

OVERCOMING EXTERNAL CHALLENGES TO SUCCESSFUL IMPLEMENTATION OF AfCFTA: HOW HELPFUL ARE EPAs AND OTHER BILATERAL ECONOMIC/TRADE ARRANGEMENTS

Introduction

On March 21, 2018, 44 African countries made the historic move to sign the Kigali Declaration for the African Continental Free Trade Agreements (AfCFTA). In 2019, the agreement was formally adopted, having met the required threshold of numbers of countries for ratification. AfCFTA was coming on the heels of the increasing resort to populist nationalism and a receding globalization. These changes have implications for multilateralism. Despite the challenges facing Africa with multilateralism, international trade remains critical for achieving the United Nations Sustainable Development Goals of 2030 and enhancing economic growth both in the Global North and South. Especially in Africa with newly launched AfCFTA.

With the AfCFTA, Africa is poised to move from exports of unprocessed commodities and minerals to manufacturing and industrialization. Studies have shown that the AfCFTA can lead to structural transformation and foster the regional value chains that can enhance the contribution of African countries to the global value chains. The high prospects that the continental agreement promised can be undermined by Global economic challenges including member of AFCFTA external agreements with third countries, many of which Economic and Trade From the late 1960s when the Yaoundé Convention was signed between members of European Economic Community and African Caribbean and Pacific countries from the Lome Conventions 1-IV to the Cotonou Partnership Agreements, EU-African trade relations have been based on the principle of non-reciprocity under various preferential trade agreements such as Everything But Arms Initiative and Generalized Systems of Preferences (GSP). The EU - Africa trade relation in the build-up to the commencement led the negotiations of the EU-ACP Economic Partnership Agreements between the EU-ACP countries. It's noteworthy that the EU had raised concern that the regime of preferential trade agreements is contrary to Most-Favoured Nation principle of reciprocity upon which the World Trade Organization is based. Similarly, by 2025, the waiver that the World Trade Organization provides to the United States of America under the African Growth and Opportunities Act (AGOA) will expire (Gathii, 2017). The Cotonou Partnership Agreement between the European Union and African, Caribbean and Pacific (ACP) also expired at the end of December 2020, after a 10-month

extension from February, 2020, the original date for expiration. With the Brexit, the UK, which was originally part of the Cotonou Partnership Agreement is now entering into a separate economic and bilateral trade arrangement with specific African countries.

China has also registered its footprint in Africa, with the country now being the largest trade partner with Africa. The Chinese Belt and Road Initiative is also set to be a large-scale trade and investment arrangement that will include not only Africa, but other regions of the world in Asia, Europe and Latin America. Despite the existence of a Continental Trade Agreement, many of the AfCFTA signatories have entered and still entering into Bilateral or Regional Trade Agreements that could undermine the implementation of AfCFTA. For instance, the EU has signed a Regional EPA with some Southern African countries. Kenya in East Africa also signed and ratified the EPA, while other countries in the sub-region are either yet to sign or ratify.

Russia, Turkey and India are also negotiating Economic and Trade Agreement with willing Africa countries.

In view of these developments, it is imperative for AU & RECs to organize a Roundtable to discuss and develop a Policy Framework that can guide members decision and the Secretariat on the best way to respond to the challenges posed by the various external actors arrangements. This Proposal sets out the format of the Roundtable to be organised.

Objectives of the Roundtable

- To identify and analyze the present and ongoing Economic Trade Agreements between African countries, the EU, USA and post RECs and Brexit UK, China, Turkey and India etc.
 - To analyze the possible implications of the impact and consequences, on the arrangements on the African Continental Free Trade Agreement
 - To determine the capacity of state parties in managing the disruptive effects of third-party agreements and compliance with the terms of the AfCFTA
 - To develop a Policy Framework to be managed by the AfCFTA Secretariat, African Union, RECs and the State Parties responding to the possible spillover effects of the arrangement on the AfCFTA.

Duration:

27th-29th, April 2021

The Roundtable

The Economic Commission for Africa (ECA) in partnership with Carleton University, Canada and Pan African Strategic & Policy Research Group (PANAFSTRAG) will respond to the key objectives set out above through in-depth analysis by Experts from different regions of the world. It will bring Experts on Trade, Economics and Arrangements from the Institute of African Studies, Carleton University, Centre for Trade Policy and Law, Carleton University, Centre for Trade and Economic Integration, Graduate Institute, Geneva, African Union, and RECs.

Topic to be discussed will include the following:

- The World Trade Organization Rules and Regional Trade Agreements
- African Continental Trade Agreements Rules and RECs Implications for implementations
- EU-ACP Economic Partnership Agreements and the African Continental Free Trade Agreement
- AGOA, RECs; and the Bilateral and Multilateral African Continental Free Trade Agreement
- China Economic and Trade Arrangements and Proposal to AU, RECs and AfCFTA
- China Belt and Silk Initiative and African Continental Free Trade Agreements
- USA Bilateral Proposals
- UK Bilateral Proposals Post-Brexit
- Benefits, disbenefits of these arrangements to members and RECs
- Impact of these arrangements on the implementation of AfCFTA
- Managing the Benefits, minimising the disbenefits and ensuring positive impacts
- Establishing the Framework for enabling negotiation with AfCFTA Executives.

Outcomes:

- Policy Briefs and Advocacy

- Op-Eds in leading newspapers worldwide
- Special issue of a journal