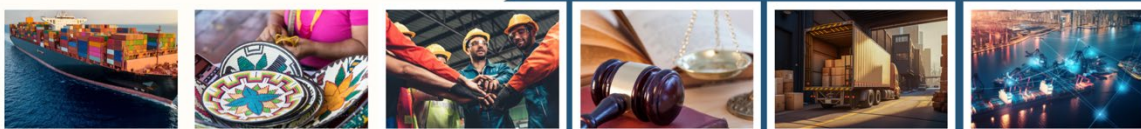


tralac Annual Conference

18 & 19 May 2023

Kigali, Rwanda



Annual Conference Report 2023

The 2023 tralac Annual Conference took place on 18-19 May 2023 in Kigali, Rwanda. Government officials, trade experts, entrepreneurs, and tralac alumni from across the continent came together to discuss matters associated with Africa's integration and trade agenda under the theme of 'A Practical and Realistic Agenda for the African Continental Free Trade Agreement'.

Dr. George Lipimile, Chair of the tralac Board, delivered the official opening address at the Conference. He reflected on the path that led to the momentous occasion of signing the AfCFTA Agreement on March 21, 2018, in Kigali, Rwanda, and the journey since then. The Conference's theme was explained as focusing on framing the AfCFTA as a practical continent-wide preferential trade arrangement, aiming to prompt an investigation into a realistic agenda for ensuring the AfCFTA's effectiveness in driving the continent's development.

The official opening session featured a special address by His Excellency Wamkele Mene, the Secretary General of the AfCFTA Secretariat. In his address, he highlighted that the accomplishments of the AfCFTA signalled the strong political commitment to Africa's economic integration imperative. He emphasized that the objectives of the AfCFTA extend beyond market access and encompass broader dimensions, including the promotion of industrialisation and the codification of the continent's development aspirations. An update on the progress of negotiations was provided, revealing that the Agreement has been ratified by 47 African States. Additionally, it was shared that the Protocols on Trade in Goods, Trade in Services, Dispute Settlement, Investment, Competition, and Intellectual Property Rights have been concluded, while the Protocols on Women and Youth and Digital Trade are currently

being finalised. Notably, Rules of Origin have been agreed upon for 88.3% of total tariff lines. The update also highlighted the expansion of the Guided Trade Initiative, launched last year, which aims to encompass more countries and sectors this year. His Excellency explained the importance of various tools developed by the AfCFTA Secretariat and private partners to facilitate the realisation of the AfCFTA's economic integration aspirations, including the AfCFTA Adjustment Fund, the Pan-African Payments and Settlement System (PAPSS), and the Automotive Sector Fund. It was also noted that efforts are underway to establish a continental trade finance facility specifically targeting Small and Medium-Sized Enterprises (SMEs). The address also emphasised that Africa's integration can be instrumental in easing the debt distress of many African countries and reducing Africa's reliance on global partners for critical products such as vaccines.

The Minister of Trade and Industry of Rwanda, Dr Jean Chrysostome Ngabitsinze, delivered an opening address. He emphasized the importance of the free movement of persons for truly achieving free trade, highlighting that visa requirements for Africans remain highly restrictive in many African states. Following that, Trudi Hartzenberg, the Executive Director of tralac, provided a framing of the AfCFTA as a vehicle for Africa's structural transformation. It was emphasized that the AfCFTA's industrialisation agenda is crucial not only for boosting intra-African trade, but also for fundamentally shifting the way Africa trades with the rest of the world. The initiatives supporting this broader imperative have become even more important since 2018 as geopolitical challenges have intensified on the continent and globally.

Two Keynotes Addresses were delivered by Larry Liza, Director, World Customs Organisation, East and Southern African Region Capacity Building and Commissioner Sam Shivute of the Namibia Revenue Authority. Mr Liza highlighted three pillars for the AfCFTA's success. Firstly, the need to support less developed states given that Africa's strength is reliant on the unity and progress of all its countries. Secondly, he urged the acceleration of efforts to drive economic growth, notably the reduction of tariffs on intra-African trade. Lastly, Mr Liza stressed the importance of fostering cooperation between customs authorities, customs and business entities, and customs and partner government agencies. Commissioner Sam Shivute's Keynote Address was centred on the critical role that Customs Administrations play in the AfCFTA's effective and accelerated implementation. He highlighted the importance of customs

modernisation programs, notably those developed by the World Customs Organisation, in achieving the objectives of the AfCFTA.

The **second session** was chaired by Justice Mary Kasango from the COMESA Court of Justice. It comprised three presentations by tralac Associates Dr Patrick Low, Professor Gerhard Erasmus, and Eckart Naumann which unpacked Africa's position in a changing global context. The session analysed the many challenges facing international cooperation, including the war in Ukraine, the COVID-19 pandemic, climate change and the geopolitical tensions between the US and China. The threat that these pressures and crises besetting multilateralism pose to African economies and African trade interests was detailed. The discussion also highlighted the significance of African unity and cooperation, given the prevailing inward-looking trend. The final component of the session outlined the value of the African Growth and Opportunity Act (AGOA) for African economies and looked at what the implications of losing AGOA preferences would be in the case that the agreement is allowed to expire in 2025.

In the **third session**, an update on the AfCFTA's negotiations, initiatives, and potential areas for future work was provided by Trudi Hartzenberg, Professor Gerhard Erasmus, Dr Talkmore Chidede, Abrie du Plessis, and Gita Briel. The session included a breakdown of key issues relating to the AfCFTA: the architecture of the Agreement, the negotiating modalities, the institutional framework, the coexistence of the Regional Economic Communities with the AfCFTA, and issues relating to trading goods from special economic zones (SEZs). The session included an update on the Protocol on Intellectual Property Rights and the key developments that led to the text's adoption. It was pointed out that a large work programme lies ahead as eight Annexes to the Protocol still need to be developed. Background to, and update on, the AfCFTA Protocol on Digital Trade was also provided, outlining the Protocol's objectives of supporting the protocol on trade in goods and trade in services and promoting the sustainable and inclusive transformation of digital trade on the continent. The session also covered the issue of climate change which is not yet on the AfCFTA agenda. The discussion looked at the potential for negotiating a new protocol on Trade and Climate and highlighted the importance of greening the AfCFTA's industrialisation framework.

Session 4 focused on Africa's industrialisation through value chain development. The session featured presentations by tralac alumni and associates John Stuart, Taku Fundira, Maria

Immanuel, and Gita Briel. Cynthia Gnassingbe-Essonam, from the AfCFTA Secretariat, provided a valuable overview of the AfCFTA Secretariat's value chain programme which focuses on four priority value chains: agro-processing, pharmaceuticals, transport and logistics, and automotive. The session also delved into the immense potential of trading under AfCFTA preferences to support the establishment of cross-border value chains, enabling African economies to surpass their current role as primary commodity exporters. The limited effectiveness of export bans in promoting domestic beneficiation was examined, underscoring the importance of fostering a favourable business and policy environment to attract investments. The continent's agricultural value chains were discussed in greater detail, emphasising the need to harness the continent's untapped agricultural potential that has previously been underinvested in. Additionally, a gendered analysis of value chain participation was provided, drawing attention to the challenges faced by women-led MSMEs in effectively engaging in cross-border value chains. These barriers were identified as hindering women-led businesses' ability to take advantage of tariff preferences and fully benefit from regional economic integration.

The **final session** of Day 1 was a Master Class on dispute settlement led by Professor Gerhard Erasmus. He focused on key lessons learnt from judgements by the courts of Regional Economic Communities. The presentation emphasised the importance of a rules-based AfCFTA that will bring certainty, predictability, and transparency to the regional integration process. Dispute settlement and legal certainty were underscored as being critical elements for realising the promise of the AfCFTA of boosting intra-African trade in a comprehensive manner while ensuring that Africa remains integrated into the global economy.

tralac alumni Cham Etienne Bama, Rwatida Mafurutu, Edina Moyo, Blaise Bebey Abong, and Wilfried Mbouwe led **Session 6** on Day 2 of the Conference, focusing on customs and border management. The session provided a comprehensive review of the Guided Trade Initiative (GTI) and the lessons learned thus far, with reference to the experience of Cameroon. Moreover, the session examined the specific challenges related to trade facilitation across the continent and outlined a number of solutions for overcoming them, including the implementation of automated border procedures, electronic cargo tracking systems, and the establishment of one-stop border posts. The session included an analysis of how the AfCFTA's Annexes can be implemented effectively, with the modernisation of the Beitbridge Border

presented as a case study. Importantly, as women make up 70-80% of cross-border traders, the session looked at how borders can be reformed to be safer and more accommodating for women by increasing the gender diversity of customs officials, improving border infrastructure, and implementing gender-specific trade facilitation measures.

The **final session** of the conference provided perspectives from the private sector on the AfCFTA. It featured contributions from Treasure Maphanga, Alastair Tempest, Michael Lawrence, Maria Immanuel, John Stuart, and Emeka Uzomba. The opening discussion underpinned the urgency of advancing the AfCFTA's implementation beyond the Guided Trade Initiative and to its fully operational phase, pointing to the need for clarity and certainty on this process to inform private sector investment decisions. The session included an overview of the various Afreximbank financing facilities and trade facilitation programmes that have been developed to assist with the effective implementation of the AfCFTA. The discussion also included a focus on E-commerce, highlighting the need for improving buyers' trust, transport infrastructure, and the digitisation of customs procedures among other developments to ensure e-commerce fulfils its potential as a driver of intra-African trade. The related topic of digital trade was addressed by taking stock of the exciting developments on the continent including the installation of two major undersea cables and the roll-out of 5G in many areas. The unique challenges faced by MSMEs were also discussed, noting the challenges MSMEs face in achieving trade compliance and participating in cross-border trade.

The final agenda item on the Conference Programme was a visit to the Masaka Dry Port (run by DP World) where attendees had the opportunity to see first-hand how Rwanda is positioning itself as a logistics hub and tackling the challenges of being a land-locked country.