



2022 Annual Conference

Concept Note

Africa's trade and governance agenda in a changing world

The 2022 Annual Conference of tralac takes place against the backdrop of global crises of which the medium and long-term consequences are not yet clear. International and regional institutions will need time to work out adequate responses and implement bespoke solutions. This will require, amongst other things, inspired leadership, fresh insights, new procedures, trusting science, and better governance. There will not be quick fixes. Many of the required efforts must start with better governance at home.

At this conference we will discuss some of the features of the crises now to be faced, but the real challenge is to understand their **interconnectedness** and **broader implications**. To give an obvious example: The war in Ukraine is the biggest threat to international peace and security since the end of the Cold War 30 years ago. It is also a humanitarian disaster. But it has also caused an **energy crisis** of global proportions and a **food security** threat to many developing nations, including in Africa. Russia's invasion of Ukraine has wreaked havoc on global energy, fertilizer, and food markets.

This war is not the immediate cause of several multilateral problems but has added a dangerous complication. Finding answers to existing and new challenges will become more complex. The responses that are necessary will require collective efforts going way beyond the capacities of the nation state, traditional policy choices, and the design of multilateral institutions. They are member-state driven, respect the sovereignty of member states, and take decisions on the basis of consensus.

The evidence does not indicate that the lessons about collective action are being learned to the extent of being able to re-design global governance structures. The first reaction to the

COVID-19 pandemic was to save the national population. It is true that once vaccines have been developed, they were distributed across the globe. This is an ongoing process because the technical, financial, and scientific expertise for manufacturing these sophisticated medicines is in limited supply. Many developing nations cannot prioritise domestic efforts to produce their own vaccines and rely on supplies from elsewhere. However, the efforts to tackle the pandemic and dealing with climate change have not yet resulted in sufficient endeavours to deal with the subsequent surge in inflation, a shortfall in development financing, and sovereign debt. The climate crisis is becoming worse, as demonstrated by persisting droughts in parts of Africa, heatwaves in Europe, the US and Australia, and floods in Pakistan.

There is, however, some good news, and we mention some of it. At the 12th Ministerial Conference (MC12) in June 2022, WTO members secured multilaterally-negotiated outcomes on a series of key trade initiatives – the *Geneva Package* – comprising 10 agreements, declarations, and decisions. WTO reforms are also on this list. It will take time to secure positive results through the implementation of MC12 outcomes and to keep delivering results for people across the globe. In April 2022, the World Health Organisation (WHO), the World Intellectual Property Organisation (WIPO) and the WTO launched their new Trilateral COVID-19 Technical Assistance Platform. The US administration under President Biden has a different and constructive approach to multilateralism, compared to his predecessor. Washington supported the TRIPS waiver to suspend intellectual property rights on vaccines and has embarked on a new road in its trade and political relationship with Africa. The European Union has announced a *Team Europe* initiative in support of Africa's recovery from the COVID-19 pandemic.

These developments have to be seen against the background of China's continued involvement in Africa in terms of trade, loans, and infrastructural development. India and Turkey are increasing their presence in Africa, as are several other nations and businesses. This continent has gained more strategic relevance as a result of the war in Ukraine and new policies in developed countries to be less dependent on imports from China. Seventy percent of the world's cobalt is mined in DR Congo, which has recently joined the East African Community (EAC).

The imminent launch of the African Continental Free Trade Area (AfCFTA) definitely belongs on the list of good news items, albeit against the background of a difficult negotiating process to reach agreement on final tariff schedules, rules of origin, and services commitments. The growing interest shown by Africa's business community and the support of institutions such as Afreximbank and by particular donors, are positive signs. These developments are also some of the reasons why tralac will continue to monitor and study developments around the AfCFTA. And we will keep in mind the fact that it has been launched as an African Union flagship project.

At this Annual Conference, we will discuss developments involving continent-wide trade under AfCFTA preferences, alongside the Regional Economic Community (REC) Free Trade Areas (FTAs). We will also take a look at what is happening in these REC FTAs in terms of dispute settlement and will compare REC Court practice to what can be expected under the AfCFTA Protocol on Dispute Settlement. There are important differences between their approaches but a preparedness by African Governments to file disputes under this new Dispute Settlement Protocol will signal a very important development towards rules-based trade on the continent. African Governments never litigate against each other over violations of trade agreements.

What is the way forward and what are the implications for tralac's agenda? Hopefully this question can be discussed in some detail at our 2022 Annual Conference. For tralac, this discussion starts from the viewpoint that Africa remains strategically important. In the aftermath of Russia's invasion of Ukraine, it has become even more so. And it has to be a player in global restructuring efforts.

We also recognise that Africa's economic development and integration is, in the first instance, its own responsibility. That is one reason why tralac's mantra is **good governance**. We are of the view that the AfCFTA design has introduced new elements into the debate about regional integration in Africa, through the inclusion of the REC FTA *acquis* as a founding principle of continental integration.

There appear to be several good reasons why we should continue organising annual conferences and delivering via tralac's other workstreams.