

# *ecdpm* ***Great Insights***



## **The African Continental Free Trade Area: From agreement to impact**

**Preparing for trade under the  
AfCFTA Agreement**  
Ambassador Albert Muchanga,  
Commissioner for Trade and  
Industry, African Union

**Towards an Africa-Europe  
trade partnership**  
Phil Hogan, Commissioner for  
Trade, European Commission

**With contributions from  
Tralac, University of Tunis,  
UNECA, UNCTAD and others**



ECDPM's Great Insights magazine offers a quick and accessible summary of cutting-edge analysis on international cooperation and Europe-Africa relations. It includes an independent overview of analysis and commentary from a wide variety of experts and high-level officials and provides updates on policy debates in Africa and Europe.

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# Editorial

The establishment of the African Continental Free Trade Area (AfCFTA) is an impressive political achievement, but it needs to be backed up with action to make sure that Africa's businesses and citizens actually benefit from it. While the July 1st start date for trading under the AfCFTA now looks like it will be delayed due to the COVID-19 pandemic, the economic boost the AfCFTA is meant to provide has become even more critical given the devastating socio-economic impact COVID-19 will have across Africa. By promoting economic growth and diversification the AfCFTA could make African economies more resilient to such shocks in the future.

Against this sombre backdrop, this issue of *Great Insights* presents various perspectives from Africa and Europe on the AfCFTA's significance, what needs to be done to ensure it generates benefits for African businesses and citizens and how to ensure such gains are equitably distributed.

The AfCFTA holds immense economic and job-creating potential, as noted by African Union Commissioner for Trade and Industry, Albert Muchanga. For European Commissioner for Trade, Phil Hogan, supporting the AfCFTA is a cornerstone of the European Union's new strategy to develop stronger partnerships with Africa. Gerhard Erasmus, meanwhile, questions whether African states are ready for such partnerships, especially given that the AfCFTA does not create supranational institutions akin to the European Union (EU).

With regard to the AfCFTA's central focus on boosting intra-African trade, Leila Baghdadi and Amal Medini show that the AfCFTA could unlock increased exports from Tunisia to the rest of the continent, thereby demonstrating the potential for African countries to increase their African trade.

But the AfCFTA will only promote intra-African trade if governments actually implement it. Nick Charalambides describes how compliance mechanisms can support AfCFTA implementation. One such mechanism is the AfCFTA Non-Tariff Barriers (NTB) Mechanism, which Christian Knebel

explains will facilitate intra-African trade by making it easier for traders to report NTBs and for officials to monitor and resolve them. This mechanism expands on similar mechanisms at the regional economic community (REC) level, illustrating Amanda Bissong's argument that RECs such as the Economic Community of West African States (ECOWAS) will continue to play an important role as 'building blocks' of the AfCFTA.

Efforts are also needed to ensure an equitable distribution of AfCFTA benefits. Faizel Ismail argues for a 'developmental regionalism' approach to ensure that all State Parties benefit from AfCFTA implementation. Focusing on the gendered impacts, Nadira Bayat stresses the need for a 'business unusual' approach to ensure the AfCFTA advances gender equality in Africa. Finally, Anesu Gamanya argues for greater provision of trade finance to help smaller African businesses take advantage of opportunities created by the AfCFTA.

Even with COVID-19 dominating policymakers' attention, regional integration remains important for Africa. The insights presented in this issue show how the AfCFTA can foster economic benefits for Africa, something that may be even more urgently needed once the pandemic is over.

## Guest editors

### Sean Woolfrey

Policy Officer, African Institutions and Regional Dynamics Programme



### Bruce Byiers

Head of African Institutions and Regional Dynamics Programme



A portrait of H.E. Amb. Albert Mudenda Muchanga, a man with short dark hair and glasses, wearing a dark pinstripe suit, a white shirt, and a red tie with a small white pattern. He is standing in front of a white wall with a green and white striped flag on the left. A small circular pin is visible on his left lapel.

# Preparing for trade under the AfCFTA Agreement

Trading under the AfCFTA Agreement is meant to begin on 1 July 2020. But the AfCFTA State Parties still have critical issues to address to create an integrated, active and efficient AfCFTA market.

**By H.E. Amb. Albert Mudenda Muchanga**

## **Where are we with the AfCFTA?**

The Agreement establishing the African Continental Free Trade Area (AfCFTA) was negotiated from 2016 to 2018. It was opened for signature on 21 March 2018, at the 10th Extraordinary Summit of African Union (AU) Heads of State and Government in Kigali, Rwanda. At that Summit, 44 AU member states signed the agreement, with others signing later. By February 2020, 54 of the AU's 55 member states had signed the AfCFTA Agreement.

The agreement entered into force on 30 May 2019, 30 days after deposit of the 22nd instrument of ratification. AfCFTA's operational phase was then launched on 7 July 2019, at the 12th Extraordinary Summit of AU Heads of State and Government in

Niamey, Niger. The first day of trading under the continent-wide free trade area is set for 1 July 2020. There is much still to be done to meet the July 2020 deadline. AfCFTA State Parties have crucial issues to address to bring an integrated, active and efficient AfCFTA market into existence.

## **What is in the AfCFTA market?**

The AfCFTA Agreement aims to create a single market of 1.27 billion consumers with an aggregate GDP between US \$2.1 and \$3.4 trillion. It's a fast-growing market too, as consumer numbers are expected to increase to 1.7 billion by 2030. The AfCFTA market has a growing middle class as well, currently standing at 350 million and expected to rise to 600 million by 2030. African



e-commerce is also on the rise. McKinsey & Company forecasts that African online retail business growth will reach US \$75 billion by 2025. Currently, private and business-to-business consumption is estimated at US \$4.0 trillion. By 2030, business-to-business consumption alone is expected to grow to US\$ 4.2 trillion, with private consumption reaching US \$2.5 trillion.

From these figures, it is clear that the AfCFTA is an apt response to the reluctance of companies to invest in small, fragmented and uncompetitive national markets in Africa. Such a large and attractive market opens opportunities in many areas, not least,

## **The AfCFTA Agreement aims to create a single market of 1.27 billion consumers with an aggregate GDP between US \$2.1 and \$3.4 trillion**

public-private partnerships in investments in the infrastructure and logistics that will connect African economies.

### **Getting the private sector ready for the AfCFTA**

It is crucial that the African private sector is encouraged to scale up investments and production to supply the AfCFTA market. In this regard, the AU Commission has since 2018 organised

AfCFTA Business Fora, to sensitise the African private sector to the opportunities offered by the AfCFTA. These meetings have drawn active participation and contributions from African private sector organisations such as the Pan-African Chamber of Commerce and Industry, the AfroChampions Initiative, the Pan-African Private Sector Trade and Investment Policy Committee and the African Electronic Trade Group.

Another important initiative to engage the private sector is the Intra-African Trade Fair (IATF), jointly organised by the AU Commission, the African Export-Import Bank and the African Development Bank. The inaugural IATF was held in December 2018 in Cairo, Egypt and was a great success. The second IATF will take place in Kigali, Rwanda, from 1 to 7 September 2020.

### **Preparatory work at all levels**

Beyond engaging the private sector, national, regional and continental policymakers are working intensively to prepare for the AfCFTA.

At the *national level*, the top priority is finalisation of schedules of tariff concessions on trade in goods and schedules of specific commitments on trade in services by each AfCFTA State Party. As of 15 December 2019, 11 countries had submitted their tariff offers. Work is under way to finalise market access offers and to train officials in the use of the online negotiations tool. On trade in services, an incremental approach was adopted starting with five priority sectors: business, communication, financial, transport and tourism services. Initial offers were to be completed by 31 January 2020 with a view to finalising the work by May 2020.



Kigali, Rwanda, 21 March 2018: Forty-four African Union member states signed the African Continental Free Trade Area.  
Photo copyright: African Union

The second national-level priority is production of the necessary trade documents based on existing templates, including certificates of origin, an AfCFTA origin declaration and an AfCFTA suppliers and producers declaration. Each State Party is expected to distribute these documents to all points of trading in the AfCFTA, ensuring they are accessible to the business community.



The inaugural Intra-African Trade Fair (IATF) in Cairo, Egypt  
Credit: Intrafricantradefair.com

Third on the national to-do list is development of clear national AfCFTA implementation strategies with participation of all stakeholders. This work is being supported by the United Nations Economic Commission for Africa (UNECA). UNECA is also producing an annual AfCFTA Business Index to measure and monitor business experiences with AfCFTA implementation at the country level.

The fourth national priority is to enhance coordination, keep track of the progress achieved, and identify and address issues affecting implementation. For this, the AfCFTA Interim Secretariat is developing a reporting format and template for use by the State Parties. In addition, the AfroChampions Initiative has commissioned an assessment of the readiness of all 55 AU member states for the start of trading under the AfCFTA. Key indicators of readiness are AfCFTA signing and ratification, commitment to free movement of persons and completion of a publicly accessible AfCFTA country implementation strategy.

At the *regional and continental levels*, the top priority is the development of a framework for collaboration involving the AU Commission, the AfCFTA Secretariat and the regional economic communities. The final document is expected to be presented at the AU Extraordinary Summit in South Africa in May 2020. It will largely focus on trade facilitation and promoting transparency to enhance collaboration.

At the *continental level*, there are three additional priority activities. The first is the operationalisation of the permanent secretariat of the AfCFTA in Accra, Ghana. This involves working with the host government on issues such as hosting agreements and logistics. The AfCFTA Secretary-General was appointed by AU Heads of State and Government at the 33rd Ordinary Session of their Assembly. Four directors and essential staff are currently being recruited. They are expected to assume their duties by the end of April 2020.

The second priority activity is the finalisation and activation of the five key operational instruments unveiled at the 12th Extraordinary Summit in Niamey, Niger. These are the AfCFTA rules of origin; the password-protected online negotiations portal; the online mechanism for reporting, monitoring and eliminating non-tariff barriers; the pan-African payments and settlements system; and the African trade observatory. All these instruments are vital for AfCFTA implementation. They are expected to be fully functional by the start of trading on 1 July 2020.

The third continental priority is establishment of the other key institutions foreseen under the AfCFTA Agreement. These include the AfCFTA Council of Ministers, which held its first two meetings in October and December 2019; the various committees on trade in goods and trade in services and their respective sub-committees; and the dispute settlement body, which will initially operate within the AfCFTA Secretariat.

### From the AfCFTA to an African single market

To realise the AfCFTA objective of creating a single market for goods and services, work has commenced to negotiate protocols on investment, intellectual property rights and competition policy. The target date for completion of these 'phase two' negotiations is December 2020. Negotiations towards an e-commerce/digital trade protocol will commence soon after the conclusion of the phase two negotiations.

Several flagship projects related to the AU's Agenda 2063 will complement AfCFTA implementation. These include the single African air transport market, the high-speed train network project, the African commodities strategy and a protocol on free movement of persons, to name just a few. These further demonstrate the path Africa is on towards deepening continental integration and structural transformation.

Finally, work is under way towards an African customs union, targeted to be in place by 2023. Getting an African customs union up and running will further strengthen the African single market's foundations.

### Critical issues for an active and efficient AfCFTA market

To make progress towards these objectives, AfCFTA stakeholders have some critical issues to address. The first is the need to quickly generate tangible results from AfCFTA integration in order to ensure continued momentum. Second, a conducive enabling

environment needs to be created in order to attract investors and sway them to deploy large-scale, long-term investments in the AfCFTA market. In this respect, African governments are working resolutely to meet investor expectations for stability, scale, predictability, fair treatment and combatting corruption. It is with this in mind that the AU theme of 2020 – ‘Silencing the Guns: Creating Conducive Conditions for Africa’s Development’ – was conceived. The commitments made under this theme will, when implemented, contribute to the peaceful, safe and secure environment that is needed for people, goods and services to move freely and cost-effectively across Africa.

The third priority relates to supportive complementary measures for the productive sector. SMEs, in particular, will need assistance in scaling up their operations to supply the AfCFTA market with high quality goods and services. On this, the AU Commission is working with the African Electronic Trade Group to develop a continental platform on e-commerce to promote the development of export trading companies, among other things.

The fourth priority is mindset change. Policymakers, policy implementers and market players now need to see the AfCFTA as their new home market. Sharing this mindset will help facilitate the creation of a single African market.

## Shaping Africa’s future

The AfCFTA is shaping Africa’s future. The increased trade and investment it will bring, can create job opportunities for millions of Africans. We are, in this respect, offering alternatives to young Africans risking their lives in search of decent livelihoods outside the continent. We are fully aware that this task will not be an easy one. However, we will remain focused and not be discouraged. Africa is committed to making the AfCFTA work.

## About the author

H.E. Amb. Albert Mudenda Muchanga was elected African Union Commissioner for Trade and Industry in January 2017 for a four year term. He previously worked in the Zambian Civil Service at home and abroad, including at the secretariat of the Southern African Development Community.

Twitter: @AmbMuchanga

## AfCFTA TIMELINE

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**JANUARY 2012**

AU Assembly decides to establish a Continental Free Trade Area



**JUNE 2015**

AfCFTA negotiations are launched



**FEBRUARY 2016**

First meeting of the AfCFTA Negotiating Forum



**MARCH 2020**

AfCFTA Secretariat becomes operational



**JULY 2019**

Operational phase of the AfCFTA is launched



**MAY 2019**

AfCFTA Agreement enters into force



**MARCH 2018**

44 AU member states sign the Agreement establishing the AfCFTA



**MAY 2020\***

All instruments required for trading under the AfCFTA are submitted and approved



**JULY 2020\***

Trading under the AfCFTA begins



**DECEMBER 2020**

Conclusion of phase 2 AfCFTA negotiations

\* Could be delayed due to COVID-19

Graphic design: Yaseena Chiu van 't Hoff





# Towards an Africa-Europe trade partnership

“A wise person is one who listens to advice”, says a Kikuyu proverb. It is in this spirit that the European Commission has published *Towards a Comprehensive Strategy with Africa*. Any Africa-EU strategy should be jointly developed, jointly owned and jointly implemented by the EU and Africa. The same is true of our trade relationship.

By Phil Hogan

## Stronger Africa-EU trade relations

Strengthening relations between the EU and Africa was designated a high-priority objective in my mission letter from President von der Leyen when she took leadership of the European Commission last year. This was no surprise. Africa and the EU have so much to gain from each other, and many opportunities to make our ties even closer.

EU-Africa trade and investment hold huge potential for the future. Africa is the continent with the youngest population, with an average age of 21. At the same time, we are seeing rapid digitalisation. Africa already has 122 million active users of mobile financial services – more than half the global total. Growth on the continent is on track to continue, with the number of smartphone connections expected to double from 315 million in 2015 to

636 million by 2022. This is twice the projected number of users in North America. Mobile data traffic across Africa is expected to increase sevenfold over the same period. Africa’s future is one of youth, growth and connectivity.

Africa has much to gain from trading with the EU too. The EU is already Africa’s largest partner for both exports (36%) and imports (33%), dwarfing Africa’s other trade partners, including



China (9% exports, 13% imports), India (9% exports, 5% imports) and the United States (7% exports, 5% imports). Beyond trade, the EU is the biggest investor in Africa. Pre-Brexit EU investment stocks totalled €261 billion, representing 40% of foreign direct investment in Africa. As our relationship strengthens, so will our trade and investment flows.

## **Africa and the EU have so much to gain from each other, and many opportunities to make our ties even closer**

Africa-EU trade relations have entered an era of progressive and positive dynamics. More sub-Saharan African countries are concluding Economic Partnership Agreements (EPAs) with the EU. These are flexible and adjustable tools that respond to our African partners' development needs.

They are also intended to evolve – their modernisation has already started with the EU and 5 Eastern and Southern African countries negotiating an upgrade to their EPA, including provisions on services, investment, trade and sustainable development, as well as other issues. Regional economic integration remains at the heart of these agreements, which also function as building blocks on the road to continental integration.

The experience and tools that African countries have developed in negotiating and implementing trade agreements with the EU can be put

to good use at the African continental level. However, the road ahead is not easy and there are many challenges to overcome.

But it is worth it. Boosting intra-African trade would not only support development and sustainable growth on the continent, it would also be an opportunity to boost cooperation and trade between our continents. This is why support for the African Continental Free Trade Agreement (AfCFTA) is a cornerstone of the EU's trade strategy with Africa. This includes technical and financial support. It also entails building on our current trade cooperation instruments, such as the EPAs and trade agreements with North African countries and, in the case of Tunisia and Morocco, upgrading these to deep and comprehensive free trade agreements. It also means sharing the lessons of our own continent, which has seen unprecedented successes in regional integration.

Africa and the EU also have to step up efforts to promote the sustainability and inclusiveness of initiatives. Building a sustainable cocoa value chain with the main producing countries, for instance, requires tackling social and environmental issues at the various

## **Support for the African Continental Free Trade Agreement (AfCFTA) is a cornerstone of the EU's trade strategy with Africa**

stages of the supply chain, ranging from deforestation to child labour and ensuring decent incomes for cocoa workers.

The African Union (AU) has already taken impressive steps to build a framework and a design for closer continental economic integration. These have brought the AfCFTA closer and closer to implementation, a historical milestone that the EU sincerely supports.

### **Negotiation to implementation**

The EU has been one of the world's most active trade negotiators in recent years. We now have over 40 agreements with no less than 70 countries. These are more than simple economic pacts. They are strategic alliances for open trade at a time of rising protectionism. They are foundations for stability when the global environment is uncertain. However, unless they are properly implemented, their benefits cannot be reaped. In the EU we know this all too well. Implementation and enforcement have been critical to the success of the EU internal market.

It was with this in mind that the President of the European Commission assigned me another priority as Commissioner for Trade: to address the gap between negotiation and implementation. For this, I am appointing a Chief Trade Enforcement Officer, who will focus on identifying and overcoming barriers to our trade agreements achieving their goals. In Africa, we encounter a similar implementation gap. The EU and African countries should work together to overcome this gap, by implementing and upgrading our existing trade agreements and by preparing for implementation of the AfCFTA even

before it is fully ready to be applied. This will require more engagement and interaction on both sides and at all levels. I am committed to this process. I got to know the continent well during my tenure as Commissioner for Agriculture, and I look forward to continuing this engagement as Commissioner for Trade. I have already met with my AU counterpart, Commissioner Muchanga, to discuss common challenges and solutions.

### Long-term vision

In Europe, we have a long-term vision for where this road leads: to a continent-to-continent free trade area. Everything we do in trade is in service of integrating our economies further. The EPAs are a case in point. We are building the foundations for a continent-to-continent agreement, if and when our African partners are ready for this. We have done a lot for economic integration in and with

Africa, but there is still much more to do. The AfCFTA is critical in this, and that is why it has our full support.

## Everything we do in trade is in service of integrating our economies further

But we must move one step at a time. I began this article with a proverb from Kenya, and I will close it with an Irish proverb: “B’fhearr éin ar an lámh ná dá éin ar an gcrainn”, or “a bird in the hand is better than two in the tree”. Before we take on ambitious new objectives, we need to work hard to make what we already have work well, and build on that.

### About the author

Phil Hogan is the European Commissioner for Trade since 2019. He was previously European Commissioner for Agriculture and Rural Development between 2014 and 2019.



President von der Leyen with Moussa Faki, Chairperson of the African Union Commission  
Picture copyright: EEAS-EU





# Anchoring intercontinental partnerships between Africa and Europe

There are sound arguments for strengthened EU-Africa partnerships. Making such partnerships work will require a patient approach by the EU, as well as engagement at national and regional levels.

By Gerhard Erasmus

The European Union's new Strategy 'with' Africa proposes a strategic alliance based on strengthened intercontinental partnerships in various areas. How can these intercontinental partnerships be anchored? The answer to this question depends on what we mean by 'intercontinental partnerships' and whether they require firm legal counterparts in Africa akin to the European Union (EU). Must there be a binding agreement and

institutional oversight for each of the proposed partnerships, or will political declarations and 'action plans' suffice? Who will be the parties to such agreements and what responsibilities will they share?

There are sound arguments behind the EU's drive to put its relationship with Africa on a new footing and to expand the scope of its relations with Africa into strengthened intercontinental partnerships. The big challenge

will be to sell the new message of joint ownership and to make these partnerships work. Previous efforts have achieved only partial success. The Cotonou Partnership Agreement expires this year, and the Economic Partnership Agreements (EPAs) never really got off the ground. Only the SADC-EU EPA is operational, and it is limited to trade in goods. What will guarantee different outcomes this time around? Are there new opportunities and better prospects for intercontinental partnerships now?

One new development is the African Continental Free Trade Area (AfCFTA), which was mentioned during the visit by the new European Commission President to Addis Ababa at the end of February. The fact that the AfCFTA Agreement has entered into force is seen by many as proof of the fact that

a continental African regime for trade and economic integration now exists. The AfCFTA is also expected to serve as a platform for Africa to engage with the outside world. This is a premature appraisal. The AfCFTA is not finalised and critical aspects are still being negotiated. The outstanding issues

(tariff schedules, rules of origin and trade in services in priority areas) are essential features of a free trade agreement (FTA).

The AfCFTA will not have supra-national institutions to monitor and ensure compliance. The AfCFTA's institutions, except for the Secretariat, are political

## Which countries have ratified the AfCFTA Agreement?



| Country             | Date*        |
|---------------------|--------------|
| Kenya               | 10 May '18   |
| Ghana               | 10 May '18   |
| Rwanda              | 26 May '18   |
| Niger               | 08 Jun '18   |
| Chad                | 01 July '18  |
| eSwatini            | 01 July '18  |
| Guinea              | 01 July '18  |
| Uganda              | 28 Nov '18   |
| Côte d'Ivoire       | 16 Dec '18   |
| South Africa        | 10 Feb '19   |
| Sierra Leone        | 29 Apr '19   |
| Mali                | Feb '19      |
| Senegal             | Apr '19      |
| Namibia             | Feb '19      |
| Congo, Republic     | 10 Feb '19   |
| Togo                | Apr '19      |
| Mauritania          | 11 Feb '19   |
| Djibouti            | Feb '19      |
| Egypt               | 8 Apr '19    |
| Ethiopia            | 10 Apr '19   |
| The Gambia          | 16 Apr '19   |
| Saharawi Republic   | 29 Apr '19   |
| Zimbabwe            | 24 May '19   |
| Burkina Faso        | 29 May '19   |
| Sao Tome & Principe | 27 June '19  |
| Gabon               | 7 July '19   |
| Equatorial Guinea   | 7 July '19   |
| Mauritius           | 8 Oct '19    |
| Cameroon            | 31 Oct '19** |

\* Date on which the AfCFTA instrument of ratification was deposited with the AUC Chairperson

\*\* Date on which ratification was approved

Last updated: 6 December 2019

To find out more about the African Continental Free Trade Area (AfCFTA) and to download the consolidated text of the Agreement and other key documents, please visit the tralac website at [bit.ly/AfCFTAresources](https://bit.ly/AfCFTAresources)

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platforms representing the State Parties. They will want the AfCFTA to be a vehicle for advancing domestic and regional agendas too. Nigeria has not ratified the AfCFTA, and since October 2019 its borders have been closed to trade in goods. The official explanation is that smuggling must be stamped out.

The extent of future intra-African trade liberalisation can only be judged once the outstanding Phase I negotiations have been completed. Phase II will add additional building blocks in relation to investment (to finance industrialisation and infrastructural development), competition and intellectual property rights. On integration there will not be far-reaching new developments.

## **The big challenge will be to sell the new message of joint ownership and to make these partnerships work**

The EU's new Africa strategy covers a broad canvas and some of the proposals are not entirely new. Different implementation strategies will be required. It is proposed that the EU partners with Africa for action in ten different areas. These include: A green transition in full compliance with the Paris Agreement; boosting the continent's digital transformation; promoting investment; rapidly enhancing learning, knowledge and skills; peace and security; good governance, human rights and the rules of law; migration and mobility; and the strengthening of the international rules-based order and the multilateral system. This is a very ambitious agenda.

How do African nations see these developments? Are they prepared to move beyond 'development assistance' and become active partners in joint efforts to tackle global problems, while advancing domestic development agendas? How will they respond to the latest EU proposals? Is it realistic to expect that there will be one African view on such important matters?

## **The AfCFTA does not suspend existing realities when it comes to African regional integration arrangements**

African nations have individual needs, policies and historical ties. Kenya is, for example, on the verge of concluding an FTA with the United States. Others will not do so; they prefer deals with China, with which they are more comfortable.

The design of the AfCFTA displays an important feature, which will have consequences for the EU's plans for intercontinental partnerships. The AfCFTA does not suspend existing realities when it comes to African regional integration arrangements.

Article 19 of the AfCFTA Agreement provides for the continuation of Africa's regional economic communities (RECs) and other African trade arrangements:

"State Parties that are members of other regional economic communities, regional trading arrangements and custom unions, which have attained among themselves higher levels of regional integration than under this Agreement, *shall maintain* such higher levels among themselves"

In some issue areas, such as trade, the level of jurisdiction of interest to the EU therefore resides in the RECs. They are not identical. Some do not have FTAs, while others have detailed legal instruments going beyond trade liberalisation.

Africa faces urgent needs which cannot be addressed on a country-by-country basis. Climate change, food security, water and energy are priority concerns, but they are not directly dealt with in the AfCFTA Agreement. The EU could play a constructive role in these areas, provided it is patient and resourceful. The first challenge might be to secure buy-in by the right, able and willing African counterparts. That journey should take Brussels to national capitals and to the RECs.

### **About the author**

Gerhard Erasmus is a founder of Tralac and Professor Emeritus (Law Faculty), University of Stellenbosch. He has consulted for governments, the private sector and regional organisations in southern Africa.





# Unlocking Tunisia's unexploited export potential

The African Continental Free Trade Area (AfCFTA) offers huge potential for Tunisia to grow its trade with the rest of Africa and reduce its dependence on the European market.

By Leila Baghdadi and Amal Medini

## Trading with Europe, not Africa

The European Union (EU) has long been Tunisia's leading trade partner. Bilateral trade increased sharply after Tunisia and the EU signed an Association Agreement in 1995 aimed at creating a free trade area for goods, excluding agricultural and fishery products. Between 2013 and 2017, four EU countries – France, Italy, Germany and Spain – received 60% of Tunisia's exports. Main exports were textiles, machinery, transport equipment and extractives. If we exclude Libya and Algeria, Tunisia's neighbours and strategic partners, only 5% of Tunisia's exports went to African countries during that period. This is a very low share, particularly considering the country's potential.

## Finding new trade partners

The 2011 outbreak of political conflict in Tunisia and in the region put the Tunisian economy under pressure. The economy was already crippled by high unemployment, particularly among young graduates. This was compounded by the effects of the ongoing conflict in neighbouring Libya, which was Tunisia's second biggest trade partner prior to 2011. Tunisia suffered a further loss of competitiveness when unrest and political instability arose within its own borders.

To diversify its trade partners, Tunisia has explored new markets, particularly in Africa. In 2017, it obtained observer status in the Economic Community of West African States (ECOWAS). It signed the African Continental Free Trade Area (AfCFTA) Agreement in 2018 – and it officially joined the Common Market for Eastern and Southern Africa (COMESA) in 2019. These actions demonstrate Tunisia's commitment to closer ties with the rest of Africa.

## North African countries provide the most promising markets according to tariff advantage

### Redistribution or expansion of trade partners?

The AfCFTA will open up tremendous opportunities for African trade. A 2017 study by the United Nations Economic Commission for Africa (UNECA) predicted that African countries would see their exports rise by 2.7% (US \$8.9 billion) in 2020, after removal of tariffs on trade in goods. Intra-African trade was set to expand



by US \$70 billion in 2020. A fifth of this gain (US \$13.6 billion) was expected to go to North African exporters, with half that growth coming from expansion of trade within North Africa. The rest was expected to come from increased North African exports to other African countries.

Despite the numerous trade opportunities that the AfCFTA will bring for Tunisia, there is ongoing debate as to whether the agreement will create new trade with new partners or simply divert existing trade away from traditional (especially European) markets. For example, the UNECA study suggests that the AfCFTA will lead to a US \$4.7 billion drop in North African exports to the rest of the world. However, the proposition that existing trade will merely be redistributed assumes a limited supply capacity. This is not the case in Tunisia, which has high unexploited potential for exports to other African countries.

### Export opportunities

In our recent study using the product space approach we identified a number of products for which Tunisia could have a clear comparative advantage. We also identified products intensively imported by African countries. Then we matched supply and demand, ranking the identified products using various indices. Our final ranking zoomed in on the country-product level, taking country demands and imposed tariffs into account.

From that work, we identified almost 400 products that are within Tunisia's technological frontier and which open up paths for diversification. Among these products are: machinery; electronics; transport equipment; chemicals, plastics and rubber; iron, steel and other metals; and textiles. Note the remarkable absence of agricultural products in the mix. Reduced tariffs will bring more opportunities for Tunisia in all these product categories.

Most of these new export opportunities are in Algeria, Morocco and Egypt. Indeed, North African countries provide the most promising markets according to tariff advantage, followed by South Africa, Senegal, Nigeria and Kenya.

It is also worth noting that many of the products with the highest export potential are currently produced with imported inputs that are transformed for export to European markets. A promising path for Tunisia to consider is finalising some of these products for export to the rest of Africa.

We identified more than 500 opportunities to expand into new markets. Specifically, these are exports for which Tunisia could gain greater market share in other African countries. Thirty-six African countries intensively import a cumulative total of 615 types of products that Tunisia already exports. However, Tunisia exports only 310 of these products to just 29 African countries, taking advantage of only 17.4% of the potential supply opportunity. The top potential expansion markets in this regard are Algeria, Mauritius, Morocco, Angola and Senegal.

The expansion opportunities with the highest trade value are mainly in the extractives and machinery sectors. Machinery and electronics rank first in both diversification and expansion potential. This reflects the high demand for these products, alongside their promising future. While Tunisia does not have a high potential to make new products in the extractives sector, it can export much more of what it already produces.

### The road ahead

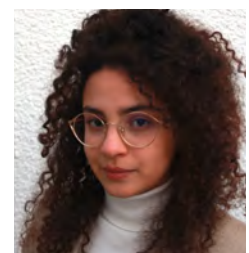
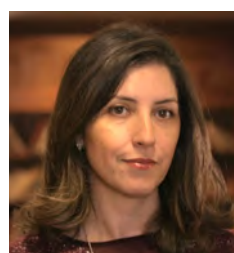
The AfCFTA will unlock enormous export potential for Tunisia. It will allow the country to expand its trade partners and tap into unexploited opportunities. But to fully capitalise on its potential, Tunisia needs to rethink its strategy. Tunisia should prioritise reducing trade costs and delays and removing non-tariff barriers. For instance, Tunisia TradeNet (TTN), a single point for electronic submission of trade documents, should integrate other customs procedures, technical controls, sanitary and phytosanitary controls and environmental controls. In addition, unjustified trading requirements should be eliminated and trade procedures and formalities reduced. Ensuring a transparent system through digitalisation could be very helpful for small and medium firms to navigate the complex world of trade regulations. The World Trade Organization Trade Facilitation Agreement, ratified by Tunisia in 2017, is an interesting framework to successfully implement these measures.

Tunisia should also focus on developing solid and efficient transport infrastructure through putting in place more direct maritime and air lines that serve major African capitals. Last but not least, efforts should also be made to support access to finance for Tunisian exporters 'looking South' through giving loans or lines of credit specifically targeting them.

### About the authors

Leila Baghdadi (left) is an Associate Professor of Economics at ESSECT University of Tunis, where she holds the World Trade Organization Chair.

Amal Medini holds a Master's degree in Business Analytics, having conducted a research project in international trade during the last year as a WTO chair fellow.





# Ensuring the AfCFTA is implemented and applied

The African Continental Free Trade Area (AfCFTA) is an ambitious project to realise free trade across the African continent. But African businesses and citizens will only benefit from it if African governments comply with their obligations to implement the AfCFTA Agreement.

By Nick Charalambides

## The AfCFTA and 'compliance'

There is great enthusiasm for the creation of the 'largest free trade area in the world'. However, the record in Africa reflects a lot of talking but not much doing when it comes to governments actually complying with the commitments they make in regional trade deals.

Without compliance – *'the fulfilment by member states of their obligations under an agreement'* – businesses and citizens can't benefit from a regional trade agreement. Establishing an effective compliance mechanism for the African

Continental Free Trade Area (AfCFTA) would help ensure that the agreement does not end up existing only 'on paper'.

Recent analysis by IMANI Development for the Southern African Development Community (SADC) and Gesellschaft für Internationale Zusammenarbeit (GIZ) offers pointers on the sorts of compliance mechanisms that could be appropriate for the AfCFTA.

## What makes an effective compliance mechanism?

A compliance mechanism is any instrument that promotes parties'

fulfilment of their obligations under a particular agreement. To determine what makes an effective compliance mechanism for a regional trade agreement, we assessed a range of different instruments used by regional blocs, such as, the East African Community's Time-bound Programme for the Elimination of Non-tariff Barriers (NTBs) and the ASSIST mechanism adopted by the Association of Southeast Asian Nations (ASEAN).

Using the European Union (EU) system of compliance mechanisms as a benchmark, we concluded that an effective



compliance mechanism needs to be able to do three things: (i) to identify when a member state may not be in compliance; (ii) to verify whether there is a case of non-compliance and what the underlying cause may be; and (iii) to offer ways to resolve the compliance challenge, either through dialogue and resourcing, or if necessary, through legal enforcement (see figure).

### The tools of compliance

Regional organisations use different approaches and instruments to identify, verify and resolve non-compliance. One approach is to provide a framework for *private sector whistleblowing*. This

Elimination of NTBs are examples. Under these programmes (linked together in the context of the EAC), National Monitoring Committees (NMCs) bring together government and non-state actors (potentially from multiple countries) to explore solutions at a technical level.

*Scorecards and compliance reviews* are other ways to promote compliance. They increase transparency and surveillance by assessing the extent to which states are honouring commitments in terms of ratification, transposition and conformity of laws, regulations and procedures. The EAC Common Market Scorecard is a good

tribunal, such as the European Court of Justice and the EAC Court of Justice (and previously also the SADC Tribunal).

### Lessons from existing mechanisms and approaches

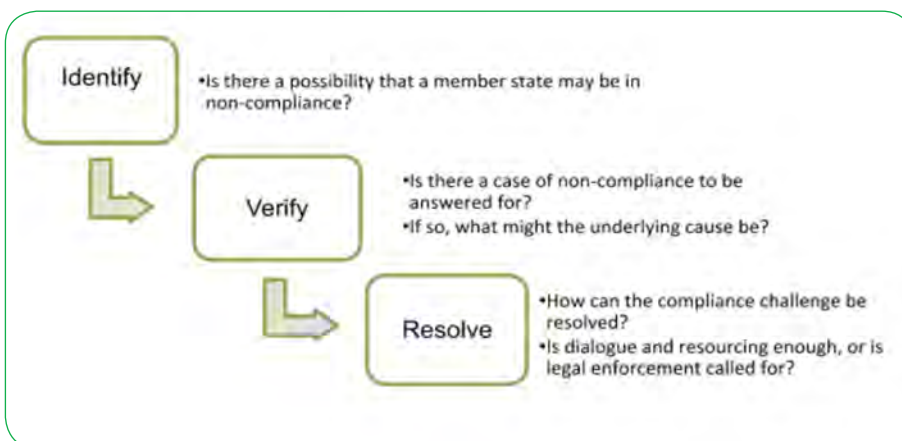
We carried out reviews of various mechanisms to understand how they worked and to learn what has been effective and what not, and in what contexts. The key lessons are presented below.

#### Peer review mechanisms

Peer review mechanisms aim to increase compliance by enhancing transparency, surveillance and engagement with stakeholders, and by bolstering political will towards compliance. In this regard we found that:

- There is a trade-off between transparency and accountability. Governments are unlikely to be fully open to scrutiny if a review is linked to a trade dispute. This is why the WTO's peer review process is separate from its dispute settlement system.
- Peer review is a powerful tool for technical assistance and learning and allows for compliance to be gradually 'upgraded'. This was particularly evident from our study of the OECD Code of Liberalisation of Capital Movements.
- Targeted, secretariat-initiated reviews of specific instances of possible non-compliance can be very effective in raising awareness of an issue. But they are less effective in resolving non-compliance. This is an insight from APRM processes.
- Peer review mechanisms typically require substantial resources. The WTO's Trade Policy Review Division has 51 staff, including economists, statisticians and secretaries. They provide technical assistance to developing and least-developed countries upon request. The APRM Secretariat has some 70 staff members who provide technical support across the four areas of

**Figure 1. The three functions of an effective compliance mechanism**



can be done by establishing a way for companies and citizens to report – either online or via their associations – the trade barriers they experience. Here, the EU's SOLVIT tool is a good model. SOLVIT includes an online portal that EU citizens and businesses can use to report and find solutions to problems pertaining to EU law. The COMESA-EAC-SADC 'Tripartite' online mechanism for reporting, monitoring and eliminating NTBs and ASEAN's ASSIST are modelled on this approach, though operationalised to varying degrees of success.

*Dialogue platforms and national contact points* are also used for identification of non-compliance. The Tripartite NTB monitoring mechanism and the EAC's Time-bound Programme for the

example of success in identifying cases of non-compliance and the underlying regulatory or operational causes.

Another approach is to provide for *peer review*, often informed by investigative missions by regional commissions or secretariats, such as the African Peer Review Mechanism (APRM) Secretariat. Peer review can provide for transparency and surveillance, as often clearly-defined indicators are examined and members are required to explain any underperformance found. In some cases, such as in the EU, regional bodies also have the power to sanction member states for non-compliance.

Finally, *disputes settlement* can be provided for through a formal court or

governance subject to review. For this work, the APRM has an annual budget of US \$10 million.

### ***Variable geometry***

Variable geometry initiatives aim to harness high level political attention to accelerate compliance in specific areas. Our case studies of the Accelerated Programme for Economic Acceleration (APEI) and the Northern Corridor Infrastructure Project (NCIP) revealed that variable geometry can be an effective means to promote compliance. However, when such initiatives are not anchored in an institutional and legal framework, momentum can wane as new political priorities emerge.

### ***Integrated systems of monitoring and resolution***

From our analysis and interviews with staff involved in the Tripartite NTB monitoring mechanism, we learnt the following:

- Identification, verification and resolution of NTBs is resource-intensive. The Rwanda National Monitoring Committee (NMC) project devoted US \$1.86 million to this work from 2011 to 2016. The Tanzanian NMC project devoted \$1.37 million from 2011 to 2017, and the Burundian NMC project devoted \$587,137 for the 2011-2015 period. This amounts to \$3.8 million from 2011 to 2017 for just three EAC states.
- Empowering NMCs and National Focal Points to conduct their own identification and verification missions is crucial.
- Targeted initiatives must be embedded in larger coordinated and integrated compliance frameworks.

### ***Dispute settlement mechanisms***

We investigated three dispute settlement mechanisms - those of the WTO, ASEAN and SADC. Our key findings were:

- African states do not generally initiate formal state-to-state dispute

settlement procedures. Except as third parties, African countries have had very little involvement in the WTO's dispute settlement system. There is, however, a recent notification regarding a dispute between Mauritius and Madagascar.

- Regarding the SADC Tribunal, before it was suspended, only natural or legal persons brought cases forward. No government used the Tribunal to hold another government to account for non-compliance with the Treaty and its Protocols.

- ASEAN member states use the WTO dispute settlement system rather than the ASEAN mechanism. It has been suggested that for countries to use the ASEAN mechanism the approach of 'reverse consensus' would have to be adopted. 'Reverse consensus' requires that a ruling be adopted unless there is a consensus among all countries against adoption. Such a consensus would be highly unlikely, as it would have to include the country that won the ruling.

### **What does this mean for the AfCFTA?**

The AfCFTA involves a large number of countries. Moreover, parties to the AfCFTA Agreement are also parties to different regional economic communities (RECs) – each with their own compliance mechanisms and procedures. These factors make it difficult to draw implications from experiences of other regional trade agreements for the AfCFTA.

That said, the AfCFTA has a number of things going for it in terms of promoting compliance. First, the planned extension of the Tripartite NTB Monitoring Mechanism to the AfCFTA could provide a basis for 'identification' and a framework for 'verification' of non-compliance with the AfCFTA Agreement. And it will do so in a way that avoids duplication. However, we do note the resource intensity of supporting the monitoring committees at the national and regional levels. Without external

support many of these committees have ceased to function.

Second, adoption of 'reverse consensus' in the dispute settlement process of the AfCFTA is welcome and removes a major disincentive to use the dispute settlement mechanism. But, given that the AfCFTA replicates the WTO procedures and allows only for state-to-state disputes, and that African states don't typically initiate disputes against each other, there is a real danger that no cases will be brought under the AfCFTA Agreement.

With regard to other tools, such as scorecards and reviews, the number of countries involved in the AfCFTA and their participation in other RECs suggest that AfCFTA commitments should be incorporated into existing processes. The WTO Trade Policy Review would seem a particularly appropriate mechanism for this purpose. Nevertheless, the AfCFTA Secretariat should be equipped with the tools to carry out specific investigative missions, at its own discretion, to assess issues that are either not included within existing activities at the regional level, or which are of an urgent nature.

### **About the author**

Dr. Nick Charalambides is a senior trade and regional integration expert, with over two decades of working experience in trade policy development, trade negotiations, and technical assistance on regional integration. He holds an LL.M. in International Business Law and Doctorate in Economics from Oxford University.







# Breaking down non-tariff barriers

Non-tariff barriers will make or break the African Continental Free Trade Area (AfCFTA). On the ground, barriers like cumbersome customs procedures and roadblocks are what really matter to traders. These are now being tackled with a groundbreaking online tool at [tradebarriers.africa](https://tradebarriers.africa).

By Christian Knebel

## The *real* barriers to trade in Africa

Zambian traders bringing molasses into Botswana on the Kazungula Ferry were desperate when border officials asked them for a fumigation certificate. The Zambians were sure this wasn't required. But the officials denied entry. This meant the traders had to pay local storage charges and lost a good business opportunity.

Achieving the stated aim of the AfCFTA, "to create one African market", will

require eliminating such non-tariff barriers (NTBs). NTBs are restrictive regulations and procedures, other than tariffs, that add to the difficulty and cost of importing or exporting products. NTBs run the gamut from procedural delays at borders to highly technical product safety requirements.

The United Nations Conference on Trade and Development (UNCTAD) estimates that NTBs are at least three times more restrictive than regular customs

duties. An UNCTAD report suggests that African countries could gain US\$ 20 billion in GDP growth by tackling such barriers at the continental level.

African nations also recognise the significance of NTBs, and have adopted an Annex to the AfCFTA Agreement specifically dedicated to eliminating NTBs. The 'NTB Annex' mandates the establishment of a mechanism for the identification, categorisation and elimination of NTBs.

## A groundbreaking online mechanism

The African Union has collaborated with UNCTAD to develop and implement this mechanism. Since 13 January 2020, anyone can report an NTB to intra-African trade through the AfCFTA NTB Reporting, Monitoring and Eliminating Mechanism found online at [tradebarriers.africa](http://tradebarriers.africa). The simple and user-friendly website allows traders to report NTBs they encounter when trading within Africa. Governments are then obliged to respond and eliminate the barriers.

Instead of reinventing the wheel, the continental mechanism builds on the success of the Tripartite NTB monitoring mechanism in Eastern and Southern Africa and a similar private sector initiative by Borderless Alliance in West Africa. These have already resolved 634 and 237 NTBs in their respective regions. The AfCFTA NTB online mechanism is fully compatible with these systems. It connects, improves and expands them to the entire continent.

## Private sector reports

The key feature of the mechanism is that it is open to the private sector. Anyone can register and report an NTB they encounter – anywhere on the African continent. The online tool can

be used by micro, small and medium-sized companies, informal traders, and youth and women business operators. It enhances transparency and gives equal voice to all stakeholders, small or large. After a 1-minute online registration process, a user can log in and submit an NTB complaint. The reporting form is simple: Where are you from? Where did you experience the barrier? What are the details of the NTB? What products are you trading? Can you upload any documentation or pictures to support your case? Then click 'submit'. The complaint is then instantly sent to the concerned governments and the AfCFTA Secretariat.

## Government response

To resolve NTBs, governments have appointed national NTB focal points. These are officials trained in the use of the online tool. They receive NTB complaints in real time and are mandated under the AfCFTA to resolve the barriers reported within set deadlines. Communication and exchange of relevant documents is facilitated through the online tool. The user interface is extremely intuitive. Anyone who can use Facebook can operate the system, even without reading the manual. Email alerts are sent to the focal points when a new

complaint is registered or if a government submits a comment on an ongoing case.

## Language (non-tariff) barriers?

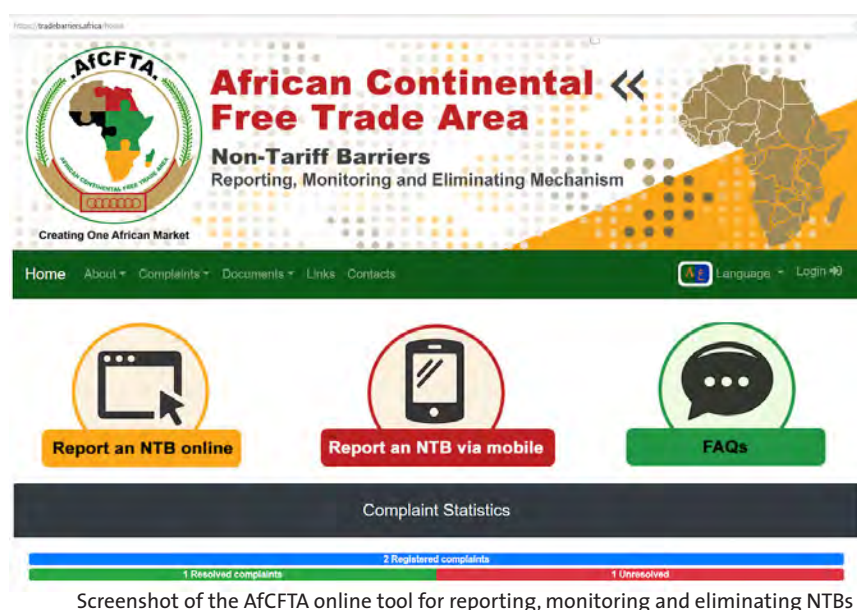
Africans speak more than 1,000 languages. Linguistic challenges are therefore inevitable in any cross-continent information system. For example, a Swahili-speaking truck driver from Tanzania may want to lodge a complaint about the number of import documents required when delivering cotton fabric to Mozambique. That complaint would then need to be sent to Portuguese-speaking Mozambican officials, raising a possible language barrier.

The NTB online tool mitigates potential language difficulties with a plug-in that automatically translates complaints from English, French, Arabic, Portuguese, Swahili and 12 other African languages into the official language of the receiving country.

## More than goodwill

While the goodwill of governments is an essential ingredient for successful elimination of NTBs, the AfCFTA mechanism is built on stronger foundations. Annex 5 of the AfCFTA Protocol on Trade in Goods establishes institutions and mandatory procedures to ensure NTB complaints are dealt with adequately and in good time. Besides the national focal points and public-private National Monitoring Committees, a dedicated NTB Coordination Unit will be created in the newly established AfCFTA Secretariat in Accra, Ghana. The unit will monitor barriers and progress towards their resolution. Furthermore, an NTB sub-committee of all State Parties will meet regularly to assess progress and challenges.

Appendix 2 of the NTB Annex outlines mandatory processes and deadlines. For example, an initial response to an NTB complaint must be given within 20 days.







AfCFTA national focal points for NTBs at a training workshop in Nairobi, 9-12 December 2019  
Photo: supplied by author

If no resolution is found after 60 days, the parties can request appointment of an independent facilitator. Should resolution still prove difficult, parties can take the issue to dispute settlement.

While these deadlines and procedures are crucial, they could still be daunting for small traders in need of a quick solution to a problem on the ground. The good news is that experience in the Tripartite region shows that many NTBs are resolved quickly, because the imposing country never had protectionist intentions. This suggests that traders will receive swift assistance. Nonetheless, mandatory procedures are in place to deal with tricky cases.

### **By Africans for Africans**

A major boon for the NTB mechanism is the buy-in and ownership it enjoys on the African continent. The idea for the tool came from within Africa. It was negotiated by Africans, and its implementation is driven by Africans. Development of the website and tool was overseen by all African countries in the context of the formal AfCFTA negotiating structures. The concept and website were scrutinised a dozen times during the negotiations by officials at different levels of the hierarchy - from technical experts to chief negotiators,

senior trade officials and ministers. Finally, it was adopted and launched by more than 30 Heads of State at the Extraordinary Summit of the African Union in Niamey on 7 July 2019.

## **Strong political will and substantive involvement of African governments at all levels of the negotiation process are the basis for the sustainability of the NTB mechanism**

Its importance is also reflected in the staffing numbers agreed for the prospective AfCFTA Secretariat, as the NTB coordination unit will be larger than units for most other subjects.

African Union member states have insisted on a strategy that is independent of donor funding. While some seed money for the NTB

mechanism did come from donors, the African Union and its member states are already providing most of the necessary financial and human resources themselves. In the same spirit, UNCTAD's support programme to the AfCFTA NTB mechanism, financed by the German government, spends 100% of the funds it provides in Africa and on Africans. All capacity built in the process will be on the continent.

### **Roadblocks ahead?**

Arguably, governments have driven the development of the NTB mechanism thus far. Now is the time to raise private sector awareness of the tool. Fortunately, initial signs point to rapidly growing enthusiasm within the private sector. For example, West African chambers of commerce asked for a presentation on the NTB mechanism to be given at their meeting in Kaolack, Senegal, in February 2020. They reacted with excitement to the presentation and indicated their commitment to spread the news to their members.

Going forward, a big challenge will be to raise awareness among the less connected, small and informal traders in border communities. For this, each country will need to step up its own domestic efforts.

**The private sector will also need to see positive results early on, with NTBs resolved quickly. If no solution is found for the first reported cases, the credibility of the whole mechanism will be at risk**

Inclusiveness was a high priority during the AfCFTA negotiations on the NTB mechanism. Lack of internet connectivity at smaller border crossings could be an obstacle for many informal

traders. To assist those without internet access, an offline short-messaging-service (SMS) feature will also be rolled out in the medium term.

While we are only at the start of a long road, all signs indicate we are headed in the right direction. There is good reason for optimism. The AfCFTA NTB mechanism is ahead of the curve globally. It is an innovation the world will want to watch closely to see what it can learn from Africa and the AfCFTA.

#### About the author

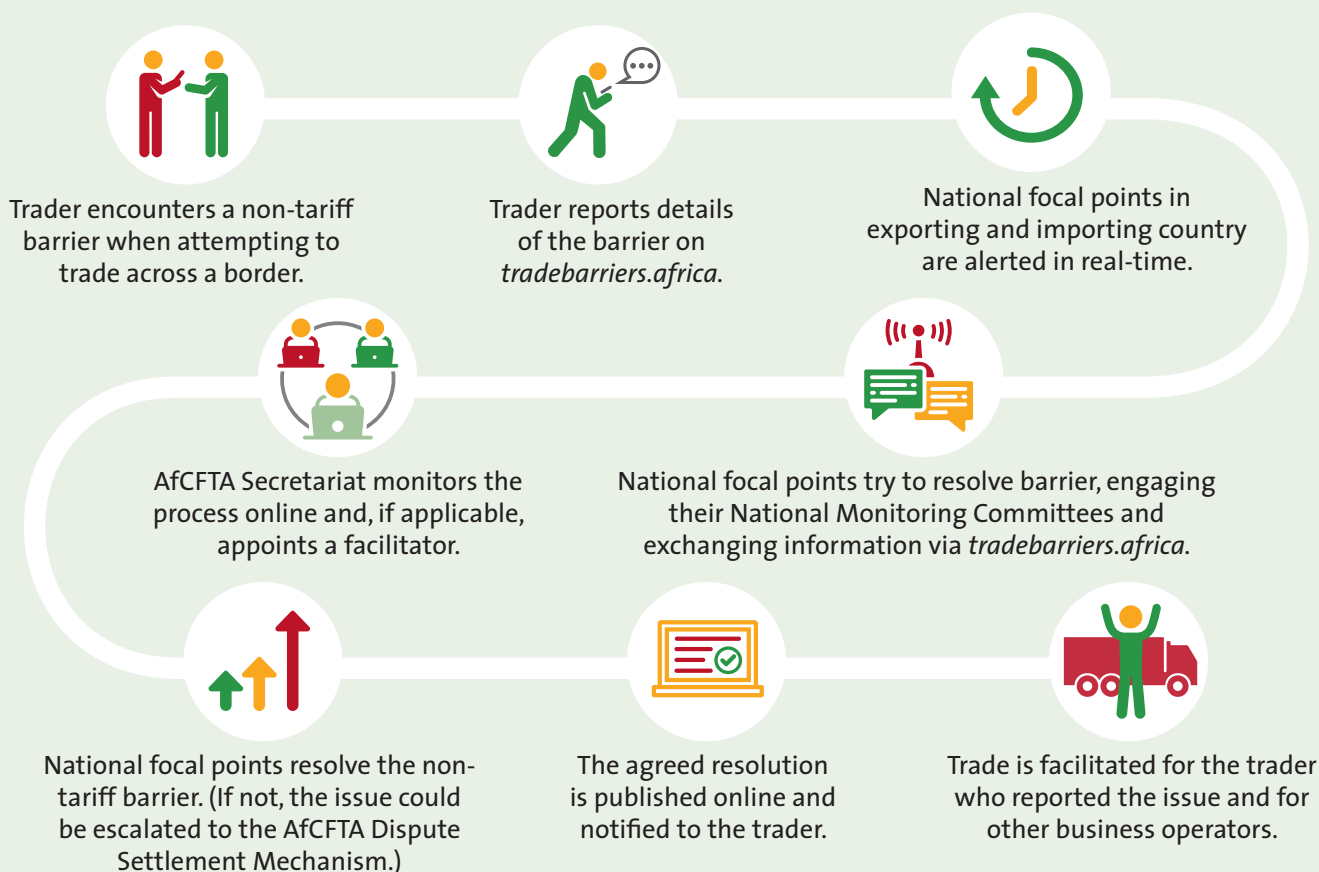
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*The views expressed in this article are those of the author and do not necessarily reflect those of the United Nations.*

## AfCFTA NON-TARIFF BARRIERS MECHANISM IN ACTION

*ecdpm*



Graphic design: Yaseena Chiu van 't Hoff





# ECOWAS and the role of the RECs in AfCFTA implementation

Africa's RECs are meant to be the building blocks for the AfCFTA. ECOWAS and the other RECs will therefore have a key role to play in supporting the finalisation and implementation of the AfCFTA Agreement.

By Amanda Bisong

## The RECs as building blocks for the AfCFTA

African countries are establishing the African Continental Free Trade Area (AfCFTA), the world's largest regional trading arrangement by membership. But the AfCFTA will not replace Africa's existing regional economic communities (RECs). In fact, the AfCFTA Agreement explicitly recognises the RECs as building blocks for the AfCFTA. Furthermore, the agreement envisages that RECs that have already achieved deeper integration – as is the case for the Economic Community of West African States (ECOWAS) – will continue to apply their regional trade regimes for intra-regional trade. Given that the majority of intra-African trade is conducted within RECs, these institutions will continue to play a central role in the African trade landscape. They contribute to the finalisation, implementation and application of the AfCFTA.

## ECOWAS and the AfCFTA negotiations

ECOWAS has played a key role in the AfCFTA process. Though the AfCFTA was negotiated by individual states, the ECOWAS common external tariff (CET) provided the basis for the ECOWAS member states' tariff negotiations under the AfCFTA. Furthermore, the ECOWAS Commission supported its member states during the negotiations and was pivotal in coordinating their positions in the negotiations. In doing so, it was able to build on various technical and capacity building activities aimed at creating a common position for the region on external trade matters.

The ECOWAS Commission also participated in a broad range of regional consultations on the AfCFTA, including with the private sector and civil society organisations. Indeed, ECOWAS mechanisms for engaging the regional private sector have helped consolidate

the interests of private sector actors and facilitate the development of 'regional positions' on the AfCFTA.

Regarding the AfCFTA services negotiations, the ECOWAS Commission will continue to support its member states. Here the Commission can draw on the regional services policy review it conducted, which highlighted areas of common interest and priority services sectors in the ECOWAS region.

### Supporting AfCFTA implementation

Beyond the negotiations, ECOWAS will play an important role in the implementation of the AfCFTA Agreement. For this, the Commission can use its existing instruments and mechanisms, such as the Task Force on the Free Movement of Persons and Goods. ECOWAS initiatives relating to infrastructure projects and customs reforms will be instrumental in facilitating the free movement of goods within the AfCFTA. Key among these will be finalising the dual-carriage highways along the Abidjan-Lagos corridor and removing obstacles to trade along this route by implementing reporting mechanisms.

The ECOWAS Commission, moreover, can support its member states in harmonising customs practices through its regional revised customs code. It can also promote the use of its non-tariff barrier (NTB) reporting mechanism and related institutional structures that are part of the ECOWAS free trade area. In particular, the Commission can support introduction of the AfCFTA NTB reporting mechanism by ensuring that it is aligned with West Africa's existing NTB reporting mechanism and institutional structures.

Thus, it is expected that while the AfCFTA provides the overarching framework for trade between African states, regional organisations like ECOWAS will provide many of the key structures and institutions to support intra-African trade. They will also remain relevant in their roles beyond trade and economic integration, including on governance, mobility, health and other themes.

The experience gained by ECOWAS member states during the adjustment period for implementation of the ECOWAS CET has provided them with an indication of the expected effects of trade liberalisation under the AfCFTA. West African trade associations at the regional and national levels like the Fédération des Associations des Industriels de l'Afrique de l'Ouest (FAIAO) and the Manufacturers Association of Nigeria are reassured by the fact that ECOWAS has various regional trade defence mechanisms that it can use to protect regional businesses. The ECOWAS Commission is instrumental in this process, as the notifications for activating these measures are deposited with the Commission.

### Building national capacity

ECOWAS will play a key role in supporting training and development of national customs administrations to enforce AfCFTA rules. Given that the AfCFTA will introduce continental

rules of origin which will need to coexist with ECOWAS's own rules of origin, efficient border control measures will need to be implemented to avoid trade deflection. This is important for ECOWAS member states, as full implementation of the ECOWAS customs union and uniform application of the ECOWAS CET have not yet been achieved. The ECOWAS Commission can provide national customs administrations with relevant training on how to implement these two sets of rules of origin to facilitate efficient customs clearance procedures at borders.

## The AfCFTA will undoubtedly create winners and losers, both within states and between them

### Mediating disagreements

RECs are important for the successful implementation of the AfCFTA Agreement not only because of their ability to coordinate negotiating positions and provide support to member states for implementation, but also because they can mediate disagreements between member states. Although the ECOWAS Commission and ECOWAS member states have experience in implementing free trade agreements, several member states, motivated by various domestic interests, have not fully implemented the agreements they have signed. Some have adopted regulations and procedures that undermine regional commitments. A recent example is Nigeria's decision to close its borders with Niger and Benin.

The ECOWAS Commission plays an important role in negotiating solutions to such trade-restrictive practices, especially in the interest of countries with smaller populations and those that are landlocked and dependent on the ports of neighbours. The Commission responds to trade-restrictive practices of members by highlighting the economic benefits of cooperation, by facilitating processes to support establishment of regional value chains that benefit multiple states and by motivating high-level political engagement to address trade barriers.

The AfCFTA will undoubtedly create winners and losers, both within states and between them. ECOWAS and other RECs will play a crucial role in mediating disagreements created or exacerbated by the AfCFTA, ensuring that such disagreements do not impede AfCFTA implementation and application.

### About the author

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# A call for a developmental regionalism approach to the AfCFTA

African states should adopt a 'developmental regionalism' approach to trade integration under the African Continental Free Trade Area (AfCFTA), to ensure that it promotes inclusive economic growth and development, and benefits all African countries.

By Faizel Ismail

## An important step for African unity

The African Continental Free Trade Area (AfCFTA) was launched on 21 March 2018 at the Summit of the African Union (AU) in Kigali. On that occasion, Rwandan President Paul Kagame declared the AfCFTA as 'historic'. Seen through the long lens of history, this was indeed a historic event. The AfCFTA is the most ambitious expression yet of the dream and vision of Pan-African leaders such as Kwame Nkrumah, Jomo Kenyatta and others who began the long journey towards African unity and integration

after de-colonisation and independence of African states in the late 1950s.

Studies by the International Monetary Fund (IMF), the United Nations Economic Commission for Africa (UNECA) and others state that the AfCFTA has the potential to increase growth, raise welfare and stimulate industrial development on the African continent. However, there are also concerns. Some countries, particularly the smaller and more vulnerable African states, may experience fiscal revenue losses and

other negative impacts from premature liberalisation.

This is an opportune moment for African policymakers to ask two pertinent questions: How can the AfCFTA advance inclusive growth and economic development of the African continent? And how can the AfCFTA benefit *all* African countries? These objectives can be achieved if African states adopt a 'developmental regionalism' approach to trade integration that includes fair trade, building regional value chains, cross-

border investment in infrastructure and strengthening democratic governance.

### Fair trade

African states vary widely in size and economic development, and some may warrant special attention and specific treatment. In particular, among Africa's 55 states are 34 Least Developed Countries (LDCs), 16 Landlocked LDCs (LLDCs) and six Small Island Developing States (SIDS). Building trade agreements in favour of small and less developed economies will assist in contributing to fairer outcomes of the AfCFTA. African governments should ensure that their stakeholders – businesses (both big and small), trade unions and civil society organisations – are included in the national consultation process. They also need to provide their negotiators with clear mandates for the negotiations, and build effective institutions that are inclusive and enable the fullest participation of stakeholders in the negotiations. This will improve both the quality and the sustainability of the AfCFTA Agreement.

### Building regional value chains

African countries are increasingly connected to the global economy through global value chains (GVCs). However, they tend to operate at the lowest rung of the ladder in GVCs, mainly supplying raw materials and other low-value manufactured outputs. Cooperation is needed between Africa's emerging entrepreneurs and industries to build regional value chains and improve the competitiveness of African industries in global markets. Working together they can build regional value chains that will advance transformative industrialisation, help African countries obtain a fairer share of the value derived from African commodities and labour, and improve the lives of people on the African continent. The AfCFTA must facilitate this process.

### Cross-border infrastructure investment

Since most African countries are LDCs,

LLDCs or SIDS, boosting intra-regional trade will require them to cooperate to improve their infrastructure. This includes both *hard infrastructure*, such as ports, roads and railways, and *soft infrastructure*, such as customs procedures at borders, port efficiency and reduction of roadblocks along major transport routes. Progress is being made. Examples of this include the Mombasa-Nairobi Corridor; the Addis to Djibouti road, rail and port connection; and the Abidjan-Lagos Corridor, which handles more than two-thirds of West African trade. Increased investment in these types of cross-border infrastructure projects will increase connectivity and facilitate the inclusion of less developed countries in the benefits of regional integration.

**The APRM is a truly indigenous and locally owned initiative designed by Africans for Africans. This is a remarkable achievement that the AfCFTA must build on**

### Democracy and governance

Most African states have started accepting multi-party systems of governance in the new millennium. Multi-party elections have begun to replace military coups. Most African countries have embraced a culture of constitutionalism, rule of law and human rights. Democratic governance supported by active citizenship will create an environment of transparency, predictability and certainty that encourages both domestic and foreign investment that is so vital for growth and transformative industrialisation. Such a process of inclusive development

is in turn essential for the sustainability of economic integration and democratic governance in Africa.

The African Peer Review Mechanism (APRM) is an instrument that is voluntarily acceded to by AU member states. Countries subject themselves to being examined in governance areas within established guidelines. Several academic writers have observed that the APRM is a truly indigenous and locally owned initiative designed by Africans for Africans. This is a remarkable achievement that the AfCFTA must build on.

### The way forward

These four pillars of developmental regionalism have begun to gain traction across Africa, and are on their way to becoming mutually reinforcing in practice. This approach to regional integration in Africa has great potential to catalyse and accelerate a virtuous circle of regional trade integration, transformative industrialisation, cross-border infrastructure, democracy, inclusivity and good governance across the continent. Policymakers need to make the necessary linkages both conceptually and in practice. The AfCFTA could thus become a landmark in the transition to a new phase in Africa's historic journey towards the dream of the pan-African leaders for a peaceful, prosperous and integrated Africa.

### About the author

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# A 'business unusual' approach for gender equality under the AfCFTA

The AfCFTA can advance gender equality in Africa. But governments, businesses, civil society and development partners need to pursue a 'business unusual' approach to ensure that it does.

By Nadira Bayat

## The AfCFTA and gender equality

To deliver on its transformative potential, the African Continental Free Trade Area (AfCFTA) needs to support the creation of decent jobs, reduce inequalities and promote sustainable, inclusive development. Advancing gender equality is key to achieving these objectives.

Women play a significant role in trade in Africa and will be essential to the continent's success in leveraging the full potential of the AfCFTA. Most entrepreneurs in Africa are women, but women continue to face challenges and obstacles that limit their competitiveness and make their businesses less productive than those owned by men. Women also comprise the vast majority of informal cross-border traders in Africa,



though these female traders are disproportionately affected by non-tariff barriers (NTBs), including corruption, harassment, misinformation about customs procedures and regulations and confiscation of goods.

The AfCFTA Agreement explicitly recognises the importance of gender equality. Article 3(e) specifies that the AfCFTA aims to “promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation”. Likewise, Article 27(d) of the AfCFTA Protocol on Trade in Services makes explicit reference to improving the export capacity of formal and informal service suppliers, with particular attention to micro, small and medium-sized operators and “women and youth service suppliers”.

**Most entrepreneurs in Africa are women, but women continue to face challenges and obstacles that limit their competitiveness and render their businesses less productive than those owned by men**

#### How will the AfCFTA impact women?

Women are not a homogenous group. AfCFTA implementation will affect them differently, depending on characteristics like their education, experience, location and role in the economy. Understanding the gendered impact of intra-African trade liberalisation is therefore critical to ensuring equality of opportunity for women and men under the AfCFTA.

The AfCFTA's impact on African agricultural trade is particularly relevant for women. Agriculture is the backbone of the African economy, and women represent about half the labour force in the sector. The AfCFTA can promote women's economic empowerment by providing them with expanded access to regional food markets and stimulating demand for intra-African food imports. Smallholder female farmers in particular could benefit from opportunities to integrate their activities into regional agricultural value chains and higher value-added agro-processing activities. At the same time, however, female farmers in some African countries may be adversely affected by increased food imports from other AfCFTA member states. The AfCFTA's impact on Africa's industrial and services sectors is also relevant to gender equality. Export-oriented

industrialisation can have significant gender-specific effects. For example, the creation of export processing zones in some African countries has brought women new opportunities in manufacturing, but kept the majority confined to low-paid and unskilled jobs. Similarly, Africa's expanding services sector has brought formal, skill-intensive jobs for some highly educated women, but the majority of women in the sector have remained trapped in poorly paid occupations, including street hawking.

Across all sectors, the AfCFTA will expand opportunities for intra-African trade. In doing so it can promote entrepreneurship and economic opportunities for women-owned SMEs and microenterprises in the formal and informal sector.

#### Benefits won't come automatically

While the AfCFTA will create new opportunities for women's employment and entrepreneurship, it won't automatically benefit women. Indeed, evidence suggests that the pervasive gender gap in access to finance, productive resources and assets, will limit the ability of women to seize opportunities created by the AfCFTA in agriculture. Research by the United Nations Conference on Trade and Development (UNCTAD) suggests that female farmers need improved access to productive resources, training, skills and technology, and greater know-how in order to overcome market access barriers such as phytosanitary standards, technical barriers to trade and product regulations, and to benefit from expanded markets and related opportunities.



Merhawit is an electrician working at a 200-acre condominium development, Addis Abeba, Ethiopia. Photo: World Bank Flickr



In the industrial sector, greater efforts need to be made to provide women with access to technical education and on-the-job training. In the services sector, too, women need access to information and communication technologies (ICTs), business networks, technical knowledge and skills to enable them to land higher-skilled services jobs. Targeted entrepreneurship training, for example, has been identified as one way to help women entrepreneurs grasp the opportunities that open markets create.

African countries can help ensure that women benefit from the opportunities created by the AfCFTA by adopting a gender-sensitive approach to implementation of AfCFTA provisions that directly affect women. These include provisions on customs cooperation and mutual administrative assistance, trade facilitation, NTBs, technical barriers to trade and sanitary and phytosanitary measures. Such an approach can help remove procedural obstacles and tackle the gender-specific barriers confronting women.

The introduction of a continent-wide Simplified Trade Regime (STR) that is sensitive to the needs of small-scale female traders, can help bring such traders into the formal trading system and support their participation in new trade and business opportunities created by the AfCFTA. Likewise, targeted policy interventions that address gender-specific impediments could further improve the productivity and competitiveness of female-owned enterprises, allowing them to grow and to exploit opportunities created by the AfCFTA.

## **Gender mainstreaming can help policymakers gain a better understanding of the economic activities and subsectors in which women are concentrated**

### **Gender mainstreaming in national AfCFTA strategies**

Given the importance of gender-sensitive implementation, gender mainstreaming represents a key strategy for promoting gender equality through the AfCFTA. In 2019, the United Nations Economic Commission for Africa (ECA) supported 15 African countries to develop national AfCFTA implementation strategies. Gender mainstreaming was central in the design of these strategies. This process entailed understanding how

women contribute to and participate in trade, particularly in the priority economic sectors of agriculture, manufacturing and services – as sectors expected to gain new trade opportunities through the AfCFTA. It also involved examining gender-specific constraints that confront female workers, producers, entrepreneurs and traders, and identifying new trade and economic opportunities to catalyse women's employment and entrepreneurship.

The main components of the approach are considering the factors that may block women's access to economic opportunities in priority sectors, and analysing gender differences in access to productive inputs (particularly finance). Gender mainstreaming can also be used to identify non-traditional sectors and products with high export potential, as well as regional value chains that could have positive socio-economic impact, specifically in creating decent jobs for women.

Informed by relevant information and statistics on gender and trade, findings from the gender mainstreaming in the national AfCFTA strategies are guiding the wider development of gender-responsive policies and context-specific interventions to advance the full, equal and meaningful participation of women in the AfCFTA.

### **A 'business unusual' approach for gender equality within the AfCFTA**

The countries that have developed national AfCFTA strategies now need to implement them. In doing so, all stakeholders – including African governments, the private sector, civil society and development partners – need to collaborate on a 'business unusual' approach to support the equal participation of women. Such an approach requires the mobilisation of financial resources – from AfCFTA member states and from external partners supporting the AfCFTA – for capacity building, skills development and the collection of gender-disaggregated data, among other interventions. In this way, AfCFTA implementation can promote the objective of gender equality and contribute to sustainable, inclusive human development. All stakeholders have responsibilities in this regard.

*African governments* have a key role to play. In particular they should:

- Prioritise the appointment of national focal points to advance the implementation of the AfCFTA non-tariff barriers online mechanism.
- Establish a continental simplified trade regime that brings informal cross-border traders into the formal

trading system and supports their participation in new trade opportunities created by the AfCFTA.

- Design and implement gender-responsive policies and complementary measures that address pervasive gender gaps and advance women's participation in the agricultural sector, as well as policies that encourage employers to hire more women and to empower them with ICTs, technical skills and on-the-job training to access higher-skilled manufacturing and services jobs.
- Integrate a gender dimension in the AfCFTA negotiations on trade in services.
- Implement a trade facilitation agenda to improve safety and reduce the time and cost involved in trading, particularly for small-scale female traders; this agenda should also incorporate gender-sensitive training for customs officials on their obligations in line with the AfCFTA Agreement.
- Provide women with targeted skills development and training in local content and rules of origin requirements, sanitary and phytosanitary measures, and other technical requirements to meet AfCFTA trade standards.
- Collect gender statistics and conduct analysis to inform gender-responsive policies.
- Involve civil society, including organisations representing female traders and women's business associations, in national AfCFTA committees.
- Provide gender training for trade negotiators, to create a stronger understanding among technical officials of the links between trade and gender.

*Investors and other private sector actors* also have a role to play by:

- Advocating for and investing in women's employment, entrepreneurship and economic empowerment, including through public-private partnership schemes.
- Supporting mentorship, networks, information-sharing and on-the-job training, re-training, technical education and skills development for women in sector-specific activities.
- Increasing the access of women-owned businesses to corporate supply chains.
- Improving women's access to finance through a range of innovative financing instruments ranging from microloans to venture capital.

*Civil society*, meanwhile, needs to:

- Lead proactive awareness and advocacy campaigns on the AfCFTA to articulate the priority needs and

concerns of women and to help women identify and exploit new opportunities under the AfCFTA.

- Monitor and assess the progress of AfCFTA implementation, to ensure that implementation reflects the needs and priorities of vulnerable groups in general, and of women in particular.

Finally, the next step for *development partners* will be to use outcomes from the gender mainstreaming in the national AfCFTA strategies to design targeted programmes that support women's economic empowerment and ensure women's participation in and benefit from the AfCFTA. These programmes should incorporate and expand on relevant research, trade and market intelligence, sectoral and regional value chain analyses, capacity building and training.

### About the author

Nadira Bayat is a gender and trade consultant with the African Trade Policy Centre (ATPC)–United Nations Economic Commission for Africa (UNECA). She was previously programme director at Global Economic Governance (GEG) Africa — a policy research and stakeholder engagement programme, focusing on sustainable development priorities in Africa.





A wide-angle photograph of the Luanda skyline in Angola, featuring a mix of modern high-rise buildings and older structures, situated along a waterfront with a large body of water in the foreground. The sky is filled with soft, white clouds.

# Trade insurance can provide some assurance of AfCFTA success

High levels of political and economic risk make exporting to other African markets a risky proposition for many African firms, particularly small ones, but greater provision of affordable trade insurance can help mitigate these risks and encourage African firms to engage in intra-African trade under the AfCFTA.

By **Anesu Gamanya**

## Political and economic risk

Now that the fanfare has died down, the signatories to the African Continental Free Trade Area (AfCFTA) Agreement are rolling up their sleeves to implement what will become the world's largest regional trade community. The AfCFTA aims to facilitate intra-African trade by removing tariffs and addressing the various non-tariff barriers that have long hindered trade between African countries. However, another significant obstacle to intra-African trade remains: the high level of political and economic risk on the African continent.

Such risk is not unique to Africa, as Brexit and the recent trade dispute between China and the United States demonstrate. However, Africa is host to a high proportion of 'unstable' countries (Figure 1). A significant number of African countries face civil unrest, ranging from armed conflict to election violence. Growing government debt is another big risk factor in Africa.

The unpredictable nature of political and economic risk and the fact that such risk is beyond the control of the business

community creates uncertainty, which reduces the willingness of African businesses to trade with businesses and customers in other (risky) African markets. And by reducing African firms' willingness to trade with other African markets, political and economic risks can significantly undermine intra-African trade under the AfCFTA.

### **Trade insurance as a short-term solution**

In the long term, major reforms and institutional strengthening are needed to address political and economic risks and create a stable environment that fosters intra-African trade. These, however, will take time. In the short to medium term, trade credit insurance (also known as export credit insurance) offers a financial instrument to help African businesses export to high risk markets within Africa and benefit from opportunities created by the AfCFTA.

## **Another significant obstacle to intra-African trade remains: the high level of political and economic risk on the African continent.**

Trade credit insurance is an insurance policy and risk management product typically offered by private insurance companies and national export credit agencies (ECAs) to exporters wishing to protect themselves from the risk of delayed payment or non-payment by customers buying on credit. In the case of international trade, non-payment can often result from political risks such as currency inconvertibility, political violence and expropriation of assets.

Trade credit insurance is therefore important for cross border transactions involving countries with high political and economic risk, like in Africa, where it can be difficult for businesses to recoup losses incurred from non-payment. Such losses can be particularly devastating for small and medium-sized enterprises (SMEs), which are less able to absorb the impact of non-payment.

### **The trade insurance market in Africa**

In Africa, trade insurance is offered by private insurers, both local and international, as well as by national ECAs. In addition, the African Trade Insurance Agency (ATI) and the African Export-Import Bank (Afreximbank) provide trade insurance products across the continent, largely through financial intermediaries such as commercial banks. However,

despite these providers, there is still a large gap in the provision of trade insurance in Africa.

Larger institutions such as ATI and Afreximbank tend to offer trade insurance products to or through sovereign entities, financial institutions and large businesses. Private insurers, on the other hand, avoid taking on high-risk trade transactions or high-risk clients such as SMEs because, unlike ECAs, they are not backed by governments. National ECAs are meant to fill this supply gap, but they often have limited financial resources for underwriting insurance products. As a result, African firms, particularly African SMEs, seldom obtain trade insurance. In South Africa, for example, where the trade insurance market is relatively mature, only about 4,500 out of 150,000 businesses that could potentially use trade insurance actually obtained it.

### **Partnering to address the trade insurance gap**

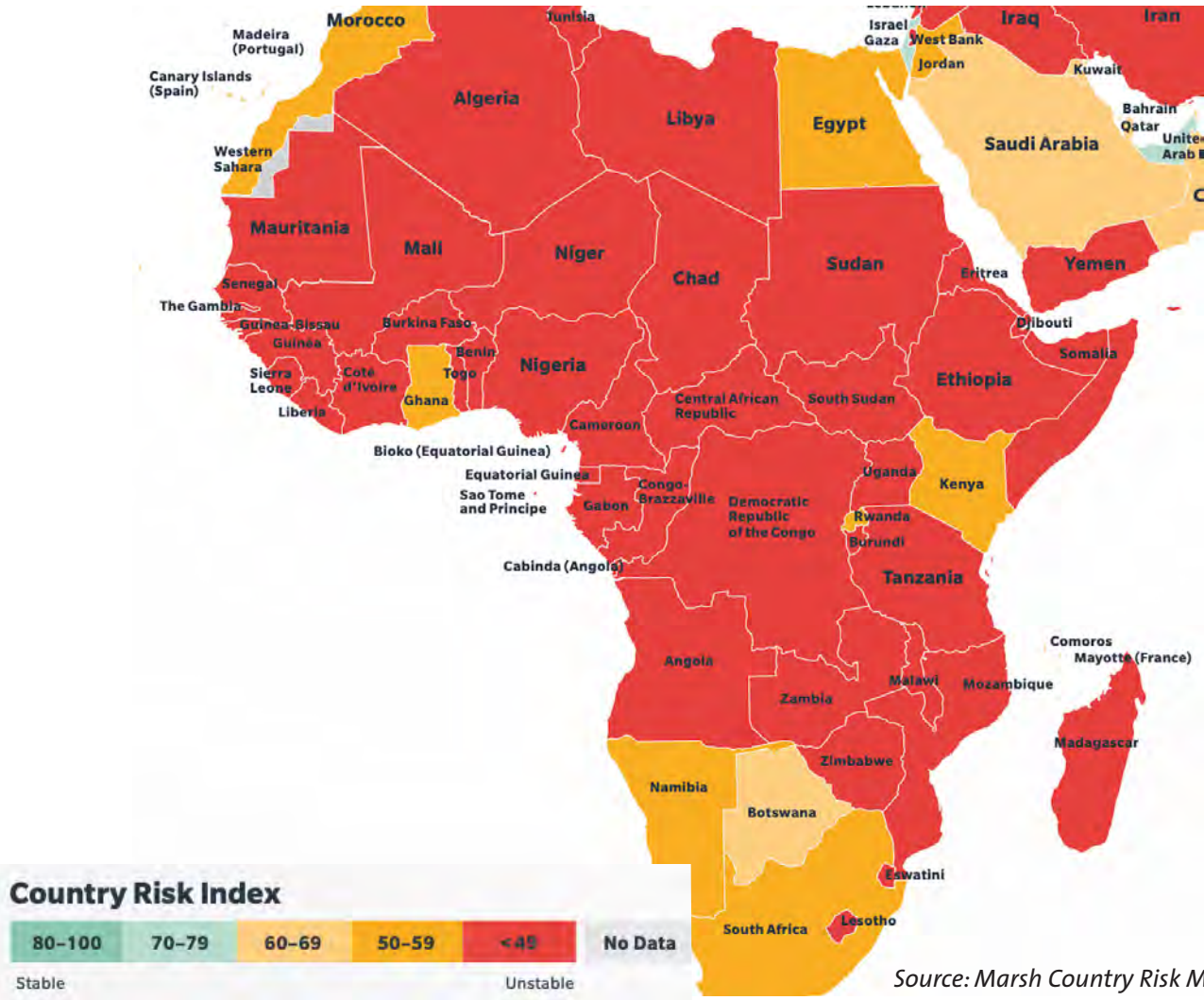
Filling the gap in the provision of trade insurance in Africa can help African businesses, especially African SMEs, seize opportunities for expanded intra-African trade. But closing this gap will require mobilisation of significant financial resources and capacity. Implementation of the AfCFTA will likely increase demand for trade insurance, as African businesses look to enter new markets. This provides an opportunity for ATI, Afreximbank, development finance institutions, national ECAs, private insurance providers and other relevant actors to explore innovative public-private partnerships that can help boost the supply and availability of trade credit insurance in Africa. These institutions can bring their unique and complementary resources and expertise to such partnerships.

## **Less risk will encourage national ECAs and private insurance providers to take on the riskier trade transactions usually associated with SMEs.**

Regional and continental institutions, such as ATI and Afreximbank, bring financial clout and creditworthiness. These institutions have significant financial resources and, given their creditworthiness, can mobilise more from international sources. National ECAs can help to identify potential exporting firms in their respective countries, while private insurers can bring their industry expertise. Partnerships between these actors can mitigate the risk that each of the



Figure 1: Risk index map of Africa, 2020



institutions would have to underwrite on their own. Less risk will encourage national ECAs and private insurance providers to take on the riskier trade transactions usually associated with SMEs.

The South Africa – Africa Trade and Investment Promotion Programme (SATIPP) provides an example of such a partnership. This programme is a partnership of Afreximbank with the Export Credit Insurance Corporation (ECIC) of South Africa to facilitate the expansion of South Africa’s trade and investment with the rest of Africa. Part of the programme supports activities of South African SMEs in regional supply chains by offering credit facilities and other risk mitigation instruments.

By facilitating the supply of more affordable and accessible trade insurance to African businesses, particularly SMEs,

partnerships such as SATIPP can give businesses the confidence to take advantage of the opportunities created by the AfCFTA. That could help boost intra-African trade and achieve the objectives of the AfCFTA.

About the author

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# ECDPM BLOGS



## Will European public opinion on international cooperation change in the face of COVID-19?

*Katja Sergejeff, ECDPM blog, 23 March 2020*

European public opinion seems to react quickly to perceived crises of the day, but past opinion polls show that support to international cooperation remains stable even in times of crises. Will this change in the face of the unprecedented COVID-19 crisis, which has raised questions of the effectiveness of our global governance?



## Turning the tables: African and European narratives in the time of Corona

*Lidet Tadesse Shiferaw and Virginia Mucchi, ECDPM blog, 23 March 2020*

Most of Europe is in lockdown, trying to cope with the huge implications of the battle against the novel coronavirus. Africans are following what is happening on the other side of the Mediterranean with relief that Africa is not currently the epicentre of the crisis, but also with a troubled gaze.



## The EU and Africa: Should, would, could... but how?

*Bruce Byiers, ECDPM blog, 16 March 2020*

An EU communication is always a strange beast. It tries to lay down new directions while building on existing commitments and instruments; to set a united, common agenda that complements but doesn't overlap (and undermine) those of its member states; to prioritise but also cover all the main topics of the day, not to mention the key objectives of all its Directorates-General; and to set the tone but without being too ambitious lest some members feel left behind.



## The African Union's search for homegrown solutions

*Philomena Apiko, ECDPM blog, 24 February 2020*

With the sixth AU-EU summit taking place this year, and with European Union (EU) leaders busy discussing how their budget should be spent over the next period, the AU had its own summit a fortnight ago. African heads of state and government gathered on 9-10 February for the 33rd AU summit under the theme 'silencing the guns: creating conducive conditions for Africa's development'.



# Latest ECDPM publications



## Mapping private sector engagement along the migration cycle

*Amanda Bisong and Anna Knoll, ECDPM report, March 2020*

The private sector plays an important role in achieving development outcomes and its engagement can help strengthen the link between displacement, migration and sustainable development, according to the OECD. International development agendas acknowledge this private sector role and advocate for joint solutions that involve the private sector in development – a sector traditionally dominated by public service actors.



## Beyond good intentions: The new EU-Africa partnership

*Alfonso Medinilla and Chloe Teevan, ECDPM paper, March 2020*

The EU and Africa are each trying to find their place in an unstable world. This paper argues that the needs and expectations on both sides call for a new and more interest-driven partnership between the EU and Africa, one that does not brush over contention, but recognises diverging views and priorities, negotiates concrete solutions that work for both sides, and lays the foundations of a real political alliance in global affairs.



## The global institutional landscape of food and agriculture: How to achieve SDG 2

*Francesco Rampa, Koen Dekeyser, Robyn Alders and Osman Dar, ECDPM paper, Dec. 2019*

The world is not on track to meet Sustainable Development Goal (SDG) 2. Hunger has risen for the fourth year in a row, fuelled particularly by growing food insecurity in Sub-Saharan Africa. Achieving SDG 2 requires urgent action at country level, but also a more effective food and agriculture global institutional landscape. This paper describes this landscape and its challenges and looks at ongoing reform efforts and their shortcomings.



## Sewing the pieces together: Towards an EU strategy for fair and sustainable textiles

*Nadia Ashraf and Jeske van Seters, ECDPM paper, December 2019*

Workers' rights violations in the textiles industry have received more attention since the catastrophic fall of the Rana Plaza in Bangladesh. More recently, there is also growing recognition of the serious environmental impacts associated with textile value chains. The EU has put in place policies to address these sustainability challenges, but these policies are limited, scattered, and varying in relevance to textile value chains. This report presents insights for an integrated EU strategy in support of sustainable textile supply chains, and it can inform specific policy processes.

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