

From negotiations to implementation: Building Effective AfCFTA National Implementation Committees

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Key messages

The Decision of the 31st Ordinary Session of the Assembly of Heads of State and Government of the African Union, held in July 2018 in Nouakchott, Mauritania, committed to establish National Implementation Committees (NICs) on the AfCFTA to ensure meaningful participation of all stakeholders and come up with national AfCFTA and boosting intra-Africa trade strategies. A template on the operation of the national AfCFTA committees was also requested.

Based on the experiences of NICs in Côte d'Ivoire, Ghana, Kenya, Nigeria and Rwanda, we identify 10 critical functions for NICs: supporting trade negotiations; facilitating implementation; developing plans and strategies; reporting; monitoring and evaluating activities and plans; coordinating capacity-building events; raising awareness; enabling meaningful collaboration with the private sector; including vulnerable groups; and providing an interface between the AfCFTA Secretariat and countries.

Three types of bodies appear to be relevant: (i) a high-level steering committee (chaired by the minister of trade or a higher-level official and reporting to the president or prime minister); (ii) a secretariat; and (iii) technical working groups.

We suggest a five-step template for the formation of NICs appropriate to each country setting: form multi-stakeholder committee/s; develop a clear mandate; provide adequate resources; engage in consultation and outreach; and monitor and evaluate.



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1. Introduction

The African Continental Free Trade Area (AfCFTA) is expected to transform African economies and lead to an increase in intraregional trade and inward investment. There is much progress on negotiations but the ultimate benefits depend on the way AfCFTA commitments are implemented. National AfCFTA Implementation Committees (NICs) can help in this endeavour.

The year 2023 is the African Union (AU) Year of Acceleration of AfCFTA Implementation. In line with the Decision of the 31st Ordinary Session of the Assembly of Heads of State and Government of the African Union (the AU Assembly), held on 1–2 July 2018 in Nouakchott, Mauritania, Member States are required to set up NICs to facilitate implementation of the AfCFTA Agreement. This has led to much interest in Member States in what effective NICs look like and what they do. The role of the AfCFTA Secretariat in supporting the formation and operation of NICs is paramount.

Two features associated with the AfCFTA project are important for implementation. First, AfCFTA implementation structures will need to be designed in ways that align well with existing trade negotiations and implementation structures. Second, the AfCFTA is not only a Free Trade Agreement but also a trade strategy involving a range of complementary instruments that address implementation, monitoring, payment systems, adjustment and industrial policy.

This briefing, aimed at the AfCFTA community concerned with implementing the AfCFTA, identifies appropriate institutional forms for NICs as well as 10 core functions that effective implementation agencies will carry out. It also outlines a potential five-step AfCFTA template for effective NIC formation and operation.

The rest of the briefing is organised as follows. Section 2 reviews existing NICs. Section 3 presents 10 essential functions of effective NICs. Section 4 suggests an institutional form of NICs. Section 5 provides some pointers for an AfCFTA template for the formation and operation of NICs. Section 6 concludes.

2. Operational AfCFTA NICs

The briefing reviews five AfCFTA NICs, in Côte d'Ivoire, Ghana, Kenya, Nigeria and Rwanda. Other countries, such as Democratic Republic of Congo and Tunisia, have recently passed laws to establish an NIC but have not yet taken further action, and still need to select individuals for committees. South Africa has so far been using its existing negotiations and implementation structures for AfCFTA issues.

Our review has led to a number of findings

- Countries attach different levels of priority to NICs, with Côte d'Ivoire, Ghana and Nigeria frontrunners, for different reasons. Ghana has attracted the AfCFTA Secretariat and showcases implementation whereas Nigeria used an NIC and other consultation mechanisms to support signing and ratification of the AfCFTA.
- NICs are usually housed in and led by ministries of trade but often involve a high-level steering committee or council with ministers from other ministries.
- NICs usually include a high-level steering committee, a secretariat reporting to the hierarchy in the ministry of trade and a set of working groups modelled on the structure of the Boosting Intra-African Trade (BIAT) Initiative. Secretariats can be larger and separate or they can be embedded in existing structures such as national trade facilitation committees.
- Legal backing varies but is considered important for continuity and financial support from national budgets and development partners.
- The private sector is usually included in the high-level governance structure. NICs also work to varying degrees with the private sector, including through certifying companies to signal readiness to trade under AfCFTA rules.
- There is a useful interaction between NIC capacity and NIC activities that make trade happen, such as the Guided Trade Initiative (GTI).

Our analysis also suggests that greater NIC capacity is related to faster progress on AfCFTA implementation. This includes that having an NIC means you are more likely to be part of the GTI, and it will be more likely to progress on and validate AfCFTA implementation strategies and better prepare the country for implementation.

The role of the private sector (manufacturers, importers, small traders, etc.) in the implementation of the AfCFTA is critical to the success of the AfCFTA. However, in many African countries, the capacity of the private sector is weak. Hence, implementation of the AfCFTA will require active efforts to build the capacity and improve the organisation of the private sector to participate in the consultation processes so the country can build a national mandate and consensus on its negotiating positions.

3. Functions

Based on these experiences a new joint AfCFTA–ODI paper identifies 10 crucial functions for AfCFTA NICs (Figure 1):

1. support the formulation of country positions in trade negotiations (involving coordination across ministries and complementing existing trade negotiation structures)
2. facilitate implementation, and advise and lobby government around policy reforms necessary for proper implementation of the AfCFTA commitments and domestication of the AfCFTA legal instruments (through coordination across ministries) in line with existing structures to implement trade and development policy
3. develop plans and strategies for AfCFTA implementation
4. report on activities and plans and monitor and evaluate the activities of the NIC itself
5. monitor and evaluate policies and projects to support AfCFTA implementation and relevant AU-related objectives such as the trade and development aspirations in the AU Agenda 2063
6. coordinate and where appropriate implement donor activities and capacity-building events in the area of the AfCFTA and development (covering trade and other instruments) in line with existing implementation structures (and not duplicating existing efforts)
7. raise awareness and collaborate with all stakeholders (communication)
8. enable meaningful collaboration with the private sector (certification, readiness assessments) to ensure economic benefits of the AfCFTA
9. ensure inclusiveness (include mainstream vulnerable groups, gender and youth, and climate considerations) in AfCFTA implementation plans
10. provide an interface between the AfCFTA Secretariat and countries and facilitate AfCFTA Policy Review Process and monitoring of the AfCFTA implementation in line with existing structures

Figure 1 Ten essential functions of NICs

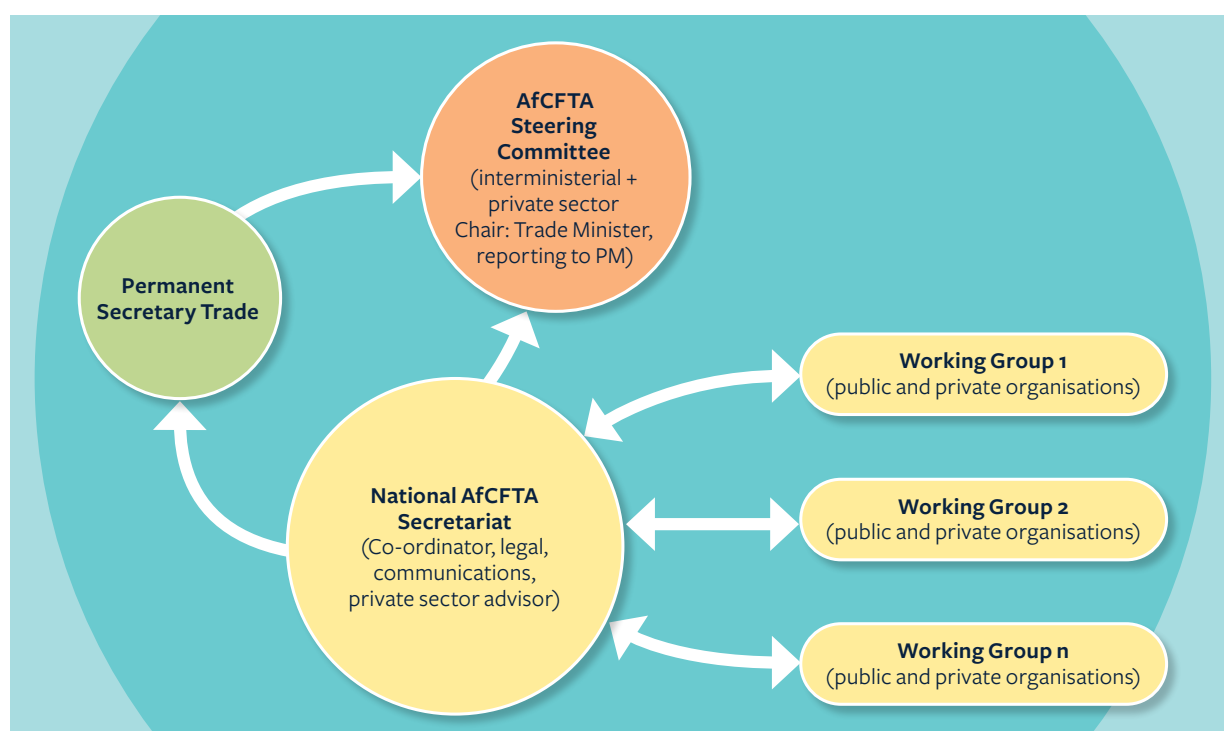


4. Institutional forms

Many AfCFTA State Parties also have questions about institutional forms. The guidance here is less clear, as each country will need to decide the form that suits it best. However, five salient institutional form features also come out:

1. Three types of bodies have been shown to be important in all cases: a high-level steering committee (chaired by the minister of trade or a higher-level official and reporting to the president or prime minister), a secretariat and technical working groups (TWGs). All these bodies and groups need legal backing. Figure 2 provides a possible institutional form.
2. The prime minister or president needs to oversee the high-level steering group but does not need to chair the actual group. The minister of trade could also take this role.
3. The secretariat needs a senior, active, experienced and well-connected coordinator or lead, who reports to the steering committee and the permanent secretary (or equivalent) for trade (the main focus is on co-ordination, avoiding duplication of existing efforts). Other people could include a legal advisor, a strategic communications specialist, a stakeholder engagement specialist, programme officers, enterprise support specialists, IT officers, M&E expert and administrators.
4. The private sector and other stakeholders should be included at steering committee level and in the TWGs.
5. The NIC should engage in visible activities such as the GTI; AfCFTA Policy Review Process; developing a monitoring, evaluation and learning framework; and working with AfCFTA Secretariat Staff, including the AfCFTA Secretary-General, on visits and other communications.

Figure 2 A NIC institutional form at country level



5. Towards a template for the formation of AfCFTA NICs

The analysis and our findings aim to inform an AfCFTA template for the formation and operation of NICs. We suggest a five-step template for the formation of NICs appropriate to each country setting:

1. **Form multi-stakeholder committee/s:** The committee could be a government-led committee or a national taskforce formed to serve as an NIC, involving a steering committee, a secretariat with an experienced and well-connected lead and a set of working groups that involve the private sector and engage in range of activities.
2. **Develop a clear mandate and results framework:** The committee's (legal) mandate should be clearly defined, outlining its goals, objectives and responsibilities. It is important to have legal backing, budget and performance indicators based on a clear results framework. Equally important is to develop a mandate that fits AfCFTA responsibilities into the wider trade and development scene.
3. **Provide adequate resources:** The committee will need adequate resources, including funding, staffing and technical support, to carry out its work effectively, with a focus on co-ordination on activities and where appropriate implementation.
4. **Engage in consultation and outreach:** The committee should engage in regular consultation with stakeholders and carry out outreach activities to build awareness of the AfCFTA and the committee's work.
5. **Monitor and evaluate:** The committee should establish a robust monitoring and evaluation framework to track progress and identify challenges in implementation process.

6. Next steps

State Parties are expected to start and/or adjust their NIC, as appropriate to their context. The AfCFTA Secretariat will develop a template for the formation of NICs.

There are three roles, with associated road maps, for the AfCFTA Secretariat in facilitating and monitoring implementation:

1. sharing best practices around NICs
2. undertaking monitoring on AfCFTA trade policies and
3. assisting with trade policy implementation in-country.

While the first role is centred around the formation of NICs, NICs themselves could become counterparts to the AfCFTA around the monitoring (the second role) and technical assistance roles. The third role would be an ambitious task, to coordinate and help implement activities to support AfCFTA implementation.