

The African Continental Free Trade Area in Perspective

Multi-stakeholder Regional Dialogue for Inclusive and Participatory Implementation
in West Africa

July 26-27, 2018, Hotel LAGON 2, Dakar SENEGAL

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

A multi-stakeholders regional dialogue on the challenges and implications of the Continental Free Trade Area (AfCFTA) was held at Lagon 2 Hotel in Dakar from 26 to 27, July 2018. The dialogue was initiated by a group of regional and international organizations, and actors, including the African Center for Trade, Integration and Development (Enda CACID), the United Nations Institute for Economic Development and Planning (IDEP), the Third World Network Africa (TWN Africa), the International Center for Trade and Sustainable Development (ICTSD), the International Organization of La Francophonie. The Commissions of the African Union, ECOWAS, and ECCAS, the OSIWA Foundation, and GIZ provided technical and financial support for the dialogue.

The dialogue was attended by about fifty high-level government officials, experts and activists from States, private sector, civil society, research institutions and centers, trade unions and the media. The countries represented at the dialogue are Benin, Burkina Faso, Cote d'Ivoire, Ghana, The Gambia, Niger, Nigeria, Mali, Senegal and Togo. As for private sector organizations and civil society, the following organizations participated in the deliberations: Borderless Alliance, Manufacturers Association of Nigeria (MAN), National Association of Nigerian Traders (NANTS), Association Afrique Export (AAFEX), the West African Women's Association (WAWA), Nigeria Labor Congress (NLC), the West African Civil Society Organizations Platform (POSCAO), and the West Africa Journalists' Network (REJAO).

In order to promote interregional partnership, co-learning and sharing of experiences among Regional Economic Communities across the AfCFTA, participants from several other African countries also participated in the dialogue. They were from the Central African Republic, Cameroon, Chad and Zambia.

CONDUCT OF WORK

The opening ceremony was chaired by Mrs. Aminata Assome DIATTA, Director of Foreign Trade, on behalf of Mr. Alioune SARR, Minister in charge of Trade of the Republic of Senegal. She commended the organizers for the initiative of the multi-stakeholder dialogue on the AfCFTA and the open, inclusive and participatory nature of the meeting. Her speech followed a series of addresses, including those by Mr. Salifou TIEMTORE, Director of Customs of the ECOWAS Commission, Mrs. Karima Bounemra BENSOLTANE, Director of IDEP, Mrs. Judith FESSEHAIE, ICTSD Program Manager, Mr. Ali KOTOKO, Program Specialist with OIF, Mr Khauhelo MAWANA, Expert with the African Union Commission, Mr Teteh HORMEKU-ADJEI, Programs Director with TWN-Africa and Mr Cheikh Tidiane DIEYE, Director of Enda CACID.

On behalf of the organizers and participants, Dr. Cheikh Tidiane DIEYE, Executive Director of Enda CACID, warmly thanked the Chairman of the ECOWAS Commission, Mr. Jean Clause BROU, and Mr. Kalilou TROARE, Director of Cabinet, the Commissioner in charge of Trade and the Director of Customs, Mr. Salifou TIEMTORE, for their constant efforts and their multifaceted support for holding the multi-stakeholder dialogue on the ZLECAf.

Mr. Hamadou KARIDIO, Director of External Trade of Niger delivered to the dialogue the message of encouragement of HE Mr. Mahamadou ISSOUFOU, President of the Republic of Niger and Champion of the ZLECAf.

The deliberations were conducted against an agenda designed with 7 thematic sessions articulating around the issues negotiated in the first phase, those planned in the second phase, and other subjects not included in the AfCFTA agenda, but which had a close link with the agreement. The presentations followed by discussions, illustrated a series of problems which may be summarized in the following highlights:

- The legal and systemic links between the AfCFTA and the obligations and commitments deriving from the ECOWAS instruments, mainly the Community Treaty and the Customs Union, on the one hand, and those between the AfCFTA and the other regional, bilateral and multilateral agreements concluded by the ECOWAS Member States on the other hand;
- The framework and modalities for developing, leading and advocating common, ECOWAS positions on market access, trade defense measures, rules of origin, services, among others;
- The economic and strategic challenges of negotiations on investment, competition policy and intellectual property in the second phase of the AfCFTA negotiations;
- How AfCFTA could trigger, support and promote sustainable development and improve the living conditions of African people, especially women and cross-border, informal trade actors;
- The ways in which certain instruments such as e-commerce and the Trade Facilitation Agreement could act as positive driving forces and externalities to facilitate the implementation of the AfCFTA and magnify its impacts;
- The engagement of governments, the private sector and civil society stakeholders, inter alia, to ensure inclusiveness and participation in the negotiation, implementation and evaluation process of the AfCFTA to facilitate its ownership by African people.

The dialogue was closed by Mr. Alioune SARR, Minister of Commerce, Informal Sector, Local Product Processing and Consumption of Senegal. Having listened to and received the conclusions and recommendations of the dialogue, he warmly welcomed the initiative and praised the quality of the work and the relevance of the recommendations. He committed himself to bring them to the political level so that they can be taken into account by the decision makers in all deliberations related to the ZLECAf.

MAIN CONCLUSIONS

- ✚ The participants recognized that the AfCFTA was central as a driving force on the agenda of African economic integration. The AfCFTA could indeed enable correcting the structural deficiencies facing African countries in global trade, by maximizing Africa's significant trade potential and neutralizing the adverse effects and negative externalities stemming from the anticompetitive practices of external partners. The AfCFTA was perceived by participants as one of the best responses by African countries, collectively, to the challenges of global economic governance. To achieve its objectives, the AfCFTA must be anchored in key ongoing continental policies and initiatives to trigger and sustain a spiral of endogenous economic transformation on the continent. Some of these are The Comprehensive Africa Agriculture Development Program (CAADP), The Africa Industrial Action Plan (AIDA), The Intra-African Trade Initiative (BIAT), The Agenda 2063, as well as other regional and continental policies on infrastructure, energy, transport, finance, among others.
- ✚ Participants noted that all States, including those that have not yet signed and ratified the Agreement, RECs, as well as private sector and social actors, have expressed their support for the idea of strengthening economic integration, eliminating tariff and non-tariff barriers, and free movement of people and goods.
- ✚ They have however noted that poor consultation and dialogue between all stakeholders at national and regional level, have been one of the major constraints that still justify the legitimate fears and concerns expressed by some stakeholders in many countries.
- ✚ Although everyone agrees on the fact that the negotiations must be carried to completion and cover areas that may lead to economic transformation and sustainable development of African countries, the participants noted that, in some cases the hasty negotiations and the too tight deadlines have not allowed appropriate analyses and evaluations, including in terms of real economics, to formulate informed and shared positions.
- ✚ In accordance with the guidelines given by the Heads of State, the AfCFTA must be an instrument for strengthening the achievements of RECs. Yet, it was noted that with regard to ECOWAS, the legal constraints relating to the Customs Union, particularly in terms of formulating and leading collective bargaining positions, were not fully upheld in the negotiations. This resulted in a problem of coordination and consistency between

commitments at national, regional, continental and international levels in the areas of market access, the rules of origin, trade protection measures, the settlement of disputes, etc.

- ✚ Although the argumentation about an ambitious liberalization may support defensible development objectives, participants noted that it would be useful to consider the differences in the level of development of countries, their realities and needs in terms of industrialization and their structural deficiencies.
- ✚ While tariff liberalization is important for making the AfCFTA a development tool, participants noted that non-tariff barriers, administrative and technical barriers, and poor trade-related infrastructure have in some cases had greater impact on the costs of transactions, and consequently on intra- African trade.

RECOMMENDATIONS

After reviewing the issues and challenges of the AfCFTA for the ECOWAS, participants adopted the following recommendations:

1. Providing to ECOWAS the regional leadership in the negotiations, having regard to the Customs Union and other sectoral policies in the pipeline or under implementation, guiding and coordinating the actions of Member States around common positions;
2. Formulating and defending a market access offer, containing the same products to be liberalized and the same sensitive products, or products to be excluded, and taking into account the differences in level of development between States;
3. Adopting flexible rules of origin to ensure priority access for African businesses to the continental market for them to get strengthened, to develop their productive capacities and create regional and continental value chains, but sufficiently vigorous vis-à-vis products from third countries so that they do not undermine the development of local businesses;
4. Encourage the pursuit of negotiations for a development-based agreement on trade in services, but requiring a moratorium of several months to conduct the necessary scrutiny, especially in terms of political economics of the sector for the provisions to be based on realities and tangible economic and social data at the national and regional levels;
5. Using the opportunity of the AfCFTA negotiations to review certain previous agreements between African countries and regions with external partners, in particular the Economic Partnership Agreements (EPAs) with the European Union, revising some intra-regional protocols and agreements where necessary;
6. Continue the direct dialogue between national and regional government authorities with private sector and civil society actors to create the conditions for good ownership of the AfCFTA by all stakeholders and facilitate its inclusive implementation;

7. Make every effort, at ECOWAS level, to preserve the integrity of the Customs Union, in particular by preventing countries of the region from making commitments or implementing the AfCFTA individually and in violation of their regional obligations;
8. Increasing training, capacity-building and facilitating experiences sharing among ECOWAS countries in the areas of electronic commerce and trade facilitation, among others;
9. Mobilizing the expertise available in the States, from regional institutions and civil society organizations to support ECOWAS States in the formulation of gender sensitive positions, taking into account the social and economic realities of African populations and consistent with the Sustainable Development Goals (SDGs);
10. Engaging all West-African, and African stakeholders involved in negotiating the AfCFTA - everyone in their position, authority and capacity, and their own technical resources and policies - to conduct awareness-raising, advocacy, research, training on the AfCFTA to turn this unprecedented African agreement, not into one more agreement, but into a true instrument for economic and social development, structural transformation, and effective improvement of the living conditions of people on the continent, mainly the poorest and most vulnerable.

Done in Dakar on 27 July 2018