

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

Ghana Component

Background and context

Ghana was one of the first countries to sign the AfCFTA agreement and the first to ratify it. Furthermore, Ghana serves as the host country for the newly established AfCFTA Secretariat in Accra, which is one more step in Ghana's long history of being a strong advocate for African unity and integration. Through the opportunities of the AfCFTA, Ghana is looking to become the new commercial capital of Africa, a regional trade hub and international gateway to the continent. However, the volume of trade with other African countries needs to be improved. In 2018 Ghana's share of exports destined to the African continent was 18% (USD 3.1 billion) while the country's share of imports from the continent was only 8% (USD 1.0 billion). This compares poorly to Ghana's total imports and exports to the world which stood at USD 12.9 billion and USD 17.9 billion respectively in the same year.

For Ghana to benefit from the AfCFTA, the government has urged the private sector to take advantage of the agreement, expanding production, both in the industrial and the agricultural sector, while taking the lead in the socio-economic transformation of the country at the same time.

A key national objective and priority is to pursue industrial transformation policies and programmes that support the private sector to add value to Ghanaian exports, develop capacity to effectively compete with imports and expand opportunities for job creation across the country.

Our approach

The AfCFTA is one of the AU's flagship projects for the implementation of its 2063 Agenda. The agreement was signed by 54 of the 55 African states and came into force in May 2019. As of March 2022, 42 countries have officially ratified the AfCFTA (the so called "State Parties"), including Ghana. The 1st of January 2021 marked

the start of trading under the AfCFTA agreement for those State Parties.

The German Federal Government is providing support to this continental development initiative through GIZ. The programme aims to address the challenges around institutional and legal frameworks in supporting the negotiation and implementation of the AfCFTA. In response to the heterogeneity of the AfCFTA State Parties in terms of size, income level and openness to other economies, and the complex nature of the AfCFTA negotiations and implementation, the programme works at the continental, regional and national level. Ghana is one of the countries that is supported at the national level, while also being the host country of the AfCFTA Secretariat, an African Union institution.

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 Ghana	Ministry of Trade and Industry (MoTI), National AfCFTA Coordination Office, Ghana Chamber of Commerce and Industry, Ghana Revenue Authority-Customs Division, Association of Ghana Industries
Total Programme Budget	EUR 55 million (as of September 2022)
Ghana Component Budget	EUR 2.9 million (as of September 2022)
Overall Programme Duration	08/2020 – 08-2024



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Objective

The programme aims to strengthen the framework conditions at continental, regional and country level to realize the AfCFTA.

For that, the GIZ AfCFTA programme is focusing its support on the following key areas:



Strengthening institutions for strategic steering and coordination at continental, regional and national level



Facilitating negotiations on Trade in Services (TiS) liberalization



Creating capacity to implement commitments under Trade in Goods (TiG) and facilitating negotiations



Supporting preparation for phase two negotiation, specifically on investment, competition policy and digital trade



Promoting sustainability approaches for social, ecological and participatory trade negotiation and implementation of the AfCFTA

Partner structure in Ghana

The political partner for the project in Ghana is the Ministry of Trade and Industry. The main implementing partners are the National AfCFTA Coordination Office, the Ghana Revenue Authority – Customs Division, as well as private sector stakeholders like the Ghana Chamber of Commerce and Industry, Association of Ghana Industries, Ghana Chamber of Young Entrepreneurs etc. To leverage synergies the project is also working with other GIZ projects on the ground.

Areas of GIZ support under the Ghana component

In Ghana, the project is supporting the negotiations and national implementation efforts and is working closely with the Alliances for Trade Facilitation (A4TF) as the GIZ Trade Hub Ghana. A national AfCFTA implementation strategy has been set and structures have been established to implement the Boosting Intra-African Trade Agenda, which seeks to address the key constraints and challenges of intra-African trade while significantly increasing the volume and benefits of trade.

Key activities under the Ghana component are, among others:

- Supporting the national implementation of the “Boosting Intra-African Trade Action Plan”
- Support advocacy on building competitiveness and growth-readiness of SMEs for enhanced participation in the AfCFTA
- Sensitization and training on rules of origin for customs and other relevant authorities and stakeholders
- Awareness creation and support to young entrepreneurs on AfCFTA
- Support the Ghana negotiation team through position papers and capacity building for Phase II & III negotiations.

Results

With its support the project is aiming for the following outcomes:

- National structures supporting the implementation of AfCFTA are strengthened and the facilitation of trade negotiations is supported
- Enhanced framework conditions for implementation of commitments under TiG and TiS
- Active private sector and civil society groups in the AfCFTA negotiation and implementation process.

In collaboration with the Government of Ghana, the programme, at impact level, intends to realize sustainable development in Ghana through the principle of economic integration.

An example from the field

The GIZ Support Programme to the AfCFTA supported the Ministry of Trade and Industry through the National AfCFTA Coordination Office to review and validate the National Action Plan for Boosting Intra African Trade. This is the main implementation document, which will be used by the Government of Ghana to implement the AfCFTA.

The Ghana component of the programme also supported the Ghana Revenue Authority – Customs Division to train over five hundred (500) Customs officials on the AfCFTA Rules of Origin.

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