

Fifty-first session of the Economic Commission for Africa and the Conference of African Ministers of Finance, Planning and Economic Development

ACBF-ECA Panel discussion on the theme

“The African Continental Free Trade Area (AfCFTA): Moving Beyond the Signing to Building the Capacity for Implementation”

Background

The African Continental Free Trade Agreement (AfCFTA) was signed in Kigali, Rwanda on 21 March 2018, with the goal of creating a single market followed by free movement and a single currency union.

A lot of expectations is being put in the agreement. Indeed, creating a single continental market for goods and services, with free movement of business persons and investments, would not only accelerate the establishment of the Continental Customs Union and the African customs union, but would also ensure Africa’s competitiveness in the global economy.

Evidence shows that intra-Africa trade remains low, with the 2017 African Economic Outlook report showing a slight upturn in trade among African countries from 10 percent in 1995 to about 18 percent in 2015. This remains well below potential compared to other regions in the world such as the Association of Southeast Asian Nations Free Trade Area (24.2 percent in 2013) and EU-28 (63 percent in 2015). The United Nations Economic Commission for Africa estimates that the AfCFTA has the potential to boost intra-Africa trade by 53% by eliminating import duties and non-tariff barriers. It could create an African market of over 1.2 billion people with a Gross Domestic Product (GDP) of \$2.5 trillion. Therefore, creating a single continental market for goods and services, with free movement of business persons and investments, would not only accelerate the establishment of the Continental Customs Union and the African customs union, but would also ensure Africa’s competitiveness in the global economy.

However, for Africa to reap the full benefits of the agreement to meet the target of being an integrated, peaceful and prosperous continent by 2063, some enablers have to be in place. An important enabler is the capacity required for ratification and implementation of the agreement after the signing. Signing the Agreement does not yet establish the African Continental Free Trade Area. It will function as an umbrella to which protocols and annexes will be added. The free trade area will formally exist only after it has been ratified by at least 22 states. As the African Union’s Specialized Agency for capacity development, the African Capacity Building Foundation (ACBF) is particularly concerned that the agreement may follow several others that have not been ratified by a critical mass of member states or not effectively implemented due to lack of implementation capacities at national, regional and continental levels¹.

¹ See ACBF (2015). A Digest of OAU-AU Treaties, Conventions, and Agreements, 1963 to 2014. ACBF, Harare, Zimbabwe: <http://elibrary.acbfact.org/>

In this line, the Foundation will host a high panel discussion that will focus on the capacity imperatives for the implementation of the Africa Continental Free Trade Area (AfCFTA) agreement and the need for a coordinated capacity development programme for implementing it.

Objective

The main objective of the high-level event is to understand the capacity imperatives in ratification and implementation of the AfCFTA so as to fully harness the opportunities the agreement offers to African countries and the private sector there-in. The event will provide evidence based information to policymakers and other stakeholders on how to get the AfCFTA effectively implemented.

Expected outcomes

- Clearly identified opportunities and challenges around the AfCFTA;
- A robust assessment of the capacity imperatives for ratification and implementation of the AfCFTA;
- Common understanding of the concrete package of capacity development options and recommendations in implementation of the AfCFTA;
- Commitment and partnership towards development of a coordinated capacity development plan for supporting implementation of the AfCFTA.

Target audience

- Officials of the ministries of finance, economic planning and industry
- National and regional planners
- Investors
- Civil society and the private sector
- Policy makers

Venue, date and time:

- Addis Ababa, United Nations Conference Centre (UNCC), *Conference Room 6*
- *13th May 2018 from 1400hrs-1530hrs*

For further information please contact:

- Dr Robert Nantchouang, ACBF's Senior Knowledge Management Expert,
r.nantchouang@acbf-pact.org