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Item 6 of the provisional agenda<sup>\*</sup> Statutory issues

#### **Report of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa on their second joint session**

#### Note by the secretariat

The secretariat of the Economic Commission for Africa has the honour to transmit to the members of the Commission the report of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa on their second joint session.

\* E/ECA/COE/42/1.



#### **Report of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa on their second joint session**

#### I. Introduction

1. In partnership with the Ministry of Finance, Budget and Economic Planning of Burundi, the Subregional Offices for Central and Eastern Africa of the Economic Commission for Africa (ECA) held the second joint session of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa from 26 to 29 September 2023 in Bujumbura, Burundi, on the theme "Establishing Central and East Africa as sources of quality products and investment destinations of choice, to accelerate industrialization and economic diversification, and to strengthen food security".

2. The main objective of the joint session, which was held in a hybrid format, was to discuss regulatory and statutory issues related to the mandate and operation of the two subregional offices and to provide the experts present with a platform to discuss economic and social development challenges and identify realistic, sustainable and integration-driving options aligned with the theme of the meeting.

#### II. Attendance

3. Approximately 250 participants attended the joint session, which brought together representatives from 21 member States: Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Kenya, Madagascar, Rwanda, Sao Tome and Principe, Seychelles, Somalia, South Sudan, Uganda and United Republic of Tanzania.

4. Representatives of regional economic communities and organizations, including the East African Community (EAC), the Economic and Monetary Community of Central Africa (CEMAC), the Economic Community of Central African States (ECCAS), the Economic Community of the Great Lakes Countries (CEPGL) and the Intergovernmental Authority on Development (IGAD), together with representatives of regional development banks, international and national non-governmental organizations, think tanks, centres of excellence, academic institutions, civil society organizations, national and regional private sector federations, and national, regional and international media organizations attended the joint session.

5. Representatives of United Nations agencies, including ECA, were also in attendance.

#### **III.** Opening of the joint session

6. Statements were delivered by the Mayor of Bujumbura, Jimmy Hatungimana, the outgoing chairs of the two bureaux of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa, the Deputy Executive Secretary (Programme) at ECA, Hanan Morsy, and the Prime Minister of Burundi, Gervais Ndirakobuca.

7. Mr. Hatungimana welcomed participants to Bujumbura and wished them every success in their deliberations.

8. The outgoing Chair of the Bureau of the Intergovernmental Committee of Senior Officials and Experts for Central Africa underlined the relevance of the theme of the second joint session and emphasized that the coronavirus disease (COVID-19) pandemic, geopolitical tensions and the war in Ukraine had disrupted global supply

chains. Drawing attention to the significant progress that had been achieved by the Subregional Office for Central Africa of ECA since the first joint session of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa, she invited participants to examine the activity report of the Subregional Office for Central Africa and to provide guidance for the implementation of its programme of work in 2024.

9. The outgoing Chair of the Bureau of the Intergovernmental Committee of Senior Officials and Experts for East Africa reaffirmed the importance of the Intergovernmental Committee as a platform where policy issues could be debated. He urged participants to consider how African subregions could encourage the development and dissemination of higher-quality products and services with a view to taking full advantage of the opportunities stemming from the establishment of the African Continental Free Trade Area, while also enhancing food security in African countries.

10. Ms. Morsy thanked the Government of Burundi for hosting the second joint session. Meetings of stakeholders from different African subregions provided an opportunity for countries that did not usually share a common platform to engage in policy dialogue and formulate coordinated responses to the challenges that they faced. The debt burdens of many African States had reached worrying levels, undermining the prospects for achieving the Sustainable Development Goals by the 2030 deadline. ECA continued to advocate changes in the global financial architecture to ensure a level playing field for developing countries, in particular those in Africa. Efforts were needed to increase liquidity for African countries, capitalize on their natural assets through green finance, promote the use of green and sustainable bonds, and create a carbon market that brought benefits to African countries. The joint session would provide a valuable opportunity for participants to formulate pragmatic solutions to the challenges faced by countries in Central and East Africa, facilitating their economic transformation and strengthening food security. ECA would continue to work closely with members in the two subregions to support their efforts to achieve those goals.

11. Mr. Ndirakobuca welcomed the participants to Burundi and thanked the Subregional Offices for Central and Eastern Africa for choosing his country to host the joint session. He also thanked the subregions' bilateral and multilateral partners for their support, in particular during the COVID-19 pandemic, which had had a significant negative impact on the economic activity, public finances and external accounts of African countries. The particular challenges faced by African countries, including food insecurity resulting from rising fertilizer and food prices, needed to be addressed by African countries themselves, including through the empowerment of entrepreneurs, women, and young people, which would help bolster productivity. Regional integration, supported through the development of regional value chains was the most effective and efficient way to promote development in Central and East Africa.

## IV. Constitution of the bureaux and review and adoption of the programme of work

12. Participants elected the following bureaux:

#### **Central Africa**

Chair:	Central African Republic
Vice-Chair:	Equatorial Guinea
Rapporteur:	Sao Tome and Principe

#### East Africa

Chair: Vice-Chair: Rapporteur: Burundi Djibouti United Republic of Tanzania 13. Participants adopted the programme of work of the joint session.

#### V. Session 1: Macroeconomic overview of Central and East Africa

14. The session was chaired and moderated by the Minister of Finance, Budget and Economic Planning of Burundi, Audace Niyonzima.

15. A presentation was given by representatives of the secretariat of ECA, who drew attention to macroeconomic developments in Central and East Africa and the perspectives of States in those subregions. Their presentation focused, primarily, on three macroeconomic challenges facing countries in the subregions: high debt burdens; rising inflation; and low growth rates. It was critical for States to address those challenges in order to achieve both national and international development goals, while value chain development and implementation of the Agreement Establishing the African Continental Free Trade Area could accelerate economic development across the two subregions.

16. In the ensuing discussion, participants called for efforts to boost the productivity of smallholder farmers in order to address food price inflation. They also called for the development of regional value chains by leveraging competitive advantages of African countries and business enterprises. Furthermore, resource-rich countries should support the development of regional markets by encouraging the processing of raw commodities within Africa. To address the high cost of finance in African countries, participants called for strengthened resource mobilization efforts, including the leveraging of diaspora finance and negotiations on concessional financing. Participants stressed that investment in capacity-building for young people and women could accelerate implementation of the Agreement Establishing the African Continental Free Trade Area and called upon ECA to provide capacity-building support to African countries to enable them to take full advantage of the economic opportunities stemming from the Agreement. They also noted that the long-term success of the Area would depend, to a large extent, on the establishment of effective governance mechanisms, security and sustainable and inclusive growth in African countries.

17. At the conclusion of session 1, Ms. Niyonzima and Ms. Morsy presented a report by the Subregional Office for Eastern Africa entitled: "Macroeconomic And Social Developments in Eastern Africa 2023".<sup>1</sup>

#### VI. Session 2: High-level dialogue on quality improvements to accelerate industrialization and economic diversification and strengthen food security in Central and East Africa

18. The session, which included two presentations, was chaired by the Central African Republic and moderated by the Director of the Subregional Office for Central Africa, Jean-Luc Mastaki.

19. The first presentation was given by an international consultant and chartered accountant, Leonard Ambassa, who provided an overview of challenges relating to quality and technical standards in Central and East Africa. Although some progress had been observed since 2015, most African countries still lacked effective standardization and accreditation bodies, which played a crucial role in facilitating trade and access to regional and international markets. Stronger cooperation among African countries and with global quality leaders was needed in order to address that issue. Improving the quality of products through effective quality infrastructure was

<sup>&</sup>lt;sup>1</sup> Economic Commission for Africa, Subregional Office for Eastern Africa, Macroeconomic And Social Developments in Eastern Africa 2023: Changing Gears? Catalysing Economic and Social Recovery (Kigali, September 2023). Available at: repository.uneca.org/bitstream/handle/10855/ 49952/ b12038763.pdf?sequence=1&isAllowed=y.

a prerequisite for boosting manufacturing and industrialization in African countries and enhancing competitiveness, and it was imperative to upgrade African businesses production processes to meet international quality standards.

20.The second presentation was delivered by a food safety and quality officer at the Food and Agriculture Organization of the United Nations (FAO) Regional Office for Africa, Blaise Ouattara, who provided an overview of key food safety challenges in Africa in the context of trade under the terms of the African Continental Free Trade Area. There was an urgent need to strengthen national food control systems on the continent, including through capacity-building for food safety officials. The harmonization of sanitary and phytosanitary standards at the regional level was also crucial in facilitating intra-African trade. Mr. Ouattara provided an overview of a number of initiatives launched by FAO to promote capacity-building and food safety in African countries, including the food control system assessment tool, developed in collaboration with the World Health Organization (WHO). FAO also supported the participation of African countries in international food standard-setting bodies through the FAO/WHO Trust Fund for Enhanced Participation in Codex. Increased coordination and collaboration among public and private sector institutions concerned with agricultural and food value chains was needed in order to ensure the safety of food products produced and marketed in Africa and protect African consumers.

21. The presentations were followed by a high-level panel discussion.

#### VII. Session 3: High-level dialogue on strengthening intraregional food trade to improve food security in Central and East Africa: unlocking opportunities and meeting challenges

22. The session was moderated by the Director of the Subregional Office for Eastern Africa of ECA, Mama Keita.

23. Two representatives of the ECA Subregional Office for Eastern Africa, Andrew Mold and Simone Assah Kuete, gave a presentation on how intraregional trade in agricultural commodities could help address growing food insecurity in Central and East Africa. The food security and nutrition of millions of people were under threat from multiple shocks, including the COVID-19 pandemic, natural disasters, political instability, the impact of climate change and the war in Ukraine. Some 68 per cent of undernourished people on the African continent lived in Central and East Africa. Furthermore, some 65 per cent of the world's remaining uncultivated arable land was in Africa, more than 60 per of the continent's working population was engaged in agriculture, and soils across much of the continent were rich and fertile. Nonetheless, food productivity in Africa was very low, making the continent the most food import-dependent region in the world.

24. The fact that some African countries produced a surplus of food while others had food deficits offered opportunities for expanding intraregional food trade. Nevertheless, food trade on the continent was impeded by high tariff and non-tariff barriers. Furthermore, some 40 per cent of food was lost in Africa as a result of weak logistics mechanisms and inadequate post-harvest storage. To exploit fully the opportunities stemming from the establishment of the African Continental Free Trade Area, which could bolster intraregional trade in food and strengthen food security across the continent, African countries should harmonize food-related standards, promote food safety and streamline customs and cross-border clearance procedures.

25. In the discussion that followed the presentation, participants emphasized the pressing need to bolster food security in Central and East Africa.

#### VIII. Session 4: High-level dialogue on regional commodity exchanges as a means of stimulating investment, production and industrialization in Africa

26. The session was chaired by the Minister of Trade, Transport and Tourism of Burundi, Marie Chantal Nijimbere, and moderated by Ms. Keita.

27. A presentation was given by the Director of the Laboratory for Financial Engineering at Université Laval, Canada, Issouf Soumaré, on the regional and international importance of commodity exchanges, which facilitated price discovery, risk management, and market access and diversification. A number of challenges, including market volatility and regulatory compliance, could impede the establishment of commodity exchanges. The establishment of exchanges in East Africa, could, however, result in improved product quality, enhance the efficiency of markets, strengthen price transparency, promote financial inclusion and reduce commodity and transaction costs. Commodity exchanges could, moreover, facilitate the mobilization of resources to strengthen the agricultural sector. To ensure that commodity markets functioned effectively, it was important to harmonize legislation governing the trade in commodities. Furthermore, the establishment of the African Continental Free Trade Area could facilitate the creation of commodity exchanges and foster economic growth throughout the wider region.

28. The presentation was followed by a high-level panel discussion.

29. At the conclusion of session 4, Ms. Nijimbere and Ms. Morsy officially launched the Burundi Investment Guide, noting that the launch coincided with World Tourism Day 2023, the theme of which was "Tourism and Green Investment".

# IX. Session 5: High-level dialogue on strengthening the attractiveness of Central and East Africa to mobilize investments for diversification, industrialization and food security

30. The session, which included two presentations, was moderated by the Chief of the Subregional Initiatives Section at the Subregional Office for Central Africa, Adama Coulibaly.

31. The first presentation was given by Associate Professor of Economics at Nagoya University in Japan, Christian Ochia, who discussed quality, benchmarking and ways to mobilize investments in African countries, in particular in Central and East Africa. Political instability and the limited capacity of many African countries to withstand global shocks continued to undermine efforts to mobilize resources for investment. To address that challenge, African countries should build on successful resource mobilization strategies developed by countries outside the continent, including Thailand and Viet Nam. African countries should also take action to enhance the attractiveness to investors of the continent's agricultural value chains, including by improving the post-harvest handling of agricultural commodities and supporting the development of food processing industries.

32. The second presentation was given by an economist at the Subregional Office for Central Africa, Bertrand Ngnie, who highlighted differences between Africa and South-East Asia in terms of their attractiveness as destinations for investment. South East Asian countries attract more foreign direct investment than Central and East Africa combined. The proliferation of special economic zones in South East Asia could, perhaps, explain the strong economic performance of the countries in which they were located. Indeed, those special economic zones had attracted significant foreign direct investment inflows from China, European countries and Japan, accelerating the industrial development of the subregion. The establishment of special economic zones in Central and East Africa could similarly attract significant foreign direct investment to those subregions, although specific economic reforms would also need to be enacted to ensure their success.

33. The presentations were followed by a discussion in which the panellists shared their experiences and discussed potential strategies that countries could adopt to attract foreign direct investment.

#### X. Session 6: Status of implementation of the Agreement Establishing the African Continental Free Trade Area in Central and East Africa

34. The session was moderated by the Chief of the Regional Integration and African Continental Free Trade Area Cluster at the Subregional Office for Eastern Africa, Andrew Mold, who also gave a presentation on the objectives of the Agreement Establishing the African Continental Free Trade Area and the challenges that African countries continue to face in trade negotiations. Underscoring that the continental Free Trade Area, Mr. Mold drew attention to the core principles enshrined in the Agreement and the significant benefits for African countries that could stem from its adoption.

35. A number of observations were made by representatives of African regional economic communities, including EAC, ECCAS and IGAD, and by stakeholders from the private sector, regarding the role that regional economic communities and private sector enterprises could play in boosting trade in Africa. African countries were urged to develop and implement national African Continental Free Trade Area programmes that reflected the strategies formulated by their relevant regional economic communities.

#### XI. Session 7: Towards building bridges to strengthen collaborative frameworks on quality infrastructure

36. The session, which provided an opportunity to discuss policy and infrastructure development issues and challenges, was chaired by a representative of the Bureau of the Subregional Office for Central Africa and moderated by Adama Coulibaly. Insights were provided by a large number of participants, including consultants, researchers and representatives of national, subregional and international organizations active in areas such as food safety, standardization, agricultural management and development, public health and environmental science.

#### XII. Session 8: Introduction of the reports on the activities of the Subregional Offices for Central Africa and Eastern Africa since the previous joint session of the Intergovernmental Committees of Senior Officials and Experts

37. The session was chaired by a representative of the Bureau of the Subregional Office for Eastern Africa and moderated jointly by Mr. Mastaki and Ms. Keita.

38. Representatives of the Subregional Offices for Central and Eastern Africa presented reports on the activities of the offices since the previous joint session of the Intergovernmental Committees of Senior Officials and Experts. They then presented the strategic frameworks for the subregional offices for 2024.

39. Participants and members of ECA commended the work accomplished by the subregional offices. They trusted that the two offices would take into consideration their requests and concerns in the implementation of the strategic frameworks for 2024.

#### XIII. Recommendations for future action, reflecting the theme of the second joint session

40. In the light of the discussions, the Committees made the following recommendations:

(a) ECA and technical and financial partners should:

(i) Work with national and regional think thanks to ensure policy uptake on quality and standards, with a view to fostering economic diversification and value chain development;

(ii) Strengthen the productive capacity of small-scale farmers, including women, young people and persons with disabilities who make a living in farming, by promoting their access to high-quality inputs and raising their awareness of and adherence to relevant norms and standards;

(iii) Support capacity-building in the area of standardization, in particular for young people and women whose livelihoods depend on agriculture, with a view to supporting implementation of the Agreement Establishing the African Continental Free Trade Area, drawing on the experience of the African Organization for Standardisation in developing African standards;

(iv) Ensure that consideration is given to the interests of women in policy development, support the development of subregional linkages among women farmers and facilitate the creation of a platform through which women can share information, obtain appropriate guidance and establish subregional networks;

(b) To boost food trade and accelerate implementation of the Agreement Establishing the African Continental Free Trade Area, Governments should:

(i) Strengthen dialogue with the private sector and raise awareness of international trade agreements with a view to encouraging publicprivate partnerships, boosting domestic resource mobilization and increasing the capacity of businesses to attract foreign direct investment;

(ii) Foster the emergence of a supportive business environment and regulatory framework that can support industrialization by prioritizing infrastructure development, in particular in the energy sector and in the area of information and communications technology;

(iii) Establish special economic zones, monitor their performance to ensure that they continue to have a positive socioeconomic impact and take steps to support their long-term profitability;

(c) To improve quality standards in agriculture, Governments should:

(i) Invest in high-quality infrastructure, harmonize standards, develop market strategies and take advantage of domestic demand and market opportunities while encouraging the consumption of domestic food products with a view to reducing dependence on food imports;

(ii) Ensure harmonized standards throughout national and regional value chains, adopt national or subregional quality policies, monitor

implementation of those policies and participate in the Technical Committee on Food Products of the International Organization for Standardization (ISO). Establish committees to encourage the harmonization of standards among subregions and promote the mutual recognition of certification and accreditation processes;

(iii) Fund research and development;

(iv) Prioritize the development and distribution of high-yield, highquality seeds for local farmers;

(d) To boost food trade and accelerate implementation of the Agreement Establishing the African Continental Free Trade Area, Governments should:

(i) Mainstream the provisions of the Agreement Establishing the African Continental Free Trade Area into national laws, develop inclusive policies that promote entrepreneurship among young people and women, facilitate the establishment of cross-border payment systems and adopt open skies policies;

(ii) Leverage the establishment of the African Continental Free Trade Area to mobilize further investments in the Central and Eastern African food sectors with a view to boosting competitiveness in regional markets, enhancing food security and increasing intraregional trade;

(iii) Improve market linkages, provide technical and financial support and strengthen the capacity of smallholder farmers, including through the adoption of harmonized standards and the provision of extension services;

(iv) Increase investments in programmes and adopt policies and technologies to boost agricultural productivity in order to strengthen food security;

(e) Regional economic communities should:

(i) Strengthen cooperation among regional economic communities and consider the nomination of specific countries to lead standardization, accreditation and product testing efforts;

(ii) Follow the example set by the Economic Community of West African States (ECOWAS) by establishing subregional product testing laboratories;

(f) Private sector stakeholders should:

(i) Develop products, technologies and solutions to foster the establishment of commodity exchange markets in Africa;

(ii) Address logistical challenges related to the transportation of agricultural products from production and processing sites to supermarkets with a view to strengthening the competitiveness of African businesses in regional and international markets;

(iii) Harness the power of big data to facilitate the identification of market trends and guide investment decisions with a view to accelerating the development of the food industry in Africa.

41. Based on the discussions and deliberations that followed the introduction of the working documents of the Intergovernmental Committees and the conclusions of reflection panels and round tables, the Intergovernmental Committees adopted the recommendations, subject to minor corrections by the secretariat.

#### XIV. Theme, dates and venue of the next session of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa

42. The theme of the next joint session of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa, "Implementing rapid innovation solutions to accelerate economic diversification in Central and East Africa", was unanimously adopted.

43. The Subregional Offices for Central and Eastern Africa would, in due course, conduct consultations on the venue and dates of the next joint session, which the Democratic Republic of the Congo expressed interest in hosting.

#### XV. Session 9: Closing

44. The session was presided over by the Chair of the Bureau of the Intergovernmental Committee of Senior Officials and Experts for Central Africa, represented by the Director of Public Investment Project Programming at the Ministry of Finance, Budget and Economic Planning of Burundi, Denis Ndagijimana. Following interventions by the Directors of the Subregional Offices for Central and Eastern Africa, Mr. Ndagijimana delivered final remarks and declared the second joint session of the Intergovernmental Committees of Senior Officials and Experts for Central and East Africa closed.

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