The Economic Community of West African States (ECOWAS) adopts a regional strategy to accelerate implementation of the African Continental Free Trade Agreement

The regional body announced the adoption of a regional AfCFTA strategy on September 04, 2023, in a press release. Following the adoption of national AfCFTA strategy by a number of member states, the apex body has now taken an important step towards harmonizing the implementation of this agreement within the region.

At its 90th session, held in Bissau, Guinea-Bissau, on July 6 and 7; the ECOWAS Council of Ministers approved the ECOWAS implementation strategy for the African Continental Free Trade Area agreement. This step followed the prior adoption of the strategy by the ECOWAS Ministers of Trade and Industry (ECOMOTI) at their 3rd meeting, held on April 27 and 28 in Abidjan, Côte d’Ivoire.

The ECOWAS Commission has developed the ECOWAS Implementation Strategy for the AfCFTA with the aim of ensuring the effective integration of West African economies into the continental market. The approach builds on the achievements and successes of regional integration in West Africa, aiming to maximize the economic benefits of an African-wide common market.

The ECOWAS implementation strategy for the AfCFTA aims to improve the effectiveness of the regional trade integration framework, increase coordination between member states on their national AfCFTA implementation strategies, strengthen the productive capacity of member states, and empower them to participate in strategic initiatives. The strategy also aims to influence African trade policy and ensure that the AfCFTA is an instrument for economic empowerment of women and young people.

Although participation in the AfCFTA is determined by the member states, ECOWAS supports the agreement’s contribution to the regional vision of a fully integrated market. It thus aims to ensure that member states can build on the existing economic benefits derived from the ECOWAS trade liberalization program, the ECOWAS customs system, the European Union, and the Protocol on the Free Movement of Persons, among others, as mentioned in the communiqué.

For Massandjé TOURE-LITSE, Commissioner for Economic Affairs and Agriculture at the ECOWAS Commission, “The ECOWAS strategy for the implementation of the AfCFTA is an important step in the region’s efforts to accelerate the implementation of the AfCFTA agreement”. The Commissioner for Economic Affairs and Agriculture added: “The Commission is determined to work with Member States to ensure that the Community, its citizens and businesses can fully benefit from the African market”.

Summary: ENDA CACID
Under the patronage of His Excellency Azali Assoumani, President of the Union of the Comoros and current Chairman of the African Union, the fifth (5th) biannual coordination meeting between the African Union and the Regional Economic Communities was held in Nairobi, on July 16, 2023. At the end of the meeting, a detailed report was drawn up, outlining the current status of signatures and ratifications of the Agreement establishing the AfCFTA, as well as the status of ongoing negotiations. The report also addressed the state of implementation of the AfCFTA Agreement and identified the challenges encountered, and proposed recommendations to guide the implementation process going forward.

The report is structured around four (4) sections: the current status of signatures and ratifications of the Agreement establishing the AfCFTA, monitoring of ongoing negotiations, assessment of the state of implementation of the AfCFTA Agreement, and identification of challenges encountered and recommendations for the continuation of the implementation process.

The report indicates that, to date, we have 54 signatures and 47 ratifications. This substantial number of ratifications testifies to a strong political will in favor of the AfCFTA implementation process. The report also makes a number of important recommendations. The report urges heads of state to instruct the AfCFTA Council of Ministers to conclude all ongoing work on rules of origin for the automotive and textile sectors by October 2023. It is also recommended to congratulate Morocco and the SACU countries – Botswana, Eswatini, Lesotho, Namibia and South Africa – for submitting their tariff offers, and to approve the adoption of these offers after technical verification. It is recommended that the remaining eight States Parties and non-Parties be encouraged to submit their tariff offers, thus enabling meaningful trade under AfCFTA preferences, promoting inclusiveness for all AU member states, and in line with the African Union’s theme for the year 2023. Finally, it is recommended that States Parties be encouraged to officially publish their adopted and technically verified tariff offers in their official journals, in accordance with their national legislation, in order to facilitate the start of trade under AfCFTA preferences.

Finally, it is recommended that the Heads of State and Government instruct the AfCFTA Council of Ministers to accelerate the operational establishment of the Pan-African Trade and Investment Agency by the end of 2023. This recommendation is accompanied by a request to interested States Parties to express their interest as soon as the selection criteria have been published.

In the context of the implementation of the AfCFTA, the report highlights the issue of the funding to facilitate trade activities. It stresses the need for Africa to develop its own financial system, with financial institutions tailored to the continent’s development imperatives, policies, projects and trade requirements. The Abuja Treaty of 1991 already contained relevant provisions for the creation of African financial and monetary institutions. Highlighting the necessary and vital support provided by institutions such as the African Export–Import Bank (AFREXIMBANK) and other African financial institutions to the AfCFTA process, the report underlines the importance of consolidating and strengthening existing structures, and a reform of the international financial system.

Summary: ENDA CACID
Mr. Jean-Louis EKRA
Chairman of the Board of Directors of the AfCFTA Adjustment Fund Corporation

SAID:

“It is important to remember that the Adjustment Fund is not intended to perpetuate dependence, but rather to foster self-reliance. Its resources are designed to help countries overcome temporary obstacles and lay the foundations for long-term economic resilience. Through prudent investment and strategic planning, member states can use the Fund’s support to strengthen their productive capacities, diversify their economies and accelerate progress towards sustainable development goals. It gives me great pleasure to be an active participant in this noble demonstration of history in the making. I urge us all to seize this historic opportunity to unlock Africa’s vast potential, strengthen regional integration and forge together a better future for all.”

HE Wamkele MENE
Secretary General of the AfCFTA Secretariat

SAID:

“This inaugural meeting of the Board of Directors of the AfCFTA Adjustment Fund heralds a commendable milestone in the successful implementation of the Agreement. Together with our strategic partner Afrexfimbank, we are committed to providing the necessary support to States Parties and private entities through the Adjustment Fund. The Council, made up of motivated experts and leaders from across the continent, will take the necessary action to ensure compliance with all rules and regulations.”
Countries eligible for the U.S. AGOA program call for a renewal of the agreement

South Africa hosted the AGOA Forum, dedicated to free trade agreements between the United States and sub-Saharan African nations, from November 2 to November 4. A total of 35 participating countries put forward recommendations calling for a rapid renewal of the agreement, which expires in 2025, and for a review of the eligibility criteria, deemed too strict.

The meeting of the African Growth and Opportunity Act (Agoo) ended on Saturday November 4, 2023, in South Africa. For three days, trade ministers and their representatives debated measures to reform these agreements established in 2000, offering tariff exemptions on a number of products exported to the United States. AGOA is a law that makes it easier for countries to export some products to the United States. An extension of AGOA could enable African nations such as Côte d’Ivoire to have a better access to the US market, particularly for their textile and flower industries.

However, to qualify for AGOA tariff benefits, countries must meet criteria that include respect for democracy and human rights. Failure to meet these conditions could lead to exclusion. A prospect that does not necessarily sit well with some African leaders, who believe that trade and politics do not mix.

The American administration present in Johannesburg has taken note of these demands, but reminds us that it is the members of Congress who have the final say in this matter.

As a reminder, Niger, the Central African Republic, Gabon and Uganda were excluded because they did not meet these criteria.

Summary: ENDA CACID

Dr. George ELOMBI
Executive Vice President, Governance, Corporate and Legal Services of Afreximbank in the AfCFTA Agreement

SAID:

“Afreximbank welcomes the convening of the first meeting of the Board of Directors of the AfCFTA Adjustment Fund, which marks an important step forward in the implementation of the African continental free trade agreement. Given the enormous potential of the AfCFTA for the continent, the Bank is particularly pleased to be a strategic partner of the AfCFTA Secretariat in the creation of the Adjustment Fund. Likewise, we are delighted that our subsidiary, the Fund for Export Development in Africa (FEDA), has been appointed fund manager.”

Marlene NGOYI
Managing Director of the Export Development Fund for Africa

SAID:

“FEDA is honored to have the opportunity to play a role in unlocking the vast potential of the African Continental Free Trade Area (AfCFTA) agreement. This transformative agreement has the power to create a more prosperous, equitable and sustainable future for millions of people across the continent. Afreximbank’s appointment of FEDA as Investment Manager of the AfCFTA General Fund and Adjustment Fund Credit demonstrates the commitment of the AfCFTA Secretariat, Afreximbank and FEDA to the urgent realization of this great vision.”
WTO Public Forum 2023: "It’s time to act"

The WTO Public Forum was held in Geneva, Switzerland, from September 12 to 15, 2023. In a constantly evolving global context, the WTO Public Forum 2023 provided a forum for enriching discussions and fostered collaborative initiatives aimed at identifying the way forward towards solutions for sustainable and inclusive trade. Under the theme "It’s time to act", the Public Forum explored the interactions between trade and climate change.

The WTO Public Forum is an annual event bringing together decision-makers, business leaders, academics, civil society representatives and other stakeholders from around the world. The event fosters open dialogue and encourages multilateral cooperation.

Cooperation will inevitably involve respect for the environment, with a particular focus on sustainability in trade. Participants discussed how trade can facilitate access to environmental goods, services and technologies, help meet national contributions under the Paris Agreement, and support the ambitious goal of limiting global warming to 1.5 degrees Celsius above pre-industrial levels.

The forum was structured around three sub-themes:  
- The services sector’s impact on sustainable trade;  
- The implementation of inclusive policies to promote environmentally-friendly trade;  
- Digitalization as a means of greening supply chains.

The suggested sub-themes take on added importance in a world facing unprecedented challenges, calling for innovative strategies and collective action. At a time when technology is reshaping production sectors and environmental concerns are becoming more pressing, the Forum highlighted the crucial role of trade in building resilience and promoting equitable development.

The highlight of the Forum was undoubtedly the keynote address by former British Prime Minister Gordon Brown, a leading figure in global cooperation, a renowned economist and advocate of cooperation on a global scale. His speech explored the convergences between trade, technology and inclusive development. In his view, trade can serve as an engine for global economic recovery, especially at a time of geopolitical tension.

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His inspiring talk looked at managing the challenges and opportunities shaping our world today, and sparked enriching discussions on how trade can foster profound transformation, and create a more resilient future world. Resilience was one of the key themes raised by the former Prime Minister. The Paris agreement to limit global warming to 1.5°C was at the heart of the discussions during the working sessions and high-level plenary sessions. These exchanges also covered the promotion of sustainable development through trade, the decarbonization of the transport sector, the need for inclusive trade policies, the role of technology in green innovation, the impact of trade on the advancement of gender equality, and the importance of e-commerce in inclusive growth. Furthermore, reflections were made on how trade can contribute to tackling health crises.

The World Trade Report, the WTO’s flagship publication, was presented on the first day of the forum. It provides an in-depth perspective on recent trends in international trade. This year, the report focuses on re-globalization for a resilient, inclusive and sustainable future, highlighting key themes at the heart of the evolution of world trade today. Beyond this, it offers a detailed and insightful analysis for policy-makers, business leaders and all stakeholders.

Alongside the world trade report, participants discussed how a WTO agreement on facilitating investment for development (FDI) could help developing and least-developed countries (LDCs) attract foreign direct investment (FDI) for a more sustainable future.

According to the United Nations Conference on Trade and Development (UNCTAD), global FDI has fallen by 26.7%, from US$1,760 billion in 2015 to US$1,290 billion in 2022. The annual investment deficit facing developing countries has also widened over the past two years, reaching US$4,000 billion in 2022, compared with US$2,500 billion in 2015.

This new publication discusses how WTO members rely on various international agreements and conventions outside the WTO framework to regulate exports, with the aim of guaranteeing the achievement of objectives such as environmental protection, hazardous waste management, arms control and the fight against the trade in illicit drugs.

The WTO Public Forum provides a space for multi-stakeholder discussion and dialogue, allowing for a plurality of perspectives and ideas. It brings together representatives of civil society, decision-makers, business leaders, academics and other stakeholders, encouraging the free expression of opinions to shape the future of world trade, ensuring that it serves people and the planet. It offers networking opportunities for a better harmonization of viewpoints between players.

**Summary: ENDA CACID**

ENDA CACID in partnership with Open Society Initiative for West Africa is launching a series of studies on themes relating to Trade, the AfCFTA, green financing, China–Africa / Africa – EU trade relations.

**Upcoming CACID Publications:**
- Prospective studies and analyzes on competition policy and digital trade issues to guide AfCFTA negotiations (phase II)
- Analytical note on the strengths and weaknesses of the AfCFTA protocols on investment in relation to climate change
- Assessment of cooperation between China and ECOWAS countries
- Comparative study of the penetration strategies of Chinese merchants in the retail trade in Senegal and Ghana
At long last, one might be tempted to say. Twenty years after the initial mandate was given in Doha, the WTO agreement on fisheries subsidies was adopted at the 12th Ministerial Conference (MCP) on June 17, 2022. It is expected that this agreement will enable trade policies to contribute to sustainable development and benefit hundreds of millions of people in terms of jobs and income generated, through the proper application of the new directives.

For this to happen, we need to ensure that the agreement on fishing subsidies puts an end to prohibited fishing subsidies. Two thirds of WTO members must deposit instruments of acceptance with the Organization before the agreement can be implemented. The agreement highlights the notion of subsidies for illegal, unreported and unregulated (IUU) fishing, subsidies for overexploited stocks, subsidies for unregulated fishing on the high seas, and transparency and reporting.

It is important to emphasize that the rules of the agreement do not cover subsidies for aquaculture, fishing in internal waters or land-based activities such as the processing of fish products.

Under the Agreement on fisheries subsidies, there are 4 types of measures or policies considered as subsidies:

1. Direct funds transfer
2. Abandonment or non-collection of public revenue
3. Supply of goods or services
4. Income or price support

These measures are supplemented by three main rules, ranging from transparency (article 8), to the obligation to notify, to information on the type or nature of the activity when possible.

Members had already given themselves a certain amount of flexibility in adopting this agreement at MC 12, by agreeing to continue negotiations on outstanding issues, with a view to making recommendations by MC13 on additional provisions that would further improve the Agreement’s disciplines. However, it should be noted that the Agreement provides for a maximum period of four years, from its entry into force, to conclude these negotiations.

As is often the case in these types of agreements, capacity-building opportunities are adopted to help a certain category of members.

Under the WTO Fisheries Subsidies Agreement, for example, targeted technical assistance and capacity building is to be provided to developing and least-developed country members for the implementation of the Agreement. To support this assistance, a voluntary WTO funding mechanism is to be established. This fund will be used to help members:

- Integrate elements of fisheries sustainability into their fisheries subsidy policies and practices;
- Strengthen sustainable fisheries management systems; and
- Improve reporting and transparency, particularly with regard to fisheries information.

Senegal, where fishing plays an important role in the national economy, is preparing to implement the agreement. With this in mind, a national multi-stakeholder workshop was held in September 2023 to share the self-assessment tool for technical assistance and capacity building for the implementation of the WTO agreement on fisheries subsidies.

The self-assessment tool developed by the International Institute for Sustainable Development (IISD) in collaboration with the Pew Charitable Trust was presented to stakeholders. The two documents are:

- A checklist: a series of tables to fill in;
- A guideline: a document explaining how to fill in the Checklist.

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South-South cooperation: from BRICS to G-11

The 15th BRICS summit, bringing together the five emerging economies (Brazil, Russia, India, China, South Africa), was held in Johannesburg, South Africa on Tuesday August 22, 2023. The main recommendation is to expand the bloc to include new members in order to increase its influence globally.

Following the Johannesburg forum, the BRICS welcomed six new members: Iran, Argentina, Egypt, Saudi Arabia, the United Arab Emirates and Ethiopia. The BRICS are likely to change their name given the new membership, starting from January 1, 2024.

The BRICS account for 23% of global Gross Domestic Product (GDP) and are home to 42% of the world’s population. This group remains heterogeneous: the five countries are spread across four continents, with unevenly growing economies.

Considering the influence of the United States and the European Union, the BRICSn also aim to establish a multipolar global economic and political balance.

The BRICS want their New Development Bank (NDB), created in 2015, to be an alternative to the world bank and IMF, to counter the global financial order. The bank has just widened its circle by welcoming new members such as Bangladesh, the United Arab Emirates and Egypt. Uruguay is also about to join its rank.

These eleven members will have to find a way to keep operating by consensus, overcoming existing divisions and rivalries. However, relations between members still seem to be plagued by unresolved issues, which is a factor of heterogeneity within the group of eleven (11).

The decision to build the high Renaissance Dam proved to be a major problem between Egypt and Ethiopia. Similarly, recent developments between Saudi Arabia and Iran, ending seven years of conflict, could make trade even more difficult.

Pairs such as China and India, or Saudi Arabia and the United Arab Emirates, seem destined to be competitors in the future. For this group of eleven, it is crucial to find a common path despite these rivalries.

The Johannesburg forum clearly expressed the desire to increase exchanges between members using local currencies.

The impact of oil revenues from countries such as Saudi Arabia, Iran and the United Arab Emirates, all among the top ten holders of global oil reserves, could speed up the project. The meeting was marked by the arrival of six new members and the announcement of the next summit, scheduled for October 2024 in Russia.

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Summary: ENDA CACID

Regional agenda

November 30 to December 12, 2023
(Dubai, UAE)
The 2023 Dubai Climate Change Conference, or COP 28

December 5 to 8, 2023
(Praia, CABO VERDE)
Regional meeting of the Food Crisis Prevention Network (FCPN)

7 December 2023
(Kigali, RWANDA)
Meeting of ACFTA Trade Ministers

February 26 to 29, 2024
(Dubai, UAE)
Thirteenth WTO Ministerial Conference (MC13)

May 2024
Launch of the 2nd Phase of the Guided Trade Initiative (GTI)