

# REPORT ON PUBLIC PRIVATE DIALOGUE ON GUIDED TRADE INITIATIVE UNDER THE AFRICAN CONTINENTAL FREE TRADE AGREEMENT (AfCFTA)



Venue: Alisa Hotel, North Ridge, Accra  
NOVEMBER 28, 2023

## **Welcome Address and Purpose of dialogue Appiah Kusi Adomako Esq. West Africa Regional Director**

The event commenced with Mr. Appiah Adomako extending a warm welcome to the attendees, expressing gratitude for their presence. He acknowledged the significance of the occasion and the diverse audience, comprising members from various sectors.

Mr. Appiah Adomako then shifted the focus towards the main agenda - the Guided Trade Initiative. He emphasized the importance of this initiative in the context of the African Continental Free Trade Agreement (AfCFTA). Given the vast scale of the AfCFTA, Mr. Appiah Adomako highlighted the necessity for a test run to assess the system, infrastructure, and processes. This precautionary measure he noted aims to prevent potential technical hitches when the free trade agreement becomes fully operational.

Acknowledging the collaborative nature of the initiative, Mr. Appiah Adomako mentioned the support received from GIZ Ghana and expressed appreciation for their involvement. This collaboration is essential to ensure a smooth operational transition when trading activities begin.

Mr. Appiah Adomako also outlined the primary objective of the Guided Trade Initiative, which is to eliminate potential challenges that may arise once trading becomes operational. He noted that some countries are skeptically waiting for the AfCFTA to encounter difficulties, and the GTI aims to counteract such skepticism. The determination of the Secretariat and African Heads of State to address these concerns was emphasized, even if it means pushing against formidable obstacles.

Mr. Appiah Adomako briefly introduced CUTS, which is a research and policy thinktank organization. The organization, celebrating its 40th anniversary, specializes in trade, consumer protection, economic policy, competition, and governance with the Ghana office representing the West African region.

Mr. Appiah Adomako concluded by expressing gratitude to the audience for their time and participation. He conveyed the organization's anticipation of a healthy dialogue that would contribute to the successful implementation of the Guided Trade Initiative and the AfCFTA.

## **Remarks from James Hammond, Lead Technical Advisor, GIZ Trade Hub**

Mr. Hammond, representing the GIZ Trade Hub, extended a warm welcome to the attendees at the afternoon's meeting on the Guided Trade Initiative. GIZ Trade is a program commissioned by the German Federal Ministry of Economic Cooperation and Development. The program's primary objective is to strengthen the framework and conditions for implementing and negotiating the AfCFTA agreement.



Mr. Hammond outlined the comprehensive nature of their projects, operating on three levels. At the original level, collaboration occurs with the African Union Commission and the AFC FTA Secretariat. The GIZ Trade Hub also has representation in regional economic communities, with advisors in ECOWAS, SADEC, and the East Africa Commission. Currently, the hub is engaged in projects across 10 countries, including Ghana.

In Ghana, the GIZ Trade Hub works closely with key stakeholders such as the Ministry of Trade and Industry, the National AfCFTA Coordination Office, Ghana Revenue Authority Customs Division, Ghana National Chamber of Commerce and Industry, and the Association of Ghana Industries, he noted. The focus he said is on providing technical assistance and capacity building to ensure that Ghana optimally benefits from the AFC FTA.

Mr. Hammond emphasized the GTI's role as a catalyst for motivating Member States to actively participate in the AfCFTA. Since its launch, various countries, including Ghana, have participated. Acknowledging the feedback received, Mr. Hammond underscored the importance of engaging critical stakeholders to discuss lessons learned, take stock of experiences, and explore ways to improve participation in the AfCFTA.

Highlighting the current landscape, Mr. Hammond noted that while commercial trading began in January 2021, there hasn't been meaningful trade across the continent. The Guided Trade Initiative (GIT) serves as an essential initiative to address this gap.

Mr. Hammond expressed the need to encourage smaller businesses or MSMEs to take advantage of the AfCFTA through the Guided Trade Initiative, aiming to leverage the continental market. He anticipated that the workshop would yield valuable inputs to motivate present SMEs to participate in the AfCFTA through the Guided Trade Initiative.



Concluding his address, Mr. Hammond extended gratitude to the attendees, wishing everyone a fruitful deliberation.

### **Key Note Address from Mr. Didier Bonyeme, Head of Division-Rules of Origin, AfCFTA Secretariat**



Mr. Didier delivered a comprehensive address on the implementation of the African Continental Free Trade Agreement (AfCFTA) during the meeting. He noted that the AfCFTA agreement, signed in Kigali in March 2018, entered into force in late April/early May of the same year.

The implementation of the agreement he indicated faced challenges due to the global COVID-19 pandemic in 2020. Post this global event, efforts were initiated to work on the agreement's implementation, which represents the dream of the African founders to build a vast African market free from tariff and non-tariff barriers.

Mr. Didier highlighted that the GTI was introduced to encourage State parties to start implementing the agreement. Mr. Didier expressed the agreement's significance, highlighting its role as a catalyst to motivate Member States to actively participate in the AfCFTA.

Mr. Didier commended Ghana for its active involvement and mentioned that Ghana, being one of the first countries to sign and host the Secretariat, played a crucial role in the implementation process.

Acknowledging the importance of building capacities, Mr. Didier emphasized the pivotal role of the private sector in implementing the agreement. He urged the private sector to take responsibility and provide the necessary goods for trade within African countries.

Mr. Didier reiterated the commitment of the AFCFTA Secretariat in providing guidance and technical support. He highlighted the readiness of the Secretariat to accompany the countries in the journey of implementing the agreement.

He expressed optimism about the increasing participation of countries in the Guided Trade Initiative (GTI), expecting more actors to join the process. He mentioned that Tunisia had already joined, and Nigeria, Morocco, and Algeria were expressing their willingness to join.

In conclusion, Mr. Didier called for the support of all African citizens to achieve the dream of the founders. He thanked the audience for their attention and assured them of the full commitment of the AFCFTA Secretariat in supporting activities related to capacity building and sensitization, crucial for the implementation of the AFCFTA agreement. The address concluded with wishes for a constructive dialogue on the guided trade initiative.

### **Presentation on Guided Trade Initiative: Prospects, Challenges and Engineering Practical Solutions, Mr. Appiah Kusi Adomako Esq, West African Regional Director**

Mr. Appiah began the presentation with an overview of the pilot phase of the GTI, showcasing its significance in facilitating trade within Africa. The GTI focuses on matchmaking businesses and products for export and import between interested state parties, ultimately enabling countries to trade under the preferences of the AFCFTA agreement.

He noted that Out of the 29 countries that submitted their tariff offers, eight countries, including Ghana, participated in the GTI. Ghana identified 41 companies and a variety of trades for potential export. Other participating countries and their respective companies were also highlighted.

The presentation emphasized the selected products under the GTI, including ceramics, batteries, pharmaceuticals, palm kernel oil, rubber, and others. These products were chosen to test the trading infrastructure and ensure a smooth flow of goods.

Mr. Appiah discussed the pivotal role of the Secretariat in the GTI. The Secretariat, being the brainchild of the initiative, recognized the challenges in shipping goods within Africa due to the lack of African-owned trade infrastructure. He acknowledged the commitment of entrepreneurs, like McDan Aviation in Ghana, to contribute cargo planes and a shipping vessel for intra-African trade.

Mr. Appiah shared success stories of trade activities that had already occurred between Ghana, Cameroon, South Africa, Kenya, Guinea, and Rwanda under the GTI. Notable achievements included the first shipment of batteries from Kenya to Ghana and successful exports of various products from Ghana to different African countries.

He mentioned that in 2024, the GTI would include trading services in priority areas such as tourism, transportation, business services, communication services, and financial

services. and the possibility of expanding the list of products and increasing the participation of countries in the GTI.

Mr. Appiah emphasized the commitment of African countries and businesses to make the AfCFTA a success. He highlighted the importance of the GTI as a crucial testing ground for the implementation of the trade agreement, showcasing the potential for significant intra-African trade and economic development.



**Panel Discussion: Positioning Ghanaian SMEs to Take Advantage of the Guided Trade Initiative Under AfCFTA** (Panellists: *Diana Ogwal, Mr Fechin Akoto, Assistant Commissioner, Tariff and Trade, GRA Customs, Mrs. Grace Dzeble, Head of Marketing, Ghana National Chamber of Commerce and Industry, GNCCI, Mr. Wellington Baiden, CEO, Portal Forest Estates, Isaac Kwame Ansah, Head of Operations, G-MITH Enterprise*)

During the panel discussion, Dr. Diana Ogwal was asked to shed light on the GTI. She began her remarks by expressing gratitude to the organizers and emphasizing the importance of the dialogue. She then provided context for the AfCFTA Guided Trade Initiative, referring to the AfCFTA agreement signed in March 2018 in Kigali, Rwanda, with trading expected to commence on January 1, 2021. However, by July 2022, it was evident that actual trading had not started, leading to the decision to launch the AfCFTA





Dr. Ogwal explained that the initiative was driven by the need to move beyond the rhetoric of signed agreements and ratification. The initiative aimed to test the feasibility of the AFCFTA and gather feedback from participating countries on how the agreement would function in practice. It also served as a response to doubts and skepticism surrounding the effectiveness of the AFCFTA instrument.

When questioned about the number of businesses that participated in the Guided Trade Initiative, Dr. Ogwal referred to the presentation made earlier, mentioning that there were over 90 potential trade transactions in the first GTI. However, specific figures were not provided. The discussion touched on the diverse range of countries involved, spanning from Ghana to Kenya, Rwanda, Tunisia, and Cameroon. She acknowledged several challenges encountered during the design and implementation of the Guided Trade Initiative. Notable difficulties included the varying speeds at which countries gazetted their tariff schedules, delays in moving goods across borders, issues with aggregating products for economies of scale, and a lack of awareness among private sector entities about GTI requirements.

Reflecting on the lessons learned from the GTI process, Dr. Ogwal emphasized the importance of private sector involvement. She noted that governments cannot substitute the role of the private sector and highlighted the need for hand-holding in the initial phases to help businesses navigate the AFCFTA requirements. The establishment of export trading companies was identified as crucial to aggregating commodities effectively.

Dr. Ogwal provided insights into the next phase of the GTI, indicating that it was on course and planned to be launched alongside a significant event in May 2024. She mentioned

that 30 countries had already expressed interest in participating in the second phase. The goal is to foster business-to-business (B2B) interactions on a larger scale, facilitating matchmaking and trade. In conclusion, Dr. Diana Ogwal highlighted the commitment of the Government of Ghana to AFCFTA implementation, acknowledged the efforts of the customs team and the Chamber of Commerce in Ghana, and expressed optimism about the future of intra-African trade.

*The discussion with Mr. Fechin Akoto, a representative from the Ghana Revenue Authority and involved customs negotiations and implementation, shed light on Ghana's participation in the AFCFTA Guided Trade Initiative (GTI).*

Mr. Akoto was asked about the process and means by which Ghana became involved in the GTI. He indicated that Ghana's involvement in the GTI was a result of meticulous planning and dedication by the government and customs authorities. Mr. Akoto emphasized that preparations began well before the official launch of trading on January 5, 2021. The customs team worked extensively on developing and aligning systems for a seamless implementation. Mr. Akoto highlighted the significant challenge of logistics, particularly the delays in transporting goods within the continent, when asked about challenges they are confronted with. He shared instances where shipments from Ghana to countries like Cameroon and Egypt faced prolonged transit times, indicating a need for improved transportation infrastructure.



The readiness of customs administrations in partner countries emerged as a crucial challenge. Mr. Akoto pointed out that not all countries participating in the GTI were adequately prepared, particularly in terms of customs processes. This lack of preparedness led to delays and issues with clearing consignments. A notable concern



raised by Mr. Akoto was the absence of a harmonized certificate of origin. He stressed the importance of having a single, standardized certificate to facilitate smooth cross-border trade. Mr. Akoto expressed Ghana's unwavering commitment to the AFCFTA and the GTI. He noted that the customs team is poised to support any company ready to engage in trade, and the country is actively participating in the ongoing committee work to address issues such as rules of origin and certification processes.

*The discussion with Mrs. Grace Dzeble, a representative from Ghana National Chambers of Commerce and Industry, involved the role of GNCCI in the GTI process.*

Mrs. Dzeble highlighted as a key stakeholder in the implementation of the AFCFTA agreement in Ghana and working closely with the Ministry of Trade and Customs, GNCCI has actively participated in the issuance of certificates of origin and has collaborated with relevant authorities to ensure a smooth implementation process. She indicated that recognizing the need for comprehensive understanding and readiness among businesses, GNCCI, with support from external partners like GIZ, has undertaken extensive training initiatives. These efforts aimed to educate businesses, particularly SMEs, about the intricacies of the AFCFTA rules of origin. Training sessions have been conducted at both regional and city levels, emphasizing the importance of compliance with protocols and requirements for qualification under the AFCFTA.



She also highlighted that GNCCI has demonstrated a commitment to gender inclusivity by placing special emphasis on training and empowering women entrepreneurs. Through workshops and exhibitions, the chamber has engaged with women entrepreneurs across various regions, ensuring that a significant portion of the SME sector is well-informed and prepared to capitalize on the opportunities presented by the AFCFTA.

While acknowledging the successes of the GTI process, Mrs Dzeble acknowledged the existence of challenges. One notable example is the case of a company facing obstacles during its export to Cameroon. Although not delving into specific details, this highlights the complexities and learning curves associated with a new initiative.

*During the discussion, Mr. Ansah, Head of Operations was asked to share his company's experience with the GTI. On this note, he acknowledged the positive impact of the African Continental Free Trade Agreement (AfCFTA) in facilitating trade among African nations by removing tariffs and trade barriers. He emphasized the success of their product penetrating other countries without incurring additional costs.*

Responding to queries, Mr. Ansah confirmed that they attended an expo, sold products, and successfully shipped them without encountering issues with customs or authorities in the destination country.



Acknowledging the success story, Mr. Ansah discussed plans for scaling up operations. He highlighted the entry point in Kenya and expressed intentions to explore opportunities in other countries such as Uganda, Tanzania, and the broader East African region. Regarding demand, Mr. Ansah shared that they sold a majority of their products in Kenya during the expo, and additional demand emerged after customers experienced the quality. He cited a specific example of a woman from Kenya approaching them in Ghana for further business discussions. While Mr. Ansah refrained from providing specific quantities sold, he emphasized that their products performed well, and they received positive feedback, prompting considerations for scaling up operations. In terms of challenges and improvements, Mr. Ansah highlighted the importance of enhancing awareness, information dissemination, and publicity. He also raised the need for

additional support in financial transactions during cross-border trade. Concluding the discussion, Mr. Ansah mentioned the positive impact of the Pan African payment service systems, affirming their commitment to exploring opportunities and continuously improving their engagement with AfCFTA.

*Mr. Wellington Baiden, CEO of Portal for Assistant, shared insights into his company's experience participating in the Kenya Trade Expo under the African Continental Free Trade Area (AfCFTA).*

Mr. Baiden introduced himself as the CEO of Portal for Assistant, a Forest-based company producing oils, hydrosols, and organic beauty products. The company's offerings include essential oils, hydrosols, shea butter, soaps, candles, and various products derived from the forest. He recounted the process leading up to the Kenya Trade Expo, which involved inspections by AfCFTA officials to confirm adherence to protocols. He emphasized the crucial role played by AfCFTA, GIZ, and other stakeholders, including the Chamber of Commerce and customs. The CEO highlighted the seamless logistics facilitated by AfCFTA, where the goods for display were consolidated and shipped by AfCFTA to Kenya. He appreciated the support received, including the provision of stands at the exhibition. Mr. Baiden expressed satisfaction with the overall organization of the expo, rating it at approximately 85-90%. While praising the initiative, Mr. Baiden suggested improvements, particularly in organizing business-to-business (B2B) sessions alongside public exhibitions. He stressed the importance of harmonizing standards and regulations across the continent, urging authorities to streamline certification processes, especially with regard to the FDA.

Mr. Baiden discussed the company's strategy for scaling up, emphasizing the potential for two-way trade collaborations. He highlighted negotiations with Kenyan producers for importing essential oils, recognizing the importance of adapting to market demands and fostering demand through initiatives like the trade house concept. Mr. Baiden commended the trade house concept, citing its role in ongoing sales, providing a base forum for product engagement, and representing companies even after the expo concludes. He suggested that business observatories could facilitate B2B engagements, enhancing connections and awareness before export activities. The CEO raised concerns about the challenges associated with harmonizing standards and FDA certification. He urged authorities to simplify certification processes, stating that the current requirements pose a significant hurdle for companies.





## Recommendations

### 1. Commitment from Participating Countries:

- The AFCFTA Secretariat should ensure the commitment of all participating countries, especially focusing on those that have already demonstrated readiness. This is essential for the success of the GTI process.

### 2. Online Trading Platform:

- Implement a credible and efficient online trading platform linked to the AFCFTA. This platform should provide information on product demand and supply across African countries, facilitating strategic and complementary trading.

### 3. Government Support for Private Sector:

- The Ghanaian government should provide practical support to the private sector, particularly SMEs, to enhance competitiveness. This support may include financial assistance, capacity-building initiatives, and infrastructure development to enable businesses to thrive in the open market.

### 4. Gender-Inclusive Strategies:

- Continue and expand efforts to focus on women entrepreneurs, ensuring they are well-informed and empowered to participate in AFCFTA opportunities. This involves tailored training programs and initiatives that address specific challenges faced by women in the business sector.

**5. Collaboration among SMEs:**

- SMEs should actively collaborate with each other and with business associations like the Chamber of Commerce. Forming alliances and sharing resources can enhance their collective capacity to meet demand and navigate challenges effectively.

**6. Preparation for Funding Opportunities:**

- SMEs should organize their operations and financial records to be in a position to qualify for funding opportunities provided by the government. This proactive approach will enable them to expand their production capacity and take full advantage of the AFCFTA.

**7. Continuous Training and Awareness:**

- Ongoing training initiatives should be maintained to keep businesses informed about the rules of origin, protocols, and any changes in the AFCFTA agreement. Awareness programs ensure that businesses stay compliant and competitive in the evolving trade landscape.

**8. Refinement Based on Challenges Faced:**

- Learn from challenges encountered during the GTI process and refine strategies accordingly. Continuous improvement based on real-world experiences will contribute to the long-term success of AFCFTA implementation.