# ECOWAS PARLIAMENT PARLEMENT DE LA CEDEAO PARLAMENTO DA CEDEAO



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# FIFTH LEGISLATURE

# DELOCALISED MEETING OF THE JOINT COMMITTEE ON: TRADE, CUSTOMS AND FREE MOVEMENT | MACROECONOMIC POLICY AND ECONOMIC RESEARCH | PUBLIC ACCOUNTS | ADMINISTRATION, FINANCE AND BUDGET

~COTONOU, 3-7 NOVEMBER 2020~

Theme: African Continental Free Trade Area: Prospects of its Achievement within a context of Cross-Border Threats (Terrorism and Insecurity, Pandemics and Protectionism)

# **REPORT**

**07 November 2020** 

# I. INTRODUCTION

- 1. The ECOWAS Parliament Joint Committee on Trade, Customs and Free Movement | Macroeconomic Policy and Economic Research | Public Accounts | Administration, Finance and Budget met 3 -7 November 2020 in Cotonou, Republic of Benin.
- 2. The objective of the meeting was to acquaint Hon. Members of the Joint Committee with current developments on the African Continental Free Trade Area (AfCFTA) and make recommendations to Plenary.
- 3. The following took part in the deliberations of the meeting:
  - Members of the joint Committee on Trade, Customs and Free Movement | Macroeconomic
     Policy and Economic Research | Public Accounts | Administration, Finance and Budget;
  - The Secretary-General, African Continental Free Trade Area (AfCFTA);
  - The ECOWAS Commissioner for Trade, Customs & Free Movement and his team;
  - Representatives of the Minister of Industry and Trade, Republic of Benin;
  - The 1st Vice President, Chamber of Commerce, Republic of Benin.
  - Representatives of the Private Sector and Civil Society Organisations in the Republic of Benin.
  - Invited Resource Persons and Experts;
- 4. The list of Committee Members and participants is annexed to this Report.
- 5. The meeting was co-chaired by Hon. Bida Nouhoume YOUSSOUFOU ABDOURAMANI, Hon. Kebba K. BARROW, Hon. Stephen J.H. ZARGO and Hon. Souleymane NDOYE, Chairmen of the Committees on Public Accounts | Macroeconomic Policy and Economic Research and the Vice Chairmen of the Committees on Trade, Customs and Free Movement | Administration, Finance and Budget respectively. Hon. Bida Nouhoume YOUSSOUFOU ABDOURAMANI was in the Chair.

# II. OPENING CEREMONY

- 6. The formal opening ceremony took place on Tuesday 04 November 2020 and it featured the following speeches:
  - Welcome remarks by Honourable Sédami Romarique MEDEGAN FAGLA, Head of Benin's Delegation of Honourable Representatives to ECOWAS Parliament;
  - Goodwill message by Aurelien AGBENONCI, Minister for Foreign Affairs and Cooperation, Republic of Benin;
  - Opening address by Rt. Honourable Sidie Mohamed TUNIS, Speaker of the ECOWAS Parliament;
  - Opening speech by Rt. Honourable Louis VLAVONOU, Speaker of the National Assembly of the Republic of Benin;
- 7. In her introductory remarks, Honourable Sédami Romarique MEDEGAN FAGLA, Head of Benin's Delegation of Honourable Representatives to ECOWAS Parliament, on behalf of the delegation, welcomed the Parliamentarians and other participants to the meeting. She recalled that Africans shared a common heritage and a common territory, which encompassed the entire continent. She

- lamented the delineation of the territory into countries, which she explained the African continental free trade policy is seeking to reverse, in the interest of its citizens.
- 8. Hon Fagla stressed the importance of the topic, which she claimed was in tandem with the aspirations of the citizens and pronouncements of H.E. President Nana Akufo-Addo the President of Ghana and Chairman, Authority of Heads of State and Government of ECOWAS.
- 9. In a goodwill message, Aurelien AGBENONCI, Minister for Foreign Affairs and Cooperation, Republic of Benin, on behalf of H.E. President Patrice Talon, President of the Republic, welcomed the ECOWAS Parliament, its Speaker, Hon. Sidie Mohamed Tunis, Members and Staff to the Republic of Benin. He thanked the Parliament for choosing Cotonou to host the delocalised meeting of the Joint Committee on the prospects of the AfCFTA. He underscored the importance of the continental free trade area, which he explained Benin had signed onto and gave the commitment of the Republic of Benin to the scheme.
- 10. At the last count, he informed participants that 54 of 55 countries (exception of Eritrea) had signed, while 28 countries had ratified with 2 countries (Angola and Cameroon) in the final process of depositing their instrument of ratification with the African Union. He appreciated the benefits and need for integration and cross-border cooperation while recognising the various threats to the integrative goals. He recognised that the advent of the Covid 19 pandemic, infrastructural deficit, security concerns and protectionism had pushed back the implementation timetable of the AfCFTA. He explained the efforts of the Talon administration to address these challenges by investing massively in infrastructure and dialogue with its neighbour countries in particular Nigeria.
- 11. In his address, the Speaker of the ECOWAS Parliament, Honourable Sidie Mohamed Tunis expressed gratitude to H. E. President Patrice Talon for granting the hosting of the Joint Committee meeting in Cotonou. He congratulated the administration for its achievements and the people for their peacefulness. He thanked Rt. Honourable Louis VLAVONOU, Speaker of the National Assembly of Benin and participants for making time to be present at the meeting. He informed participants of the sad loss of a former Member of the ECOWAS Parliament from Liberia, Hon Mobutu Vlah Nyenpan, who passed on after a brief illness.
- 12. Addressing the presence of the Parliament in Benin, he explained that the Parliament was in Cotonou for 2 meetings holding simultaneously. The Bureau of Parliament, which was meeting to adopt the 2021 draft budget of the Parliament and the popularised Joint Committee meeting to consider the prospects of the AfCFTA. On the AfCFTA, the Speaker highlighted some developments, such as the establishment of its Headquarters in Ghana and expressed the anticipation that participants would better understand the stakes involved in the process through the Joint Committee meeting.
- 13. The Speaker expressed concern of the effects of the pandemic, security and protectionism on AfCFTA, which he said was already impacting negatively on the economies of Member States. He concluded by highlighting the benefits of free trade and the hope that the Joint Committee meeting would be able to proffer solutions to these challenges.
- 14. Rt. Honourable Louis VLAVONOU, Speaker of the National Assembly of Benin in his address, extended a warm and brotherly welcome from H.E. President Talon, the National Assembly and the people of Benin. He recognised the role of ECOWAS in facilitating the AfCFTA. He explained that African

integration, particularly within ECOWAS was a major plank of the foreign policy of Benin. He recalled the comments of past African leaders and other inspiration behind African integration, which all proffer integration as the most viable strategy for Africa's development and global relevance. Finally, he spoke of solutions to the challenges confronting African integration, intra-continental trade and the role of the African Union (AU) and the 7 Regional Economic Communities (RECs) in achieving our objectives. Finally, Rt. Honourable VLAVONOU declared the meeting open.

### III. THE AGENDA OF THE MEETING.

- 15. Members observed the following agenda for the meeting:
  - Opening Ceremony
  - Consideration and adoption of the draft work programme of the Meeting
  - Panel discussion on, "The African Continental Free Trade Area (AfCFTA): Challenges & Prospects
    of a borderless Africa in a period of terrorism and insecurity, pandemics, and protectionism"
  - Presentation on, "The African Continental Free Trade Area (AfCFTA): Challenges & Prospects of a borderless Africa in a period of terrorism and insecurity, pandemics, and protectionism"
  - Presentation on, "The Benin perspective of Regional Integration: You are welcome to trade in Benin"
  - Panel discussions on, "In an era of numerous disintegrative factors, strategies for the effective implementation of the AfCFTA;
  - Presentation on, "The Benin perspective of Regional Integration: You are welcome to trade in Benin"
  - Presentation on, "The Role of ECOWAS in the implementation of the AfCFTA and the Fate of ECOWAS Trade Policy"
  - Presentation on, "The Role ECOWAS Parliament should play in mitigating challenges and facilitating the application of the AfCFTA
  - Key recommandations to the ECOWAS Parliament

# IV. SUMMARY OF PANEL DISCUSSIONS AND PRESENTATIONS

- ⇒ Panel discussion on, "The African Continental Free Trade Area (AfCFTA): Challenges & Prospects of a borderless Africa in a period of terrorism and insecurity, pandemics, and protectionism"
- 16. In the first of 2 Panel discussions, the Joint Committee invite 2 Panelists from diverse fields to give their constituency's perspective on the prospects of AfCFTA. They represented the private sector and the Civil society.
  - 1. Albin FELIHO | President, National Confederation of Employers of Benin (CONEB);
  - 2. Lougoudou CHARLES, Civil Society, Benin
- 17. Mr. Feliho in his position paper gave a background to the AfCFTA and outlined the process so far. He stated the importance and role of the private sector in the implementation of the free trade area. He explained that it has to play an active role by anticipating challenges and obstacles and making constructive proposals. The private sector is a key stakeholder and a beneficiary of the AfCFTA.
- 18. Mr. Feliho recalled that to strengthen the role of the private sector in this process, ECOWAS organised, on 2 September 2020, a regional virtual workshop for private economic operators to create awareness on the African Continental Free Trade Area (AfCFTA). Worthy of note was the contribution

of the President of the Federation of West African Chambers of Commerce and Industry (FEWACCI), Hajia Saratu Aliyu, who observed that private sector operators are the actual traders and investors responsible for the movement of goods and services across borders. Speaking on behalf of employers, the West African Federation of Employers' Associations, Mr. Jean-Marie Ackah mentioned the association's commitment to engage ECOWAS and Member States during the negotiation and implementation of the AfCFTA Agreement.

- 19. On the challenges to AfCFTA, the presenter spoke of the Corona Virus pandemic (COVID 19) that has spread globally, with unprecedented and multifaceted repercussions, has dealt a big blow to companies, economies, global trade and international travels and has devastating impacts on livelihoods. It has drastically affected the life of companies and startups in an unprecedented manner.
- 20. He spoke of the rise in the utilization of E-commerce and ICT to facilitate business while mitigating the spread of the disease but explained that they have their own limitations due to ICT penetration in Africa.
- 21. On security, he accepted that this was a real concern and quoted the Institute of Strategic and International Study of Niger (INESI) that the implementation of the AfCFTA would be faced with security, political, economic and systemic challenges. Such challenges have to do with the demarcation of maritime and land boundaries in the continent or internal disputes, among other. He noted strategic areas, in the Sahel, in the Lake Chad Basin or in the horn of Africa, as likely to make the operationalisation of the AfCFTA difficult.
- 22. On protectionism, he flagged the unilateral closure of the Nigerian border with Benin and Niger. He advised that more time should be taken to make the AfCFTA process address and accommodate these any many other challenges.
- 23. Mr. Lougoudou CHARLES in his comments gave a background, the organizational structure of the civil society in Benin and how they relate with the AfCFTA. He recognized that the pandemic, security and protectionism were challenges to regional and continental integration. The civil society, which he explained was in 5 sectors and 8 thematic pools related to the Sustainable Development Goals (SDGs), is composed of the following:
  - Association (Women, Youth, development actor, religious and traditional leaders, media, etc.)
  - NGOs
  - Professional organizations
  - Trade Unions
- 24. The Thematic approach he explained is a mechanism to build the capacity of CSOs, but also a tool for citizen oversight over government actions and for promoting development and political dialogue. He gave the following thematic areas;
  - Social
  - Cultural
  - Economic
  - Governance and
  - Environment

- ⇒ Presentation on, "The African Continental Free Trade Area (AfCFTA): Challenges & Prospects of a borderless Africa in a period of terrorism and insecurity, pandemics, and protectionism" by H.E. Wamkele MENE
- 25. Mr. Mene recalled his election by the Authority of Heads of States and Government of the AU in February 2020. He expressed gratitude for the support he had received since the establishment of the AfCFTA secretariat which he heads in Accra, Ghana. He particularly noted his meeting with His Excellency Mahamadou ISSOUFOU, the then Chair of the Authority of ECOWAS Heads of State and Government and African Union Champion of the AfCFTA.
- 26. He appreciated the overwhelming support from the current Chairperson of ECOWAS and President of the Republic of Ghana, His Excellency Nana Addo Dankwa Akufo Addo, and expressed gratitude to the government of Ghana and the ECOWAS region as a whole for hosting the AfCFTA Secretariat.
- 27. He recalled that during a courtesy visit to His Excellency, President Jean-Claude Kassi Brou, the President of the ECOWAS Commission, he had stressed to the President the importance of a partnership and collaboration between the AfCFTA Secretariat and the ECOWAS Commission, to advance our shared objective of regional integration. He had further explained to the President that the AfCFTA Secretariat is in the ECOWAS region, which is not only a symbol of confidence in the ECOWAS region, but also signals West Africa as the potential commercial heart and trade centre of Africa.
- 28. The Secretary-General gave his position on:
  - The Role of the Regional Economic Communities (RECs);
  - The Role of Parliaments;
  - A brief on the AfCFTA;
  - The AfCFTA and Pandemic and Protectionism;
  - The AfCFTA and Terrorism and Insecurity.
- 29. On the role of RECs he recalled Article 19 of the Agreement establishing the AfCFTA, which states that: "State Parties that are members of other regional economic communities, regional trading arrangements and customs unions, which have attained amongst themselves higher levels of regional integration under this agreement, shall maintain such higher levels among themselves." Article 19 ensures that the AfCFTA Agreement will complement and not adversely affect or contradict Member States existing commitments under RECs.
- 30. Expressing a desire to work closely with the Parliament, he explained that the role of African Parliaments, and in particular the ECOWAS Parliament, in the AfCFTA negotiations, implementation and monitoring processes cannot be over-emphasised. African Parliaments are the legitimate representatives of the people; and should play a more direct and active role in the AfCFTA negotiations, implementation and monitoring processes. In my view, no other official or function can better articulate the will and interests of African people than their elected representatives across Parliaments of the African continent.

- 31. He called upon the ECOWAS Parliament and the Parliamentarians of the remaining Member States that are yet to ratify to use their good offices to get more Member States to ratify the AfCFTA instrument.
- 32. Mr. Mene beginning from the Abuja Treaty traced the integrative sentiments and actions that culminated in the AfCFTA. He cited a major milestone where in 2012, the African Union Summit made a decision on Boosting Intra-Africa Trade (BIAT) and fast-tracking the establishment of the African Continental Free Trade Area [AfCFTA]. The overall objective of the AfCFTA he explained is to create a single continental market for goods and services, with free movement of business persons and investments, paving the way for accelerating the establishment of the Continental Customs Union.
- 33. Again, he recalled that In September 2015, the African Union Member States adopted Agenda 2063 as a robust framework for the realisation of the Pan-African vision of "an integrated, prosperous and peaceful Africa".
- 34. The Secretary-General Informed Members that there are 54 out of 55 African countries that have signed the AfCFTA and 31 (including the recent ratification by Cape Verde) have ratified the Agreement. 30 countries are State Parties by virtue of their deposits of instruments of ratification. In order to fully operationalise the AfCFTA and to make it commercially meaningful, he emphasized the need to ensure that the requisite customs procedures are in place at national level and REC level.
- 35. On the next steps to be taken, he explained that the AfCFTA shall host meetings of Customs Authorities and Ministers of Trade to take concrete steps towards the operationalisation and implementation of the AfCFTA. In the next few weeks, the objective was that the negotiations must result in the submission of tariff offers and completion of the appendix on Rules of Origin, and also a submission of schedules of specific commitments in the area of trade in services.
- 36. He therefore appealed to the Speaker and the ECOWAS Commissioner of Trade to use their good offices for ECOWAS Member States to submit their Schedules of tariff concession and specific commitments on services. He however noted the good progress made at the recent 11<sup>th</sup> ECOWAS Ministers of Trade (ECOMOT) Meeting on 26 October 2020 and hoped that this good progress will result in the submission of offers.
- 37. On intra-Continental trade, he encouraged that we have to collectively take action to address the low level of intra-Africa trade, which is less than 18%.
- 38. On the subject of the challenges facing the AfCFTA, Mr. Mene explained that the start of trading under the AfCFTA on 1 January 2021 will help the continent quickly recover and rebuild economically in the post COVID-19 era. Currently, he accepted, most commodity markets, with the exception of a few, were subdued.
- 39. On protectionism, he acknowledged the potential risks that liberalisation of trade can present to domestic economies. He flagged transhipment of goods from third countries as a clear and present danger that could lead to job losses. He was convinced that by working with our customs authorities, we will take active steps to mitigate the risks of transhipment of goods.
- 40. Terrorism and Insecurity, he recognised were a persisted challenge in Africa. He commended the efforts of the African Centre for the Study and Research on Terrorism (ACSRT) based in Algiers –

Algeria. has developed tools that enable it to collect, analyse, process and disseminate information on terrorism-related incidents occurring in Africa. One of the products of this effort is the monthly Africa Terrorism Bulletin (ATB) that is published by the Centre. Its mandate is to assist African Union countries, RECs and Regional Mechanisms (RMs) to build their Counter-Terrorism capacities and to prevent Violent Extremism.

- 41. The Centre publishes the monthly Africa Terrorism Bulletin (ATB) to keep information on such activity within the reach of decision makers. He also mentioned that the African Union's campaign of "Silencing the Guns in Africa by 2020" aims to achieve a conflict-free Africa, prevent genocide, make peace a reality for all and rid the continent of wars, violent conflicts, human rights violations and humanitarian disasters.
- 42. In conclusion he believed that the AfCFTA could address some on the root causes of insecurity. if the lack of economic opportunities and the drivers of insecurity could be improved, then progress can be made with peace and security on the continent.
  - ⇒ <u>Presentation on, "The Benin perspective of Regional Integration: You are welcome to trade in</u> Benin"
- 43. Hon Shadiya Alimatou ASSOUMAN, Minister for Industry and Trade, Republic of Benin was represented by Dr. Alain L. BABATOUNDE.
- 44. Dr. Babatounde in his presentation gave reasons why it would be a good idea to do business in Benin. He began with the geographic location of the country, which he said is located on the Abidjan Lagos corridor and is the gateway to landlocked countries.
- 45. He spoke of the relative political stability, where he said Benin has been enjoying political and democratic stability for close to 30 years. The constitution of Benin promotes property right and the right to freedom of establishment.
- 46. On the economic front, he stated that Benin is a thriving economy thanks to the various reforms put in place. Economic growth is stable, and inflation is kept under control. The political, legal and business environments have been improved. The procedure for setting up a business in Benin has been streamlined. The time and cost for setting up a company have been reduced. A single window has been created for the formalization of companies.
- 47. On the strengthening of the legal and judicial framework to attract investments, he pointed to the;
  - Adoption of a legal framework for Public-Private Partnership
  - Amendment of the Public Procurement Act
  - Creation of special economic zones with significant tax and customs benefits
  - Reform of the Land Tenure Code, among others
- 48. Finally, he spoke of Measures to facilitate the free movement of persons and goods;
  - Exemption for short stay visa for 40 African countries
  - Reduction of police barriers within the country
  - Reduction of customs check points

- ⇒ A second Panel discussions took place on, "In an era of numerous disintegrative factors, strategies for the effective implementation of the AfCFTA;
- 49. The panelists represented the private sector and the civil society and were briefly required to give the views of their respective constituencies on strategies for the implementation of the AfCFTA. They were;
  - 1. Albin FELIHO | President, National Confederation of Employers of Benin (CONEB);
  - 2. Lougoudou CHARLES, Civil Society, Benin
- 50. Mr. Feliho in his paper outlined some strategies for the implementation of the AfCFTA irrespective challenges. In this vain, he proposed;
  - Addressing logistical challenges preventing African countries joining the industrial value chain. He mentioned the lack of access to funding, lack of regional capital markets, high cost of transportation, lack of telecommunication and energy infrastructure, ineffective bureaucracy, high and unstable taxes and the low qualification of the labour force.
  - Setting up of regional centres in the production areas of specific crops for processing local products. This will significantly reduce the export of raw materials to other continents at low costs.
  - Setting aside in each African country, appropriate lands for large-scale agricultural production. This strategy he explaines contributes to the strengthening of the regional market by neutralising the negative effects created by the importation of products from third countries, which can compete with local products and create distortions on the markets.
  - Developing macroeconomic convergence for the CFTA.
  - Creating solidarity spaces in the region. Solidarity means special and differentiated treatment for Least Developed Countries (LDCs) and financial resources to make up for the cost of integration and to compensate countries that have significant weaknesses in terms of the gains expected from a smaller integration.
- 51. In his comments Mr. Lougoudou Charles gave a layout of the potential significance of the AfCFTA if properly applied within the continent. He further gave the institutional framework and the enshrined continental strategy for implementation. The panellist contrasted the areas covered by the AfCFTA and the ECOWAS Protocol on Trade in goods, Services and Dispute settlement.
- 52. On cross-cutting strategies, he spoke of the importance of transparency, accountability and the participation of all players. Mr. Lougoudou emphasized the need for responsiveness on the part of policy makers, inclusiveness, communication, equity and impartiality.
- 53. On operational strategies, he advocated for the synchronisation of regional economic communities, the phasing out primary goods specialisations, taking advantage of market dynamics and doing away with abnormal practices (e.g. Non-tariff barriers)
- 54. Mr. Lougoudou stressed the need to intensify local content, define rules of origin, intensify convergences, create solidarity spaces, streamline non-CFTA relationships and address logistic challenges.

- 55. Finally, he stated that advocacy is an effective tool for the implementation of the various operational strategies. He recalled that a certain consensus has been emerging over the last decade around the idea that extricating from impoverishing specialisation, embarking on production diversification, making progress within value chains, expanding local trade and promoting human mobility towards nearby regions where they are more useful would be the best ways to advance the economic emergence of our sub-region and the African continent.
  - ⇒ <u>Presentation on, "The Benin perspective of Regional Integration: You are welcome to trade in Benin"</u>
- 56. This presentation was made by Casimir MIGAN | 1st Vice President, Chamber of Commerce, Republic of Benin.
- 57. Mr. Migan began by explaining the market options previously available to the private sector in Benin and how the coming of AfCFTA would change them. He illustrated that standardization of products was key to be able to derive the benefits of the continental market and by extension the international market. Accordingly, the factors which prevented the private sector from being competitive in the international markets would have to still be address.
- 58. He identified some areas that have militated against intra-community trade and which should be looked into:
  - The unilateral closure of borders at the whim of countries.
  - The non-recognition of the community origin of some products that have been licensed under the Trade Liberalisation Scheme ,
  - Recovery of community enterprises,
  - Boosting community transport infrastructure, quality ....
  - Facilitating the establishment of community enterprises for a better integration of the business community (Ecobank, Asky....)
  - Harmonising and streamlining regional integration texts
  - Strengthening umbrella institutions that support the private sector, namely chambers of commerce and industry
- 59. He highlighted some of the projects and programs of the government of Benin to boost commence and attract investment. On the pandemic, he informed Members that COVID 19 crisis had not been allowed in any away to hinder government's commitment to boosting the business ecosystem, specifically when it comes to revamping trade. He asserted that Benin remains the only country in the region that has left its land, maritime and air borders open. He recommended this approach by other leaders as it exhibits commitment and has proved to be a guarantee for the sustainability and attractiveness of the Beninese economy.
- 60. The last 2 presentations were delivered by Commissioner, Tei KONZI, Commissioner for Trade, Customs and Free Movement | ECOWAS Commission and his team. He was assisted by Mr. Salifou Tiemtore, Director of Customs Union and Taxation and Mr. Kolawole Sofola, Ag Director of Trade.

- ⇒ Presentation on, "The Role of ECOWAS in the implementation of the AfCFTA and the Fate of ECOWAS Trade Policy".
- ⇒ <u>Presentation on, "The Role ECOWAS Parliament should play in mitigating challenges and</u> facilitating the application of the AfCFTA.
- 61. Mr. Sofola presenting the Role of ECOWAS in the implementation of the AfCFTA began by describing the AfCFTA framework, objectives, opportunities and the current position of ratification by ECOWAS Member States.
- 62. He explained that all 15 Member States had signed the agreement, and that 10 of the Member States had gone on to ratify the agreement and deposited their instruments of ratification, exceptions were *Benin; Cabo Verde; Guinea-Bissau; Liberia; and Nigeria.* The commencement date, start of trading under the agreement, is 1st January 2021.
- 63. On the Role of ECOWAS, he clarified that as provided in the agreement, AfCFTA negotiations are Member States driven. RECs and Free Trade Areas (FTA) are building blocks. He however stressed that ECOWAS continues to coordinate the positions of ECOWAS Member States in the AfCFTA negotiations. Mr. Sofola informed Members that Eight (8) Regional Economic Communities (RECs) had been officially recognised as the building blocks of the AfCFTA. These eight (8) RECs, together with the African Union Commission; UNCTAD; UNECA form the Continental Task Force for the AfCFTA negotiations.
- 64. It was his view that the provisions of Article 85 of the ECOWAS Revised Treaty and a number of Authority decisions preserved the role of ECOWAS in the AfCFTA negotiations. Article 85 of the Revised ECOWAS Treaty obliges Member States to formulate and adopt common positions within the Community on issues relating to international negotiations with third parties in order to promote and safeguard the interests of the region.
- 65. While the ECOWAS Summit in July 2018, December 2019 and September 2020 directed ECOWAS Institutions to provide assistance to the Member States, in order to arrive at common regional positions and present a regional schedule on Tariff Concessions and Specific Commitments on Trade in Services to the African Union.
- 66. At the continental level, African countries have undertaken commitments to liberalize substantially all trade (i.e. 97% of goods, over a period of time). The ECOWAS schedule of tariff concessions under the AfCFTA is based on the ECOWAS Common External Tariff (CET).

# 67. The Director highlighted the role of ECOWAS in Engagement and Consultations with key stakeholders;

- Supporting sensitization at national level
- ECOWAS Institutions and Specialized Agencies
- ECOWAS Regional Business Associations, including
  - Federation of West African Chambers of Commerce and Industry
  - Federation of West African Employers' Association
  - Federation of Business Women and Entrepreneurs
  - Federation of West Africa Manufacturers Associations

- NEPAD Business Group West Africa,
- Association of Investment Promotion Agencies of West African States
- 68. Mr. Sofola again stressing the role of ECOWAS, explained that AfCFTA Member States, including ECOWAS Member States were encouraged to develop National Strategies for AfCFTA Implementation: Within ECOWAS, he explained that the Commission had received requests for assistance and describe the progress with the national strategies as follows;
  - Completed (8): Cote d'Ivoire; The Gambia; Ghana; Guinea; Niger; Senegal; Sierra Leone; Togo
  - Ongoing (3): Benin; Burkina Faso; Guinea Bissau
  - Requested (2): Mali, Nigeria
  - Remainder (2): Cape Verde; Liberia
- 69. In addition to this supporting role that ECOWAS was playing, ECOWAS was developing a Regional Implementation Strategy for the AfCFTA to complement the National Strategies.
- 70. Acknowledging that a comprehensive Trade Policy for the ECOWAS Community was still being agreed, the director outline ECOWAS Trade related policies. He referenced the Revised Treaty as the authority for the policies being applied in the region:
  - i. ECOWAS Revised Treaty Article 3 (2)(d) Establishment of a common market through:
    - a) the <u>liberalization of trade by the abolition</u>, among Member States, <u>of customs duties levied</u> <u>on imports and exports</u>, and the abolition among Member States, of <u>non-tariff barriers</u> in order to establish a free trade area at the Community level;
    - b) the adoption of a common external tariff and, a common trade policy vis-à-vis third countries;
    - c) the removal, between Member States, of obstacles to the free movement of persons, goods, service and capital, and to the right of residence and establishment.
- 71. On the fate of the ECOWAS Trade related policy in the era of the AfCFTA he explained that the provisions of the continental agreement permitted Regional Economic Communities (RECs) maintain higher agreements among themselves. He quotes as follows;
  - ii. AfCFTA Agreement Article 19 (Conflict and Inconsistency with Regional Agreements)
  - a) In the event of any conflict and inconsistency between this Agreement and any regional agreement, this Agreement shall prevail to the extent of the specific inconsistency, except as otherwise provided in this Agreement.
  - b) Notwithstanding the provisions of Paragraph 1 of this Article, <u>State Parties that are members of other regional economic communities</u>, <u>regional trading arrangements and custom unions</u>, <u>which have attained among themselves higher levels of regional integration than under this Agreement</u>, <u>shall maintain such higher levels among themselves</u>.
- 72. In conclusion, Mr. Sofola surmised as follows:
  - Although Negotiations are member States driven, ECOWAS has the mandate to coordinate common positions of ECOWAS Member States
  - ECOWAS facilitated the development of Common Schedule on Tariff Concession based on ECOWAS CET and Specific Commitments on Trade in Services
  - ECOWAS at a high level of integration which exceeds the scope of the AfCFTA

- Recognition of the various roles taken into account in "Division of Labour" and "Framework of Collaboration amongst AU Commission, AfCFTA Secretariat, Secretariats of Regional Economic Communities for the Operationalization of the AfCFTA"
- 73. In his second presentation on the Role of ECOWAS Parliament in mitigating challenges and facilitating the application of the AfCFTA, the director trade recalled the functions of a Parliament. He therefore based his proposals on the traditional role a Parliament is expected to play:
  - Representational: Accountable representatives of civil society.
  - Oversight: Checking and Balancing powers of the Executive.
  - Legislative: Scrutinizing bills and ensuring appropriate legal & regulatory framework is in place.
- 74. On mitigating challenges and facilitating the application of the AfCFTA, he outlined;
  - Sensitization
  - Domestication
  - Monitoring
  - Review
- 75. In the application of these roles he proposed that ECOWAS Parliamentarians having dual functions as national parliamentarians should question any proposal for international agreements made to their national assemblies, which are not compliant of their ECOWAS obligations.
- 76. In concluding, Mr. Sofola emphasized that Parliament plays a critical role in terms of its Representational, Oversight, Legislative functions:
  - Representatives of Civil Society
  - "Check and balance" role
  - Policy Coherency
- 77. Finally, he stressed the importance of ratification of the AfCFTA in order to maintain the integrity of ECOWAS Customs Union before the start of trading by 1 January 2021.

# V. DELIBERATIONS

- 78. Having received the presentations, Members commended the quality of expositions given. They thereafter made comments and sought clarifications from panelists and presenters.
- 79. Members were unanimous in commendation of the AfCFTA, which seeks to create a continental market for goods and services, with free movement of people and capital, and pave the way for creating a Customs Union.
- 80. Accordingly, they accepted the need to support the implementation of AfCFTA, which is expected to grow intra-African trade through better harmonization and coordination of trade liberalization across the continent, and advocate for the immediate ratification by all State parties/Member States of the AfCFTA agreement.
- 81. The AfCFTA was recognized as an example of South-South cooperation which would keep within the local domain wealth which hitherto went abroad through goods and services. It is projected to establish a formidable and diverse market of over 1.2 billion people.

- 82. ECOWAS being a Regional Economic Community (REC) had its own experience of cooperation and integration policies including a customs union. Members recalled and shared experience of challenges faced by ECOWAS in its progress with integration policies and the Union. They were skeptical of being able to achieve with 55 countries at the continental level what has remained elusive with only 15 countries at the regional level.
- 83. They recalled the challenges of the common currency, free movement (including non-tariff barriers), security, transportation (air, sea and land), infrastructural deficit, transhumans, banking/settlement, telecommunication / ICT and Pharmaceuticals. In addition, they lamented the failure of countries to observe their obligations under agreements (e.g. unilateral closure of border). Recognizing free movement of goods as a major plank of integration, they appreciated that integration would be empty if there is no free movement of goods.
- 84. Members were mindful that trade, even among State Parties, is most profitable where there is sufficient value-added local production, they therefore lamented the abysmal level of diversification and industrialization of African economies and West African ones, in particular.
- 85. Most African and West African economies it was noted, had balance of trade deficits, because they are consumer economies exporting primary products in exchanged for finished goods. They are in effect not producing what they were consuming and therefore susceptible to become dumping grounds.
- 86. With the exception of South Africa, Tunisia, Morocco and to some extent Egypt most of the 55 State Parties, were under-industrialized and therefore there was suspicion and fear of the more advanced State Parties becoming predators. It was also disturbing to observe that none of the industrialized States in Africa were in the West African region.
- 87. This vast variation in the level of development in the region, would be expected to affect the nature of third-party relations each state party is mature enough to embark, thereby further diverging the interests of Member States.
- 88. Where States Parties have a strategy and were willing to embark on rapid industrialization with the cooperation of their respective private sector, it was realized that funding has proved a major obstacle to progress. It was easier for a foreigner to raise money from local banks, establish business and employ citizens.
- 89. Members recalled that the ECOWAS Community had signed an Economic Partnership Agreement (EPA) with the European Union (EU). In that case, Ghana and Cote D'Ivoire had gone on to initial, sign and ratify the EPAs outside the ECOWAS corporate arrangment and begun implementation.
- 90. They wondered if the same fate would not befall the AfCFTA especially where ECOWAS was not negotiating on behalf of Member States. They also wondered how the EPAs would operate in the AfCFTA agreement, and what strategies were in place to protect the AfCFTA from third parties.
- 91. On the presentation from the AfCFTA, the Secretary-General was commended and congratulated on his conciliatory approach. Comments were made on the need for a single currency. It was proposed

- that the AfCFTA secretariat should embark on intensive advocacy to Parliaments of its State Parties to sensitize them on AfCFTA as there is little information at that level.
- 92. The Secretary-General in his response explained that a single currency though desirable was not a silver bullet. He promised more inclusiveness with biannual meetings, visits to national parliament, and involvement of Regional and Continental banking institutions (e.g. EBID, Afreximbank, AfDB) for financial solutions. He illustrated the higher tariffs placed on intra-continental goods than those on goods from third parties. A dispute settlement mechanism had assured had been established by AfCFTA, which he believed distinguished it from the situation of the RECs.
- 93. The Panelists and Presenters made efforts to give clarifications and recalled some ECOWAS initiative taken to harmonize Member State's policies. They identified the low intra-community and intra-continental trade as an issue which is receiving urgent attention. They pointed at the successes of establishing a Common External Tariff (CET), the ECOWAS Trade Liberalization Scheme (ETLS) and the advent of the AfCFTA.
- 94. They spoke of various stakeholders and consultative meetings held in the various sector areas to ensure the involvement of Parliamentarians, civil society and the private sector. They however acknowledged that Parliamentarians need timely information to do their work and pledge to involve Parliamentarians from inception and intensify consultation with other stakeholders.
- 95. On the Role of ECOWAS in the AfCFTA process and the consistency of the EPAs, it was clarified that as provided in the agreement, AfCFTA negotiations are Member States driven. RECs and Free Trade Areas (FTA) are building blocks. It was however stressed that ECOWAS continues to coordinate the positions of ECOWAS Member States in the AfCFTA negotiations. The AfCFTA Agreement Article 19 (Conflict and Inconsistency with Regional Agreements) preserved the role and latitude for RECs. The ECOWAS schedule of tariff concessions under the AfCFTA is based on the ECOWAS Common External Tariff (CET), just as is the case with the EPA. However, obligations under AfCFTA in no way affects Community obligations under the EPA.
- 96. In addition to this supporting role that ECOWAS was playing in assisting its Member States conclude their respective National Implementation Strategy, ECOWAS was developing a Regional Implementation Strategy for the AfCFTA to complement the National Strategies. They explained that ECOWAS despite progress made and its commitment to do more, it was still limited to the authority conferred on it by its component Member States.
- 97. During the discussions on the prospects of trade in Benin, Members commended the initiative taken by the government of Benin to encourage investment, particularly in relation to land. The subject of the arbitrary closure of border by Nigeria was mentioned. The ECOWAS Commission and the representative of the Minister of Trade, Benin gave insight as to steps taken on their part and at the level of various heads of state including the ECOWAS champion on Free movement, H.E. President Roch Marc Christian Kabore, President of Burkina Faso, to resolve the impasse.
- 98. The practice of arbitrary border closure was discouraged, it was proposed that the civil society and private sectors of both countries should be implicated. The experts explained that the matter was already at the level of heads of state and would be resolved any moment.

# VI. RECOMMENDATIONS

99. Having extensively discussed the African Continental Free Trade Area (AfCFTA): Prospects of its Achievement within a context of Cross-Border Threats (Terrorism and Insecurity, Pandemics and Protectionism), Members make the following recommendations to the Plenary for consideration.

### ⇒ Recommendations to Member States

- 1. Member State should endeavor to fulfill their obligations under Protocols and Agreement.
- Member States should put in place effective mechanism for the archiving, cataloging and tracking of International instruments they are obliged to implement and ensure their actions are consistent with such obligations.
- 3. Member States should endeavor to ratify and deposit their instrument of ratification before 1st January 2021 the take-off date of the AfCFTA.
- 4. Member States should immediately conclude their National Implementation Strategy on AfCFTA in consultation with the ECOWAS Commission.
- 5. Indicators should be developed at the National level to monitor the implementation of AfCFTA in consultation with the ECOWAS Commission.

## ⇒ Recommendations to ECOWAS Commission

- ECOWAS Commission should establish effective mechanism for the archiving, cataloging and communicating of ECOWAS Community instruments that Member States are obliged to observe and embark on regular advocacy in conjunction with the ECOWAS Parliament to ensure their application.
- 2. Indicators should be developed at the regional level to monitor the implementation of AfCFTA, in consultation with Member States.
- ECOWAS Commission should immediately conclude their Regional Implementation Strategy on AfCFTA, in consultation with Member States and submit for the consideration of the ECOWAS Parliament.
- 4. ECOWAS Commission as coordinator of the ECOWAS Member States and together with other RECs, members of the **Continental Task Force for the AfCFTA negotiations**, should bring together Parliamentary bodies in Africa for sensitization and information sharing on the AfCFTA.
- 5. ECOWAS Commission should endeavor to involve Parliament at the conception of policies and program to enable them understand and facilitate their passage at the national level.

## ⇒ Recommendations to Parliament

- 1. During Parliamentary Sessions, the President of the Commission should include the status of implementation of the AfCFTA in his State of the Community address.
- ECOWAS Parliamentarians from Member States yet to ratify the AfCFTA agreement namely, Benin, Liberia, Nigeria and Guinea Bissau should advocate at their National Assemblies for the acceleration of the ratification process. Furthermore, where ratification has already occurred as is the case with Cabo Verde, the instrument of ratification should immediately be deposited.
- 3. Parliamentarians should continue to sensitize stakeholder, fellow Parliamentarians and constituents on the opportunities of the implementation of the AfCFTA Agreement whilst advocating for their respective national governments to mitigate potential challenges. Parliament should organize annual a forum for this purpose.
- 4. Where bilateral Agreements are brought for ratification in respective national assemblies, ECOWAS Parliamentarians in line with Art. 85 of the ECOWAS treaty and in their dual capacity should seek confirmation from the ECOWAS Commission before considering them.

- 5. Country delegations of Parliamentarians to ECOWAS Parliament should report on the status of implementation of the AfCFTA in the Country Reports submitted during Sessions.
- 6. Parliament should adopt a resolution to commend and encourage the Republic of Benin as the only country that did not shut its borders during the Covid 19 pandemic.
- 7. Parliament should Institutionalize a consultation framework between Parliament, civil society and the private sector.

### VII. ACTIVITIES CARRIED OUT IN THE MARGINS OF THE MEETING

Adopted in Cotonou on this day 07 November 2020

- 100. In accordance with the work programme of the delocalised joint committee sitting, a delegation led by the Speaker of ECOWAS Parliament, Rt. Hon. Mohamed Sidie TUNIS and comprising some Honourable Members of the Joint Committee alongside Honourable Members attending the Bureau Meeting in Cotonou, paid a courtesy visit to the Rt. Hon. Louis VLAVONOU, Speaker of the National Assembly of Benin. The visit took place at Palais des Gouverneurs, the temporary Seat of the National Assembly.
- 101. The Secretary-General of the AfCFTA Secretariat, HE Wamkele MENE as well as the Secretary-General of ECOWAS Parliament, Mr. John Azumah completed the delegation. Some Members of the Benin National Assembly were also present.
- 102. The Rt. Hon. Speaker of the Benin National Assembly welcomed Members of the delegation and expressed his gratitude to them for honouring him with a visit. He thanked the delegation for choosing Benin as the host country of the delocalised joint committee sitting. He expounded on the political stability of the country and its promotion of democratic tenets.
- 103. The Rt. Hon. Speaker of ECOWAS Parliament in response sincerely thanked his counterpart for the support received from National Assembly in the preparation of the current activities of Parliament in Benin. In particular, he was grateful to the Benin delegation of Members of ECOWAS Parliament for their leadership in putting the necessary measures in place, before and during the meeting. He stated that all these efforts contributed to making the meeting the best delocalised so far and achieving the goals of delocalising committee sittings of the Parliament.

Hon. Bida YOUSSOUFOU ABDOURAMANI
Co-Chair

Hon. Stephen J.H. ZARGO
Ag Co-Chair

Hon. Souleymane NDOYE
Ag Co-Chair