



United Nations Economic Commission for Africa

Virtual Workshop with Students, Staff and other stakeholders of the COMESA Masters Programme in Regional Integration (Kenyatta University and University of Mauritius)

Focusing on two ECA Publications

The 10th Edition of the Report on Assessing Regional Integration in Africa (ARIA X) on the theme: “Services Trade Liberalisations and integration within the AfCFTA”

and

The Report on “Governing the interface between the African Continental Free Trade Area (AfCFTA) and Regional Economic Communities (RECs)”

7th April 2022

1) Introduction

In furtherance of its role as a leading think tank, the Economic Commission for Africa (ECA), through its Regional Integration and Trade Division, has recently produced and launched two important reports: the 10th edition of its recurrent, biennial publication, *Assessing regional Integration in Africa (ARIA X)*, on the theme: “Services Trade Liberalisation and Integration within the AfCFTA,” produced jointly with the African Union Commission (AUC), the African Development Bank (AfDB) and the United Nations Conference on Trade and Development (UNCTAD); and a non-recurrent publication on the theme, “Governing the interface between the African Continental Free Trade Area and Regional Economic Communities (RECs) Free Trade Areas.” The first official launch of these reports took place on 07 December 2021 and it is to be followed by a number of other dissemination events, targeting stakeholders in Africa’s integration agenda, including academia and policy institutions.

The COMESA Master’s Degree Programme in Regional Integration is a postgraduate virtual programme carried out through a collaboration involving 22 universities in the Common Market for Eastern and Southern Africa (COMESA).¹ The Kenyatta University in Kenya and the University of Mauritius, are the two universities that are most advanced in rolling out the COMESA MA Programme on Regional integration, haven already an intake of students. Broadly, the programme aims at providing practical skills and tools for policy development with a view to supporting the process of deepening Regional Integration in COMESA and the broader African

¹ The 22 Universities that have signed to participate in the COMESA Master Programme in Regional Integration are: University of Burundi – Burundi; Centre for Studies and Research of Djibouti – Djibouti; University of Kinshasa – DRC; Cairo University – Egypt; College of Business and Economics – Eritrea; University of Eswatini – Eswatini; Catholic University of Eastern Africa – Kenya; Kenyatta University – Kenya; University of Nairobi – Kenya; Maasai Mara University – Kenya; University of Antananarivo – Madagascar; University of Malawi – Malawi; Open University of Mauritius – Mauritius; University of Mauritius – Mauritius; University of Technology – Mauritius; International University of Seychelles – Seychelles; University of Khartoum – Sudan; Kyambogo University – Uganda; Makerere University – Uganda; Uganda Martyrs University Nkozi – Uganda; University of Zambia – Zambia; University of Zimbabwe – Zimbabwe.

region. It is designed to primarily address a critical cause of the slow progress of regional integration in the COMESA region, and in the rest of the African continent – limited skills and institutional capacity. Expanding the pool of local experts will not only solve the inability of countries to implement the numerous protocols, decisions and Acts but also strengthen the implementation of various commitments, including legal, economic, social and political areas in COMESA Member States. The programme is designed for government officials working in divisions or units dealing with trade, integration and cooperation issues; students intending to work as trade officers, trade policy analysts, advisers, researchers, trade attaches; private sector trade practitioners; media practitioners specialising in business, gender, climate and trade issues; chambers of commerce, manufacturer and consumer associations, consulates and other diplomatic missions and development organisations dealing with trade and integration issues, as well as for middle level trade researchers and consultants

Reaching out and partnering with the COOMESA Programme on Regional Integration at the Kenyatta University and the University of Mauritius to convene this workshop around these two important knowledge products on pertinent issues of regional integration, falls within the framework of ECA's policy strategy of translating ideas and findings (embodied in its knowledge products) to action.

2) ARIA X on “Services Trade Liberalisation and Integration within the AfCFTA

The focus on Services trade liberalisation and integration in ARIA X is in recognition of the growing importance of the Services Sector on the continent amidst the challenges that the sector continues to face even as services trade constitute one of the protocols of the AfCFTA Agreement. In Africa, services have grown tremendously in importance in recent years, accounting for a significant proportion of the continent's economic activity and output. Its share in national outputs is growing, and it contributes to socioeconomic equity, especially by providing employment for vulnerable groups such as women and youth. In 2018-19, services were the major driver of economic growth in 25 of 54 African countries, accounting for more than 50 per cent of real economic growth. Services have also been found to account for much of the value in the prices of final commodities and products traded by many Africa countries.

Although the services sector in African countries has been growing faster than the world average, the continent remains a marginal player in value-added global services trade for both services exports and imports. Services have also continued to face challenges on the continent, not least the low levels of awareness both within governments and the private sector about the potential for trade in services, partly because of a lack of information and shortages of data, as well as poor infrastructure, weak institutions, inappropriate regulatory frameworks and unsupportive policies. Invariably, unlocking the potential of services trade requires that its potential be understood and supported in African policy-making processes at all levels.

African countries have signed up to myriad policy instruments and frameworks geared towards liberalizing trade in services. The continent has, however, been unable to consolidate these frameworks into a viable continent-wide regime, and to optimize the benefits of liberalization of the sector, such as greater contributions to GDP, better integration into value chains and broader diversification and industrialization. The persistent fragmentation of Africa's policy landscape has been a major contributor to the continent's weak competitiveness in global services trade, with African services exports amounting to just two per cent of global trade in services. The AfCFTA's protocol on trade in services provides a veritable platform for liberalizing and integrating Africa's services. Given the sector's complexity, the AU Assembly at its July 2018 Summit approved five

priority sectors for the first round of negotiations: transport, communications, financial services, tourism and business services for which AU member states are currently preparing specific offers. Some estimates suggest that the benefits of liberalising services trade could match or even exceed the benefits of goods liberalization under the AfCFTA.

The tenth edition of the report on Assessing Regional Integration in Africa (ARIA X) seeks to deepen understanding and appreciation of the critical role of services to trade, production and the economy in Africa. It critically analysis the types of approaches to liberalization of trade in services and regional regulatory cooperation under the AfCFTA, which have the most potential to support Africa's development, including through the enhancement of intra-African trade in services, enabling of better and more effective integration into regional and global value chains, the enforcement of both public and privates sector capacities and overall greater competitiveness in an increasingly digitalizing global economy.

The ARIA X report has ten chapters organised under more or less three main sections. The **first**, which comes immediately after the introduction and executive summary is the conceptual section, comprising of a traditional chapter that tracks progress and trends in regional integration on the continent (chapter 1); a conceptual overview of services trade and services trade policies in Africa (chapter 2), and a transitional chapter that clarifies the impacts of services trade restrictions on development, makes the case for greater liberalisation and sets the tone/provides a framework for the thematic section of the report (chapter3). The **second** is the thematic section, which focuses on analysing liberalisation and regulation in five priority sectors in the AfCFTA agreement, namely; financial services (chapter 4), transport services (chapter 5), communication services (chapter 6), tourism (chapter 7), and business services (chapter 8). The **third** section discusses the development of value chains and building of both public and private sector capacities, including in the negotiation of services trade liberalisation, as well as the establishment and effective implementation of regulatory structures and frameworks (chapter 9). This report concludes with important findings as well as a number of pertinent policy recommendations (chapter 10) for consideration by stakeholders, particularly member states, continental and regional organisations, academia, as well as private sector operators.

3) Report on “Governing the interface between the AfCFTA – RECs”

ARIA X's findings, particularly with regard to the progress that RECs have made and their continued relevance to Africa's integration processes, resonate with the analysis and findings of the Commission's non-recurrent publication on “Governing the interface between the AfCFTA and RECs”. The report is informed by the recognition that Africa's regional economic communities (RECs) continue to advance the continent's integration, contributing to the implementation of such strategic frameworks as the African Continental Free Trade Area (AfCFTA). The RECs' progress and the challenges they have faced in trying to promote trade integration among their member States positions them for their envisioned roles, first, as building blocks of the African Economic Community (AEC) as provided for in the Abuja Treaty; and second, the recognition of RECs Free Trade Areas as building blocks of the AfCFTA in the AfCFTA Treaty. Consolidating the multiple and overlapping trading regimes in the RECs' free trade areas (REC-FTAs) to accelerate regional and continental integration is a main objective of the AfCFTA. However, doing so requires careful and thoughtful management and governance.

This report analyses key issues concerning the interface between the AfCFTA and REC-FTAs. It articulates actionable policy proposals that would support a coherent, coordinated and fully responsive interface between the AfCFTA and RECs. It also suggests how to leverage RECs trade integration achievements/successes, as well as lessons from the challenges which REC-level FTA's have faced to improve on the implementation of the AfCFTA. Consisting of ten chapters and using a combination of research methods, the report analyses and interprets the role of RECs as building blocks of the African Economic Community (AEC); the relationships among REC-FTAs, the AfCFTA and the AEC; and mechanisms for building the interface and managing it to effectively implement the AfCFTA. It contemplates three options for the interface: RECs trade departments serving as sub-secretariats of the AfCFTA secretariat, RECs' relevant organs assigned specific roles to coordinate AfCFTA activities within a framework of a well-articulated division of labour, and REC-FTAs integrated into the AfCFTA.

4. Objectives of the workshop

This workshop aims at showcasing and discussing the key findings and recommendations of the two reports (ARIA X and Governing the AfCFTA – RECs interface) with students, lecturers and other stakeholders of the COMESA' strategic Masters programme on Regional Integration with a view of facilitating uptake and implementation. The analyses provided by the reports have the potential to contribute to deepening understanding of various nuances in Africa's regional integration efforts, including concrete policy interventions that could increase the prospects of successfully implementing the AfCFTA and RECs level FTAs, as well as improving Africa's overall integration environment. It would be an excellent platform for robust engagement with students enrolled in this strategic programme, most of whom are already practitioners or alternatively, are prospective practitioners in various government departments, regional integration organizations and private sector institutions dealing with diverse issues of integration. It is also hoped that the seminar will be able to pitch the ARIA X and Interface Reports as dependable resource materials for the research efforts that the students of the COMESA MA Programme on Regional Integration would be engaging in.

5. Date: The launch is planned for 07 April 2022, from 08:00 am – 13:30 pm Lusaka, Zambia time; 9am Addis Ababa, Ethiopia time (EAT).

6. Modality/format: The workshop would be done using a virtual platform, accessible via MS Teams: **Registration Link to be shared**

7. Contact persons: Zewditu Befekadu (befekaduz@un.org); Vital Habinshuti (vital.habinshuti@un.org), copying: Francis Ikome (ikome@un.org); and Dr. Christopher Onyango (conyango@comesa.int).