

Thematic session on “Regional trade integration”

Concept note

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At a time of mounting insecurity threats, trade policy can be a key tool to foster stability, economic diversification and inclusive growth, ethnic appeasement, quality of life, common values, and essential human and social rights, by building strategic interdependencies between the EU and Africa and develop win-win integration initiatives. This is even more the case when it comes to agricultural trade. Both sides should look for a strengthened partnership in line with the long-term prospect of a continent-to-continent trade agreement based on the successful implementation of the African Continental Free Trade Area (AfCFTA).

Africa has seen increasing levels of integration in recent years but still has a low percentage of intra-regional trade in total African trade – 18% of total exports takes place within Africa, compared with 59% in Asia and over 69% in the European Union. The African Continental Free Trade Area (AfCFTA) is a flagship policy of the African Union’s Agenda 2063. Trading under the AfCFTA Agreement started on 1 January 2021. This agreement regroups the world’s largest free trade area in a single continental market for goods and services. It brings together the 55 countries of the African Union (AU), eight Regional Economic Communities (RECs), a population of about 1.3 billion people and a combined GDP of approximately €3.18 trillion. Among other benefits expected, 30 million people will potentially be lifted out of extreme poverty: the AfCFTA has the potential to expand the size of Africa’s economy up to €27.1 trillion by 2050.

Despite being a pan-African FTA, the AfCFTA Agreement ensures the coexistence of the AfCFTA and the AU’s Regional Economic Communities (RECs) Free Trade Areas (FTAs). In addition, African countries have concluded several trade agreements with external trade partners, amongst which the EU. The EU keeps on supporting the AfCFTA through the Economic Partnership Agreements (EPAs) that are considered as its “building blocks”. AfCFTA and EPAs are mutually reinforcing. EPAs contribute to regional economic integration by joining up smaller markets in larger EPA regions, established by the African countries themselves. EPAs have helped several African countries and regions to create predictable trade and investment conditions, attract capital and become a hub for foreign direct investment. The AfCFTA process can take this very practical experience into account. Likewise, stability and prosperity in Africa is critical for the EU’s stability and prosperity and needs to be supported by closer economic integration of the two continents, driving the Africa and EU’s green and digital transitions jointly.

The development of intra-African trade in agri-food products is crucial for Africa's economic transformation and for a strengthened resilience in nutrition and food security on the African Continent. The 2003 Comprehensive Africa Agriculture Development Programme (CAADP) and the 2014 Malabo Declaration provide a global strategic framework to achieve this, as well as to improve rural infrastructures, transform agriculture and achieve a more inclusive growth.

The EU and its Member States collaborate with the AU and the African countries to facilitate the intra-African trade integration through different avenues: funding of demand-driven dedicated development cooperation projects, the Pan African Network for Economic Analysis of Policies (PANAP), the programme for Strengthening Sanitary and Phytosanitary Systems for Africa (SPS Africa) and the Africa Intellectual Property (AfrIPI) project with a focus also on protecting Geographic Indications in Africa. Another tool for trade integration is the Sustainable Investment Facilitation Agreements (SIFA) that the EU intends to pursue with African partners. The one recently concluded with Angola is the first EU agreement of this kind. Also in line with the EU Trade Policy Review, such agreement will help attracting investments while integrating environment, and labour rights commitments in the EU-Angola relationship.

Africa remains a priority for EU trade and investment policy. The EU and AU partnership on intra-African trade has been clearly emphasised during the February 2022 EU-AU Summit where African and European leaders committed to boost regional and continental economic integration especially through the AfCFTA and to work gradually towards the progressive and mutually beneficial integration of our respective continental markets. The AU Summit on economic integration and diversification in Niamey on 25 November 2022 reiterated the need for regional value chains on the continent's natural resources endowments, with priorities among others on food and nutrition in order to reduce the continent's external dependency.

This thematic session will be the opportunity to take stock of the recent updates in the EU-AU trade relations and exchange on different experiences of trade integration in the two Continents with a view to foster the resilience and sustainability of our food systems.

Panellists

Chair

- Reuben Mtolo Phiri, Minister of Agriculture, Zambia

Moderator

- Viwanou Gnassounou, Former Assistant Secretary-General – Sustainable Economic Development & Trade; Organisation of African, Caribbean and Pacific States (ACP)

Speakers

- Magda Kopczynska, Deputy-Director General, Directorate-General for Agriculture and Rural Development, European Commission
- Rob Vos, Director Markets, Trade and Institutions (MTID), International Food Policy Research Institute (Ifpri)
- Alex Assanvo, Executive Secretary, Côte d'Ivoire Ghana Cocoa Initiative (CIGCI)
- Elizabeth Mpofu, Chairperson, Zimbabwe Smallholder Organic Farmers' Forum (ZIMSOFF)