



LINK!



INSIDE THE AFRICA - EUROPEAN UNION PARTNERSHIP



Lettre d'information de la Délégation de l'Union Européenne auprès de l'Union Africaine

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auprès de l'Union Africaine*

EDITORIAL

Welcome to this edition of Link!

We have devoted this edition to the vital issue of boosting intra-African trade, which the AU has adopted as its special theme for 2012.

The experience of the EU over the past fifty years has clearly demonstrated the benefits of closer integration and the establishment of the internal market. Today, over 60 % of the EU's trade is between the EU Member States. The situation in Africa is very different : Africa's trade remains overwhelmingly with the rest of the world. Only around 10 % of Africa's trade is between African countries.

But this low level also means that the potential for increasing intra-African trade is correspondingly high. Hence the importance of the January 2012 AU Summit decision to work towards the establishment of a Continental Free Trade Area together with an ambitious action plan for boosting intra-African trade.

The EU is a longstanding supporter of closer regional integration in Africa and is providing substantial support at continental, regional and national levels. One important area for EU support is improving continental infrastructure. Without functioning power, transport and ICT networks, it will not be possible to develop fully Africa's internal market. The Programme for Infrastructure Development in Africa (PIDA), also approved by the January 2012 AU Summit, aims to fill some of these infrastructure gaps. The EU and AU are already in discussions on how best to support PIDA under the EU-Africa Infrastructure and Energy Partnerships, including through blending of loans with grants from the EU-Africa Infrastructure Trust Fund.

Improved infrastructure is a vital ingredient for boosting intra-African trade, but is not sufficient by itself. Steps must also be taken to remove the significant institutional barriers which continue to put a brake on increased trade. These barriers range from the business environment and complex cross-border formalities to technical standards and currency procedures. It is important that all these issues are addressed if intra-African trade is to develop in line with the AU's objectives. This will continue to be a focus of the EU-Africa Partnerships on Trade and Regional Integration as well as our support programmes in favour of the Regional Economic Communities.

I hope that you will find the following articles, involving leading African and European personalities, both informative and thought provoking.

Chers lectrices, chers lecteurs,

Nous avons fait le choix de consacrer cette édition de Link! au renforcement du commerce interafricain, qui constitue le thème spécial de l'UA pour l'année 2012.

L'expérience de l'UE au cours des cinquante dernières années a clairement démontré les avantages d'une meilleure intégration et de la mise en place d'un marché intérieur. Aujourd'hui, plus de 60% du commerce de l'UE s'effectue entre les membres de l'Union européenne. La situation en Afrique est très différente: les échanges commerciaux de l'Afrique se font en majorité avec le reste du monde. Le commerce interafricain ne représente que près de 10% du volume de ces échanges.

Ce ratio très faible signifie que le commerce interafricain a un potentiel de développement très fort. A ce titre, nous ne saurions minimiser l'importance de la décision prise par l'UA lors du Sommet de janvier 2012 d'œuvrer en faveur de la création d'une zone continentale de libre-échange sur la base d'un plan d'action ambitieux visant à renforcer le commerce interafricain.

En sa qualité de partenaire de l'UA, l'UE a de longue date cherché à promouvoir l'intégration régionale en Afrique, au niveau national, régional et continental. L'UE attache une importance particulière à l'amélioration des infrastructures du continent. Sans un fonctionnement propre des réseaux de l'énergie, du transport et des TICs, il ne sera pas possible de développer pleinement le marché intérieur de l'Afrique. Le Programme de Développement des Infrastructures en Afrique (PIDA), qui a également été endossé lors du Sommet de janvier 2012, vise à combler certaines de ces lacunes. L'UE et l'UA sont d'ores et déjà en discussion sur les modalités d'un appui à la mise en œuvre du PIDA, dans le cadre du partenariat UE-Afrique pour les Infrastructures et l'Energie, plus spécifiquement par le biais de prêts et de subventions du Fonds pour les Infrastructures UE-Afrique.

L'amélioration des infrastructures est un élément essentiel pour stimuler le commerce interafricain, mais elle n'est pas suffisante en soi. Des mesures doivent également être prises pour surmonter les obstacles institutionnels au développement des échanges. Un climat des affaires décourageant l'initiative privée, des formalités transfrontalières complexes et des normes techniques constituent autant d'illustrations de ces obstacles institutionnels.

Le développement du commerce interafricain présuppose une action politique et technique en la matière. Ce défi constitue une priorité du Partenariat UE-Afrique pour le Commerce et l'Intégration Régionale, ainsi que pour nos programmes de coopération avec les Communautés Economiques Régionales.

D'importantes personnalités africaines et européennes ont accepté de contribuer à cette nouvelle édition de Link!

J'espère que, tout comme moi, vous trouverez dans les articles qui suivent, une source d'information et de réflexions nouvelles.

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Interview with...



H.E Erastus Mwencha

Deputy Chairperson of the African Union Commission

Why is Intra-African trade so important for the future of Africa?

There is strong consensus among African leaders that regional integration is indispensable to unlock economies of scale and sharpen competitiveness; and promoting intra-african trade has emerged as a top priority, in recognition that the African market of 1 billion consumers can be a very powerful engine for growth and employment. Despite the introduction of free trade areas, customs unions, and common markets within the region, the level of intra-African trade remains the lowest in the world.

There is urgency to move the economies beyond natural resource and agriculture and break into manufacturing; to this end, countries will need to strengthen their competitiveness by enacting policy reform to ensure more competitive markets for transport and trade facilitation, improving efficiency of government agencies at the border, and addressing behind-the-door trade constraints to promote value addition, increase productivity, and undertake infrastructure investments that reduce the cost of inputs. African countries' trade with one another has the potential to be far more diversified than the current composition of African trade with the rest of the world. If internal trade barriers were removed and transport

services were improved, think of the huge efficiency gains that could be redeployed for investment in new areas.

Also due to the fact that Africa does the bulk of its trade with the outside world and the exports are heavily concentrated on primary commodities, the continent has been particularly vulnerable to external macroeconomic shocks and protectionist trade policies. The importance in synergy between intra-African trade and global trade integration, particularly the critical importance of development friendly trade agreements with global partners that provide broad and comprehensive market access cannot be overemphasized. Intra-African trade should therefore be seen as a means to achieve the goals of economic growth and development in Africa, and not simply as an end in itself.

It is against this backdrop that the Heads of State and Government of the African Union decided on the theme of "Boosting of Intra-African Trade" as the theme of their 18th Ordinary Session of the Assembly.

What were the main outcomes of the 18th AU Summit in this regard?

The major outcome of this meeting was the Assembly decision to establish a Continental Free Trade Area

(CFTA) at an indicative date of 2017 based on progress made in the negotiations; these dates may seem ambitious, but it is what Africa has to commit to. The Assembly endorsed an Action Plan for Boosting Intra-African Trade, a Framework, a Road Map, and Architecture for the establishment of a Continental Free Trade Area. To ensure that the implementation of the CFTA and the Action Plan is accorded necessary attention at the highest policy level, the Assembly also established the High Level African Trade Committee (HATC) that is expected to play a facilitation role and assist in unlocking any blockages that might arise in the implement of the CFTA agenda and Action plan.

The Action Plan on boosting intra-African Trade, when implemented, will address some of the challenges mentioned earlier. These challenges relate to the weak production base, trade facilitation, weak infrastructural links, trade finance and insufficient trade information exchange facility among others. A proposal was made by the Assembly to establish a Committee of seven to further reflect on these concerns.

The broader message, therefore, was the need for implementation of political commitments under existing regional trade agreements through these committees, as there is a strong consensus that African leaders need to be held accountable for their performance against agreed commitments.

What are the future steps that the AUC will undertake, especially with regard to decisions that will be presented to HoS at the AU Summit in Lilongwe.

The successful implementation of the decision of the Assembly will require participation of all relevant stakeholders. The role of the AUC as defined by the African Union is at the policy making level and there remains pivotal. However, the Commission will work through the Regional Economic Communities, private sector, and African civil society to continue the push for implementation of these decisions. The private sector players are the ultimate users of the free trade agreement from a business perspective. It is, therefore, imperative that the private sector is involved in the negotiations of the Continental Free Trade Area and that the development of the implementation strategy of the Action Plan to ensure effective implementation.

Given the central role of the private sector, the continued importance of improving the investment climate and reducing the cost of doing business, not only for large pan-African companies, but also for SMEs and the

informal sector. There is, therefore, the need for more innovative approaches to monetize assets, build the capacity, and enhance the productivity of small and informal enterprises, particularly in the agriculture sector.

The broad spectrum of the proposed road map is set against the backdrop of two key principles or concepts, namely: "to fast track" and "to draw from and build upon existing progress already made", particularly given the experience of the COMESA-EAC-SADC Tripartite Free Trade Area.

"Intra-African trade should (...) be seen as a means to achieve the goals of economic growth and development in Africa, and not simply as an end in itself"



Michel Barnier

Commissaire européen chargé du Marché intérieur et des services financiers

L'Union Africaine consacre son 18ème et son 19ème sommet à la promotion du commerce intra africain. Pensez-vous que l'Afrique puisse s'inspirer de l'expérience européenne dans ce domaine ? En quoi la constitution du marché commun européen peut-elle se révéler utile à nos partenaires africains ?

Le marché unique est la politique la plus aboutie de l'Union européenne, celle sur laquelle nous avons construit, partant de 6 membres pour arriver aujourd'hui à 27, le respect mutuel et les liens de coopération qui garantissent la paix à notre continent.

Bien sûr l'expérience européenne peut profiter à l'Afrique, car nous connaissons désormais les éléments indispensables à la réussite de ce projet présenté comme économique, mais en réalité profondément politique, qu'est le rapprochement des économies d'un continent pour aboutir, à terme, à un marché unique.

Ainsi, il n'est de marché commun que si les règles sont acceptées et respectées par tous. Cela implique de créer et maintenir un haut niveau de coopération dès l'élaboration des règles internes, en consultant tous ses partenaires dès la rédaction des projets de loi. Pour garantir l'application des principes communs, les admin-

istrations nationales doivent travailler ensemble, et être aidées dans ce sens. L'Europe avait, dès l'origine, mis en place un programme d'assistance financière massif pour aider ses membres les plus en difficulté.

Enfin, le marché commun ne peut fonctionner que s'il permet des avancées concrètes au service des personnes. Les citoyens et les entreprises doivent ainsi pouvoir demander une solution simple et rapide à une instance unique lorsque leurs intérêts leur paraissent lésés. Les infrastructures essentielles à la matérialisation des échanges commerciaux doivent être renforcées et interconnectées.

Mais l'Europe a aussi appris que le marché unique, parce qu'il est un projet politique, ne saurait être immobile. Nous avons ainsi lancé l'Acte pour un marché unique il y a deux ans, qui prévoit 50 nouvelles mesures pour approfondir l'existant et développer l'économie européenne dans le sens équilibré d'une économie sociale de marché.

L'Europe a donc plus qu'une expérience à partager. Nous souhaitons à nos amis africains d'avancer vers le marché unique car cette ambition est porteuse de valeurs auxquelles nous sommes profondément attachés.

"Nous souhaitons à nos amis africains d'avancer vers le marché unique car cette ambition est porteuse de valeurs auxquelles nous sommes profondément attachés"

Quelles actions pensez-vous entreprendre pour renforcer la coopération entre l'UE et les organisations régionales africaines?

J'ai personnellement engagé mes services à renforcer leurs coopérations avec les organisations africaines, au premier rang desquelles l'Union africaine, mais également les communautés économiques régionales. Un tel axe de travail n'avait rien d'évident à l'origine, le marché intérieur n'étant pas a priori une politique tournée vers les pays tiers. Mais c'est au nom des valeurs que j'estime être celles qui président au marché unique en Europe que j'ai demandé, et obtenu, que nos liens avec les institutions africaines soient renforcés.

Cette coopération se donne à voir dans les séminaires que mes services organisent annuellement avec des représentants des organisations africaines susmentionnées. Les discussions menées l'an dernier à Addis Abeba ont montré l'attrait que l'expérience européenne suscitait sur le continent africain. L'organisation d'un nouveau débat cette année à Bruxelles permettra, j'en suis sûr, de confirmer cet intérêt mais sera aussi l'occasion d'aborder des aspects plus concrets des possibilités d'échanges entre l'Europe et l'Afrique sur les questions incontournables que soulèvent la création d'un marché unique, qu'il s'agisse de la question de la rédaction et de l'application des règles juridiques et des standards techniques, de l'organisation d'une économie compétitive dans toute la région ou des marchés publics.

De plus, après avoir assuré pendant trois mois la présence d'un fonctionnaire européen de haut niveau au sein des services de l'Union africaine, nous nous réjouissons d'accueillir un fonctionnaire de l'Union africaine au sein de nos services pendant trois mois cette année. Ce type d'échanges, s'il venait à se pérenniser, est un formidable outil de développement des relations administratives mais également du lien politique entre nos institutions. Si Jean Monnet assurait que rien n'est durable sans elles, le même ajoutait que rien n'est possible sans les hommes...

Enfin, parmi les possibles actions concrètes mettant les compétences européennes au service de la coopération

en Afrique, la direction générale du marché intérieur est à l'initiative d'un projet de coopération associant l'office européen de lutte contre la fraude et l'organisation mondiale de la santé en vue de développer des partenariats pilotes dans le domaine de la lutte contre la contrefaçon de médicaments et de produits de santé. Nous abordons cette question sans a priori, conscients que les préoccupations de respect de la propriété intellectuelle doivent accompagner les besoins africains d'accès des populations à des médicaments de qualité.

Quels sont les prochains défis que l'UE devra surmonter pour approfondir son marché intérieur?

Pour nos partenaires, en Afrique, mais aussi en Asie et en Amérique, le principal atout de l'Europe est son grand marché de 500 millions de consommateurs et 22 millions d'entreprises.

Cet atout, l'Europe ne l'utilise pas à son plein potentiel. Cela a été très bien mis en évidence dans le rapport remis par Mario Monti en 2010, qui a diagnostiqué une "fatigue" du marché unique.

Sur la base de ce rapport, nous avons adopté en avril 2011 avec une dizaine de mes collègues l'Acte pour le marché unique. Ce texte, qui nous engage, contient 12 leviers et autant d'actions clés pour simplifier la vie des citoyens et des entreprises et poser les bases d'une nouvelle croissance, non seulement plus forte, mais qui nous permette aussi de répondre à quatre grands défis.

Le défi de l'innovation, d'abord, que nous voulons relever en créant un véritable marché unique numérique ou encore en nous dotant enfin d'un brevet unitaire européen, qui permettrait de réduire considérablement les coûts de protection des inventions dans toute l'Europe, et qui est sur le point d'aboutir après 30 ans de discussions.

Le défi de l'écologie, ensuite. Nous devons utiliser tous les leviers du marché intérieur pour donner naissance à une croissance plus verte. Je pense en particulier à l'outil des marchés publics, qui doit nous permettre de mieux prendre en compte les critères environnementaux.

Troisièmement, nous voulons faciliter la naissance d'une croissance plus inclusive, en créant un passeport européen pour les fonds d'entrepreneuriat social, ou en assurant l'accès de tous les citoyens européens à des services bancaires de base.

Enfin, la nouvelle croissance que nous appelons de nos vœux doit être plus riche en emplois, grâce à une meilleure reconnaissance des qualifications professionnelles entre pays européens, et à de nombreuses mesures en faveur des PME, qui sont à l'origine de 85% des créations nettes d'emplois en Europe.

Informations Financières Pays Par Pays

La Commission a adopté, le 25 octobre 2011, plusieurs propositions législatives visant à imposer aux entreprises cotées et aux grandes entreprises non cotées de rendre publiques la liste des sommes qu'elles versent aux gouvernements des Etats dans lesquels elles mènent des activités liées à l'industrie extractive (pétrole, gaz et minerais) et forestière. Ces rapports devront faire apparaître individuellement chaque pays (d'où le nom de *country by country reporting* ou 'CBCR' sous lequel ce programme est parfois désigné) mais également chacun des projets dans lesquels l'entreprise est impliquée.

Notre objectif est d'améliorer la transparence des relations financières entre les entreprises et les Etats pour, in fine, améliorer la gouvernance des entreprises et permettre un regard citoyen mieux informé sur les comptes publics et l'action des gouvernements. En effet, sur la base de ces rapports, les populations des Etats riches en ressources seraient à même de demander des comptes à leurs gouvernants, chose rendue aujourd'hui impossible par l'opacité qui règne encore trop souvent dans ces domaines.

Nos propositions reprennent les objectifs avancés par l'initiative pour la transparence dans l'industrie extractive, mais leur caractère législatif au niveau européen confèrera à l'ensemble une valeur obligatoire qui lui fait aujourd'hui cruellement défaut. Nous ne pouvons plus nous contenter d'engagements et de lignes de conduite à l'heure où malgré une croissance économique mondiale retrouvée, les inégalités persistent voire s'aggravent y compris à l'intérieur des Etats.

L'Europe n'agit pas de manière isolée dans ce domaine, puisque le principe d'une obligation pesant sur les entreprises cotées et non cotées est également posé dans la loi dite Dodd-Frank. Toutefois, l'Europe veut aller encore plus loin que

nos partenaires américains en demandant que chaque projet entrepris par une société européenne fasse l'objet d'une déclaration spécifique.

Soyons clairs, cette initiative peut être un levier politique très efficace et un outil de développement économique extrêmement utile, mais elle réussira que si nos partenaires et amis y participent en toute sincérité. Ainsi, les nouvelles puissances économiques, et les membres du G20 en particulier, pourraient s'inspirer de notre projet, ou des dispositions américaines, pour exiger de leurs sociétés un effort de transparence comparable, au service du développement et de l'exercice des droits démocratiques par les citoyens.

De même, les Etats riches en ressources ne doivent pas y voir une atteinte potentielle à leur souveraineté, mais une garantie supplémentaire dans leurs relations avec les gigantesques multinationales qui règnent en maîtres sur ces secteurs économiques. Celles-ci pourront plus difficilement jouer un Etat contre un autre dans la mesure où le secret qui favorise leur position de négociation n'aura plus cours. Les Etats pourront demander des comptes aux entreprises, et exiger un traitement comparable aux autres grands fournisseurs de matières premières.

L'Europe est persuadée que la bonne volonté et la coopération l'emporteront pour mettre en œuvre ces nouvelles règles. Il s'agit d'un mécanisme qui va bien au-delà d'une simple obligation comptable supplémentaire, mais d'un instrument politique porteur d'un immense progrès pour les peuples des pays concernés.

Abdoulie Janneh

United Nations Executive Secretary of the Economic Commission for Africa (ECA)



Why is Africa the region that trades the least within itself?

It is true that intra-African trade has averaged 10 - 12 per cent over the past decade as compared to 40 per cent for intra-North American trade, 63 per cent for trade within the European Union, 22 per cent for intra-Latin America trade, and 50 per cent for intra-Asian trade.

Several reasons can be adduced for this situation. First are the limitations of trade-related infrastructure (including trade logistics), and other trade facilitation and supply bottlenecks. Then there is the continent's structure of production and the composition of its exports which limit the scope for intra-regional trade. Intra-Africa trade is further hamstrung by the absence or costliness of obtaining up-to-date market information. Moreover, there are constraints that arise from limited payment systems as evidenced by the multiplicity of non-convertible currencies in Africa.

Let me point out, however, that informal trade continues to be part of the economic reality in Africa. Available statistics on intra-African trade may not therefore tell the full story as they do not take informal trade into account. And this leads me also to say a word about the

gender dimensions of intra-African trade. Women are key players in intra-African trade both in the formal and informal economies through their involvement in agriculture and trade in general. However, they face some peculiar challenges that need to be addressed including lack of access to credit and high exposure to trade risk.

I should say however that Africa has the huge potential to scale-up its intra-regional trade. Studies undertaken within the context of our forthcoming Assessing Regional Integration in Africa Report show that although the continent has a high concentration of exports (and related production) in a few products, mainly primary commodities, some diversification has been taking place. Consequently, intra-African trade in manufactured goods is growing, and has reached about 43 per cent of total intra-African trade, which is significantly higher than the 8.3 per cent share of manufactured goods in exports of Regional Economic Communities (RECs) to the rest of the world.

How would you convince African political leaders to reduce barriers to trade?

Frankly, African political leaders need no convincing to reduce barriers to trade. The continent's average protection is 8.7 per cent which is historically low and suggests that tariffs have been falling steadily over the years. Indeed, there has been a steady reduction in trade barriers over the past decade in the context of the RECs' programs and indeed in the context of unilateral trade liberalization undertaken by the African countries since the early 1980s.

The recent January 2012 AU Summit Decision to work towards the establishment of a Continental Free Trade Area of one billion people and to implement a comprehensive Action Plan for boosting intra-African trade is another manifestation of the commitment of Africa's political leaders to accelerate the tempo of the trade including through the reduction of tariff and non-tariff barriers. This is indeed a giant and positive step that must be lauded and supported by all stakeholders including development partners.

What would be the three main achievements that you would like to highlight during the time that you have been at the head of ECA?

Three events signaled my arrival at ECA. First, a high-level body had just been set up to make recommendations on improving the UN, in the context of One UN. Secondly, this was a period of steady economic growth and progress for African countries due, in part, to broad improvement in macro-economic policies and good governance. Thirdly, the African Union had committed more vigorously to regional integration as a critical way for African countries to achieve sustainable, broad-based development.

I therefore devoted my energies to the task of re-orienting the Commission to better reflect the priorities of the African Union and to accompany the integration vision of its African member States. This task was made easy with the help of some highly dedicated, knowledgeable and committed ECA professionals with whom I worked in responding to Africa's most pressing development challenges--- food insecurity, governance, achieving pro-poor growth, increasing intra-Africa trade, attaining regional integration, dealing with the financial crisis and in responding to Africa's special needs, which include the impact of climate change, leveraging ICT and science for development and promoting gender equality and women empowerment

We also used the instrumentality of partnerships to improve coherence and reduce fragmentation in service delivery to our member States. This took four dimensions. Strengthened collaboration with the African Union and the African Development Bank culminating in the establishment of a Joint Secretariat Support Office; Collaboration with the rest of the UN System to re-dynamize our relationship with the African Union and its NEPAD Programme through the instrumentality of the Regional Coordination Mechanism for Africa (RCM-Africa); Recognition of the critical role of non-state actors in the development process, thus the establishment of the Coalition for Dialogue on Africa (CoDA) as the successor forum to the Global Coalition for Africa; forging of very close ties with bilateral partners who lent tremendous support to our efforts through thematic engagement and financial assistance.

Last but not least, we laid greater emphasis on providing support at the sub-regional level and accordingly scaled-up activities at this level. This involved strengthening of ECA's sub-regional offices by providing them with more human, material and financial resources as well as improved facilities to enhance their day to day operations. It also entailed our Sub-Regional Offices entering into multi-year programmes of work with their respective Regional Economic Communities with a view to address-

ing their priorities and complementing their integration efforts. This extended to promoting intra-REC collaboration as evidenced by our support for the COMESA-EAC-SADC Tripartite Free Trade Area and technical input into the preparatory processes for a continental Free Trade Area. We are similarly engaged with our partners in the UN system and the RECs in establishing Sub-Regional Coordination Mechanisms to replicate the benefits of RCM-Africa at the sub-regional level.

"African political leaders need no convincing to reduce barriers to trade"

ARIA V: Towards the Continental Free Trade Area

The fifth edition of Assessing Regional Integration in Africa (ARIA V), a joint ECA/AUC/AfDB publication, has come at a time of renewed political commitment to accelerate the pace of regional integration in Africa. The overall objective of ARIA V was therefore to contribute analytical insights to shape the debate and the move towards fast-tracking the establishment of a Continental Free Trade Area through the removal of outstanding obstacles to trade including barriers to the free movement of people, investments and factors of production across Africa. An Overview of ARIA V was part of the set of documents presented to Heads of States and Government during their 18th Assembly in January 2012 in Addis Ababa, which focused on the theme of boosting intra-African trade. The highlights of ARIA V are as follows:

Regional integration remains a key strategy for Africa .

Following the Abuja Treaty in 1991 which provided the guiding principles and impetus for Africa's current integration agenda, the continent has experienced a surge in the creation and strengthening of its regional economic communities (RECs) with the view to establishing the African Economic Community (AEC). Several of these RECs have established mechanisms and frameworks that are underpinned by the transformation of integration zones into achieving free trade areas and customs unions. Given the small economic and population sizes of most African countries and the cur-

rent global financial and economic environment, regional integration has become a formidable instrument for sustaining the current economic growth trends across Africa.

Intra-African trade is hampered by both tariff and non-tariff barriers.

Despite the increased level of interest and strong commitment to regional integration in Africa, Intra-African trade remains very low. With average intra-regional trade of between 10 - 12 per cent, African countries trade significantly less than that of other regions. Although countries have committed themselves to protocols particularly important to reducing both tariff and non tariff barriers to trade in their respective RECs, the implementation of these protocols has been predominantly slow. Thus, while tariff rates in the region remain quite high, non-tariff barriers (NTBs) continue to pose significant challenges for boosting intra-regional trade. The lack of or poor condition of trade-related infrastructure including burdensome customs and legal procedures and the lack of diverse production structures across the majority of countries in the region are the major culprits behind the slow progress in boosting intra-regional trade in Africa. Establishing the CFTA and boosting intra-African trade would therefore require countries to look beyond the short term losses in tariff revenue and commit huge financial resources to eliminating trade facilitation bottlenecks.

The case for the CFTA is strongly supported by the findings of the theoretical and empirical analyses.

It is now widely acknowledged that the socio-economic and political gains from regional integration are significant. Both the theoretical and empirical assessment of the gains from regional integration in Africa reveal that the envisioned continental free trade area (CFTA) in particular is expected to boost intra-African trade and generate faster and sustained economic growth. Under the CFTA, intra regional trade is expected to increase by USD34.6 billion in 2022 translating into real income gains of more than USD290 million. The CFTA will create the market size necessary for African businesses to thrive upon. With free and unrestricted movement of goods, services, and labor; capital in-flows and investments are expected to increase and more easily respond to the requirements of market demand and supply within the continent resulting in a more efficient allocation of resources. The technical analyses on the potential impact of the CFTA also shows some promise in terms of improvements in Africa's industrial landscape, as increased competition between businesses in the region presents opportunities for countries to diversify their production structures and for African firms to build their capacity to be able to compete in the enlarged market and economic space. The SADC-COMESA-EAC-Tripartite FTA initiative is assessed to be one of the key springboards for achieving the CFTA, as it makes up about half of the African Union (AU), with a sizable populace of more than half a billion people, a combined Gross Domestic Product (GDP) of US\$ 630 billion, and a GDP per capita averaging US\$1,184. It is assessed to be ground breaking initiative expected to have a domino effect and drive Africa closer towards the CFTA.

A favorable environment that facilitates the free movement of factors of production has been created across Africa.

Important steps have been taken towards ensuring free movement of people and capital. For instance, in some of the RECs, citizens have the right to move freely across borders without visas and establish and invest in businesses, and national and regional policies are facilitating cross-border capital inflows resulting in a six fold increase from USD 3.4 billion between 2000 and 2002 to 21.7 billion in 2010.

Overall, the findings of ARIA V highlight encouraging facts.

With the current level of enthusiasm and tangible changes taking place on the ground, the CFTA is progressively becoming a reality. However, its success greatly depends on continued level of commitment to regional integration through addressing the key challenges. To this regard, it is widely accepted that countries need to comply more to meet their commitments with in their RECs if the desired level of integration in Africa is to be achieved.



Intra-African trade: obstacles and opportunities

Mo Ibrahim
Founder and Chair of the
Mo Ibrahim Foundation

For seven years I ran a pan-African mobile phone company, Celtel. We built infrastructure, employed thousands of people and tried to bring the highest corporate governance standards to bear on everything we did. During that time, as I travelled across the continent I was repeatedly struck by a sense of each country's isolation from its neighbours.

To travel across the continent often required routing through Europe or the Middle East, visa processes in most African countries for citizens of neighbouring countries are obscenely obstructive and all trade seems to flow outside the continent. A concrete example of just how absurd our lack of interconnectivity was, and continues to be, comes from our experience in trying to connect Brazzaville to Kinshasa. These two capitals, separated by only a river and bound by cultural, economic and social ties, could not make direct telephone calls to each other. As a company we were just not allowed to connect them so calls were routed through Europe and the cost was in the range of \$6 - \$7 per minute. We worked for a full year to wade through the government bureaucracy and convince the respective governments to allow us to establish a direct link. Eventually we succeeded, allowing mobile users in Brazzaville to call their

families, friends and colleagues across the river directly, for a fraction of previous costs. And the traffic increased by 60 000 times in one short week.

This is just one story from among a myriad. Ask any businessperson in Africa and they will have a catalogue of similar tales to tell. The continent has completely failed to integrate. This makes competitiveness in the global economy impossible, means that managing pan-African businesses is a nightmare and, ultimately, inhibits our development. Without greater economic integration Africa cannot move forward.

Look at Europe. The German economy is approximately 2.5 times bigger than Africa's combined economy. Yet the Germans see it in their interest to integrate with the rest of Europe in order to compete globally.

Trade is the single most important building block for integration. Countries that trade with each other are bound by solid economic ties, they are likely to co-operate in creating infrastructure, sharing natural resources and allowing a free flow of goods and capital. Trade is also the best way for countries to quickly and immediately see the benefits of enhanced cooperation.



Boosting Intra-African trade...



"Without greater economic integration africa can not move forward"

Intra-African trade is also important in its own right. The IMF credits the expansion of Asian economies in large part to intra-Asian trade. Increased intra-African trade would allow local companies to access larger markets, produce goods at lower costs due to increased scale, and ultimately lead to greater economic growth. Thus intra-African trade is key to prosperity and success.

Increased integration, and particularly trade, is also likely to diminish conflict on the continent. When we trade with each other we are forced to cooperate, we build shared economic interests. And this means we are less likely to fight each other. The integration of Europe has its roots in this same principle that took hold after the Second World War. Economic cooperation was seen as a route to securing and maintaining peace between countries.

Yet we find that intra-African trade stands below 10%. Why? Lack of infrastructure and obstructively high transaction costs and levels of bureaucracy are, to my mind, some of the most important practical impediments to intra-African trade. If we cannot transport goods from one country to another or if the cost of doing so is greater than the value of the goods then we have no hope of increasing trade between ourselves. Similarly, if the time taken to obtain the authorisation required to sell products to a neighbouring country means that the goods will be damaged, lose value or simply accumulate, we are again likely to look elsewhere. And bureaucracy is of course always an invitation to corruption. If at every stop, a company has to pay a little here and a little more there, costs will inevitably increase dramatically and significantly reduce profit margins.

However none of these obstacles are insurmountable. The question of building roads and railways, allowing free movement of goods and capital and cutting down on those who try to profit unethically from the process can all be achieved with a bit of determination and commitment. Ultimately what we need is the political will to make these things happen.

Governments across the continent need to bite the bullet and accept that we need to integrate and we need to do it fast. Once this has actually been agreed, and not just as lip service, we can achieve all of this and more. But, as things stand, there are too many vested interests in the status quo. Without true buy-in and a willingness to cede some sovereignty when it comes to integration, and particularly trade, we cannot hope to progress.

I was delighted to see this year's African Union Summit focus on the vital issue of intra-African trade. The idea of an African free trade area is without doubt, a commendable one, but one is compelled to note that all AU member countries have signed up to the principles of political and economic integration in the founding documents of the AU.

What we need now is a concrete plan of action, with measurable milestones. We need a demonstration of political will and a real sense of purpose among the Regional Economic Communities. We have to devise and implement joint infrastructure projects, create tangible ways of benefitting from our shared natural resources, such as our river basins, and strengthen our regional institutions. Only when we actually begin to see increased integration can we hope to build the powerful, prosperous and peaceful Africa that we all want to see.

"None of these obstacles are insurmountable"



Four new EU programmes strengthening African capacities in peace and security

The EU started 2012 by launching four new programmes to support African capacities in peace and security. In addition to the continuing assistance from European Union Member States. This will further strengthen African capacities to address and manage crises and security threats across the continent. This is a sign of continued commitment to addressing peace and security issues jointly with African partners and is proof of the progress that has been achieved, and continues to be achieved, in the Africa-EU Partnership on peace and security.

The four programmes, which together include support totalling €110 million from the African Peace Facility, will provide funding to the African Union Mission in Somalia (AMISOM) and assist African institutions at regional and continental level in particular the African Union Liaison Offices and African Standby Force training institutions.

1. AMISOM

The EU will continue to support the mission costs for the African Union Mission in Somalia (AMISOM). Additional EU funding of €67 million for costs until July 2012 will bring the EU contribution to AMISOM to a total of €325 million since 2007. AMISOM supports dialogue and reconciliation and provides protection to key infrastructures (e.g. government buildings and the Mogadishu International Airport) to enable the Transitional Federal Government and Institutions to carry out their functions. The mission is also assisting in the implementation of the National Security and Stabilisation plan, providing support to disarmament and stabilisation efforts, as well as facilitating humanitarian operations, including repatriation of refugees and internally displaced persons. Current force levels have reached nearly 10,000. The continuing EU support, will allow AMISOM to continue to fulfil its mandate and to reach its total UN authorised strength of 12,000.

The EU has been one of the main funders of the operation, primarily through the African Peace Facility. The EU covers costs such as mission allowances, medical care, accommodation, fuel, and communication equipment.

2. African Peace and Security Architecture Support Programme

Support to African capacity in the areas of conflict prevention and resolution, as well as post-conflict reconstruction and development will be increased. The EU has dedicated €28 million for the African Peace and Security Architecture Support Programme, at the level of both the continental (AUC) and regional institutions (Regional Economic Communities and Regional Mechanisms). This support will build capacity to coordinate and manage regional contributions to the Africa Standby Force.

3. AU Liaison Offices

The EU will also strengthen the African Union's network of Liaison Offices with a contribution of €3.6 million. These offices are a vital link between the AU and the affected member states in all aspects of crisis and recovery. The Liaison Offices streamline, accelerate and simplify the AU's contact with member states and regional organizations in crisis situations.

4. Training institutions of the African Standby Force

Finally, an amount of €11.4 million will be dedicated to the African police, civilian and military training institutions of the African Standby Force. This contribution, which is tailored to the needs of each region and of the individual training centres, will help to develop a sound and effective training capacity across the continent for the needs of the police, civilian and military components of the African Standby Force.

The Africa-EU Partnership for Peace and Security is directly related to the Joint Africa-EU Strategy (JAES) endorsed by Heads of States from Africa and Europe at the Summit in Lisbon in 2007. These three elements are firstly an enhanced dialogue on peace and security issues, secondly, full operationalisation of African Peace and Security Architecture and thirdly predictable funding for Africa-led peace support operations.

Encouraging the mobility of students and academics in Africa

On 10 February 2012, the call for proposals for the "Intra-ACP academic mobility scheme" was launched. This call aims at encouraging the mobility of students and academic staff both in Africa and in the Caribbean and Pacific Groups of States (ACP). The deadline for submissions is 10 May 2012. The overall amount made available is €12 million, with a global amount of €10 million for Africa.

In Africa, this mobility scheme is called the "Nyerere Program", which is one of the initiatives in the Migration, Mobility and Employment Partnership of the Joint Africa-EU Strategy. It is financed through the 10th European Development Fund (EDF). The call for proposal is managed by the Education, Audiovisual and Culture Executive Agency (EACEA) of the European Union.

The program aims to strengthen cooperation between higher education institutions (HEIs) in Africa, in view of increasing access to quality education that will encourage and enable students to undertake postgraduate studies, and to promote student retention in the region along with mobility of staff (academic and administrative) while increasing competitiveness and attractiveness of the institutions themselves.

THE EU BOOSTS ITS SUPPORT TO EARTH OBSERVATION APPLICATIONS IN AFRICA

06 February 2012 - The European Union boosts its support to earth observation applications in Africa with a new 37 million EUR program 'Monitoring of Environment and Security in Africa (MESA)', formally approved in December 2011. The program will run from 2013 until 2018, with the objective to address the need for improved management of natural resources and environmental security towards sustainable development in Africa, at continental, regional and national levels, including all Sub-Saharan African countries. Monitoring of soil and water conditions for agriculture, tracking forest degradation and desertification, providing information to policy and decision makers in order to lessen and/or adapt to effects of climate change and reducing the risks of natural and human made disasters, for example, are all areas where MESA will bring added value.

MESA builds on over 10 years of EU support to earth observation applications in Africa and brings the EU financial contribution through the European Development Fund to a total of nearly 70 million EUR since 2012. The Meteorological Transition in Africa / Preparation for the Use of Meteosat second generation in Africa (MTAP/PUMA) was the first pan-African initiative in support of

earth observation technologies for meteorological purposes, from 2001 until 2005. The Africa Monitoring of Environment for Sustainable Development (AMESD) program, running from 2007 until 2013, has taken PUMA a step forward by extending the use of earth observation technologies and data to environment and climate monitoring applications.

MESA builds on the results of AMESD and offers additional information services (especially continent-wide monitoring of a range of parameters related to climate change) and training, not only in support of public needs, but also contributing concretely to policy-making and planning efforts for improved management of natural resources in sub-Saharan Africa.

The program is implemented under the coordination of the African Union Commission, which has been delegated by 5 regional economic communities (CEMAC, ECOWAS, IGAD, IOC & SADC) and by the African Caribbean and Pacific Secretariat to act on their behalf as Delegated Regional Authorising Officer. The EU Delegation to the African Union is the lead delegation for the management of the program.



'AMESD fire services in Southern Africa allow for active fire monitoring, provide information on fire danger for risk prevention and gives information on burnt areas. The fire service will be improved through MESA'.



"AMESD work in the Indian Ocean region support fisheries resource management. MESA will build on this and develop marine and coastal monitoring services also in West Africa'.

INFRASTRUCTURE: The African Union summit adopted the Programme for Infrastructure Development in Africa (PIDA)

06 February 2012 - The African Union summit adopted the Programme for Infrastructure Development in Africa, PIDA. PIDA covers 4 sectors: transport; energy; Information Communication Technologies (ICT); and trans-boundary water resources. It brings together previous infrastructure initiatives into one coherent plan and assesses needs and then allocates resources to fill in missing gaps in infrastructure. It provides "an agenda of sensible affordable priority projects aligned with Africa's long term goals".

The priority projects are estimated to cost US 7.5 billion per year up to 2020, which is less than 1% of African GDP. 95% of these projects are in transport and energy reflecting the key roles these sectors will play in Africa's development. In the ICT sector PIDA will enhance access to electronic applications such as e-government, e-learning and telemedicine by developing regional and continental broadband networks. The EU has supported the preparation of PIDA through financing of outreach activities and as a very active member (observer) of the steering committee. An early opportunity to

give concrete support to the implementation of PIDA will be offered by the next Africa-EU Infrastructure Partnership Steering Committee, scheduled for 29 March 2012 in Addis Ababa.



Art At Work

Inauguration d'une exposition photographique itinérante UE/UA inaugurée au siège de l'Union Africaine

Après Tripoli, Ouagadougou, et bientôt Le Caire, l'exposition photographique itinérante VISIONARY AFRICA: ART AT WORK fait halte au siège de l'Union Africaine

Lors de son discours d'inauguration, le Dr Jean Ping a déclaré : " Après les étapes de Tripoli et d'Ouagadougou l'Union africaine qui représente toute l'Afrique est heureuse de recevoir pour quelques jours, cette exposition itinérante qui non seulement témoigne de la vitalité du partenariat entre l'Afrique et l'Europe mais aussi permet de prendre la mesure du foisonnement créatif de la photographie africaine s'affirmant aujourd'hui sur la scène mondiale."

Construite à chaque fois sur place et dans du bois local, la structure, conçue par l'architecte ghanéen David Adjaye, est ensuite confiée à une organisation locale pour permettre aux artistes locaux de s'approprier la technique et d'exposer leurs œuvres.

"Ce projet a été conçu pour marquer d'une part le 50ème anniversaire d'une vingtaine de pays africains mais aussi pour souligner la richesse des créateurs africains et la nécessité de prendre en compte la culture comme facteur de développement", a expliqué Gary QUINCE, Ambassadeur de l'Union Européenne auprès de l'Union Africaine.

Cette exposition, lancée en Décembre 2010 au sommet Afrique-Union Européenne de Tripoli, avait déjà voyagé à Ouagadougou en mars 2011. Dans quelques jours, elle repartira pour le Caire, puis dans deux autres capitales africaines.



Addis Abeba, Mercredi 25 janvier 2012-

C'est dans un pavillon en bois, situé au cœur même du siège de l'Union Africaine et conçu spécialement pour l'occasion, que les représentants de l'Union Africaine et de l'Union Européenne, des diplomates et journalistes de toute l'Afrique ont pu découvrir, mercredi 25 janvier, une série de photographies exceptionnelles dans le cadre de l'exposition VISIONARY AFRICA: ART AT WORK.

Jean Ping, Président de la Commission de l'Union Africaine et Gary Quince, Ambassadeur de l'Union Européenne auprès de l'Union Africaine ont tous deux souligné le lien

profond existant entre l'art et la politique. Nombreuses sont les œuvres de cette exposition qui viennent soutenir leurs propos.

Les œuvres de cette exposition itinérante, organisée par l'Union Européenne, avec la participation de l'Union Africaine, sont les fruits d'une étroite collaboration entre des institutions culturelles européennes et africaines (Palais des Beaux Arts Bruxelles et huit centres d'art africains) L'événement propose un nouveau regard sur la création africaine et offre ainsi un espace de dialogue avec un public large et diversifié dans les places publiques de centres urbains africains.





Student visits at EUAU delegation

The European Union Delegation to the African Union received Students from Sorbonne University Abu-Dhabi for a briefing meeting regarding the activities the EU delegation conduct within EU – Africa partnership.

Facilitated by the Embassy of United Arab Emirates in Addis Ababa on 15th February 2012, the students were provided with presentations from Political, Peace and Security and Press and Information sections of the EU - AU delegation. African and European common positions, the current political and Peace and Security issues across Africa and the experience of EU and Africa political dialogues were few of the topics discussed.

In a similar note; Dr Thomas Tiekou, Director of African Studies at New College, University of Toronto led a group of 16 students on a working visit to Delegation of European Union to the African Union on 23rd of February 2012. They received a presentation on the EU - Africa strategic partnership from Mr. Graeme Preston from the Political Section while the Peace & Security activities within the partnership were presented by Colonel Sandy Wade the Delegation's Military Advisor.

The presentations were followed by a lively question and answer session which covered the free trade initiative in Africa, the effectiveness of regional organizations and infrastructure among many other topics.

Déclaration locale de l'UE à l'occasion de l'entrée en vigueur de la charte africaine de la démocratie, des élections et de la gouvernance

17 février 2012- La délégation de l'Union européenne a publié la déclaration suivante en accord avec les chefs de mission de l'UE auprès de l'Union africaine:

La délégation de l'UE auprès de l'Union africaine se réjouit vivement de l'entrée en vigueur de la charte africaine de la démocratie, des élections et de la gouvernance le 15 février 2012. Son entrée en vigueur est une étape importante du processus d'intégration des principes de démocratie d'État de droit et de défense des droits de l'homme aux niveaux continental et national et contribuera, à ce titre, à renforcer la paix et la sécurité sur l'ensemble du continent. Les quinze pays qui ont ratifié la charte ont montré l'exemple au continent et nous espérons que d'autres pays le suivront.

Les élections jouent un rôle important dans l'exercice de la démocratie. Cette année et l'année 2013 connaîtront elles aussi de nombreuses élections dans l'ensemble de l'Afrique. L'existence de la charte africaine permettra d'ancrer ces normes dans un cadre institutionnel et devrait contribuer à la crédibilité et à la transparence des processus électoraux.

L'UE est disposée à soutenir la mise en œuvre des principes énoncés dans la charte et espère que cette coopération pourra progresser dans le cadre du partenariat Afrique-UE pour la gouvernance démocratique et les droits de l'homme

ARRIVEES DEPARTS



Umberto TAVOLATO,
Conseiller politique, a servi auprès de la Délégation de l'Union européenne de janvier 2009 à février 2012. Il travaille dorénavant dans l'équipe du Représentant Spécial de l'Union européenne pour la Corne de l'Afrique.



Ama ANNAN et Anne GUION,
arrivées respectivement en janvier 2010 et février 2010 viennent également de quitter notre délégation.

You can also read LINK! on the website of the Delegation of the European Union to the African Union
http://eeas.europa.eu/delegations/african_union/index_en.htm



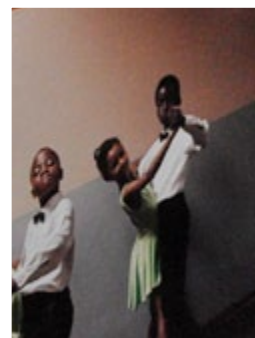
LIEN!



AU COEUR DU PARTENARIAT AFRIQUE-UNION EUROPÉENNE



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ART AT WORK: VISIONARY AFRICA, une exposition photographique itinérante en Afrique, organisée par la Délégation de l'Union Européenne auprès de l'Union Africaine, au siège même de l'Union Africaine durant le 18ème sommet de l'UA.

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