

# THE 2ND STATE OF AfCFTA TRADING CONFERENCE

## CONCEPT NOTE

**AFRICAN CONTINENTAL FREE TRADE . 21ST JULY 2022.  
THE ACHIEVEMENTS SO FAR, SECURITY UNDER AfCFTA,  
ROLE OF COMMODITY TRADING, THE OPPORTUNITIES  
FOR THE AUTOMOTIVE INDUSTRY**

# AfCFTA



## **INTRODUCTION**

The African Continental Free Trade Area (AfCFTA) is a duty free, quota free single market covering the entire African continent. This means all the 55 countries in Africa with an estimated total population of about 1.3 billion inhabitants and a combined GDP of about \$2.6 trillion make up this area.

This automatically creates the world's largest Free Trade Area.

The AfCFTA was legally recognized in May 2019, after 22 countries ratified the AfCFTA and deposited their instruments of ratification with the AU commission. To date, even though all member states of the AU have signed the AfCFTA, the number of countries that have deposited their instruments of ratification with the AU commission stands at 36, with the Republic of Zambia being the latest member state to submit their instruments in February 2021.

Ghana was selected to host the Secretariat of AfCFTA in July of 2019, with the office fully functional with the Secretary General at post since February 2020.

Even though trading was initially scheduled to start in July 2020, but the effects of the Covid – 19 pandemic and other factors averted the start as envisaged.

Trading thus officially started on the 1<sup>st</sup> of January 2021, and has been progressing steadily since that date.

## **AfCFTA POLICY NETWORK DIASPORA & AFRICA**

AfCFTA Policy Network was established in 2019 as the foremost and largest international nongovernmental organization (NGO) with a primary focus on the on implementation of the African continental free trade area, with a vision to be the premier information, communications and governance network representative of the African Continental Free Trade Area Agreement within Ghana and the Diaspora, leading the secretariat and the wider member community with globally relevant, continental perspective on the AfCFTA.

We do this through the creation, development and delivering of resources, information, and systems that attract, engage and impact the general populace, the regulatory authorities and the various decision makers in the various sectors of the economies of Africa.

It has over 7000 members drawn from all professions and business sectors, with entrepreneurs and various industry leaders as members. It has an executive team headed by a Chairman, executive directors and other directors responsible for the various areas of focus.

To date we have organized various seminars and fora on the implementation of the AfCFTA, been called upon as panelist on various programs to educate the populace and business community of AfCFTA, and other engagements all geared towards bringing this new opportunity for Africans to trade amongst themselves and deliver the best economic development to their citizens. Some of the notable events we have hosted or been invited to participate include the following:

Creating the World's largest single market – how will AfCFTA work in practice

Entrepreneurship and Innovation: the drivers of the AfCFTA

Africa must Industrialize now: the Urgency for value addition on African Products.

We have also been on and intensive media sensitization and visited several radio stations and TV programs to sensitive the general public and the business community on what AFCTA means for them. We also have partnerships with other NGOs, and local and international universities on knowledge sharing and courses that would prepare and empower the continents youth to take advantage of the benefits AFCFTA offers.

We also have a strong women participation in our programs having set up the APN Women in Africa Network to focus on women development, entrepreneurship, and position them to benefit from African continental free trade agreement.

## **OUR CASE**

### **Background on AfCFTA**

The 18<sup>th</sup> Ordinary Session of the Assembly of Heads of States of the African Union agreed on the need for an African Continental Free Trade Area. This took place in Addis Ababa on January 2012. The African Continental Free Trade Area (AfCFTA) was as a result established in 2018, with trading scheduled to commence from January 2021. This initiative was shaped through the African Continental Free Trade Agreement which comprised of 54 of the 55 African Union nations (International Trade Centre, 2018). The African Continental Free Trade Area stands as the largest Free Trade Community in the world in terms of the number of participating States since the formation of the World Trade Organization. With the bid to host the Secretariat to this institution being keenly contested, Accra - Ghana would emerge as eventual host. The Secretariat of AfCFTA would as such be, commissioned and handed over to the AU by the President of Ghana Nana Akufo-Addo on August 17, 2020 in Accra.

The agreement was brokered by the African Union (AU) and was signed on by 44 of its 55 member States in Kigali, Rwanda on March 21, 2018. The agreement initially requires members to remove tariffs from 90% of goods, allowing free access to commodities, goods, and services across the continent. The United Nations Economic Commission for Africa estimates that the agreement will boost intra-African trade by 52 percent by 2022. The proposal was set to come into force 30 days after ratification by 22 of the signatory States. On April 2, 2019, The Gambia became the 22nd states to ratify the agreement, and on April 29 the Saharawi Republic made the 22nd deposit of instruments of ratification; the agreement went into force on May 30 and entered its operational phase following a summit on July 7, 2019.

### **Strategic Objectives of AfCFTA:**

- (1) Create a single market for goods and services, facilitated by the movement of people
- (2) Contribute to the movement of capital and people and facilitating investment
- (3) Create a continental customs union

- (4) Expand intra-African trade
- (5) Resolve the challenges of overlapping memberships in regional economic arrangements
- (6) Promote sustainable and inclusive economic development
- (7) Boost industrial development
- (8) Enhance competitiveness.

### **The 2022 STATE OF AfCFTA TRADING FORMAT**

The 2022 State of AfCFTA Trading Conference is scheduled as a two (2) day conference event commencing from Wednesday 15<sup>th</sup> June, 2022 to Thursday 16<sup>th</sup> June, 2022.

This conference shall comprise of structured presentations conducted by renowned industry experts from the fields of trade, security and other pivotal areas of interest. It shall also insightfulpanel discussions. The respective presentation deliveries are respectfully encouraged to be in PowerPoint format after which the delivering resource persons may address questions observers present.

This event invites all stakeholders of AfCFTA, including industries of trade & commerce, security services & defence institutions, embassies, none state actors, NGOs of interest and the general public at large.

### **Brief Introduction on State of AfCFTA Conference**

The State of AfCFTA trading is an annual event conducted by the African Continental Free Trade Area Policy Network (APN). The purpose of this event is to review progress made since the establishment of the African Continental Free Trade Area with particular emphasis on advancements made within the past 12 months. It is an education-based event structured to shine light on some important factors influencing the success of the AfCFTA.

For 2022, the State of AfCFTA conference shall focus on three primary areas;

1. State of AfCFTA trading
2. Role of Commodity Trade
3. Security and Trade
4. Automotive Industry
5. The Role of the Youth under Afcfta

## **OBJECTIVES OF 2022 STATE OF AfCFTA CONFERENCE**

The 2022 State of AfCFTA Conference is designed for the purpose of achieving the below objectives:

1. To educate the general public as well as diverse stakeholders AfCFTA; highlighting its purpose of establishment, functions and opportunities.
2. To shine light on how businesses are presently trading within AfCFTA.
3. To determine the extent of operation of AfCFTA in relation to its own timing forecasts and projections.
4. To create a network opportunity and platform for stakeholders of AfCFTA to interact.
5. To inform and educate stakeholders and the general public on commodity trading under AfCFTA.
6. To inform and educate stakeholders and the general public on the various activities, programmes and processes established under AfCFTA.
7. To educate and inform all participants on the diverse security threats on the continent and how they threaten the success of the AfCFTA.

## **STATE OF AfCFTA TRADING**

### **AfCFTA and the Pan African Payment System**

Known as Afreximbank, the African Export-Import Bank has been operating under the auspices of the African Development Bank since 1993. Afreximbank is a pan African multilateral trade finance institution headquartered in Cairo, Egypt, with fifty African member countries. Its vision is to be Africa's trade finance bank.

Afreximbank is a staunch supporter of the African Continental Free Trade Agreement (AfCFTA). In accordance with this, Afreximbank has launched the operations of a Pan-African Payment and Settlement System (PAPSS), which the African Union has adopted (AU) as the payment and settlement platform to underpin the implementation of the AfCFTA. The launch took place in Accra, Ghana, on January 13, 2022.

PAPSS is a cutting-edge technology that enables rapid and safe payments between African countries using African banks, payment service providers, and other financial market intermediaries.

The PAPSS system supports three main processes in enabling instant payments across African borders in local currency. Originators can make instant payments to beneficiaries in their local currencies, no matter where they are in Africa. Through Instant Payment, participants no longer have to convert local currencies into hard currencies, which involved the funds leaving Africa to be converted before being sent back to the beneficiary bank, adding days to the transaction. Also, compliance, legal, and sanctions checks are performed instantly within the system. Payments are processed near-instantly within 120 seconds.

Due to the fact that in Africa (AfCFTA), there are multiple local currencies, meaning that cross-border payments typically involve a third currency, such as the US dollar or Euro. This leads to a high cost of intra-African payments and long delays. As a result, African countries tend to focus on building their reserves; hence they prefer exports to markets that issue hard currency. For these reasons, a significant amount of cross-border trade occurs informally, which does not promote trade among the countries in Africa.

What PAPSS offers the continent is a solution to these historical challenges of making payments across African borders. PAPSS is also creating value for all stakeholders through a common African market infrastructure that benefits everyone from governments, banks, and payment providers to corporations, small businesses, and individuals.

According to Mahamudu Bawumia, the vice president of Ghana, it is the closest the continent has come to the benefits of a common currency and that PAPSS is one of the key building blocks for the African Continental Free Trade Area. It will save the continent billions of dollars in annual transaction costs and bolster shipments in the world's largest free-trade zone

### **AfCFTA and the Adjustment Fund**

In February 2022, in Cairo, The African Continental Free Trade Area (AfCFTA) Secretariat and African Export-Import Bank (Afreximbank) signed an agreement relating to the management of the Base Fund of the AfCFTA Adjustment Fund.

This Adjustment Fund, which is taking shape, comes on top of the Pan African Payment and Settlement System (PAPSS) to underpin the implementation of the AfCFTA. This is another critical step that also sets the conditions that will undoubtedly lead to a smooth implementation of the AfCFTA. The Adjustment Fund is an instrument designed to support the implementation of the AfCFTA Agreement and assist AfCFTA State Parties in dealing with short-term tariff revenue losses as they dismantle tariffs and implement the agreement.

The General Fund will mobilize concessional funding, while the Credit Fund will mobilize commercial funding to support both the public and private sectors, enabling them to adjust and take advantage of the opportunities created by the AfCFTA. The resources required for the Adjustment Fund over the next 5-10 years are estimated at US\$10 billion. Afreximbank has already committed \$1 billion towards the AfCFTA Adjustment Fund. The Fund will support African countries and the private sector to effectively participate in the new trading environment established under the AfCFTA.

The Base Fund will consist of contributions from State Parties, grants and technical assistance funds to address tariff revenue losses as tariffs are progressively eliminated. It is an excellent tool to provide support to our State Parties and their private sector through financing, technical assistance, grants and compensation funding. It is geared towards addressing the urgent needs of State Parties relating to tariff revenue losses and the transposition costs to enable them to implement the AfCFTA Agreement. It will help them mitigate revenue losses and competitive pressures that may result from the reduction in tariffs and liberalization of markets in order to tap into the opportunities of the AfCFTA.

Its finalization will help maintain and even accelerate the momentum of establishing schedules of tariff concessions. It will also support countries to implement various provisions of the AfCFTA Agreement, its Protocols, and Annexes. This initiative is primarily geared towards supporting both the public and private sectors to address short term disruptions and to enable the private sector to retool, reskill, and develop capabilities to produce value-added goods and services that can be traded competitively within the continent and catalyze the emergence of AfCFTA-led regional value chains.

## **AfCFTA, Afreximbank, AAAM Memorandum of Understanding (MOU)**

Also, on February 18, 2022. Afreximbank, with its commitment to driving the initiative of AfCFTA, has signed a Memorandum of Understanding (MoU) with the African Association of Automotive Manufacturers (AAAM). This memorandum of understanding is another key step taken in relation to AfCFTA to help stimulate a consistent expansion, diversification, and development of African trade. The lack of affordable financing available for the automotive sector is one of the key inhibitors to the growth and development of the automotive industry in Africa. The coming in of Afreximbank will be a game-changer and a hugely positive development for the industry in Africa.

The agreement is to finance and promote the automotive industry in Africa. This agreement is a great milestone for the development of the automotive industry in Africa. Other areas covered by the MoU include working with the African Union and the African Organization for Standardization to harmonize automotive standards across the continent and developing an automotive-focused training program for both the public and private sectors.

Given the integrated market under the AfCFTA, there is abundant and cheap labour, natural resource wealth, and a growing middle class; African countries are increasingly turning their attention to supporting the emergence of their automotive industries. Therefore, the collaboration between Afreximbank and AAAM will be an opportunity to empower the aspirations of African countries towards re-focusing their economies on industrialization and export manufacturing and fostering the emergence of regional value chains.

This is aimed at boosting regional automotive value chains and financing for the automotive industry while supporting the development of enabling policies, technical assistance, and capacity-building initiatives. The two organizations plan to undertake comprehensive studies to map potential regional automotive value chains on the continent in regional economic clusters in order to enable the manufacture of automotive components for supply to hub assemblers.

The MoU will also support the development of coherent national, regional and continental automotive policies and strategies in conjunction with the African Union Commission and the AfCFTA

Secretariat. This partnership will facilitate the implementation of the Bank's automotive



program, which aims to catalyze the development of the automotive industry in Africa as the continent commences trade under the African Continental Free Trade Area (AfCFTA).

## **COMMODITY TRADING**

As the name suggests, a Free Trade Area describes an economic relationship between countries where goods produced in one country can enter the market space of a group of countries for the purpose of exchange within the entire area.

Logistical services meant to facilitate the movement of the goods, such as cross border transportation, goods in-transit insurance, communication services, identification of persons, verification processes of origins of goods, and above all, payment regimes and arrangements, need to be agreed upon by all member states within the area.

Unless agreed otherwise, the countries in question must institute a common external tariff and zero internal tariffs within the boundaries of the free trade area before it becomes feasible.

It must be understood that there exists a situation where a country has no trade with outside entities, and it is referred to as 'Autarky'. Autarky is an economic system of self-sufficiency and limited or no trade at all. Such is not common in modern day economies. A country is said to be in a complete state of autarky if it has a closed economy, which means that it does not engage in international trade with any other country. Obviously, it can only appeal to authoritarian and warring nations or, perhaps, those under siege. It must be understood that a natural limitation to economic growth and development is placed on closed economies, so it is not sufficient to be self-reliant as a country, if progress is desired by those countries.

Free trade, on the other hand creates links between countries and it is those links that make economies grow bigger and stronger. Also, nations within free trade areas are able to develop and transform their political and economic systems to benefit their peoples through the exchange of goods and services, new ideas, cultural exchanges and innovations in science technology, etc. It stands to reason those nations that are seeking to grow and improve their economies are better off entering into free trade with their neighbours.

Free Trade requires systems and policy frameworks that may not be violated by members at will by member states. It is on the back of such stability that innovations such as commodity exchanges, banking and finance and other cross boarder institutions can be set up in any country within the

free trade area. In reality, the existence of a broader market becomes an incentive to expand all businesses to service an expanded market.

The growth of all businesses within AfCFTA is occasioned by free trade prerequisites, rather than the existence of an institution like a Commodities Exchange being the sine qua non for the expansion of AfCFTA.

## **THE ROLE OF SECURITY IN TRADE**

The role of security in attaining a successful AfCFTA aims to lay focus on the various security factors that impact the output of the AfCFTA both directly and indirectly. With the African Continental Free Trade Area has since its inception been recognized as the single most valuable initiative presently in the possession of the continent. It presents the single most realistic and calculable opportunity to continental development, regional integration and wealth generation that Africa has yet devised. AfCFTA not only represents an unmistakable trade opportunity for Africa but is furthermore the first of five steps to achieving full continental regional integration; namely Free Trade Area, Customs Union, Common Market, Economic Union and Political Union.

It is therefore paramount that the Free Trade Area be given every conceivable layer of protection which must go beyond the simple defence of the Secretariat. Securing AfCFTA means to defend the core factors and values upon which it stands. Values such as co-operation, democracy, peace, dialogue among others.

The protection of the African Continental Free Trade Area means the revelation of a new understanding of what it means to safe-guard all the factors necessary in creating a productive

continental environment for trade. It means enhancing and promoting the ideals of the Continental Free Trade Area on continental, sub-regional and state levels. Core values such as promoting democracy, enhancing continental and states-wide peace and development of critical infrastructure, must now become the sustained characteristic throughout Africa if the Free Trade Area is to not only survive but thrive. Such survival prospects require a keen understanding of the state of security within the environment of Africa. With the AfCFTA birthed within a region ripe with insecurity, the destiny of AfCFTA with regard to security, must be heavily prioritized on all regional levels.

It is as such the duty of all continental, sub-continental and states governing bodies to commit wholly to the defense, protection and safe guarding of this precious continental institution. As such the Security on both continental and states levels must be adequately educated, trained and invested in to fully understand the implications of their duties to achieving not only a successful Free Trade Area, but Agenda 2063 as well.

The linkage between security and productivity must be firmly recognized as there can be no meaningful productivity in the absence of sustainable peace and security. For AfCFTA to function competitively against other regional trading blocks, it must first compete in regards to productivity which solely determines the output of goods and services to be traded within the Free Trade Area. Productivity therefore cannot thrive in the present and general African environment of insecurity. For this reason, AfCFTA, within the present African environment of insecurity and conflict will most likely crumble unless continental and states approaches to security change.

For AfCFTA to work, it is most necessary to understand the security challenges facing it and commit holistically toward tackling them for the sake of meeting Agenda 2063 goals.

### **Safe-Guarding States and Continental Peace and Security**

Peace and security remain the very bedrock upon which all African development stands. In spite of the obviousness of this, peace and security have been the one treasure that the continent has been perpetually denied since her emancipation from European colonialism. Simply put, it is impossible to attain a thriving Continental Free Trade Area in the midst of raging wars across the continent.

It is thereby the duty of respective governing bodies on the continental as well as States to commit meaningful resources and attention to ensuring and promoting regional peace and security. This involves tremendous investment into security of States particularly located in more fractious sub-regions such as West-Africa and part of East Africa.

On the continental scale, AfCFTA presents an exciting new opportunity for intra- Africa trade and with it, a new intra-African opportunity for prosperity and development (Albert, 2019). For this to be actualized, there is the need for the resolution and cessation of conflicts across the continent. The ECOWAS region most notably (where the Secretariat is situated), continues to be plagued

with conflicts and wars in Mali, Burkina Faso, Ivory Coast and Guinea (Gilpin, 2021). These conflicts tend to degenerate quickly into destruction of critical infrastructure, de-stabilization of democracies, human rights violations and closure of investments, both foreign and domestic. These outcomes are directly in violation of the core principles and values for AfCFTA and directly result in the devastating decline of States and Regional Productivity leading to the direct compromise of trade capacities.

There were at least 15 countries with active armed conflicts in sub-Saharan Africa in 2019: Burkina Faso, Burundi, Cameroon, the Central African Republic (CAR), Chad, the Democratic Republic of the Congo (DRC), Ethiopia, Kenya, Mali, Mozambique, Niger, Nigeria, Somalia, South Sudan and Sudan. Eight were low-intensity, subnational armed conflicts, and seven were high-intensity armed conflicts (Nigeria, Somalia, the DRC, Burkina Faso, Mali, South Sudan and Cameroon). Almost all the armed conflicts were internationalized, including as a result of states actors (whether directly or through proxies) and the transnational activities of violent Islamist groups, other armed groups and criminal networks (Palik et al, 2020).

There were 20 multilateral peace operations active in sub-Saharan Africa in 2019 (two fewer than in 2018), including several large-scale operations in countries that were experiencing armed conflict such as the CAR, the DRC, Mali, Somalia and South Sudan (Lundgren & Magnus, 2018).

. The number of personnel deployed in the region decreased for the fourth year in a row and reached the lowest point since 2012.

There therefore needs to be a more meaningful discussion on how to effectively sustain regional and continental peace for the purpose of creating a healthy enough environment for the Free Trade Area to thrive. It is important to further note that there has been proven to be a positive co-relation between regional peace and development as evidenced within the European Union whereby integration has brought an end to catastrophic European wars.

### **Protection of Regional Infrastructure**

Every nation possesses materials and non-material resources, products and services that are provided by the public and private sectors. These products and services are often essential to the functioning and administration of the states and may include examples such as the states's electricity power infrastructure, oil and gas pipeline industries, telecommunication providers,

financial and health services among many others. These industries are critical to production and general productivity of the states. Furthermore, they work in hand-in-hand to generate the finished products and services that characterize the productivity of the states and region (Usman & Dangara, 2018). It is these industries that come together to produce the very goods and services to be traded within the African Continental Free Trade Area and for this reason, their security must be prioritized.

The African Continental Free Trade Area, as a regional integration initiative requires that the continent on a sub-regional level invests into adequately securing the most essential products and services providers within the region. This means providing adequate systems of security to safeguard the telecommunication providers that keep an entire region connected, protecting the oil and gas projects that provides oil and gas energy to the region, defending the financial institutions that make our monetary transactions possible, the hydro-electric power plants that power our homes and industries as well as countless more.

It is therefore of critical value that national and regional security services commit wholly to protecting and safe-guarding the integrity of this most essential states and regional infrastructure (Zaballos & Jeun, 2016). Where possible, policy at states and regional level should commit to dedicating a greater part of their existing priorities to ensuring the protection of defined critical infrastructure. This would go a long way to guaranteeing the capacity of the region to meet its output requirement leading to a more reliable regional trading culture.

## **Cyber Security**

Cyber security has emerged as arguably the single most prevalent and devastating tool of terrorism in the 21<sup>st</sup> Century. Though mostly recognized to be perpetuated on more technologically advanced continents such as Asia, Europe and North America, the development of the African cyber infrastructure is increasingly gravitating the attention of cyber terrorists toward the continent. With critical infrastructure of the continent increasingly being digitized, vulnerability of industries to cyber-attacks is growing exponentially (Weimann, 2017).

This digitization of African industries is a response to the technological advancement of the age and as such, even the most historically analogue institutions are discovering means to digitize. The West-African cyber space alone is believed to be valued at nearly \$2 trillion – a value which alone dwarfs the West-African GDP numerous times.

Many of the digitizing industries are connected to a single digital service provider which means the compromise of this provider could lead to the catastrophic compromise of several industries such as banking, telecommunication, internet providers etc. (Ursillo & Arnold, 2019). As such, the factors of production in the 21<sup>st</sup> Century are largely digitally facilitated requiring a new level of cyber security consideration.

With this increase in cyber technology on the continent comes with it the cyber means of attacking this

infrastructure. The integration of continental infrastructure into cyber technology has created the linkage of many industries to a single cyber source or network provider (The World Bank, 2019). As such, the security of this cyber source or network provider becomes absolutely paramount to states and continental security. Given the new generational importance of the cyber technology to modern industries on the continent, it is of utmost importance that States across the region invest appropriately in safe-guarding these technologies from unbridled sources particularly in view of Africa's cyber technology commitments in achieving her Agenda 2063 ambitions.

These digitizing industries continue to increase the efficiency of African productivity and therefore remain critical to the efficiency of output needed to bolster the AfCFTA. For this reason, the role of cyber security as pertaining to the African Continental Free Trade Area should be no means be neglected.

Everything connected to an information network, energy grids, telecommunications networks, banking, government, and military systems, is vulnerable to sabotage if the information network is disabled. The most damaging and sophisticated cyberattacks, such as the Stuxnet worm (which damaged Iran's nuclear infrastructure) and [Russia's cyberattacks on Ukraine in 2007](#) (which caused an estimated \$10 billion in damages and took the radiation monitoring system at Chernobyl's

[nuclear power plant offline](#)), were state-sponsored acts of cyber sabotage.

In Africa, attacks on critical infrastructure are becoming frequent. Banks are particularly common targets, losing billions of dollars to theft and service disruption. The [National Security Agency](#) of

Nigeria and the municipal government of Johannesburg have each been victims of attacks that shut down services or leaked sensitive information. With cyberattacks against maritime infrastructure on the rise ranging from piracy to stealing database logs, experts worry that Africa's ports and shipping industries could suffer an attack causing major disruptions in trade and commerce.

Cyber sabotage often has unpredictable consequences and is not always the work of sophisticated actors. One of the continent's most damaging cyberattacks occurred in Liberia in 2016 when an

overzealous hacker employed by one major telecommunications company sabotaged the network of a rival. This resulted in half the country being cut off from bank transactions. Liberia's information minister, ostensibly in charge of the country's response, was cut off from internet access and was left asking for help on French radio. Despite Liberia's appeals abroad for assistance, authorities did not make arrests until after the software employed in the attack was used to disable Deutsche Telekom, the German telecommunications giant, months after the attacks began. As internet penetration rises and systems more connected, critical infrastructure across Africa will likely become even more vulnerable to costly, disruptive cyberattacks.

### **Protection of African Democracies**

The African Continental Free Trade Agreement has been ratified by over forty African States of which the majority happen to be democratic States. This therefore presents democracy as the primary and preferred method of governance in Africa's regional integration efforts. In spite of progress made in democratizing many States on the continent, the status of democratic stability remains fractious in many African States (Bilal, 2016).

Democracy is a key tool to acquiring the sustainable peace and development needed on the continent because of values affiliated with it such as "majority rule" and "accountability to citizens". These values are essential for promoting the productivity of a states as it enables the citizenry to essentially steer the direction of the states through represented officials. It greatly reduces and discourages open conflict and inherently promotes dialogue and co-operation. Securing the democratization of Africa is essential for continental development as it promotes peace, local and foreign investment, human rights and education; all factors promoting productivity of the states and continent.

Furthermore, the longevity of AfCFTA is heavily dependent on the ability to sustain African democracies especially given that democratic States appear to have a superior record of sustained peace, development, human rights and investments. Given that democracy is also the system of governance in use by regions of higher integration as well as being the system of governance most encouraged by the values of the African Union, resources must continue to be committed to upholding and defending the status of democracy across the continent. The security of the AfCFTA hinges not only on African peace but upon unifying Africa's democratic peace process. For this reason, attacks against democracy in instances such as Mali and Burkina Faso must be strongly condemned (Jiboku & Okeke-Uzodike, 2016).

It is thus imperative that continental, sub-regional and states governments invest in defending and promoting the democratic institution across the African continent. Security services including the military must be educated and invested in to increase their respective capacities and quash existing attacks on democracy throughout the continent, notably, in cases of unconstitutional coups and of terrorist attacks as widely evidenced in West-Africa.

#### **Defense of African Natural Resources (Minerals)**

The African Continental Free Trade Area presents a new opportunity to African States to greatly increase their respective Gross Domestic Product output by presenting an avenue for intra-continental trade without barriers, tariffs and other existing impediments. This opportunity stands to meaningfully decrease the exorbitant cost of intra-African trade. For this reason, African States are in need of maximizing the use of their existing natural resources for functional and tangible states and continental gains.

Given that the successful implementation of AfCFTA is expected to greatly redefine the value of goods and services within the Free Trade Area to the profiting of the continent, there is a new need to reset the administration of Africa's natural resources (Bassou, 2018). Incidents of illegal mineral extractions must now more than ever before be defended against as these natural resources can now be refined and traded within the AfCFTA for good states and continental returns.

The illegal reaping of the continent's resources has remained a great reason for the impoverished status of African States. It therefore now requires the establishment of policies for the defense of these resources for trade within the African Continental Free Trade Area as either raw, semi-



finished or finished products (Fabricius, 2017). With this, efforts of education and training must be invested into adequately securing these priceless natural resources from economic looters and pillagers.

### **Defense against Piracy**

Piracy remains one of the most notorious security concerns plaguing the African Continental Free Trade Area. With challenges of intra-African trade being alleviated through AfCFTA, the shipping industry is setting itself up for a boom in activity characterized by the transportation of millions of tons of goods to be shipped across the continent (International Chamber of Commerce, 2021).

The successful implementation of the AfCFTA shall bring along greater trading activity on the waters of Africa. Unfortunately, this also will lead to greater piracy opportunities off Africa's coasts with bandits on the sea actively anticipating greater rewards than ever before. To curb

this, much must be invested in Africa's maritime security activities to guarantee the security of goods being traded under the AfCFTA on the waters of Africa. The insecurity caused by piracy on the seas of Africa carries the potential of greatly derailing the operational integrity of the entire Free Trade Agreement.

In 2020, the waters in the region of West Africa recorded the highest number of reported acts of alleged piracy and robbery attacks committed against ships in Africa. In that year, a total of 90 incidents were reported in West Africa (Placket, 2021). The majority of those incidents took place in international waters. These statistics must become a thing of the past if AfCFTA is to succeed. Commitment must be made on regional, sub-regional and states levels for adequate investment into the maritime security of Africa's coast.

## **OUR ASK**

**As a result of the nature of the summit, we are writing to you to seek partnership to ensure that the summit comes off as planned, and to ensure we can meet the summit's expectations.**

**To do this, we have put together the below packages which we believe would find space in your budget, so that as partners we can deliver a world class event.**

### **SUPPORT THE FUNDING SUMMIT BUDGET**

**We further ask for the support of funding for logistic for the summit period and summit speakers.**

**1. EXPECTED PARTICIPANTS 300**

**VENUE: University of Ghana RS Amegashie Auditorium**

**2. Proposed number key speakers 10**

**OUR OBLIGATION**

- Wide reach on social media from live broadcast
- Promotion on AfCFTA policy network website prior to event and after
- Promotion on all social media platforms (LinkedIn, Twitter and Facebook) prior to event and after
- Acknowledged in prog brochure
- Logo on all promotional flyers
- Publish the role and logo for a month in all our international news letter (APN TRADE NEWS)

At APN, we are committed to the development of Africa, and we see the AfCFTA as one of the greatest and surest vehicles we can use to achieve the development and empowerment of the continent. We are thus very focused to do our bit in realizing this dream. We are thus calling on you to be a veritable partner in the achievement of this noble objective.

We do hope that this request would meet your favourable response. We are available to discuss any aspects of this proposal or to answer any questions you may have. You can contact us on the following email and telephone numbers:



Louis Yaw Afful  
Executive Director APN Group  
0244868395