

CFTA. Now

PRESENTED BY THE PAN AFRICAN CHAMBER OF
COMMERCE AND INDUSTRY

➤ We welcome submittals regarding news/information pertinent to the CFTA and relegated issues.

A section designed to promote Africa's Continental Free Trade Area using News, messages, events and commentaries. It's a joint initiative by the Pan African Chamber of Commerce and Industry and Capital.

ECA concludes a review of achievements and a forward-looking plan for 2024 and beyond

The Economic Commission for Africa (ECA) has concluded its annual and fourth quarter (Q4) Accountability and Programme Performance Review Meeting (APPRM) and preparation of the 2024 Annual Business Plan under the theme: Reflecting on 2023 achievements and lessons learned and planning for impactful delivery of the 2030 Agenda for Sustainable Development and Agenda 2063: the Africa We Want, in 2024. The annual review is a key component of the institution's reflection and planning process on its activities with its member states and partners.

Organised by the ECA's Strategic Planning, Oversight and Results Division (SPORD), the four day meeting was held in hybrid version in Addis Ababa, Ethiopia on December 17 – 15, under the leadership of the ECA Executive Secretary, Claver Gatete.

Mr. Gatete acknowledged the work done by staff as the institution's most important resource and stressed "the need to build linkages, enhance collaboration and strengthen partnerships as these are key for the achievement of the sustainable development and Africa's transformational agendas."

"More emphasis is needed on creating better interfaces between social policy and macro-economic policies; between energy and industrialization and economic diversification, with the key experts working across the various workstreams and with partners and the private sector to achieve this," he stressed.

Said Adejumbi, Director of SPORD and lead organizer of the annual review said, "Rescuing the SDGs and Agenda 2063 will be a major focus of the work of the Commission in 2024, hence the AU Second Term Year Implementation Plan (STYIP) of the African Union, the UN six transitions and Summit of the Future should frame the ECA's research tracks and its Medium-Term Programme Framework (MTPF)."

He also underscored the importance of the ongoing horizontal collaboration between the ECA subregional offices in furtherance of the decisions of previous APPRM meetings, stressing the need for this collaboration to be intensified, with more programmatic collaboration in areas such as migration, industrialization, private sector development/SMEs, among others. There would be greater effort to establish communities of practice on the common areas of work.

Mr. Adejumbi encouraged staff to study and internalise the newly revamped Programme, Project Management Manual that will systematically align processes, systems, behaviour and practice of ECA with the standards and principles of the UN Results-Based Management strategy.

Looking forward to 2024, ECA through its various divisions will focus on areas of interventions that will ensure progress on the achievement of the two agendas such as inclusion of The African Continental Free Trade Area (AfCFTA) in the SDG country frameworks, conduct research/analysis on issues of governance, peace and security and a deeper focus on sustainable development in Africa's transformation. Data and statistics will continue to play a central role as will the need for upscaling technologies and innovation.

"For an inclusive and sustainable development and a climate resilient continent, ECA will support countries implement initiatives that harness new technologies and innovation and work

with member states on strengthening their capacity in production, dissemination and use of credible data, statistics and geospatial information," agreed the meeting.

In support of AfCFTA implementation, focus will be on strengthening regional cooperation and integration among countries through increased trade flows, improved industrialization and increased investment.

ECA will also continue to provide advisory services to member states, facilitate collaboration and ensure coherence at regional, sub-regional and national levels through an integrated approach under all its research tracks that include strengthening macroeconomic policy, boosting the implementation of AfCFTA, enhancing resilience through

climate action and energy just transition.

Among the many achievements discussed, it was highlighted that member states have used ECA's macroeconomic model in their development of national policy documents including national development plans, debt strategies, GDP analyses and high level policies. Countries are also using ECA's tools and techniques for estimating fiscal capacity and city GDPs.

"If we collaborate with the other stakeholders, governments and the private sector with a focus on results and delivering as one, we can be sure that we shall achieve both Agendas," said Gatete adding the need to increase peer-learning and best practices between member states to move together as a continent.

AGOA-AfCFTA Synergies to Strengthen African Trade Dynamics

The African Growth and Opportunity Act (AGOA) and the African Continental Free Trade Agreement (AfCFTA) stand as linchpins in Africa's economic landscape, opening gateways to global trade and paving the way for increased intra-African and U.S.-African commerce. With AGOA slated for renewal in 2025, the prospect of leveraging this agreement alongside the burgeoning AfCFTA presents unprecedented opportunities for Africa's energy markets.

AGOA Diversifies African Export Markets

Since its enactment in 2000, AGOA has been instrumental in promoting trade between the U.S. and eligible sub-Saharan African countries. Over the years, it has spurred economic growth and job creation and facilitated access to diverse markets. However, its potential to revitalize Africa's energy sector stands as a pivotal catalyst in the upcoming renewal.

On the oil and gas front, Africa has seen rapid growth in recent years owing to rising global and local demand, as well as efforts to industrialize Africa. An uptick in million-barrel discoveries and the launch of billion-dollar projects has seen renewed interest in investing in African energy, presenting new opportunities for American E&P firms.

The same can be said for the minerals sector. As U.S. demand for critical minerals grows, the African market is expected to become a priority investment destination. According to research firm S&P Global, U.S. demand for minerals such as copper, nickel and cobalt will be 23 times higher in 2035 than it was in 2021,

with copper alone seeing a 12% increase. With the renewal, AGOA is expected to play an instrumental part in delivering African energy and mineral resources to the U.S. market.

AfCFTA Bolsters Intra-African Trade

While AGOA supports U.S.-African trade, the AfCFTA lays the foundation for enhanced intra-African trade. In the energy sector, the AfCFTA offers newfound opportunities for cross-border trade and collaboration, and as new supplies enter the market – following the development of both on- and offshore discoveries and the start of production at major projects – the AfCFTA is poised to play an even greater role in facilitating intra-African trade and commerce.

The United Nations shows that the AfCFTA could boost intra-African trade by 33%, reducing the continent's trade deficit by approximately 51%. Additionally, by simplifying trade terms, incentivizing cross-border business and promoting regional connections, the AfCFTA is expected to draw billions of dollars of foreign investment, transforming Africa's energy and trade dynamics.

The AGOA-AfCFTA Synergy

Working hand in hand, AGOA and the AfCFTA could facilitate streamlined processes for intra-African trade in energy, while strengthening U.S. investment in Africa. The synergy could address infrastructure gaps, improve logistical efficiency, and create a conducive environment for the movement of goods and services across borders. The result? Enhanced cooperation among African nations and with U.S. stakeholders,

driving collective prosperity and energy security.

According to William Blackie, Standard Bank Group CEO: Business and Commercial Clients: "The synergy between these two initiatives is seen in the fact that AGOA offers significant opportunities for African countries to diversify their export markets, while AfCFTA enables African nations to reduce their dependence on traditional trade partners." Blackie believes that, "To get the best of both worlds, African businesses should, therefore, be simultaneously exploring both agreements and maximizing their export opportunities."

There has already been some success in this arena. The Lobito Corridor, for instance, is a strategic project linking the Democratic Republic of the Congo and Zambia to international markets via Angola's Lobito Port. The project leverages the AfCFTA to facilitate regional trade and cooperation. Recently, the U.S. partnered with the European Union to support its development, combining financial resources and technical know-how to generate economic benefits. Through AGOA, the project would benefit from increased foreign investment, while the U.S. can tap into African mineral imports.

As the world pivots towards sustainable energy sources, the synergies between AGOA and AfCFTA become even more profound. AfCFTA's mandate to create a single market for goods and services within Africa complements AGOA's objectives, fostering intra-African trade and strengthening regional economic integration in the process.