ANNUAL MEETING HIGH LEVEL PANEL

UNLEASHING THE REGIONAL INTEGRATION POTENTIAL OF AFRICA THROUGH TRADE AND TRANSPORT FACILITATION

February 23, 2017

Marrakech, Kingdom of Morocco
SPEAKER BRIEFING
Please review this important information in order to plan your attendance and help make your session successful.

SESSION DETAILS

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<th>High level panel on Regional Integration in Africa</th>
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<td>Unleashing the regional integration potential in Africa through trade and transport facilitation</td>
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SESSION OBJECTIVES

The objectives of the session are to review Africa’s regional integration agenda and identify key challenges that trade and transport facilitation can help address and the strategic areas of engagements of stakeholders at RECs and country levels that SSATP could support to make a difference.

The following dimensions of the theme should be ideally covered to achieve the above stated objective:

- What are some of the main challenges that African countries need to adequately address through introduction of trade and transport facilitation measures— including those that appear as “quick wins” or based on lessons learned from experiences
- What are some of the progress recorded and some of the ongoing programs and projects at country and REC level in respect of these challenges? Including success stories and gaps identified.
- How could the member countries and the RECs TCC members— at continental, regional and development partners’ levels, leverage the existence of the SSATP as unique partnership model and ensure its interventions harmoniously fits in and complement the program and actions plans at REC and country levels to, substantially transform the transport and trade environment in Africa
- How can the Sector Ministries at Country level, the RECs and the Continental organizations strategically act to give impetus to the REC TCC in ensuring its optimal contribution in the delivery of impactful and sustainable policy guidance?
BACKGROUND

Regional integration holds a central place in Africa’s endeavors to achieve the economic transformation and attain the sustainable socio-economic development of the continent. Accelerating and improving economic integration and cohesion is critical to address the fragmentation of the continent into small-scale economies.

Subsequently Africa has put in place the regional economic Communities (RECs) as a strong platform for harmonization of initiatives and support of the implementation of the agenda towards accelerating the regional integration and co-operation arrangements on the continent.

Africa’s regional economic communities have further liberalized movement of persons, African countries have taken steps to boost trade in goods within the continent and the continent’s infrastructure continues to improve. Yet, despite an impressive average economic growth exceeding 4 percent between 2000 and 2014 registered by African countries, Africa’s intra-regional trade of about 12% remains by far very low compared with other regions (North America is 4) %, Western Europe is 60%.

Intra-African imports as a share of the continent’s GDP rose from around 2.7 per cent in 1995 to around 4.5 per cent in 2013, but this is low compared with regions such as the Americas (6.7 per cent), Asia (17.9 per cent) and Europe (21 per cent). However, among the eight regional economic communities recognized by the African Union, only the Southern African Development Community (from 3.6 per cent of GDP in 1995 to 5.7 per cent in 2014) and the Common Market for Eastern and Southern Africa (from 0.8 per cent in 1995 to 1.8 per cent in 2014) have seen substantial increases in the share of intra-regional trade in GDP. The Southern African Development Community is Africa’s only regional economic community among the highest-performing regional trade agreements worldwide in 2013 (sixth out of 32; Africa’s other regional economic communities fall in the bottom half).

The integration efforts of African countries are hampered by the high transport and logistics costs, the long delays and the uncertainties that characterized their international and intra-regional trade. These poor performance and inefficiencies result not only from the lack of adequate infrastructure but also and notably by poor governance, non-conducive institutional and regulatory environment and weak institutional capacity at both the policy formulation and implementation level. Cumbersome and lengthy customs and administrative procedures at the ports, and at the border posts, numerous road blocks along notably the road corridors, relatively high costs of transport and logistics services associated with poor quality service are common future of African countries.

Harmonizing and strengthening trade facilitation measures taken in a broader sense, including developing sound transport policies and strategies that address the soft dimension of the cross-border and intra-regional trade related challenges as well as ensuring their effective implementation, and timely monitoring and evaluation will be instrumental in Africa’s capacity to successfully bridge up the gap with other part of the world and achieve the objectives set out in its transformational development agenda and programs.
As part of Africa’s regional integration agenda, PIDA was given top priority by the African Ministers of Transport in 2011, as the single most important program for inter-regional and continental integration that will help to interconnect transport networks, especially those serving landlocked and island countries for the territorial, economic and social cohesion of Africa in support of its global competitiveness. Accelerating the facilitation of inter-State transport by harmonizing legislations, simplifying transit procedures, removing non-physical barriers and improving efficiency and safety in transport operations was also included in the declaration along with the commitment to strengthen and, where necessary, put in place institutions responsible for the management of safety, security and facilitation in the transport sector; foster the use of Information, Communication and Technology (ICT) and other technologies in the development of transport infrastructure and operations.

To enable trade integration plays its major role in enhancing structural transformation and inclusive growth across the continent the African Heads of States resolved to established a Continental free Trade Area (CFTA); the CFTA aims at fostering economic development through trade growth, particularly intra-African trade. To fast track the implementation of the CFTA the Action Plan for Boosting Intra-Africa Trade (BIAT) was adopted, in order, through a combination of measures, to address the numerous constraints that restrict the growth of intra-African trade. These measures relate to seven clusters that can be classified into three broad themes: trade policies, trade facilitation and trade competitiveness.

The SSATP is committed to work in support of Africa’s regional integration through notably the provision of transport policy support to the African countries and their RECs as many of the numerous challenges confronting the national and cross-border transport and logistics systems could be adequately addressed at policy level.

Removing the multiple obstacles that hamper Africa’s intra-regional trade, requires a thorough understanding of the key role played by trade and transport policies, but also an active and coordinated co-operation between the parties involved ie. AUC, UN ECA, RECs, Countries and development partners.

By providing a platform for a constructive policy dialogue at continental level on regional integration and related trade and transport facilitation issues amongst key relevant stakeholders namely the RECS, the development partners and the regional transport and trade industry associations, the REC TCC envisioned to give an impetus to the dissemination and advocacy for the effective implementation of the policy recommendations stemming from the work of SSATP Pillar A and its associated best practices that will be identified, as well as to the monitoring of the implementation and the evaluation of their impact.

Linking up efficiently the knowledge creation and the knowledge sharing dimensions of the demand driven activities conducted by the SSATP to support countries, Recs, CMIs, in respect of the three strategic focus areas, namely promoting integrated corridor development with performance-based orientation, strengthening institutional capacity and promoting efficient logistics services with the downstream implementation at country and corridor levels, within and across sub-regions, no doubt require the REC TCC to be empowered and the RECs to devise the needed coordination and follow up scheme between them and the member countries. It is worth noting
that although the REC's are the building blocks of the African Integration Agenda, trade and transport facilitation initiatives, at policy and strategies implementation levels, will require a strong commitment at national level, without which little progress can be achieved at the sub regional level.

SESSION PARTICIPANTS

Chair: Honorable Minister of Transport of Nigeria

Moderator: Mbaye Diouf, former Director Trade and Regional Integration (UNECA)

Panelists:
1. Honorable Ministers from Cameroon, Cote d’ Ivoire and Zimbabwe
2. ECOWAS representative (Commissioner Infrastructure)
3. AUC: Director of Infrastructure and Energy
4. AfDB Representative
5. EU Representative
6. World Bank representative
7. Private sector representative from Morocco: AFFM (Morocco Freight Forwarders Association)

Making the Panel composition to be as follows: Chairperson + Moderator+ 9 panelists

SESSION FORMAT/TIMING

We recommend the following format for the session and suggest you coordinate with panelists to ensure consistency and complementary talking points, and to discuss alternative formats.

Discussion format:

1. Welcome speech and introductory note by Chairperson (5 min)
2. Setting the stage by the moderator including presenting panel members and Introducing Regional Economic Communities and AU for brief presentations on progress and perspectives of regional integration in their respective areas - panel members (20 min)
3. Introductory remarks by Honorable Ministers (15 mn)
4. Questions from Moderator to Panelists (15 minutes)
5. Contributions from other Ministers and WBG (15 mn)
6. Q&A with participants (WBG contribution -10 mn)
7. Moderator wrap-up (5 mn)
8. Chairman closing remarks (5 mn).