

Information Brief on the CFTA

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African Countries Split on Special and Different Treatment within the CFTA Discussions

There is a sharp split along the lines of least developed countries on one hand, and non-least developed African countries on the other, on the level of obligations that countries should undertake in the areas of services liberalization/commitments within the on-going discussions of the proposed Continental Free Trade Area (CFTA). While the LDCs see a legitimacy in calling for Special and Differential Treatment (S&DT) because of their weak economies and level of development, the non-LDCs hold a contrary view and argued that carving out LDCs as a group within the CFTA would mean there will be no CFTA since about 33 countries out of the 55 countries in Africa are LDCs. This is contained in an adopted report that covers over-week-long discussions at the 4th Meeting of the Technical Working Group (TWG) on Trade in Services that ended on Friday 17th November 2017 at the Nigerian capital, Abuja.

The TWG on services was one of the many parallel TWGs meetings that form part of the rushed preparations for the 8th Negotiating Forum on the CFTA that would take place this week from the 20th-25 in Abuja. The 8th NF is envisaged to have consensus on the framework agreement on the CFTA as well as protocols on goods and that of services also, which then would be forwarded to the meeting of Africa Ministers of Trade, next week, 27th November to 2nd December 2017 in the Nigerian Capital, Niamey.

On the thorny issue of S&DT in the commitments of services number of experts argued that the LDCs were entitled to S&DT provisions due to the different levels of development and that the category of LDCs was legally defined by the United Nations and hence the LDCs are a special group and should be accorded that treatment.

The above view was strongly disagreed by most of the developing countries such as South Africa, Egypt, Nigeria, Kenya among others. They argued that the LDCs category had been conceptualized in the multilateral context and outside of Africa. The LDCs concept could not be applied in the relation between and amongst African countries because all African countries were vulnerable. That is all countries in Africa were faced with the challenge of primary commodity dependence, low level of development and job creation. Hence, the developing countries argued that the question was not about the different levels of development, as argued by some LDCs, but about the same challenges and vulnerabilities as a striking feature of all African countries. S&DT should therefore be on case by case basis.

Also, some argued that some LDCs in Africa were growing faster than the non-least developed countries and hence could not demand S&DT in the CFTA framework and implementation. The emergence of a 'group' within the context of the CFTA would undermine the objective of creating a single market.

Despite lengthy discussions on these issues there was no consensus at the Technical Working Group level and hence the meeting recommended that the concept and application of the provision of S&DT for LDCs in the Protocol on Trade in Services should be handled by the 8th Negotiating Forum that begins today, 20th November 2017 in Abuja, Nigeria.