



Fourth AFRICAN UNION - EUROPEAN UNION Agriculture Ministerial Conference

CONCEPT NOTE for the panel on Regional trade integration

Timing: 10.00-11.30 (CEST)

Subject: **Regional trade integration for improved food security and enhanced value chains**

Format: One of four parallel thematic sessions – a high-level chair (ministerial level) will guide a discussion among a range of active players with differing experiences. Audience participation is expected.

CONCEPT

Africa's journey towards an integrated and prosperous continent attained an important milestone on the 30th May 2019 with the entry into force of the Agreement establishing the African Continental Free Trade Area (AfCFTA). Africa's integration agenda is expected to increase intra-African trade and investment to generate economic growth and create more job opportunities for millions, and provide opportunities for women and youth entrepreneurs. The Comprehensive Africa Agriculture Development Programme (CAADP)¹ provides a key pathway for regional trade integration as it seeks to improve rural infrastructure and trade related capacities for market access, in order to transform agriculture and sustain inclusive growth, by enhancing markets, trade and value chains. At the AU Summit in Malabo in 2014, Heads of State and Government adopted a set of concrete agriculture goals to be attained by 2025 and one of these clearly refers to boosting intra-African trade in agricultural commodities and services, also to fast track a continental free trade area and transition to a continental common external tariff scheme.

Reducing tariffs alone is not sufficient to boost intraregional trade: factors other than tariffs make trading goods particularly costly for African countries and likely contribute to regional trade gaps. The African Continental Free Trade Area (AfCFTA) Annex no. 7 on Sanitary and phytosanitary (SPS) measures and the AU Continental SPS Policy Framework are aimed at addressing non-tariff measures to ensure efficient trade. To ensure that the economic and welfare benefits of deeper regional trade integration are equally shared, trade policies should be combined with structural reforms that boost sustainable agricultural productivity to better leverage existing comparative advantage, also through targeted social schemes and training programs to ease worker mobility across industries and promote

¹ Africa's policy framework for agricultural transformation, wealth creation, food security and nutrition, economic growth and prosperity for all.

employment. Along with integrated transparent SPS measures, there is a need for integrated mechanisms that ensure fair prices and help producers cope with price fluctuations.

The African Continental Free Trade Area (AfCFTA) aims to create a single continental market for goods and services, with free movement of business, persons and investments, and expanding intra-African trade through better harmonization and coordination of trade liberalization and facilitation and instruments across the RECs and across Africa in general. Significant opportunities lying ahead of further regional trade integration could however be undermined either by structural features² that would require a long-term commitment to change, or by the result of certain distortive policies, such as tariffs, trade regulations, and regulatory requirements, whose removal would boost regional integration.

The EU is already supporting the AfCFTA through the Economic Partnership Agreements (EPAs), whose role as “building blocks” is consistent with the AfCFTA’s drive for greater economic integration and fit into a reform agenda where partner countries put in place the necessary policies and measures that enable business and farmers to create wealth and improve livelihoods. Within the AfCFTA support, the EU is also collaborating with the AU on the programme for Strengthening Sanitary and Phytosanitary Systems for Africa (SPS Africa) and the Africa Intellectual Property (AfriP) project with a focus on protecting Geographic Indications in Africa. EU experience taught that regional integration is a complex process with several factors at play beyond tariffs. Understanding the drivers of the substantial gaps in intraregional trade and identifying policies to help boost the region’s trade will be key to the success of a free trade area. In this context, the EU is also aiming at facilitating integration in the continent through harmonised rules of origin applicable to their trade with the EU. The AfCFTA could help addressing bottlenecks in the regional integration in Africa and outlining patterns to strengthening the resilience of the agri-food chains recently disrupted by the Covid-19 pandemic. This thematic session will bring together different experiences and perspectives, and can be an opportunity to refocus the public debate on the importance and role of agriculture and agricultural policies in putting our food systems on a sustainable path.

PROPOSED FORMAT AND POTENTIAL PANELLISTS:

- **Chair:** H.E. **Fernando Miranda Sotillos**, Secretary General for Agriculture and Food, Ministry of Agriculture, Fisheries and Food of Spain

Introductory remarks (5 minutes)

Moderator:

John Clarke, Director, DG Agriculture, European Commission

- 10.15-10.25:
Estherine Fotabong, Director, AUDA-NEPAD: The AfCFTA and the other international agreements
- 10.25-10.35:
Jemimah Njuki, Director for Africa, IFPRI: Intra-Africa trade

² Lower levels of income and economic size and generally longer distances compared with other regions.

- 10.35-10.45:
H.E. Gerardine Mukeshimana, Minister of Agriculture of Rwanda: The role of regional integration and Africa's economic transformation
- 10.45-10.55:
Ahmed M. El Wakil, President, ASCAME (Association of the Mediterranean Chambers of Commerce and Industry)

10.55-11.25:

Open floor discussion

Chair's concluding thoughts (5 minutes)



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