

# REPORT ON THE PUBLIC PRIVATE DIALOGUE MARKING CUTS INTERNATIONAL 40<sup>TH</sup> ANNIVERSARY ON

## “BUILDING THE MOMENTUM TOWARDS AfCFTA: OVERCOMING IMPLEMENTATION CHALLENGES”



**CUTS 40<sup>th</sup> Anniversary Event**

**15 AUGUST 2023**  
ALISA HOTEL, NORTH RIDGE  
ACCRA, GHANA

**13:00-15:00 hrs (GMT)**  
**15:00-17:00 hrs (CEST)**  
**18:30-20:30 hrs (IST)**  
**(Hybrid Mode)**

**Building the Momentum Towards AfCFTA**  
**Overcoming Implementation Challenges**



Fireside chat with

**H.E. WAMKELE MENE**  
Secretary General, AfCFTA Secretariat

**PRADEEP S. MEHTA**  
Secretary General, CUTS International

**Welcome by**



**APPIAH KUSI ADOMAKO**  
West African Regional Director  
CUTS International

**JAMES HAMMOND**  
Advisor  
GIZ Trade Hub

**JUSTICE JONES DOTSE**  
Retired Justice of the  
Supreme Court of Ghana

**DR. FAREED ARTHUR**  
National AfCFTA  
Coordination Office

Live Streaming Link: <http://bit.ly/3DJDJ2R>



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Venue: Alisa Hotel North Ridge

AUGUST 2023

## PROCEEDINGS

### 2.1 Summary of Addresses and Statements

#### 2.1.1 Welcome Remarks: Mr. Appiah Kusi Adomako, West Africa Regional Director, CUTS International



Mr. Appiah Kusi Adomako extended a warm welcome to all participants at the Public Private Dialogue. He noted that the dialogue marks the 40th anniversary of CUTS International and the 10th anniversary of the CUTS West African Regional Office. He emphasized the significance of this milestone, considering the rarity of Civil Society Organizations that have endured for such extended periods. He mentioned that the origin of CUTS International dates back to 1980 in India, and it has now evolved into a global entity, including three African regional offices in Lusaka, Nairobi, and Accra. He introduced esteemed guests and acknowledged the presence of CUTS International's founder. Concluding, he expressed gratitude to attendees, expressing hope that the event would be productive and that the theme would be thoroughly discussed.

### 2.1.2 Welcome Address: Mr. James Hammond, Lead Technical Advisor, GIZ Trade Hub



Mr. James Hammond extended his congratulations to CUTS International on attaining the remarkable milestone of 40 years as an organization. He praised CUTS International for selecting Accra as the venue to commemorate this milestone and for choosing a compelling theme. He underscored that the GIZ support program operates on a regional scale, targeting the continental, regional, and member state levels. Its purpose is to establish favorable framework conditions to facilitate the goals of the AfCFTA by offering technical assistance for negotiation and implementation.

He emphasized that the program extends its support to the African Union Commission, the AfCFTA Secretariat, regional economic communities, and member states. The aim is to enable stakeholders to fulfill the obligations arising from the trade agreement. Additionally, Mr. Hammond noted that GIZ aims to enhance awareness, introduce innovative measures to bolster understanding, and present opportunities to navigate potential challenges related to trade liberation.

Concluding, he reiterated the steadfast dedication of the GIZ support program in assisting AfCFTA's implementation and collaborating with Civil Society Organizations to amplify the strides already made, ultimately ensuring the complete realization of the benefits AfCFTA offers.

**2.1.3 Remarks: JSC Jones Dotse, Retired Justice of Supreme, Courts of Ghana and Board Chairman, CUTS International, Accra.**



Justice Jones Dotse highlighted that the AfCFTA represents a step towards realizing the vision of Ghana's first president, Dr. Kwame Nkrumah, had when he convened a meeting of independent heads of states in Accra. He noted that Nkrumah envisioned a united Africa that would dismantle artificial borders imposed by colonial powers and promote intra-African trade. While this vision is still evolving, he stressed the importance of raising awareness about the AfCFTA, its protocols, and effectively addressing its challenges in the pursuance of this dream. To accomplish this, he emphasized the need for collaboration between the media and civil society organizations (CSOs) to play a prominent role.

Justice Dotse underscored the fact that AfCFTA could lead to increased consumer and producer surpluses and contribute to lifting 30 million people out of extreme poverty, resulting in a



combined GDP valued at 3.4 trillion dollars. He emphasized that achieving this goal requires concerted effort and momentum to overcome obstacles in this agenda

He concluded by asserting that the optimistic expectations of the AfCFTA would not solely depend on individual member states. To surmount challenges, Africa needs to implement concrete and deliberate policies that foster integration in areas such as shipping, airline and railway services, having a harmonized customs processes across the continent, policies that raise customer awareness about products, customer rights, and consumer sovereignty, contributing to the overall success of the AfCFTA

#### **2.1.4 Remarks: Dr. Fareed Arthur – National AfCFTA Coordination Office, Government of Ghana**



Dr. Fareed Arthur highlighted that the discourse surrounding the AfCFTA is increasingly becoming an occurring subject that is being discussed in relevant quarters. He emphasized that these extensive conversations and discussions on AfCFTA should ultimately lead to tangible trading opportunities for African businesses. He pointed out that Africa's success won't be

measured solely by the number of discussions and meetings held, but rather by the actual volume of trade occurring.

Dr. Arthur recounted an observation trip undertaken from Abidjan to Lagos two years ago with some partners, revealing the significant challenges faced by traders, including numerous stops and barriers. This trip, which took four days, parallels the typical trader's four-week journey. He stressed that he, along with collaborative partners, is striving for policy reforms, improvements in financial environments, and addressing non-tariff barriers to facilitate trade.

He emphasized the importance of taking gradual steps rather than attempting to achieve all objectives simultaneously. In conclusion, he expressed the hope that the ongoing dialogue series will pinpoint at least one actionable step to propel trade forward, deeming such progress a success.

## **2.3 Panel Discussion: Positioning Ghanaian Service Sector to take advantage of AfCFTA**

### **2.3.1 Remarks by Panelists**

#### **I. Mr. Badu Aboagye,**



When addressing the question of characterizing the services sector and gauging the readiness of its members to leverage the opportunities provided by AfCFTA, Mr. Badu explained that the services sector holds a significant position in the Ghanaian economy that requires focused consideration, emphasizing that the services sector in Ghana now serves as a foundation for other service areas. He highlighted that over the past five years, this sector has been the primary driver of the economy, but there has been a limited effort in nurturing it for trading purposes. He also pointed out that given the country's specialization in goods trading, the services sector lacks comprehensive information and attention necessary for interested parties to capitalize on its potential within the AfCFTA setup.

Mr. Badu emphasized that Small and Medium-sized Enterprises (SMEs) play a pivotal role in this sector. He noted that unless they are acquainted with the opportunities offered by AfCFTA within the services sector, they cannot fully exploit its benefits. He stressed that the healthcare and education service sector possess significant untapped potential and opportunities for the country, and therefore, warrant the required attention and investment they deserve.

With this objective in mind, Mr. Badu put forth a recommendation that holds significant importance – ensuring a favorable macroeconomic environment encompassing aspects such as taxes, interest rates, and energy costs. He stressed the critical nature of this environment as it currently contributes to elevated service provision expenses in Ghana. As an illustration, he pointed out that due to the considerable challenge in securing long-term facility loans in the country, businesses are compelled to assume the risk of resorting to short-term loan facilities to fund projects with extended timelines, a practice that lacks viability.

Moreover, he emphasized the necessity of formulating appropriate policies to govern the services sector and provide information and guide about exportation to businesses within the service sector. He highlighted that the majority of businesses lack the knowledge required to effectively participate in and capitalize on the opportunities presented by the AfCFTA. Additionally, Mr. Badu acknowledged the essential requirement to provide and enhance infrastructure supporting the services sector to enable it take advantage of opportunities in AfCFTA.

## **II. Mr Frank Obeng, Head of Business Advisory Service, Ghana Exim Bank Limited**



Mr. Frank Obeng mentioned that the core objective of the Ghana Exim Bank is to enhance the competitiveness of Ghana's exports. He noted that this form of assistance is also offered to the services sector. He illustrated that this assistance takes various forms, such as performance and retention guarantee. He noted that many Ghanaian businesses face challenges when it comes to exporting, and as a result, the bank aids Small and Medium-sized Enterprises (SMEs) in improving the quality of their products and adding value to their offerings. Thus, the support extended by Ghana Exim Bank encompasses ancillary services aimed at bolstering the services sector's momentum.

He clarified that Ghana Exim Bank, being a development bank, holds the responsibility of extending low-interest loan facilities to service-oriented enterprises. He pointed out that the bank serves as a support to commercial banks, by providing extended-term loan facilities.

### **III. Mrs Odelia Ntiamoah, CEO, Chamber of Tourism**





Mrs Odelia Ntiamoah noted that within the tourism sector, there are varying degrees of readiness, with education tourism being one notable area showing progress. Currently, the country's approach involves attracting students seeking educational opportunities from nations that demand it. Consistently, GEPA and GIPC, along with other institutions, collaborate to ensure the facilitation of educational tourism, she commented she illustrated.

She further noted, that on the domestic level, there's a substantial amount of work required to enhance the tourism sector. A significant avenue to bolster the sector is the strategic utilization of Meeting, Incentives, Conferences, and Exhibitions (MICE) she stressed. She pointed out Rwanda's achievements in this aspect (MICE) and stressed that Ghana must strive to be competitive in this regard. Additionally, it's crucial for Ghana to have a clear vision of what it aims to project within the services sector to other countries. Ghana must pinpoint a distinct sector within the services sector that it intends to spotlight across the continent. This clarity will provide guidance to those willing to invest in it and enable the nation to capitalize on its potential. For instance, when focusing on education tourism, the country needs a well-defined strategy to engage stakeholders and position itself to attract foreign students from diverse countries she said.

She observed that the pricing of meeting venues and hotels in the country is not competitive when compared to other nations. To chart a path forward, she proposed that businesses and relevant stakeholders must collaborate to devise strategies for reducing the costs associated meeting places and hotels. Additionally, she offered a different perspective, suggesting that Ghana should work toward establishing itself as a central hub for branding within the realm of business tourism.

#### **IV. Mr. Nlaliban Wujangi, Executive Secretary, Chartered Institute of Logistics and Transport**



Mr. Wujangi pointed out that enhancing the competitiveness of Ghana's transportation sector entails examining the cost structure associated with transportation. He emphasized that taxes and fuel expenses within Ghana contribute to elevated production and service provision costs. To address this, he suggested diversifying the transportation mix to maintain a competitive edge in the transport and logistics industry. He proposed the consideration of inland water transportation as an option.

Furthermore, he emphasized the need to enhance capacity in terms of transport and logistics service provision and diversify the range of services offered. He also stressed the importance of

developing the human capital base, highlighting the lack of necessary skills within the industry. He clarified that this deficiency doesn't stem from an inability to learn but rather from a lack of accessible information that could bring industry players up to speed for cross-border service provision within the context of AfCFTA.

Wujangi mentioned a significant shortcoming in the Ghanaian logistic industry – the absence of transportation and logistics systems that facilitate temperature-controlled operations for goods like vaccines and perishable foods. He underscored the deficit in the agricultural and pharmaceutical sectors.

He also pointed out that our national transit laws should be harmonized with those of neighboring countries to prevent road deterioration. He illustrated this by saying that Ghana's road should be designed to accommodate higher cargo weights standards of other countries.

In Conclusion, He recommended that the country and relevant stakeholders should consider investments in inland water transportation, airport services, and transport and logistics-related technology. He also proposed increasing the number of rests stops in anticipation of cross-border movement, considering that drivers are legally required not to drive for more than 4hours. Finally, he advocated for increased participation of women in the transport and logistics industry, as their representation is currently limited.

### **2.3.2 Fireside Chat between H.E Wamkele Men, Secretary General, AfCFTA and Mr Pradeep S. Mehta, Secretary General**





Mr. Mehta highlighted that the effective execution of the AfCFTA is likely to encounter numerous obstacles rooted in the diverse economies of the participating countries. The varying degrees of economic advancement, levels of industrialization, and market sizes among these nations pose a considerable hurdle to achieving seamless trade integration. He also pointed out that the existence of divergent competition laws across the countries could give rise to complexities in ensuring an equitable playing field for businesses. Furthermore, he noted the presence of pre-existing trade barriers, encompassing both tariff and non-tariff impediments, which introduce an additional layer of challenge to achieving smooth trade within the continent. These barriers impede the unrestricted movement of goods and services, demanding comprehensive strategies to systematically dismantle them and establish a more open and just trading environment he remarked. Mr. Mehta emphasized the paramount importance of harmonizing laws and regulations while simultaneously addressing concerns related to fair competition for the success of the AfCFTA.





Mr. Mehta underscored that overcoming these challenges associated with cross border trade necessitates the removal of tariffs and effective inflation control as essential measures for driving economic progress within the AfCFTA framework. These actions would stimulate cross-border trade and investment, cultivating a favorable atmosphere for business growth he noted. Additionally, he highlighted the pivotal role that Civil Society Organizations (CSOs) play in addressing these obstacles. He stressed the imperative for CSOs to operate in an impartial manner, concentrating on advocacy and collaborative efforts rather than being influenced by political agendas. This approach, he noted, would contribute to building trust among stakeholders, ensuring that concerted endeavors are directed towards unlocking the potential benefits of the AfCFTA for the entire continent.

Addressing the concerns raised by Mr. Mehta, Mr. Wamkele underscored that while there are several continental-level issues to address, the focus should be directed towards the interconnectivity of participating nations. He provided an example within the East African region, where the corridor extending from Mombasa to Kigali via Kampala used to present significant challenges. The region faced issues primarily rooted in poor infrastructure, encompassing

inadequate road networks, and trade facilitation problems at the border. He pointed out that trading along this corridor was notably difficult, resulting in lengthy wait times at the border ranging from 8 to 10 hours.

Mr. Wamkele emphasized that the AfCFTA Secretariat is employing a corridor approach to enhance trade infrastructure, drawing insights from the experiences of other regions. He highlighted a transformation that took place in 2012 with the introduction of the one-stop border approach. This approach positioned all clearing agents on one side of the border, enabling trucks to be cleared once. Once the trucks crossed the border, they could proceed without requiring additional clearance. He noted that this change markedly improved the trade process within the corridor, addressing both infrastructural and procedural obstacles that previously hindered efficient cross-border trade. Therefore, to address the issue of connectivity he said the corridor approach will be used.



At the domestic level, he also highlighted that member nations are required to establish an AfCFTA Committee, which will play a crucial role in guiding the private sector and enhancing their

capability to address the specific national-level requirements of their respective countries as well as ensuring that an enabling environment is created to implement national strategies on AfCFTA.

Derived from the aforementioned, he indicated that the assistance provided to member nations entails forming partnerships and collaborations with other institutions to accelerate the implementation of AfCFTA protocols. He emphasized that institutions such as the African Development Bank (AfDB), Afreximbank, United Bank for Africa (UBA), and Equity Bank have committed to ensuring the successful execution of AfCFTA protocols. He pointed out that UBA has allocated 6 billion dollars towards the capacity building and financial support of Small and Medium-sized Enterprises (SMEs). Equity Bank has similarly dedicated a comparable amount to empower SMEs to effectively engage in the free trade area.

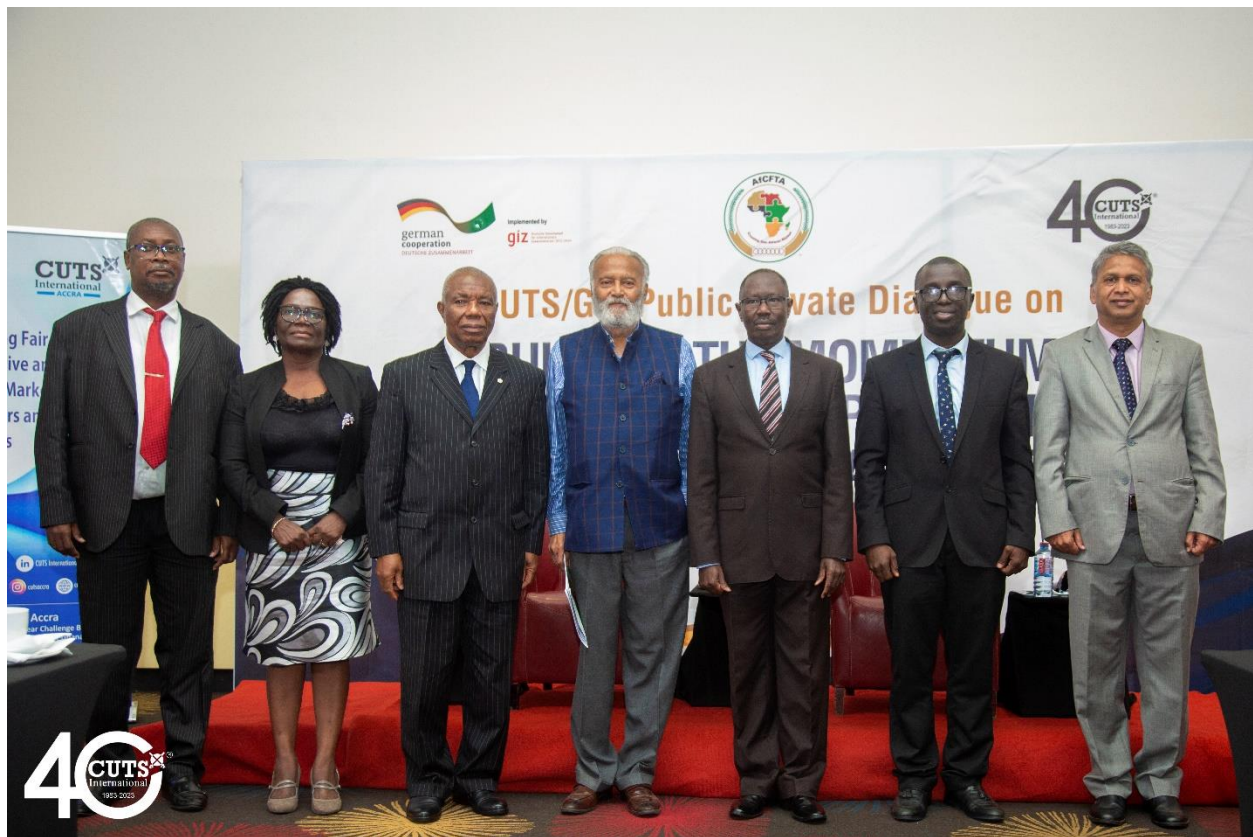
Further underscoring additional collaborations, he highlighted that the secretariat has engaged in a partnership with Antrak to establish a program aimed at eliminating non-tariff barriers, a collaboration with Zenith Bank aimed at creating a smart Africa portal, facilitating SMEs in marketing their products and enabling consumers to identify the producers of goods as well as a partnership with Afreximbank has resulted in a commitment of 1 billion dollars to enhance the participation of women in trade.

He also touched on the challenge arising from the diverse currencies present in cross-border transactions in the free trade area. To tackle this issue, he pointed out that Afreximbank, the Central Banks of member countries, and commercial banks have jointly developed the Pan African Payment and Settlement System (PAPASS). This innovative system provides a rapid and secure capability for executing cross-border payments, thereby addressing the hindrances caused by the multiplicity of currencies he noted.

Regarding unresolved matters, he emphasized that the foremost agenda for the secretariat this year revolves around concluding efforts to include non-member states. This encompasses nations that have not yet ratified the agreement as well as those that have signed but not yet ratified it.

Concluding his remarks, he highlighted that AfCFTA offers substantial prospects for investors, businesses, and consumers both within the continent and beyond, unlocking significant potential for trade and manufacturing. He stressed the importance of maintaining the current momentum

and urgency in this trajectory. Urgency is required to facilitate substantial trade and to actively address obstacles, aiming to expedite and promote trading activities across Africa he noted.



## RECOMMENDATIONS

The dialogue provided an opportunity for recommendations from stakeholder to ensure Ghana overcomes challenges associated with the free trade area. This section there outlines the recommendations made.

### 3.1 RECOMMENDATIONS

- The government should ensure a favorable macroeconomic environment encompassing aspects such as taxes, interest rates, and energy costs.



- The government should formulate appropriate policies to govern the services sector and to provide information and guide about exportation to businesses within the service sector.
- The government must have a clear vision of what it aims to project within the services sector to other countries. It must pinpoint a distinct sector within the services sector that it intends to spotlight across the continent
- We advocate for increased participation of women in the transport and logistics industry, as their representation is currently limited.
- The government and relevant stakeholders should consider investments in inland water transportation, airport services and logistics-related technology.