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Excellencies,
Distinguished delegates,
Ladies and gentlemen,

It is a great pleasure to be with you this morning. I am honoured to introduce this year's UNCTAD Activities in Support of Africa Report, which reflects the breadth and depth of UNCTAD's support across Divisions. Please let me begin by noting that our work in Africa continues to be influenced by and aligns with the goals set out in Agenda 2030 on Sustainable Development, and the development aspirations encapsulated in the African Union (AU)'s Agenda 2063.

UNCTAD aims to contribute to resilience building in Africa by strengthening countries' capacity to engage more fully in international trade, and respond to and recover from global economic shocks. The IFC (2020) noted that Africa, excluding North Africa, moved into a recession in 2020 for the first time in 25 years, and the COVID-19 outbreak will cost the region between \$37 billion and \$79 billion in lost output in 2020. UNCTAD has tracked and monitored the impact of the pandemic on the continent and its implications for trade, investment debt and economic development. The pandemic shows the importance of institutional flexibility in planning programmes in response to a

crisis. Despite travel restrictions during the pandemic, UNCTAD has continued to deliver its services in a flexible manner, including by shifting to the use of online platforms, and other flexible, creative means.

The African Continental Free Trade Area (AfCFTA) is potentially a key driver of structural transformation and industrialization of the continent, as envisaged in the AU Agenda 2063. The beginning of trading under the AfCFTA Agreement on 1 January 2021 is an important development milestone for the continent, as it has taken almost 30 years since the signing of the Abuja Treaty in 1991 to reach this stage. However, the continent cannot afford to wait another 30 years to translate the AfCFTA and the potential it holds into reality. Africa's success at boosting economic prosperity for all on the continent will depend on its capacity to use the AfCFTA as a catalyst for structural transformation and prosperity.

UNCTAD continues to play a key role in ensuring the success of the AfCFTA. Our value-added as a development partner for Africa lies first and foremost in our substantive, analytical and technical expertise on *international trade and regional integration*, and our capacity to provide substantive advice and technical assistance on trade and regional integration. This includes on themes such as: *structural transformation, building productive capacities, trade facilitation, investment, finance and debt, entrepreneurship, science and technology and competition policy*.

At UNCTAD, we believe that no significant gains can be reaped from the AfCFTA unless countries continue to build their productive capacities and foster structural transformation and economic diversification. In this regard, I am pleased to report that we launched the Productive Capacities Index (PCI) in February 2021. The Index is a source of in-depth data for the public and private sectors to track

development progress and understand the underlying factors that enable structural transformation. The new PCI allows policymakers to: assess how far productive capacities have been developed in a country; benchmark country performance over time, or across countries; monitor the effectiveness of past policies; and therefore, improve future policy choices. I encourage you to visit pci.unctad.org and explore the interactive datasets and resources.

The activities that we undertook in Africa during the reporting period of May 2020 to March 2021, had a significant impact across a broad range of areas, including at the national, regional and continental levels. **Today, I would like to provide some examples of how UNCTAD has contributed to the advancement of economic development and regional integration on the continent, across six (6) major thematic areas.**

1. Tracking and monitoring the impact of the pandemic on the continent

UNCTAD leads a project on COVID-19 response and recovery, in cooperation with the Economic Commission for Africa, the Economic Commission for Latin America and the Caribbean and the Economic and Social Commission for Asia and the Pacific. Based on the UNCTAD global policy model, the project analyses the global macroeconomic environment in 2020–2022 to inform domestic policy responses in African countries.

As part of our joint project with UNECA on boosting services trade and regional value chains in Africa, UNCTAD designed and undertook rapid response surveys to assess the impact of COVID-19 on services value chains. The surveys aim to explore the impact of COVID restrictions on key sectors such as road transport services the tea value chain in Kenya and transport and logistics services in Ethiopia.

UNCTAD also consulted e-commerce businesses and policymakers in developing countries, in particular the least developed countries, to understand the magnitude of the impact of the pandemic in the context of their efforts to enhance e-trade readiness; and to identify key trends and challenges.

Since the outbreak of the pandemic, UNCTAD has worked with countries in Africa to ensure the implementation of trade facilitation tools, with a view to alleviating the negative impacts on national, regional and global value and supply chains, including the UNCTAD 10-point action plan to strengthen international trade and transport facilitation. UNCTAD issued best practices and several analyses of good trade facilitation practices in times of pandemic and worked with subregional and regional organizations such as the East African Community. UNCTAD also developed the rapid scan initiative, which provides countries with an assessment of and recommendations on their preparedness for crisis management in the field of trade facilitation, and capacity-building.

2. Contributing to structural transformation through tackling illicit financial flows for sustainable development in Africa

Drawing on the findings in the *Economic Development in Africa Report 2020*, UNCTAD organized a high-level discussion on tackling illicit financial flows for sustainable development in Africa, aiming to equip Governments in Africa with the knowledge of how to identify and evaluate risks associated with illicit financial flows and solutions to curb such flows and redirect proceeds towards the achievement of national priorities and the 2030 Agenda for Sustainable Development. Building on established measures of illicit financial flows, new insights were provided into country estimates of trade misinvoicing on the continent, highlighting the specific characteristics of mineral commodities. The report contends that combating illicit financial flows through tangible and coordinated actions at the global level and within

Africa presents an opportunity to rekindle confidence in the effectiveness of multilateralism.

3. Fostering regional integration in Africa, and non-tariff measures, under the African Continental Free Trade Area

Coherent, clear, predictable and transparent rules of origin are an essential component of regional trade agreements. UNCTAD has provided comprehensive, ongoing support to the drafting and negotiating on Rules of Origin for the AfCFTA in collaboration with the African Union. Moreover, we have provided tailored support and technical assistance to specific countries in the negotiation process.

UNCTAD works with the African Union and the secretariat of the African Continental Free Trade Area on the implementation of Annex 5 on non-tariff barriers of the protocol on trade in goods of the AfCFTA. This includes the development of an online mechanism for reporting, monitoring and eliminating non-tariff barriers. In 2020, UNCTAD continued to support the implementation of the AfCFTA through the operationalization of the online mechanism for reporting, monitoring and eliminating non-tariff barriers.

4. Promoting trade facilitation in Africa

For the AfCFTA to function effectively on the continent, African countries will need to enhance trade facilitation efforts, both between themselves and external partners. UNCTAD supports African capacity-building on trade facilitation at the level of policy-making and programme implementation. To improve the efficiency of national trade facilitation committees, UNCTAD began the development and roll-out of a management tool called the reform tracker, which aims to provide trade facilitation committees with an information technology-based solution for implementing and monitoring activities and results of trade facilitation reforms. Implementation of the UNCTAD

empowerment programme in various countries in Africa has been funded through support from the United Kingdom of Great Britain and Northern Ireland, the European Union, the African Development Bank and Trade Mark East Africa. The implementation of trade information portals helps to meet obligations under article 1 of the Agreement on Trade Facilitation and transparency provisions in the AfCTA and subregional trade facilitation commitments.

5. Helping African countries to manage debt and secure investments

Finance and mounting debt levels are critical binding constraints on Africa's economic development. The implementation of the AfCFTA will command enormous financial resources that can only be partially met through domestic resource mobilization. Also, the COVID-19 pandemic has caused financial shortfalls in many African countries. UNCTAD through its Debt Management and Financial Analysis System (DMFAS) Programme continues to provide support to African countries in strengthening their capacity to manage their debt in an effective and sustainable way. 14 countries in Africa produced debt statistical bulletins and 11 countries produced debt portfolio reviews, thereby enhancing debt data transparency.

UNCTAD provides African countries with capacity-building and technical cooperation support across a range of dimensions related to investment for development. During the reporting period, and building on the *World Investment Report 2020*, UNCTAD delivered a series of regional webinars on special economic zones that provided an expert overview and international perspective of the challenges faced by special economic zone regimes during the pandemic. To support developing countries in their efforts to diversify their economies, attract higher levels of foreign direct investment and promote sustainable development, UNCTAD conducts investment policy reviews, which are diagnostic studies of the legal, regulatory, institutional and

operational environments for investment. UNCTAD continued its support to countries in Africa in the reform of the international investment agreement regimes through research and policy analysis, consensus-building and technical assistance activities. UNCTAD also contributed to the preparation of a policy guidance document to assist in the negotiations on an investment chapter for the African Tripartite Free Trade Agreement covering SADC, EAC and COMESA.

6. Supporting African countries to harness entrepreneurship, science and technology

Africa must embrace the Fourth Industrial Revolution, so firms will need to harness science, technology and innovation for future growth. UNCTAD continued to assist African countries, through the Automated System for Customs Data (ASYCUDA), in reforming their customs regimes, procedures and systems in line with international standards and best practices. In 2020, the programme collaborated in the development of an automated system for the African Trade Observatory to extract trade data from the ASYCUDA system for customs to be provided to the Observatory and the International Trade Centre.

The UNCTAD Entrepreneurship Policy Framework continues to be leveraged for the development of targeted national entrepreneurship strategies. As part of the EU-UNCTAD Programme for Angola: Train for Trade II, the organization supported the development of a national entrepreneurship strategy in Angola, among many other areas of the programme's broad support. During the reporting period, UNCTAD provided assistance to 15 Empretec centres in Africa and training of trainer and master class sessions on a modernized Empretec methodology were held in Lagos, Nigeria, for all Empretec centres in Africa.

Our STIP Reviews are effective policy tools that assist African countries in building their Science, Technology and Innovation

capacities for improving the trade competitiveness of their national firms, in-line with the Sustainable Development Goals. During the reporting period, UNCTAD undertook the following policy reviews: Botswana,; Ethiopia,; Uganda, with an agreement with the Government of Uganda to implement follow-up activities; and Zambia,.

Ladies and Gentlemen, I would also like to highlight the coordinating role that UNCTAD's Regional Office for Africa, plays on the continent between member states, the African Union and the UN system. UNCTAD has now established a strong collaboration with the African Union Commission (AUC) in Addis Ababa. In 2020, our Regional Office worked with the African Union and the Economic Commission for Africa on drafting the Assessing Regional Integration in Africa publication on services trade liberalization and integration under the African Continental Free Trade Area. In December 2020, our Regional Office, in collaboration with the African Union, the Economic Commission for Africa and the United Nations Entity for Gender Equality and the Empowerment of Women, delivered coaching and capacity-building sessions for over 100 young women entrepreneurs about exploiting opportunities under the AfCFTA.

Before closing, I would also like to draw your attention to the shifting structure of the group of LDCs. Since LDC4 in 2011 and the adoption of the Istanbul Programme of Action, only four countries (Maldives, Samoa, Equatorial Guinea, and recently Vanuatu) have graduated. At present, 11 countries are in the graduation pipeline, and looking ahead, all but two of the Asian-Pacific LDCs are expected to have graduated from category within the next 10 years. This means that, eventually, the LDC category will largely be composed of African countries, with their own specific needs and challenges.

Many LDCs, especially those in Africa, benefit from a young and growing population. Looking ahead, the youth population (between 15

and 24 years old) is expected to nearly double and reach upwards of 270 million by 2050. This could result in a demographic dividend and accelerated economic growth. But this can only happen if youth are equipped with the appropriate skills and productive capacities to participate in higher value-added activities and services.

I would like to conclude by appealing to all member States in a position to do so, to contribute to the LDC Trust Fund. Thanks to the LDC Trust Fund, specific trainings, as well as targeted technical cooperation activities have been successfully carried out. We thank the Government of Portugal for the recent contribution and we hope that other member States will follow suit, where possible, and enable UNCTAD to scale up our efforts.

Ladies and gentlemen, please rest assured that we will continue placing inclusive and sustainable growth and development at the heart of our flagship reports, analytical studies, technical cooperation projects and intergovernmental support and meetings in support of Africa. I look forward to hearing your reactions and hope that you will share with us insights on how to make Africa's journey towards transformational change a success and translate the AfCFTA into a reality. I wish you a fruitful debate and thank you for your kind attention.