

AfCFTA State of play: What next after Niamey?

The African Continental Free Trade Area is one of the flagship projects of the First Ten Year Implementation Plan under the African Union Agenda 2063 – **The Africa We Want**. The objective of the AfCFTA is to create a single continental market for goods and services, with further negotiations planned on the facilitation of intra-African investment, intellectual property and competition. The Agreement paves way for accelerating the establishment of the Continental Customs Union and, ultimately, African Economic Community as envisaged in the Abuja Treaty. Furthermore, the AfCFTA will help to harmonise Africa's different trade regimes within the continent's various Regional Economic Communities (RECs). There is no doubt that this will result in a substantial increase in intra-African trade, greater industrial production and a boost to the continent's GDP (ECA, 2018, AfDB, 2019, ch.3 and IMF, 2019, ch. 3). The AfCFTA will bring together 55 African Member States, whose combined gross domestic product (GDP) was estimated at more than US \$ 2.3 trillion as of 2018 (ECA, AfDB and AUC, 2019, p.85).

African Leaders continue showing their commitments towards deeper regional integration as evidenced by the signing of the Kigali Declaration by 44 African countries, during the 18th Extraordinary Session of the African Union Summit held in Kigali, 21 March 2018. There are two protocols under the AfCFTA which are: (i) trade in goods and (ii) trade in services. Under trade in services, the Kigali Summit agreed to give prioritize five sectors, namely: communication, financial, transport, tourism and professional services. During the same Summit, about 27 countries also signed African Union Protocol on Free Movement of People, that complements the African Continental Free Trade Area which will be key in boosting regional trade. The Agreement is further buttressed by other continental initiatives such as the Programme for Infrastructure Development in Africa and the Single African Air Transport Market which will contribute to improving efficiency in continental air transportation and increasing Africa's global share of the aviation industry.

The pace of ratifications by African leaders is also remarkable. By 1st April 2019, only over a year after the signature, the threshold of 22 countries required for entry into force of the agreement had been reached. The continent marked another milestone on 30 May 2019 when the agreement entered into force. This fast-paced ratification process is unprecedented in the AU treaty history and bodes well for the continent's integration agenda.

What next after the signing of the protocols and ratification?

Despite political commitments, several important technical steps need to be addressed before the effective operationalization of the Agreement. The signing of the protocols only marks the end of the first phase of the negotiations. There is need for African countries to first conclude the remaining details of the negotiations for the first phase, such as tariff offers and rules of origin regarding goods and schedules of specific commitments and regulatory co-operation framework regarding services. Attainment of these commitments will require capacity building in African member States. In this respect, the ECA has prepared a monitoring tool "The AfCFTA Country Business Index" to track progress on the implementation of AfCFTA" which will be done through periodic surveys of business opinions on the real impact of the agreement on trade.

Great coordination is needed at all levels for effective implementation of the AfCFTA. There is need to link the Action Plan on the implementation of the AfCFTA and the existing roles and functions of RECs for greater coherence of trade policies and regulations. The multiple and

overlapping membership of countries across RECs and trading arrangements means that more than half of intra-African trade in more than 70 per cent of African countries is already covered by existing FTA arrangements. Hence the call for AfCFTA to build on existing programmes in achieving its dream of a single African market. The relationship between Africa's pre-existing FTAs and the AfCFTA is disciplined by Article 19 of the AfCFTA Agreement, which provides guidance in case of conflict of legal provisions for the resolution of incompatibilities or inconsistencies between the AfCFTA and other intra-African trade instruments. The same Article 19, makes provision for the preservation of important *acquis* of RECs, leaving room for the co-existence of multiple trade regimes on the continent, at least in the short to medium term.

In addition to operationalising the AfCFTA, African countries also need to pursue complementary measures to make sure that they can make the most of it. Some of these include infrastructure development, peace and security; and movement of persons, among others. In addition, African countries will need to design and deploy new trade and industrial policies that would enable them to make the most of the opportunities presented by the AfCFTA, as well as guide their approach to the remaining aspects of the negotiations. As a way forward, the ECA in close collaboration with the AUC, is currently assisting 15 African member States in developing AfCFTA National Strategies. The objective of the National Strategy is to complement a broader development framework, especially in relation to the trade policy environment of each State Party to the Agreement. The National Strategy will facilitate the identification of key value addition and trade opportunities, current constraints, measures and capacities required for a country to take full advantage of national, regional and global markets within the AfCFTA context.

The launching of the operational phase-Niamey, Niger

After 3 years of tough negotiations, the African Union finally launched the “operational phase” of the African Continental Free Trade Area. Niamey was full of joy and happiness when African leaders officially launched the operational phase of the African Continental Free Trade Area on 7th July 2019, during the 12th Extraordinary Summit of the African Union Heads of State and Government. This marked a “New Era in African's Integration” after the historic signing of the Agreement in Kigali, Rwanda. This great moment happened after the deposit of the required minimum of 22 instruments of ratification by AU member-states to the AU Commission on 30th May 2019. As of June 2019, five more instruments of ratification have since been deposited, bringing the total number of ratifications to 27 countries.

Nigeria, Africa's most-populated country and one of its biggest economies signed the AfCFTA Agreement during the Niamey Summit, adding even more significance to the official launching of the Free Trade Area. Benin Republic also appended its signature to the agreement during the Summit, bringing the total number to state signatories to 54, with Eritrea as the only member of the African Union that is yet to sign. The next phase to be pursued involves negotiations on investment, intellectual property and competition, as well as achieving ratification of the Agreement by more African countries and more importantly, its effective implementation. Through AfCFTA, African states agreed to shared “rules of origin, the monitoring and elimination of non-tariff barriers, a unified digital payments system and an African trade observatory dashboard. The Agreement will be fully operational in one year after the launching (July 2020), giving countries time to adapt to the agreed changes.