

Concept Note

Public-Private Dialogue on the Guided Trade Initiative Under the African Continental Free Trade Agreement (AfCFTA)

Background/Introduction

Since its inception, several initiatives have been launched to promote the implementation of the AfCFTA. One of such initiatives is the Guided Trade Initiative (GTI) launched in October 2022 by the the AfCFTA Secretariat (governing body).¹ This was to maintain the momentum around the agreement as commercially significant trade is yet to begin since trading under the AfCFTA was announced as having commenced in January 2021.² Out of the 29 countries that have submitted their tariff offers, eight countries including Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tanzania and Tunisia satisfied the requirements to participate in the GTI and were selected to advance the initiative. Although, the initiative began with 96 products, there is a hint of the possibility of doubling or tripling the list of products in 2023 as well as of expanding the list of participating countries as the current phase of the GTI is referred to as the “pilot”. The GTI supports matchmaking businesses and products for export between State Parties. This trading activity commenced with merchandise goods and the products selected for this initiative include ceramic tiles, batteries, tea, coffee, processed meat products, corn starch, sugar, pasta, glucose syrup, dried fruits, sisal fibre among others, in accordance with the AfCFTA priority on value chain development. However, in the year 2023, it has been indicated that the guided trade shall also include trade in services in the five priority areas including tourism, transport, business services; communication services; financial services; transport services and tourism and travel-related services.

The overarching objective of the trade initiative is to ensure that AfCFTA is truly operational and the gains from the initiative are improved implementation in order to achieve increased

¹ <https://www.tralac.org/documents/events/tralac/4625-tralac-special-trade-brief-afcfta-guided-trade-initiative-october-2022/file.html>

² <https://afripoli.org/the-road-to-africas-single-market-progress-so-far-and-challenges-for-the-future>

inter-regional and intra-Africa trade that would yield economic development for the betterment of the continent at large.³ The specific objectives are to⁴:

- test the operational, institutional, legal and trade policy environment under the AfCFTA
- demonstrate that the AfCFTA is functioning
- send an important political message to countries that are yet to submit their provisional schedules of tariff concessions in accordance with the agreed modalities
- Give hope to the continent that trading under the AfCFTA is achievable

There have been some success stories as far as the GTI is concerned. The first shipment under the GTI occurred in September 23, 2022 where Exide batteries were transported from Kenya to Ghana even before the official launch of the initiative. The first AfCFTA Certificate of Origin for Rwanda was issued to Igire Coffee for coffee products destined to Ghana. A few more have followed since the launch of the initiative. Four companies in Ghana have been able to take advantage of the GTI. Kasapreko Company Limited and Ghandour Cosmetics successfully exported a 20-footer container of alcoholic beverages to South Africa by air, while Ghandour Cosmetics also shipped a 20-footer container of cosmetic products to Guinea.⁵ Benso Oil Palm Plantation Limited and KEDA Ghana Ceramics Company Limited have also been able to successfully exported palm oil products to Kenya and ceramics to Cameroon, respectively.⁶

With 2023 being declared as the year of accelerated AfCFTA implementation by the African Union, implementation related issues around the AfCFTA should be put in focus through dialogues to bring out structured diagnosis of problems, knowledge sharing on best practices and success stories whilst providing the much-needed feedback and recommendations to policy makers and duty bearers to help provide the needed accelerated implementation of the AfCFTA.

It is against this backdrop that the GIZ Programme Support to the AfCFTA through CUTS International, Accra seeks to embark on the Public-Private Dialogue to diagnose the GTI to identify gaps and suggest measures needed to address those gaps moving forward. The ‘expert dialogue’ will help identify the measures in place, and the additional measures needed with the ultimate goal of ensuring the full implementation of the AfCFTA.

³ <https://www.tralac.org/documents/events/tralac/4625-tralac-special-trade-brief-afcfta-guided-trade-initiative-october-2022/file.html>

⁴ *ibid*

⁵ <https://africanian.com/business/ghana-begins-exploiting-afcfta-free-trade-opportunities/>

⁶ <https://www.businessghana.com/site/news/general/275323/30-Ghanaian-firms-to-export-under-AfCFTA>

Aims and Purpose of the Public-Private Dialogue

This PPD initiative is one in a series of dialogues that is being organised to assess some of the complementary initiatives that have been launched to promote the operationalisation/implementation of the AfCFTA. PPD seeks to engage relevant stakeholders to review or take stock of the GTI with the express purpose of shaping the initiative towards a full implementation of the AfCFTA

The overall objective of the dialogue is to review the GTI in line with the success stories, the challenges involved and the way forward as year 2023 has been declared “Acceleration of AfCFTA Implementation.”

The specific objectives are to engage relevant stakeholders:

- To examine the efficiency of the legal framework of the AfCFTA instruments
- Exchange of different perspectives to identify the obstacles faced by the Ghanaian private sector as far as the GTI is concerned
- Obtain feedback on the effectiveness of the legal and institutional systems in Ghana as a participating country
- Identify possible future interventions to increase intra-African trade and maximise the benefits of the AfCFTA.
- Examine the readiness of the private sector to participate in trade under the AfCFTA

Participants

The PPD would bring together high-profile officials from the Ministry of Trade and Industry (MOTI), Ghana National Chamber of Commerce and Industries (GNCCI), AfCFTA Secretariat, Ghana National AfCFTA Coordination Office Private Enterprise Federation (PEF), Association of Ghana Industries (AGI), Ghana Export Promotion Authority (GEPA), Ministry of Foreign Affairs and Regional Integration, Ghana Investment Promotion Centre (GIPC), Ghana Standard Authority (GSA), CUSTOMS, Food and Drug Authority (FDA), Economic Unit of Various Embassies in Ghana, donor agencies, the private sector including logistics companies, Social and Economic Research (ISSER), Ghana Union of Traders Associations (GUTA), academia, economists, trade experts, CSOs, business men and women etc.

The discussions will centre on the following though not exhaustive:

- Challenges with certification including Rules of Origin
- Challenges encountered in the importing country
- Challenges encountered at the border
- Issues with certification both domestic and international

- What should be the possible interventions to increase trade and maximize the benefits of AfCFTA
- Why have so many qualified countries not been able to export?
- What is the export readiness of qualified countries?
- What lessons have we learned so far?

Expected outcomes and external communication

Policy Briefs: After the expert dialogues, a policy brief will be developed highlighting the challenges, success stories and the recommendations by experts in the forum. Such brief will be circulated to all experts and stakeholders including the specific sector ministry (duty bearers), and meetings will be held with key duty bearers for implementation.

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Date:	28 th November, 2023
Time:	12:30pm- 3:00pm
Venue:	Alisa hotel, North Ridge Accra

For more information

For more enquires regarding this event, please email Shadrack (sny@cuts.org)
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