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“Agenda 2063 and the 2030 Agenda for Sustainable Development – Moving from Aspiration to Reality”

High Level Panel on:

“Role of African regional and Sub-regional Organisation in Achieving Regional Integration:
The Continental Free Trade Area within the context of the First 10 – Year Implementation Plan of Agenda
2063”

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Final Version
(as delivered)

Role of African Regional and Sub – regional Organisations in Achieving Regional Integration: the Continental Free Trade Area within the Context of the First 10 – Year Implementation Plan of Agenda 2063

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The Continental Free Trade Area (CFTA) must be viewed within the context of Agenda 2063. It is one of the flagship (fast track) projects of Agenda 2063.

Agenda 2063 was adopted in January 2015. Its First Ten Year Implementation Plan was adopted by the African Union summit in June 2015 in Sandton, South Africa.

The Agenda is to be implemented at national, sub - regional and continental levels in the public, private and civil society sectors. Regional Economic Communities (RECs) are playing, and will continue to play, a pivotal role at the sub – regional level in realizing goals, targets into reality.

Domestication exercise at the national level has commenced in earnest. It is hoped that by the time of the next January 2016 Summit about 30 countries will have been covered. Domestication at the sub – regional (RECs) level has commenced. At the continental level translation of Agenda 2063 goals and targets into action will be largely through the acceleration of ongoing continental initiatives, programmes and projects, such as CAADP, PIDA, AIDA etc. So will CFTA.

The adoption of the Sustainable Development Goals (SDGs) by the General Assembly in September 2015 was most welcome by the African Union (AU) which contributed so substantially to its formulation through the Common African Position on Post 2015 Development Agenda (CAP). SDGs captured contents of CAP almost totally. CAP contents were based on a broad spectrum of consultations with the African stakeholders in various walks of life. Agenda 2063 is based on an in-depth consultations with an even wider array of African stakeholders. Hence aspirations are fundamentally the same considering that the source is the same, namely African stakeholders. The aspirations of the African people are faithfully reflected in Agenda 2063. The Agenda is also based on existing African frameworks, initiatives, programmes and resolutions at various Ministerial and Heads of State and Government *fora*. It is also based on national and RECs strategic plans. Hence coherence and alignment are assured. Because of that substantial influence by Africa on the negotiations of the global P2015 DA and SDGs all the 17 goals of Agenda 2030 are already contained in Agenda 2063 albeit appearing in different words and configuration. SDGs are in essence a sub – set of Agenda 2063 20 goals. Thus by implementing Agenda 2063, Africa will already be meeting its international obligations regarding SDGs. Therefore Africa is

faced with the pursuit and realization of one framework and that is Agenda 2063 First 10 Year implementation Plan.

African share of international trade has been, and continues to be, far below its potential. Intra-Africa trade also leaves ample room for improvement. Removal of trade barriers would go a long way towards substantially leading to the increase in trade, both with regards to global trade as well as intra-Africa trade. African trade would be increased ever more when there is more to offer in trade in terms of goods and services. This brings production of goods and services to the fore; hence adoption of commodity strategy in Agenda 2063. To this end Africa is seeking to pursue transformative economic growth. The objective being strong, stable, sustained and inclusive economic growth with equitable distribution of income and wealth characterized by diversification and value addition. This would require action on the following fronts: infrastructure development (in its broad context) and energy generation; improvement of agricultural production; enhanced science, technology and innovation for development; increased investment in Human capital with emphasis on technical training and skills upgrading; accelerated industrialization and new impetus on services production. In short, there would be need to boost productive capacities, enhance competitiveness and engage in diversification thus being able to add value and join global and regional supply chains. Integration process would need to be accelerated. Economies of scale and efficient distribution of factors of production would be enabled. With these measures in place then removal of trade barriers, market development and improvement of logistics, Africa's global and intra- Africa trade would increase substantially. In this manner rapid, resilient, inclusive and sustainable socio-economic development would be realized. Africa would then be on its way towards poverty eradication. Clearly Continental Free Trade Area (CFTA) is but part of this whole complementary scheme of measures.

CFTA is one of the twelve fast track (flagship) projects and endeavours of Agenda 2063, the first nine of which reinforce realization of CFTA. They are as follows:

- 1) Integrated High Speed Train Network;
- 2) E-Network;
- 3) Impetus to achieving open aviation skies (Yammoussoukro Decision 2002);
- 4) Hastened progress on Grand Inga Dam implementation;
- 5) Free Intra-Africa people movement culminating in African passports;
- 6) Silencing the guns by 2020;
- 7) Commodities strategy (value addition and diversification);
- 8) High level Africa Stakeholders forum;
- 9) Accelerated establishment of continental Financial institutions.

In addition to CFTA itself, which should be accomplished by 2017, there are also Africa Outer Space Strategy and Africa Virtual E-University among the flagship projects/initiatives of Agenda 2063. A lot of work is already ongoing towards implementation of these twelve projects. CFTA has both a cause and effect on, and from, the dynamics in other sectors of the economy. There is mutual reinforcement.

It should be noted that Intra-Africa trade vastly differs from sub-region to sub-region. Be that as it may ample room for improvements remains overall. There is thriving informal cross border trade among African countries which statistics may not capture full currently. It is essential to develop African private sector. This should be so because it is the private sector that **extracts, diversify and adds value** and

trades. Africa has joined data revolution. **Statistics systems** both **public** and **private** must be improved and efficiently co-ordinated, staffed and equipped. This is imperative to secure adequate, accurate and timely statistics which is the *sine quo non* of results based management and accountability framework envisaged in Agenda 2063. Deepened, stable and well regulated and supervised financial markets are essential for trade. This is important for mobilization of required financial resources and credible payment systems that are needed for trade. Inclusion of the now marginalized social groups such as women, youth and people living with disabilities, will ensure that all human resources and talents at the disposal of the African society are brought on board for economic activities. All shoulders should be put to the wheel to realize accelerated transformative growth. Clearly CFTA is part of a bouquet of policy measures and should not be looked at in isolation. There is a symbiotic relationship among policy measures.

CFTA negotiations were launched in June 2015 in Sandton, South Africa. Phase 1 is to deal with **trade in goods and services**. Phase 2 will address **investments, intellectual property and competition policy**. The African Union Commission (AUC) has developed a comprehensive plan for continuing with studies, sensitization exercise, political engagement (legislature, civil society, private sector) and capacity building initiatives in member states and Regional Economic Communities (RECs).

AUC is expected to organize inaugural CFTA Negotiating Forum during 2015. Target date for completing the negotiations remains 2015. There will be a periodic meeting of political heads of RECs to monitor progress and ensure that momentum is maintained at a high level. Semi – annual co – ordination meeting consisting of AUC, AfDB, NPCA, APRM, RECs, UNECA and ACBF) will also oversee progress at the technical level.

In all these endeavors AUC will be supported by the following partners. AfDB, UNECA, Export Import Bank (Eximbank) and other relevant African institutions. Key parties to be supported in this monumental task are Member States, RECs and AUC. RECs remain central in realizing CFTA. RECs remain the building blocks for continent wide endeavours and integration as envisaged in the Abuja Treaty.