



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

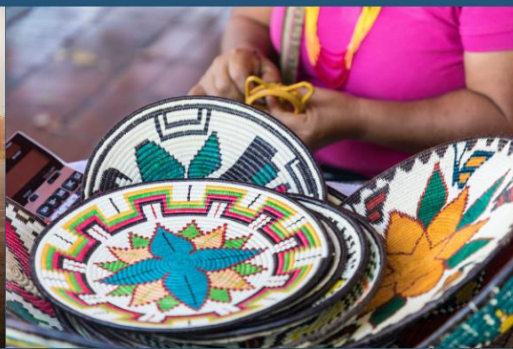
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Annual Conference

18 & 19 May 2023

"A Practical and Realistic Agenda for the AfCFTA"



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

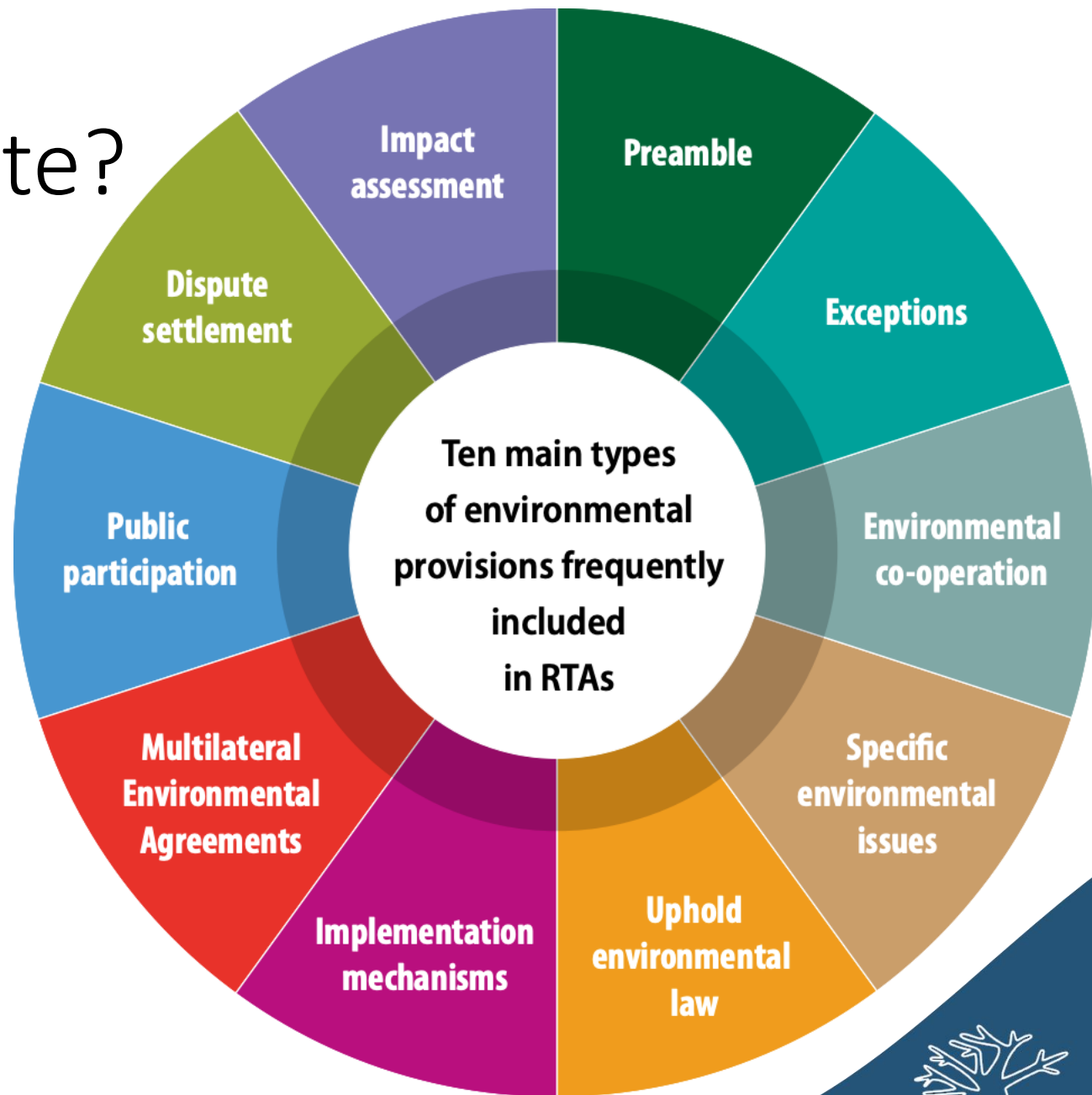
- African States have made extensive environmental commitments at the Continental, regional and national level, but these are generally not well enforced and trade links are not well-substantiated
- The AfCFTA is an opportunity to coordinate and strengthen the continent's commitments to trade and climate 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 collectively 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