



AfCFTA: "FROM AMBITION TO ACTION – DELIVERING PROSPERITY THROUGH CONTINENTAL TRADE".

BUSINESS & POLICY LEADERS DIALOGUE

OUTCOME DOCUMENT

**26–27 JAN 2023
SAFARI VALLEY RESORT
ADUKROM–EASTERN REGION
GHANA**

Purpose and Opening of the Retreat

1. Business Executives, Policy Leaders, Business Associations, Ministers of State, Heads of Regional Economic Communities, Senior Officials from the African Continental Free Trade Area (AfCFTA) Secretariat, Senior Officials of the African Union Commission, United Nations Economic Commission for Africa (UNECA), United Nations Development Programme (UNDP), Technocrats, Women and Young Entrepreneurs, and other Thought Leaders held a Retreat at Safari Valley Resort, Ghana from 26–27 January 2023.
2. The Retreat, which was the first of the annual African Prosperity Dialogues (the Kwahu Summit) of the African Prosperity Network (APN), was held at the initiative of the Government of Ghana, under the patronage of H.E President Nana Addo Dankwa Akufo-Addo together with the Secretariat of the African Continental Free Trade Area (AfCFTA Secretariat) and the APN, in partnership with UNDP and UNECA. The Retreat was convened under the theme “AfCFTA: From Ambition to Action – Delivering Prosperity Through Continental Trade.” Participants identified practical and ‘quick wins’ to move the AfCFTA initiative from ambition to action.
3. The Retreat was opened by H.E. Dr. Mahamudu Bawumia, Vice President of the Republic of Ghana. In his remarks, the Vice President noted the important role of the AfCFTA for Africa’s development. For the AfCFTA to be a catalyst for the transformation of African economy, he called on African countries to prioritise smart investments in critical infrastructure, unleash the productive capacities by empowering MSMEs to plug into value chain of mega industries, and mobilizing finance and investments through Public-Private Partnerships (PPP) for the delivery of infrastructure projects.
4. Dr. Eugene Owusu, the Executive Director and Coordinator for the Summit Secretariat welcomed participants to the Retreat on behalf of Government and Partners. He was delighted by the presence of eminent leaders who are attending the Retreat to dialogue on how to achieve Africa’s shared prosperity. He indicated that enhanced economic cooperation, deeper trade integration and accelerating of impact investments would ensure prosperity for all. He further indicated that in a world of increasing economic nationalism, deeper intra Africa trade would be the life support and the basis of Africa’s collective prosperity. Lastly he emphasised that Africa has everything it needs to transform itself into a global powerhouse of the future.
5. In his opening remarks, Mr. Gabby Otchere-Darko, the Chairman of APN, emphasized that the African Prosperity Dialogue presents an opportunity for the African private sector to deliberate and plan together with policy makers on how to intensify efforts to accelerate the implementation of the AfCFTA. For the AfCFTA to be successful, he called on the private sector to take ownership of the Agreement. He hoped that this platform would become an annual private sector and government dialogue. and that its outcomes could be fed into the forth coming African Union Summit in mid-February.
6. H.E. Wamkele Mene – Secretary-General of the AfCFTA Secretariat was optimistic that participants can emerge from the Kwahu Summit with creative solutions, and a renewed commitment to the successful implementation of the AfCFTA. He stated that since 1st January 2021, Africa has opened its doors for the continental free trade among its countries, progressing the AfCFTA from ambition to action. He noted that this has opened up opportunities to stimulate manufacturing capabilities as well as the development of regional value chains that will enhance the prosperity and freedom of the people of Africa. He urged private-sector operators to appropriate the provisions of the agreement for their day-to-day business routines. He emphasized that by working together, we can say to current and future generations that the AfCFTA is not just another instrument for Africa’s development, but a solemn

promise to its people. He concluded that the AfCFTA Secretariat is committed to ensuring that the AfCFTA is effectively implemented such that there is shared and inclusive economic growth on the continent.

7. In her opening remarks, Ms. Ahunna Eziakonwa, UN Assistant Secretary-General and Director, Regional Bureau for Africa, UNDP called on Africa to pivot from challenges to strategies for transformation, building resilience against shocks and delivering prosperity. She noted that by bringing businesses and policy makers together for reflection and introspection, the promise of the AfCFTA would have a strong push – and represent a future for the children of Africa. She also called on African governments to use the AfCFTA to create manufacturing hubs with focus on key sectors of interest to women and youth. The AfCFTA, she noted, could create not only the Africa we want, but the Africa we need.
8. In a statement delivered on behalf of Dr. Antonio Pedro, Acting Executive Secretary of the UNECA, Dr. Stephen Karingi, Director of Regional Integration of Trade Division of UNECA stressed the power of the AfCFTA in fuelling economic growth, expanding decent jobs, raising living standards, diversifying Africa's economy and building resilience to shocks such as the COVID-19 pandemic, the Russian-Ukraine war and climate change.
9. The Retreat was reminded that full implementation of the AfCFTA Agreement would attract cross-border investments by eliminating tariff and non-tariff barriers and enabling an investor in one of the ratifying countries to have access to a continent of 1.3 billion people with a combined GDP of US\$3.4 trillion – a figure expected to grow exponentially in the years ahead. A recent study by the World Bank, in partnership with the AfCFTA Secretariat, indicated that the Agreement, if fully implemented, would raise incomes in Africa by 9 percent by 2035 and lift 50 million people out of extreme poverty. Foreign Direct Investments to Africa would increase by between 111 percent and 159 percent, under the Agreement and wages would rise by 11.2 percent for women and 9.8 percent for men by 2035. Africa's exports to the rest of the world would also go up by 32 percent by 2035, and intra-African exports would grow by 109 percent, led by manufactured goods. Overall, the Agreement would make Africa very attractive for investment, expand trade, provide better jobs, reduce poverty, and increase shared prosperity for all Africans – thereby accelerating attainment of both Agenda 2063 and the Sustainable Development Goals.
10. The Retreat emphasized the centrality of the private sector in achieving AfCFTA goals and urged African countries to undertake initiatives in support of their private sector's access to the preferential treatment provided by the Agreement.

Ratification, Market Access, Trade liberalization and Dispute Resolution

11. The Retreat noted with satisfaction that the ratification of the AfCFTA by 44 African countries, as of November 2022, is a demonstration of political will and commitment of the continent's leadership to achieve market integration in Africa. The Retreat nonetheless urged Africa's leaders to engage with the leadership of the 11 non-State Parties of the AfCFTA on how best they can be supported and encouraged to ratify the Agreement.
12. The Retreat commended the 46 Member States that have submitted their tariff offers, in line with commitments in the Agreement to liberalise trade by eliminating tariffs on 97 percent of tariff lines. The Retreat called on the remaining State and non-State Parties to submit their provisional schedules of tariff concessions and for all Parties to comply with the agreed modalities for tariff liberalisation and

the AfCFTA Secretariat's technical reports on the verification of their tariff offers in order to meet the minimum threshold for trade under the AfCFTA preferences.

13. The Retreat was encouraged to learn that countries had agreed on AfCFTA Rules of Origin, covering 88.3 percent of the tariff lines and called on the State Parties to finalize the negotiations on the rules of origin for automotive and textiles and clothing sectors in order to achieve 100 percent of rules of origin coverage.
14. The Retreat acknowledged the strides made by the AfCFTA Secretariat in facilitating the implementation of trade facilitation measures along trade corridors in the Continent prioritizing improvements of the Akanu-Noepe border post along the Abidjan-Lagos Corridor. They stressed the critical importance of facilitating the digitization of trade processes and procedures in customs, corridors and borders to ensure the speedy and efficient clearance of AfCFTA goods in the Continent and increase intra-Africa Trade.
15. The Retreat commended the AfCFTA Secretariat for developing the following operational tools to accelerate implementation of the Agreement: AfCFTA E-Tariff Book and the Rules of Origin Manual; AfCFTA Trading Documents (Origin Declaration Form, Certificate of Origin, Supplier's Declaration); AfCFTA Mechanism for reporting, monitoring and eliminating of non-tariff barriers (NTBs); the Pan-African Payments and Settlement System (PAPSS) to facilitate cross-border payments in local African currencies and boost intra-AfCFTA trade; and the AfCFTA Adjustment Fund.
16. The Retreat also commended the African Export-Import Bank (Afrexim) on launching the Pan-African Payments and Settlement System to support the operationalization of the Agreement, enabling instant, cross-border payments in local currencies between markets on the continent by simplifying cross-border transactions and reducing high transaction costs and dependence on hard currencies for such transactions. Business was urged to advocate for governments to sign up for the Guided Trade Initiative.
17. Ministers responsible for trade shared experiences on some of the initiatives they were taking to advance the AfCFTA. Examples included national implementation strategies, special economic zones, industrial and value addition initiatives. They made a commitment to expedite their country's readiness to start trading under the AfCFTA in earnest.
18. Business leaders called on governments of State Parties to expedite the process of creating facilitative and enabling environments for exports to other African markets. In this context, removal of obstacles to exports – like complex licenses and permits as well as taxes were singled out as requiring urgent attention.
19. The Retreat noted the imperative in fast tracking tariff liberalization of under the AfCFTA to provide immediate market access for Africa. The current global economic and geopolitical crises highlighted the importance of economic cooperation and integration among the African nations, and the AfCFTA presents a unique opportunity for Africa to strengthen its position in the global economy. It is crucial that the ministers responsible for trade act swiftly and decisively to ensure that the AfCFTA becomes a reality as soon as possible by reducing the transition periods of tariff liberalization. Failure to do so would not only impede the economic development of the continent but also further marginalize Africa in the global economy.
20. The importance of trade-related infrastructure was emphasized with many calling for urgent attention

to build the infrastructure that supports intra-African trade. The role of public private partnerships in advancing these projects at both national and regional level was emphasized.

21. Small and Medium Enterprises (SMEs) called for special initiatives in support for the unique challenges that they face, notably with financing, meeting standards, access to market information and going to scale. They called for targeted incentives and measures to boost SME competitiveness at country level.
22. Women entrepreneurs expressed keenness on seizing opportunities in the AfCFTA. They articulated the unique position from which they interface with exports and made a call for #HERAfCFTA as a core movement that needs to be developed to advance women's effective participation in the AfCFTA.
23. The need to ensure that youth – owned enterprises are given special dispensations and incentive regimes was also emphasized – given their novelty in the market and the need for them to stay afloat, especially amidst growing uncertainty and shocks. As such, young people called for a Youth Exporter Pass as a means to make companies verifiable for access to special and differential treatment in incentive measures at national and regional level.
24. The Retreat underscored inclusiveness as a priority of the AfCFTA and in this regard called upon Governments working in close partnership with the private sector, civil society, and academia, and with involvement of Local Governments, to establish community-level incubation centres across the continent, adopt an entrepreneurial approach to education, and mainstream Science Technology and Innovation in all social, economic and public sectors.
25. The Retreat applauded Member States for operationalising the dispute resolution protocol. However, some participants suggested that the protocol be aligned to the national court system to ensure transparency and legal precedence.

Trade in Services

26. The Retreat noted with appreciation the significant progress made on the Protocol on Trade in Services. It commended the 21 State Parties that have submitted their Schedules of Specific Commitments adopted by the Assembly of Heads of State and Government of the African Union, and urged those who are yet to submit their Schedules of Specific Commitments in trade in services to do so with the view to improving market access in trade in services, in accordance with the AfCFTA preferences.
27. The Retreat called on State and non-State Parties to fast-track the negotiations of Regulatory Frameworks in the 5 priority sectors of the AfCFTA Protocol in Trade in Services and to start negotiations on the remaining services sectors. In this context, caution was made to ensure that such regulations facilitate as opposed to deter intra-Africa trade in services.
28. With respect to the provision of services through the temporary presence of natural persons, the Retreat called for State Parties to make generous Mode 4 commitments to ensure that African services and service suppliers can benefit from opportunities in the AfCFTA Protocol on Trade in Services.
29. The Retreat further urged the State and non-State Parties to conclude all outstanding negotiations on Phase I of the AfCFTA Agreement.

Negotiations on Phase II of the AfCFTA Agreement

30. The Retreat commended the State and non-Parties on the ongoing work on the negotiations on Phase II of the Agreement, particularly on the conclusion of negotiations on Investment, Competition Policy, and Intellectual Property Rights (IPR).
31. In this regard, the Retreat agreed with the recommendations made to the Seventeenth Extraordinary Session of the Assembly of the African Union on the AfCFTA, held in November 2022 in Niamey, Niger by H.E. Issoufou Mahamadou, former President of the Republic of Niger, and AU Champion for the AfCFTA, that a Continental Competition Authority and a unified and integrated African Competition Regime under the AfCFTA be established by the African Union.
32. The Retreat also highlighted the significant contribution of Intellectual Property Rights (IPRs) for enhancing industrialisation and the digital economy, and called on the need to establish an Intellectual Property Office (IPO) that will be instrumental in the implementation and enforcement of IPRs under the Protocol on IPRs.
33. The Retreat further called on the State and non-State Parties to accelerate the negotiations of the Protocols on Digital Trade and Women and Youth in Trade to meet the deadline of July 2023 as set by the Assembly of Heads of State and Government of the African Union.
34. The Retreat emphasised the importance of prioritising digitalisation and digitization in the AfCFTA. Participants noted the need for the AfCFTA to be digital, relevant, and modern, rather than paper-based or analogue, in order to reap opportunities in the Fourth Industrial Revolution. Beyond digitalisation, that is, the turning of papers into digital versions, the AfCFTA should be web-based, so that it is globally accessible on stationary and mobile devices, is interactive and provides instantaneous services for economic operators. In addition, the implementation of the Protocol on Digital Trade is expected to revolutionize the way Africa trades and promote digital trade in goods and services.
35. The Retreat also noted that the Protocols on goods, services, investment, competition policy, intellectual property rights, digital trade and women and youth in trade, form a good basis for work on the African Common Market to begin and be progressively deepened. In this regard, participants reiterated the need for work on the Common African Market to proceed full steam ahead as the operationalisation and implementation of the AfCFTA continues and deepens. The Retreat noted that the work of the Common Market be built on the good start that has been made under the AfCFTA on free movement of goods, services, labour, people and investment under the Protocols on goods and services, and as the other Protocols on competition policy, intellectual property, investment, digital trade and women and youth in trade come on board.

Guided Trade Initiative

36. The Retreat noted with appreciation the launch of the Guided Trade Initiative and commended Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, and Tanzania, representing the five regions of Africa, for starting trading under the initiative. The Retreat cautioned that the initiative should be an enabler, and not an inhibitor, for the full trading of goods and services by all State Parties, in line with realization of the full benefits of the AfCFTA Agreement.
37. The Retreat highlighted the need to extend the Guided Trade Initiative to trade in services to propel

African economies as an enabler of both trade in goods and services trade in a liberalised market in a specific services sector of the economy and welcomed the decision of the Extraordinary Summit of Heads of State and Government of the African Union, held in Niamey, Niger in November 2022, directing the AfCFTA Secretariat to extend the Guided Trade Initiative to cover trade in services.

38. The Retreat noted the importance of Export Trading Companies (ETCs – or AfCFTA Trading Companies) in complementing the success of the economic transformation. The Retreat called upon the State Parties to establish AfCFTA Trading and aggregating companies to export and import diverse goods and services under the AfCFTA. Establishing the AfCFTA Trading and aggregating Companies should strengthen the supply chain by integrating SMEs to the African markets and will achieve the economies of scale required to attract investment in services and manufacturing sectors.
39. The Retreat recalled the importance of transport and logistics as an enabler for both trade in goods and services and called on the enhancement of the multimodal transport approach to facilitate trade in the continent and promote intra-Africa trade.
40. The Retreat emphasized the important role of air transport and services in trading and therefore called on the AU Heads of State to accelerate the implementation of the Single African Air Transport Market (SAATM), in collaboration with the African Civil Aviation Commission, African Airlines and other relevant stakeholders, in order to harness the full potential of the AfCFTA Agreement.

Industrialization

41. 41. The Retreat emphasized the importance of industrialization of the continent to meet the demands of a single African market, boost intra-Africa trade, and increase Africa's share of global trade. It was observed that an inclusive and sustainable industrialized-Africa is an enabler for poverty eradication, economic resilience, and structural transformation.
42. The Retreat commended the efforts of the AfCFTA Secretariat in developing a strategy that pursues key regional value chains in support of local content development to boost production and contribute to industrialisation in the continent under the framework of the AfCFTA
43. The Retreat underscored the benefits of an African commodity-based industrialization in adding value to African commodities and the need to facilitate production of high-quality goods and services through harmonization of standards, technical regulations, and conformity assessment systems for the support of the AfCFTA.
44. The Retreat emphasized localization and regionalization of supply chains that would boost investments and intra-African trade, thereby accelerating the industrialization process especially using its natural resources sector. In this regard, there is a need for national and regional governance architecture that would enable Africa to take advantage of the current global supply chain fragmentation.
45. The Retreat further underscored a need for African countries to continue to embark on policies that foster industrialization, digital transformation, skills upgrading and infrastructure development by accelerating the implementation of continental programmes, such as the Programme for Infrastructure Development in Africa (PIDA PAP2), the Comprehensive Africa Agriculture Development Programme (CAADP), the Digital Transformation Strategy for Africa (DTSA), the Science, Technology and Innovation Strategy for Africa (STISA) and the Action Plan for the Accelerated Industrial Development of Africa (AIDA).

46. The Retreat observed that the Automotive Sector presents an excellent opportunity for global manufacturers to partner with African countries to build regional supply chains for inputs for the EV Battery supply chains.
47. The Retreat noted that 640 million Africans lack access to electricity, underscoring the need for investments in energy infrastructure, including appropriate generation, transmission, and distribution capacity. Furthermore, an annual investment of between \$130 billion and \$170 billion is needed to address the infrastructural deficits on the continent.
48. The Retreat urged African countries to invest in infrastructure and energy, with the support of financial institutions, the private sector and development partners, in order to improve trade facilitation, reduce production, transport, trade, and transaction costs, and boost the competitiveness of the African economies. Investments are also needed for gas generation capacity to facilitate the transition towards renewable electricity generation based on least-cost models for energy grid expansions.
49. The Retreat urged African countries to undertake robust and innovative actions aimed at strengthening energy security and promote the growth of the green economy, clean energy transition to ensure universal energy access, availability of water for livelihood and green industrialization to support the AfCFTA.

Entrepreneurship and Private Sector

50. The Retreat called upon African governments to continue to improve the business and investment climate and to strengthen business and investment promotion organizations with the view of creating an enabling environment conducive to private sector to contribute to inclusive and sustainable growth in Africa through industrialization, trade, and the creation of employment opportunities.
51. The Retreat called upon African countries to harmonize and synchronize their investment policies through the removal of tariff and non-tariff trade barriers and create a conducive business environment for the private sector to flourish. The Retreat further highlighted the importance of attracting both African and global investments and the role of Investment Promotion Agencies (IPAs) and called on further cooperation and collaboration of IPAs (IPAs) under the auspices of the AfCFTA. In this regard, the Retreat welcomed the decision to establish the Pan-African Trade and Investment Agency (PATIA).
52. The Retreat called upon African governments to nurture African micro, small and medium-sized enterprises (MSMEs) through better access to skilled labour, finance and managerial expertise as well as strengthen innovation, research and development, address infrastructural deficits, remove practices that increase transaction costs, and build their capabilities and capacities by using global and domestic knowledge to accelerate industrialization and trade on the continent.
53. The Retreat urged African governments and their private sector to provide opportunities for the development of women and youth entrepreneurship, with a view of achieving gender equality, empowering women and girls as well as engaging the youth in the productive sectors of the economy.
54. The Retreat further called upon the private sector to take full advantage of the AfCFTA Agreement to increase value addition, promote economies of scale and expand their businesses.

Innovation and Technology

55. The Retreat emphasized the importance of access to technology and urged governments to facilitate better access to technology that advances production and industrialization in Africa. Similarly, the Retreat emphasized the importance of developing home grown innovation and technology to power Made-in-Africa products. Initiatives that foster such innovation were encouraged and business called on political leaders to create the enabling environments for innovations that support Africa's value addition within the framework of AfCFTA.
56. The Retreat urged government and the private sector to invest digital infrastructure and innovations such as Artificial Intelligence, cloud computing and blockchain to accelerate the AfCFTA.

Financing and Resource Mobilisation

57. The Retreat considered the critical importance of financing – including trade finance, to increase the capacity of Africa's businesses to invest in the production of goods, services and ideas that can be traded in the AfCFTA.
58. The retreat called on African government, Development banks and private sector to invest in digital technology for the promotion of e-commerce on the continent.
59. The Retreat discussed a need for adequate resources for the implementation of the Agreement. It therefore commended African Development Bank (AfDB), Afrexim Bank and UNDP, for providing financial support of \$11.4 million, \$6 million and \$3 million respectively to the AfCFTA Secretariat towards the implementation of the Agreement. It also commended the Private Sector, particularly the Equity Group for its support of \$7 billion to State Parties in the implementation of the AfCFTA.
60. The Retreat emphasized a need for Member States to mobilize domestic resources to support their development agenda, including the productive sector. A call was made to Member States to broaden and diversify financial products through innovative financial mechanism such as sovereign wealth funds (SWFs), pension funds, insurance savings, private equity funds, diaspora and sovereign bonds, impact investing, green bonds, remittances, public-private partnerships (PPPs).
61. The Retreat expressed serious concerns by the illicit financial flows out of the continent, which are estimated to amount to at least \$83 billion annually, depriving Africa of significant resources that could be used to support its development agenda. African countries are therefore urged to institute comprehensive and unambiguous tax policies to combat tax-motivated illicit financial flows, strengthen legal and law enforcement systems and bring together national agencies to stem such flows. Furthermore, African countries need to strengthen or establish, within their tax administration structures, various mechanisms to prevent tax avoidance and evasion, trade mis-invoicing and mispricing, money laundering and corruption, among other such practices, to boost tax revenue.

Free Movement of Persons

62. The Retreat highlighted the importance of movement of business persons in the continent and expressed concerns on the slow progress on the ratification of the Protocol on the movement of people. It was observed that currently only four of the 55 Member States of the African Union have ratified the Protocol. The Retreat therefore called on African countries to accelerate the ratification of the Protocol as well as the need for a Head of State to be a champion of the protocol. The Retreat called on the President of Ghana, Nana Addo Dankwa Akufo-Addo to be that champion.
63. They called on the AfCFTA Secretariat to work closely with the Department of Health, Humanitarian and Social Affairs of the African Union Commission to develop a mechanism to facilitate the movement of business persons for the acceleration of the implementation of the AfCFTA. However, there should be a mechanism, including the use of technology, for security agencies to share vital information. In this regard a call was made for the creation of an association of Security Agencies across Africa as well as a need for harmonization of immigration laws across the continent.

Partnerships for Impact

64. The ultimate opportunity presented by the AfCFTA was emphasized as preferential treatment to goods and services that can be traded in the intra-African market. Therefore, the need to focus on partnerships that scale export capacity was emphasized to ensure that volumes, and value of exports increase, especially from the perspective of both product range and value addition. The Retreat called for a new generation of trade capacity building that focuses on supporting Africa's producers to build and scale up their productive capacities. In this context, the need to build new and dynamic relations with African enterprise was emphasized, to complement the important policy work that has been the main focus of trade capacity building.
65. The Retreat expressed its gratitude to H.E. Nana Addo Dankwa Akufo-Addo and the government of Ghana for hosting the Kwahu Retreat. It also expressed its appreciation to the AfCFTA secretariate and APN for jointly organizing the retreat in partnership with the UNECA, UNDP and GIPC.

Done in Safari Valley Resort, Adukrom, Eastern Region, Ghana, on the 27 January 2023

