How can the AfCFTA Promote a trade-related agenda on the Environment?

By Gita Briel
Context

An objective of the AfCFTA is to “promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties” - Art 3 (e) AfCFTA Agreement

It is a flagship project of the African Union’s Agenda 2063, which includes the objective of achieving “Environmentally sustainable and climate resilient economies and communities” - Goal 7

• Despite these aspirations, the environment/climate change has not featured prominently in the AfCFTA’s development
Importance of a climate change agenda

• African States have made extensive environmental commitments at the Continental, regional and national level, but these are generally not well enforced and trade links are not well-substantiated
• The AfCFTA is an opportunity to coordinate and strengthen the continent’s commitments to trade and climate change and provide follow up actions to build on REC commitments

Why?
• Trade can either exacerbate or ameliorate climate issues
• Environmental policies can be a barrier to trade
• The global shift to a low-carbon economy is creating new opportunities for trade in the booming green technology sector (Africa is well positioned but unprepared to harness these opportunities) – risk falling behind
A Protocol on Climate?

• Global Trend since 1994 NAFTA
• Would have to be adopted and enter into force in terms of Articles 22 and 23 of the AfCFTA Agreement
• Effectiveness would depend on whether it includes provisions that create specific obligations for State Parties
Other Avenues

A new institutional mechanism?

• Akin to WTO Committee on Trade and the Environment
• Mandate to collective examine and better comprehend the trade-environment relationship
• Only 4 African States participate in TESSD - creating a list of relevant EGS and identifying NTBs

National Implementation Strategies (NISs)

• Green Supplement Reports to NISs – ECA & 20 African countries
• EIAs for identifying AfCFTA-related implementations risks and mitigation actions
• Technical working group on Climate under NICs
The AfCFTA as a framework for Africa’s industrialisation

• How can this framework promote climate-resilient, low-emission production and support diversification into green value chains?

• Value chain initiatives, Financing instruments, cross-border infrastructure projects, developments around SEZs need to align with the continent’s sustainable development ambitions

• Ensuring competitiveness of Africa’s exports to global partners as demand for low-carbon products increase and regulations penalising carbon-intensive imports advance. The EU’s CBAM could cost Africa almost 1% of its GDP