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EXECUTIVE COUNCIL

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**REPORT OF THE 2ND ORDINARY SESSION OF THE STC ON
TRADE, INDUSTRY AND MINERALS,
08-12 JANUARY 2019, ADDIS ABABA, ETHIOPIA**

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**SECOND MEETING OF MINISTERS FOR THE
AU SPECIALIZED TECHNICAL COMMITTEE ON
TRADE, INDUSTRY AND MINERALS (STC-TIM)
11 –12 January 2019
AUC Headquarters
Addis Ababa, ETHIOPIA**

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Theme: *“Towards Entry into Force of the Agreement Establishing the AfCFTA and
its Implementation”*

FINALREPORT OF MINISTERS

**FINALREPORT OF THE SECOND MEETING OF THE AU SPECIALIZED
TECHNICAL COMMITTEE ON TRADE, INDUSTRY AND MINERALS (STC-TIM)
MEETING**

**MINISTERIAL SESSION, 11-12 JANUARY 2019
ADDIS ABABA, ETHIOPIA**

INTRODUCTION

1. The Second Meeting of the African Union Specialized Technical Committee on Trade, Industry and Minerals at Ministerial level was held from 11-12 January 2019 at the African Union Headquarters in Addis Ababa, Federal Democratic Republic of Ethiopia. The objective of the meeting was to consider draft continental strategies which included the Commodity, Small and Medium Enterprises and Trade Facilitation Strategies and to take note of the various technical reports and presentations in the areas of Trade, Customs, Industry and Minerals; which are critical to supporting the African Continental Free Trade Area (AfCFTA).

ATTENDANCE

2. The following Member States attended the meeting: Algeria, Angola, Benin, Botswana, Burundi, Cameroon, Central African Republic, Chad, Comoros, Republic of Congo, Democratic Republic of Congo, Cote D'Ivoire, Djibouti, Egypt, Eswatini, Ethiopia, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Saharawi Arab Republic, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Tanzania, Togo, Uganda, Zambia and Zimbabwe.

3. The following Regional Economic Communities and partner organizations also participated: AMU, COMESA, EAC, ECCAS, ECOWAS, AFREXIMBANK, AECDI, UNECA, and UNIDO.

4. The Chairperson of the African Union Sub Committee of Directors General of Customs also attended the meeting. The list of participants is attached as **ANNEX 1**.

PROCEEDINGS

AGENDA ITEM 1. OPENING OF THE MEETING

Statement by the Her Excellency Dr. Vera Songwe, the Executive Secretary of the United Nations economic Commission for Africa (UNECA)

5. In her opening remarks, the Executive Secretary Dr. Vera Songwe noted the centrality of the theme of the STC-TIM, especially on the momentum towards signature and ratifications of the Agreement Establishing the AfCFTA. She took note of the challenges facing the multilateral trading system and the global dynamics. Dr. Songwe said Africa has a clear vision to create its own market, and to stop the fragmentation of the internal market through the AfCFTA. Research from the ECA shows that by removing tariffs, Africa's internal trade can grow by more than 50%. This intra-African trade can more than double if coupled with the removal of Non-Tariff Barriers. She congratulated the 15 countries that have ratified the AfCFTA, and expressed her confidence in AU member states reaching the required 22 signatures that will bring the AfCFTA into force by mid-2019.

6. Dr. Songwe noted the importance of the digital economy towards the successful implementation of the AfCFTA. Currently, digital economy currently stands at \$11.5 trillion. In Africa, digital trade is growing rapidly, and has the potential to create jobs for youth and women. She revealed that more than 500 million people in Africa do not have an identify and such they cannot meaningfully benefit from the AfCFTA among other disadvantages. Hence there is need to promote inclusion and innovation for the effective utilization of resources. In order to resolve this challenge, she urged the African Union Member States to embrace the Digital ID. She urged Member States to approve the Framework for the Development of the Digital ID, for onwards adoption by the Executive Council and Summit. She informed the STC that the UNECA is in the process of establishing a Center of Excellency on Digital ID.

Statement by Mr. AmrKamel, Executive Vice President of Afreximbank

7. The Executive Vice President of Afreximbank, Mr. AmrKamel passed his regards from the President and Chairman of the Bank, Professor Benedict Oramah. He thanked the AUC for extending the invitation to the Afreximbank to attend the Meeting. Vice President Kamel congratulated the African Union for the achievements on the AfCFTA and the 2018 Intra African Trade Fair. He indicated that the AfCFTA provides new impetus to the Lagos Plan of Action, and has the key to the continent's diversification and improved supply chains.

8. He informed the meeting that the AFREXIMBANK is developing an SME Strategy to support the recently adopted African Union SME Strategy. He pointed that Afreximbank is a national partner in development, and the eventual implementation of the AfCFTA. The Bank plans to disburse US\$25 billion to African countries as trade and investment finance. In order to support the implementation of various instruments of the African Union, MrKamel said the Bank is developing various Digital Ecosystems to triple

Africa's trade such as the Pan-African Payments System Platform, Trade Information Portal, Regulation Platform and a Customer Online Platform

9. He concluded by highlighting that Afreximbank is developing an AfCFTA Adjustment Facility to assist with fiscal adjustments in affected member states in order to ensure that all AU Member states participate in the AfCFTA. MrKamel closed his remarks by emphasizing that the Agenda 2063 is a shared vision of the African Union and Afreximbank.

Statement by Dr. Victor Djemba, Africa Director for the United Nations Industrial Development (UNIDO)

10. Mr. Victor Djemba, Head of Africa Division, spoke on behalf of the UNIDO Director General. He started his speech by thanking the African Union Commission's Department of Trade and Industry for organizing and hosting the second STC-TIM meeting under the theme "Towards Entry into Force of the Agreement Establishing the and its Implementation". He said that UNIDO welcomes the progress made towards the operationalization of the AfCFTA since its launch in March, 2018 in Kigali, Rwanda.

11. He observed that successful implementation of the AfCFTA hinges on the existence of African economies that produce goods and services that can be traded among themselves and beyond. He further observed that several critical elements related to industrial development should be taken into account including the promotion of value addition, the improvement of regulatory frameworks (industrial policies, and industrial laws and regulations) for the success of the AfCFTA.

12. He noted that the multiplier effect of the industry on other sectors of the economy highlights the inherent dynamic links between the Third Industrial Decade for Africa (IDDA III) and the AfCFTA and hence a successful IDDA III will inevitably have a positive impact on the AfCFTA. He observed that other things, the IDDA III global partnerships can contribute to the successful implementation of the AfCFTA by undertaking various interventions and influencing all targeted areas.

Statement by H.E. Professor Victor Harrison, Commissioner for Economic Affairs of the African Union Commission

13. In his remarks, AU Commissioner for Economic Affairs, H.E. Prof. Victor Harison, recalled that 2018 was marked with great achievements such as the conclusion and signing of the Agreement Establishing the AfCFTA and the successful convening of the Inaugural Intra-African Trade Fair (IATF).

14. Prof. Harrison stressed that integration is the only solution for Africa to become an emerging continent. In this regard, the AfCFTA provides an opportune occasion for African countries to increase their share of manufactured goods, which currently stands at less than 1% of world manufactured goods, through industrialization and the creation of regional value chains and in global trade.

15. For the AfCFTA to fully deliver on its expectations, African countries will need to ensure that supportive and accompanying measures are in place: these include among others targeted measures to support the productive sector. In addition, African countries need viable financial institutions such as the African Investment Bank, the African Central Bank and the African Monetary Fund, which are provided in the Constitutive Act of the African Union. In this regard, AU Commissioner for Economic Affairs urged AU Member States to faster the ratification of the founding legal documents of these three institutions in order to allow them to enter into force so as to serve the purpose for which they were created. Also, there is a need to move towards a uniformed payment system in Africa to facilitate Intra-African trade. Intra-African trade is currently conducted in foreign currencies and this constitutes an additional cost for traders and consumers. Mobile banking which enables farmers to access capital means that African can address.

16. Before he concluded, Prof. Victor Harison urged African countries to ensure that they do not miss the 4.0 Industrial Revolution, as it was the case with the previous ones, and to take advantage of the opportunities offered. In this regard, he recalled that Mauritania has been able to improve civil registration, which is crucial for economic development planning purposes, through digital technologies.

Statement by H.E. Ambassador Albert Muchanga, Commissioner for Trade and Industry of the African Union Commission

17. In his statement, Commissioner congratulated the outgoing bureau on the commendable work and welcomed the new bureau of the STC on their assumption of duty.

18. He outlined the work to be considered by the ministers arising from the report of the meeting of Senior Officials and noted that the report of the STC will be considered at the upcoming Summit of Heads of State. He noted the work in progress on the Commodities Strategy and further reiterated the importance of commodities to African economies, and the potential transformative effect of the value addition of these commodities. He therefore urged the expeditious completion of the work on the commodities strategy.

19. In comments on the theme of the meeting, he provided a status update on the ratification of the AfCFTA. He noted that there are now 16 ratifications in 2 categories. He noted that in the first category, there were nine (9) African union member states that have deposited instruments of ratification of the AfCFTA agreement; namely: Kenya, Ghana, Rwanda, Niger, Eswatini, Chad, Guinea, Cote d'Ivoire; and, Uganda. In the second category, the national assemblies of seven African Union member states have approved ratifications of the AfCFTA agreement, namely: South Africa, Sierra Leone, Mali, Namibia, Congo; Togo and Mauritania. The deposits of instruments of ratification of these seven member states are expected between by the February 2019 assembly of the African union heads of state and government.

20. He further noted the importance of 2 strategies, the Trade facilitation strategy and the Small and Medium Enterprises strategy that were recommended for adoption by the Senior Officials. He highlighted successes in the implementation of the African Mining Vision as well as ongoing work for the establishment of the AMDC. He concluded by highlighting the importance of trade enabling infrastructure and advocating for the development of the partnership between the African Union and the private sector on the conclusion of the High-Speed Train Network Flagship project.

Opening Statement by H.E. Rakiya Eddarhem, State Secretary for External Trade for the Kingdom of Morocco

21. In her opening statement, the Honorable Rakiya Eddarhem, Minister in Charge of External Trade, Kingdom of Morocco, began by thanking his predecessor the outgoing Chair of the STC-TIM, Hon. Sadou Seydou, Minister of Trade and the Promotion of the Private Sector, Republic of Niger, for the work done.

22. In addition, she expressed her deep appreciation to the Government of the Federal Democratic Republic of Ethiopia for the warm reception and hospitality and the AU Commission, in particular the Department of Trade and Industry, for the preparatory work leading to the 2nd STC-TIM. Minister Eddarhem also thanked Senior Officials for the high quality of recommendations presented to Ministers for consideration.

23. The Honorable Eddarhem indicated that Morocco's return to its institutional family, the AU, has been driven by its commitment and willingness to contribute to the socio-economic development of the African continent. She recalled that throughout its history, Morocco has always been driven by its vocation towards Africa. Morocco's participation in the 2nd STC-TIM Meeting and the other AU bodies is a testimony to its commitment to the Vision and Strategies and actions of the Pan-African organization.

24. Minister Eddarhem highlighted the importance of the issues to be considered by the 2nd STC-TIM Meeting and the quality of the recommendations put forward for Ministers' consideration, which perfectly illustrate the interest and commitment of African countries to lay the foundation for inclusive socio-economic development for the benefit of the ordinary African citizen within the framework of global agendas, namely: the AU Agenda 2063 and the UN Agenda 2030 for Sustainable Development.

25. Before declaring the 2nd STC Meeting officially opened, the Honorable Eddarhem assured Member States that as incoming Chairperson of the STC-TIM, she will be driven by the collective interest of the continent and committed to work tirelessly towards the realization of the mandates and duties assigned to the STC-TIM.

AGENDA ITEM 2. ELECTION OF THE BUREAU

26. The Meeting elected its Bureau as below:

Chair	: Morocco (North Africa)
1 st Vice Chair	: Eswatini (Southern Africa)
2 nd Vice Chair	: Gabon (Central Africa)
3 rd Vice Chair	: Djibouti (East Africa)
Rapporteur	: Sierra Leone (West Africa)

AGENDA ITEM 3. ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

27. The meeting adopted the Agenda with amendments related to the addition of an Agenda on Trade Related Infrastructure. The revised Agenda is attached hereto as ANNEX II

AGENDA ITEM 4. PANEL DISCUSSION ON THE THEME: "ENTRY INTO FORCE OF THE AGREEMENT ESTABLISHING THE AFRICAN CONTINENTAL FREE TRADE AREA AND ITS IMPLEMENTATION"

28. A High Level Panel Session was hosted to deliberate on the theme of the STC Meeting that is "Towards Entry into Force of the Agreement Establishing the AfCFTA and its implementation". The Panel, which was moderated by the Director of Trade and Industry of the AUC, Mrs. Treasure Maphanga, was constituted as follows; Hon. RakiyaEddarhem, Minister of State for Foreign Trade, Kingdom of Morocco; Hon. Jean Marie Niyokindi, Minister of Trade, Industry and Tourism, Republic of Burundi; Mr. Mulualem Syoum, Chief Executive, Africa E- Commerce Development International; H.E. Amr Kamel, Executive Vice President, Business Development & Corporate Banking, Afreximbank; Mr. Jonty Sandler, Chief Executive Officer, African Strategic Advisors; and Mr. John Makamure, Executive Director, Southern African Parliamentary Trust.

29. The panelists noted the momentum for ratification of the AfCFTA Agreement and implored the continent to develop their industrial capacities to supply the enlarged market. They further noted the need to improve the payment systems on the continent, with much emphasis placed leveraging ICTs through digital platforms to boost Intra-African trade.

30. SME development was also singled out as a very important subsector that could enhance economic growth, employment creation and poverty alleviation. Given the dominance of SMEs and micro-enterprises in the continent's production system, Member States were urged to provide the requisite policy, institutional and regulatory support to enhance their survival and growth. It was also noted that apart from the traditional challenges of access to finance, SMEs also required support towards accessing markets, and market intelligence as well as business mentoring services.

31. During open discussions, the following issues emerged:-

- (i) There was need to mobilise all stakeholders that included civil society, parliament, media and the private sector to ensure ownership of the AfCFTA Agreement so as to enhance its implementation.
- (ii) SMEs are an important sector in the continent, and hence stood to benefit from the AfCFTA if given adequate support by Member States and relevant institutions.
- (iii) One of the panellists had developed an ICT based SME platform that provided business intelligence, mentorship, linkage to markets to enhance the viability of SMEs, with the project having reduced the risk of lending to these enterprises by 50%.
- (iv) Burundi and Morocco provided good benchmarks on support to SMEs that included having dedicated institutions dealing with the provision of capacity building, financing, business incubation, with this supported by appropriate policy, regulatory and legislative frameworks.
- (v) In the case of Burundi Rural Microfinance institutions providing affordable financing had the responsibility to support SMEs, whilst in the case of Morocco, SMEs were supported through an SMEs Sector Strategy that also featured a dedicated financing window providing for a minimum \$5000 up to a maximum \$15000 support to these institutions. In the Zimbabwean case the Central Bank had a financial inclusion Strategy, 2016-2022, that covered support to SMEs, women entrepreneurship, with a Women's Bank having been established. The strategy also covered providing financial support towards artisanal mining.

- (vi) Afreximbank had an Intra-African Trade Strategy that was anchored on three principles, that is **Create**, **Connect**, and **Deliver**, with their programmes and interventions tailored to cover these three areas.
 - (vii) In this regard, on the principle on **Create** the focuses i on value addition and enhanced production, the **Connect** principle focuses on dealing with markets, payments systems. An example of this was the IATF held in Cairo, Egypt, on 11-17 December 2018, . The Deliver principle is focused on logistics and distribution.
 - (viii) Afrixembank support to SMEs was done through intermediary financial institutions, supporting the delivery of financial solutions such as debt factoring.
 - (ix) Afreximbabnk was working on an AfCFTA adjustment facility to support countries cope with the costs of free trade. This would be modelled around the Commodities Counter-cyclical facility, a very successful trade balance instrument that they offered during 2016 to countries that were negatively affected by global commodity price fluctuations in the continent.
 - (x) Challenged MS to work together to implement the AfCFTA, removing tariff, non-tariff barriers as well as simplification of the Rules of Origin (RoO) to enhance intra-Africa trade and economic integration.
 - (xi) MS should forge ahead with programmes to reduce dependence on imports from extra-territorial countries, and thus enhance inter-industry, intra-regional trading and outsourcing within the continent for enhanced industrial capacity, guided by the thrust towards up scaling the, **“Made in Africa”**, idea.
 - (xii) Both soft and hard infrastructure was singled out as being key towards enhanced industry competitiveness. Thus an integrated pan-African high-speed railroad system was noted to be an important project to enhance connectivity, and logistics in the African continent.
32. The Panel Session made the following key observations and recommendations for implementation at various levels from Member State, regional and continental level;
- (i) **Need for strong institutions and political will to enhance the prospects for AfCFTA Agreement implementation and the attendant social and economic benefits;**
 - (ii) **Africa should leverage its own resources to drive its structural transformation, trade and economic development endeavours;**

(iii) Need for Member States to work together to accelerate trade and economic integration in the continent;

(iv) Need for more stakeholder engagement for broad based ownership of the AfCFTA implementation process.

33. In closing the Panel Session, Chairperson thanked the panellists for their availability and deep insights and observed that their implementation by all stakeholders will contribute towards realisation of the benefits envisaged under the AfCFTA.

AGENDA ITEM 5. CONSIDERATION OF THE REPORT OF THE SENIOR OFFICIALS OF THE STC- TIM

34. The Rapporteur of the Meeting of Senior Officials presented their report to the Ministers. The Ministers took note of the Report of the Senior Officials of the STC-TIM and commended the work they had done.

35. After discussion on the various aspects raised in the report for their consideration, the Ministers adopted the recommendations of the Senior Officials with some Amendments. The recommendations are as follows:-

A. ON THE DRAFT AFRICAN UNION COMMODITY STRATEGY

- (i) That further consultations be carried out to address the observations and recommendations made ; and
- (ii) That the Commission convenes a meeting of experts to review the Draft Commodity Strategy Document and its Implementation Plan before its presentation to the next Meeting of the STC on Trade Industry and Minerals for consideration and adoption.

B. ON THE DRAFT AFRICAN UNION TRADE FACILITATION STRATEGY

- (i) That a joint meeting between the AU Sub-Committee of the Directors General of Customs and the AfCFTA Sub-Committee of Trade Facilitation, Customs Cooperation and Transit be convened to finalize the African Union Trade Facilitation Strategy and its Implementation Modalities before its consideration and adoption by the next meeting.

C. ON THE DRAFT AFRICAN UNION SME STRATEGY

- (i) Adopt the African Union SME Strategy
- (ii) Establish an African Union Implementation Coordination Unit of the SME Strategy;
- (iii) Institutionalize an annual African Union Forum for SMEs;

D. ON THE PROGRESS REPORT OF THE AFRICAN CONTINENTAL FREE TRADE AREA

- (i) The African Union Commission shares with Member States the updated Progress Report of the AfCFTA in all AU languages and power point presentations;
- (ii) The African Union Commission proposes a template for the development of National AfCFTA Strategies to Member States;
- (iii) The African Union Commission Institutionalizes the Annual Stakeholders' Forum on the AfCFTA and propose a Consultative Dialogue Framework for stakeholders engagement on the AfCFTA;
- (iv) The African Union Commission distribute copies of Annexes adopted by the AU Summit to facilitate ratification by Member States;
- (v) The African Union Commission Develops an AfCFTA Implementation Roadmap for consideration by the AfCFTA Institutions;
- (vi) The African Union Commission Fast track the establishment of the AfCFTA institutions.

E. ON THE REPORT ON THE INSTITUTIONALIZATION OF THE AFRICAN MINERALS DEVELOPMENT CENTRE (AMDC)

- (i) Member State should fast track the ratification of the AMDC Statutes;
- (ii) The AMDC was requested to work with the RECs and Member States to harmonize mining codes;
- (iii) The AMDC should work with Member States to develop geological data bank systems ;
- (iv) The AMDC should facilitate capacity building in Geo-ICT
- (v) There is need for the AMDC to cater for easy access of its services to Member States.

F. ON THE PROGRESS REPORT ON THE IMPLEMENTATION OF THE AFRICA MINING VISION (AMV)

- (i) The Draft Africa Mineral Governance Framework, the Private Sector Compact and the Geological and Minerals Information Systems strategy be adopted;
- (ii) Member States put in place mechanisms for domestic resource mobilization and financing for Mineral Resources Development and the Commission to explore mechanisms for establishing a Minerals Development Fund.

G. ON THE DIGITAL IDENTITY AND THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)

- (i) The Ten Framework Principles on Good Digital ID and Digital Economy be adopted principle and that the AUC and UNECA work on their further elaboration and be presented to AU Policy Organs.
- (ii) The AUC in partnership with UNECA and other relevant stakeholders to develop a comprehensive Digital Strategy to facilitate Africa's economic transformation and AfCFTA implementation.
- (iii) The AUC in partnership UNECA and other relevant stakeholders to jointly work together to assist Member States with technical assistance in developing relevant legal documents for the governance of Digital ID and Digital Economy.

AGENDA ITEM 6. TRADE RELATED INFRASTRUCTURE

36. The Chairperson of the African Strategic Advisors, a research and think-tank institute, informed the meeting that they conducted some research on the best strategy for integrated infrastructure development at the continental level.

37. The presenter informed the meeting that the African Strategic Advisors came-up with a new model for the financing and realization of infrastructural project in Africa such as the Integrated High Speed Train. The ultimate objective being the Africa's economic emancipation. Delegates noted that NEPAD has engaged a company to undertake a pre-feasibility study to look into the African proposal for the realization of the High Speed Train Project, which will form the basis of future engagement with the Government of China.

38. The presenter highly commended the AU for the major milestone of launching the AfCFTA and suggested that this political momentum could be harnessed in order to fast track the implementation of other Agenda 2063 flagship projects such as the Integrated High Speed Train project.

39. In the discussions that followed the presentation, the meeting noted the importance for trade related infrastructure for the continent. The meeting observed the importance of Private Public Partnership Projects in meeting Africa's Infrastructure gaps. The Meeting appreciated a number of similar collaboration between the AUC and the private sectors such the Adjustment facility and the Pan African Payment Systems with Afreximbank.

40. After the discussions, the Meeting recommended to the African Union Commission to:-

- (i) **Develop of a concept paper on financing of the High speed Integrated Train Network with clear objectives, result areas, and timelines for the consideration of the STC with a view to fast-tracking the implementing of the AfCFTA Agreement, as well as encouraging private sector participation in trade-related infrastructure.**

AGENDA ITEM 7. CONSIDERATION OF THE DRAFT MINISTERIAL DECLARATION OF THE 2ND MEETING OF THE STC FOR TRADE, INDUSTRY AND MINERALS

41. The Meeting considered its Draft Declaration and adopted it with amendments. It is attached to this report as ANNEX III.

AGENDA ITEM 8. ANY OTHER BUSINESS

42. Under Any Other Business the meeting considered the following items:
- a. Convening an Extraordinary STC-TIM Session devoted to consider the Draft Strategies, and any other relevant documents. In this regard, the meeting requested the AUC to ensure that Member States are timely provided with documentation to be considered.

AGENDA ITEM 9: ADOPTION OF THE REPORT OF THE MEETING OF MINISTERS OF THE STC-TIM

43. The Meeting considered its report and adopted it with amendments.

AGENDA ITEM 10: MEETING CLOSURE

44. In his closing remarks, AUC Commissioner for Trade and Industry H.E Amb. Albert Muchanga, thanked the Ministers for their work during their Second STC on Trade Industry and Minerals. He reiterated the Commission's support to their work, including to work with the Bureau of the STC on the issue of establishing Sub-Committees. He wished them safe trips back to their respective Capitals.

45. In her closing remarks, the Chairperson of the meeting, H.E. Rakiya Eddarhem, the State Secretary for External Trade for the Kingdom of Morocco, gave her summary of the major outcomes of the STC. She outlined the outstanding work, and requested the AUC to continue preparing to finalize the same. She thanked the Ministers for their diligent work during the STC before officially declaring the meeting closed.

**ANNEX 1:
LIST OF PARTICIPANTS**

**ANNEX II:
AGENDA OF THE MINISTERIAL SESSION OF THE STC FOR TRADE INDUSTRY
AND MINERALS**

1. Registration
2. Opening of the Meeting of the Ministers
3. Election of the Bureau
4. Adoption of Agenda, and Organization of Work
5. Panel Discussion on the Theme of the STC-TIM
6. Consideration of the Report of STC-TIM Senior Officials
7. Trade Related Infrastructure
8. Consideration of the Draft Ministerial Declaration of the STC-TIM
9. Any Other Business
10. Adoption of the Report of the Ministers Report on STC Trade Industry and Minerals
11. Meeting Closure

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**2ND SPECIALIZED TECHNICAL COMMITTEE
OF THE MINISTERS OF TRADE, INDUSTRY
AND MINERAL RESOURCES
11 - 12 JANUARY, 2019**

ORIGINAL: ENGLISH

FINAL DECLARATION

FINAL
DECLARATION ON 2ND SPECIALIZED TECHNICAL COMMITTEE
OF THE MINISTERS OF TRADE, INDUSTRY
AND MINERAL RESOURCES 11-12 , 2018

WE, the African Union (AU) Ministers of Trade, Industry and Minerals, meeting in our 2nd Ordinary Session of the Specialized Technical Committee of the Ministers of Trade, Industry and Mineral Resources, under the theme: *“The Entry into Force of the Agreement Establishing the AfCFTA and its Implementation”*

COMMENDING the role of the African Union Commission in coordinating the AfCFTA negotiations which led to the successful signing of the Agreement Establishing the African Continental Free Trade Area (AfCFTA) in March 2018 at the AU Extra Ordinary Summit in Kigali; as well as the significant progress made in the ratification of the Agreement;

STRESSING the importance of ensuring the successful completion of the outstanding Phase 1 and Phase 2 elements of the AfCFTA negotiations;

ALSO STRESSING the importance of economic diversification and Industrialization for the sustainability of AfCFTA;

RECALLING the Strategy for the Implementation of the Plan of Action for AIDA that was adopted at the 18th Ordinary Session of the Conference of Ministers of Industry (CAMI) in Durban, South Africa, in October 2008; The Boosting Intra African Trade Action Plan that was adopted by the Conference of African Ministers of Trade (CAMOT) in 2012 as well as the Africa Mining Vision that was adopted in 2009;

COMMENDING the significant progress made so far on the implementation of these strategies in the light of the ultimate goals of the Africa Agenda 2063;

AWARE of the contributions that synergies among Africa’s economic sectors can make to the attainment of rapid development, the promotion of sustainable economic growth, and the achievement of the Africa Agenda 2063 objectives as well as Sustainable Development Goals (SDGs);

RECOGNIZE the high potential of rapid growth of the SME’s in Africa and its huge potential for job creation for women and the youth as well as reducing illegal migration as well as eradicating poverty

AWARE of the significance of the Third Industrial Development Decade for Africa (IDDA3) as a global initiative to enhance the implementation of the Accelerated Industrial Development of Africa, (AIDA), to anchor structural transformation in the continent. Acknowledging the collaboration with UNIDO, UNECA, Afreximbank and other strategic partners to implement programs to enhance the continent’s industrial and trade capacity as well as implementation of the AfCFTA.

HEREBY:

1. **REAFFIRM** our commitment to the completion of all outstanding phases of the AfCFTA negotiations, and the upgrading and diversification of our economies' productive capacities through increased value addition and transformation of raw materials as well as the development of a competitive services sector, so as to increase Africa's competitive position in the global economy;
2. **RECOMMIT** ourselves to the achievement of the goals set out in the various Trade, Industry and Mining development programmes and projects contained in the BIAT, AIDA and AMV;
3. **ADOPT** the African Union Strategy for SMEs Development in Africa;
4. **ADOPT** the Geological and Minerals Information Systems (GMIS) Strategy;
5. **ADOPT** the African Minerals Governance Framework (AMGF);
6. **ADOPT** the Africa Mining Vision Private Sector Compact;
7. **REQUEST** the African Union Commission (AUC) in collaboration with all other Stakeholders to finalize work on the African Union Commodity and Trade Facilitation Strategies and present it to the next Meeting of our STC;
8. **INVITE** the Regional Economic Communities (RECs) to align their Plans of Action with the AU strategies and to take appropriate measures to operationalize their implementation as mandated by the AU Assembly;
9. **REQUEST** the AUC to develop other Strategies to advance the work in the areas of trade, industry and minerals
10. **REITERATE** our commitment to promoting increased value addition to Commodities through the development of mining, agribusiness and agro-industry value chains;
11. **CALL UPON** Member States to fast track the process of ratification of the Agreement Establishing the AfCFTA;
12. **CALL UPON** Member States to fast track the process of ratification of the Statute on the establishment of the African Mining Development Center;
13. **URGE** the African Union Commission together with AU Member States to work with technical partners to engage all key stakeholders such as Parliament, civil society and private sector to build a constituency of support for the AfCFTA for

enhanced ownership and inclusiveness, to enhance prospects for unhindered implementation of the Agreement.

14. **URGE** Member states to build and strengthen the capacity of all strategic institutions involved in industry and trade governance to enhance efficiency in the implementation of the AfCFTA Agreement.
15. **NOTE** the ongoing digital trade and related initiatives on the continent, such as the Digital Identity led by AUC and UNECA and the African E-commerce Platform, which have the potential to contribute to boosting intra-African trade and transforming Africa and the proposed Ten Framework Principles on Good Digital ID.
16. **RECOMMEND** to the relevant Policy Organs of the AU the adoption of a Summit Decision on the need for a continental approach for the establishment of digital ID platforms across Africa based on the Ten Framework Principles on Good Digital ID as a foundation for minimum requirements;
17. **MANDATE** the AUC, in collaboration with AU Member States, UNECA and all relevant stakeholders to develop a comprehensive AU Digital Trade and Digital Economy Development Strategy to enable African countries to fully benefit from the 4th industrial revolution and facilitate the AfCFTA implementation and ultimately Africa's economic and structural transformation.
18. **URGE** the AUC and Member States to explore mechanisms to mobilize financing for the development of SMEs in the continent, and explore the development of innovative instruments such as business development services to enhance access to finance, and markets to boost the survival, and viability of SMEs.
19. **CALL UPON** Member States to put in place mechanisms for the domestic resource mobilisation and the financing for Mineral Resources Development and the AUC to explore mechanisms for establishing the Minerals Development Fund.
20. **URGE** for continuing cooperation between the AUC and the Afreximbank as well as other financing partners towards the financing of the African Union Trade and Industry Agenda.
21. **WELCOME** the Afreximbank Pan African Payment platform as an important initiative to Boost Intra African Trade, and **REQUESTS** the Afreximbank to accelerate its implementation and encourage similar initiatives.
22. **RECOGNISE** the continuing importance of private sector engagement in the realization of the continent's trade and industrial development agenda and welcome the Pan Africa Trade and Investment Committee (PAFTRAC) as a private sector led platform for the consolidation and advocacy of the African private sector position on continental trade and investment issues;

23. **URGE** the AUC to develop a programme of work on the Presidential Fashion Initiative as an initiative for the promotion of the African Fashion Value Chain and as a tool for employment and wealth creation in African Economies;
24. **CONGRATULATE** the Government of Egypt on the successful hosting of the first Intra Africa Trade Fair, jointly organized by the African Union, the Afreximbank and the Government of Egypt, held in Cairo, Egypt, from 11 – 17 December 2018;
25. **FURTHER CONGRATULATE** the Government of Rwanda on its successful bid to host the 2nd edition of the Intra Africa Trade Fair to be held in 2020, to be co-organized by Afreximbank and the African Union Commission;
26. **REQUEST** the AUC, in collaboration with Member States, Regional Economic Communities and Partners to implement this Declaration and to report progress to the STC on Trade, Industry and Minerals.

Adopted on this 12 day of January, 2019 Addis Ababa, Ethiopia

2019-02-07

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