

Sub-Regional Office for West Africa
Avenue du Fleuve
P.O. BOX 744
Niamey, Niger
Tel: (+227) 20 72 29 61
Fax: (+227) 20 72 28 94
Website: www.uneca.org



United Nations
Economic Commission for Africa

p. 1

West Africa Regional Forum of Intergovernmental and Private Sector Organizations on the Implementation of the African Continental Free Trade Zone

Virtual Meeting, 26 & 27 May 2021, 10am - 1:30pm UTC+1

Concept Note

Background

In light of on-going UN system reforms since 2018, including the establishment of Resident Coordinator offices to ensure greater unity of effort and impact of UN interventions at country level, Member States endorsed ECOSOC resolution 2020/23 on the implementation of the quadrennial comprehensive policy review (QCPR) of operational activities for development on 28 July 2020. In terms of areas of transformation, the resolution calls for, among others, the establishment of a "UN Regional Collaboration Platform (RCP)", which would absorb existing and redundant coordination mechanisms to foster collaboration on sustainable development among entities of the UN development system operating at regional level. That platform was operationalized with the launch of the Africa Regional Collaborative Platform (RCP) in December 2020. A first report¹ highlighting the coordinated and proactive support by the United Nations Development System (UNDS) entities at regional level was reviewed in March 2020 at the Seventh Session of the African Regional Forum on Sustainable Development, held in Brazzaville, Congo.

With a view to strengthening this new support and coordination framework, particularly its sub-regional component, ECA has undertaken to consolidate the support of the United Nations system and the intergovernmental organizations (IGOs) of the sub-region, particularly ECOWAS and WAEMU. To that end, assessments of the state of regional integration have been carried out. Similarly, in collaboration with WAEMU and ECOWAS, actions have been taken to put in place a platform of West African IGOs (WAIGO).

With regard to assessments of progress towards integration, ECA and ECOWAS have jointly analysed the overall state of regional integration² with actions to be strengthened on five (5) major challenges: i) discipline and compliance with community rules, ii) value creation and effectiveness of regional programmes; iii) good coordination of interventions among sub-regional IGOs, iv) ownership of the community project by the populations, and v) insertion in the overall continental integration project. A second evaluation was recently conducted by WAEMU³ as part of a study that identified key actions to be implemented to better operationalize the partnership between IGOs and improve the coherence and relevance of partnership areas.

Regarding the establishment of the platform, credit goes to a joint collaboration between UEMOA and ECOWAS and with support from ECA. It was formalized in the framework of the Memorandum of Understanding on the creation of the framework for consultation, cooperation and partnership between intergovernmental organizations in West Africa, signed on 14 June 2013 in Ouagadougou, Burkina Faso by eight (8) IGOs⁴. These actions are aimed at strengthening the integration process of the countries of the sub-region so as to foster their structural transformation and sustainable development.

It is in this context that African countries signed the African Continental Free Trade Zone (AfCFTA,) on 21 March 2018, in Kigali (Rwanda). Officially launched on 7 July 2019 in Niamey, Niger, during an extraordinary AU Summit, the AfCFTA became operational on 1 January 2021, thus laying the foundation for a process of strengthening intra-African trade.

¹ Regional UNDS Annual report (transitional Africa RCP (Regional Collaborative Platform Report), December 2020

² ECOWAS at 40 - An assessment of progress towards regional integration in West Africa, ECA, May 2016

³ Study on the mechanisms and modalities of cooperation and partnership between intergovernmental organizations in West Africa in the framework of the implementation of regional projects, WAEMU, draft January 2021

⁴ ECOWAS, UEMOA, CILSS, ACMAD, ALG, Conseil de l'Entente, Abidjan-Lagos Corridor Organization (ALCO) and NBA

In April 2021, 11⁵ out of the 15 ECOWAS countries ratified the AfCFTA agreement, which is one of the major projects of the first ten-year implementation plan of the African Union's 2063 Agenda⁶. The effective start of trade on 1 January 2021 and the imminent finalisation of the final negotiations on services, investment, competition, property rights and e-commerce, among other things, will make the African continent the largest free trade area in the world in terms of the number of countries involved. Fragmented and mostly small national markets are expected to give way to a large integrated market with more than 1.3 billion consumers and an aggregate GDP of more than USD 3.5 trillion, almost 8 times the nominal GDP in 2019 of Nigeria, the region's largest economy.

The important role of the Regional Economic Communities (RECs) is highlighted in various provisions of the AfCFTA agreement. Article 5, among others⁷, on the principles of the agreement, considers "the Free Trade Zones (FTZs) of the RECs as the pillars of the AfCFTA".

Similarly, the role of the private sector in the effective implementation of the free trade area is crucial. Indeed, it remains one of the key drivers of wealth creation, growth and the achievement of the 2030 Agenda for the SDGs and the AU's 2063 Agenda. According to the African Union's 2019 African Development Dynamics Report, Africa's growing markets have great potential to transform their production systems. In this regard, it was found that domestic demand accounted for 69% of the average annual growth in African gross domestic product (GDP) since 2000, estimated at 4.6%⁸. It was also noted that there is a shift in domestic demand towards more processed products, which depends largely on the active participation of the private sector in wealth and employment creation.

The West African economies are marked by a strong predominance of small and medium-sized enterprises, and/or those operating in the informal sector⁹ and with low productivity¹⁰, whose constraints have been exacerbated by the COVID-19 pandemic. The pandemic also highlighted the structural fragility of the sub-region's economies, due to its lack of processing, as evidenced by the structure of its exports, which are largely composed of raw materials¹¹. The implementation of the AfCFTA, with the effective participation of the private sector, should enable the creation of sub-regional value chains with a view to transforming the natural and mineral resources in which West Africa abounds, and thus promoting "Made in West Africa". The role of facilitator and accompaniment of IGOs is preponderant.

With a view to highlighting the central role of the RECs in the AfCFTA, analyses and dialogues have been conducted by various institutions. In this regard, ECA organized an expert group meeting on "Governing the Interface between the African Continental Free Trade Area and the RECs' Free Trade Agreements: Issues, Opportunities and Challenges", involving the RECs, the African Union, the African Development Bank, Research Institutions and Universities. The meeting, among other things, highlighted the challenges underlying the interface between the AfCFTA and FTAs. It also examined feasible policy proposals that would help ensure coherence and synergy between the AfCFTA and the FTAs of the RECs, while providing suggestions for successful implementation based on lessons learned from the experience of the FTAs of the RECs.

⁵ Burkina Faso, Côte d'Ivoire, Gambia, Ghana, Guinea, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo

⁶ https://au.int/sites/default/files/documents/33126-doc-14_ten_year_implementation_french.pdf

⁷ Article 9, 27, https://au.int/sites/default/files/treaties/36437-treaty-consolidated_text_on_cfta_fr.pdf

⁸ https://au.int/sites/default/files/documents/37662-doc-2019_africa_development_dynamics-fr.pdf

⁹ Informal sector contributing 25-65% to GDP in 13 of 15 West African countries (Regional Economic Outlook - Sub-Saharan Africa - Restarting Growth, IMF, April 2017)

¹⁰ https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2019AEO/AEO_2019-FR-CHAP2.pdf

¹¹ Pandemic COVID 19: Impact of Restrictive Measures in West Africa - ECOWAS, WFP and ECA, December 2020

In the same vein of involving RECs in the implementation of the AfCFTA, efforts are being made to make the private sector, an important player in trade and wealth creation, a key pillar to ensure success in the implementation of the AfCFTA. Also, a strong partnership with businesses in the implementation of the AfCFTA is likely to create a pan-African market for the industrialisation of the continent.

Between 2019 and 2020, ECA organized various regional forums, including the West and Central Africa Regional Trade Forum¹² with the private sector. Capacity-building and awareness-raising initiatives for sub-regional sector platforms have also been carried out, as evidenced by the dialogue with the Federation of West African Chambers of Commerce and Industry (FEWACCI)¹³. On a broader scale, a summit involving African Heads of State and high-level officials was held in March 2021 to discuss the critical success factors of the AfCFTA for the private sector¹⁴.

It is in this general context that the West Africa sub-regional forum of IGOs and private sector platforms, which will be co-organized by ECA, ECOWAS and UEMOA, will take place. Through discussions on concrete issues with these key sub-regional actors, the forum will analyse the challenges related to the AfCFTA, and specifically how the agreement will be transformed into concrete actions and opportunities to enable States to make the most of the opportunities for economic growth and structural transformation of their economies.

I. Objectives

The main objective of the forum is to enhance the preparedness and involvement of sub-regional stakeholders, particularly RECs, IGOs and sub-regional private sector platforms, in the implementation of the AfCFTA.

The specific objectives are :

- Information update on the status of implementation of the AfCFTA ;
- Discussing the state of readiness of sub-regional actors (IGOs and Private Sector Platform) and their role in the successful implementation of the AfCFTA;
- Identifying key areas of support and capacity building for sub-regional actors;
- Exchanges on on-going initiatives in support of the implementation of the AfCFTA;
- Establishing an inclusive dialogue and partnership framework for RECs and IGOs as well as sub-regional actors for the successful implementation of the AfCFTA;
- Launching the "Made in West Africa" initiative for the transformation of national and sub-regional resources.

II. Expected results

The expected results are:

- Sub-regional stakeholders are informed about the status of implementation of the AfCFTA, its challenges, socio-economic opportunities and prospects;
- The state of preparation and ownership of the AfCFTA by the sub-regional actors is better understood;

¹² <https://www.uneca.org/fr/events/regional-trade-forum-west-and-central-africa/forum-r%C3%A9gional-sur-le-commerce-pour-l%E2%80%99afrique-de>

¹³ UNECA-FEWACCI Workshop: Strengthening private sector capacity to trade under the AfCFTA, Abuja, Nigeria, December 2020

¹⁴ <https://www.africaprivatesectorsummit.org/>.

- Key areas of support and capacity building for sub-regional actors are identified and guidance is provided for the implementation of training and support activities;
- Sub-regional actors are informed of initiatives to support the implementation of the AfCFTA, and avenues for partnership are identified;
- Guidance is provided for the establishment of a framework for dialogue and partnership in support of the AfCFTA for IGOs and sub-regional actors in the sector respectively;
- Made in West Africa" initiative launched.

III. Profile of expected participants

This meeting is co-organized by ECA/BSR-WA, ECOWAS and UEMOA and will be attended by West African IGOs, platforms and private sector actors, including FEWACCI: Federation of West African Chambers of Commerce and Industry; CCR/UEMOA: Regional Consular Chamber of UEMOA; FOPAO: Federation of Employers' Organizations of Africa; AFAO-WAWA: West African Women's Association; Association of Young Entrepreneurs of West Africa; NANTS: National Association of Women Entrepreneurs of West Africa: Federation of Employers' Organisations of Africa; AFAO-WAWA: West African Women's Association; Association of Young Entrepreneurs of West Africa; NANTS: National Association of Nigerian Traders; ECOBANK; ASRO: African Organisation for Standard; and regional partners

IV. Date, Format, and contacts of the meeting

The meeting will be held in virtual format, on 26 and 27 May 2021, from 10:00 to 13:30 (GMT+1), and the connection link will be shared in time.

Contact for the meeting can be made to one of the following persons

ECA: Amadou Diouf, Chief, Sub-regional Initiatives Section; Telephone: +227 90952847 / E-mail: diouf19@un.org