



AfCFTA-Regional Stakeholder analysis

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Introduction

- **Progress** since the Agreement signed, March 2018
- 5 years since came into force May 2019 - **review** time
 - *from negotiation to **implementation***
- Motivation: Qs about **roles and responsibilities** between:
 - AfCFTA Sec, AUC, RECs, Non-AU recognised ROs, (Private sector?)
- Objective: **review, discuss & analyse** AfCFTA-regional relations...
 - on paper
 - in practice
 - implications

Starting point: 'The RECs are the building blocs of the AfCFTA'

2. AfCFTA-regional relations *on paper*

The AfCFTA Agreement

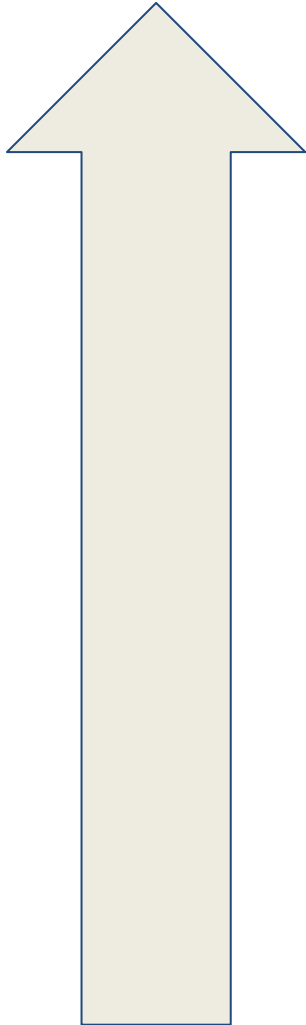
- **Article 5:** The AfCFTA shall be governed by the following *principles*:
 - a) driven by **Member States** of the African Union;
 - b): **REC's Free Trade Areas as building blocs** for the AfCFTA”;
 - f) “preservation of the **acquis**” and
 - l) “**best practices** in the RECs, in the State Parties and International Conventions binding the African union”
- **Article 19(2):** “*state parties that are members of other RECs, regional trading arrangements, and customs unions, which have attained among themselves **higher levels of regional integration** than under this Agreement, shall maintain such higher levels among themselves*”
- **Leading to:**
 - ‘The RECs are the building blocs of the AfCFTA’
 - ...but with ambiguities... and practical implications

‘REC FTAs as building blocs’...

AfCFTA Condition	Includes	Excludes
Art. 5b RECs with an FTA in place	EAC, ECCAS, ECOWAS, COMESA, SADC	AMU, IGAD and CEN-SAD
Art. 19(2) Higher level of integration (customs union)	EAC, ECOWAS	ECCAS, COMESA, SADC
Art. 19(2) Other regional trading arrangements	SACU, CEMAC	UEMOA, Mano River Union, Indian Ocean Commission, among others

BUT, other **protocols and annexes** introduce further nuance & ambiguity

7 AfCFTA-regional relation levels



1. **Unification** - unite or subsume regional regimes into one continental framework
2. **Harmonisation** - regional arrangements to remain but align with a continental norm or standard
3. **Complementarity** - continental arrangements complement existing regional ones, between regions
4. **Subsidiarity** - raise problems to the continental level if not addressed at the regional level
5. **Coordination** - regional and AfCFTA-derived bodies shall coexist but coordinate
6. **Cooperation** - where regional bodies will remain but cooperate towards AfCFTA objectives
7. **Peer-learning** - learn from and build on best practices

Text	Level	Relevant Articles
AfCFTA Agreement	1. Unification	-Art. 3(h) resolve the challenges of multiple and overlapping memberships
	3. Complementarity	-Preamble RECs as building blocs -Article 19(2) RECs that have attained among themselves higher levels of regional integration -Article 5(b) RECs as building blocs
	6. Cooperation	-Article 12(5) RECs represented in the Committee of Senior Trade Officials, in advisory capacity
	7. Peer-learning	-Article 3(c) contribute to movement of capital & natural persons building on initiatives of state parties and RECs -Article 5(l) best practices of RECs
Protocol on Trade in Goods	3. Complementarity	-Article 8(2) RECs, which have attained among themselves higher levels of elimination of customs duties and trade barriers, shall maintain these
	5. Coordination	Article 29(1) Secretariat, MS & RECS coordinate and provide tech assistance, capacity building
- NTBs (Annex 5)	4. Subsidiarity	-Article 12(3) resolve NTBs raised at intra-REC using REC mechanisms -Article 12(4) AfCFTA mechanism to address NTBs that have not been resolved at REC level, are inter-REC in nature, or are arising from State Parties that are not members of any REC.
	5. Coordination	-Article 7 NTB Coordination Unit, working with inter alia RECs to coordinate the elimination of NTBs -Article 10(2)
- TBTs (Annex 6)	6. Cooperation	Cooperation-Article 5 cooperate in development of standards, tech regulations capacity building etc -Article 10(3)(b) contribute to the formulation of and participation in the African and RECs Metrology organisations programmes
- SPS (Annex 7)	2. Harmonisation	-Article 8(1) cooperate in the development and harmonisation of SPS measures based on international standards, guidelines and recommendations taking into account the harmonisation of SPS at the regional level.
	6. Cooperation	Article 14(1) cooperate in implementation incl on tech assistance -Article 14(2) collaborate with regional and international SPS bodies
- Trade Remedies (Annex 9)	3. Complementarity	-Article 12(2) the relevant provisions of RECs relating to trade remedies may apply, where applicable
Protocol on Trade in Services	5. Coordination	-Article 27(3) Secretariat, MS & RECS coordinate the provision of technical assistance
	7. Peer-learning	-Preamble: build on achievements in services liberalisation and regulatory harmonisation at the REC level -Article 18(2) best practices and acquies from the RECs
Protocol on Investment	1. Unification	-Article 49(3) MS make best endeavours to review and revise relevant existing regional investment agreements adopted by the RECs to achieve alignment with the Protocol within a period between five (5) to ten (10) years from the entry into force of this Protocol.
	5. Coordination	-Article 6(e) MS coordinating with the PATIA and RECs to undertake investment promotion activities; -Article 43(2) the AfCFTA Secretariat working with the PATIA, MS, RECs and partners to coordinate the provision of technical assistance and capacity building.

Text	Level	Relevant Articles
Protocol on Competition	3. Complementarity	-Article 20(1) Competition Authorities of (RECs) maintain their jurisdiction as building blocks for an integrated competition regime in Africa -Article 20(2) The Council of Ministers to develop future regulations and procedures to address the concurrent jurisdiction
	4. Subsidiarity	-Article 2(g) manage the interrelationships of competition regimes and sectoral regulatory laws at the national, regional, and continental levels.
	5. Coordination	-Article 22(3) Regulation establishing a network of national, regional and continental competition authorities to facilitate cooperation and coordination in the implementation of Protocol.
	6. Cooperation	-Preamble: closer cooperation at national, regional and continental levels in the implementation of their respective competition laws -Article 15(g)(i) Investigative body to cooperate with national and regional competition authorities; -Article 22(1) AfCFTA Secretariat or Authority in cooperation with MS, RECs & development partners, provide technical assistance and capacity building
	7. Peer-learning	Preamble: central role that national and regional competition agencies will continue to play in promoting fair competition
Protocol on Digital Trade	5. Coordination	-Article 42(2) MS, RECs, development partners & other stakeholders coordinate to provide technical assistance and capacity building
Protocol on Intellectual Property	4. Subsidiarity	Preamble: recognises the achievements of national IP systems, RECs and the regional IP institutions in fostering the development, administration, protection and promotion of IP in Africa -Article 31(3) AfCFTA Intellectual Property Office to recognise and cooperate with existing and emerging national, regional and international Intellectual Property Offices
	5. Coordination	-Article 33(2) AfCFTA Secretariat to work with, MS, RECs, regional intellectual property organisations, and relevant stakeholders to coordinate provision of technical assistance & capacity building.
	6. Cooperation	-Article 21(3) MS to ensure regional cooperation to provide for greater economies of scale and to develop RVCs critical for the competitiveness and sustainability of pharmaceutical and vaccines sector
	7. Peer-learning	-Article 23(a) MS cooperate in sharing information and experiences on national and regional intellectual property policies, laws, and institutions;
Protocol on Women and Youth in Trade	2. Harmonisation	-Article 10 harmonisation of National, Regional and Continental Programmes to support Women and Youth in Trade
	5. Coordination	-Article 23(2) AfCFTA Secretariat to work with MS, RECs, and relevant stakeholders to coordinate and provide technical assistance and capacity building
	6. Cooperation	-Article 24(1) MS to promote cooperation to support and enhance the effective participation of Women and Youth in intra-African trade and their inclusion in regional and continental value chains
	7. Peer-learning	Preamble: building on achievements of RECs and national gender & youth mainstreaming policies and strategies

3. Relations *in practice*

Different starting point, different expectations

1. **New dawn: AfCFTA *the new* continental agenda,**

- a. a response to past failings thus outside the Abuja Treaty
- b. innovation to move towards a continent-wide FTA, so
- c. *should be* above the RECs; FTAs will be surpassed by the AfCFTA level of integration in time.

2. **New kid - build on history: AUC driving the process**

- a. AfCFTA Sec should coordinate AfCFTA agreement implementation
- b. focus on 'inter-REC' (multiple interviews), and the
- c. RECs address intra-regional trade issues,
- d. all under the guise of the wider Abuja Treaty project.

3. **Build on legitimacy: REC (& non-REC) driven**

- a. have greater longevity and
- b. (for some cases) greater levels of integration than the AfCFTA, while
- c. most intra-African trade is also intra-REC, and thus
- d. *should* have a key role to play
- e. as intermediary between the AfCFTA Sec and member states

4. **Implementation is key: Member states in lead**

- a. with multiple memberships of RECs, the AU and the AfCFTA, where
- b. these play different roles for member states and are
- c. in addition to, rather than above, intra-regional trade arrangements.

Stakeholder views

1. Negotiations

- SACU intermediary role by necessity
 - SACU - 'low expectations, high priority'
 - implicit intermediary role that SADC would like
- ECOWAS coordination meetings - country offers
 - close to and able to work with MS
- Different strengths, different outcomes - e.g. COMESA competition
 - strong competition authorities = resources

2. AfCFTA-REC coordination meetings

- Parallel to AU-REC coordination process
 - space to specialise - (though RECs/AU may need convinced)
 - new commissioner (2025), new relations?
- Meeting but not (yet) clear what *doing*
- Mechanism needed for learning/sharing
 - best practices and acquis - e.g. COMESA transit
- Limited inter-REC consultation

Stakeholder views

3. AfCFTA implementation strategies

- VA between *aggregating/harmonising* vs complementing national
- How link to an AfCFTA Sec strategy?
- ECOWAS Commission - 'an additional agenda, no resources'
- EAC Secretariat - 'overlapping priorities, TFTA still going'

4. Corridors & trade facilitation

- Coordination failures - 'REC-corridor' (ECOWAS-AfDB) vs AfCFTA on a 'continental corridor'
- Ways to find complementarities?

5. RVC promotion - 'room for all'?

- AUC ETTIM -AIDA role vs AfCFTA implementation
 - AUC RVC studies (ITC/EU)
 - AUDA-NEPAD AIDA review

4. Where to from here?

1. General: need for adaptive support

- Move **beyond** 'RECs are the building blocs'
 - **Sui-generis** relations
 - Each issue/region/protocol/annex needs understood differently
- Explore **institutional options**
 - *Regional Intermediaries* - CU trade departments serving as sub-secretariats of AfCFTA Sec
 - *Regional AfCFTA staff (in REC Secs)* - REC-FTAs integrated into the AfCFTA, share burdens
 - *Regional poles* - REC relevant organs assigned specific roles to coordinate AfCFTA activities by protocol/annex
- **Resources** necessary for implementation
 - a new continental **levy**?
 - other financing means?
 - how add to REC capacity?

2. Link top-down and bottom-up

- Need **implementation priorities** from the AfCFTA Sec
- **MS/HoS** need to be at the centre of AfCFTA-regional relations
 - identify ownership and strategic interests
- Support **processes of bottom-up** ‘problem-driven’ processes:
 - By **annex/protocol** - through technical committees
 - By **corridor** - Abidjan Lagos (Lobito Corridor?)
 - By priority **sector/RVC** e.g. textiles, auto, CRMs
- **Adopt problem-driven steps:**
 - What *steps* needed for ‘implementation’?
 - Who *expected/needs* to lead/play a role? (see above!)
 - What *issues/challenges* do they face?
 - What are the options to overcome them?
 - Where are there coalitions of interest to build on?

Level of integration	Implications
1. Unification	AfCFTA Secretariat -led
2. Harmonisation	AfCFTA Secretariat -led with regional consultation and support
3. Complementarity	Need for AfCFTA Secretariat-regional consultation according to issue
4. Subsidiarity	REC -led where structures in place, followed by AfCFTA-level where necessary
5. Coordination	Active coordination required between AfCFTA Secretariat and regional organisations
6. Cooperation	Information sharing between AfCFTA Secretariat and regional organisations
7. Peer-learning	Mechanism required to share and promote regional best practice experiences (build on the the January 2024 AfCFTA Implementation Strategies: Towards an Implementation Peer Learning Community?)

Thank you!

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