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9th Meeting of the African Continental Free Trade Area (AFCFTA) Council of Ministers Responsible for Trade

Keynote Address

Theme: “Africa’s resilience and recovery plan”

**by H.E. Dr Monique Nsanzabaganwa,
Deputy Chairperson, African Union Commission**

**Accra-Ghana
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- **Chairperson of the AFCFTA Council of Ministers, Hon Yves Fernand Mafoumbi, Minister of Trade and SMEs, Republic of Gabon**
- **Outgoing Chairperson of the AFCFTA Council of Ministers, Hon Ebrahim Patel, Minister for Trade and Industrialization, Republic of South Africa**
- **President of Afreximbank, Professor Benedict Oramah**
- **Vice President Yacine Fal of the African Development Bank**
- **Secretary General of the AFCFTA, Wamkele Mene**
- **Honorable Ministers Responsible for Trade**
- **Excellencies, Colleagues**

A. Introduction

1. The African continent is reeling from the economic fallout resulting from the 3 C's, namely the COVID-19 crisis, the Russia-Ukraine Conflict and the effects of Climate Change. These have affected everything from jobs, wages and prices to supply chains and foreign direct investment.
2. Women and youth who form the biggest part of Africa's population at about 75%, are the most hit.
3. To effectively respond to this, Africa needs well-rounded Resilience and Recovery Plans capable of addressing the challenges brought about by the 3Cs and also unleashing the potential of Africa biggest demographic – its women and youth.

B. Context

Hon Ministers, distinguished ladies and gentleman, allow me to share a bit of context to anchor our conversation today.

1. Aspiration 1 of the Agenda 2063 is concerned with a prosperous Africa based on inclusive growth and sustainable development. It commits the African Union member states to eradicate poverty and build shared prosperity through entrepreneurship, industrialization, and job creation, especially youth employment. Aspiration 6 of Agenda 2063 commits the African Union to unleash the potential of women and youth in ensuring an Africa that is people driven.
2. In 2019, the AU adopted the SME Strategy, which aims to develop competitive, diversified, and sustainable industrial sector and economies that generate employment, reduce poverty, and foster social inclusion. The SME strategy prioritizes the development of small medium industries (SMIs), involved in agro-processing, and textiles, and garments, that have the potential to add value to domestic industrial inputs and raw materials, and create jobs especially for women and youth.

3. In 2020, the fourth African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration, called on AUC, RECs, Member States in collaboration with the African private sector, and supported by development finance institutions and international partners to ensure that SMEs, women and youth are key beneficiaries of the AfCFTA through implementation of integrated support programmes simultaneously offering financing, business services and entrepreneurial skills learning, access to digital infrastructure and expanded use of procurement policies in all member states.
4. The financing gap for women is USD 42 billion while that for SMEs, of which women and youth are a significant part, is above USD 300 billion.
5. With food and fertilizer supply disruptions following the Russia-Ukraine crisis, Africa faces a shortage of at least 30 million metric tons of food and 2 million metric tons of fertilizers, imported from both countries. That is, irrespective of Africa's huge endowments in what it takes to produce its own food and own fertilizers and actually export some to other continents.

C. AU's Response

One would ask: Why does it have to be that we are struggling now? How can we leverage the AfCFTA to turn around the unpleasant situations Africa finds herself in?

The African Union has framed key initiatives that I call you, our Ministers responsible for Trade to take through successful implementation.

1. **On COVID** - the African Union Commission prepared a framework for a comprehensive and resilient recovery from COVID-19 that was adopted by Member States in early 2022. The goal of the COVID-19 Recovery Framework is to guide resilient socio-economic recovery efforts at the continental, regional and national levels from a multi-risk perspective, creating preconditions for building resilient societies in the African continent.
2. Vaccines manufacturing is a key aspect to building Africa's resilience. But ensuring market for these vaccines, is even a more daunting task. And so is the task of ensuring that only quality products circulate on African markets, hence the creation of AMA- Africa Medicines Agency. How to ensure the creation of a viable pharma value chain on the continent, for vaccines, medicines, therapeutics and diagnostics, is an interesting question for our Ministers to ponder.

3. Motivated by H.E. President Cyril Ramaphosa, who called for innovative ways to scale up vaccinations across Africa, the Women, Gender and Youth Directorate (WGYD) in partnership with the Africa Centres for Disease Control and Prevention (Africa CDC) have conceptualized an African Union public-private-youth initiative under the name “AU COVID-19 Vaccination Bingwa Initiative”.The initiative seeks to establish a network of COVID-19 vaccination youth champions across the continent to accelerate the uptake of COVID-19 vaccination.
4. **On Russia-Ukraine Crisis** – The Chairperson of the Commission, H.E Moussa Faki Mahamat, has put in place a Union-wide technical taskforce to monitor impulses of this crisis and advice policy makers for a coordinated response accordingly. We rely on Member States to feed us with facts and figures so that this exercise achieves its intended purposes.
5. One of the quick response initiatives has been the collaboration between the African Union and the African Development Bank for the roll out of an emergency food production facility. This USD1.5 billion targets to reach 20 million small holder farmers with certified seeds and technology, to produce 38 million metric tons of food in few next agriculture seasons ahead.
6. There is a strong case to call for coordination between the Ministries of Trade and Ministries of Agriculture to ensure this program is successful. In one of my previous roles, once Minister of Trade and Industry, I learned the hard way how it is important to prepare, ahead of time, for a bumper crop through ensuring internal distribution channels work for the farmer, avoiding post-harvest losses, ensuring storage facilities, among others.
7. **On Women and Youth Financial and Economic Inclusion** - As Honourable Patel mentioned, a key KPI must be meaningful trade. In 2020 during the 33rd Ordinary Session of the Assembly, the African Union (AU) the African Union Assembly has declared 2020 to 2030 as the African Women’s Decade (AWD) for Financial and Economic Inclusion (FEI). The AUC Women and Youth Financial and Economic Inclusion (WYFEI) 2030 is a flagship initiative of the African Women’s Decade (2020-2030) that seeks to unlock key systemic bottlenecks that conspire to perpetuate poverty, deprivation and social injustice among women and youth in Africa.
8. WYFEI 2030 is a public-private- women and youth partnership initiative that will contribute incrementally and cumulatively to the financial and economic inclusion, empowerment, poverty reduction and welfare of women and youth in Africa. WYFEI 2030 seeks to unlock USD 100 billion financing for at least 10 million African women and youth entrepreneurs, mobilize key stakeholders to provide digital and other financial products and services for African women and youth, promote procurement quotas for women and youth and contribute to political and economic governance in AU Member States, and business environment reforms.

9. On Thursday I met with H.E Nana Addo Dankwa Akufo-Addo, President of Ghana and AU Gender Champion, who subsequently launched WYFEI and issued a Call to Action to implement WYFEI 2030 and pledged his support to spearheading the initiative and engaging with his peers and relevant stakeholders towards the targets. I am happy to inform you that we are already receiving pledges from partners such as AfCFTA, AfDB, AUDA-NEPAD, Mastercard Foundation, Better Than Cash, Generation Unlimited, Africa Business Council, to name but a few, who have committed to walk the WYFEI journey with us.

10. What is also true is that such plans would require the public and private sector working in partnership. It is in this regard that the African Union is delighted by such initiatives as MOU signed between the AfCFTA Secretariat, the AUDA NEPAD and the Equity Group on the margins of the 41st Ordinary Session of the Executive Council of the African Union that took place in Lusaka, Zambia earlier this month. This partnership seeks to implement the AfCFTA Agreement and the AfCFTA Private Sector Strategy through the 'Africa Recovery and Resilience Plan', which focuses on acceleration of economic recovery and resilience in Africa, in a post-COVID 19 environment.

11. The initiative is designed to showcase a framework for socio-economic transformation for the people of the African continent based on 6 integrated pillars aimed at catalyzing a natural resources-led transformation of Africa, enhancing agriculture output, formalizing extractive value chains, and connecting these primary sectors to global supply chains that are broken and require diversification and secured sourcing.

D. Conclusion

12. As can be seen from the above, the role of a conducive trading environment is very key in building Africa's resilience and recovery. We therefore must move and move quickly to start moving goods and services across our borders under the AfCFTA. As we start to trade more with each other, the more will we be fanning the fires of economic recovery in our beloved continent.

13. Crises are bad, but at times they can come with a silver lining. The one we cannot at any cost miss today, is the opportunity to act fast to leverage the AfCFTA for an in-ward looking strategy, for Africa has all it takes to feed itself and prosper. We look forward to your council unlocking the last milestone for Africa to start commercially meaningful trade under the AfCFTA.