

Cameroon: Making the most of the AfCFTA through a national implementation strategy

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The African Continental Free Trade Area (AfCFTA) is the most ambitious project of the African Union under a vast continental development road map of Agenda 2063, “the Africa We Want”. At the launch ceremony of the AfCFTA on 21 March 2018 in Kigali, Rwanda, 44 member states of the African Union signed the agreement creating an unprecedented momentum on a similar project on the continent. The agreement requires 22 ratifications for it to enter into force and this was obtained on 29 April 2019 when Sierra Leone and Saharawi Republic deposited their instruments of ratification. The Agreement entered into force on 30 May 2019, 30 days after the 22nd instrument of ratification had been deposited. This paved the way for the launch of the operational phase of the AfCFTA on 7 July 2019 during the 12th Extraordinary session of the Assembly of Heads of State and Governments of the African Union in Niamey, Niger.

Cameroon signed the AfCFTA Agreement on 21 March 2018, and this marked the beginning of the country’s liberalisation process for trade in goods and services under the AfCFTA and participation in the ongoing negotiations to conclude protocols on Competition Policy, Investment and Intellectual Property Rights, Digital Trade and Women and Youth in Trade.

Article 43 of law N° 96/06 of 18 January 1996 (amendment of the Constitution of 2nd June 1972) states that, “The President of the Republic shall negotiate and ratify treaties and international agreements. Treaties and International Agreements falling within the area of competence of the legislative power as defined in article 26 shall be submitted to parliament for authorisation to ratify”. In terms of article 26 (b-2) and e, the President negotiates (effectively the Executive branch represented by the Ministry of Trade negotiates) and signs international agreements – and then Parliament grants approval for ratification.

Parliamentary approval was granted in Law N° 2019/010 of 19 July 2019 to authorise the President of the Republic to ratify the agreement establishing the African Continental Free Trade Agreement. Further to the approval, in terms of the Presidential decree N° 2019/586 of 31st October 2019 ratified the African Continental Free Trade Area Agreement and Cameroon became the 33rd State Party when it deposited the instrument of ratification on 1 December 2020 with the Chairperson of the African Union Commission, who serves as the depositary of the AfCFTA, as provided in article 24 (1) of the AfCFTA agreement.

The ratification of the AfCFTA is in line with the overall government objective of the second phase of the National Development Strategy “NDS30” which seeks to transform Cameroon into an emerging economy by 2035. The national development strategy is structured over a period of 10 years, with regular reviews. The first phase covered the period 2010-2020.

For the second phase covering the period 2020-2030, the government of Cameroon has focused on “structural transformation and inclusive development”. This vision comprises sectoral priorities championed by designated ministerial departments. The Ministry of Trade has developed a national export strategy while the Ministry of Mines, Industry and Technological Development has developed an Industrial Development Master Plan. Other sectors including Telecommunications and Digital Economy, as well as transport infrastructure linkages to regional market, port facilities and trade facilitation, as well as investment have been prioritised.

To make the most of the AfCFTA, Cameroon in partnership with the United Nations Economic Commission for Africa, Sub-regional office for Central Africa (UNECA) developed a national AfCFTA implementation strategy. The process started with a national information and sensitisation seminar jointly organised with UNECA on 16-17 April 2019 in Yaoundé. This event was chaired by the Minister of Trade, Luc Magloire Mbarga Atangana in the presence of the Deputy Secretary General, Executive Secretary of UNECA, Dr Vera Songwe and marked a critical point in AfCFTA’s domestication process in Cameroon as it took place between two parliamentary sessions (March and June sessions) with the June session granting a parliamentary approval on 19 July 2019 and the President of the republic ratifying on the 31st October 2019.

On the 12 November 2019, a consultation session with public and private sector stakeholders was organised to examine the draft implementation strategy and for participants to make inputs towards

the final validation session that was held on 28-29 November 2019. Key recommendations were arrived at during the consultation process amongst which is the creation of a national implementation committee. In line with this, the Prime Ministerial Order N° 039/PM of 29 March 2021 providing for the creation, organisation and functioning of the Inter-Ministerial Committee charged with the follow-up and evaluation of the implementation of the African Continental Free Trade Area was signed on March 29, 2021. Article 2 paragraph (i) of the Prime Ministerial Order of 29 March 2021 places the Committee under the Minister of Trade and mandates it as a consultative organ responsible for research, elaboration, suggestions, and proposals to government on issues linked with the effective and efficient implementation of the AfCFTA Agreement and the mobilisation of funding required for its functioning. The objectives of the Committee include the following:

- to carry out an impact assessment of the AfCFTA on the overall government development program, the National Development Strategy 2030;
- to propose draft texts and complementary measures necessary for the implementation of the AfCFTA;
- to ensure the follow-up and evaluation on the implementation of reforms aimed at facilitating free movements of goods, services, capital, and persons necessary for the reinforcement of economic integration.

The Committee comprises both public and private sector representatives and is structured into two functional organs; the Inter-Ministerial Committee and the Technical Secretariat.

Cameroon's AfCFTA national implementation strategy clearly demonstrates the country's awareness of the need to undertake supplementary reforms both at institutional and regulatory level to be able to maximise the benefits offered by the AfCFTA. Major areas of interest contained in this policy document include the following:

- Ownership of the Agreement Establishing the AfCFTA by the various national stakeholders through intense capacity building programs of all actors involved and a widespread communication to create awareness at large scale;

- Revision of the legal and institutional framework, with the creation of a an AfCFTA national implementation strategy committee and an Export Promotion Agency, as well strengthening the economic diplomacy capacity of the country;
- Improvement of economic and commercial infrastructure with a focus on transportation and communication infrastructure;
- Reduction of tariffs and elimination of non-tariff barriers to trade, supported by the rationalisation of controls along corridors and the promotion of cooperation centered on the harmonisation and mutual recognition of quality standards at the sub-regional and continental level;
- Promoting the production and processing of primary products, through support for innovative production capacities with the objective to drive exports of intermediate and finished goods through the continued improvement of the business environment;
- The development of regional and continental value chains and the promotion of entrepreneurial networks across the continent;
- Prioritisation of target markets such as Nigeria and the Economic Community Central African States (ECCAS), which can serve as a springboard to more distant markets;
- Implementing business intelligence measures;
- The creation of a trade finance bank;

The strategy examines Cameroon's existing trade agreements which include preferential trade arrangement within the Economic and Monetary Union/and the regional grouping of the Economic Community of Central African States (ECCAS) which is a Free Trade Area with an estimated 35% tariff liberalisation, Bilateral Trade Agreements (BTAs) with Ivory Coast, Nigeria and South Africa. These Bilateral Trade Agreements lay down the general framework for cooperation without including key elements such as tariff liberalisation, rules of origin or mutual recognition. Morocco and Tunisia are still in discussions with Cameroon to revise and adapt the 1987 and 1999 bilateral trade agreements respectively to a new context. This signals that, under the AfCFTA, these trading partners may want to use the market access offers provided for by this Free Trade Area to deepen their trading relations.

The strategy equally notes a very low level of information dissemination and sensitisations on trade agreements that binds the country and this has limited the expected benefits to be derived from these agreements.

Disparity in trade policies of member states of the ECCAS/CEMAC regional and sub-regional blocs further compromises integration efforts aimed at boosting intra-regional trade.

In addition, the strategy recognises the limited representation of private sector, especially women in trade negotiations processes representation, noting that women make up an important percentage of labor force in the agricultural and textile sub-sectors.

Among the obstacles to Cameroon's improved performance in trade, the strategy notes challenges related to Non-Tariff Barriers and Trade Facilitation challenges, factors of production, business environment, trade support infrastructure, Information and Communication Technology. It calls on government to design targeted approaches to address these challenges by aligning them with the overall development vision of Cameroon.

An assessment of existing initiatives such as the national export strategy and the industrial development master plan including sectoral policies in the National Development Strategy 2030 that support trade has been carried out. This has led to the development of guidelines on improving trade performance for goods (aluminum products, agricultural and agro industrial products, rubber, glass and glass products, metallurgy industrial products, wood and wood products, cigarettes, fruits juice and beverages) and services (transportation services, digital services and tourism services) that offer real potential for trade under the free trade area.

A SWOT analysis undertaken within the framework of the strategy identified key areas of concern. As a strong point, Cameroon has readily aligned the AfCFTA with its global development vision which implies policy considerations have been addressed. However, a weak point like high dependency on commodity exports could impact the country's potential to benefit from the AfCFTA. This wider market with an estimated 1.3 billion consumers provides an opportunity for the economy of Cameroon but complementary measures must be designed to support the process and mitigate revenue losses as a result of tariff reduction.

Classification	Product group	Major products in the group	
Products highest export potential	Aluminum products	Aluminum bars	
		Aluminum disc	
		Other aluminum products	
Products with higher export potential	Food and agri-food products	Milk and milk products	
		Cocoa butter and paste	
		Palm oil	
		Cotton oil	
	Rubber and articles thereof	Dry rubber	
		Rubber works	
	Glass products	Glass bottles	
		Other glass products	
	Metallurgical industry products	Flat products of unrolled iron or steel	
		Bars of iron or unrolled steel	
	Wood and woodworks	Wood veneer	
		Sawn wood	
		Other wood products	
	Products with high export potential	Cigarettes	Cigarettes containing tobacco
		drinks	stout
Non-alcoholic beverages			
Building material		Portland cement	
		Cement glue	
		Miscellaneous construction equipment	
Plastics		Various plastics products for household use	
Petroleum products		Crude petroleum oil	
		Petroleum or bituminous mineral oil, other than crude	
Chemical products		soap	
		Paint and varnish	
Beauty products		Beauty products	

Source: Table 23 - Cameroon's AfCFTA national implementation strategy 2019

According to the strategy which builds on different existing reports by the World Bank 2007, European Union 2012 and the Competitive Committee 2017 carried out over a period of fourteen years, Cameroon's potential over the short- and medium-term period could be centered on developing larger scale the production of the goods in the table above to ensure that by the end of the tariff phasedown – 10 years period for group A (non-sensitive) and 13 years for group B (sensitive) – Cameroon will be able to maximise the benefits accruing from the AfCFTA.

With a strong commitment to fully implement the strategy as demonstrated by the putting in place of a National Implementation Committee amidst the pandemic, including stakeholders in these processes and respecting guidelines contained in this strategy, Cameroon is preparing to enhance the country's performance through successful implementation of the AfCFTA.