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The EU's support to the AfCFTA: Political support, financial support and trade policy support

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The European Union (EU) is and has been a strong supporter of the African Continental Free Trade Area (AfCFTA). The EU warmly congratulated its African partners when the AfCFTA Agreement entered into force on 30 May 2019.

The AfCFTA is an ambitious economic integration initiative and a unique opportunity for both Africa and the EU to deepen trade, foster investment and inclusive economic integration, and accelerate sustainable development.

To make AfCFTA implementation possible in years to come, the EU is:

- continuing to support ongoing negotiations,
- supporting preparations for phase 2 of the AfCFTA negotiations, and
- supporting activities for implementation in African countries and regions.

The title of my presentation refers to the EU's political, financial and trade policy support to the AfCFTA.

Let me start with the political support.

In the joint declaration from the fifth African Union (AU) – European Union Summit in Abidjan, of November 2017, EU Leaders joined African leaders in strong political support of the African Union's economic integration efforts.¹ Following the AU Summit in Kigali in March 2018, the European Commission expressed further strong support on the occasion of President Juncker's State of the European Union address in September 2018.

President Juncker proposed an Africa-Europe Alliance for Sustainable Investment and Jobs, to boost investment and employment in Africa. As part of this coherent economic agenda, trade integration in Africa is one of the key pillars. This is where the AfCFTA takes centre stage, with the EU pledging not only political but also financial, technical and policy support.

¹ Para.6: "We will promote intra-African trade, advance greater economic integration and support the establishment of the African Continental Free Trade Area (CFTA)".

At the political level, President von der Leyen has made clear likewise her support for economic integration in Africa also at continental level. Her vision is one where the EU engages with Africa as equal partner also at continental level.

To this end, the EU's [Comprehensive Strategy with Africa](#) published in March 2020 proposes that the EU-Africa partnership cover migration, the green transition, digital transformation, peace and governance, and sustainable growth and jobs holistically,

With regard to financial support, from 2014 to 2020 the EU has been supporting the AfCFTA through its Pan-African Programme with more than €74 million. Through this funding, the EU is supporting capacity building for the negotiation, ratification and implementation of the AfCFTA Agreement, to ensure that African countries and intra-African trade can benefit from the opportunities that the Agreement provides.

EU support has so far focused:

- On the AfCFTA negotiation process and architecture with €26 million used for:
 - facilitating the negotiations (€12.6 million);
 - advocacy and ratification (€4 million); and
 - creating the AU Trade Observatory (€9.5 million).
- On facilitating the future AfCFTA implementation with €40 million used for:
 - harmonising goods classifications (€5 million);
 - improving the system for intellectual property rights (IPR) (€12 million);
 - the development of AfCFTA national implementation strategies (€4 million);
 - enhancing the effective application of rules of origin by customs administrations (€6 million); and
 - enhancing the administration of Africa's plant and animal health (SPS) systems (€13 million).

The EU's main financial support is managed by EuropeAid and the EU Delegation at the African Union in Addis Ababa. It is important to add that support is provided not only at EU level but also by individual EU Member States.

The EU's financial support is backed up by significant technical support. The European Commission is eager to strengthen its offer of sharing expertise in economic integration. We are also ready to develop jointly with the African Union Commission the integrated and coherent support – at continental, regional and national level – needed for effective implementation of the African Continental Free Trade Area.

With regard to trade policy support, the European Commission has proposed to step up EU engagement with Africa under the Trade Policy Review (TPR) Communication published on 18 February 2021 by supporting political dialogue and cooperation with the African Union and its Members and the smooth implementation of the AfCFTA, including engagement with the private sector and promoting common standards in Africa to enhance regional and continental integration.

We will continue to create new opportunities for African and EU businesses and strengthen our ties and resilience to future shocks. The EU's trade agreements in Africa offer the prospect of closer economic integration on the continent. In Sub-Saharan Africa, the Economic Partnership Agreements are building blocks of the African Continental Free Trade

Area and EU-African trade. Our long-term vision remains that of a continent-to-continent trade agreement based on the successful implementation of the AfCFTA.

The European Commission also proposes a new sustainable investment initiative to partners or regions in Africa interested in taking part. Wherever feasible, all relevant actors will be involved, including EU Member States, private sector and civil society.

My key message here today is that the EU's political, financial and trade policy support goes beyond all this. In fact, the EU has been supporting economic integration in Africa for decades. This has included political, financial and technical support to the Regional Economic Communities (RECs), which are officially recognised as building blocks of the African Union and the AfCFTA. I trust that the RECs are benefitting from all that support in their contribution to, and preparations for, the continental integration effort.

Likewise, the EU's trade policy has had an impact on economic integration in Africa. Africa's trade agreements with the EU have brought trade tools and expertise that African countries and regions can use to build the African continental free trade area. So how does this work?

- The technical tools of trade agreements with the EU include tariffs, product exclusions, rules of origin, trade defence measures and even dispute settlement mechanisms. In negotiating the African continental free trade area, these issues have been under discussion, partly on the basis of the expertise and experience gained with the EU.
- The trade agreements between African countries and the EU are dynamic agreements that can be extended beyond the trade in goods issues just mentioned. This is happening both in North Africa and Sub-Saharan Africa and provides further opportunities to develop the policies and tools that you may wish to deploy at continental level.
- The technical and financial assistance that comes with the EU's trade arrangements, and its Aid for Trade more broadly, have also enhanced African capacities and expertise.

I would like to finish by saying that it is important for the EU to deepen its engagement with Africa, a continent with which it has important cultural, economic and political ties. Today the EU is Africa's first aid, trade and investment partner, helping to foster sustainable development and economic growth on the continent. Faced with the impact of the COVID-19 pandemic in Africa, our partnership has become even more relevant.