
**SPEAKING NOTES
FOR
HIS EXCELLENCY WAMKELE MENE
SECRETARY-GENERAL, AfCFTA SECRETARIAT**

**TOPIC: "AfCFTA OPPORTUNITIES FOR AGRI-FOOD SYSTEM
TRANSFORMATION AND PROGRESS MADE"**

ON OCCASION OF THE 32ND FAO REGIONAL CONFERENCE FOR
AFRICA MINISTERIAL SESSION

MALABO, EQUATORIAL GUINEA

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PROTOCOLS

- The Chairperson of FAO Regional Conference for Africa (ARC)
- H.E Qu Dongyu, Director General of Food and Agriculture Organization of the United Nations (FAO)
- Dr Abebe Haile-Gabriel, Assistant Director-General and Regional Representative for Africa,
- Honourable Ministers
- Excellencies
- Representatives of Regional Economic Communities in Africa
- Representatives of International Organisations
- Representatives of Private Sector Organisations
- Esteemed Panelists
- Distinguished Guests, Ladies and Gentlemen

Good morning.

1. I am delighted to join you at this 32nd FAO Regional Conference for Africa.
2. This conference has special resonance here in Malabo, where the AU Summit in 2014 reconfirmed that agriculture should remain high on the development agenda of the continent, and is a critical policy initiative for African economic growth and poverty reduction – the Malabo Declaration.
3. I wish to commend the FAO and partners for organising this important conference, which is the 32nd one, and thank you also for inviting me.

4. I also commend the FAO for its continued support in promoting regional integration in Africa. As you may know, the FAO, in collaboration with the African Union Commission, launched the Framework for Boosting Intra-African Trade in Agricultural Commodities and Services in April 2021 to guide policymakers, the private sector, and civil society to develop and expand sustainable, inclusive and resilient intra-African trade.
5. I am pleased and honored to have the opportunity to address you at today's session on "Promotion of investment and trade for competitive agrifood systems: AfCFTA opportunities and progress."
6. My remarks will, mainly, focus on the "AfCFTA Opportunities for Agri-Food System Transformation and Progress Made."
7. Indeed, the promotion and development of agriculture, agro-industry, agri-food systems and regional value chains in Africa, go to the heart of what we want to achieve with the AfCFTA. If we get it right, the agriculture sector which represents Africa's greatest opportunity to achieve inclusive, sustainable growth, and the only sector with the potential to lift millions out of poverty will permanently change the continent's path to development. I am, therefore, excited to be able to participate in today's discussions.

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8. Transformation of Africa's food systems is absolutely pivotal to the continent's food security and resilience. And, it can unlock opportunities for Africa as a main regional food exporter. Today, many African countries import food from outside the continent when there is surplus food available for trade in some neighbouring African countries. This partly explains why

intra-African agricultural trade remains below 20 percent compared to more than 60 percent for Europe and Asia.

9. This dependence on extra-regional imports for food makes African countries vulnerable to disruptions in international logistics and distribution, in addition to production problems in other countries. This is aptly demonstrated by the Covid-19 pandemic and the recent Russia-Ukraine conflict.
10. It is clear both situations have continued to negatively affect the world economies mostly related to the global food systems and this situation may be more pronounced in Africa with fragile economies if decisive actions are not taken immediately to avert the potential impacts on our food systems.
11. This is, therefore, a wakeup call once again for all of us to work together as Africans to strengthen our productivity in the agriculture sector, enhance industrial development of the sector and impact trade and markets development.
12. The central focus of transforming African food systems in my view should entail, among others, the dismantling of barriers which inhibit intra-African trade in agricultural produce and products, increasing investments in agro-processing, and promoting climate-resilient agriculture.
13. Regional economic and trade integration is, necessarily important for improved food security and sustainability.
14. And the most significant step forward in this direction, I must say, is the recent operationalisation of the African Continental Free Trade Agreement (AfCFTA).
15. With the AfCFTA we are addressing not only the removal of tariffs but also harmonising the regulatory environments,

thereby providing greater legal certainty for businesses to invest and trade across borders. As you know, the benefits of good investments can be boosted by a good trading environment.

16. The AfCFTA will, therefore, help stimulate intra-African agricultural trade.

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17. Evidently, since the operationalisation of the AfCFTA in January 2021, substantial progress has been made.

18. I want to flag some of the significant developments.

19. Currently, we have 54 signatories to the Agreement, indicating that all, except one of the AU member states, have signed the Agreement.

20. Since 1st January 2021, eight (8) more countries have ratified and deposited their instrument of ratification, bringing the total to 42. These are the AfCFTA State Parties with full rights and obligations under the agreement.

21. Indications are that there will be additional ratifications in the coming months. It is our wish to have all the AU Member States become State Parties in order to have the AfCFTA operating at full capacity to yield maximum benefits.

22. In this regard, we are aware that some non-ratifications are due to procedural reasons in some countries, and we continue to engage and provide the needed support, where necessary, to the member states that are in the process of ratification to ensure that they ratify the agreement.

23. With respect to the negotiations, Phase I which is almost concluded established the Protocols on Trade in Goods, Trade in Services, and Dispute Settlement.
24. However, while it has become possible, since January last year, for AfCFTA State Parties whose customs procedures are ready, to trade under the Agreement's preferential terms, due to the delay in finalising negotiations on key instruments i.e., the rules of origin and tariff schedules, virtually no trading has taken place under the AfCFTA.
25. The good news is that currently, agreement has been reached on 87.7% of tariff lines, which, means that we have now defined for each of them what constitutes the minimum African content for a product to be traded among countries of the continent on the basis of preferences.
26. Furthermore, we are in receipt of 44 tariff offers representing 80% of AU membership, which have been technically verified, and 46 countries have submitted their Schedules of specific commitments, which have also been technically verified.
27. The authorities have, therefore, decided that the agreement reached so far on the rules of origin, along with the technically verified offers, should form the basis for the start of commercially meaningful trading in goods and services, under the AfCFTA, across the continent, without any more delay.
28. In this regard, we are in the process of publishing what we call the AfCFTA Tariff Book which will include rules of origin and the customs procedures that apply to products. Traders will be able to identify in that tariff book their specific products,

know what rules of origin apply to each product and associated tariffs.

29. State Parties should now also be in a position to gazette these legal instruments, that is the schedules of tariff concessions, at the national level, for full-scale implementation from a customs point of view.

30. Another important milestone, under the Phase I negotiations, is the operationalisation of the Protocol on Dispute Settlement, a key pillar in the successful implementation of the Agreement. The Dispute Settlement Body (DSB) was activated in April last year, and the Appellate Body has also been established. This sends a signal that Africa is ready to be bound by the rules of trade law, which will boost intra-African trade and investment.

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31. Phase II of the AfCFTA negotiations will cover trade related issues namely, Investment, Competition Policy, intellectual property rights (IPRs), digital trade (e-Commerce) and women and youth in trade, and are at various stages of development.

32. The AfCFTA Protocol on Investment is expected to enhance investment governance and policy coordination and cooperation across the continent. The Protocol is expected to address barriers to investment entry in Africa, reduce time and costs of investment approvals, enhance transparency, improve efficiency and address fragmented investment regulatory frameworks on the continent. Investments and investors will be protected and have access to remedies when their rights are violated.

33. Under the Protocol on Intellectual Property Rights, (IPR) patents and licenses, among other intellectual property rights, for investors' goods and services will be protected not just in the host country but in the whole continent.
34. Given the importance of e-commerce, especially during this Covid 19 pandemic, having rules that govern trading on digital platforms cannot be overemphasized.
35. The protocol on Competition Policy is also critical as it will create an environment where businesses will conduct themselves in a competitive manner in order to effectively compete continentally and globally. Competition improves efficiency and healthy competition among businesses which is at the heart of making market economies function well is crucial at this time.
36. On the directive of the Assembly of Heads of State and Government, we are making efforts to complete a Protocol on Women and Youth in Trade. The Protocol shall seek to create a legal framework that guides AfCFTA State Parties in the creation of an enabling environment for women and youth to leverage opportunities offered by the AfCFTA.
37. The agreed timelines for the Phase II negotiations and the outstanding Phase I negotiations on the key operational instruments of the AfCFTA, indicate that by the end of this year the negotiations would all be concluded. This will further strengthen the investment and business environment in Africa and enhance the attractiveness of Africa to investors.

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38. Let me now turn to the AfCFTA and agrifood reforms and agricultural value chains.

39. As you may know, Africa's marketplace is composed of agricultural labour and non-agricultural labour who form each other's market. Millions of farmers, processors and traders purchase manufactured goods and services daily from the manufacturing and services sectors. Similarly, employees and employers in manufacturing purchase food and raw materials from the agricultural sector. It is, therefore, crucial that this interconnected, two-way market economy is supported, modernised and expanded to be more productive, create jobs and ensure Africa's long-term food security and economic development.
40. It is now common knowledge that successful AfCFTA implementation will depend on the effectiveness of the agricultural sector in contributing to the AfCFTA objectives. This requires strong coordination between Ministers of Agriculture, Finance, Trade and other ministries need to work together to unlock the potential of the AfCFTA market made up of 1.4 billion consumers and a workforce of 600 million as the African agrifood market is projected to grow to USD 1 trillion by 2030, according to the World Bank.
41. A good starting point is the inter-ministerial AfCFTA committees set up in various countries to coordinate the implementation of the free trade area. This can be achieved by developing evidence-based, well-coordinated programmes and well-funded strategies, mobilising public and private investment to address trade barriers, developing and expanding agricultural value chains and putting in place infrastructure such as special economic zones, trade corridors and digital innovation to support trade facilitation, payments and market transparency through the dissemination of timely and reliable trade and market information.
42. There is a need for greater ambition on the part of AfCFTA state and non-state parties to liberalise their markets

to ensure effectiveness in our food trade systems, ensure inclusivity allowing honest participation of youths and women for improved incomes, economic growth and contributing to food and nutrition security on the continent.

43. Currently, most of the nutrition-sensitive agrifoods are either in the sensitive or excluded list and will, therefore, be liberalised over longer periods. If we are to support regional value chains, there is a need to open these sectors, particularly agrifoods, so that these goods are available to the agro-processing industries at competitive prices to be processed into finished and semi-finished products.
44. It is imperative to make access to regional value chains shared by two or more territories equitable and inclusive so that all members can benefit from the AfCFTA in terms of export revenue, jobs, investment and improved food security and nutrition.
45. Results from our recent reviews in developing the AfCFTA private sector strategy show that agriculture and agro-processing have \$50 billion of imports annually and the combined sector ranks high for economic growth, employment and inclusivity with highest potential for processed foods – meat and fish specifically, not forgetting the potentials for value added processing of our traditional commodities including coffee, cocoa, tea, leather and cotton just to mention a few. In this regard, the AfCFTA Secretariat will continue to work with State Parties to define catalytic investment options to address constraints in the listed value chains.
46. It is in this context and in recognition of the central role of the private sector, including women and youths, to deliver on its dual mandate to accelerate intra-African trade and boost Africa's trading position in global markets, the AfCFTA

Secretariat has launched an inclusive private sector strategy that identifies the main barriers to trade and production in four initial priority value chains – including agriculture and agro-processing, automotive, pharmaceuticals, and transportation and logistics all of which are important for agricultural sector growth because it is multisectoral in nature.

47. It is expected that when the interventions in those value chains are implemented they will have the potential to add more than \$11 billion per annum in production and greater than \$5 billion per annum in intra-Africa trade and will more than double the current contribution of these value chains to intra-Africa trade. In this same context increase in production and trade as a result of additional investment in these value chains could create 700,000 jobs, with 50% focused on youth and women.

48. The value chains around which the private sector strategy was developed were selected based on their potential for inclusivity of women, SMEs and youth.

49. In order to ensure that we leverage sufficient incentives for women and youth in agribusiness, trade and other areas within the SME sector, the AfCFTA Secretariat is working closely with other partners including the AfDB, AUDA-NEPAD, Afreximbank and others in putting together an AfCFTA SME Financing Facility to catalyse access to finance for trade related business activities.

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50. As I come to the end of my address, let me stress that there is so much more that Africa can do to reimagine our food system for our future generations if we work together and tap on one another's strengths and resources.

51. We have to do things differently by taking a more integrated approach to food systems, starting with agriculture, going right through the business of food until it ends on our plates, as it is said: from the farm to fork.

52. I hope that we shall be able to use the discussions during this conference to encourage greater engagement in agro-industry by governments, the private sector and development partners. In doing so, I hope we will be able to improve the competitiveness of agribusinesses to benefit the poor and hungry.

53. The task of transforming our food systems is on all of us. If we all play our part, we will surely make it.

54. I wish everyone a fruitful and successful conference.

Thank you.