Launch of trade under the AfCTA: LET'S GO!

This is absolutely a very important step in the materialization of the African economic integration scheme from the Abuja Treaty of 1981. Through an online ceremony that saw the symbolic participation of three heads of state (South Africa, Niger and Ghana), the Secretary General of the AfICTA Wamkele Mene as well as partners such as the Economic Commission for Africa at the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) and the Pan-African Export-Import Bank, Afreximbank; the start of trade under the largest trade agreement since the WTO was established has been made effective.

The African Continent Free Trade Area (AfICTA) aims to create a single market for goods and services at the continental level and to raise the level of intra-African trade. Its implementation will endow the African continent with a potential trading space of 1.2 billion consumers projected to reach 2.5 billion by 2050. The AfICTA holds out great hopes for African countries. With an overall GDP of 3,000 billion dollars, a 90% liberalization of trade in goods without any customs duties or border restrictions; it ambitions to level up intra-African trade by nearly 25% in the short term to 52%, in the long term.

This is what makes President Mahamadou Issoufou of Niger, “a staunch AfICTA supporter”, say that the start of the exchanges is “one of the best gifts of the New Year for the entire continent”. Equally, the Secretary General of the AFTA, Wamkele Mene, said : “Today, Africa trades within the framework of the AfICTA. It is Africa’s time”.

Ms. Vera Songwe of the ECA said that “If properly implemented, the AfICTA will be the plan that will bring investment, rapid innovation and ultimately growth and prosperity to Africa”. For his part, the current Chairman of the African Union, South African President Cyril Ramaphosa, added that “while the start of trade is an important milestone for the African people, member states must ensure the creation of an enabling environment for the continent’s youth and women to take advantage of the opportunities offered by the Agreement”.

This immense hope is, however, hampered by the uncertain context of the covid pandemic, which had led to the postponement of the start of trade, then projected for July 2020. It also comes up against the haunting question of rules of origin, particularly the outstanding issues. Moreover, not all states will be able to start trade at the same time because of the lists of tariff concessions to be submitted to the AfICTA Secretariat. It is therefore necessary to finalize the entire process so that the Continental Free Trade Area, one of the flagship projects of the AU Agenda 2063, can provide a common framework that can achieve inclusive growth and sustainable development for Africa over the next fifty years.

ENDA CACID
Assessing the effects of the Covid-19 pandemic on the movement of goods and people on West African corridors, is the subject of a study commissioned by Enda CACID. The study sample involved 252 actors from different socio-professional categories (traders, carriers/truckers, customs and migration services) spread over 6 West African corridors. Intégr’action delivers here the right sheets.

**FACTS AND FIGURES**

on the Effects of Covid-19 on Cross-Border Trade in ECOWAS

Informal cross-border trade is an important factor in intra-African trade. According to some estimations, it accounts for 20 and 75 percent of total intra-regional trade depending on the country. This type of trade provides jobs and livelihoods especially for disadvantaged and marginalized groups. The health crisis related to the COVID-19 pandemic has paralyzed cross-border trade. In West Africa, one of the authorities’ responses to the pandemic is the closure of borders. These restrictive measures have consequently limited the mobility of people and goods and negatively impacted trade actors.

Enda CACID, in partnership with OSIWA (a civil society organisation), conducted a study to assess the effects of this crisis on trade actors across regional corridors. The sample is composed of actors operating on West African corridors such as: customs officers at the borders, migration services, passengers and truck transporters and traders. 252 actors spread over 6 corridors: Dakar-Bamako; Cotonou-Niamey; Abidjan-Ouagadougou; Téma-Ouagadougou; Lomé-Ouagadougou; Lagos-Kano-Niamey; have been surveyed. At Enda CACID, we aim to make a full inventory of the restrictive measures taken by States at the borders, evaluate the effects of these measures on the actors in terms of loss of activities, income, etc. And finally propose recommendations for the effective revival of their activities in the post-Covid-19 phase.

Covid-19 empties the corridors of their users

On all corridors, the average number of trips per trader went from four (04) before covid-19 to one (01) during the health crisis, which is a decrease in trips of 75%. Unlike the Dakar-Bamako corridor, the Tema-Ouaga, Lomé-Ouaga and Lagos-Kano-Niamey corridors were the most used during the crisis. A drop of 52% have been noticed. Average purchases on all West African corridors fell from 5.5 million CFA francs before the health crisis to 2.6...
million CFA francs per traveler during the crisis. The Dakar-Bamako and Lagos-Niamey Corridors are the most affected. The average value of sales fell from 5.6 million to 3.1 million CFA francs. This represents a decrease in average sales of 45%. The results also indicate that, on average, traders earned about 559,000 CFA francs per trip before Covid-19 compared to 194,000 FCFA per trip during Covid-19, a decrease in net earnings of 65%. The data reveal that, on average, each cross-border trader has lost about 2.2 million CFA francs since the advent of COVID-19. It should also be noted in the study that the time taken by cross-border traders to sell their products has almost doubled in West Africa during this period. It went from 15 days before the health crisis to 27 days on average during the crisis. Transporters and truckers have seen the health crisis reduce the number of trips, passengers, and the volume of goods traded across borders. The results of the study indicate that a trucker transported an average of 36 tons before the crisis compared to 33 during the crisis; a slight decrease of 8% in the volume transported The average net gain realized by public transporters per trip went from 269,000 FCFA to 81,000 FCFA, a reduction of about 70%. Regarding truckers, the negative impact of the crisis on their net income is less than for public transport services. The average net gain realized by truckers went from 489,000 CFA francs before the crisis to 324 000 CFA francs during the crisis; a slight decrease of 8% in the volume transported. These are key players in the corridor system. The former is a tax institution in charge of collecting duties and taxes due on the entry of goods, the latter is responsible for checking the identity of passengers. All of them have experienced a significant change in their activity. The number of vehicles checked at the level of the Malian police forces has dropped from 200 to 10 because of Covid-19; which represents a drop of 95%. On the Lagos-Kano-Niamey corridor, the number of vehicles went from 100 before the health crisis to 10 during the crisis, representing a 90% decrease. Customs offices in general have seen a significant drop in the number of customs clearances with the advent of the health crisis. Customs in Benin (on the Cotonou-Niamey corridor) and Burkina Faso (on the Lomé-Ouagadougou corridor) are the most affected by this contraction. Indeed, the volume and value of goods cleared through customs fell from 180 to 60 tons, a drop of 67% and from 23.8 to 7.7 million CFA francs, a drop of 68% for the Burkina Faso customs. As for the Beninese customs, the volume went from 150 to 80 tons, a reduction of 47% and the value from 5 to 1.5 million FCFA, a drop of 70%. Other indicators, also addressed in the study; such as the type of trade, the destination and origin of goods, the state of roads, and the sources of financing for traders and transporters, the majority of whom have contracted debts they find it hard to pay back. Survey data indicates that 51% of traders who have taken out credit are unable to honor their commitments during this period of crisis. Women are the most hit by this financial inability to repay their debts. Faced with this situation, the credit granting structures have different attitudes towards traders. The majority of credit structures (about 43 percent of them) have been sensitive to the financial incapacity of merchants during this period of crisis; these structures are doing nothing for the moment despite their clients' failure to meet the initial deadline. Some credit structures (25 percent) have even extended payment deadlines. Whereas others (7%) are threatening creditors who are not up to date with their obligations and some other credit structures (14.3%) have even proceeded to the seizure of collateral. At national level, measures must be taken by governments to support merchants as well as public and goods transporters in order to revive their activities. These measures may consist of a reduction in domestic taxes, fuel prices and the granting of financial aid. A real recovery plan must be adopted in each state to support the cross-border trade sector.

Recommendations to re-launch post-Covid-19 activities

Following analysis of the data collected, recommendations are made to the States and ECOWAS. The States are requested, among others, to do the following:
• These measures could also include the provision of loans at preferential rates and relaxed repayment terms to cross-border trade actors, especially women.

This study was conducted between the months of July and September 2020 through the submission of questionnaires. ENDACACID
For a wide dissemination and popularization of the community texts, training workshops have been conducted for several actors. To this day, 132 actors composed of leaders of traders’ organizations, actors from the Chambers of Commerce, local administration (prefect, sub-prefect, customs, border police), leaders of women traders’ organizations active on the Banjul-Bissau corridor, students, local elected officials and journalists have benefited from these trainings. The ECOWAS citizen’s House also conducts awareness caravans and sensitization campaigns in the weekly markets and along the corridors, respectively. Monthly radio broadcasts in the three countries where the project is being implemented help raise the voices of ECOWAS citizens on issues related to integration.

As a remainder, the ECOWAS Citizens’ House was inaugurated on 1st August 2015 to support the efforts of States in building integration from below. The general objective of the project is to install ECOWAS in the daily life of the citizens of Southern Senegambia (Gambia, Senegal, Guinea Bissau) by creating the conditions for the appropriation and effective implementation of its policies, directives and regulations on trade and the free movement of goods and people.

The ECOWAS Citizens' House
IS REVIVING AGAIN

Concretely, the idea of creating the project “ECOWAS Citizens’ House” was born in 2012 within the framework of consultations conducted by the Platform of Civil Society Organizations of West Africa (POSCAO). These meetings had indeed revealed the need to put in place an instrument designed at the grassroots level, driven by citizens and cross-border trade actors and adapted to their needs and concerns. Since then, the “ECOWAS Citizens’ House has begun its growth phase. In fact, through its activities, the project has succeeded in arousing renewed interest in ECOWAS among the population.

A Renewed public interest in ECOWAS

With its Center for Information and Documentation on Regional Integration (CIDIR), The ECOWAS Citizen’s House offers users a pedagogical, professional and multi-functional framework to feel like a community citizen, with documentation on regional integration in the three ECOWAS languages. The partnership with research and development institutions (AFD, IRD, IDEP) has enabled the MCC to develop a regional library and adapted logistics for research, namely a reading room and a multimedia room containing 8 machine stations with internet connection. Today, the CIDIR has 2520 readers, 14 visitors per day, 218 registrants and the number of document loans has increased from about 8 to 10 documents per day.

Publishing and promoting community texts

For a wide dissemination and popularization of the community texts, training workshops have been conducted for several actors. To this day, 132 actors composed of leaders of traders’ organizations, actors from the Chambers of Commerce, local administration (prefect, sub-prefect, customs, border police), leaders of women traders’ organizations active on the Banjul-Bissau corridor, students, local elected officials and journalists have benefited from these trainings. The ECOWAS citizen’s House also conducts awareness caravans and sensitization campaigns in the weekly markets and along the corridors, respectively. Monthly radio broadcasts in the three countries where the project is being implemented help raise the voices of ECOWAS citizens on issues related to integration.

Counselling and mediation

Since its debut, the ECOWAS Citizen’s House has been contacted several times by users to assist them with various problems they were facing. These include expired side decks, travel documents confiscated at the expense of users who refuse to pay the 1000 CFA francs bribe at the border, vehicle parts and goods seized, among other reasons.

The ECOWAS Citizen’s House has got a free-phone number 800 00 12 13 since November 2020 to assist the citizens.

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576 organizations (including 402 individuals and 176 umbrella organizations), 9 countries covered, 6 corridors traveled and 9 consultants mobilized, it is on the basis of this sampling that the mapping of West African civil society organizations working in the area of trade, trade facilitation and other trade-related issues was done. This mapping is carried out within the framework of the West African Trade Facilitation Project (WATF), which is an ECOWAS and WAEMU project funded by the EU, USAID, the Netherlands and Germany, implemented by the World Bank and GIZ. The study reveals the multiplicity and diversity of West African NGOs/CSOs involved in different aspects of trade.

West African Civil Society in all its Glory: MAPPING THE INFLUENCERS

The mapping reached 576 NGOs/CSOs, including 402 individual NGOs and 176 umbrella organizations. The results of this mapping showed the multiplicity and diversity of regional CSOs/NGOs and their movement in the corridors. They are presented according to the following variables: typology, organization, legal status, types of activities, financing mode etc. By way of illustration, the study revealed some results that confirm the dynamism of CSOs/NGOs and associations in the debate on regional integration policies, as evidenced by the following statistical data:

- A predominance of associations (38%) and NGOs (31%) and other types of organizations (Cooperatives (11%), economic interest groups (9%), and others (12%).
- 53% of umbrella companies and 49% of individuals operate at the national level. 40% of individual organizations and 25% of umbrella organizations are local. Very few organizations operate at the regional and international level.
- A strong presence of women in decision-making bodies with a proportion of 35% of the members of the boards of directors/executive committee. has been noticed. Also 40% of the organizations are headed by women.
- 60% of the organizations are affiliated to a regional or international network.

69% of the umbrella organizations and individuals organisations are supported by institutional and financial partners in the implementation of their activities.

- 96% of the individual organizations and 98% of the umbrella organizations surveyed have rules of procedure and there are other instruments for umbrella organizations.
- Advocacy, training and technical assistance remain the main actions carried out by CSOs regardless of the type of organization. These activities are generally carried out in the areas of trade, agriculture, food security and gender.
- One third of the organizations have been steadily invited to meetings in the last 12 months. The topics covered with the umbrella organizations were: agriculture and food security (51%), trade (48%) and finance (43%) As for individual organizations they focused mainly on trade, (37%) agriculture and food security (51%).

Despite their dynamism, West African organizations encounter funding problems, sustainability of their activities, training, support and partnership. As a reminder, Enda CACID is associated with the implementation of the Trade Facilitation Program in West Africa. It works in partnership with the World Bank in this component of the project.

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Cote d'Ivoire and the United Kingdom signed an INTERIM FTA

Cote d’Ivoire signed a Free Trade Agreement with Great Britain on October 5th, 2020. Modelled on the E-U Cote d’Ivoire Interim FTA ; this agreement was signed by Mr. Ranil Jayawardena and Her Excellency Mrs. Sara Affoué Amani, Ambassador of Cote d’Ivoire to the United Kingdom at the embassy of Cote d’Ivoire in London on October 5, 2020.

Mr. Kalilou Sylla, chief of staff at the Cabinet of the Ministry of African Integration and Ivorians Living Abroad, said that the Free Trade Agreement between Côte d’Ivoire and the United Kingdom is justified by the fact that Britain has decided to leave the European Union.

“A special partnership agreement was needed between Côte d’Ivoire and Great Britain, since the latter has decided to leave the European Union. Without this agreement, as soon as Brexit is implemented, products from Côte d’Ivoire for the British market will no longer be able to benefit from the many advantages they have enjoyed thus far. We have therefore simply adapted the interim FTA between Côte d’Ivoire and the European Union to the one with Great Britain," he explained.

"By engaging in the process of concluding a FTA with the United Kingdom, Côte d’Ivoire thus preserves its gains on the British market and maintains the commitments of the United Kingdom in the FTA signed between Côte d’Ivoire and the European Union", he added.

The main British imports are cocoa beans, "cocoa preparations", fruits, especially bananas and nuts. In fact, 23% of Ivorian cocoa butter and 6% of its bananas go to the United Kingdom.

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As elsewhere in the world, the health crisis due to the Covid-19 pandemic unexpectedly destabilized the governance structures and economic and social relations in the ECOWAS space. States took urgent and multifaceted measures to manage the rapid spread of the virus in order to save human lives and support entire sectors of the severely affected economic and social sectors.

Rethinking ECOWAS sectoral policies to GUARANTEE SOVEREIGNTY sectoral after the covid-19 pandemic

ONLY A FEW WEEKS AFTER THE FIRST CASES OF THE DISEASE APPEARED IN THE REGIONAL SPACE, THE ECOWAS HEADS OF STATE AND GOVERNMENT CONVENED AN EXTRAORDINARY CONFERENCE ON THE COVID-19 PANDEMIC. TO THIS END, IMPORTANT MEASURES RANGEING FROM THE ESTABLISHMENT OF A STATE OF EMERGENCY, WITH CURFEW IN SOME CASES, TO CONTAINMENT MEASURES, SYSTEMATIC QUARANTINE OF SUSPECTED CASES, CLOSURE OF SCHOOLS, MARKETS, PROHIBITION OF MOVEMENT BETWEEN LOCALITIES AND THE CLOSURE OF MANY AIR, LAND AND SEA BORDERS TO CERTAIN TYPES OF ACTIVITIES, WERE TAKEN BY THE DIFFERENT STATES. THESE MEASURES, HOWEVER, HAVE HAD AN IMPACT OF A RARE INTENSITY NOT ONLY ON THE PRODUCTION SECTORS, BUT ALSO ON TRADE IN GOODS AND SERVICES. THE SLOWDOWN IN PRODUCTION AND THE BAN ON TRAVEL HAVE SEVERED THE LINK BETWEEN PRODUCTION AREAS AND MARKETS; THUS AFFECTING REGIONAL TRADE, ESPECIALLY CROSS-BORDER TRADE, WHOSE ACTORS ARE HARD HIT BY TRAVEL RESTRICTIONS. IN ADDITION, THE INACCESSIBILITY OF MARKETS ALSO HAS A DIRECT IMPACT ON FOOD AND NUTRITIONAL SECURITY. IN FACT, MORE THAN 90% OF THE WEST AFRICAN POPULATION OBTAINS ITS FOOD IN THE SUB-REGIONAL MARKET. STUDIES AND OBSERVATIONS CONDUCTED ON VARIOUS WEST AFRICAN CORRIDORS AND MARKETS CONFIRM THIS TREND.

*Enda CACID, State of West Africa Trade Report, 2014.*
Realizing the seriousness of the health situation, all the states have set up a relatively large response fund to support the most affected economic sectors. However, it must be recognized that while emergency measures are one thing, the implementation of a structural transformation of national and regional policies appears to be necessary. Indeed, the Covid-19 revealed, more than ever before, the need for ECOWAS countries to reduce their dependence on external markets for food products as well as pharmaceutical and medical products and equipment and other consumer goods.

The West African regional market, more than 350 million consumers, has the right size to support agricultural and industrial production that allows job creation. To achieve this, however, it would be necessary to act on several levers including the development of productive capacities, structuring regional value chains and opening markets.

**Development of productive capacities through a better articulation between agriculture and industry**

Rich in raw materials, the region transforms little of its resources and is content to exporting them in their raw state. One of the strongest lessons of the pandemic and its effects is that the implementation of the ECOWAS agricultural policy, ECO-WAP need to be accelerated. Which, by the way, completed its first ten-year phase in 2016.

The evaluation of this policy has presented significant vulnerabilities. In addition to the weak commitment of the States in the mobilization of internal resources, the weak link between agriculture and industry is a major problem too.

The local agri-food production is not keeping pace with the population and the emergence of a middle class in the region. In many commodity chains where ECOWAS has a prominent place in production, products leave the region immediately after harvest, without undergoing any processing or after very little processing. These include coffee and cocoa from Cote d’Ivoire, groundnuts from Senegal, rubber from Liberia, cotton from Burkina Faso, Benin and Mali, cashew nuts from Cote d’Ivoire, Guinea Bissau and Senegal and so on... In order to give coherence to this vision, ECOWAS must therefore finalize as soon as possible its industrial policy which has been in the making for several years and is barely seeing the light of day. By articulating this policy with agricultural and trade policies, ECOWAS should succeed in developing its productive capacities.

**Developing regional value chains**

West Africa has got important assets for the creation of value chains at the regional level. There are industrial groups in the regional market that are able to compete successfully on certain food products with multinationals established in the region for decades.

The crisis has also revealed the vulnerability of the region with regard to pharmaceuticals and medical equipment. There is an opportunity to develop value chains on very basic products whose importance has been revealed by the pandemic. West Africa imports the bulk of its drug needs. This is why the pharmaceutical industry should be at the center of the new priorities in the ECOWAS space to create the conditions for regional health sovereignty.

**Facilitate market access and intra-regional trade**

Producing, transforming and selling is the basic logic of structural transformation. This reality must underpin the whole process of post VID-19 construction and revival in ECOWAS countries. While pursuing their efforts to access international markets, ECOWAS countries should give priority to the regional market which offers more and more opportunities. But, supply is still partially constrained by a series of problems including poor quality infrastructure (energy, roads, etc.) as well as administrative and institutional challenges. The ECOWAS trade liberalization scheme (ETLS), which is not well known by regional companies, has not succeeded yet in boosting significantly the level of trade. And the consequence is the many non-tariff barriers that increase the costs of cross-border transactions.

**Seizing the AfCTA opportunity**

The African Continental Free Trade Area (AfCTA) is founded on March 21st, 2018 in Kigali Rwanda by 44 State members of the African Union (AU).

The largest free trade area in the world today is officially operational since January 1, 2021. Despite the challenges related to its implementation expressed here and there, the AFCTA will open a market of 1.2 billion consumers for a cumulative GDP of 2,500 billion dollars. As the first flagship project included in the African Union’s Agenda 2063, the AfCTA is expected to increase the African continent’s chances of accelerating economic growth, strengthening industrialization and effectively combating poverty. Along with unemployment, youth exclusion are among the main factors of conflict, insecurity and illegal migration.

The AfCTA is now part of the Africa of Our Wishes; an Africa united in adversity. Its launch is a demonstration of what is possible. If Africans come together as a block, the effects of Covid_19 will be lessened.
In a declaration made public on 30 August, a few dozen ECOWAS citizens from Civil Society, the Private Sector, Political Parties, Trade Unions, Religious or Lay Movements, Women and Youth Association carried out an uncompromising assessment of ECOWAS Vision 2020. They expressed their opinion on the implementation of this Vision adopted in 2007 by the ECOWAS Heads of State and Government as well as on its results and impacts.

THE COMMUNITY’S 2020 VISION
under scrutiny by West African civil society

DR CHEIKH TIDIANE DIEYE (Directeur Exécutif ENDA CACID)

The diagnosis made by these organizations is indisputable. Vision 2020 has not kept its promises and the junction between leaders and the people has been missed. The vision of an ECOWAS of people rather than an ECOWAS of states remains an ideal, for now. According to the latter, the constitutive act of the ECOWAS Founding Treaty, the revised Treaty and the various protocols, regulations voluntarily adopted and signed by the ECOWAS Heads of State have not had the expected effects. These texts recognize (i) the citizenship of nationals of ECOWAS Member States, (ii) the free movement of persons, goods and services, (iii) the right of establishment and residence, (iv) the right to health, education, food, democracy, justice, etc. Some progress has certainly been noted. But overall, the results achieved in achieving the objectives of integration still fall far short of people’s ambitions and aspirations. Democratic and security crises are present in several countries with dramatic consequences for the people and citizens of the community. Faced with these multifaceted challenges, ECOWAS provides relatively weak technical and financial responses. This is partly due to dysfunctions at the highest level of ECOWAS decision-making in response to crises, and to the many delays in key integration issues. These organizations also denounced the excessive waste of community resources by the Community’s governing bodies as well as the strong politicization of the Statutory officials of ECOWAS Institutions, which represent not the aspirations and interests of the citizens of the community but those of the President or political parties in their own countries. According to the analysis of these organizations, ECOWAS is slowly but surely moving away from the path traced out by the founding fathers, to become a Club of Heads of State and Government disconnected from the reality experienced by their people. This is contributing to the erosion of the image of ECOWAS within the community and the growing sense of rejection among the citizens, which could durably undermine the legitimacy of the institution and compromise their ownership of its policies. For these reasons, the signatories recommend to:

- Reform Protocol A/SP1/12/01 on Democracy and Good Governance to prevent any possibility of constitutional amendments to make a third candidacy possible in ECOWAS countries;
- Depoliticize the ECOWAS Commission by reducing without delay the number of statutory officers to a maximum of five (5) instead of the fund consuming sixteen (16);
- Bring about a fundamental reform of the Court of Justice through an efficient judicial administration that promotes easy access to its services for ECOWAS citizens;
- Promptly establish the ECOWAS Economic and Social Council as an offshoot of the representatives of socio-professional and civil society organizations of ECOWAS Member States;
- Reactivate and fully implement the ECOWAS Community Development Program (CDP);
- Create and institutionalize a framework whereby the highest authorities and key ECOWAS officials, including the current President, the President of the Commission and the Commissioners of the sectoral departments, would come once a year to present their achievements to ECOWAS citizens;
- Eliminate once and for all the road hassles, extortion and humiliation suffered by the citizens of the Community at the borders and to guarantee the free movement of goods and persons;
- To fully and unrestrictedly transfer to ECOWAS accounts the Community Levy paid daily by consumers in ECOWAS Member States and to manage these funds in a transparent manner;
- Pay special attention to the industrialization of the region in order to create an environment conducive to the creation of decent jobs, especially for women and youth.