

Programme Support to the African Continental Free Trade Area (AfCFTA)

The ECOWAS Component

The challenge

In 2015 negotiations on the African Continental Free Trade Area (AfCFTA) started. In total 54 of the 55 AU member states signed the agreement. The Economic Community of West African States (ECOWAS) is a 15-member regional group with a mandate to promote economic, social and cultural cooperation and integration. As a Customs Union, its aim is to create an economic and monetary bloc and since it was founded 44 years ago, it has made significant progress in terms of regional intergration. All its members have signed the AfCFTA Agreement.

Although the AfCFTA negotiations are member states driven, the ECOWAS Commission has a role in coordinating the positions of its member states in the AfCFTA negotiations to ensure the agreement builds on the ECOWAS acquis, taking into consideration existing obligations in community agreements. In July 2018, the ECOWAS Summit directed the Commission to provide assistance to member states, in order to arrive at common regional positions. ECOWAS is therefore playing a key role in the AfCFTA process.

Our approach

GIZ supports the AfCFTA Secretariat in Accra, Ghana and the AU Commission (AUC) in the areas of AfCFTA negotiations and implementation. In 2021 the GIZ AfCFTA programme was expanded to extend its support to three Regional Economic Communities (RECs), including the ECOWAS Commission as well as eight AU member states, including three ECOWAS member states (Côte d'Ivoire, Ghana and Niger). The programme promotes the links between the continental, regional and national levels and supports RECs and member states in implementing the agreement.

Project name	Programme Support to the African Continental Free Trade Area (AfCFTA)
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ), European Union (EU)
Lead executing agency	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Partner Organisation in ECOWAS	Commission of the Economic Community of West African States (ECOWAS)
Total Programme Budget	EUR 48 million (as of May 2022)
Component Budget	Up to EUR 1.2 million
Overall Programme Duration	09/2020 – 08/2024

GIZ supports the ECOWAS Commission in the AfCFTA process by providing technical and financial support in the following areas:

Trade in Goods (TiG): The ECOWAS Commission is supported in preparing the customs administrations to effectively implement the agreement and is building the capacity of customs officers on the Rules of Origin of the AfCFTA. Support is also given to ECOWAS member states in the preparatory work for implementation and finalization of outstanding negotiations on TiG.

Trade in Services (TiS): The project supports ECOWAS Commission and member states in the development of a work programme on TiS, a methodology for the collection and analysis of TiS statistics and a regional Schedule of Specific Commitments on TiS for the ECOWAS region. The project supports partner states in the preparatory work for negotiations and finalization of outstanding areas on TiS as well as additional commitments in TiS.

Phase II and III issues: The Project supports ECOWAS Commission and member states in their preparatory work for negotiations on



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Phase II and III issues especially in the areas of Investment, Competition and e-Commerce by a range of mechanisms such as the development of common regional negotiating positions and modalities through capacity building and scoping studies.

Stakeholder engagement: The Project cooperates with the ECOWAS Commission in its efforts to sensitize the business community and general public to ensure that stakeholders, including SMEs, participate and benefit from the AfCFTA. The awareness-raising efforts are specifically targeting civil society, the private sector and cross-border traders and traders associations.

Objective

The objective of the GIZ AU AfCFTA Support Programme is to support ECOWAS Commission in fostering its role in AfCFTA negotiation and implementing the AfCFTA through technical advisory services. The specific objectives are as follows:



Provide technical advice on the aspects of trade integration, including trade in goods, trade in services, trade facilitation, investment policy and stakeholder involvement;



Facilitate regional consultations in order to arrive at common regional positions on AfCFTA issues.

Partner Structure

The governance structure of ECOWAS comprises three arms: the Commission, the Parliament and the Court of Justice. The ECOWAS Commission is headed by the President appointed by the Authority of the Heads of State and Government. He is assisted by a Vice President and currently 13 Commissioners heading Departments. Among the Departments is the Department for Trade, Customs and Free Movement of Persons. This Department oversees the ECOWAS Component of the GIZ AU AfCFTA Support Programme.

Challenges of the AfCFTA implementation

The main challenges in the implementation of the AfCFTA Agreement in ECOWAS are as follows:

- Internal security issues of ECOWAS member states may obstruct a smooth implementation of the agreed commitments
- Three ECOWAS member states have not yet ratified the agreement. This could compromise the integrity of the ECOWAS Customs Union.

- Limited resources at the Commission to work on the AfCFTA
- ECOWAS Member States need to agree common regional positions on the AfCFTA negotiations to ensure the Agreement builds on the ECOWAS acquis for promotion and safeguard the interests of the region
- Policy incoherence with other trade frameworks such as the Economic Partnership Agreements (EPAs) with the EU
- Insufficient involvement of key actors at the national and regional levels

Results

The expected results for the ECOWAS Component are that the institutional structures at the regional level are strengthened. In trade in services, trade in goods as well as competition, investment, digital trade and intellectual property the expected result is that through technical assistance and the facilitation of regional meetings common positions among the ECOWAS member states can be reached.

The tangible benefits likely to accrue to the ECOWAS business community include reduced information asymmetry and awareness of key stakeholders to reap benefits of the AfCFTA. Access to relevant trade information will enable the private sector, particularly SMEs, women and young traders to exploit the trade opportunities. The support to private sector and civil society dialogue platforms and forums will increase networks, enhance business to business match-making and joint sourcing of raw materials.

An example from the field

The ECOWAS Component provided a short-term expert on AfCFTA Trade in Services (TiS) to the ECOWAS Commission with the assignment to develop a work programme on TiS, a methodology for the collection and analyzing TiS statistics and draw-up a regional Schedule of Specific Commitments on TiS for the ECOWAS region.

The ECOWAS Commission had submitted the consolidated ECOWAS Common Schedule of Specific Commitments on TiS to the AUC. Following a technical review by the AUC, as well as comments raised by other States Parties, there was a need to better align the offer with the agreed modalities. ECOWAS Commission, with assistance of the GIZ Consultant, held virtual bilateral meetings with all Member States. The revised ECOWAS Common Schedule of Specific Commitments on TiS has been validated by the 5th regional meeting on the ECOWAS Common Schedule of Specific Commitments on AfCFTA TiS for submission to the AU.

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