



Economic Commission for Africa
Committee on Regional Cooperation and Integration
Ninth session

Addis Ababa, 7 – 9 December 2015

Aide-memoire

I. Introduction

1. The Committee on Regional Cooperation and Integration (CRCI) was established by resolution 827 (XXXII) of the ECA Conference of Ministers. The Committee meets on a biannual basis at the Commission to review the work undertaken in the biennium under subprogramme 2, on regional integration and trade. It also uses the opportunity to review and deliberate on development in the sectoral areas and make recommendations which guide the work under the subprogramme. For its ninth session, the Committee is expected to convene in Addis Ababa from 19 to 21 October 2015.

2. Relevant parliamentary documentation has been prepared and will be shared with CRCI prior to the meeting in the three key areas of the subprogramme:

(a) Reports on international and intra-African trade and related negotiations in support of regional integration;

(b) Reports on food security, agriculture and land management in Africa;

(c) Reports on industrialization, infrastructure and investment in Africa.

3. This aide-memoire briefly presents the issues addressed in the reports for consideration and discussions during the ninth session; and other matters, including the working languages for the meeting, the participants, dates and venue, and the proposed agenda.

II. Issues to be discussed

4. The eighth session of CRCI had focused on concrete policy actions and measures required to enhance progress in trade, regional cooperation and integration, and ensure that Africa advances in its transformative agenda. The meeting reiterated continued support on both the Action Plan for Boosting Intra-African Trade, and the envisaged establishment of the Continental Free Trade Area (CFTA), thereby paving the way for the establishment of the African Common Market and the African Economic Community in accordance with the vision of the Abuja Treaty.

5. Since the last session's discussions, important progress has been made with regard to CFTA. The Tripartite Free Trade Area, comprising 26 member States of

the Common Market for Eastern and Southern Africa, the Southern African Development Community and the East African Community, was launched by the Heads of State of the tripartite countries during their recent summit in Egypt in June 2015. The African Union Assembly of Heads of State and Government also launched the negotiations for CFTA during their summit in Johannesburg in June 2015, and reaffirmed their earlier decision to have CFTA established by 2017.

6. Parallel to the CFTA negotiations is the need to accelerate the progress on economic diversification and structural transformation in Africa, in order to reverse the continent's dependence on merchandise exports dominated by raw and unprocessed commodities. The structural transformation of the African economies, by means of accelerated industrial development and supply and value chain linkages across the continent, therefore remains a key priority action to make CFTA more meaningful. An operational CFTA buttressed by this structural transformation of the African economies would not only greatly boost intra-African trade, but also it would enhance Africa's marginalized position in the global trading and economic mainstream.

7. Various analytical studies, including recent editions of the ECA Economic Report on Africa and Assessing Regional Integration in Africa (ARIA) flagship publications, have strongly indicated that one of the key factors underlying the low level of intra-African trade has to do with the continent's overall weak productive capacities, lack of competitiveness and technological sophistication. Furthermore, infrastructure continues to be a key impediment to productive integration in Africa through supply and value chain linkages, not only in the agriculture sector, but also in manufacturing and other sectors of the economy. Consequently, productive integration at both the regional and continental level remains elusive.

8. Deficit infrastructure also has an adverse effect on Africa's potential to unlock its productive integration and regional value chains capacity as a pathway to economic oriented regional integration. Infrastructure development is vital for regional integration as it facilitates and fosters intraregional trade and the development of regional markets, accelerated growth, and ultimately the creation of jobs and the reduction and eventual elimination of widespread poverty. Furthermore, with infrastructure in place, intra-African trade and regional value chains can effectively facilitate Africa's industrialization and eventual entry into global value chains.

9. Productive integration would, therefore, form a strong basis for a viable and an economic oriented regional integration. Productive integration and capacity for effective participation in regional and global value chains requires boosting investments in key strategic sectors, such as hard infrastructure (particularly transport, energy, and information and communication technology) and other enablers such as financial services, soft infrastructure and a conducive macroeconomic policy and business environment.

10. Against this background, the ninth session will take place at a time of renewed commitment and urgency towards accelerating Africa's structural transformation and the operationalization of CFTA, as embodied in the African Union's Agenda 2063, the post-2015 development agenda, and other related developmental action plans. The ninth session will therefore have as its theme "Enhancing Productive Integration for Africa's Structural Transformation" and thus provide a platform for member States to deliberate on this topical and important issue, including ways and means of promoting and accelerating productive integration and its ancillary components of trade and market integration, economic diversification, competitiveness, infrastructure, regional and continental value chains development, and the financing and investments needed to meet these strategic objectives.

11. The discussions and outcomes of the ninth session will go a long way in shaping not only the debate on these issues, but also catalyse effective commitment

and actions towards the realization of the objectives at national, regional and continental levels.

12. In the context of the discussions on the theme, the ninth session will also have the opportunity to receive and review brief parliamentary reports and presentations by the Secretariat on developments taking place in the different areas of the ECA Regional Integration and Trade Division's work. The reports and presentations will cover the following areas:

(a) **Development and promotion of regional strategic food and agricultural commodities value chains in Africa.** The discussions on this will look at a regional value chain model for the development of agribusiness and agro-industries with the potential for increased participation of small holders in the chain at national level first, then through identification of preferential agroecological zones, recommend regional value chain for economies of scale;

(b) **The status of food security in Africa.** Discussions will be held on the update of the status of food and nutrition security in Africa. The root causes of food insecurity and policy recommendations to enhance capacity and engagement at national, subregional and regional levels will be the mainstay of the discussions;

(c) **Intra-African trade and the Africa Regional Integration Index.** An overall picture of intra-African exports and imports between 1995 and 2013 will be presented and discussed. The session will debate on the composition of the intra-African trade that tends to be dominated primary by commodities, reflecting not only low levels of industrialization but also the low level of transformation in the continent. A joint initiative by the African Development Bank, the African Union Commission and ECA in producing the Africa Regional Integration Index will be presented and discussed during the session. The index project covers regional dimensions of tariff liberalization, trade facilitation, free movement of persons and labour markets, financial integration, macroeconomic policy convergence, social and cultural integration (including gender issues), regional economic community institutional capacity, regional value chains, statistical harmonization and regional infrastructure (including communications, transport and energy);

(d) **Africa's international trade.** Presentations and discussions will focus on the developments in international trade in 2013 and 2014. The African trade performance and recent trends in merchandise and services, the status of negotiations under the Doha Development Agenda and the Economic Partnership Agreements; and the African Growth and Opportunity Act (AGOA), the Aid for Trade initiative and the increasing importance of South-South cooperation with China and other Asian economies – will all be salient areas for discussions and will conclude with policy recommendations;

(e) **Infrastructure development in Africa.** Discussions in the area of infrastructure, paying particular attention to the transport and energy infrastructure, will be held. The main focus will be to show the current status and gaps of the transport and energy infrastructures, the key priority areas to be discussed, and finally, the current state of play and progress in bridging the requisite infrastructure finance gap;

(f) **Review of industrial policies and strategies in Africa.** The session will discuss the relevant information on the development of industrial capacities to fill observed gaps in the sector;

(g) **Review of investment policies and bilateral investment treaties landscape in Africa.** Implications for Regional Integration. There will be a dialogue on bilateral investment agreements and how they can help advance Africa's economic and social transformation.

III. Working languages

13. The working languages for the meeting, in terms of simultaneous interpretation and background documents, will be English and French.

IV. Participants

14. As in previous sessions of the Committee, and in the light of the theme of the ninth session, the following delegations of the member States are expected to attend:

(a) Senior officials and experts drawn from African ministries in charge of regional integration, trade and industry, infrastructure, agriculture and land policy;

(b) African Ambassadors and Plenipotentiaries based in Addis Ababa.

15. Other invited participants include:

(a) Representatives from the African Union Commission, the regional economic communities, the African Development Bank, and the NEPAD Planning and Coordinating Agency;

(b) Representatives from the organizations of the United Nations system, the World Bank, and the African Economic Research Consortium (AERC);

(c) Development partners (as observers).

V. Dates and venue

16. The ninth session of the Committee on Regional Cooperation and Integration will take place at the United Nations Conference Centre at the ECA Headquarters in Addis Ababa, from 19 to 21 October 2015.