

# Report

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Colloquium on Africa's Continental Free Trade Agreement [CFTA]: Internal coherence and external threats

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## 1.0 Introduction

Third World Network-Africa (TWN-Africa), in collaboration with the Africa Trade Policy Centre (ATPC) of the United Nations Economic Commission for Africa (UNECA), organised a colloquium in Accra, Ghana on 29<sup>th</sup> February to 1<sup>st</sup> March, 2016 to discuss the African Continental Free Trade Area (CFTA). The colloquium was organized under the aegis of the Africa Trade Network (ATN), which is coordinated by TWN-Africa and in the context of recent developments in the global trade system; especially the World Trade Organisation's (WTO) Doha negotiations, the Economic Partnership Agreements (EPA), and other major external bilateral trade and investment deals. It also provided an opportunity to deliberate on preparations towards the 14th Session of the United Nations Conference on Trade and Development (UNCTAD XIV) in July, 2016.

Attended by over forty (40) representatives of leading policy institutions and experts working on Africa's trade and development issues, including the Africa Union Commission (AUC), United Nations Conference on Trade and Development (UNCTAD), UNECA, South Centre in Geneva, trade unions, faith-based organisations and non-governmental organisations across the Continent, the colloquium had four main objectives as follows:

- (a) To deepen participants' understanding of and engagement around the fundamental imperatives of Africa-wide initiatives such as the Continental Free Trade Agreement (CFTA);
- (b) To assess Africa-wide initiatives such as the CFTA against the outcomes of the December Ministerial Conference of the WTO in Nairobi, and other multilateral negotiations like the EPAs
- (c) To inform participants of the progress of the CFTA negotiations, and
- (d) To mobilise for greater visibility for Africa's concerns in the UNCTAD XIV as a counter-weight leverage for addressing Africa's issues in the global system.

The main conclusions of the colloquium were:

- The discussions showed that CSOs need to do a lot more outreach on the CFTA. As a start, it may be important for civil society to do a mapping of different CSOs working on aspects of economic transformation in order to provide the basis for alliance building toward a more robust outreach. There is the need, to build a short term program of outreach to strengthen civil society's capacity on the content issues in the CFTA and to help them insert themselves into the official and unofficial spaces that are open around the CFTA. It is also important to make the negotiating text public to ensure transparency in the CFTA processes
- There is the need to acknowledge that there is currently no formal provision for civil society engagement in the CFTA architecture. It is important for civil society to alert officials that this deficit exists in the CFTA architecture. Notwithstanding, the above challenge, the discussions show, that civil society recognizes the responsibility to engage with the CFTA; that the CFTA is potentially transformational and has to be gotten right; and that the CFTA requires urgent actions.

- Again, there is a general recognition that the CFTA could be transformational and that it should be equitable and inclusive in its impacts. Going forward, there is going to be scope to look at the various policy areas discussed in this Colloquium – mining, agriculture, etc.; civil society, will be expected to make substantive inputs on these issues. One way of contributing, is for civil society to conduct a mapping of agricultural products with the potential for building effective linkages and promoting value addition across the continent.
- The discussions also show that there is the real possibility that agreements cannot be concluded on all the service sectors by 2017. While it is expected that work on these issues will continue after 2017; it is important for civil society, to single out finance as a priority area, given all the issues raised during the discussions in the Colloquium. But it will be critical for civil society, in making this point, to also do its own work to identify what should be the possible content of an agreement on financial services in the CFTA in this first phase of negotiations i.e. before 2017. Going forward, it may be useful for civil society to map out what the Regional Economic Communities (RECs) are doing and how they have approached liberalization; to map the regulatory aspects; and to map current market access provisions in the regional agreements.
- Also related to finance, the main issue concerns the non-availability, in member states, of the financial systems required to support indigenous entrepreneurs. Importantly, it is necessary to address how the issue of financing is integrated with the liberalization process. Without a system that addresses the financing issues connected with production, a continuing reliance on external financial actors will only lead to the externalization of accumulation.
- It is necessary for civil society to be looking at a long-term, continuous engagement on the CFTA, as several of the issues being discussed now will remain relevant well into implementation of the eventual CFTA agreement. One issue that needs to engage the attention of civil society in terms of trade facilitation is intellectual property. Currently, the issue of intellectual property policy in Africa is in a state of complete disarray, as it lacks coherence in terms of a strategic policy that supports aspirations towards industrialization and structural transformation. A lot of work needs to be done in this area in the second phase of the negotiations.
- There is also the recognition that the CFTA is a key African initiative to take forward Africa's longstanding agenda of industrialization connected with integration. As reflected in the ambitious deadline of 2017, there is a deep sense of urgency attached to this initiative, stemming in part from the recognition of Africa's vulnerability vis-à-vis major global developments. While the urgency is justifiable, it also raises concern about how to meet this ambitious deadline and agenda in a way that is (i) inclusive in both process and content; (ii) transparent and accountable and (iii) ensures that the CFTA addresses broader developmental challenges of the continent; in particular, in building productive capacities and promoting structural transformation.
- It has also become clear that there is the need to create internal markets, which are non-existent now. To ensure the creation of the internal market, the CFTA needs to be

carefully calibrated with the supportive frameworks on many fronts. Linked to this, there is also the need to create a menu of options and sequence the liberalization in such a way that takes account of the differentiated capacities and weaknesses that exist across the member countries on the continent to make sure that everybody benefits from the CFTA. Improper sequencing can seriously undermine the CFTA.

- There are also some potential threats to the integrity of the CFTA and its objectives that need to be carefully addressed. The Abuja Treaty, for example, forbids member states from giving their counterparts less favorable terms than what they offered outsiders. In this sense the EPA, really poses a grave danger; it undermines everything that a country needs to have in a trade agreement that is truly developmental. It may be necessary to explore if there is any scope to renegotiate the EPA.
- There is the need to also recognize that there is very little knowledge among citizens and the private sector on the CFTA and its processes. This needs to be urgently addressed. There are two lines of responsibility in this regard: one for the African Union Commission (AUC) and the other for civil society organizations. In order to be part of the contestation of ideas around the CFTA, civil society, needs an effective outreach to build capacity. It must form consistent alliances and undertake detailed outreach in order to create awareness on the CFTA and to enable civil society and private sector make better inputs into the processes. At the level of the AUC, it is important to create options to support civil society to participate meaningfully at all levels - technical, policy oversight, and political approval - and contribute to the actual negotiating text.

## 2.0 Opening Remarks

There were four opening remarks. The first was by Dr. Yao Graham, Coordinator of TWN-Africa (TWN); the second was by Dr. David Luke, Director of (ATPC); the third was by Mr. Babajide Sodipo, Regional Trade Advisor of (the African Union Commission); and the final one was by Mr. Anthony Nyame Baafi (Director, Foreign Relations, Ministry of Trade and Industry, Ghana).

On his part, **Dr. Graham** noted that the Colloquium was important in laying out a strategy to tackle issues arising from the recently-held WTO Ministerial Conference in Nairobi as well as issues arising from the mega trade deals which have become the new trend among major powers. On the CFTA, he noted that the CFTA will be the largest pact among African countries, if successful. It was thus necessary, he argued, to ensure it is thoroughly open to citizens' engagement to ensure that it sufficiently addresses key concerns of African citizens. The meeting, he explained, was expected to more clearly lay out how citizens could get involved and to ask questions about both content and process issues connected with the CFTA. It was also supposed, he added, to provide critical inputs for civil society engagement at UNCTAD 14.

Touching on the importance of the CFTA, **Dr. Luke** on his part noted that the CFTA is a flagship initiative under African Union's Agenda 2063 to boost intra-African trade, consolidate African markets and reinforce regional integration. To him, the achievement of the African Union's

Agenda 2063 is very much contingent on the success of the CFTA. As he explained, three things underscore the relevance and urgency of the CFTA. The first is that the continental population is now at around 1 billion of which about 20 per cent is estimated to be 'middle-class', i.e Africans with incomes of \$2 a day or more. This, he believes, offers significant market for goods and services and provides a more reliable source of growth than dependence on primary commodity exports. The second is that efforts to achieve development-friendly trade rules in the WTO have failed as the future status of the Doha Development Agenda continues to be shrouded in ambivalence. The third reason is that the world's major and emerging economies are now moving away from the WTO by negotiating mega-regional trade deals such as the Trans-Pacific Partnership (TPP), the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Atlantic Trade and Investment Partnership (TTIP). The CFTA, he argued, will provide Africa with a coherent trade policy that overcomes the challenges posed by the above-mentioned global developments.

To be relevant, however, Dr. Luke stressed the need for the CFTA to respond adequately to the challenges of marginalized groups; improve gender relations, safeguard the natural environment; and protect the interest of the least developed country (LDC) economies on the continent. To ensure that Africa's LDCs benefit from the CFTA, he underscored the need for the CFTA to prioritize agricultural modernization, by having a separate agreement on agriculture to lock in agreed continental policy frameworks such as the Malabo Declaration and the Comprehensive Africa Agriculture Development Programme (CAADP) that prioritize food security, rural development, productivity and enhanced participation in agro-value chains.

Dr. Luke also underscored the role of CSOs in ensuring equitable distribution of the benefits of the CFTA and charged them to ensure that the principles of transparency, consultation and inclusiveness in both the negotiation and implementation of a CFTA agreement are adhered to. As he explained, CSOs must take the initiative, engage, mobilize the media, and generally ensure that effective channels of communication exist in the negotiation process and that their views and messages get through. Beyond advocating for transparency and inclusiveness of the CFTA negotiating process, he also charged CSOs to do more to promote broader consultations with all relevant stakeholders. One way they could do this, he suggested, is to identify groups affected by the CFTA, identify actual potential effects of the CFTA, and support these groups with the capacity to participate in national discussions to address their concerns.

In his opening remarks, **Mr. Sodipo** explained three reasons why the CFTA must be approached with a sense of urgency. The first is the movement of major economies away from the WTO to mega regional trade agreements, which he said means that the long-held principle of consensus that provided stability in the multilateral trade system under the WTO is diminishing. The second reason, he explained, is that there is a movement away from the multilateral trade system towards reciprocity. The EPA is a major testament to this shift. Prior to the EPA, trade with the EU were based on unilateral trade preferences without a requirement for African countries to reciprocate. This, he argued, has changed; there is no longer free market access for Africa in the EU. He believes this is likely to be the case in terms of Africa's trade relations with the US, as the next version of the AGOA - African Growth and Opportunities Act - is likely to demand access to African market in return for Africa's access to the US market. The third reason why the CFTA must be approached with a sense of urgency is that all other major economies such as such as



Brazil, China, India and the EU are increasingly looking to Africa as the last big prize, as efforts are being made by these to lock in the continent into some kind of reciprocal trade agreements. As he explained, if others are so keen to secure access to the African market, it just makes sense that Africans must do same.

**Mr. Nyame-Baafi**, on his part, underscored the need for a quick conclusion on the CFTA. As he explained, the earlier the negotiations are concluded, the better it will be for Africa in terms of future negotiations with other regional groupings. While stressing the need for civil society to proactively support their host countries in the negotiations so that a fair, meaningful agreement can be reached, he also warned CSOs against unduly delaying the process. Importantly, in order to make sure CFTA works, civil society has crucial roles to play in monitoring and evaluating CFTA implementation, he added.

### **3.0 Summary of key points– Yao Graham**

A central point in the remarks deals with how to ensure that the CFTA process is transparent, consultative, and inclusive, Dr. Graham noted. Inclusiveness, he argued, must not only be seen as a process issue; it must also be seen as a substance issue, as it ultimately concerns the negotiations and their outcomes on different constituencies. In terms of substance, Dr. Graham stressed the need to decide whether the CFTA is all about trade liberalization or about structural transformation that leads to development and diversification of the productive sectors. In terms of processes, he underscored the need for thorough discussions at the national level within the negotiating structures of the CFTA about what kind of processes are needed; who must be at the table; what processes are required to disseminate information about the CFTA; and how the costs related to ensuring meaningful and credible participation of non-governmental actors are addressed.

Besides these process and substance questions, Dr. Graham also noted that the external and internal coherence of the substance of the CFTA is extremely important. In terms of external coherence, he believes, it is important to decide whether the benchmarks of the results of external relations established in trade will be the starting point or whether to establish new ambitions that lead to renegotiating some of the mistakes of existing trade agreements such as the EPAs. In terms of internal coherence, he stressed the need to carefully align the CFTA with the varied intra-African initiatives. It may be particularly important to think carefully through how to address the question of how to manage losers in terms of the CFTA outcomes, he stressed.

### **4.0 Comments and questions**

The comments and questions addressed three set of issues. The first was about the attitude of African leaders; the second was about the need to pay attention to other enablers besides tariff liberalization; and the third was the need for stronger civil society engagement. In terms of attitude, the need was stressed for African leaders to prioritize attention to African initiatives over their foreign ones and to commit to ensuring that continental initiatives are actually fully implemented. It was deemed also important for African leaders to show not only political commitment in terms of signing agreements; but also “political determination” in finding the resources, people and materials to champion the CFTA.

About enablers, participants highlighted the need to prioritize progress on other critical enablers of trade such as infrastructure development, free movement of goods and labor across the continent, and productive capacity building. The idea was that one cannot promote trade simply by removing tariffs; there must also be conscious efforts made to build productive capacity in order to generate the elements for trade. Agricultural modernization was particularly highlighted as a critical sector that needs to be prioritized. On civil society, participants stressed the need for a stronger civil society advocacy to ensure that all relevant issues are captured in the CFTA.

#### **4.1 Responses to comments and questions**

In his response, **Dr. Luke** stressed the need to have a CFTA that provides a pathway for each member country to benefit, taking into account the different constituencies and differences in economic fortunes across countries on the continent. On the question of enablers, he warned against the danger of dithering on the basis of the idea that all enablers must be addressed before dealing with the CFTA. As he argued, the CFTA provides the opportunity to deal with all the structural issues; it can help put in place or pull along all the enablers. In that sense, while it is legitimate to address enablers, it may be counterproductive to actually wait until all enablers are in place to deal with the CFTA. As he argued, the CFTA is a good beginning towards structural transformation on the continent in the sense that it will help address certain absurdities in trade relations across the continent where some African countries in different RECs offer better trade terms to outsiders than to each other.

Building on the same theme about enablers, **Mr. Sodipo** noted that we cannot be too selective and say we have to do this and that before we have the CFTA. As he argued, everything is a priority and what is needed is to do the easiest things first: it is easier to negotiate a trade agreement than have all the enablers in place. Continuing, Mr. Sodipo also warned against making concerns about trade liberalization an argument for the status quo. To him, without the CFTA, African countries by virtue of the EPA, will find themselves in an absurd situation of offering their European partners better trade terms than they are offering their African counterparts. He also appealed to CSOs to not just condemn the CFTA simply because it promotes trade liberalization; but rather to seize available opportunities to clearly articulate the specifics of what they want in the CFTA.

In his response, **Mr. Nyame-Baafi** noted that in order to harness the full benefits of the CFTA, it is important for Africa to develop its industrial sector; break away from commodity exports, as well as focus on agro-processing.

## **SESSION 2 – New Challenges of Multilateral and Regional Trade Regimes**

### **5.0 Presentation 1: The WTO: Post Nairobi and Africa – Aileen Kwa, South Centre**

This presentation sought to situate the discussions within the multilateral trade regime and its evolution especially after the December Ministerial Conference of the World Trade Organisation

conference held in Africa (Kenya) for the first time. According to Ms. Kwa, an important question many people ask since the Kenya conference is about the status of the Doha Development Agenda (DDA) i.e. whether or not it is concluded or not and what its status could mean in terms of the CFTA processes and substance. The simple answer, according to Ms Kwa, is that the DDA is not dead, legally and procedurally speaking. As she observed, the Marakesh Agreement stipulates that decisions in the WTO can only be on the basis of consensus; and because there was no consensus to close the DDA at the Kenya Ministerial Conference, the DDA Round is still on-going. Again, because all the procedures involved in closing a round were not taken at the Nairobi Conference, it cannot be true that the DDA is dead.

As Ms. Kwa revealed, the DDA covers a number of subjects of particular interest to developing countries ranging from Agriculture (eliminating subsidies, increasing access to markets, etc.) to issues of trade facilitation. A unique issue about the DDA, she explained, is what is often referred to as the “Single Undertaking”. Under the single undertaking, the DDA issues cannot be split up in terms of reaching agreements. The principle is that “none is agreed until all issues are agreed”. The single undertaking, she explained, is important for developing countries as it guarantees some amount of predictability around the DDA Round. It is developing countries’ only guarantee that their interests will be addressed, she added.

As was evident in Kenya, however, there has been an express desire on the part of developed countries to close the DDA, and by implication move away from all the issues developing countries have been pursuing for years; and instead open up new issues for negotiations. These developments, Ms. Kwa noted, expose some difficult choices developing countries have to make: whether to insist on the DDA or to accept to close the DDA and move to negotiate the new issues. She explained that although it is possible that some of the issues in the DDA may be open for discussions under the “New Issues”, it is unlikely that the DDA’s mandates in terms of their strengths and design will be agreed to by developed countries in the discussion of the new issues. There is therefore some inherent risk for developing countries ditching the DDA, despite the really slow progress made on the DDA since 2001.

#### **Legal issues arising from the WTO Nairobi Ministerial Conference**

There were four main legal points on the DDA and “new issues” highlighted by Ms. Kwa as follows:

1. There was no agreement to begin discussions on new issues
2. The July Framework mandate stands and can only be over-turned by a consensus decision of the General Council or Ministerial Conference
3. Per the Marakesh Agreement, new issues will lead to outcomes that are “mutually advantageous” to all member countries and raise standards of living and ensure full employment.
4. Again per article III.2 of the Marakesh Agreement, any new issue members may want to introduce into the WTO have to concern multilateral trade relations. Many of the issues brought up at Nairobi are primarily domestic regulatory issues, not issues concerning members’ multilateral trade relations.

#### **Process Issues**

Ms. Kwa noted that many challenges characterized the negotiation process in Nairobi. First, the issues developed countries wanted from the Ministerial were not on the agenda, but were rather smuggled into the final text of the declaration. Second, there was an appearance of transparency and inclusiveness but there was no real transparency or inclusiveness. Third, the conference was extended by a day, disabling some participants from participating and speaking on the issues that had been sprung on delegations at the very last minute. Fourth, Members were given less than 2 hours to read the text of the declaration before adoption.

### **Going forward: only two options**

Going forward, developing countries have only two options under the WTO, Ms. Kwa said. The first is to insist that on-going negotiations are still under the DDA. Under this option, no new issues can be introduced by developing countries, no matter how important they are to them, because of the limitations imposed by article 1g of the July Framework. The second is to agree to end the DDA Round, thereby removing the DDA architecture in the negotiations. Under this option, developing countries can introduce new issues, but they cannot have the protection of article 1g of the July Framework. According to Ms. Kwa, two main questions that need to be answered are (a) are we going to get something out of the negotiations?; and (b) what are we going to pay to have it?

## **6.0 Presentation II: The threats of mega regionals: EPA, TTP, and Africa - Heini Suominen, ATPC**

Ms Suominen's presentation highlighted the implications of mega-regional trade deals for Africa's position in global trade and what Africa's response ought to be. Contextualizing the presentation, she observed that Africa's interaction with the rest of the world has remained marginal and focused on primary commodities. While intra-African trade remains quite diversified, it accounts for not more than 16% of total African trade in goods and only 12% of Africa's imports in intermediate goods come from the region. This, she argued, is not a great situation. She believes that the CFTA by its focus on maximizing intra-African trade presents many opportunities for boosting intra-African trade in ways that increase the prospect for structural transformation on the continent. She explained, however, that efforts to boost intra-African trade must take into consideration key opportunities and threats offered by the new development of mega-regional trade agreements (MRTAs). She noted that while MRTAs result in greater level of market access within each regional grouping, there are often significant efforts to protect this access against other regional blocks. Buttressing that point, she explained that according to ECA projections, while total exports of members of the TTIP, TPP and RCEP are expected to increase by \$1 trillion by 2020, Africa's exports to the markets of these MRTAs would be reduced by \$2.7 billion following higher competition and erosion of preference on MRTA members' markets.

Against that background, she noted that the CFTA offers the potential to alleviate or minimize losses from the MRTAs. According to Ms. Suominen, if the CFTA is successful, Africa's total exports could increase by about \$38.8 billion by 2020, while also offering the continent an opportunity to minimize disadvantages in the EPA. As she explained, it is already known, through ECA research, that the EPA will positively affect only few agriculture subsectors. In this sense,

African countries would be far better off if they are able to establish the CFTA prior to fully implementing EPA reforms, she stressed. The CFTA, she indicated, will help Africa preserve gains from the EPA, increase intra-African trade, compensate possible losses from other MRTAs, support diversification of trade, contribute to rise of regional value chains, and contribute to inclusive growth and creation of decent jobs. Its impact on industrial growth on the continent is also expected to be significant (especially if accompanied by appropriate trade facilitation measures), she added.

## **7.0 Comments by Discussant: TETTEH HORMEKU, TWN**

Mr. Hormeku's comments touched on a number of issues. First, he noted that Africa appears to be in a conundrum: on the one hand, it is faced with defending the deals (bad as they may be) already achieved under the DDA at the WTO because of the fear of the unknown; on the other hand, it is faced with defending the framework of decision-making in the WTO which emphasises the principle of consensus in reaching agreements. Going forward, and while that may not be the ideal strategy, it is better for Africa to want the DDA because it is not sure what is coming to replace it. In terms of the CFTA, Mr. Hormeku warned against using the WTO standards or the EPA as the benchmark for proceeding with the CFTA. In his view, the CFTA must address concrete problems across the continent.

He also stressed the need for a continental strategy for increasing productivity. In the light of the things the continent ought to do in the CFTA to increase productivity, there is the need to identify the tools needed to engage with the outside world, he argued. One of those is to prepare to see what, within the context of the CFTA, can be done to target the renegotiation of the EPA, taking advantage of the review clauses in that document. Mr. Hormeku also emphasized the idea of sequencing vis-à-vis the CFTA. But to him, even more important is the need to think about the different forms of liberalization that gives Africa the space to increase its productive capacity and ensure broader development.

## **8.0 Comments and questions**

The comments addressed a number of issues. The first concerned the need to distinguish between the WTO as an institution and the WTO as a rule making, negotiation institution. As a rule making institution, the WTO is considered to provide some systematic opportunities that Africa must not lose. The second issue covered in the discussions/comments was the need to expedite conclusion of the CFTA to give Africa more strategic leverage before the EPA implementation gets fully underway. The third concerned how Africa must respond to the decline of the WTO and the emergence of the MRTAs. One suggestion was for Africa to undertake targeted advocacy to highlight the dangers of the mega-regionals for developing economies. The other suggestion was the need to cultivate allies outside of the MRTAs to push for Africa's interests in trade both inside and outside of the WTO.

## **8.1 Response to comments and questions by the presenters**

In her response, Ms. Kwa noted that Africa and developing countries have no choice but to defend the DDA simply because there is uncertainty about what might come to replace it. At the same time, most developing countries also like the rule making function of the WTO and will not like to lose it. Unfortunately, it is not possible to have both; there must be a choice of one over the other. The best scenario, she explained, is for developing countries to say they don't want expansion in the rule making function of the WTO. But as she added, it is not that simple.

Ms Suominen, in her response stressed the potential benefits of the CFTA. As she explained, the CFTA will benefit trade in industrial, processed goods because it is already clear that of the little intra-African trade occurring, much is in the area of processed goods. She, however, warned that benefiting from the CFTA will not be automatic; instead, there must be other supporting policies such as in the area of innovation, and capacity building to boost productive capacity across the continent.

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## **SESSION 3: Emerging Global and Financing Integration in Africa**

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### **9.0 Presentation 3: Global Finance and the Challenges of Financing Integration & Domestic Resource Mobilization in Africa - Gyekye Tanoh, TWN**

Mr. Tanoh's presentation sought to highlight Africa's challenges in seeking to integrate itself into the international financial system. As he explained, there has been an increasing integration of Africa into the international financial system, evident in increased foreign banking presence on the continent; higher financial flows, accessing of many African governments to the international capital market through the issuance of sovereign bonds; increased presence of non-banking financial institutions, etc. As he pointed out, despite the rapid integration of Africa into the international financial architecture, it has not been able to benefit from the system in a way that allows it to transform or diversify its economy away from commodity exports. In fact, Africa's dependence on primary commodity exports, rather than decrease, has actually increased from around 27% in 1990 to about 60% in 2010, he noted.

Mr. Tanoh assigned three reasons for why Africa has not been able to benefit from its integration into the international financial system. The first is that the rapid pace of trade and financial liberalization forced upon the continent has led to the dismantling of all the key levers that could otherwise be deployed to protect Africa's interests in the international financial system. The second reason relates to Africa's continuous simultaneous dependence on commodity exports and on international financial houses to finance these exports. With the controlling power of international financial houses to determine commodity prices, and without the necessary leverage to negotiate fair financing terms, Africa is inherently in a very weak position to benefit from its integration into the system, he argued. As he explained, trade finance for Africa has the most short term average in the world, typically not exceeding 180 days, compared with over 3 years for other regions. The third reason is that international finance in Africa is not willing to invest in other productive processes, besides the commodity trade.

Concluding, Mr. Tanoh noted that Africa is in a situation of more financial volatility and vulnerability, as there is a loss of linkage between the financial sector and the productive sector. He underscored the need for the CFTA to address this challenge in order to foster economic transformation on the continent.

## **10.0 Presentation 4: Africa's Regional Infrastructure Initiatives: Challenges and Emerging Solutions – Robert Lisinge, UNECA**

Mr. Lisinge's presentation focused on highlighting the infrastructure challenges facing the African continent and the continent's response to these challenges. Touching on the importance of infrastructure in economic growth, Mr. Lisinge observed that according to some estimates, a 1% increase in infrastructure stock adds 1% to a nation's GDP growth. Concerning the infrastructure needs of the continent, he noted that with some significant regional variations, there is generally a significant lack of infrastructure across the continent, although the situation appears to be improving, overall. He noted that the lack of infrastructure has deleterious effects on productivity and competitiveness of African firms, reducing productivity of firms by as much as 40% and the continent's per capita growth by about 2%. The recognition of these negative effects, Mr. Lisinge noted, has led to the institution of a plethora of very ambitious infrastructure programs at the continental level in Africa. Prominent among these are the Trans-African Highways, Second United Nations Transport and Communications Decade in Africa (UNTACDA II); NEPAD Infrastructure Short-Term Action Plan; Programme for Infrastructure Development in Africa (PIDA), Presidential Infrastructure Champion Initiative (PICI); and several sub-regional programmes.

As he explained, the objectives and aims of these initiatives are extremely noble and germane. For example, the Trans-African Highways seeks to promote political, economic and social integration and cohesion of Africa by providing direct road links between capital cities and between important areas of production and consumption across the continent. UNTACDA II has three main objectives: the first is to establish an efficient and integrated transport system to promote the physical integration of Africa, facilitate trade, and ultimately achieve self-sustaining economic development; the second is to ensure Africa's participation in the globalization process; and the third objective is to contribute to poverty alleviation on the continent. PIDA's aims are to slash transport costs and boost intra-African trade; link major production and consumption centers across the continent; provide connectivity among major cities in Africa; and open landlocked countries and improve their contribution to sub-regional and continental trade. Again, the PICI (endorsed by the AU Assembly in 2011) aims at accelerating implementation of PIDA projects.

In the light of these initiatives and their ambitious goals, the problem with infrastructure development on the continent, Mr. Lisinge reiterated, is not lack of initiatives; it is rather the lack of implementation of initiatives. As he explained, actual delivery on many of these initiatives is very low. For example, more than forty years after conception, the Trans-African Highways initiative, endorsement of an inter-governmental agreement on this initiative occurred only as recently as 2014. Again, more than 34% of the projects in UNTACDA II were either unimplemented or simply abandoned.

Going forward with the CFTA, Mr. Lisinge suggested a few things that must be done. First civil society must play a more active role in advocating for project selection criteria that focus on poverty reduction and benefits maximization for local communities (against profits for big business); are inward looking (rather than outward looking); and that focus on economic transformation in the long-term. Second, there must be conscious efforts made to build the capacity of RECs, local contractors, consultants, and national project implementing agencies in project preparation (feasibility studies, detailed design, contract negotiation, procurement); funds mobilization, and project implementation and management, etc. Third, there must be a suite of critical actions that include the establishment of regional project implementation committees, the expedited signing of appropriate inter-governmental agreements; creation of seed fund for infrastructure projects; formulation of detailed work plans; incorporation of regional projects in national plans and establishment of monitoring and evaluation mechanisms.

### **11.0 Comments and questions**

The comments dwelt on a number of issues. Some participants expressed concern about the CFTA's perceived orientation toward foreign financing rather than toward the mobilization of domestic resources such as through recovering illicit financial flows. Other participants highlighted the importance of technology transfer (within the broader framework of capacity building) as a critical ingredient in promoting continent-wide industrialization. Some other participants also raised concerns about potential implications of changes in government in member countries for progress on the CFTA, given the tendency for new governments to abandon initiatives by their predecessors.

Other participants were very concerned about the emergence of the so-called PPPs – public-private-partnership – agreements in resolving the infrastructure challenges in member countries. The main argument was that most of the PPP agreements end up only socializing the costs of the projects while privatizing the benefits. The need was stressed to ensure that the CFTA agreement avoids this particular pitfall. Other participants also sought deeper clarity in what appears to be a paradoxical picture painted of Africa's place in the international financial system – that although Africa is deeply integrated into the international financial system, it is unable to mobilize resources (from the system) for its infrastructure projects or to diversify its production. Some participants also highlighted the need for the continental infrastructure initiatives to be domesticated in national action plans, strategies, and budgets.

### **11.1 Responses by Presenters**

Responding to the paradoxical situation raised during the questions time, Mr Tanoh explained that it is true that Africa's integration into the global financing system does not help it much. This situation, he argued, arises both out of inconsistent financial policies of some African governments and also out of the structure of the global financial system itself. As he explained, for example, although there have been low interest rates globally over the last few years that should make the cost of borrowing cheaper for the private sector in Africa, some African governments have seen the low interest rates as an opportunity to make money. The philosophy and practice, he explained, has been to borrow from the international market cheaply and lend at high domestic interest rates,



making things difficult for the private sector in the process. Concerning the financial system itself, Mr. Tanoh stressed the need to understand that finance is a tool for competition and actors tend to use it (whenever they can) to gain market shares over others. This means that international financial houses are able to use their financial clout to disadvantage developing countries in their relationships.

Another reason cited by Mr. Tanoh for the paradox is the forced withdrawal of the state from the financing/investment space and its replacement with the private sector. As he explained, besides the private sector's failure to raise the needed finance, the public sector is also now either forced to subsidize private sector investment or forgo investment in order to pay off debts. Either way, the states continue to lose more money, he reiterated.

Taking his turn, Mr. Lisinge's response covered a lot more issues. On the issue of recovering illicit financial flows, he observed that it may not be a viable, sustainable financing option as it will be difficult to guarantee that monies recovered will be channelled into infrastructure development, given the competing demands on governments. Touching on how countries can mobilize resources to address their infrastructure needs, he noted that the most common trend in some countries appears to be the issuance of infrastructure bonds.

Regarding why Africa is unable to access finance from the international financial market in support of its infrastructure development, Mr. Lisinge observed that a possible reason could be that most of Africa's infrastructure projects are not well-developed; they exist essentially in people's minds. To him, it is difficult to attract funding for projects without an elaborate project development plan. Regarding whether or not there is any qualitative differences between these several infrastructural initiatives on the continent, Mr. Lisinge responded in the negative. But according to him, this should not be seen as a bad thing; rather it shows that there is a lot of consistency in terms of Africa's priorities. Regarding the perceived failings of the PPPs, Mr. Lisinge believes the challenge may well be the lack of capacity among African governments to negotiate favorable terms in the PPP agreements.

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## **Session 4: The UNCTAD: Mitigation or Aggravation?**

### **12.0 Presentation 5: UNCTAD Regime and Africa– Bonapas Onguglo, UNCTAD & Hamish Jenkins, UN-NGLS**

The above presentation was addressed by Mr. Bonapas Onguglo and Mr. Hamish Jenkins. Generally, the presentation focused on clarifying the processes connected with the UNCTAD 14 and the opportunities available for Africa's civil society to engage in the UNCTAD negotiations. Mr. Onguglo's part of the presentation focused on the UNCTAD processes: what has been accomplished so far and what is left to be done. Mr. Jenkins' part focused on clarifying the preparations being made towards the Civil Society Forum which is expected to be a major part of the UNCTAD 14 processes. The two parts of the presentations are summarized below, starting

with Mr. Onguglo on the UNCTAD 14 and following with Mr. Jenkins on the Civil Society Forum.

PART 1: UNCTAD 14 – Bonapas Onguglo

Contextualizing the presentations, Mr. Onguglo noted that UNCTAD’s main objectives are to promote prosperity for all through the engine of trade. To UNCTAD, he explained, trade and development are two sides of the same coin. As he explained, UNCTAD 14 seeks to look at some of the major global decisions taken and evaluate how they impact on trade. The conference has several sub-themes including the following:

1. Challenges and opportunities in multilateralism for trade & development
2. Promoting sustained, inclusive and sustainable economic growth through trade, investment, finance and technology to achieve prosperity for all.
3. Advancing economic structural transformation and cooperation to build economic resilience and address trade and development challenges and opportunities, at all levels, within the UNCTAD mandate
4. Contributing to the effective implementation of and follow-up to the 2030 Agenda for Sustainable Development and relevant outcomes from global conferences and summits, as related to trade and development

In terms of preparations, he noted that a number of things have already happened. Important among these is the preparation of the Chair’s “Zero Draft” negotiation text which was completed in January 2016. He added that at a 3<sup>rd</sup> meeting of the Preparations Committee (PrepCom), a presentation on the Zero Draft text was made and “Friends of the Chair”( a group of ambassadors) was established to help the Chair deal with the various sub-themes of the Conference. Besides the above issues, Mr. Onguglo also highlighted a number of things that are still on-going or are expected to be done soon. The first is a discussion of the zero draft at the meeting of the PrepCom on March 4, 2016. This is to be followed by the first reading of the zero draft by the middle of March this year. Negotiations on the draft outcome document will begin mid-March and end by May ending. As he pointed out, a final Meeting of the PrepCom and a special meeting of the Trade and Development Board (TDB) will be held on May 7, 2016. This will be followed by several informal PrepCom meetings in June 2016. UNCTAD 14, itself, will begin July 17 and end July 22, 2016.

Concerning the UNCTAD 14 Outcome Document, Mr. Onguglo noted that the Outcome Document to be produced at the end of the document will be titled “*From Decisions to Actions: Moving towards an inclusive and equitable global economic environment for trade and development*”. The Document has four sub-themes: *multilateralism; economic growth through trade; structural transformation; and the implementation of the 2030 Agenda*. As he explained further, it was these themes and presentations made by member states that formed the basis of the Chairman’s Zero Draft. Thus the Chair’s Zero Draft text, addresses four main points: (i) Building productive capacities to transform economies; (ii) Effective states and efficient market; (iii) Tackling vulnerabilities and improving resilience; and (iv) Strengthening multilateralism in finding common solutions.

### Part 2: The Civil Society Forum – Hamish Jenkins

Mr. Jenkins noted that a number of opportunities exist for civil society involvement in the UNCTAD 14 negotiation processes. The first will be the Civil Society Forum, which will be hosted by the Tax Justice Network and a coalition of NGOs in Kenya, from July 14-21. As he explained, the purpose of the Forum will be to finalize and endorse civil society declarations on the Outcome Document as well as develop a strategy for lobbying at the Conference. But quite apart from the Forum, there will also be an International Steering Group that will be created by UNCTAD and Tax Justice to collect inputs and to draft a position paper on the Zero Draft text. Additionally, before the Conference in July, there will also be civil society hearings on the Zero Draft in Geneva. He noted that although a detailed program for UNCTAD 14 is yet to be shared, there are still opportunities to interact with high-level events and Youth Forum, ahead of the Conference itself.

### **13.0 Comments by Alvin Mosioma, Tax Justice Network Africa**

As host of the Civil Society Forum, Mr. Mosioma was offered a few minutes to address participants on preparations so far. In all, he made four main points which are summarized as follows:

- a) Civil society must insist that the negotiating document is made available on time to allow for appropriate level of scrutiny. Civil society must come out clearly and make that fundamental demand;
- b) Because this is happening in Africa, civil society must ensure that some of the conversations happening in different spaces here actually feed into the Zero Draft text;
- c) civil society must explore means of financial support to attend the conference. UNCTAD is providing no support as used to be the case;
- d) In terms of the mechanisms of engagement, civil society will have smaller groups responsible for day-to-day organization on the ground and then a second tier that will involve a bigger group of organizations that will ensure that African issues and perspectives are fed into the processes. The International Reference Group will bring other actors from other regions of the world to ensure that civil society voice is reflected in the negotiations.

### **14.0 Comments by Discussant – Amb. Nathan Irumba**

Amb. Irumba's comments focused on pointing out lapses in the Chair's Zero Draft text. Prefacing his comments, Amb. Irumba noted that UNCTAD's problems arise from its role as a think tank which analyzes international situations from the perspective of developing countries. Touching on the Zero Draft, he observed that the Chair's Zero Draft text appears to be avoiding controversy by curiously and sadly avoiding any reference to the Doha Round, as if the Round is dead. In the issue of technology transfer, he observed that there has not been much commitment shown to the issue by donor partners as they often seek ways to withdraw from their commitments. To him, it is

important to address the issue of technology transfer and highlight the responsibility of developed countries on that issue, in the Outcome Document.

On the question of financing, he noted that financing does not have the prominence and strong language it deserves in the text; he underscored the need to strengthen the language on that point. He also called for the strengthening of the language on Least Developed Countries (LDCs). Again, Amb. Irumba also emphasized that UNCTAD's continuing mandate for analysing the global financial situation and its impacts on developing countries must be strongly advocated for or emphasized in the text especially as UNCTAD, by evidence, has been largely ahead of the curve in terms of the accuracy of its evaluation of the global financial situations. He called on civil society to defend UNCTAD's mandate on this issue. In conclusion, he called on civil society to develop appropriate strategies to ensure its effective representation in the negotiations.

## **15.0 Comments and questions**

The comments and questions in this session touched on four main issues. The first concerns what appears to be the highly episodic character of civil society's engagement on critical continental issues. To some participants, there is the need for civil society to actually have consistent collaborations and a sustained engagement that can dynamize the African agenda. The second point concerns requests for clarifications on the mechanisms that exist to coordinate inputs from all these various forums at UNCTAD 14 into the negotiation text. The third point addresses requests for clarifications on the emerging lines of debate at the UNCTAD Conference. The clarification was being sought to help civil society know where to position itself in the negotiations. The fourth point concerns requests for clarifications on how the UNCTAD is treating the issue of competition policy; i.e. whether or not it is dealing with this strictly within the context of neo-liberalization.

### **15.1 Responses to the comments and questions**

Responding to the question on competition, Mr. Onguglo pointed out that UNCTAD's policy is to help countries develop the policies and regulatory frameworks required as enablers for economic reform and the CFTA. As he explained, UNCTAD has provided support to many countries and RECs to develop and implement competition policies and legislations. Responding to Amb. Irumba's comments on UNCTAD's mandate on the question of the global financial architecture, Mr. Onguglo noted that UNCTAD's mandate on that issue has always been a difficult one to deal with. He noted that although African countries have always advocated for the need for UNCTAD to play a stronger role in reforming the international financial system to favor developing countries; that suggestion has always been fiercely resisted by developed countries. Despite the resistance, he noted that UNCTAD does not nor will it abdicate its mandate on this issue. According to him, UNCTAD has worked on debt and related issues despite the tendency by developed countries to say that UNCTAD must concern itself primarily with things that are directly in the remit of trade; leaving other issues such as finance. He noted, however, that given the historical resistance against UNCTAD's mandate on international financial issues, it is nearly impossible to articulate this mandate in a strong language in outcome documents.

Concerning the coordinating mechanisms available at the Conference, Mr. Onguglo noted that it is important that civil society does not target only the conference in making its inputs into the

outcome document. Buttrussing that point he advised civil society to, in addition to opportunities in the conference, also seize all other opportunities available prior to the conference to make their inputs into the Outcome Document. As he explained, the first and second hearings of the PrepCom present an opportunity for civil society to make inputs into these documents. But besides these, civil society must also actively engage with their national governments to ensure their inputs are received and reflected in the document.

Concerning what the emerging lines of debate are, Mr. Onguglo noted that most of the submissions made so far are very light. According to him, only the G77 made a very substantial submission, dwelling on the international financial architecture, policy space, commodities, etc. Other groups were raising issues of parochial concern to them: EU raised issues on gender and trade. Other groups' submissions concern the efficiency of the UNCTAD Secretariat, he added.

Touching on UNCTAD's mandate on international financial issues, **Mr. Jenkins** noted, despite strong protestations by several developed countries, UNCTAD's 2015 Trade and Development Report is actually on the international financial architecture. As he explained, the question of finance is enshrined in UNCTAD's mandate and cannot be easily removed. Concerning the coordinating mechanisms available at UNCTAD 14, Mr. Jenkins noted that there will be several Ministerial Round tables which will be useful in coordinating viewpoints from all the various forums. As he explained, however, it is not very clear whether or not the divisions will appoint their own civil society speakers at these tables. But it is likely that the Civil Society Forum will have an opportunity to have representatives in the round tables and the other events like the world investment forum, he added. Addressing the question about UNCTAD's approach to competition policy, Mr. Jenkins noted that UNCTAD's current approach is more about affirmative action for weaker players in the system.

## DAY 2

### SESSION 5: THE CONTINENTAL FREE TRADE AREA (CFTA) - THE AFRICAN RESPONSE

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#### **16.0 Presentation 6: The CFTA: Elements, Expectations, Schedules and Challenges – Prudence Sebahizi, African Union Commission (AUC)**

Mr. Sebahizi's presentation focused on illuminating the CFTA: its background, its negotiating structure, its scope, and challenges. Introducing the presentation, Mr. Sebahizi noted that so many things make the discussion on the CFTA extremely important. The first is that despite its rich natural reserves, Africa is the poorest and most underdeveloped continent in the world with just about 2.4% of global GDP. Secondly, Africa has the lowest rate of intra-continent trade of just about 12%, compared with 63% and 40% in Western Europe and North America, respectively. Thirdly, with a combined population of over 1 billion and GDP of over \$3 trillion, the CFTA represents an

important tool for improving intra-African trade, and promoting structural transformation of Africa. And finally, the CFTA represents attempts to fulfil the aspirations of the Abuja Treaty, which calls for the creation of an African Economic Community.

As he explained, the AU launched the CFTA negotiations in June 2015 and adopted four main documents considered critical to the negotiations: (i) the Negotiating Principles; (ii) the Institutional Arrangements for the CFTA negotiations; (iii) the Terms of Reference for the CFTA-Negotiating Forum; and the (iv) Indicative Roadmap for the CFTA negotiations. The main goal of the CFTA, he pointed out, is to achieve a comprehensive and mutually beneficial trade agreement among the Member States of the African Union. Its specific objectives are (i) to enhance competitiveness of Africa's industry and enterprises by exploiting opportunities for scale economies; (ii) to overcome dependence on exportation of primary products and promote social and economic transformation in line with Agenda 2063; (iii) to resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes; and (iv) create a freer market for goods and services towards accelerating the establishment of the Continental Customs Union.

Focused on achieving the broad aims of the AU's Agenda 2063, the CFTA's scope, he explained, covers trade in goods; trade in services, and other cross-cutting issues such as competition policy, intellectual property rights, movement of business persons, and investment. In terms of trade in goods, it focuses on tariff liberalization, rules of origin, safeguards, standards, etc. Trade in services, he explained, covers the issues of transportation, financial services, tourism, energy, etc.

On the CFTA structures, Mr. Sebahizi explained that the CFTA negotiating structure is made up of five main hierarchical structures, with the Technical Working Groups (TWGs) (in 2 thematic areas) at the base and the Assembly of Heads of States and Government at the top. On the outskirts of this hierarchy is the Continental Task Force which is to facilitate broader stakeholder participation. According to him, the negotiations will take place in two phases. The first phase will focus on trade in services and trade in goods; the second phase will cover broader, cross-cutting issues of capacity building and trade facilitation measures.

On the challenges, Mr. Sebahizi noted that key challenges faced in the implementation of the CFTA include lack of productive capacity among African countries, the absence of critical connecting infrastructure; presence of significant non-tariff barriers; broad scepticism among some countries towards regional integration; and variations in commitment to regional integration among African countries. In addressing these challenges, he made a number of recommendations. The first is to take steps to improve productive capacities of member states; the second is to take immediate steps to remove infrastructural bottlenecks; the third is to eliminate trade barriers through improved trade facilitation measures; the fourth is to improve free movement of people across member states; the fifth is to optimize the involvement of key stakeholders in discussions on the CFTA; and finally to develop an advocacy and communication strategy to ensure buy-in of the CFTA from all stakeholders. In conclusion, he noted that the CFTA is critical NOT ONLY for its potential benefits, BUT ALSO to mitigate the costs associated with inaction.

## **16.1 Comments by Discussant – Bonapas Onguglo**

In his comments, Mr. Onguglo highlighted a number of critical issues that need to be carefully considered in the CFTA negotiations and eventual agreement. He noted that although the CFTA offers many potential benefits including very significant trade gains, there is the need to be mindful of what kind of liberalization is desirable in the CFTA: whether it is going to be about tax; whether it will involve all sectors of the economy or just some sensitive sectors; or whether or not it will be a fully-fledged FTA. In his opinion, it is important to make a decision about what sectors must be liberalized. In the issue of cross-border movements, he observed that it is important to distinguish between movement of people and movement of goods. To him, it will be important for the CFTA to facilitate the movement of ordinary citizens across the continent. Regarding the threats posed by MRTAs, Mr. Onguglo further noted that the CFTA will be critical in consolidating Africa's position and strengthening its leverage in negotiations with other external economic/trade groupings. He however warned against seeing the CFTA as a defensive strategy; on the contrary, he underscored the need to see the CFTA as a proactive strategy of dealing with other external players in the global trade space.

He also stressed the need for the CFTA to respond to popular aspirations of poverty reduction, access to goods and services, and ultimately structural transformation on the African continent. In his view, these are things many Africans want to see and the CFTA must be able to respond to these aspirations positively. As he also explained, liberalization of trade is meaningful only if citizens acquire the economic capacity to purchase the goods and services traded. In this sense, it is important for the CFTA, he stressed, to economically empower citizens in an inclusive manner so they are able to acquire the purchasing power required to provide the needed market for trade on the continent.

## **17.0 Comments and questions**

As would be expected, there were a varied set of comments and questions (vigorously made) on the presentations. For some participants, it is important to understand that not all countries are starting off from the same level. For some countries, the liberalization itself can exacerbate already difficult situations. Thus, in order to promote structural transformation across the continent as envisioned in the CFTA, it may be necessary to go beyond simple trade liberalization, to adopting some interventionist policies in order to help everybody, especially those countries starting from weaker backgrounds, to benefit. Other participants drew attention to the potential dangers associated with the distribution of the costs and benefits of the CFTA. In their view, trade liberalization always involves some costs: because there are always winners and losers, it is important that enough safeguards are built into the CFTA processes to minimize disadvantages and more fairly distribute the benefits of the trade liberalization.

Others highlighted the need to invest in helping citizens gain enough knowledge to be able to participate effectively in the CFTA discussions and thereby take ownership of the eventual agreement. The idea, as expressed was that “the more the CFTA makes sense to everybody, the more it succeeds”. On this point, others argued for a more structured, formalized civil society

engagement in the CFTA processes. The idea was that information dissemination must be strengthened, to enable citizens sufficiently engage on the “what” and “how” questions related to the agreement so that they can ultimately own it.

Others raised concerns about the ambitious timelines of the negotiations and its implications for accountability and inclusiveness of the process. The idea was that given the scope and schedule of the CFTA, the experiences of negotiations, and the culture of African institutions, the indicative target date of 2017 may not only be unrealistic; it may actually lead to huge accountability deficits, as it minimizes the space for quality debates and engagement on the CFTA. Others were more curious to find out the linkages between the CFTA and various continental policies and other regional programs. The idea was to find out what steps are being taken to ensure that the CFTA aligns favourably with the regional policies and programs as well as with other continental programs and policies such as the African Mining Vision (AMV). Still to other participants, the CFTA does not appear to be particularly inspiring, as it does not appear to be dealing with the very basic survival issues of maternal death, high youth unemployment, lack of infrastructure, stunted private sector development, etc. To these participants, it may be better to prioritize tackling these issues ahead of talking about trade liberalization as envisioned in the CFTA.

Building on the above point, some participants also underscored the need to disseminate the presentations (on the CFTA) among civil society and public institutions in a way that fosters healthy interaction between them towards ensuring that the bread and butter matters can be brought to bear on the negotiations in the CFTA. Some participants were more concerned about what they consider to be wrong sequencing of events or actions towards trade liberalization. To these participants, it may be important to first focus on removing obstacles to production at the national level through dedicated efforts in the areas of financing, infrastructure development, and all the enablers of trade, prior to discussing the issue of tariff/trade liberalization. Yet to other participants, the concern was about the inherent risks associated with trade liberalization particularly as relates to the issues of democracy and human rights, especially labor rights. To these participants, it may not be worth sacrificing human rights and democracy for continental market integration. Others simply wanted to find out how different the CFTA will be from the other FTAs.

Yet again, some participants believed that because the CFTA is a South-South FTA, it does not need to follow WTO rules (article 24) which specifies a level of liberalization we have to meet. Another suggestion was to take a softer approach to integration and to undertake trade facilitation measures that take into account the problems on the ground in individual countries. The idea was that there was no need to do things as done under the WTO where the principle of special and differential treatment is addressed in a mechanistic way divorced from real, on-the-ground problems in individual member countries. To other participants, because security is critical to trade, it may be important for the CFTA to directly tackle this issue. Others also highlighted the need for the CFTA to address labor rights and safeguard the natural environment.

Interestingly, while a substantial number of participants thought the CFTA’s 2017 deadline is too ambitious, this was not shared by all participants. As some argued, the CFTA timelines do not seem ambitious enough considering that it’s been over 25 years since the Abuja Treaty was signed.



To such participants, it was important to look at the CFTA more as a strategy to spur African growth, which, with sound analysis, will allow the continent zero in on specific growth inducing sectors to generate growth and enhance development.

### **17.1 Response to comments – David Luke; Prudence Sebahizi, and Babajide Sodipo**

**Dr. David Luke:** Responding to the comments, Dr. Luke noted that rather than the many “why” questions related to the CFTA, civil society need to be engaged on the “what” and “how” issues, instead. Civil society, he said, needs a strategy as to how it wants to engage with the “what” and “how” questions. To Dr. Luke, a more helpful way of dealing with the very ambitious timeline, is for the AUC to develop a template agreement which gives civil society the same template to look at in relation to the question of what should be contained in the agreement. The template agreement, he explained, will be particularly important in promoting wider engagement at the national level in dealing with and generating new proposals or concrete ideas regarding specific issues such as capacity building and transparency. Responding to the question about entry points for civil society, he noted that an entry point for civil society may be to strongly advocate for a framework or template agreement on the CFTA. Responding to the comment about the need for a softer approach to liberalization under the CFTA, Dr. Luke believes that it may be a disaster if the CFTA becomes just another FTA imposed on existing ones (such as exists in some RECs) or competing with them. To him, the CFTA should be an opportunity to rationalize all FTAs on the continent to create policy coherence. In that sense, a slow approach should not be advocated.

Dr. Luke also explained that the starting point for Africa’s industrialization must be agriculture as has been captured in several reports on the continent. In that sense, he argued for the need to develop a separate agreement on agriculture to lock in continent-wide agreements on agriculture, while exploring ways to enhance agricultural productivity on the continent. In agreement with a previous speaker, he also argued that Africa does not need to follow WTO’s Article 24 in its CFTA negotiations. He however underscored the need to carefully think through what is going to be the role of the RECs in trade policy. The CFTA will need its own secretariat and the relationship between the RECs and this secretariat has to be clarified.

**Mr. Prudence Sebahizi:** In his response, Mr. Sebahizi noted that in talking about sequencing of priorities in terms of enablers versus the CFTA, it is important to note that the CFTA is a consolidation of several initiatives already agreed in the AU. For example, the AU has several initiatives to address all the enablers mentioned – financing, infrastructure, social development etc. – and to protect basic human and labor rights on the continent. Again, he also noted that while there may be a certain reluctance to embrace trade liberalization, the continent has already committed itself in trade agreements with other international actors and that what is being discussed is how to open trade among the AU member states. As he argued, the CFTA is not bringing in anything new per se; it is only trying to lock in what the continent has already agreed in various other initiatives, in a transparent manner. Touching on the tight schedule of the CFTA, he noted that given past experiences and the experiences of major MRTAs elsewhere, it is possible to meet the 2017 deadline, especially because the CFTA is essentially only a consolidation process. In his opinion, if the EAC was able to negotiate a common market in less than 2 years, it should be possible to conclude an agreement on the CFTA by 2017.

In terms of the CFTA's connections with other continental policies including the AMV, Mr. Sebahizi noted that the CFTA is not in isolation from other continental programs; it's among them. As he explained, the CFTA's purpose is not simply about trade liberalization as an end in itself; rather, it is to address broader developmental challenges: to create jobs, improve infrastructure, reduce poverty, etc. by incentivizing actions in other critical sectors of the economy. In other words, the CFTA, by boosting trade, will create an incentive for progress on other issues such as infrastructure.

Responding to the comment about stronger engagement on the CFTA with the public, he noted that the AUC has uploaded many of its reports (on the CFTA and related issue) online. The AUC is also creating a dedicated website where information on the CFTA and its processes will be shared with stakeholders, he added. Responding to those who have argued that the CFTA is not addressing other social development challenges on the continent, Mr. Sebahizi stressed that the CFTA cannot address all problems at the same time. As he explained, the AU has a number of complementary programs and initiatives and Commissions addressing specific issues in specific sectors such as rural development, health, agriculture, peace and security; etc. To him, while the CFTA can contribute indirectly to addressing issues in some of these sectors, those are not part of its specific goals. Regarding questions about what makes the CFTA different from other FTAs, Mr. Sebahizi highlighted two points. The first was that the CFTA will be an inclusive and comprehensive process that goes beyond trade liberalization to look at investment, industrial policy, competition policies and free movement of factors of production. This means, he observed, that the CFTA has a bigger scope than most FTAs. The second point was that unlike other MRTAs, the CFTA is embedded in the strong institutional framework of the African Union, which will mainstream all other developmental programs into the CFTA.

Regarding concerns about CFTA as an instrument for trade liberalization, Mr. Sebahizi, stressed that in the process of trade liberalization, there are always going to be losers and winners. But the fact, he stressed, is that while some industries will collapse in some countries, others will replace them and make Africans better. He acknowledged the need for the AU to make efforts to hear the voice of the losers, no matter how few they are. Importantly, while accepting the challenge for a stronger AUC engagement with civil society on the CFTA, he stressed the need for civil society to strategize to come together and engage collectively in the CFTA process, as it may be impossible for the AUC to engage everybody individually.

Concluding his responses, Mr. Sebahizi noted that while the "why" questions on the CFTA may be legitimate, more important is the need for civil society to focus more on what to include in the CFTA to ensure that it meets Africa's common aspirations of structural transformation and improved living conditions. As he argued, because the CFTA is still being negotiated; there are still opportunities to fight for whatever one would like to see in it.

**Babajide Sodipo:** In terms of concerns about the ambitious time table of the CFTA, Mr. Sodipo noted that the CFTA is not new; on the contrary, it's only the latest step in the process of continental integration in Africa and must therefore not be too difficult to manage within the allotted timelines. As he further explained, the ambitious character of the time table is in itself a deliberate attempt by African governments to demonstrate political will and commitment to

accomplishing the FTA. But besides this, he also reminded participants of the shrinking windows of opportunities available in the global trade space. Citing the emergence of the MRTAs, he argued that a lot of things are happening very quickly in Africa's external environment and thus the continent must be able to respond as quickly as possible by concluding the CFTA. To him, the last thing anybody can advocate for is inaction; so there is need for a good balance. But he also reminded civil society that because not everything will be completed by 2017; there is or will still be some scope for further engagement.

Responding to those who argued for the need to first focus on critical social problems prior to talking about the CFTA, Mr. Sodipo, in reiterating the point made earlier by Mr. Sebahizi, noted that there are several dedicated continental programs to tackle most social issues, from health to security. Given that fact, he noted, there is no need to necessarily use the CFTA in tackling those issues. On concerns expressed by some participants about the value of trade liberalization, Mr. Sodipo noted that it will be important for civil society to have a different orientation to discussions about intra-African trade liberalization than it has towards trade liberalization, more broadly. To him, if member countries want to integrate economically as has been the long-held continental aspiration; then it is a must for member states to open up their borders to trade among themselves. Related to the question of prioritizing productive capacity building ahead of the CFTA, he pointed out that there cannot be production without market. As he explained, building productive capacity is critical but building market access is no less critical. Both, in his view, have to be done in sync.

Responding to a comment about what may be the alternative to the CFTA, Mr. Sodipo argued that the only alternative to the CFTA is the *status quo*. As he explained, the CFTA is supposed to be the game changer in the context of Africa's integration; and while there may be legitimate concerns about substance and process issues, it must be understood that there are only a limited set of choices that have to be made. In his view, while the CFTA may have some problems, as all other initiatives do, its benefits are potentially enormous not only in terms of trade; but also in terms of addressing other challenges such as illicit financial flows as trade becomes more internalized across the continent. Importantly, he stressed that it is not enough for civil society to simply focus on what it does not like about the CFTA; it must instead highlight what it likes to see in the CFTA and strategize to ensure that its views are sufficiently captured in the eventual agreement. In other words, civil society has to see the CFTA negotiations as an opportunity to advocate for specific issues, he added.

In concluding his responses, Mr. Sodipo accepted the challenge to step up AUC's engagement with stakeholders and civil society on the CFTA. He noted, however, that civil society has a history of being very forceful in their demands for engagement; and should therefore not wait to be engaged. Instead, civil society must knock on the doors, especially doors of their national governments, for space and voice in the negotiations.

## Session 6: Issues of Trade and Sectoral Coherence

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### 18.0 Presentation 7: The CFTA and Industrial Policy: Minerals and the AMV – Yao Graham, TWN

Dr. Graham's presentation situated the African Mining Vision (AMV) within the broader context of continental efforts (as captured in the Action Plan for Accelerated Industrial Development in Africa – AIDA – initiative) at engendering industrialization and value addition. Contextualizing the presentation, he noted that Africa is a commodity-dependent continent and natural resources have accounted for roughly 35% of Africa's growth since 2000. Resource-based raw and semi-processed goods, he said, accounted for about 80% of African export products in 2011, compared with 60% in Brazil, 40% in India and 14% in China. He noted that since the end of the commodities boom in the mid-2000s, Africa's goal has been to expand manufacturing. To him, this goal appears germane and, in some ways, overdue, given the massive decline in manufacturing on the continent since the 1970s.

He noted that the AMV builds on the aspirations of the *Action Plan for Accelerated Industrial Development in Africa* (AIDA) initiative, which conceives of industrialization as a critical engine of economic growth and the very essence of development. Dr. Graham explained that the AMV document which was adopted in 2009, is consistent with the AIDA especially in terms of the evolution of content and policy. The AMV, he noted, focuses on leveraging minerals for a diversified, vibrant and globally competitive industrializing African economy, with its main goal being the creation of a mining sector that catalyzes linkages with other sectors of the economy.

In leveraging mining for industrial development, he underscored the need to target a matrix of linkages – fiscal linkages, productive linkages, consumption linkages, backward linkages, forward linkages, horizontal linkages, integrative linkages etc. in the mineral value chain. The idea of linkages is simply to leverage the mineral resources to generate spin-offs in other economically productive spheres. In terms of fiscal linkages, for example, the goal, he explained, will be for African governments to optimize revenue receipts from the mineral sector and invest these revenues in other critical, complementary sectors. But quite besides the linkages, he also stressed the need for targeted efforts at skills development, financing, domestic enterprise development, infrastructure development; and importantly a strong role of the state in facilitating, coordinating and even participating (directly or indirectly) in the mining supply chain.

### 19.0 Presentation 8: Trade Facilitation and the CFTA - Robert Tama Lisinge, UNECA

Mr. Lisinge's presentation highlighted the need for trade facilitation as a prerequisite to achieving the full potential of the CFTA. As he explained, two things underscore the importance and urgency of trade facilitation (TF) in Africa. The first is that the continent's share of global trade is extremely low: 3.3% compared with 17.8% for East Asia. And intra-African trade stood around 16% in 2013, the lowest compared with all continents. The second is that (with huge cross-country

variations), transaction costs in Africa are one of the highest among all regions of the world. Compared with the world average, import-export activities in Africa take approximately 37% longer and are approximately 31% more costly, putting African businesses at a competitive disadvantage. In essence, improving regional trade flows as envisioned in the CFTA requires that serious attention be paid to the issue of trade facilitation (TF).

Citing current TF measures in the WTO and some African RECs such as COMESA and SADC, Mr. Lisinge believes there are sufficient lessons available to learn in terms of what to do and what not to do in TF in the context of the CFTA. Clarifying the scope of existing TF measures in the RECs, he noted that that TF measures in COMESA covers 7 main issues: (i) Harmonised axle load limits; (ii) COMESA carrier license and transit plates; (iii) Harmonised road transit charges; (iv) Customs Regional Bond Guarantee; (v) Third Party Motor Insurance (Yellow Card); (vi) Advanced Cargo Information System; and (vii) Automated System for Customs Data (ASYCUDA). In SADC, the TF measures cover 6 broad issues, including: (i) Single Customs declaration of goods; (ii) Harmonisation of weight limits and vehicle dimensions; (iii) Harmonisation of road transit charges; (iv) Adoption of region-wide insurance scheme; (v) Road design standards; and (vi) Driver Licensing - harmonised training of drivers and delivery of driving licensing. He also noted that one stop border posts (OSBP) and Single Window customs clearance are emerging as important TF measures in the ECOWAS, UEMOA, and EAC.

On the potential benefits of TF Mr. Lisinge, explained that with the appropriate levels of TF, the CFTA is projected to double the effectiveness of Africa's customs and ports and boost exports by about 10% by 2022, compared with just about 4% without TF measures. Going forward, he stressed the need to look inwards and take steps that benefit the continent, rather than seeking to follow the WTO standards or provisions.

## **20.0 Comments and questions**

The comments on these presentations were relatively short. According to some participants, TF is good for every economy, but without value addition, foreign companies will gain more from the CFTA than African countries. To those participants, there is the need to invest more in improving the productive capacity of member states. And in doing this, others emphasized the need to look within and ensure sufficient progress on TF regardless of the outcome of the WTO processes. On this particular point, it was pointed out that the UECA is working strongly with corridor management institutions to identify bottlenecks and facilitate learning among these institutions towards carving out home-grown solutions to trade facilitation on the continent. Still to others, it is important to focus on customs cooperation as a necessary building block to TF. The only challenge, it was pointed out, is whether to do this at the continental level or at the regional levels.

On mining: in order to successfully leverage mining for industrialization on the continent, there were suggestions for civil society to lead in identifying the key minerals for which there is demand on the continent (but for which there is no international demand) that must be prioritized towards developing effective linkages and value addition in member states. Suggestions were also made about the need to prioritize the liberalization of services that support mining. Again, civil society was tasked to identify which particular services ought to be prioritized in the CFTA. Other participants observed what they believed to be an irony in terms of Africa's mineral exploitation

where abundant deposits of minerals such as bauxite which have great prospects for massive integrated production, have failed to attract foreign investment.

### **20.1 Response by presenters - Robert Lisinge and Yao Graham**

**Robert Lisinge:** Responding to the comment on customs cooperation, **Mr. Lisinge** noted that the EAC is trying to put together a program to interconnect the customs unions of the EAC; and AU is also working on a strategy for a regional single window customs clearance. Concerning TF and productive capacity, he pointed out that although development partners have continued to show interest in helping Africa improve its productive capacity, there is a tendency among these development partners to support the “softer” policy issues which are easier to address than the “hard” issues like road construction. He however warned against relying on donor partners to promote trade facilitation. In his view, Africa needs to take the bull by the horn and do things for itself. As he explained, there may be instances where we find that a particular project may help or facilitate regional integration and boost trade, but may not be bankable; member states would need to step in to find the resources to address that project, he added. Again, in order to improve the competitiveness of African businesses, he also underscored the need to consolidate the regional level TF initiatives at the continental level.

**Yao Graham:** Responding to comments about the need to leverage mining for industrialization, Dr. Graham underscored the need to actually disengage from minerals which are of export value to global value chains (dominated by transnational companies) but which hold little value addition potentials to member states. Africa should, instead, focus on minerals which provide more possibilities for value addition, thereby subordinating the ownership of capital to the logic of indigenous economic processes which allow Africa to get the benefit of scale and experience which it can then fuse with its market needs to boost linkages. He argued that unless this is done, the CFTA will only circulate what the continent is already processing; nothing more.

Responding to the comment on bauxite, Dr. Graham believes the bauxite example demonstrates the fallacy of “creating enabling environment” for foreign investment. In his view, to make progress towards leveraging mining for development, the old mindset of creating a policy environment and an incentive framework that facilitates foreign investment, but undermines domestic capital accumulation, has to change.

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## **Session 7: The CFTA and Going Forward**

### **21.0 The CFTA: Panel Discussions – *Tetteh Hormeku (TWN), David Luke (ATPC/ECA); and Prudence Sebahizi (AUC)***

The essence of this session was to distill key points drawn out at the colloquium and to clearly define the way forward. Moderated by Dr. Yao Graham, the panel comprised Mr. Tetteh Hormeku, Dr. David Luke and Mr. Prudence Sebahizi. Below is a summary of the issues raised by each speaker.

**Tetteh Hormeku:** In pursuing the CFTA, Mr. Hormeku noted that there is a need for a concrete agenda for actions. One critical area of action is how civil society can engage more effectively with the CFTA processes. Outreach is critical. There is the need, he said, to build a short term program of outreach to strengthen civil society's capacity on the content issues in the CFTA and to help them insert themselves into the official and unofficial spaces that are open around the CFTA.

There is also the recognition, he observed, that the CFTA is a key African initiative to take forward Africa's longstanding agenda of industrialization connected with integration. As reflected in the ambitious deadline of 2017, there is a deep sense of urgency attached to this initiative, stemming in part from the recognition of Africa's vulnerability vis-à-vis major global developments. While the urgency is justifiable, he believes, it also raises concern about how to meet this ambitious deadline and agenda in a way that is (i) inclusive in both process and content; (ii) transparent and accountable and (iii) ensures that the CFTA addresses broader developmental challenges of the continent; in particular, in building productive capacities and promoting structural transformation.

It has also become clear, he pointed out, that there is the need to create internal markets, which are non-existent now. To ensure the creation of the internal market, the CFTA, he indicated, needs to be carefully calibrated with the supportive frameworks on many fronts. Linked to this, he said there is also the need to create a menu of options and sequence the liberalization in such a way that takes account of the differentiated capacities and weakness that exist across the member countries on the continent to make sure that everybody benefits from the CFTA. Improper sequencing, he stressed, can seriously undermine the CFTA.

There are also some potential threats to the integrity of the CFTA and its objectives that need to be carefully addressed, he noted. The Abuja Treaty, for example, forbids member states from giving their counterparts less favorable terms than what they offered outsiders. In this sense the EPA, he believes, really poses a grave danger; it undermines everything that a country needs to have a trade agreement that is truly developmental. In his view, it may be necessary to explore if there is any scope to renegotiate the EPA.

On finance, he noted that the main issue concerns the non-availability, in member states, of the financial systems required to support indigenous entrepreneurs. Importantly, it is necessary to address how the issue of financing is integrated with the liberalization process. Without a system that addresses the financing issues connected with production, a continuing reliance on external financial actors will only lead to the externalization of accumulation, he stressed.

There is the need to also recognize, he noted, that there is very little knowledge among citizens and the private sector on the CFTA and its processes. This, to him, needs to be urgently addressed. As he pointed out, there are two lines of responsibility in this regard: one for the AUC and the other for civil society organizations. In order to be part of the contestation of ideas around the CFTA, civil society, he argued, needs an effective outreach to build capacity. It must form consistent alliances and undertake detailed outreach in order to create awareness on the CFTA and to enable civil society and private sector make better inputs into the processes. At the level of the AUC, he

said it is important to create options to support civil society participate meaningfully at all levels – technical, policy oversight, and political approval – and contribute to the actual negotiating text.

**David Luke:** There is a need to acknowledge that there is currently no formal provision for civil society engagement in the CFTA architecture. It is important for civil society to alert officials that this deficit exists in the CFTA architecture, Dr. Luke stressed. Notwithstanding the above challenge, the discussions show, he observed, that civil society recognizes the responsibility to engage with the CFTA; that the CFTA is potentially transformational and has to be gotten right; and that the CFTA requires urgent actions.

According to Dr. Luke, the discussions also show that CSOs need to do a lot more outreach on the CFTA. As a start, it may be important for civil society to do a mapping of different CSOs working on aspects of economic transformational in order to provide the basis for alliance building toward a more robust outreach, he suggested. ECA will explore how to support this outreach, he promised. Another major issue raised, he noted, is the issue of transparency. According to him, it is important to make the negotiating text public; but he admitted that this is not likely to happen without a strong civil society advocacy on the issue. Thus, it will be important for civil society, he stressed, to ensure that it secures commitment from the AUC on making the negotiating text public.

Again, there is a general recognition that the CFTA could be transformational and that it should be equitable and inclusive in its impacts, Dr. Luke observed. Going forward, there is going to be scope to look at the various policy areas discussed in this colloquium – mining, agriculture, etc.; civil society, he stressed, will be expected to make substantive inputs on these issues. One way of contributing, he suggested, is for civil society to conduct a mapping of agricultural products with the potential for building effective linkages and promoting value addition across the continent.

The discussions, according to Dr. Luke, also show that there is the real possibility that agreements cannot be concluded on all the service sectors by 2017. While it is expected that work on these issues will continue after 2017; it is important for civil society, he stressed, to single out finance as a priority area, given all the issues raised during the discussions in the colloquium. But it will be critical for civil society, in making this point, to also do its own work to identify what should be the possible content of an agreement on financial services in the CFTA in this first phase of negotiations i.e. before 2017. Going forward, he noted, it may be useful for civil society to map what the RECs are doing and how they have approached liberalization; to map the regulatory aspects; and to map current market access provisions in the regional agreements.

Concerning the SDT – special and differential treatment, Dr. Luke noted that the discussions reveal that different African countries are at different stages of development; this means that focusing on the issue of transitional periods alone is not going to be enough as a SDT measure. There is the need, he emphasized, to align SDT to other policy areas. According to him, civil society needs to be strongly championing this issue. On trade facilitation (TF), the discussions in this colloquium show that regardless of the processes in the WTO, Africa must seek to address TF on its own; and civil society must make a strong case on this issue, he pointed out.



Very importantly, Dr. Luke stressed that it is necessary for civil society to be looking at a long-term, continuous engagement on the CFTA, as several of the issues being discussed now will remain relevant well into implementation of the eventual CFTA agreement. One issue that needs to engage attention of civil society in terms of trade facilitation, he noted, is intellectual property. As he observed, currently, the issue of intellectual property policy in Africa is in state of complete disarray, as it lacks coherence in terms of a strategic policy that supports aspirations towards industrialization and structural transformation. A lot of work, he believes, needs to be done in this area in the second phase of the negotiations.

**Prudence Sebahizi:** It must be acknowledged, Mr. Sebahizi noted, that there is no formal engagement mechanism for civil society involvement in the CFTA negotiations. To him this is no accident. As he explained, the negotiating process has been structured to take place in the normal policy making organs of the AU, driven by governments. In spite of this failure, he noted that evident in the negotiation text is the call on the AUC and the various RECs to engage all actors at different levels for their input into the CFTA. The challenge, he observed, is how to use these avenues – the RECs and AUC – to engage properly. Going forward, it may be useful for civil society to form some coalitions and seek funding for their engagement from development partners who are willing to support this process, he suggested.

The discussions, Mr. Sebahizi pointed out, also show that there is information deficit on the CFTA. Given the limited capacity of the AUC to single-handedly deal with this issue, however, he stressed the need for civil society to take a leading role in creating awareness on the CFTA on the continent. On the issue of transparency, a good starting point as was done in the EAC, according to Mr. Sebahizi, is a model agreement which can be used to receive inputs from the public. It is up to civil society to do its homework and try to come up with a text and propose it to the negotiators as a model agreement, he suggested.

## **21.1 Reactions to the discussions**

The reactions focused on four main issues. The first addressed the importance of independent research and critical thinking by civil society on the CFTA. The main idea was that civil society must seek to more aggressively influence the CFTA process by undertaking and disseminating independent research on critical questions related to the processes. As it was explained, it is not really helpful that the organizations tasked with leading the CFTA processes are also the only ones doing and disseminating research on questions related to the CFTA.

The second concerns the question of SDT and the need to institute safeguard mechanisms to rein in the winners (who may want to lock in their gains) and compensate the losers. As was mentioned, without conscious efforts (through the institution of specific mechanisms) to convince potential losers that the CFTA is ultimately in their interest, support for the initiative could be severely weakened. Specific SDT measures suggested include (i) transitional periods; (ii) carving out of sensitive areas for some groups of countries; and (iii) the institution of compensation mechanisms.

The third deals with the need (and opportunities) for broader, stronger engagement by all relevant actors on the CFTA. The idea was that while the CFTA is desirable and indeed has some great

potentials, its usefulness will depend on the content and substance of the agreement that is eventually reached. In that sense, creating opportunities for citizens to express their views (likes and dislikes) on the CFTA is considered critical to achieving a meaningful, workable CFTA. On this point, some participants argued that for a more effective engagement on the CFTA, civil society must focus its engagement efforts at the national level, engaging national negotiators. It was in fact pointed out that because the Negotiating Forum meets at least four times in a year, civil society can lobby their governments so they can be part of the government negotiations.

The fourth issue concerns the need for the CFTA to reject, in its content and substance, the hegemonic narrative of neoliberalism. As was expressed, the CFTA must be a process of challenging the hegemonic narrative and practice of neoliberalism. This means that while trade liberalization is the goal, it must be accompanied with a range of supporting policies that enable all member states benefit meaningfully from the agreement. Importantly, it was argued, in order to protect Africa's domestic productive capacity, the CFTA must reject the EPA.

## **22.0 Summary of discussions and closing remarks – David Luke & Yao Graham**

Summarizing the panel discussions, **Dr. Luke** noted that there are three strategic areas civil society can intervene in on the question of the CFTA. The first is outreach, mobilization and organization to complement and support AUC's efforts at outreach; the second is the conduct of independent research to provide evidence for the advocacy positions of civil society on the CFTA; and the third is advocacy to complement the outreach and research.

**Dr. Graham**, on his part, observed that without offering a prescription for any individual or organization about the standpoint they should take, the discussions reveal the menu of challenges confronting the CFTA. He argued that in order for the CFTA to be meaningful to the continent, it has to meet certain criteria in terms of substance, process, connections (linkages). He underscored the need for a lot more reflection, learning, and even debate among civil society actors themselves to sharpen their agreements and differences. In his view, the colloquium has been very successful to the extent that it offered a substantial body of thought on the CFTA processes. He expressed his hope that, going forward, the spirit of dialogue and information sharing between civil society and the AUC in the context of the CFTA will become more structured. He thanked participants for their participation and officially closed the colloquium.

*Report by*  
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## Appendix 1: Participants List

UN – ECA / TWN – AFRICA  
**Colloquium on Continental Free Trade Area & the CSO Strategy Meeting on Evolving  
Trade and Development Challenges for Africa**  
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