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**Economic Commission for Africa
Committee on Private Sector Development,
Regional Integration, Trade, Infrastructure,
Industry and Technology**
Third session
Addis Ababa (hybrid), 14 and 15 November 2023

Agenda item 8

Consideration and adoption of the report on the session

Report of the Committee on Private Sector Development, Regional Integration, Trade, Infrastructure, Industry and Technology on its third session

I. Introduction

1. The third session of the Committee on Private Sector Development, Regional Integration, Trade, Infrastructure, Industry and Technology was held in Addis Ababa on 14 and 15 November 2023. The session was convened under the theme “Boosting regional integration, infrastructure, trade and technology towards prosperous and inclusive green industrialization in Africa”. Two expert group meetings preceded the session: a technical workshop on using satellite imagery and artificial intelligence to analyse critical road links and an expert group meeting on the environmental dimensions of the Agreement Establishing the African Continental Free Trade Area and greening its implementation in the context of emerging carbon pricing and trading scenarios.

II. Attendance

2. Representatives of the following members of the Economic Commission for Africa (ECA) attended the session: xxx.
3. Representatives of the following institutions and organizations attended the session: xxx.
4. Representatives of the following regional economic communities attended the session: xxx.
5. The complete list of participants will be circulated as an information document.

III. Opening of the session [agenda item 1]

6. The meeting was opened by the Chair of the outgoing Bureau, the representative of the Democratic Republic of the Congo. He thanked ECA, as the secretariat of the Committee, for organizing the session, and expressed gratitude to the Government of Ethiopia for hosting the meeting. He underscored the importance of the meeting and the choice of the theme, which he said was timely considering the global headwinds that had arisen in recent



years. He noted that the bulk of the recommendations that had emerged from the second session of the Committee had been implemented and expressed his gratitude to the members of the outgoing Bureau and to ECA. He concluded by expressing his country's support for the Chair of the incoming Bureau and the secretariat in implementing the programmes and activities of the Committee.

7. The opening statement was delivered by the representative of the Ministry of Science and Technology of Ethiopia, Simenew Melaku. On the theme of the session, he highlighted the need to encourage the development of the private sector and to involve the private sector in African development. He emphasized how regional integration, trade, industry and technology were all interlinked and were critical to African efforts to achieve the Sustainable Development Goals.

8. Mr. Melaku highlighted several aspects of the commitment of the Government of Ethiopia to sustainable development, as reflected in its 10-year plan, which was focused on consolidating and developing agricultural technology, encouraging the transfer of technology, identifying priority sectors for investment and industrialization, maximizing foreign direct investment and job creation, and implementing national development goals.

9. In closing, Mr. Melaku stated that encouraging private sector investment and developing human capacity were of the utmost importance and that many of the initiatives undertaken in Ethiopia and elsewhere on the continent were of a cross-cutting nature. He emphasized that regional integration would maximize the impact of development efforts and encouraged ECA, other entities of the United Nations system and development partners to continue to support African countries in that regard.

10. In his opening remarks, the Executive Secretary of ECA, Claver Gatete, welcomed the participants to the meeting. He highlighted the major developments of the past five years in Africa, including the coronavirus disease (COVID-19) pandemic, climate change, a new continental agreement on trade, the adoption of artificial intelligence, and infrastructure development in the energy and transport sectors. He stated that ECA would continue to take action and implement measures to assist African countries in achieving industrialization that was consistent with the theme of the third session of the Committee.

IV. Election of the Bureau [agenda item 2]

11. The participants elected the following countries to constitute the Bureau, on the basis of rotating subregional representation.

Chair:	Guinea-Bissau (West Africa)
First Vice-Chair:	Namibia ¹ (Southern Africa)
Second Vice-Chair:	Mauritania (North Africa)
Third Vice-Chair:	United Republic of Tanzania (East Africa)
Rapporteur:	Central African Republic (Central Africa)

12. Following the election of the incoming Bureau, its Chair, the representative of Guinea-Bissau, thanked the participants for electing his country to that role for the next two years. He acknowledged the excellent work and leadership of the Chair of the outgoing Bureau. He thanked ECA for its outstanding work, commended the expertise of its staff members, and welcomed the prospect of continuing to receive the Commission's support. In

¹ To be confirmed.

turn, he committed to fully supporting ECA in implementing its programmes during his mandate as Chair of the Bureau.

V. Consideration and adoption of the agenda and programme of work [agenda item 3]

13. The newly elected Chair introduced the provisional agenda of the session. The agenda was adopted as follows:

1. Opening of the session.
2. Election of the Bureau.
3. Consideration and adoption of the agenda and programme of work.
4. Presentation of reports by the secretariat:
 - (a) Advancing energy and digital technologies for prosperous and inclusive green industrialization;
 - (b) Leveraging the African Continental Free Trade Area: towards the deeper integration of Africa through inclusive and green industrialization;
 - (c) Promoting inclusive green industrialization in Africa through sustainable infrastructure, agropoles and effective financial markets.
5. Presentation on the theme of the third session: “Boosting regional integration, infrastructure, trade and technology towards prosperous and inclusive green industrialization in Africa”.
6. General discussion on the theme.
7. Review of the 2022 and 2023 programme plans relating to private sector development, regional integration, trade, infrastructure, industry and technology, and also the priorities of the 2024 programme plan.
8. Consideration and adoption of the report on the session.
9. Closing of the session.

14. The programme of work was adopted with no amendments.

VI. Presentation of reports by the secretariat [agenda item 4]

A. Advancing energy and digital technologies for prosperous and inclusive green industrialization

1. Presentation

15. The representative of the secretariat highlighted the role of energy and digital technologies in achieving prosperous and inclusive green industrialization in Africa. Although the continent had an abundance of natural resources, including critical minerals for high-technology and green product development, and vast renewable energy resources, it needed to build the scientific, technological and industrial know-how required to manufacture and trade in such products as electric vehicles, drones, mobile devices, bioelectronics, nanodevices, photovoltaics and green hydrogen systems. Furthermore, harnessing the potential of the continent to develop energy and digital technologies to boost shared prosperity and green industrialization

required policy measures that addressed finance and infrastructure gaps and ensured suitable investment in people, institutions, systems and critical sectors.

2. Discussion

16. During the discussion, participants underscored the importance of improving electrification as a precursor to technology development and the adoption of emerging technologies. They noted that urgent action was needed to reverse trends triggered by the COVID-19 pandemic, which included a decline in the already low share of people in Africa with access to electricity and an increase in energy poverty. They also highlighted the need to focus on the services sector as an important driver of cross-border trade and regional integration on the continent.

3. Recommendations

17. In the light of the discussion, the Committee made the following recommendations:

- (a) Members of ECA should:
 - (i) Work to increase access to electricity and alleviate energy poverty by leveraging emerging energy and digital technologies;
 - (ii) Work to build competitive telecommunications markets and increase the affordability of, and access to, the Internet in Africa;
 - (iii) Foster an investment-friendly regulatory environment to drive private sector participation in the energy and digital technology sectors;
 - (iv) Support research and development and the integration of science, technology, engineering, arts and mathematics education in formal school curricula from the first years of children's education so as to prepare the growing number of young people in Africa for the fourth industrial revolution;
- (b) ECA should:
 - (i) Provide support for research and technical assistance programmes that are focused on alleviating energy poverty and increasing electrification rates on the continent;
 - (ii) Promote research at the national level to accelerate the adoption of renewable energy technologies, in line with the particular contexts of African countries and the availability of renewable energy sources;
 - (iii) Support the design and dissemination of research and analytical products on the governance and adoption of emerging technologies, including artificial intelligence.

B. Leveraging the African Continental Free Trade Area: towards the deeper integration of Africa through inclusive and green industrialization

1. Presentation

18. The representative of the secretariat underscored the enormous benefits of the Agreement Establishing the African Continental Free Trade Area for the gross domestic product, trade, output and welfare of the continent. Intra-African trade was expected to increase by 33.5 per cent (\$196.4 billion) by 2045. The expected gains were concentrated in areas in which Africa had the

greatest need to build resilience to global shocks and drive sustainable industrialization, including agrifood, services and industry.

19. For implementation of the Agreement to lead to economic development and transform African economies effectively, the persistent impediments to the free movement of persons and capital must be removed. In addition, it was important to implement robust policies on competition, investment, intellectual property rights and digital trade to revitalize the African investment landscape and deepen continental integration. In that regard, the representative acknowledged the significance of the adoption by the Assembly of Heads of State and Government of the African Union in February 2023 of the protocols relating to phase II of negotiations under the Agreement. To achieve a green transition and sustainable industrialization, new green value chains would need to be identified, investment would have to be redirected towards green infrastructure and Africa must meet its commitments under international agreements on climate action.

2. Discussion

20. The discussion was focused on the need to develop strong transport infrastructure and a strong logistics sector in Africa, including pan-African corridors. Advancing the development and adoption of legal tools to spur foreign direct investment was essential. Furthermore, importance was placed on the roll-out of the Pan-African Payment and Settlement System, which would facilitate cross-border payments in local African currencies. The absence of a protocol on climate to the Agreement Establishing the African Continental Free Trade Area was raised as a concern.

3. Recommendations

21. In the light of the discussion, the Committee recommended that ECA should produce research addressing global trade policies that lay at the intersection of climate and trade, such as the carbon border adjustment mechanism established by the European Union, and their impact on African exports.

C. Promoting inclusive green industrialization in Africa through sustainable infrastructure, agropoles and effective financial markets

1. Presentation

22. The representative of the secretariat stated that African countries should respond positively to the global challenges that could prevent them from achieving the Sustainable Development Goals. The continent was still recovering from the COVID-19 pandemic, and its resilience continued to be tested. In addition, Africa must respond to the effects of climate change and the war in Ukraine. As much as \$120 billion of investment in the energy sector was required per year, compared with the current investment of slightly more than \$81 billion. The private sector had an important role to play in addressing that investment gap, and the transport sector, which needed significant transformations to make it efficient, cleaner and safer, would be crucial in undertaking efforts to achieve the aspirations for industrialization set out in the Agreement Establishing the African Continental Free Trade Area. The agricultural sector could play a bigger role in African green industrialization but remained underdeveloped. African countries must provide a conducive business environment to pursue agro-industrialization.

23. Many African countries had limited access to global financial markets and, thus, experienced constraints in financing their inclusive green industrialization and the necessary growth-promoting infrastructure. ECA was

implementing various activities to encourage the development of local currency bond markets in order to mitigate the impact of financial crises on national economies and facilitate the absorption of capital flows.

2. Discussion

24. Participants in the meeting noted the importance of leveraging hydrogen and renewable energy technologies to advance a just energy transition and of fast-tracking progress by means of technology, finance and the development of regional flagship projects. They also discussed the prevailing challenges related to electricity market regulation and the investment climate for the private sector. Given current challenges to global, regional and national energy security, the participants identified the crucial need to articulate and advance the energy security agenda in Africa. In the area of critical mining, they highlighted the need to further clarify the distinction between green, typical and critical minerals. Lastly, they underscored the need to support the development of regional transport corridors across the continent.

3. Recommendations

25. In the light of the discussion, the Committee recommended that ECA should:

- (a) Conduct an in-depth assessment of the role of green hydrogen in advancing a just energy transition and energy security in Africa;
- (b) Support its members in addressing prevailing regulatory barriers that hinder private sector investment in energy and infrastructure development;
- (c) Also support its members in developing national public-private partnership frameworks to expand the scope of infrastructure financing;
- (d) Provide technical support for initiatives relating to regional transport corridors, especially those that support landlocked countries;
- (e) Support countries to help them to take advantage of improved technology and business practices that promote high agricultural productivity on the continent;
- (f) Support the implementation of regional and flagship projects, such as the Grand Inga Dam, to fast-track electricity access and energy security on the continent;
- (g) Support countries in strengthening their domestic resource mobilization strategies with a view to enhancing domestic and regional markets, making those countries more attractive for both international and national private sector investments and thereby ensuring that all countries benefit from increased trade through the implementation of the Agreement Establishing the African Continental Free Trade Area.

VII. Presentation and general discussion on the theme of the third session: “Boosting regional integration, infrastructure, trade and technology towards prosperous and inclusive green industrialization in Africa.” [agenda items 5 and 6]

1. Panel discussion

26. The discussion began with the panellists giving their views on the theme of the third session of the Committee. All the panellists concurred with the view that African countries should support ECA in its efforts to implement and promote green industrialization in Africa.

27. The representative of the African Union underscored the critical role that science, technology and innovation played in achieving prosperous and inclusive green industrialization in Africa. He discussed the digital transformation strategy for Africa and the way in which his organization, in collaboration with other partners, was leading the development of a continental data policy framework. He highlighted the current and emerging initiatives on digitalization, including the elaboration of an artificial intelligence strategy for Africa and a global digital compact, and emphasized the importance of developing infrastructure, including for energy, transport and information and communications technology, to support efforts to make production sustainable. Peace and security were central to African development and must be fostered by leveraging science, technology and innovation. In addition, it was necessary to build the capacity of women and young people in those areas.

28. The representative of the African Export-Import Bank recalled that Africa was endowed with immense volumes of critical minerals that should be further harnessed for its energy transition. The implementation of the Agreement Establishing the African Continental Free Trade Area was vital for the acceleration of the energy transition on the continent, but members of ECA faced a challenge in financing the implementation. To help to overcome that obstacle, the programmes of the Bank included its adjustment fund, guarantee scheme and policy to promote investment in the automotive industry, and it was involved in capacity-building for small-scale farmers, the creation of high-quality infrastructure and the development of export processing zones and manufacturing hubs.

2. General discussion

29. Members of ECA stressed the significant financing challenge that they faced in implementing the Agreement Establishing the African Continental Free Trade Area and accelerating the energy transition, highlighting the difficulty they experienced in identifying and accessing the various financing options that were potentially available to them.

30. They lamented the reliance of Africa on imports of raw materials and technical expertise for the development of thermal power plants in the context of accelerating the energy transition on the continent.

3. Recommendations

31. In the light of the discussion, the Committee made the following recommendations:

(a) Members of ECA should work together to develop transboundary projects and initiatives aimed at improving efficiency in financing sustainable industrialization;

(b) ECA should:

(i) Compile information on the funds and sustainable financing options that are available to its members;

(ii) Assist its members in building their capacity to prepare robust requests for funding.

VIII. Review of the 2022 and 2023 programme plans relating to private sector development, regional integration, trade, infrastructure, industry and technology, and also the priorities of the 2024 programme plan [agenda item 7]

32. The representative of the secretariat presented a review of the proposed programme plan for 2024 and programme performance in 2022 and 2023 in the following three subprogramme areas, which fell under the purview of the Committee: technology, climate change and natural resources management; regional integration and trade; and private sector development and finance. Participants commended the excellent performance of ECA in those subprogramme areas, as evidenced by its outstanding research products on related topics.

33. Participants requested more information on the following programmes:

(a) To be inserted as recommended by participants during the meeting.

IX. Consideration and adoption of the report on the session [agenda item 8]

34. The Committee adopted the report with some amendments and requested the secretariat to incorporate those amendments and forward the final report to the participants.

X. Closing of the session [agenda item 9]

35. Closing remarks were made by the Director of the **XXX** Division, who thanked all participants for their time. He also thanked the Bureau, the ECA team of communications specialists, language staff and conference services officers, and the Government of Ethiopia for their support in organizing the session.

36. Subsequently, the Chair of the Bureau thanked the participants for their contributions to the fruitful deliberations during the session. He commended the staff of ECA for all their hard work in organizing the third session of the Committee. He then declared the session closed at **5** p.m. on Wednesday, 15 November 2023.
