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STATEMENT BY

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**DELIVERED DURING THE OPENING OF THE
SIXTH SESSION OF THE COMMITTEE ON TRADE, REGIONAL
COOPERATION AND INTEGRATION**

**UNITED NATIONS CONFERENCE CENTRE: ADDIS ABABA, ETHIOPIA: 13-
15 OCTOBER 2009**

His Excellency Mr. Ahmed Shide, State Minister for External Economic Cooperation of the Federal Democratic Republic of Ethiopia;
His Excellency Najat Hassan Mohammed Salih, Ambassador of the Sudan to the Federal Democratic Republic of Ethiopia and Chairperson of the Bureau of the Fifth Session of the Committee on Trade, Regional Cooperation and Integration;
Madame Lala Ben Barka, Deputy Executive Secretary of the Economic Commission for Africa, representing His Excellency Mr. Abdoulie Janneh, UN Under-Secretary General and Executive Secretary of ECA;
Excellencies Ambassadors;
Representatives of Regional and International Organizations;
Distinguished Participants;
Ladies and Gentlemen

I am delighted to deliver a statement at the opening of this Sixth Session of the Committee on Trade, Regional Cooperation and Integration, taking place here at the UN Conference Centre in Addis Ababa, Ethiopia. Please allow me to welcome you all to Addis Ababa, the African Capital. Allow me also to commend Mr. Abdoulie Janneh, UN Under-Secretary General and Executive Secretary of the Economic Commission for Africa, for inviting the African Union Commission to participate at this important meeting, by so doing under-scoring the excellent partnership and collaboration that exist between our two premier institutions.

I also wish to thank the Government of the Federal Democratic Republic of Ethiopia for hosting this meeting. Further, I wish to acknowledge the presence, in our midst, of His Excellency Mr. Ahmed Shide, State Minister for External Economic Cooperation of the Federal Democratic Republic of Ethiopia, whose presence is a clear manifestation of the importance that the leadership of this country attaches to matters concerning trade, regional cooperation and integration.

The convening of this meeting is indeed very timely and pertinent, particularly when issues of trade, regional cooperation and integration are top priority programs of our pan-African institutions. You will agree with me that tremendous efforts are being exerted by our institutions in accelerating the pace of regional and continental integration. The African Union Commission, for example, has made notable progress in such areas as the elaboration of Minimum Integration Program (MIP); the establishment of the three pan-African financial institutions, as perceived in Article 19 of the Constitutive Act of the African Union; the preparation of the Program on Infrastructure Development in Africa; and the elaboration of Common African Positions in several areas, including trade and finance.

The main objective of the MIP is to coordinate and harmonize activities, projects and programmes of the RECs, in order to accelerate the process of regional and continental integration. This is in line with the mandate given to the African Union Commission by the Heads of State and Government, to fast-track the implementation of the Abuja Treaty, given its current low level of implementation.

The MIP was elaborated by the AUC in collaboration with the RECs and the Member States and adopted by the AU Assembly of June/July 2009 following the recommendation of the Fourth Conference of African Ministers in charge of Integration (COMAI IV) held in May 2009 in Yaounde, Cameroun. Currently, the Commission, in collaboration with the RECs, is working on its refinement so as to be in line with the current programmes of the REC.

However, the implementation of the MIP poses serious challenges, including availability of adequate financial resources. Cognizant of this challenge, COMAI IV requested the AUC, in collaboration with the AfDB, to explore the possibility of establishing a Continental Fund for implementing the MIP. In addition, it requested the AUC to design a study on the modalities for financing the

Continental Fund, and to undertake a series of consultations with the RECs to develop a strategy for funding the MIP.

Excellencies

Ladies and Gentleman

Regarding the pan-African financial institutions, namely, the African Central Bank, the African Monetary Fund and the African Investment Bank, commendable and notable progress is being made in their establishment. Progress on the establishment of the African Investment Bank, for example, includes (i) the signing of a Memorandum of Understanding (MoU) on the establishment of a Technical Steering Committee on the establishment of the Bank between the African Union Commission and the host country, the Arab Libyan Jamahiria, on 6th January 2008; (ii) allocation of office space for the members of the Technical Steering Committee in April 2008; (iii) commencement of implementation studies of the Bank by members of the Technical Steering Committee in June 2008; (iv) adoption of the Protocol and the Statute on the establishment of the Bank by the African Union Assembly during the January/February 2009 and June/July 2009 AU Summits, respectively; (v) preparation of the Annexes to the Statute, which were considered by independent experts from 6-7 October 2009 in Addis Ababa. Tremendous efforts are currently being made by the Commission to have the Protocol signed and ratified by the African Union member states.

Pertaining to African Central Bank, achievements include (i) the setting-up of a joint AUC/Association of African Central Banks (AACB) Technical Committee on the African Central Bank in August 2007; (ii) the signing of the MoU on the establishment the Technical Steering Committee on the Bank by the host country, Nigeria, and the African Union Commission in April 2009; (iii) identification of an office building for members of the Technical Steering

Committee in July 2009; and (iv) the selection of consultants to prepare a Joint AU-AACB Strategy on the establishment of the African Central Bank.

As for the establishment the African Monetary Fund, progress to date includes: (i) the signing of the MoU on the establishment of the Technical Steering Committee on the Fund in June 2008, (ii) identification of office space in Yaoundé, Cameroon in September 2009; and (iii) identification of the Members of the Technical Steering Committee.

Excellencies

Ladies and Gentleman

Low level of Infrastructure development is one of the main obstacles to regional and continental integration in Africa. Africa remains at the bottom in terms of infrastructure development compared with the rest of the world. According to the latest figures by the African Development Bank, for example, only 30 per cent of Africa's population has access to electricity compared to over 70 per cent for other regions, and about 4 per cent has access to telecommunications compared to about 40 per cent in other regions. It is, therefore, not surprising that infrastructure development remains high on the integration and development agenda of the African Union.

In cognizant of this, the African Union Commission and the AfDB are jointly leading the process of developing an initiative of infrastructure development in Africa, the Programme for Infrastructure Development in Africa (PIDA). PIDA will address issues such as (i) incomplete information of infrastructure development in Africa; (ii) inadequate causal analysis, which involves identifying the causes of delay in infrastructure development in Africa; (iii) lack of politically accepted and technically justified prospects; and (iv) poor implementation of infrastructure projects in Africa.

In addition to PIDA, there have been several continental infrastructure initiatives aimed at addressing Africa's infrastructure challenges and thereby promoting regional and continental integration. These include: (i) New Partnership for Africa's Development (NEPAD); (ii) the coordination mechanism for infrastructure development in Africa, jointly established by the AUC and the AfDB; (iii) the EU-Africa Infrastructure Partnership; and (iv) the infrastructure Consortium for Africa (ICA).

The importance of promoting trade, both inter- and intra-, cannot be overemphasized. However, both inter- and intra-African trade figures remain low. In this regard, the African Union Commission is doing its utmost to work in the area of trade. In the area of customs, for example, it is working with the RECs towards the establishment of a continental customs union. It is also working on the harmonization of rules of origin and transit procedures, as well as capacity building initiatives in Customs Administration, interconnectivity of computerized customs system, and development of a Common Tariff Nomenclature (CTN) and Common Customs Code of Conduct (Customs regulations and procedures).

Regarding Economic Partnership Agreement (EPA) negotiations, the African Union has provided a forum for the elaboration of African Common Positions in EPA negotiations to enable negotiating groups to negotiate from a point of strength and promote harmonization that will assist the process of continental economic integration. This is in line with Maputo Declaration of 2003 in which African Union Heads of State and Government mandated the AUC to coordinate EPA negotiations in Africa. In implementing this decision, the Commission organizes sessions of the Conference of African Union Trade Ministers whereby EPA negotiations are considered and pertinent declarations adopted.

Following the recommendation of the Joint Conference of AU Ministers of Trade and Finance held in Addis Ababa, Ethiopia, on 13th April 2008, the AUC, in

collaboration with the United Nations Commission for Africa (UNECA) and the RECs, has developed an EPA Model Template to be used as a guide in the negotiations for full and comprehensive EPAs. The AU Assembly of June/July 2009 endorsed the recommendation of the Fifth Session of the AU Ministers of Trade Conference held on 19th-20th March 2009 that Template should be used as a broad set of guidelines in the EPA negotiations and to ensure that contentious issues are addressed in the interim EPAs. It is, therefore, important for African countries and regions negotiating full EPAs with the European Commission (EC) to use this AU EPA Template in conformity with the decision of the AU Heads of State and Government.

Regarding Doha Round negotiations, the African Union Commission looks forward to a timely conclusion of the negotiations, with adequate flexibilities for developing countries, in particular African countries, with respect to principles of less than full reciprocity in reduction commitments; meaningful market access commitments; predictable, effective and additional sources of aid for trade; and other developmental concerns. Thus, the AUC will continue to lend technical support to the African Group and continue to positively contribute to advancing the multilateral trading system. The AUC is conscious that more than ever, especially within the current environment of the global economic and financial crisis, it needs to remain highly vigilant to ensure early and successful conclusion of the Doha Round.

Excellencies

Distinguished Ladies and Gentlemen

In the area of statistical development, AU Heads of State and Government adopted the African Charter on Statistics, on 3 February 2009, during their 12th ordinary session. This Charter, jointly drafted by the entire African Statistical System, is a major advancement in the area of statistical development. It is a policy framework and constitutes a commitment by African countries to scale up their capacities in this cross-cutting area so as to provide efficient tools for the

follow up of development issues including trade, regional cooperation and integration. Today, it is important that each Member State signs and ratifies it to enable it to have its effects at the continental level.

Please allow me to conclude by arguing that although several decisions have been taken aimed at accelerating the pace of regional and continental integration, the level and pace of implementation remain slow. I, therefore, wish to invite this meeting to examine how this issue can be resolved. The AUC, on its part, will play its leadership role in coordinating your efforts. In doing this, it will continue to work in close collaboration with the Economic Commission for Africa, the African Development Bank, the RECs, as well as the Member States.

I thank you for your kind attention and wish the Sixth Session of the Committee on Trade, Regional Cooperation and Integration successful deliberations.