

Why is it necessary to renegotiate the Economic Partnership Agreement (EPA)?

It went almost unnoticed, but we must bear in mind that the Final communiqué issued at the end of the 52nd Summit of the ECOWAS Heads of state and Government, held in Abuja on December 16th, 2017, leaders of western Africa said the following: "Regarding the economic partnership agreements between western Africa and the European Union, the Conference underlined the need to reexamine the situation in the light of the recent developments." Everyone can interpret this decision in their own understanding. But it seems clear that by adopting this posture, the heads of State have suggested the reopening of discussions on EPAs, within the region as towards the European Union.

Negotiations between Europe and West Africa have failed to achieve the expected results in 12 years. The persistent technical and political divergences, in form and in substance, which emerged from the opening of the negotiations, continued for a long time to take on the political will to conclude a quick and ambitious EPA. Even though, Ivory coast and Ghana have signed interim EPA in the end and 13 countries out of the 15 members of ECOWAS have signed the regional EPA, it is difficult to say how the EPA may apply. An important part of the private sector and civil society in West Africa have never approved it. Nigeria and Gambia did not join the countries that have signed the agreements.

The changes that are taking place require a renegotiation of the EPA given the new and exceptional circumstances that have emerged and changed the configurations and stakes upon which the agreement was negotiated and concluded. These circumstances are of several kinds. Five examples of such changes are:

Regarding the economic partnership agreements between western Africa and the European Union, the Conference underlined the need to reexamine the situation in the light of the recent developments.

The first is the Brexit.

With the UK leaving the Euro zone, this latest change, distorts all analytical grids on which West Africa built its negotiating strategy.

Negotiations was led by the 28 members of Europe. The implementation is going to be made now without Great Britain, which is not a small Member, since Great Britain is the first trading partner of most of the English-speaking countries of Africa.

The second is the negotiation of the continental free trade area in Africa (CFTA). The agreement defining the Continental Free Trade Area was signed by Forty-Four African countries on March 21st in Kigali, Rwanda. We must realize, however, that our work is just beginning and the biggest challenges still lie ahead. All the signatory countries must now ratify the agreement through their national parliaments. It will take at least 22 ratifications to come into force. The idea lying behind is to achieve an effective opening-up of the market by January 2019. Analysts, including the Economic Commission for Africa (ECA), believe that if regional EPAs are sealed and implemented before the CFTA, the latter will have difficulty achieving its full potential.

The third concerns the current proliferation of mega-regional trade agreements

including the transatlantic partnership for trade and investment (PTCI) and the Trans Pacific partnership (PTT). These mega-ACR that involve Europe or number of its partners will also have implications, still undefined, on West African economic.

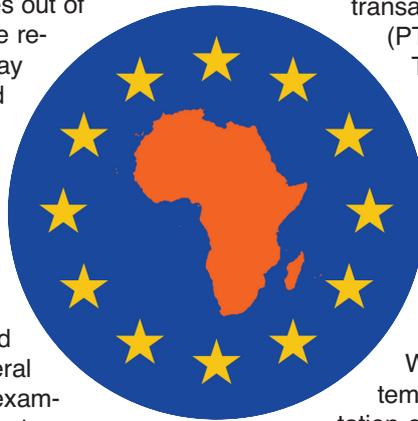
The fourth concerns the process of regional integration in Africa.

The promotion of regional integration was one of the main objectives of the EPA. It is at this level that failure is the most obvious. West Africa has grown from a unique trading system, under the Cotonou Agreement, to a fragmentation of its relationships in five schemes: the regime "everything but arms" with the LDCs; The generalized system of Preferences (GSP) for Nigeria; the GSP + for Cape Verde. Two EPA for Ghana and Ivory Coast.

The fifth is the expiry of the Cotonou Agreement.

The Cotonou agreement expires in 2020. It is the bedrock of political and economic cooperation of the EU with ACP countries. Although discussions are underway to evaluate the agreement and its replacement system, no one can predict the substance and the form of the future arrangements. The truth is it will have an impact on the EPA.

As explained above, people have become more conscious of the need to renegotiate the agreements. The ECOWAS Commission is therefore invited to translate into actions the will of the heads of state clearly asserted in the communiqué of the 25th summit. ■



President Paul Kagamé took the lead of the African Union (AU). He took over President Alpha Condé of Conakry Guinea in January. Pending files seeking happy issues are expecting him. **Integr'action** reviews the future projects of the new President.



African Union: Alpha Condé passes on the baton to Kagame

Meaningful Reforms will be introduced

Two of them are already submitted to the heads of State. It's about the negotiation of the free trade area and the liberalization of the African sky.

A free trade area for 1.2 billion consumers¹

Reaching and Implementing the CFTA will be one of President Kagamé's top priorities. Started in February 2016, negotiations for the creation of the CFTA have experienced significant progress (a target for liberalization of 90 percent of tariff lines has already been adopted, a broad consensus on the texts of the agreement on the CFTA, Customs cooperation and trade facilitation and many more...)

Even though the negotiators have failed to meet the deadline of December 31, 2017, discussions will continue in the course of the year both on the outstanding issues of the first phase and the second phase, namely the field of competition policy, investment and intellectual property.

About the liberalization of the African sky

The African Union aims to build the single market for air transport in Africa (MUTAA), which is a flagship project of the 2063 Agenda of the African Union (AU). It consists of creating a single unified market, liberalizing civil aviation and promote economic integration. This project, under the leadership of the President of the commission of the AU, the Chadian Moussa Faki Mahama, has already received approval from 23 countries and expect the support of others to be carried out during the 30th summit. Liberalizing the African sky means that the airlines of the countries involved have free access to all of the countries included in this single aviation market and don't depend on existing bilateral agreements anymore.

● Financial and institutional projects.

The decision to self-finance the African Union first was made in 2012, in Addis Ababa following an extremely alarming observation:

- 3/4 of the AU budget are financed by foreign partners (EU, USA, China, Bank global etc.);

- 5 countries (South Africa, Nigeria, Egypt, Angola, Algeria) provide 90% of the remaining African contributions 1/4);

- Some countries still need to resolve several years of arrears.

To reverse this trend the heads of State have begun to focus on the need to ensure financial independence of the continental institution.

The first proposals, from former Nigerian president Olusegun Obasanjo, about taxing air tickets, insurance, phone calls, were considered too complex. A new funding formula was found only when Paul Kagamé was appointed at the head of the Union.

● The Kaberuka tax

It was named after the former president of the African Development Bank (AfDB), Donald Kaberuka, Senior Economist and fellow countryman of the new president of the African Union. Organized around a Task force, Paul Kagamé has entrusted the African Union reform project to 10 leading economists who stand out for their commitment and outstanding lifetime contributions to improving integration and the economic development of the continent. This list, headed by Kaberuka, includes among other economists Carlos Gomes, (former president of the ECA), Vera Songwe (former Director of Operations of the World Bank and current President of the ECA), Cristina Duarte, (former Finance Minister of Cape Verde) etc.

Their tactic, to finance the African Union, is to levy a 0.2% tax on imports of some products (the CIF import value-freight and insurance cost) of African countries (excluding intra-African trade). This levy will eventually generate an amount of 1.4 billion euros, far exceeding the annual budget of the AU.

This formula has been confirmed and endorsed in July 2016, in Kigali, during the Summit of Heads of State and Government of the Union.

However, differences surfaced regard-

ing its implementation. It has been vetoed by the biggest contributors (Egypt, South Africa, Algeria, Nigeria) to the AU budget because of their outward-looking economies. Some point out inconsistencies between this tax and individual commitments of some African countries towards the WTO. And others say the tax could raise the cost of living of the population.

Appreciation of the Kaberuka tax varies from a group of countries to another. A total of 20 countries have adopted the principle of the tax, 14 States (Kenya, Ethiopia, Rwanda, Chad, Djibouti, Guinea, Sudan, Morocco, Gambia, Congo, Gabon, Cameroon, Sierra-Leone) started collecting and remitting the tax in the special account set up for this purpose, 4 countries are in the process to implement the tax. As for the rest of the countries, they are expecting tips, or even possible derogations from the Task force, so that everyone can accept the tax for the African Union to control its own destiny. All in all, the 30th Summit of Heads of State and Government has not vacated the dossier on the self-financing of the African Union. This Summit has the merit of opening a debate on this subject and to propose specific solutions to countries which are skeptical in the application of the Kaberuka tax.

● Among the other reforms addressed

Of the other various topics addressed during the 30th UA Summit, particular mention should be made, on the one hand, of the migration situation in Libya where 20,000 migrants are expected to be repatriated before mid-January. And secondly the revision of the periodicity of meetings that should hold only once a year, against two currently.

Integr'action gives you already an appointment in July 2018 in Nouakchott (Mauritania) in view of the holding of the 31st Summit of the African Union to keep you informed of the progress of the various files. ■ **A review by ENDA-CACID**

¹ This article is written before the AU extraordinary Summit in Kigali (Rwanda) on March 21st, 2018.

Marcel De Souza outgoing President of the ECOWAS Commission

It took two years (**from April 8th, 2016 to February 28th, 2018**) to Marcel De Souza, outgoing President of the ECOWAS Commission to contribute greatly to integration in the ECOWAS. Mr. De Souza presented an assessment of his commission's transition mandate: from the risk of suspension of payment of wages of the staff, to the implementation of the common external tariff (CET), through failure to comply with the decisions made by the Court of justice of ECOWAS.

After nearly two years as chairman of the ECOWAS Commission, Marcel De Souza made an assessment of his actions during his mandate.

The outgoing president of the ECOWAS commission has produced an assessment note in three parts. First, he made an institutional diagnosis, then he talked about projects carried out over the last few years, and finally the challenges and prospects of the institution.

"Upon taking office on April 8th, 2016, I was informed that because of the scarcity of resources and negative cash flows, there was no guarantee that salaries at the end of the month of April 2016 could be paid."

This statement by Marcel De Souza reveals the seriousness of the financial situation he had inherited. According to his diagnosis, ECOWAS was facing multifaceted challenges, including:

- The risk of imminent suspension of payments.
- Outstanding debts to services and good suppliers.
- A lack of predictability on the process of statutory positions.
- An obvious lack of rationalization entailing excessive costs;
- etc...

In the light of this diagnosis Marcel De Souza said he had undertaken reforms and emergency measures.

- Drastic reductions in spending by cutting in delegations' size and the frequency of missions has reduced charges to 56% in 2016 and then 35% in 2017.
- With approximately US \$4.847.503,38, or 3.474.496,87 CPU in debt on that date April 8th, 2016 owed to 200 service



" (...) the rarity of the resources and the tense state of the finance did not guarantee the payment of salaries of the end of April 2016. "

providers, the commission dealt promptly with all expenditure commitments that are in arrears (salaries and suppliers), bringing financial health back.

● Due to political considerations, the allocation of statutory positions by state members doesn't apply with legal texts as it remains unclear and unpredictable. This situation stems from the failure to apply the rules defining the criteria for the award of such positions. Under the leadership of Marcel De Souza, the President of the Conference of Heads of State submitted to his peers a document to strengthen the criteria for awarding statutory positions at the special session of the Conference of Heads of State and Government which took place on January 27th, 2018 in Addis Ababa, Ethiopia. After presenting the current state of affairs of the regional institution, Marcel De

Souza went on to present the works achieved during his presidency. Just to list a few, he points out the resolution of the post-electoral crisis in Gambia, which ended without a bloodshed and was hailed a victory of democracy, the technical assistance provided to Cape Verde and Sierra Leone by the commission on the implementation of the common external tariff, the implementation of the Task Force on the ECOWAS trade liberalization scheme which led advocacy missions in thirteen (13) Member States followed by proposals for action to the political authorities in order to abolish obstacles as quickly as possible; the adoption of the ECOWAS customs code; the development of infrastructure such as the community development program (CDP) and the project for a new headquarters for the Commission with the financial and technical assistance of China. The Commission was also granted one hectare of land for the building of the House of ECOWAS.

However, the ECOWAS face significant challenges including:

- Lack of community spirit within the region.
- Delay in the repayment of the community levy by Member States;
- Disrespect of the ECOWAS Court ruling.

In view of these elements, ECOWAS will be facing enormous challenges to ensure the consolidation of community spirit within ECOWAS. Marcel De Souza has proposed the construction of a House of ECOWAS citizens. Thus picking up on the idea by Enda CACID about building the House of citizens of ECOWAS. The first was installed at Ziguinchor (South of Senegal), while others will be installed on the main corridors. ■

A review by ENDA-CACID

A memorandum of understanding between Tunisia and ECOWAS

Mr. Khemaies Jhinaoui, Tunisian Minister of Foreign Affairs is the first figure to be received by Jean-Claude Kassi Brou since taking office on March 1st, 2018. Prior to this visit, the two parties (Tunisia-ECOWAS) signed a memorandum of understanding during a visit from 19th to 22nd November 2017, in Tunis, by the former President of the ECOWAS Commission, Marcel de Souza. This memorandum establishes a framework of cooperation and a platform for dialogue between the two parties and seeks to promote exchanges in various fields of common interest defined by both parties. In recent years, applications for membership keep coming in. Thus, Tunisia, Morocco and Mauritania are seeking for an observer member status, a query that remains suspended in the decision of the Committee of Heads of State and Government created for the occasion. As a reminder of the background here, Tunisia who belonged to the Arab Maghreb Union (MAU), an organization currently in lethargy, completed in October 2017 its act of accession to the common market for Eastern and southern Africa (COMESA), becoming the 20th member country of This organization. ■

Exchanges of best practices between Jean Claude Brou and Marcel De Souza at the handover ceremony at the head of the ECOWAS Commission

After nearly two years at the head of the Commission of the Economic Community of the States of West Africa (ECOWAS), Marcel de Souza gave his chair, Thursday, March 1, 2018, in Abuja, Nigeria, to his successor Jean-Claude Kassi Brou.

The handover ceremony between Marcel de Souza (outgoing President) and Jean-Claude Brou (incoming president) took place on Thursday, March 1st, 2018, in Abuja, Nigeria, in the presence of the Ivorian Minister of African Integration, Ally Coulibaly, the Deputy Minister of Foreign Affairs of Nigeria, Ms. Khadija Bukar Ibrahim, members of the diplomatic corps accredited by Nigeria and ECOWAS, members of staff and the heads of the Community institutions. In his goodbye speech Marcel de Souza provided details of his achievements such as the process of the creation of the single currency of ECOWAS by 2020; satisfactory observation of the presidential elections in 2016 and 2017 in six States members, the repayment of the debts and the improvement of the solvency, the credibility and the image of the Commission; the continuation of the projects for a new headquarters for the Commission. So many accomplishments that was in contrast with some major challenges, in-



cluding the delay in the payment of the community contributions by Member States, failure to comply with the decisions of the Court of Justice of ECOWAS, the political solution to the crisis in Guinea Bissau; the strengthening of regional integration; the consolidation of the gains made in the management of staff and the control of expenses. The new President of the ECOWAS Commission, Jean-Claude Kassi Brou, congratulated and thanked his predecessor for the remarkable capacity he has shown in leading the regional organization. His tribute is summed up in these words: "your actions helped to carry the torch of ECOWAS still higher and further. Your hard work is a secret to no one, and especially not to me. I would like to associate with these greetings, all Commissioners and other outgoing statutory officials. You can go with your head held high for the wonderful job done under your presidency, which will remain engraved in the memory of the community", said Mr. Brou. ■

The ECOWAS Parliament against the tremendous onslaught of obstacles to the free movement

The Forum of the ECOWAS Parliament was held in Dakar from 12th to 15th February 2018. The ECOWAS parliamentarians allied with political authorities, academics, economic actors and personalities of civil society in the region to address "the issues and challenges of the free movement of people and goods and the problem of migration". This high-level meeting, sponsored by His Excellency, Macky Sall, President of the Republic of Senegal, was an opportunity for policy makers to discuss any obstacles in the implementation of the free movement of people and goods; illegal migration was also discussed.

We had quality speakers with well-produced presentations on: "the challenges of underemployment of young people and illegal migration in West Africa" by Mr. Laouali Chaibou, President of the Commission in charge of trade, customs, free movement of people of the ECOWAS Parliament. The presentation of his excellency Mr. Djibo Salou, Chairman of the Task Force on the trade liberalization scheme, and former President of the Republic of Niger has allowed Members of the parliament and their guests to know the achievements and challenges related to the implementation of the Scheme in the member states. Taking into account these challenges, participants at the forum also agreed that regarding the nature and depth of the migration problem, it requires a collective struggle. No country alone can succeed in this fight without the support of others.

The Forum has provided recommendations regarding the freedom of movement and the issue of migration. With regard to the freedom of movement, the Forum insists on the need to develop and adopt an appropriate legal framework sanctioning illegal practices and their authors, including public officials. It also recommends the review of EPAs negotiations to place the management of migratory flows in the Global Agenda on Migration.

For this purpose, the promotion of legal migration by easing constraints for the beneficiaries of visas, elimination of incidents involving police brutality, humanitarian assistance to migrants in distress, and respect for human rights must be at the center of negotiations between the EU and ECOWAS.

The parliament also wish to accelerate organizational action through proactive policy and practice with the aim of making sure Community citizens enjoy their fundamental rights, including free movement in the Member States, equal treatment and the protection of human lives and property.

The Forum was an opportunity for the ECOWAS

Parliament to highlight and communicate more on its role in the regional integration process.

The ECOWAS Parliament is currently chaired by the Senegalese member of Parliament the Honorable Moustapha Cissé Lo. This parliamentary institution was established in 1993 under articles 6 and 13 of the revised ECOWAS Treaty.

The protocol to treaty establishing the parliament was signed in Abuja on August 6th 1994 and entered into force on March 14th 2002. The protocol provides for the structure, composition, authority of the parliament and any other issues it should deal with. The Parliament is composed of 115 seats.

The Parliament is empowered to consider questions on human rights and fundamental freedom of citizens. It can also be consulted on issues related to public health policies and education policies among others. Its powers and jurisdiction have been expanded recently by "the additional Act No. A/SA.1/12/16 entitled: strengthening the powers of the Parliament of the ECOWAS" adopted at the 50th Summit of Heads of State and Government, held on December 17th in Abuja.

In relation to its new areas of competence, the ECOWAS Parliament must receive a timely flow of information in the preparation of the budget; the revision of the Treaty and its annexes; review annual internal audit reports of different ECOWAS institutions and organs; the adoption or Revision of all Community acts related to economic and monetary policies for the integration of ECOWAS (trade, customs, free movement of people, goods and services, infrastructure, monetary cooperation, mines and industries, promotion of investment) and on all other sectoral policies decided by the Conference of Heads of State and Government. The additional Act dedicates the referral for assent procedure, i.e. each Institution or body concerned shall, either take into account the opinion of the Parliament, or present a new text. ■ **A review by ENDA-CACID**

A "Free Movement Day in Senegambia", a good neighborhood instrument

The event will stand out as a milestone in the process to make ECOWAS an integrated area where free movement of citizens and legal goods is a reality. Karang, was the place of regional integration in the Senegambia area organized on March 1st, 2018 and will certainly be an inspiration for other areas of the ECOWAS community.



Presidents Macky Sall (white bubu) and Adama Barrow (brown bubu).

The town of Karang (Karang post for the official name), located in Foundiougne Department in the Fatick region, was chosen by the Senegalese and Gambian authorities to house "the free movement day in Senegambia". As its name suggests, Karang is a border crossing with neighboring Gambia. People cross it, with the controls inherent to all border crossing, to get to Banjul, the Gambian capital. If for the two States, Karang represents the limit of Senegal and the beginning of Gambia, for the people on both sides of the border, it is a homogeneous space in terms of relationships, ethno-cultural similarities and economic practices. As the local mayor has pointed out in his opening statement "the Senegambian people is already integrated because it is the same people separated by a border". Is not this a way to move from the ECOWAS vision-2020 of people to people exchange to the ECOWAS of States?

This free movement day brought together the State authorities of the two countries, the diplomatic corps of the Member States of ECOWAS, the forces of defense and security, the socio-economic actors as well as a large number of citizens from both sides of the border. It was an opportunity to review the progress in the free movement of people and goods and the difficulties users of the corridor encounter when it comes to tariff and non-tariff barriers.

During the different interventions, it has been much question of the Protocol on the free movement of people and goods. What does the Protocol stipulate? What is the principle of the free movement of people and goods?

The memorandum of understanding on the free movement of goods and people was signed on May 29th, 1979 in Dakar, Senegal. It has been supplemented by three protocols since then. Its effective implementation is a major concern that is still on the agenda. It therefore requires a strong willingness for a full enforcement in all Member States and a commitment from the heads of State in the first place. As did

the President of Senegal and Gambia who reiterated their commitment to free movement of people and goods especially between the two countries.

The adjective "free" can also be very confusing. Talking about free movement of people, goods, services and capital does not mean activities are free of all legal constraints that organize them.

In summary, the free movement of people means that any national of a State member of ECOWAS has the right to move freely from one State to another without any hindrance.

It also means the right of residence, the right of establishment and freedom to provide services in each Member State. A Gambian, for example, is entitled with all legal and valid travel documents, to settle and take up employment (except the public service jobs), without being discriminated against based on the nationality.

The free movement of people and

Every national of a member state of the ECOWAS has the right to move freely from a state to an other one without any obstacle

goods is therefore a pillar of regional integration as it allows citizens to go and come. By organizing this day dedicated to the free movement of people and goods, the Senegalese and Gambian Governments are therefore taking a most important step in the regional integration process. As the Chairman of the Task Force of the ECOWAS explained in his address read by Dr. Cheikh Tidiane Dieye Executive Director of ENDA CACID: "the time for action is upon us, we shouldn't disappoint the populations of ECOWAS expectations who aspire to exert their rights under the texts adopted by all States, which guarantee every citizen freedom of movement with their property, permanent residence and to be able to reside and work without obstruction in each State".

Karang 2018 might therefore be a

source of great hope for Senegambian people, economic actors and even all the ECOWAS zone. In the communiqué issued at the end of the meeting, people hope Karang 2018 will be engraved in all memories in the history of the ECOWAS regional integration.

Among other considerations, observations and commitments, participants strongly recommended the implementation of a trade facilitation program and the free movement of people and goods. All these Points are contained in the statement read out by the Executive Secretary of the Senegalese-Gambian permanent Secretariat, H.E Paul Badji. The creation of a joint Observatory of abnormal practices, on the Dakar-Banjul corridor in order to better combat practices against harassment on the corridor and land border, has been recommended as well.

The participants also called for the installation of border crossings information Centers in order to provide assistance to users, like the House of citizens of ECOWAS which has been installed by Enda CACID in 2015 on the axis Ziguinchor-Bissau.

The warm tribute we received at the Presidential Council of Senegal and Gambia has been the opportunity to raise standards and broaden horizons. Thus, President Macky SALL invited Governments to Banjul, "to examine without delay how to implement efficiently the recommendations of the Karang Declaration, especially by eliminating abnormal practices on the Dakar-Banjul corridor and to have information Centers at border crossings, with the support of the Senegalese-Gambian permanent Secretariat."

Therefore, the results of KARANG 2018 did not fall on deaf ears. This, for the greater benefit of Senegambian people or even Bissau-Guinean. If the effects of the Karang declaration spans the corridor Dakar-Banjul-Bissau, which represent a territory with nearly 20 million nationals who will take full advantage of existing economic opportunities. Consequently, economy will be reinvigorated. ■

A review by ENDA-CACID

Membership of Morocco to ECOWAS and the Continental Free Trade Zone: West African private sector between opposition and pessimism

The West African private sector met for two days in Dakar, capital of Senegal, to discuss about the "Foundation of corporation core business". The Senegalese National Employers Council (CNP), linchpin of these conferences, has successfully brought together the who's who of West-African employers around the issues of the day concerning the possibility of integrating Morocco to ECOWAS and the future establishment of the Continental Free Trade Area (CFTA), among other topics. The actors of the private sector have reiterated their firm opposition to membership of Morocco in the ECOWAS and expressed concerns about the way negotiations are being conducted and the effective implementation of the CFTA regarding forthcoming constraints and issues at stakes that are posed by this process.

The conferences on "Corporations core business" held by the Senegalese Employer's Federation (NPC) on February 13th and 14th at the hotel King Fahd Palace helped the West African private sector representatives, the Senegalese Government and other actors to discuss the burning issues affecting the West African sub-region and the continent.

During the symposium organized in the context of these conferences, "ECOWAS: security and investment" as its theme, the private sector of the ECOWAS region has expressed its concerns after two communications from the Ministry of African integration and NEPAD and the secretary of foreign trade respectively on the accession of Morocco and the CFTA.

Concerning the accession of Morocco, representatives of the private sector from different countries, including Ivory Coast, Guinea, Togo, Ghana and Nigeria expressed their position on ECOWAS head of states willingness to ratify the accession of Morocco. They all indicated that serious threats would weigh on local economies, particularly on probable losses in employment linked to the closing or relocation of companies to Morocco. The example they gave is the relocation to Morocco of the pharmaceutical firm PFIZER. Their fears are all the more justified as European companies

are planning to settle in Morocco in view of its future accession to the ECOWAS. They covered issues like the harmonization of ECOWAS' Common External Tariff (CET) with that of Morocco, which is much larger in terms of tariff lines, subsidies that Morocco gives to certain sectors of its economy were also discussed. They believe these are problems to put at the negotiating table. The private sector stressed the need for a sectoral impact study and to ensure the participation of the private sector in the negotiations. They ask for a well-defined and well laid out plan which could take place over several stages.

On the question of the CFTA, the West African private sector shows a rather pessimistic view on the operability of this continental arrangement in view of the growing challenges and obstacles that impact its negotiation. Discussing the very technical aspects, the private sector argued that there is no agreement on the approach and the methodology of the rules of origin as diversity in different parts of the continent will be a problem.

Concerning the accession of Morocco, these actors intend to continue the fight. The conclave of February 14th was useful and might be a landmark to harmonize the positions for a much more efficient action. ■

A review by Enda CACID

A caravan of awareness on the Abidjan-Lagos corridor

Twelve days to go to the onslaught of obstacles to free movement on the Abidjan-Lagos corridor, this is the challenge that Borderless Alliance and its partners have launched since March 13th, 2018.

Many studies conducted in recent years have revealed that lack of knowledge and the limited access to the regulatory texts on regional trade, as well as by public and private operators, officials make it difficult the implementation of main instruments of regional integration, including those relating to the free movement of people and goods. The importance of the Abidjan-Lagos Corridor, 1028 km that concentrates the essence of the intra-regional traffic about 60-75% of the trade of the economic community of the States of Africa (ECOWAS) motivated the Borderless Alliance in partnership with the Chamber of Commerce and industry of Togo (CCIT) and WILDAF, to undertake a caravan of 12 days on the Abidjan-Lagos corridor. Launched on March 13th in Abidjan, the caravan will be punctuated by the crossing of the border of Aflao-Kodjoviakopé (Ghana-Togo) and Seme-Krake (Nigeria-Benin) and workshops on sharing and exchanges in Ivory coast and Nigeria.

The objective sought by the Borderless Alliance and its partners is among other things to:

- Document the effectiveness of the texts of ECOWAS on the free movement of persons and goods in this corridor; educate stakeholders in trade and transport on the main objectives of the agreement of the WTO Trade Facilitation.

- List the number of controls on this axis; - To establish an inclusive debate between stakeholders - raise awareness and inform the agents in charge of the control at the different borders, sensitize agents on the issues of the effective application of the texts of the ECOWAS.

- To inform users about their rights on the free movement.

At the end of this awareness caravan, recommendations will be produced, and those recommendations if respected will help eliminate all that there is as obstacles on the corridor and increase intra-regional exchanges. ■



ALIOUNE SARR

Talking E-Commerce, Senegal's Trade Minister

Bridges Africa met with Alioune Sarr, the Senegalese Minister for Trade, Consumer Affairs, the Informal Sector, and Small and Medium-Sized Enterprises, to discuss e-commerce and related policy priorities for Senegal and Africa.

Bridges Africa: E-commerce is radically transforming the global economy. On a practical level, what are the barriers that are still curbing its growth on the African continent and that need to be overcome?

Alioune Sarr : E-commerce is growing rapidly in almost all the world's regions. According to the United Nations Conference on Trade Development (UNCTAD), global e-commerce sales reached US\$25.3 trillion in 2015.¹ In Africa, although forecasts for growth are positive, with a growth rate that should increase from 2.2 percent in 2013 to 2.5 percent in 2018, e-commerce is still dominated by a handful of countries, including Egypt (US\$3.9 billion), Ethiopia (US\$0.06 billion), Ghana (US\$0.09 billion), and South Africa (US\$1.2 billion).²

The challenges with which African countries are faced in the context of e-commerce – and which hinder its development – are multifaceted. They are linked among others with infrastructure (including problems related to access to electricity, information technologies, and communication and logistics); the reliability of e-commerce platforms (implementing security measures for IT solutions and certifying these platforms); the low level of use of electronic payment methods (a penetration rate of banking services estimated at approximately 24.7 percent in African countries,³ low usage of credit cards due to the low purchasing power, underdeveloped financial system, prevalence of cash transactions, etc.); the nascent legal framework in this area (certain aspects of e-commerce are rarely taken into account by the legal framework, in particular when it comes to the protection of personal data and privacy as well as intellectual property and the fight against cybercrime); alignment with international legal instruments (lack of effectiveness when it comes to enforcing legal texts, etc); the lack of IT knowledge and skills related to e-commerce from companies as well as consumers (critical mass of human resources that is still insufficient, limited capability of R&D, etc); as well as the lack of national policies and strategies on e-commerce.

You have previously emphasised the fact that Senegal needs a “proper policy” on e-commerce. Is this already being developed? What are your government's objectives in this area?

Senegal has e-commerce sites (approximately 60) in various sectors, electronic payment methods (Paydunya, Orange money,

Wari, Joni-Joni, Poste-cash, etc.), logistics and delivery services (Rapidos, Tiak-Tiak, Carrapide, etc.), and a legal and institutional framework for e-commerce. It therefore fulfils a large amount of the conditions necessary for the development of e-commerce, but does not have a policy on this topic with a clear vision, strategy, and action plan that combine all the dimensions or fields related to e-commerce.

The fourth pillar of the “Digital Senegal 2016-2025” strategy calls for the diffusion of digital tools and solutions in key economic sectors, including e-commerce. In this area, planned actions include updating the relevant legal framework, setting up interoperability conditions among electronic financial services platforms, launching a programme to promote electronic financial services, and launching a programme to support the creation of e-commerce sites with a focus on local products and offering the possibility of electronic payment.

In Africa, if its growth perspectives are in a good dynamics, with a growth rate which should pass from 2.2 percent in 2013 to 2.5 percent in 2018, the e-commerce remains dominated by a handle of country.

In order to handle the e-commerce dimension of the implementation of the «Digital Senegal 2016-2025» strategy, my department has been working on designing a coherent policy for e-commerce. As a result, in addition to the existing institutional framework, a national consultative framework was set up on 26 January 2017 to create a synergy of actions. It brings together players from the public sector, the private sector, and civil society that are involved in e-commerce.

Furthermore, my department has submitted a project on designing a National E-commerce Development Strategy to the Executive Secretariat of the Enhanced Integrated Framework (EIF). This project, the implementation of which is planned for April 2018, will enable us to carry out an in-depth diagnosis of e-commerce in Senegal, identify clear actions to roll out in order to develop e-commerce on a national level, and leverage opportunities on an international level, while also building a statistical database.

E-commerce is often presented as an area that is particularly promising for women's economic empowerment. In your opinion, how can this potential be best utilised to generate economic opportuni-

ties for African women, in particular Senegalese women?

According to the International Labour Organization, only one third of all the companies in the world are run by women. Most of the companies run by women are micro and small-sized businesses with limited potential, in particular in developing and transition countries. According to the results of a survey conducted by the *Global Entrepreneurship Monitor* in 2015, the rate of entrepreneurial activity among women in Senegal was 36.8 percent, compared to 40.5 percent for men.

Through the opportunities offered by e-commerce, combined with its rapid development, significant economic opportunities can be generated, in particular for women, by reducing transaction costs, simplifying the access of women (entrepreneurs, crafts-women, product manufacturers, and processors) to domestic and international markets, strengthening the efficiency and competitiveness of micro and small-sized enterprises, and removing constraints on supply capabilities for business-to-consumer trade, which does not need to send products in large quantities.

To help women benefit more from e-commerce, we need a strong political will to:

- Increase the training of women in the use of information and communication technologies;
- Prioritise development areas, in particular digital entrepreneurial projects by women;
- Increase women's access to digital economy resources and opportunities;
- Lower the gender digital divide.

Although strong national policies are, of course, essential, developing e-commerce in Africa will require a certain level of cross-border alignment. What is the role of regional integration in this area? What are the efforts that have been made within ECOWAS?

Indeed, cross-border e-commerce cannot develop without efforts to align policies, in particular on a regional level, to avoid the existing asymmetries between markets. The drive for alignment may even come from goods and services providers, in order to lower the cost of compliance and increase the legal security of electronic transactions, but it may also come from human rights defenders focusing on the protection of intellectual property, privacy, and consumers.

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Continuation of the page 7 - This is why, within the West African Economic and Monetary Union (WAEMU), work is being carried out with the support of the EIF programme to diagnose the e-commerce sector's needs and build a development strategy for this area. In the first stage, Burkina Faso and Togo have been selected.

On the level of the Economic Community of West African States (ECOWAS), community rules on electronic transactions, cyber-crime, and the protection of personal data have been developed, respectively through Supplementary Act A/SA.2/01/10, Directive 1/08/11, and Supplementary Act A/SA.1/01/10.

Despite these alignment efforts, there are still many challenges ahead. These include transposing and operationalising texts at the level of member states, in addition to popularising them and raising the awareness of stakeholders (consumers, public and private sectors, civil society).

The member states of the African Union are also currently negotiating the African Continental Free Trade Area. E-commerce has not yet been included in the topics being negotiated, but it could be added during the second stage of the negotiations. Do you think that this should be the case?

The African Continental Free Trade Area, for which negotiations were launched by heads of state and government of the African Union in June 2015, provides for the liberalisation of trade and investment on the continent. The first stage of the negotiations, which started on 22 February 2016, deals with trade in goods and services, whereas the second stage will focus on competitiveness, investment, intellectual property, and the movement of natural persons (people travelling on business).

E-commerce has not been explicitly included in the negotiation topics for the CFTA. However, if it is not included in the second stage of negotiations, the issue could be dealt with as part of the negotiations on trade in services. Indeed, the development of e-

For its part, in spite of its interest for fruitful discussions about the e-commerce, Senegal does not wish, as things stand at the present, new rules in this domain.

commerce relies on the development of certain service sectors such as computer and related services, communication services (telecommunications, postal services, etc), and financial services (electronic payment methods).

As president of NEPAD, Senegal will once again be invited to the G20 summit this year. Is your government planning to use this opportunity to make sure that Africa's priorities for e-commerce are properly taken into account?

The G20 summit is a very high-level meeting of the most influential countries in the world. As usual, Senegal will leverage its invitation to the G20 to bring the concerns of developing countries to the attention of these leaders, in particular regarding multilateral negotiations.

During the next meeting, which will take place in Buenos Aires, Argentina, the issue of e-commerce, as well as priorities of developing countries such as agriculture, fishing, and special and differential treatment will be raised. This will in particular include discussing with the members of the G20 the issues faced by developing countries and how developed countries could help solve them.

You were responsible for facilitating discussions on e-commerce during the last WTO ministerial conference. According to you, what is the WTO's role in this area? Is Senegal open to new discussions, and potentially new rules, on this topic?

The WTO's role is to further discussions among its members and formulate multilateral rules that can adequately cover international commerce in the field of e-commerce.

Since 1998, there has been a work programme to help frame discussions on this topic within the organisation. The issues raised relate to the classification of digitised products among services (GATS) or goods (GATT); the trade treatment of software delivered electronically; cloud computing; restrictions that impact the free movement of data, in particularly regarding data localisation, encryption and security; the guarantee of access to and use of Internet networks and services for service suppliers; protecting personal data, confidentiality, and consumers; intellectual property in the context of e-commerce; and the implications of e-commerce for development, among others.

The WTO could help encourage transparency as well as the sharing of experiences when it comes to policies. It could also help promote lowering or eliminating unnecessary barriers to e-commerce and improving market access, while developing technical assistance and capacity-building for developing countries, in particular LDCs. Removing the constraints with which LDCs are faced would help encourage them to participate more fully in international e-commerce.

In light of the divergent views expressed by members at the last WTO ministerial conference, as facilitator of the discussions on e-commerce I believe that it would be a wise move to continue the work carried out through the Work Programme on Electronic Commerce, on the basis of the existing mandate, until the next ministerial in 2019. This work could then be taken forward within the relevant bodies of the WTO, namely the Council for Trade in Goods, the Council for Trade in Services, the TRIPS Council, and the Committee on Trade and Development.

Despite its interest in productive discussions on e-commerce, Senegal, for its part, does not wish to see new rules in this area, given the current state of things, but strongly supports continuing work on a multilateral level.

Generally, the future of multilateral trade talks is still very much in doubt today. Given the situation, what should the priorities of African countries be when it comes to trade policy?

African countries would benefit more by strengthening the integration of their markets, both on a regional and continental level, so as to be better integrate global value chains and to improve their share in international trade.

However, issues of particular interest for our countries on a multilateral level must continue to receive special attention until favourable, concrete results have been obtained. This includes issues related to cotton, special and differential treatment, and agriculture. ■

Bridges Africa

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¹ UNCTAD. "Maximizing the development gains from e-commerce and the digital economy." Note by the Secretariat, 26 July 2017.

² UNCTAD. Information Economy Report 2015 – Unlocking the Potential of E-commerce for Developing Countries. Geneva: UNCTAD, 2015.

³ Bempong Nyantakyi, Eugène and Mouhamadou Sy. "Banking System in Africa: Main Facts and Challenges." Africa Economic Brief 6, Issue 5 (2015).

Regional Agenda

- **March 21st 2018 (Kigali, Rwanda):** Extraordinary summit of the African Union (AU)
- **April 16-27th 2018 (Dakar, Senegal):** Training course in International trade Negotiations
- **21-25 Mai 2018 (Busan, Corée du Sud):** 53rd Annual Meeting of the African Development Bank (AfDB) Group
- **In June 2018 (Lomé, Togo):** 53rd Summit of the Heads of state and Government of the ECOWAS
- **In July 2018 (Nouakchott, Mauritanie):** 31st Summit of the African Union

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