti, Ethiopia, Eritrea, Kenya and Uganda. This Yellow card is an insurance that enable to cover third party liabilities as well as to cover the medical expenses of the driver and on board passengers during accident. IGAD thus has to import such experiences from other regions in order to enhance the development, maintenance and implementation of an effective, less expensive and safe transportation system. The average ticket price ranges between 200-300 for short distance and 600-800 for long distance flights within the IGAD region (ECA, 2013). The region's railway system is characterised by old age locomotives, poor government policies, weak institutional or managerial systems (IGAD, 2008). However, despite the existence of the railway transportation system, road transport is the most preferred by the region travellers even to mobilise too bulky commodities.

IGAD is mainly engaging in the task of connectivity that is, physical connectivity through different modes of transportation is the main task of IGAD. So far IGAD has carried out 5 000 km regional connectivity works. The 500 km road connectivity is extended

to link:

- Addis Ababa-Nairobi-Kampala-Juba;
- Addis Ababa-Djibouti;
- Addis Ababa-Juba-Kampala;
- Addis Ababa-Berbera.

The roads and the connectivity is done by member states. There is a problem of neglecting the infrastructure development, as member states allocate very little GDP to the sector. Compared with other African regional blocs, IGAD stood in second place next to the SADC in the infrastructure development sector (Rupa & Vivien, 2011). In fact, the role of infrastructure in speed up integration process is paramount. In my opinion the infrastructure is the second priority sector of IGAD. Indeed, peace is the most primary area of focus. In addition, IGAD is also instrumental in connecting 2000km (lines of power) in the energy sector. These

include:

- Ethiopia-Djibouti (300 km),
- Ethiopia-Sudan (321km),
- Ethiopia-Kenya (1100km, which is an ongoing project),
- Sudan-Eritrea (200km).

IGAD has mainly been involved in the study phases of a project. The implementation phase is up to member states. In terms of actual construction, IGAD does not take part. The same is true for schooling, health centre development and other social service projects. It is the national government duty and responsibility to implement the social development aspect as per their policies.

In addition, IGAD is a facilitator to uphold regional coastline connectivity through undersea cables. In fact, the ICT connectivity covers not only the IGAD region rather the whole of East Africa. The line goes through Mombasa, Djibouti up to Port Sudan. This ICT project targeted countries with ports only. This means the three landlocked countries of IGAD – Ethiopia, South Sudan and Uganda could not benefit. However, there is a plan to integrate the landlocked countries, especially they will be included in the internet exchange point project.

Here, it could be argued that having a landlocked country will be a problem in adopting uniform regional policy. Since landlocked countries are far from markets and access to ports, the trading activity become expensive and it will discourage comparative advantage in the trade sector.

Regional policy has already been developed and adopted on transport, ICT, measures to control the quality of inter-regional roads, as well as a three one stop

border have been designed. This arrangement has been developed between

Ethiopia-Kenya; Uganda-South Sudan and Ethiopia- Sudan.

Lack of feasible infrastructure

Infrastructure includes the construction of roads, railways, ports, power and communication facilities. In this regard, Johannes said that IGAD is presently making road connectivity that measures about 5 000km. IGAD is a facilitator for making the projects. In addition, IGAD is instrumental in making energy (power), telecom, and

railway connectivity.

IGAD is connecting capital cities with ports, which is the first step towards development. IGAD have made the main road connection but it needs sub-roads

because integration is about the entire people not just connecting the capitals.

IGAD facilitates the interconnection of trans-African Highway number 4, which links Cape Town and Cairo. The missing link of this Highway was in Kenya between the borders of Siweru and Moyale in Ethiopia. This missing link was expected to be completed at the end of 2016 but it didn’t completed as planned. For a region to be connected, people should be able to move as well as goods. For all practical

purposes infrastructure is one of the main drivers of the integration process.

Infrastructure is one of the key drivers of integration. In the aviation industry, there is no network among airlines of the region. The only airlines that fly across the region are Ethiopian and Kenyan airways. At least those airlines connect the capital cities of certain member states. The region’s airways are not enough to cover the whole region and the price of airfare is too high. In line with this, Gerald (2012) also

observed the high cost of transport in the region is associated with lack of

harmonisation of transport policies.

The cost of developing infrastructure is quite expensive. It is expensive to communicate especially across borders. The calling rate of the region is quite expensive. In certain cases, it is easier to call the USA or UK than to communicate with the next door member states.

In terms of infrastructure connectivity, roads were being rehabilitated and undergoing maintenance. These roads will have to be regulated within the law. When constructing a road, there must be quality control. In addition, there must be maintenance. Lack of routine maintenance is exacerbating the poor state of infrastructure in the region. Routine maintenance includes even mundane issues such as cutting the grass, opening the caravan and mending the boreholes.

when an infrastructure is designed, there should be some pre-determined costs, including the cost of renewing. If there is a failure to maintain projects, their sustainability can therefore not be guaranteed. Lack of adequate maintenance resources remains the challenge of infrastructure development in the region.

The involvement of the private companies in the infrastructure sector is so limited. When it comes to regional projects, companies mainly involve themselves as contractors or consultants. Private companies are only involved in the power construction sector, telecommunication and the development of ports. Due to the

very fast remittances, private companies are often involved in the

telecommunication business sector. If one look at the telecom industry, it is noticeable that there are a number of private companies in the region. In Kenya, the telecommunication sector is dominated by the private sector. In Uganda, it is the same. The initial capital of the telecom industry is not so high and the remittance is higher and faster. The private industry is a business driven system. On roads connectivity, IGAD does not involve private companies. The road tender is mainly given to government companies because infrastructure is very expensive. Road, railway and other related constructions can only be serviced through the funds of the governments which are member states. Private companies are profit-oriented. They have difficulties in funding road projects. Infrastructure is capital intensive because of this. IGAD prefers government companies than private ones.

Harmonisation of policies

One of the most vital elements of the integration process is harmonization of

policies. Yet, the harmonization of policies poses a lot of challenges. If one takes the ICT, it is too costly, bringing these to reality there must have been quite a lot of investment. Even delivering the ICT for the people of the region is a problem let alone harmonising ICT policies. This is because, the region has legacies, ideology, or thinking that endured until this days. And these do not help the region to get to where it wants to go as IGAD.

Political will

Political will and financial means are the key drivers of integration of which without them one cannot talk about integration. Once the political will is there the other drivers will follow. In support of this Kidane (2013) stated that political setting is the foremost component for the success of integration process. In addition, Draper et, al. (2007) indicated that in Africa politics is the major driver of integration. Member states must harmonize their developmental policies. The harmonization of policies has been done everywhere from Latin America, Europe, EAC etc. The systems have already been developed, provided that member states render their political will or agree on the matter. They are the ones responsible for signing the agreements and not the Secretariat. Biswaro (2005) also support this view that nations could only integrate with their free will rather than coercion. This contention was raised by Haas (1964) that states have to redefine their national interest to regional

perspectives based on their will.

The decision of summits should be implemented by member states. Making deliberations in the annual meetings is not sufficient. However, for regional integration to be a reality the meetings should be coupled with implementation and political will. The ratification of protocols demands political will from each member state. However, IGAD member states have the tendency to work bilaterally than collectively. In some instances member states lack trust for each other and the integration process. Due to lack of trust member states are not willing to do tasks that benefit the entire region. Instead of rendering political will and commitment for the regional project, member states prefer to construct roads that will connect them with a “trustworthy neighbour” country. The road between Ethiopia and Sudan was constructed through bilateral agreement between the two countries. The interconnection has been done by the countries. This shows that if member states are committed, they will facilitate the integration process. In supporting this view, Layne (2006) stated that member states have to forego their national interest for regional common good.

Coinciding membership

Overlapping membership is a problem. Kenya and Uganda are member states of EAC. All member states except Somalia are members of COMESA. Djibouti, Eritrea, Sudan and Somalia are members of CEN-SAD. The dual accountability and dual

membership affects member states' ability to attain their priority and commitment. This contention is also supported by Estrada (2009) when he indicated that regional integration may contribute to international frictions between competing blocs through creating multiple legal frameworks and various dispute settlement mechanisms as well as absorbing other multilateral arrangements.

Overlapping membership makes member states to be uncommitted. The most

problematic consequence of coinciding membership was that it brings overlapping programs. Previously there was an Inter- Regional Coordination Committee that gave recommendations on projects of building a road. Although there was a tender for overlapping programs, it lacked coordination among different RECs of the South Eastern Africa including SADC, COMESA, EAC, IOC and IGAIGAD.

Some argue that the Tripartite Agreement (TA) is just a political agenda that has nothing to do with the reality. In the beginning a member state has to finish what it is doing in the IGAD region. Jumping from one configuration to another is meaningless. The TA is an agreement between COMESA, SADC and EAC where they agreed to work in the infrastructure projects. But practically, all the three organisations did their own projects. A study conducted by IGAD (2010) also confirm that due to overlapping projects, donor countries considered the organisation as political group because many projects of IGAD is also run by COMESA. Indeed, overlapping of regional projects create confusion on donor countries and development partners. It creates paradox on which project should get funded.

RECOMMENDATIONS

Capacity refers to the ability to perform or achieve a certain task at its best level. IGAD is suffering from financial capacity. IGAD could not implement its own projects due to financial incapacity. In order to address the challenge of financial capacity, IGAD has to establish its own development bank. The IGAD Development Bank will serve as a mechanism to raise more funds for the infrastructure programs. In

addition, the establishment of IGAD Road Fund could be another institution that will address these financial problems. In particular, this will alleviate budgetary problems of the infrastructure sector.

IGAD should also establish a regional bank. The establishment of the bank will partially address the financial problems through enhancing savings. This also enables to run independent regional projects. The independence of regional

projects often raises questions since most regional projects of developing countries

were carried out with the financial support of western blocs such as European Union (Redie, 2013).

In April 2016, the Economic Commission of Africa (ECA) launched a regional integration index of Africa. According to the index, the Horn of Africa was characterised as a region that has low levels of regional infrastructure. Infrastructure includes roads, railways, telecommunication, energy, the development of ports etc.

IGAD is focused on integrating its activities through road connectivity. The infrastructure policy of IGAD is connecting capital cities with ports. However, it should not be limited to connecting capital cities to ports, since integration is about people. The road connectivity should also consider connecting people of member states with the other member states. The construction of any infrastructure is expensive, thus, IGAD should look for ways of securing funds. The establishment of IGAD Road Fund (IRF) will address the problem. The IRF will enhance the

sustainability of financial resources. This is because currently, there is a problem of "donor fatigue" due to overlapping projects across Africa. The donors are

disappointed with replicate regional projects, so that, they are reluctant to fund projects. Hence, self-reliance through mechanisms such as IRF will sustain the financial sources of the region and it will boost more infrastructure projects. In addition to IRF, the establishment of IGAD Development Bank will enable the organisation to lend money wherever it deems fit.

Infrastructure also needs routine maintenance. Lack of routine maintenance is aggrieving the state of infrastructure in the region. The sustainability of any project depends on its routine maintenance. IGAD should not only construct infrastructure rather it should take into account the mechanisms of maintenance. However, in order to conduct routine maintenance, there must be reserved funds. The financial capacity of the IGAD and the failure to attain infrastructure are not separate issues rather they are intertwined problems of the region.

The involvement of the private sector in the infrastructure development is too limited. In order to overcome financial capacity challenges, IGAD has to offer some projects to the private companies. In most cases, the private companies are working in a competitive manner. Since, they are concerned about their reputation and brand, they are prone to produce quality results. IGAD should involve private companies and it should not always label the private sector as profit-oriented.

In addition, IGAD has to design special mechanisms to develop infrastructure to landlocked members. Ethiopia, South Sudan and Uganda are landlocked countries of IGAD. Since these countries are far from sea outlets and the market, export trade is difficult. Transportation costs are high within landlocked countries. Constructing new infrastructure (such as dry ports, railways, road upgrading and maintenance) has to be done especially in landlocked countries just to give provisional solutions

for the import and export trade. Gerald (2012) argues that these have to use

modern technology in order to fast track their trade flows.

Infrastructure development has to go together with smooth administrative process. Visa regulation, immigration and custom clearance, check point barriers have to be stopped in order to facilitate the flow of goods and persons. Furthermore, road connections have to be coupled with effective port administration. In order to boost the tourism industry, the flight industry has to become effective. Airports have to be renovated. Member states have to encourage private investment in the flight industry in order to fill the gap created by national airlines. Private companies should also encourage flying across the region for business purposes.

The communication sector, especially the ICT policies of member states, have to be revisited. At maximum level member states have to gradually harmonise their ICT policies. The 21^{st} century is an era of information. ICT has the lions share role in accelerating economic growth and human development. ICT has become more than a means of communication. It is the sector that speeds up innovations that enhances quality of life. It is also one of the sectors that attract foreign direct investment. IGAD has to realise its ICT policies to improve people-to-people communications, and lifestyle of the region. The ICT policy of the region will back up the food security initiatives of the region by providing the farmer, meteorologists and researchers accurate weather data.

CONCLUSION

This paper presents the challenges and prospects of infrastructure development in the IGAD region. It discerns that lack of financial capacity, unclear programmes, lack of political will and a static structure that hampers the secretariat to work effectively identify as the main challenges. It was also revealed that regional projects are depending on donor countries since IGAD lacks financial institutions that could develop its own source of funding. Presently, IGAD is engaging the member states in building roads that could connect all the countries in the horn of Africa. Unfortunately, there is a slow progress in this regard as many of these countries are reluctant to participate in this worthy programme. The infrastructure in most of these countries is not adequate to fully and quickly transport goods and people. The involvement of the private sector in helping IGAD is also limited. Lack of harmonization of policies is another challenge that the IGAD is battling with. Instead of thinking and acting regionally, member states prefer to engage in bilateral agreements with countries of their own. Strict visa regulations and inadequate infrastructure are also discouraging people to move, work and trade. Political will is

the key for integration. The lack of political will could be manifested in the overlapping of membership. The region is notorious for subsequent conflicts that impact infrastructure development. Peace i.n the region could be one of the recipes to bring harmony and stability in the region.

List of abbreviations:

1. AfCFTA- The African Continental Free Trade Area
2. AU- African Union
3. CEN-SAD-The Community of Sahel- Saharan State
4. COMESA-Common Market for Eastern and Southern Africa
5. EAC-East Africa Community
6. ECA-Economic Commission of Africa
7. FTA-Free Trade Area
8. GDP-Gross Domestic Production
9. ICT-Information Communication Technology
10. IGAD-Intergovernmental Authority on Development
11. IOC-Indian Ocean Commission
12. IRF-IGAD Road Fund
13. REC-Regional Economic Community
14. SADC-Sourthern Africa Development Coorperation
15. TA-Tripartite Agreement

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