



**Subregional Office for North Africa
Intergovernmental Committee of Senior
Officials and Experts for North Africa**
Thirty-ninth session

**Subregional Office for West Africa
Intergovernmental Committee of Senior
Officials and Experts for West Africa**
Twenty-seventh session

Third joint session
Rabat (hybrid), 19–21 November 2024

**Accelerating implementation of the Agreement Establishing the African
Continental Free Trade Area in North and West Africa through digital
transformation and economic diversification**

Concept note

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I. Background

1. At the halfway point in the world's pursuit of the Sustainable Development Goals, progress towards their attainment remains slow and uncertain, owing to multiple crises. Latest assessments from the United Nations indicate that, by 2030, if current trends continue, countries are on track to meet only 17 per cent of the Sustainable Development Goal targets¹, 48 per cent showed minimal and moderate progress and over one third have stalled or are regressing.² Global responses are under way for countries to get back on track. These include the call for a rescue plan to accelerate achievement of the Sustainable Development Goals made by the Secretary-General during the 2023 meeting of the high-level political forum on sustainable development, the political declaration adopted by the forum in 2023 and the Pact for the Future, which incorporates the Global Digital Compact and the Declaration on Future Generations, adopted at the Summit of the Future held in New York on 22 and 23 September 2024.

2. In this context, global economic performance is slightly improving, holding steady at 2.6 per cent in 2024 after three consecutive years of deceleration. Global inflation is estimated to be slowing, at 3.5 per cent,³ showing a continued easing of the surge following the coronavirus disease (COVID-19) pandemic and the outbreak of war between the Russian Federation and Ukraine.

3. In Africa, growth will also remain fairly steady, estimated at 3.3 per cent in 2024 compared to 3.2 per cent in 2023. This performance represents a major challenge for the continent. Growth in 2024 constitutes less than 0.6 percentage points of the average growth registered over the decade 2010–2019 and remains far below the 7 per cent required to fulfil the 2030 Agenda for Sustainable Development.⁴

4. According to the United Nations,⁵ growth in West Africa is expected to slow for the second consecutive year. It is estimated at 3.4 per cent, compared to 3.7 and 3.8 per cent in 2022 and 2023, respectively. The outlook for growth in the subregion will remain steady but fragile, expected to measure 3.8 per cent in 2025, at more or less the same level as three years ago: 3.7 per cent in 2022. This performance also remains below the average of 4.5 per cent recorded during the decade 2010–2019.

5. For North Africa, growth in gross domestic product (GDP) measured 3.0 per cent in 2024, at much the same level as in 2023, with 3.1 per cent. This performance is still below the average growth of 3.6 per cent over the period 2010–2019. The medium-term outlook is more favourable, however, with GDP growth of 3.8 per cent expected in 2025.

6. In this context, at their third joint session, the Intergovernmental Committee of Senior Officials and Experts for North Africa and the Intergovernmental Committee of Senior Officials and Experts for West Africa will focus on the topic of accelerating implementation of the Agreement Establishing the African Continental Free Trade Area in North and West Africa through digital transformation and economic diversification. This theme is highly timely, given the adoption by the African Union of the topic of

¹ Department of Economic and Social Affairs, "A moment of choice and consequence for a better future", *Voice*, vol. 28, July and August 2024.

² *Ibid.*

³ World Bank, *Global Economic Prospects, June 2024* (Washington, D.C., 2024).

⁴ United Nations, "World economic situation and prospects as of mid-2023" (E/2023/80).

⁵ *Ibid.*

accelerated implementation of the Agreement Establishing the African Continental Free Trade Area as its theme for 2023. It is also closely related to the question of digital connectivity, one of the six transitions, which provide catalytic entry points for accelerating progress towards the Sustainable Development Goals. The theme is also relevant, given the challenges related to health, economic, social, food insecurity and geopolitical conditions in the two subregions over the past five years. Globally, countries showed resilience in combating the COVID-19 crisis and this focus then shifted to one of post-pandemic economic recovery, including finding solutions to food insecurity inflicted by geopolitical conflicts and climate change. The theme of the 2023 sessions of the two Intergovernmental Committees of Senior Officials and Experts was that of investment in the energy transition, food security and regional value chains for sustainable development in North and West Africa, with the aim of ensuring that the States of the two subregions were able to surmount the overarching crises at that time.

7. The Intergovernmental Committees also gave close consideration to the structure of the economies of both subregions which, despite efforts to counter the problem, remain highly dependent on exports of natural and mineral resources which are more vulnerable to shocks. At the same time, countries import a significant proportion of their food and energy needs. The resulting paradoxical situation where, on the one hand, they have abundant resources and, on the other, their economic diversification remains very weak, has impeded countries' economic transformation and sustainable development. As a result, the imperative for economic diversification and industrialization anchored in the African Continental Free Trade Area has become ever more pressing.

II. Key issues

A. African Continental Free Trade Area: efforts to consolidate existing achievements and speed up the pace of implementation

8. The African Continental Free Trade Area is a priority project of Agenda 2063: The Africa We Want, of the African Union and is aimed at the creation of a single African market of goods and services, made up of all African countries and the continent's 8 regional economic communities. The single market will generate a combined GDP of some \$3.4 trillion and, by 2024 estimates, a customer base of approximately 1.5 billion people.⁶ The free movement of persons, capital and investment will serve to facilitate trade in an endeavour to deepen economic integration, uphold gender equality and promote industrialization, food security, structural transformation, agricultural development and inclusive socioeconomic development.⁷

9. As of June 2024, the great majority of States members of the African Union had ratified the Agreement and, demonstrating the sustained commitment by member States, at its 2023 session, the Assembly of Heads of State and Government of the African Union adopted the protocols on investment, competition policy and intellectual property rights. In addition, the Guide Trade Initiative, adopted as an interim mechanism to enable trading

⁶ See United Nations Department of Economic and Social Affairs, Population Division, data portal, interactive access to global demographic indicators. Available at <https://population.un.org/dataportal/data/indicators/49/locations/903,910,911,912,913,914/start/2018/end/2030/table/pivotbylocation?df=8e72775a-1f16-440d-8486-208fbb50711f> (accessed on 20 June 2024).

⁷ African Union, "Theme of the year: acceleration of AFCFTA implementation" (Addis Ababa, 2024). Available at : <https://au.int/en/theme/2023/acceleration-of-afcfta-implementation>.

to start under the Agreement, has made significant progress since its launch in February 2022. The number of participating countries has risen from 8 at the starting point to 31 in October 2024.

10. The Economic Commission for Africa (ECA) has played a pivotal role in supporting the implementation of the Agreement Establishing the African Continental Free Trade Area. In West Africa, in addition to the development of 11 national strategies, ECA supported the development of a manual for exporters; guides on the African Continental Free Trade Area covering the issues of non-tariff barriers, rules of origin and trade in services; a study on countries' market access; competitiveness strategies; and digital platforms. Furthermore, two additional studies have been undertaken: one focusing on regional value chain opportunities in West Africa with a view to enhancing existing interventions and programmes, and another addressing the informal sector in West Africa, aiming to promote its formalization in order to enhance its contribution to economic diversification and sustainable development financing. These policy documents and analyses are instrumental in informing policy advocacy and efforts to incorporate the Agreement into domestic law for its implementation, with the aim of boosting intra-Africa trade promotion and economic diversification.

B. Digital transformation: driving force for attainment of the Sustainable Development Goals and accelerator for the African Continental Free Trade Area

11. According to the United Nations Industrial Development Organization,⁸ digital transformation is the integration of digital technology into all organizational areas. It requires organizational change and the implementation of digital technologies, building on the opportunities offered by the fourth industrial revolution and its key driving forces, such as cloud computing, the Internet of things, artificial intelligence and big data analytics.

12. In the context of sustainable development, digitalization is key to the attainment of Sustainable Development Goal 9: Industry, innovation and infrastructure. It also forms one of the six transformations which constitute the building blocks for achievement of the Goals.⁹ Digital transformation and innovation also lie at the core of the so-called “quintet of change”, outlined by the Secretary-General in his report “Our Common Agenda”,¹⁰ aimed at rendering United Nations interventions more transformative and geared towards efforts by Member States to accelerate their sustainable development agendas.

13. At the continental level, the African Union has carved out a digital transformation strategy for Africa for the period 2020–2030,¹¹ inspired by the continent's abundant

⁸ www.unido.org/sites/default/files/files/2021-11/Standards%20and%20Digital%20Transformation_Complete_2021.pdf.

⁹ Jeffrey Sachs and others, “Six transformations to achieve the Sustainable Development Goals”, *Nature Sustainability*, vol. 2, September 2019. The transformations are the following: (1) education, gender and inequality; (2) health, well-being and demography; (3) energy decarbonization and sustainable industry; (4) sustainable food, land, water and oceans; (5) sustainable cities and communities; and (6) digital revolution for sustainable development.

¹⁰ A/75/982.

¹¹ African Union, *The Digital Transformation Strategy for Africa (2020-2030)*, (Addis Ababa, 2020). Available at <https://au.int/sites/default/files/documents/38507-doc-dts-english.pdf>.

youthful population. The objectives of this strategy are to harness digital technologies and innovation to promote African integration, stimulate job creation, ensure universal access to digital services, generate inclusive economic growth and eliminate poverty. The mushrooming of digital companies that provide goods and services on demand offers opportunities for inclusion in the continental digital supply chain, thereby contributing not only to the implementation of the Agreement but also to the accelerated operationalization of the Area itself.

14. The vision of the African Union strategy is to generate an integrated and inclusive digital African economy in which the continent is not only a global consumer but an owner of continental digital production. It aims also to improve the quality of life of African citizens and to enable the diversification and development of the economic sector.¹²

15. Accelerating digital access and breaking the digital divide are key to the advancement of digital transformation. At the continental level, assessments by the International Telecommunication Union in 2023 showed that, incrementally, 93 per cent of the African population are covered by mobile broadband networks – 6 per cent by a 5G network, 58 per cent by 4G, 19 per cent by 3G and 10 per cent by 2G.¹³ Where use of the Internet is concerned, however, the continent is still the least connected region, with an average of 37 per cent of the population having access to a mobile broadband network, as compared to 67 per cent of the world population.¹⁴ Furthermore, the digital divide between men and women persists, despite certain progress recorded over recent years. While parity in Internet use has almost been achieved in high income countries, in Africa only 32 per cent of women and 42 per cent of men use the Internet.¹⁵ This digital gap is largely acknowledged as one of the key factors behind the continent’s low level of industrialization. The share of firms in African least developed countries in 2023 not using digital technology was estimated at 47.1 per cent, as compared to 33.5 per cent in Asian least developed countries.¹⁶

16. Overall, digital access is an engine for economic growth and sustainable development. The assessment by the International Telecommunication Union shows that a 1 per cent increase in fixed broadband penetration increases gross domestic product (GDP) in a country by 0.08 per cent, while a 1 per cent increase in mobile broadband penetration increases GDP by 0.15 per cent. In Africa, higher impacts are estimated for mobile broadband penetration, with a 0.25 per cent increase of GDP, as mobile phones are the devices most widely used by Africans for access to the Internet.

C. Economic diversification: imperative policy option for sustainable development and achievement of the African Continental Free Trade Area

17. Economic diversification primarily encompasses two related dimensions of diversification, namely trade and domestic production. These two dimensions involve export diversification with new, more sophisticated and value added products and the

¹² Ibid., p. 5.

¹³ International Telecommunication Union, *Facts and figures 2023*, “Mobile network coverage”. Available at www.itu.int/itu-d/reports/statistics/2023/10/10/ff23-mobile-network-coverage/.

¹⁴ Ibid., “Internet use”. Available at www.itu.int/itu-d/reports/statistics/2023/10/10/ff23-internet-use/.

¹⁵ Ibid., “The gender digital divide”. Available at www.itu.int/itu-d/reports/statistics/2023/10/10/ff23-the-gender-digital-divide/.

¹⁶ Economic Commission for Africa, document ECA/RFSD/2023/7.

diversification of domestic production.¹⁷ In a series of publications issued from 2018 to 2021 on structural transformation, ECA also identifies economic diversification as the main pattern of structural transformation, with an emphasis on production diversification, strengthening of industrial linkages and modernization of technology.¹⁸ According to ECA, although energy and mining represent half of all Africa exports to the rest of the world, intra-African trade is predominantly focused on industrial products, which make up about 45 per cent of total intra-African trade flows.¹⁹ This focus on industrial products can be deepened by the Agreement Establishing the African Continental Free Trade Area, generating higher income.

18. In this regard, diversification and the African Continental Free Trade Area stand in a relationship of mutual dependence. While the African Continental Free Trade Area will provide a greater consumer market for producers and hence the opportunity to produce varied goods and services for export, diversification also has the potential to accelerate operationalization of the Area by promoting active and diversified trade that offers greater consumer choice. Economic diversification is important for sustainable development, over and above its benefits for economic development, as it enables countries to cushion themselves against global downturns that may affect some of the goods and services in their export basket.

19. In line with the objectives of the African Union and the ECA to accelerate implementation of the Agreement Establishing the African Continental Free Trade Area, through the prioritization of digital transformation and economic diversification, the Intergovernmental Committees of Senior Officials and Experts have identified as their theme for 2024 accelerated implementation of the Agreement through digital transformation and economic diversification. At their joint session, the Intergovernmental Committees will discuss the theme in detail and forge viable recommendations that can be used for policy action in their respective home countries.

20. As statutory deliberative bodies, the Intergovernmental Committee of Senior Officials and Experts for North Africa and the Intergovernmental Committee of Senior Officials and Experts for West Africa oversee the activities of the respective subregional offices of ECA that emanate from the programme adopted by the General Assembly at its annual session. The Intergovernmental Committees hold an annual meeting to consider the activity reports and the results achieved by the subregional offices, their forthcoming work programme and strategic orientations as they relate to the development priorities of the countries of North Africa and West Africa. The meetings also provide forums for assessment and exchanges among senior experts and policymakers of national Governments, researchers and representatives of the private sector and civil society on evolving patterns of economic and social conditions across the subregions. The meetings aim to make recommendations on ways to accelerate attainment of the Sustainable Development Goals and Agenda 2063 of the African Union, while deepening regional integration.

¹⁷ World Bank Group, “Economic diversification: lessons from practice”, in Organisation for Economic Co-operation and Development/World Trade Organization, *Aid for Trade at a Glance 2019: Economic Diversification and Empowerment* (Paris, OECD Publishing, 2019). Available at <https://doi.org/10.1787/18ea27d8-en>.

¹⁸ <https://archive.uneca.org/fr/publications/steps-2018>.

¹⁹ Economic Commission for Africa, “New assessment of the economic impacts of the Agreement Establishing the African Continental Free Trade Area on Africa”, Policy Brief, July 2021.

21. The two Intergovernmental Committees will hold their respective annual sessions as a joint session, in Rabat, from 19 to 21 November 2024.

III. Third joint session of the Intergovernmental Committees of Senior Officials and Experts: objectives, expected results and other details

A. Objectives

22. The main objective of the session is for senior officials and experts to devise and discuss action-oriented policies for the use of digital transformation and economic diversification to accelerate implementation of the Agreement Establishing the African Continental Free Trade Area.

23. At the joint session, participants will also discuss the results achieved and the future work programme of the two subregional offices, review the economic situation and prospects of the subregions and identify the actions needed, where relevant to the development priorities of the countries of North and West Africa, to accelerate progress towards attainment of the Sustainable Development Goals.

B. Expected results

24. The joint session of the Intergovernmental Committees of Senior Officials and Experts for North and West Africa is expected to achieve the following:

(a) Assessment of the status and progress of the Agreement Establishing the African Continental Free Trade Area and the identification and discussion of pathways for the accelerated implementation of the Agreement through economic diversification and digital transformation;

(b) Review of the statutory reports of the two subregions and of the achievements, future work and interventions of ECA in the countries of North and West Africa;

(c) Identification of key policy actions and responses aimed at accelerating sustainable development in the two subregions;

(d) Submission of separate reports by the two intergovernmental committees on the outcome of the joint session to the Conference of African Ministers of Finance, Planning and Economic Development at its 2025 session.

C. Organization and operational details of the meeting

25. The thirty-ninth session of the Intergovernmental Committee of Senior Officials and Experts for North Africa and the twenty-seventh session of the Intergovernmental Committee of Senior Officials and Experts for West Africa, convened as the third joint session of the two Intergovernmental Committees, will be held in plenary sessions, during which reports and papers drawn up by the subregional offices will be presented and discussed. The draft version of the outcome reports prepared by the subregional offices will be transmitted to participating members of ECA within one month of the closure of the joint meeting.

1. Participation

26. Participation in the meeting of the Intergovernmental Committee of Senior Officials and Experts for North Africa is open in particular to high-level representatives of national ministries, administrations and institutions responsible for planning and economic and social development, finance, employment, trade and industry, agriculture, environment and social development. Representatives of the general secretariat of the Arab Maghreb Union of the Commission of the Economic Community of West African States other regional intergovernmental organizations based in North and West Africa; representatives of civil society and the private sector; universities and research institutions; United Nations agencies; and other development partners may participate as observers.

2. Date and place of the session

27. The session will take place from 19 to 21 November 2024, in Rabat.

3. Working languages

28. Arabic, English and French will be the working languages of the session.

4. Contacts

29. Further information may be obtained from the following officials:

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