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Some Considerations

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Acronyms and Abbreviations

ACB	African Central Bank Common Monetary Area
APSA	Continental Peace and Security Architecture
ARIA	Assessing Regional Integration in Africa
AUC	African Union Commission
BIAT	Boosting Intra-African Trade
CSR	Corporate Social Responsibility
CSI	Container Security Initiative
CTC	change of tariff classification
CADSP	Common African Defense and Security Policy
CAD Fund	China-Africa Development Fund
EU	European Union
FDI	Foreign Direct Investment
GVC	Global Value Chains
IMF	International Monetary Fund
MIP	Minimum Integration Programme
OECD	Organisation for Economic Cooperation Development
OPEC	Organization of the Petroleum Exporting Countries ()
OCA	optimal currency area
RKC	Revised Kyoto Convention
RTA	regional transit arrangements
RoO	Rules of origin
SWFs	Sovereign Wealth Funds
TET	Trade Enabling Tools
TSI	Trade support institutions
UNECA	United Nations Economic Commission for Africa
UNCTAD	United Nations Conference on Trade and Development
WAMA	West African Monetary Agency
WAMI	West African Monetary Institute
WTO	World Trade Organization

INTRODUCTION

African countries have declared their paramount interest in attaining deep economic integration at the continental scale since emancipation from colonial control dominated their political agendas half a century ago. In the new century that resolution has gained momentum through successive African Union decisions to expedite regional economic integration with a view to forming a continental free trade area (CFTA) by 2017 and an economic union by 2019. 'The ultimate goal of the African Union is full political and economic integration leading to the United States of Africa'.[1] It is acknowledged that the path to get there will not be easy but a number of studies suggest that it is not only feasible but also important for Africa's economic development. What rests ahead, therefore, is to make decisions on how to speed up the process and clear the obstacles to address the inevitable challenges so as to realize the ambition of an integrated African continent politically, economically, socially and culturally with the resulting development gains. The CFTA is a key driver for Africa to realize the structural transformation and industrialization of Africa as envisaged in the AU Agenda 2063, as well as to promote implementation of the United Nations 2030 Agenda for Sustainable Development.

The path towards an accelerated pan-African economic integration presents formidable political, economic, legal and functional/institutional challenges that need to be tackled efficiently. It requires an approach that economizes scarce resources, avoidable errors, unintended delays, and predictable frustrations. High on the list of challenges is the conflicting disciplines and benefits of different African Regional Economic Communities (RECs) already in place, most countries being parties to more than one. Convergence between RECs will be of the essence for progress, as agreed upon in the African Union Minimum Integration Programme of 2009 (MIP) that sets priorities for enhanced inter-sub regional cooperation, independently of the priorities of each REC and of individual countries.

The impact of the CFTA on trade flows could be significant rather rapidly, according to many projections, and the loss of export income from the rest of the world being more than offset by intraregional trade growth. However, to multiply the benefits of the CFTA – expanded markets for goods and services, unobstructed factor movement, new investment opportunities, and the like – an ample vision of trade, investment and business facilitation needs to prevail. Hence other important challenges and opportunities come to the fore, like the free movement of people across borders, with the social, economic and security dilemmas it implies, or the insufficient financing of badly-needed infrastructure projects. Relinquishing national priorities in favour of regional ones requires firm, intertemporal determination and coordination, a philosophy leading to the adoption of directive principles of state policy, beyond the national plane.

A phased approach has been agreed upon, concentrating on the liberalization of trade in goods first, and that of services as well in a first phase, followed with the straightening up of intellectual property rights, competition and investment protection in a second phase. Several queries arise, as detailed planning requires definition on the sources of finance and investment, in an environment of scarcity of means of payment. This also means that financial development cannot wait for integration to fructify but rather that it is a condition for it, and that neither governments nor private operators can make progress without reasonable concertation. There is financing available for trade development that can be mobilized. Also, foreign investment by sovereign funds and multinational enterprises, including African ones, as well as cross-border financing are on the rise in terms of size, reach and complexity.

This report provides an overview of the opportunities and challenges for African continental economic integration through the Continental Free Trade Area (CFTA) initiative. This is discussed in chapter 1. It then discusses complementary building blocks for intra-African trade to flourish within Africa when it is stimulated by the adoption and implementation of the CFTA. This is provided in chapter 2. Some guiding principles for approaching the CFTA and priority policy measures for adoption by African countries to ensure sustained trade growth and economic integration following the CFTA are discussed in chapter 3. The report concludes with some remarks on African visionary approach to be taken in building the CFTA, and not just as a stand-alone free trade agreement.

Chapter 1 Challenges and Opportunities for African Continental Integration and Trade Development

1.1 Challenges

The African continent has a relatively small share of world output and an even smaller one of world exports (3.2%) and global foreign direct investment (FDI) net flows (3.9%). But the continent was among the fastest growing region in the world in 2013, closely followed by Asia and the Pacific (see Table 1). It is the fourth regional cluster in terms of output volume, smaller than Asia and the Pacific, North America and Europe, comparable to South America, and bigger than the Middle East. South Africa is the only country standing for the continent in the Group of Twenty major economies (G-20) since its inception in 1999.[2]

Table 1: Africa and World Output

2013	GDP USD trillion, PPP	Annual percentage growth	Share of World GDP
Africa	7.8	5.6	5.2
North Africa	2.7	5	1.9
Sub-Saharan Africa	5	6	3.3

Source: *IMF Data Mapper, World Economic Outlook*, October 2014.

Africa is a vast continent indeed. It has an expanse representing 1/5 of the planet's landmass, roughly equivalent to three times the size of Europe, with a formidable variety of geographies, cultures, languages, traditions, and historical trajectories. Africa has the world's largest concentration of least developed countries (34), low human development index (37) and low income and lower middle-income countries (43). This has been no impediment to some of them in becoming some of the fastest growing economies (see Table 2).

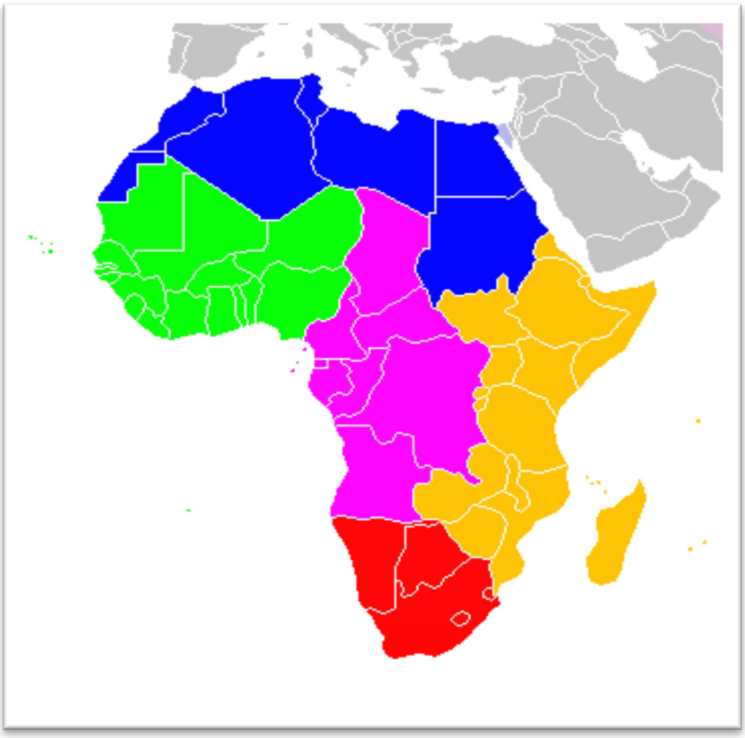
Table 2: African Fragile States among the World's Fastest Growing Economies

2001-10		2011-15	
Angola	11.1	China	9.5
China	10.5	India	8.2
Myanmar	10.3	Ethiopia	8.1
Nigeria	8.9	Mozambique	7.7
Ethiopia	8.4	United Republic of Tanzania	7.2
Kazakhstan	8.2	Viet Nam	7.2
Chad	7.9	Congo	7.0
Mozambique	7.9	Ghana	7.0
Cambodia	7.7	Zambia	6.9
Rwanda	7.6	Nigeria	6.8

Source: OECD 2014

African continent is classified into five sub-regions, namely Northern (7 countries), Western (15), Central (7), Eastern (14) and Southern (11) Africa (see Figure 1). Each sub-region, given its sheer size and complexity, constitutes a major challenge in itself.

Figure 1: Sub-regions of Africa



Source: United Nations Statistics Division Standard Country and Area Codes Classifications

The African continent, its sub-regions, countries and the key development issues faced, from infrastructure development to trade facilitation priorities to targeted development financing and beyond, have been studied in depth at the national, sub-regional, regional and international levels, and by the public and private sectors. However, any serious study will have as a point of departure the studies of UNECA, produced in cooperation with the African Union Commission (AUC) and the African Development Bank (AfDB), particularly the Assessing Regional Integration in Africa (ARIA) series, published biennially since 2004. These provide analyses on Africa's queries, difficulties and solutions with an African perspective for Africans. Additional useful insights can be garnered from UNCTAD's analyses such as the Economic Development in Africa report series.

Political instability and at times armed conflicts have reduced the health, education, public services, justice and security systems of some African countries. In many, they are well below the needs of a fast-urbanizing population. Building those systems up as a priority will take time and huge financial resources. These realities serve as a warning that no single, off-the-rack solution will prove effective for socioeconomic development in all jurisdictions. For instance, it is fraught with risk, given the orders of magnitude and intricacies at play, to predict when some of the transcontinental transit corridors envisaged, networks of transport facilities and infrastructure that are crucial for addressing the predicament of the 16 land-locked countries of Africa, may reach completion (see Figure 2).[3]

Figure 2: LLCs in Africa

Central and East African LLC cluster (10 countries): Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Mali, Niger, Rwanda, South Sudan, Uganda
South African LLC cluster (4): Botswana, Malawi, Zambia, Zimbabwe
'Single' LLCs (2): Lesotho, Swaziland

1.2 Opportunities

International trade is not a silver bullet to prosperity but it can go a long way into paving closer, profitable relationships between neighbouring States (cross-border trade) and sub-regional blocs (intra- and inter-sub-regional trade) and, from there, serve as a platform for more enhanced export targets (intra-regional, inter-regional, and global trade) and stimulating economic growth, income and job creation, and structural transformation. Intra-regional trade is but one building block in a set of trade strategies available to African countries. It is best used in combination with others including strategic partnerships, sub-regional and regional integration, interregional trade arrangements, multilateral trade agreements and unilateral economic reforms.

A key question, therefore, is whether continental integration is a good enough idea for Africa from the economic standpoint. From a political standpoint it also is a way to respond to the colonial preconception that the 'break-up' value of Africa exceeds that of the collective value.[4] As in all cases of collective action, there inevitably are 'free riders', who will benefit from expanded market access, economies of scale and cheaper imports resulting from integration but still elude their share of the burden. There is need to put in place policies and mechanisms to discourage such behavior.

It is unlikely that more than one or two African countries could opt for the unilateral trade liberalization model, while the prospect of going it alone by pursuing strategic partnerships with capital-rich countries willing to consolidate their energy and food security looms larger in sub-Saharan Africa than in any other resource-rich region of the globe. For the vast majority of nations, sub-regional and regional integration, compatible with the multilateral trading system (MTS), constitutes the best option. Whether it is the first-best option will largely depend on its evolution as a stepping-stone towards convergence with the world economy. In the era of globalization, there is limited to no room for autarkic approaches, a practical imperative in times of war, civil or international, left behind for the most part.[5]

There are many advantages of adopting a step-by-step, ever-more-encompassing approach to African continental integration and international trade development, including:

a. Going from smaller to bigger targets makes the learning process economical in terms of time, money and effort.

b. It may create a dynamic of achievement and stepped-up advancement, as awareness, opportunities and contacts flourish.

c. It may foster the creation and development of regional and international value chains, and the integration into existing ones, that take advantage of economies of scale and spread best practices.[6]

d. It may create opportunities for sharing costs and benefits of investment due to the acquisition of needed technology and know-how by countries and firms.

e. It may nurture the adoption of internationally-recognized standards and procedures that may add value to export products and open up access to more demanding marketplaces in terms of technical standards such as for design, packaging, marketing, branding, quality control, customer satisfaction, corporate social responsibility (CSR), and others.

f. It may help diversify the prospects of financing and investment by private and public sources of funding.

Most of the 54 African Union member countries are members of more than one regional trade bloc and intergovernmental organization, setting out conflicting disciplines and benefits (see Annex Tables 1, 2 and 3). As it is the case with the proliferation of regionalism elsewhere, this may complicate integration rather than not, as clashing regimes may conspire against expedited clearance at the border, and often require political intervention to resolve conflicts, reducing the benefits of automaticity (the 'spaghetti bowl effect'). This problem is highly diagnosed in the literature already.

Of the many sound initiatives advanced in the African Union Action Plan for Boosting Intra-African Trade (BIAT), from the international trade standpoint it is important to dedicate especial efforts to the following:[7]

a. Boost intra-African trade in food products. Foodstuffs are among the most highly protected import products, especially by contiguous neighbours. Although necessary, reaching agreement on lowering agricultural price and quantity restrictions may prove very difficult. It may be preferable to address this pressing question while simultaneously ameliorating productivity in the agricultural sector.

b. Undertake commitment to liberalize trade in environmental goods can spearhead efforts in a continent that needs to radically improve its environmental conservation and sustainable use practices. This is particularly important for the Democratic Republic of Congo, Madagascar and South Africa, three of the world's 17 mega-biodiverse countries, the top repositories of life's diversity on Earth that is essential, *inter alia*, to medicinal product innovation.[8]

c. Expediting the movement of goods across existing trade corridors. Some cross-country, 'soft' trade facilitation activities are envisaged for short-term implementation while 'hard' trade facilitation requires long-term commitments. This is a highly diagnosed area, as a result of the national self-assessments of trade facilitation needs and priorities conducted since 2007, a national effort supported by WTO, WB, WCO, UNCTAD, OECD, and IMF. It is hard to over-emphasize the importance of concentrating efforts in identified priority initiatives with high impact, like the implementation of joint one-stop border posts (OSBPs) and the standardization and complete interconnectivity of customs clearance software across countries.[9]

d. Establishment of integrated and interconnected trade information systems. The development of an African trade repository or single window (AfroNet, AfTR, AfSW) would nurture uniformity and standard-sharing in national single windows through the adoption of a regional pattern. With the potential of producing a quantum leap forward in 'soft' trade facilitation, this flagship project should be a top development priority. Reaching out to the precedent of the ASEAN Trade Repository (ATR), a regional articulation of national trade single windows (TSW) set for full operation by 2017, would be a convenient shortcut to implementing state-of-the-art practices proven effective in one of the world's peak trading blocs.[10]

e. Buying from African companies for humanitarian and aid interventions. In 2013 the UN system bought goods and services for an aggregate of USD 16.08 billion.[11] Ten supplying countries made up for 44.5 percent of the total, including Kenya as number 10 (see Table 3). Eight African countries were among the top 20 developing country suppliers, namely Kenya (with a share of 2.4% of the aggregate), Sudan (2.2), Ethiopia (1.7), South Africa (1.2), DR Congo (0.9), Uganda (0.9), Zimbabwe (0.9), and South Sudan (0.8). Overall, it is a rather insufficient share, especially when considering that many, if not most, humanitarian and aid interventions not only by UN agencies but also by other intergovernmental and nongovernmental organizations and traditional donors have African countries as target beneficiaries. It would be advisable and economically logical to press on for more UN procurement from African producers of goods and services. There is much room for growth in this field starting immediately, including improving the government procurement patterns in many countries.[12] The first steps need to be in the diplomatic and political realms nonetheless.

f. Building regional and eventually continental export value chains to respond to the volumes that may not be within the reach of a single country's exporters and encompassing goods and services with increasing value added. This is quite a quest better undertaken by the private sector, with the subsidiary support of governments and specialized regional institutions especially in creating policy stability, investment friendly and secure environment.[13]

Table 3: Top 10 UN Suppliers of Goods and Services USD millions, percentages

Countries	Goods	Services	Total	Share
United States of America	568.7	1,100.7	1,669.4	10.4
India	953.4	127.8	1,081	6.7
Switzerland	267.7	448.9	716.6	4.5
Afghanistan	50.5	650.4	700.9	4.4
Denmark	299.5	253.2	552.7	3.4
Belgium	500.2	49.9	550.1	3.4
United Arab Emirates	363.8	138.2	502.1	3.1
France	369.9	131.8	501.7	3.1
United Kingdom	250.1	243.7	493.8	3.1
Kenya	86.2	307.3	393.5	2.4
Top 10 total	3,710.0	3,452.0	7,162.0	44.5
Grand total	7,633.8	8,449.7	16,083.4	100.0

Source: *2013 Annual Statistical Report on United Nations Procurement*.

The process to substitute current African countries' imports from extra-regional trade partners for regional ones requires the use of information that is readily and freely available through UN and other sources,[14] as well as locally in Governments. To start with, it is necessary to identify the most important import products by African country, then the original exporting countries, and finally find alternative African exporters to the non-African ones. This is the beginning, not the ending of the process, as studies need to be conducted to ascertain the enabling environment in the corresponding African country and its export capacity, screening the companies with potential export volume, and facilitating buyers-sellers meetings to actually help those close businesses. This is a scalable approach (learning by doing), comprising trade flow analyses, country studies, in-country due diligence, and bringing together potential buyers and sellers matched through ad hoc software.[15] It is so technical that some national trade promotion agencies in developed countries have been largely compacted or privatized altogether to facilitate trade relations.[16] UNCTAD has conducted several studies for the potential for intra-African trade generally, the sectors that could be considered and future areas based on dynamic export potential.

Chapter 2 The Content of the Continental Free Trade Area

This chapter provides succinct overview making the case for a comprehensive CFTA. A comprehensive CFTA can leverage continental resources and potential to energise and boost intra-Africa trade and development

2.1 A comprehensive Continental Free Trade Area

As a modern trade agreement, the content of the CFTA will unavoidably be very comprehensive. African leaders have already decided that the CFTA will have to lead to the elimination of tariff and non-tariff barriers to their trade in goods and services, so that an African free trade area is to be established as a stepping stone to an African customs union and, later, a fully-fledged African economic community.

For African countries, the economic gains from further liberalizing merchandise trade are potentially high. Such gains are enhanced when addressing TBT and SPS regulations as well as preferential RoO, as these are expected to maximize the positive impact on intra-African exports of agriculture, food and industrial products. However, the gains from liberalizing cross-border labour flows are expected to be even higher, and those from boosting services trade and information flows have multiplier effects that would be very significant. In addition, the setting up of complementary support systems for trade creation and economic growth would be essential.[17] For instance UNCTAD notes that Africa's poor intraregional trade performance hides the fact that such trade could increase substantially if some key constraints, particularly infrastructure-related, were addressed.[18]

Key drivers and tools of regional integration for the CFTA may include the formulation of development corridors in Africa. The Maputo Development Corridor provides an important case study of a successful development corridor. It was the first spatial development initiative to be implemented at the regional level and has been one of the most successful initiatives to date. Another tool involves special economic zones. Such zones can take different forms, depending on their intended purpose, including export processing zones, free trade zones, enterprise zones and free ports. Mauritius is an example of a successful export processing zone.

Also, it is important to remember that the gains that flow from openness are not only economic in nature. Cross-border exchanges also offer, among other things, cultural, political and security benefits, not to mention confidence building among nations and economic actors.

2.2 Eliminating tariffs and non-tariff barriers on trade between African countries

Eliminating tariffs on trade between African countries is a major goal of the CFTA. Such tariff dismantling on a continental scale would build on progress in the TFTA negotiations and other RECs. As the expected economic gains from further liberalizing merchandise trade are potentially high, the CFTA negotiations should include key WTO and WTO-plus elements in terms of tariffs and non-tariff barriers to trade in goods (and services).[19]

A recent study for UNCTAD (Farahat, 2016) argues that at the outset of any tariff-reduction negotiations it is essential to agree on the base from which tariffs are to be removed. In order for the CFTA to have a real impact on trade, tariff-reduction discussions should use currently applied tariffs as their starting point. Similarly, the latest Harmonized System coding system applicable must be agreed upon in order to integrate the largest number of new products into the tariff reduction mix. It would be useful to adopt a formula approach which may include the following:

- To agree that all tariffs bound at zero will stay that way, and that they will not be considered further in the negotiations;
- To agree that all tariffs bound above zero, but with an applied rate of zero, will be eliminated from the entry into force of the agreement;

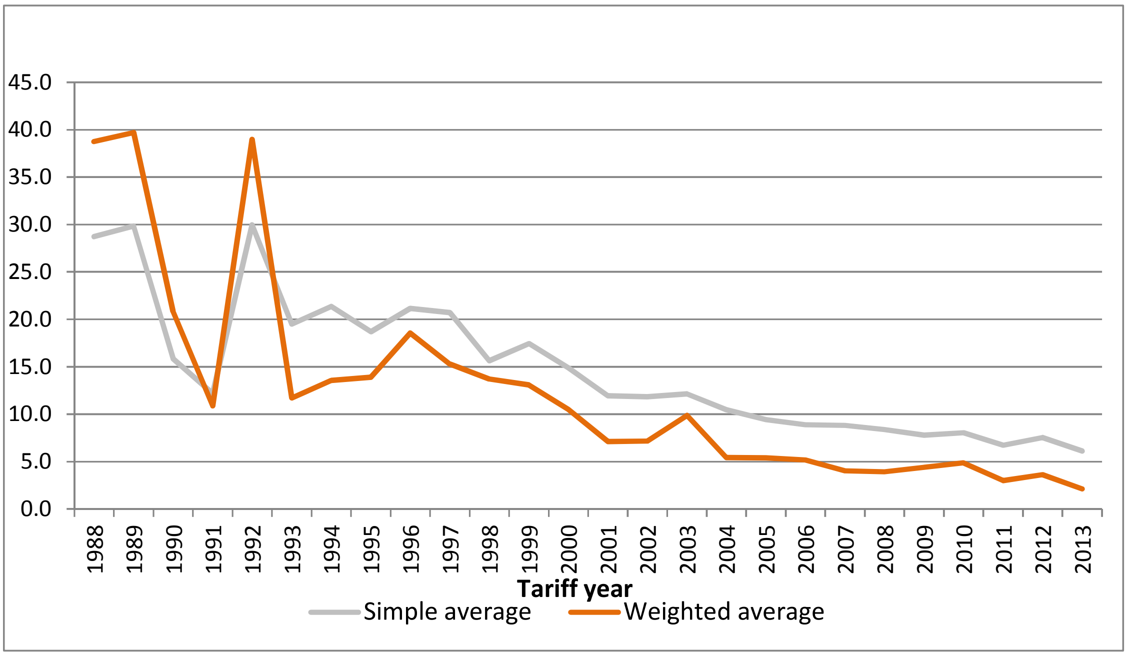
- To agree that all tariff lines for goods entering at zero under temporary concession schemes, autonomous tariff quotas and the like will also be eliminated from the entry into force of the agreement; and
- To agree that all applied tariff rates of 5 per cent or less will be eliminated on entry into force of the agreement.

This approach is not a panacea. Economies differ in their outlooks and capacities. However, such an approach will in many cases remove a significant number of tariff lines from further consideration. The negotiators can then direct their attention to the remaining tariffs, many of which usually turn out not to be controversial at all. In an ambitious initiative, ambitious liberalization is needed, with appropriate complementary measures to adjust economies to benefit from market opening.

Tariff cuts will have negative repercussions on the trade tax earnings of countries and possibly lead to the demise of uncompetitive industries and services. The losses, however, may be compensated by the expected strong expansion in intra-African trade from the formation of the CFTA. UNCTAD estimates show, for example that, in general despite cuts in applied tariffs by sub-Saharan African countries between 1998 and 2013, an increase in trade tax revenues took place over the same period due to the increase of trade, except in 2012–2013 when declines were experienced (see figures 2 and 3).

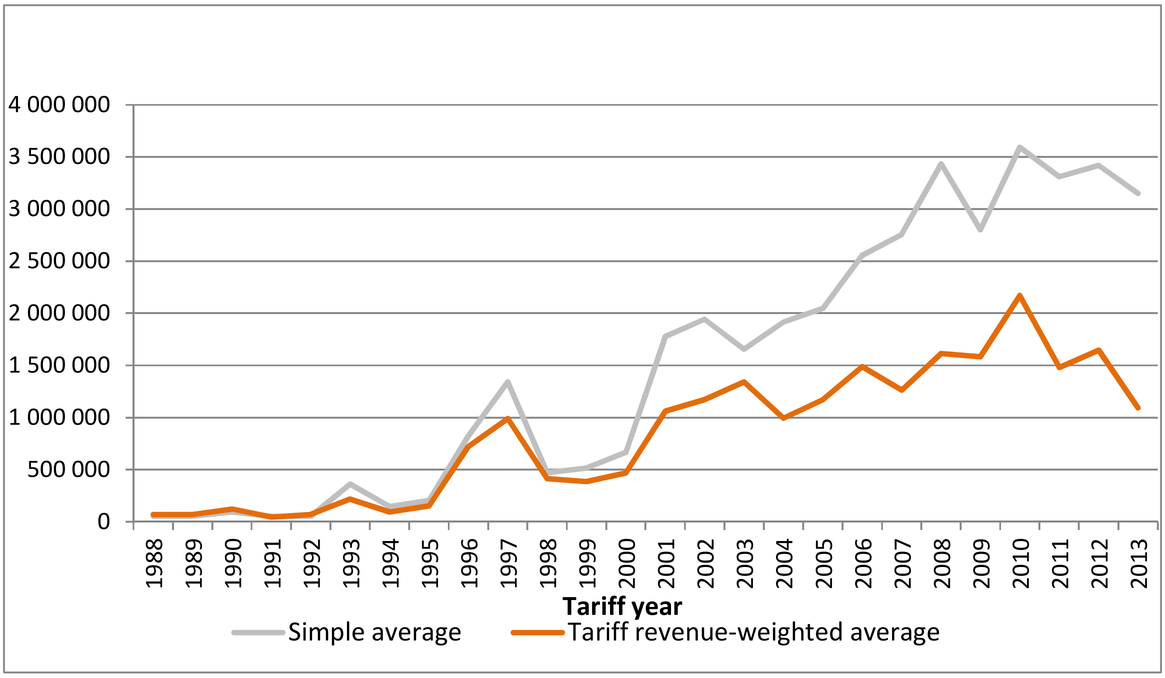
The burden of adjustment by African countries to cushion the impact and build up new industries could also be less painful as such realignments of production and competitiveness have already been taking place. In fact, with the CFTA, an opportunity is presented to adjust economies by way of formation and/or integration into regional value chains in manufactures, agriculture and services. This strategy offers better prospects for longer term adjustment. A particular focus could be placed on supporting the involvement of economically weaker African countries in building supply capacity.

Figure 3 : Applied tariffs for African countries1988-2013 (percentage)



Source: UNCTAD secretariat.

Figure 4: Trade tax revenue of African countries, 1988–2013 (Thousands of United States dollars)



Source: UNCTAD secretariat

Also, the increased interest of consumers in natural, healthy, environmentally-friendly and fair trade products has the potential to offer an innovative avenue to strengthening the sustainable production, trade and consumption of biodiversity-based goods and services. Africa is endowed with rich biodiversity resources. The CFTA could foster intra-African trade in biological resources while conserving biodiversity, mitigating climate change and improving the livelihoods of especially rural populations directly dependant on the harvest and development of these resources.

With regard to NTMs, African countries would be confronted with a number of challenges. The main challenge would be to improve the quality of regulation to remove non-tariff barriers to trade in goods, and to deliver competitive markets, while achieving essential public policy objectives relating to issues such as health and safety and the protection of agriculture from pests and disease (Farahat, forthcoming). UNCTAD's work and its recent methodological approach to dealing with NTMs offer important tools to African countries in dealing with this important issue.[20] Similar tools available include the online TFTA mechanism for reporting, monitoring and eliminating non-tariff barriers, and the efforts by AUC to establish an African trade observatory.

Indeed, NTMs are still prevalent across Africa's regional groupings, despite positive efforts made in reporting and monitoring mechanisms. Efforts towards the harmonization and equivalence of pan-African standards are essential, but not easy to achieve. This is particularly important in health and safety standards in foodstuffs, a potential major item in the CFTA's trade volume. Long-term policy reform and institutional and capacity-building programmes across the continent are needed.

UNCTAD analyses have shown that the impact of NTMs is significant and exceeds that of ordinary customs tariffs. Estimated ad valorem equivalents for Africa average between 10 and 25 per cent, and some particular cases may raise prices by substantially higher margins. Price effects in agricultural sectors tend to be particularly high. Harmonization and/or mutual recognition of SPS measures and TBTs would go a long way to addressing the cost of NTMs.

The CFTA should also aim to develop criteria for preferential pan-African RoO (see box 3). Their function is to prevent trade deflection whereby non-originating goods are shipped to the party to a free trade agreement with the lowest external tariffs and then re-exported to the party with higher tariffs in order to avoid paying these higher tariffs. Even more important, RoO should be designed to "favour regional value chains and to promote made-in-Africa branding as well as the promotion of trade among African countries".[21] RoO are thus important in facilitating preferential and/or free trade in originating goods, i.e. made or substantial transformed in Africa.

2.3 Services trade agreement

Services trade integration deserves to be included from the start in the CFTA negotiations.[22] The rationale for services negotiations is that the composition of many African economies is based on services, contrary to what is often believed. The sector is an important employer and income generator. It is thus vital that it should be part and parcel of the CFTA liberalization process from the beginning, especially as services are inputs to the production and trade of goods.

A particular aspect of the services economy that is highly relevant for Africa is its creative economy. Harnessing the creative and cultural talents of Africa, and the protection of regional ethnic intellectual property rights, should constitute an important aspect of African continental economic integration. It would build on the African Union Plan of Action on Cultural and Creative Industries (2008), and encourage the development of new approaches to enhance the contribution of creative industries to the economic and social development of Africa, especially as a source of jobs for youth.

2.4 Other policies

In order for the CFTA to play a deep economic integration role, African countries should look into incorporating therein chapters on investment and competition. These two elements are important to supporting interlinkages with developing intra-African trade. Having an investment chapter that promotes intra-African investment and other forms of FDI to support and build the necessary trade-related infrastructure and to ensure forward and backward linkages to the economies of member States is key. A competition chapter will provide not only clarity for the relevant national business communities, but also a safety net against potential negative abuses of the CFTA by transnational corporations. A form of RoO in services and investment may be required to ensure that the benefits arising from the CFTA are realized on the continent.

Special attention is needed with regard to trade facilitation measures. As indicated by UNECA, if progress is made in reducing the cost to trade across borders, in addition to eliminating intra-African trade barriers, the share of regional trade would more than double by 2022,[23] with a particularly positive impact in the trade of industrial products. Even more important, the trade opportunities brought by trade facilitation measures on top of the CFTA would more than offset the costs from declines in tariff revenue experienced by African countries.

The CFTA can also help in creating the conditions for African countries to take advantage of existing and new regional value chains (RVCs). An integrated African market would facilitate the integration of different countries in the various stages of production according to their competitive advantages, thus also fomenting the creation of new regional value chains that could eventually become part of global ones. Developing regionally integrated value chains and markets is both feasible and important for Africa. A recent analysis for UNCTAD on prospective RVCs in the agricultural sector (Dairon, 2016) provides policymakers with tools to better understand the prioritization of value chains, a process that has to mix research, participatory assessment, field investigation and political will.

Of particular importance in the CFTA framework will be the inclusion of a dispute settlement or conflict avoidance mechanism. It needs to be integrated into the road map and architecture for the CFTA. It should also recognize and build upon pan-African institutions with jurisprudence that already exist, such as the African Court of Justice, the AU Commission on International Law and the African Institute of International Law. The dimension of whether an adequate dispute settlement mechanism should be permanent (for example if it is housed in one of these pan-African institutions) or whether it should be on an ad hoc basis requires the attention of the negotiators.

Finally, since practically all African countries are members of – or observers to – the WTO, special attention must be given to the compatibility of the CFTA negotiated outcomes with the obligations/commitments undertaken under the WTO. In this context, consideration should be given to the modalities for notifying the agreement to the WTO once it is concluded, both in terms of goods and services. These include the enabling clause, GATT article XXIV and GATS article V, bearing in mind the WTO Doha agenda negotiations to clarify such rules to improve their development dimension.

Chapter 3 Complementary Enabling Environment

Boosting intra-African trade through the formation and implementation of the CFTA needs to be constructed within an overall enabling environment. Stimulating trade and contributing to economic growth and development is a necessary but not a sufficient condition for trade expansion to take off and continue on a sustained basis. Related issues to be tackled to improve the enabling environment for trade development include global warming, commodity prices, food security, political security and stability, internal and cross-border migration, speculative capital movements, unilateral restrictions to the trade of strategic materials, or lacunae in governance. These can have an impact on the organization of intra-regional trade. In a globalized world what happens somewhere else may have an impact on the most far-removed economies and societies across the globe (the 'butterfly effect'). It is very difficult for governments and enterprises to figure out the costs, benefits and unintended consequences of such factors. Hence it is important in the context of the building up of African continental integration to pay attention to and put in place strategies to enhance the enabling environment for African countries participation in regional and international trade.

3.1 Social, cultural, security and political governance

With the CFTA, the expected expansion in intra-Africa trade in goods and services would be accompanied by people flow across Africa including entrepreneurs, services providers, economic migrants, government officials and tourists. This can lead to greater social and cultural inter-exchanges among African countries push for use of common African languages to facilitate communication, as well as raise political governance issues with concerns over security, stability, illegal trade practices and corruption.

(1) African languages and cultures

Traders, as well as other people group engaging in the CFTA, needed to communicate easily hence languages are important. The African Union has adopted Arabic, English, French and Portuguese as its official working languages. It also recognizes African (indigenous) languages, often used by sub-regional organizations.[24] Vehicular cross-border languages are perceived as a factor that can promote African unity and efforts are dedicated to their conservation. Some 170 million Africans speak an Arabic dialect; 130 million speak English; 115 million speak French; 100 million speak Swahili; 50 million each speak a Berber dialect and Hausa, the lingua franca of the Sahel; 20 million speak Portuguese; and 10 million speak Spanish.[25] They speak them as either native or common lingua franca languages and they are very much aware of the usefulness of the international ones for reaching out to the world. The higher the number of working languages adopted by sub-regional organizations and government agencies, the thinner coverage will be, as long as resources remain scarce.[26] If the purpose of continental trade and investment integration is to ultimately project Africa as an assertive global economic powerhouse, efforts should not be spared to promote and expand the learning and use of the most useful languages for business purposes.[27] The cross-border exchange of native speakers as African language teachers is also critical for steady progress in the economic sphere. Formulation of cultural exchanges and encouraging trade in African creative industries would strengthen solidarity and enhance common vision and approach to African economic development.

(2) Transparency and Governance

The question of the shadow economy of Africa is estimated to be significant by any standard of proportion (see Table 4).[28] This concerns revenue loss from tax evasion, trade mis-invoicing, and political and administrative corruption as well as criminal activities resulting from the clandestine traffic of endangered species, hazardous materials, weapons of mass destruction, narcotic drugs, prostitution, gambling and the like, and parked in tax havens.[29] In a continent where no less than 3/4 of the population lives on less than two U.S. dollars a day, it is important to find solutions to drastically reduce informality, lack of transparency and corruption, by exploring, adapting and adopting practices that have worked in other regions. These are major impediments to socioeconomic development and integration because, among other distortions, they exacerbate socioeconomic and regional inequalities while eroding government legitimacy. Transparency and integrity need to be factored in as components to any sustainable integration initiative.[30]

Table 4: Size of the Shadow Economy: Selected African Countries As percentage of GDP 2007

Algeria	31.2	Liberia	44.2
Angola	42.1	Libya	30.9
Benin	49.1	Madagascar	38.5
Botswana	31.9	Malawi	39.4
Burkina Faso	39.6	Maldives	28.6
Burundi	39.6	Mali	39.9
Cameroon	31.4	Mauritania	35.1 *
Cape Verde	33.4	Mauritius *(lowest)*	21.9
Central African Republic	45.1	Morocco	33.1
Chad	42.2	Mozambique	39.8 *
Comoros	39.4	Niger	40.4 *
Congo, D R	46.7	Nigeria	56.2 *
Congo, R	44.6	Rwanda	40.1*
Côte d'Ivoire	47.0	Senegal	41.7
Egypt	33.1	Sierra Leone	42.9
Equatorial Guinea	30.1	South Africa	25.2
Eritrea	41.4	Sudan	34.1 *
Ethiopia	35.1	Swaziland	40.7 *
Gabon	47.3	UR Tanzania	53.7
Gambia	40.9	Togo	34.9 *
Ghana	38.3	Tunisia	35.4
Guinea	39.2	Uganda	40.3
Guinea-Bissau	41.6	Zambia	43.9
Kenya	29.5	Zimbabwe *(highest)*	62.7
Lesotho	28.8	*Average, 49 countries*	39.0

*** Average 1999-2006. Source: Schneider at al. 2010**

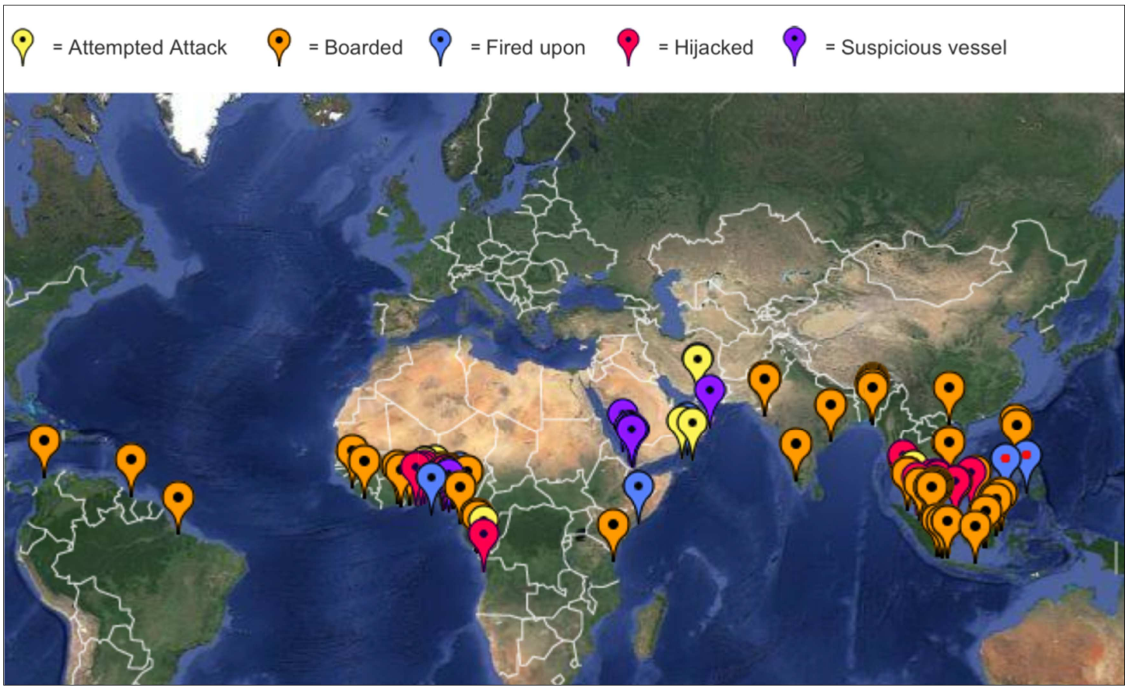
(3) *Security of Trade Routes*

More than 90 percent of merchandise trade is carried by sea, so that the security of sea corridors is of the essence to international economic order, particularly concerning the transcontinental transport of fossil fuels. Figure 3 shows the piracy and armed robbery incidents reported in 2014 in terms of real crimes and not just threats. They are concentrated in Southeast Asia and the Horn of Africa (Djibouti, Eritrea, Kenya, Somalia, and United Republic of Tanzania) and the Gulf of Guinea where at least ten countries are at risk (Benin, Cameroon, Cote d'Ivoire, Equatorial Guinea, Gabon, Ghana, Nigeria, Sao Tome and Principe, Togo, and the Democratic Republic of Congo). This is a clear concern, including for international trade, which requires a concerted response by African governments, in close cooperation with the international community, as African nations need policing assistance in the Atlantic and Indian oceans and the Mediterranean and Red seas. Only a few ports of African are designated in the Container Security Initiative (CSI) of 2002 including the ports of Alexandria, Egypt, and Durban, South Africa.[31]

Such security concerns are of particular consideration for those African countries that are major world suppliers of raw material inputs and intermediate goods, North, East and Westbound. Such raw materials may be critical to the functioning of global value chains, and hence for international investors and importing countries that require predictability and transparency in supply sources. This applies to the trade of foodstuffs, as well as supply of food aid by the United Nations and other agencies or potential

African countries in conflict affected areas, as much as to minerals, along trading routes that have existed for thousands of years of war and peace but that require efficient policing now and in future. In the context of intra-African trade, this is pertinent as well. Some bulky goods may have to be transported over land or overseas, and peace and security along the transport routes is crucial to facilitate the smooth flow of trade, as well as movement of people.

Figure 5 : Piracy & Armed Robbery Map 2014



Source: Piracy Reporting Centre, International Maritime Bureau (IMB), Commercial Crime Services (CCS), International Chamber of Commerce (ICC). This image was captured on 3 November 2014. Online information on each individual attack can be obtained by clicking on the pointers. https://www.icc-ccs.org/piracy-reporting-centre/live-piracy-map.

3.2 Strategic Commodities

In respect of raw materials, some African countries are major players as suppliers of scarce strategic mineral inputs with no artificial substitutes, like chromium, antimony, tungsten and platinum, which are critical to industrial production. The fact is that every industrial country imports some of the raw material inputs that are necessary for its industrial production and that international cooperation results unavoidable as a consequence (see Table 4 and Annex Table 5).[32]

Table 5: African Production of Selected Raw Materials 2012, percentages

Product	Top 5 world producers from Africa, share of world production			Top 5 world producers' share
Antimony	**5. South Africa,**		2%	95%
Chromium	**1. South Africa,**		44%	87%
Cobalt	**1. DR Congo,**		68%	84%
	3. Zambia,		4%	
Platinum group metals	**1. South Africa,**		59%	99%
	5. Zimbabwe		4%	
Tungsten	**5. Rwanda,**		1%	95%
Palm oil	**5. Nigeria,**		2%	93%

Source: *Export restrictions in raw materials trade*, 2014.

Petroleum and natural gas are significant, given the vast volumes exported by the main producers, among which four African countries are members of the Organization of the Petroleum Exporting Countries (OPEC) namely: Algeria, Angola, Libya, Nigeria) and key suppliers to the main industrial economies of Europe, North America and Asia (see Table 5). For instance, Angola continues to be one of the top three oil suppliers to China, the world's largest net importer of petroleum and other liquid fuels. Nigeria is one of the top six oil suppliers to the United States, the second largest net importer. As African countries boost trade among them with the CFTA, and transition into the production of value-added, inter-mediate and manufactured goods, the process of industrialization and structural transformation with higher technological content will require increased use of such strategy raw materials. It is useful for African countries to examine such long-term issues in the formation of the CFTA so as to position policies to facilitate trade in strategic raw materials.

Table 6: Africa's Major Oil Producers 2013 estimates

World Ranking	Country	Daily Production in Barrels	Share of World Production, %
13.	**Nigeria**	2,525,000	2.62
15.	**Algeria**	1,885,000	2.52
16.	**Angola**	1,840,000	2.31
27.	**Libya**	700,000	0.85
28.	**Egypt**	680,500	0.80
35.	**Equatorial Guinea**	346,000	0.41
39.	**Republic of Congo**	274,400	0.33
41.	**Gabon**	241,700	0.29
43.	**South Africa**	191,000	0.22
51.	**Chad**	115,000	0.13
52.	**Sudan**	111,700	0.13
56.	**Cameroon**	77,310	0.09
60.	**Cote d'Ivoire**	58,950	0.07

Source: International Energy Statistics, U.S. Energy Information Administration. http://www.eia.gov/cfapps/ipdbproject/IEDIndex3.cfm

3.3 Money and Finance

(1) Financing Development

Financing for development is a large issue for Africa. If physical capital and human capital are plentiful in Africa, financial capital and entrepreneurship are scarce goods, especially when compared with Africa's overall need for public goods, from infrastructure development to health and food security to public transportation to infrastructure for information and communication technologies (ICT) to government accountability, and so on. Africa's infrastructure lags significantly behind non-African developing countries in key areas, like meeting housing needs, road density, electricity production, access to water and sanitation, etc. Infrastructure development is fundamental for economic growth and poverty reduction, and no other developing region depends so heavily on aid as Africa does (see Table 7).[33]

According to some World Bank estimates, at least USD 75 billion (or 12 percent of the region's aggregate output) are necessary every year for infrastructure development in Africa, roughly 1/2 of it for investment in new infrastructure and 1/2 for the operation and maintenance of the existing facilities. The yearly funding gap stands at about 1/2 of needs. African governments pay for 2/3 of the financing totals; the private sector, for 1/5; foreign aid, for just 1/10; and the rest is provided by other sources of soft financing and grants, like China, India, Japan and some Arab States.[34]

Table 7: Main Donors for Infrastructure Projects in Sub-Saharan Africa 2013

	Hard (physical aspects)			Soft (capacity building)		
		Institution / Country	%		Institution / Country	%
Water and Sanitation	1.	World Bank	22	1.	European Union	23
	2.	European Union	14	2.	World Bank	16
	3.	African Development Bank	12	3.	Germany	13
	4.	Germany	8	4.	Japan	6
	5.	France	7	5.	Canada	5
Transport	1.	European Union	32	1.	World Bank	23
	2.	World Bank	25	2.	European Union	19
	3.	African Development Bank	16	3.	United States	17
	4.	Japan	5	4.	African Development Bank	14
	5.	United States	5	5.	United Kingdom	11
Information and Communication	1.	African Development Bank	31	1.	World Bank	25
	2.	United Kingdom	16	2.	Finland	13
	3.	OPEC	12	3.	Canada	11
	4.	World Bank	10	4.	Japan	10
	5.	Japan	8	5.	European Union	10
Energy	1.	World Bank	38	1.	African Development Bank	45
	2.	African Development Bank	22	2.	World Bank	29
	3.	Arab Fund	8	3.	European Union	5
	4.	Japan	5	4.	Germany	4
	5.	Norway	5	5.	United States	3

Source: *Development Co-operation Report 2014.*

Finding the right combination to energize infrastructure financing can pave the road for effective regional integration. One part of the composite is to reduce the inefficiencies of present public work and utility projects. Another part is to mobiliser the support of the homegrown corporate sector, which includes a number of multinationals with growing cross-border investments (see Table 8). They would be among the first beneficiaries of enhanced integration, a more enabling environment and better public facilities and services so that harnessing them as partners for development is clearly a priority.[35] Yet another indispensable part is to diversify and deepen the sources of financing and investment, both domestic and foreign.[36]

Table 8: The Top 30 Sub-Saharan Multinational Corporations

1.	Oando	Nigeria	Petroleum
2.	Kenolkobil	Kenya	Petroleum
3.	African Petroleum	Nigeria	Petroleum
4.	Dangote Group	Nigeria	Diversified (construction)
5.	United Bank for Africa	Nigeria	Financial services
6.	Kenya Airways	Kenya	Transport
7.	Groupe Sifca	Cote d'Ivoire	Diversified (forestry)
8.	Zenith International Bank	Nigeria	Financial services
9.	First Bank of Nigeria	Nigeria	Financial services
10.	Conoil	Nigeria	Petroleum
11.	Oceanic Bank International Nigeria	Nigeria	Financial services
12.	Ecobank Transnational Inc.	Togo	Financial services
13.	Sonatel Mobiles	Senegal	Telecoms
14.	Guaranty Trust Bank	Nigeria	Financial services
15.	The Mauritius Commerce Bank	Mauritius	Financial services
16.	Ireland Blyth	Mauritius	Diversified (construction)
17.	UAC of Nigeria	Nigeria	Diversified (financial services)
18.	Skye Bank	Nigeria	Financial services
19.	International Trading Oil and Commodities Corp.	Senegal	Petroleum
20.	Bank PHB	Nigeria	Financial services
21.	Cecagadis	Gabon	Diversified (retail)
22.	Groupe Mon Loisir	Mauritius	Diversified (n/a)
23.	Eurofind Afrique	Cote d'Ivoire	Diversified (n/a)
24.	Food and Allied Group of Companies	Mauritius	Diversified (agribusiness)
25.	Diamond Bank	Nigeria	Financial services
26.	Compagnie du Komo	Gabon	Diversified (industrial goods and services)
27.	Rogers Group	Mauritius	Diversified (construction)
28.	Access Bank Nigeria	Nigeria	Financial services
29.	New Mauritius Hotels	Mauritius	Tourism
30.	Kenya Commercial Bank	Kenya	Financial services

Source: Pioneers on the Frontier, 2011.

(2) Financial sector development

Financial sector development and access to finance and investment in Africa is another critical factor for African integration and development. Access to finance by governments, firms and households in Africa lag behind other developing regions, although financial enhancement has increased in the last decade. This varies dramatically from country to country, with half of the population having a bank account in South Africa and one in a hundred in Niger or South Sudan. African finance is dominated by private commercial banks (3/4), with few State-owned banks and nonfinancial institutions. For the most part, banks are well capitalized and profitable but exhibit comparatively high overhead costs and they are generally not focused on rendering innovative financial services to the public at large, which is key to 'financial democratization'. [37]

Cross-border banking has steadily increased in the last two decades, notably in the case of South African banks and banks from outside Africa that have a strong presence in many countries. For instance, Portuguese banks own more than 80 percent of banking assets in Sao Tome and Principe, and more than 60 percent in Mozambique. Cross-border banking supervision is insufficient though, creating opportunities for opaque practices and systemic crises.

To promote inclusion in financial services, technological innovation is necessary. While this is the case in Northern and Southern Africa, much of the continent in between has a long way to go. This is particularly clear in the gender gap to formal financial services. Governments and regional organizations have a big role to play in expanding outreach (financial inclusion, financial literacy, geographic coverage); lengthening credit through macroeconomic measures, like reducing country risk and improving the investment climate,[38] but also at the meso level, by providing guarantee schemes and development funds; and, above all, safeguarding the financial system's integrity through the implementation of best practices in supervision and regulation.[39]

(3) Investment by sovereign wealth funds

Reaching consensus on an overarching philosophy for foreign investment across the continent is as primordial as it would be conducive to development. Investment by sovereign wealth funds is a potential driver. Natural institutional investors in the long-term and stable financing of infrastructure projects are Africa's sovereign wealth funds, which have proliferated during the past decade of high export prices (see Table 9). Whether they will continue thriving in times of falling commodity prices is an open question. However counterintuitively, in some cases their operative mandates (at least those made public) do not seem to have developing countries as main investment targets. This leads capital-seeking governments towards capturing the attention of other sovereign wealth funds (SWFs) that administer pools of public savings other than international reserves at central banks, a projected stock of USD 7 trillion by 2019. When public pension funds are not included, notably in the cases of Norway and Japan, SWFs are predominantly from resource-rich emerging economies (see Annex Table 6).[40]

Table 9: Africa's Sovereign Wealth Funds

Country	Fund	Assets USD billion	Inception	Origin
Algeria	Revenue Regulation Fund	77.2	2000	Oil and gas
Libya	Libyan Investment Authority	65.0	2006	Oil
Botswana	Pula Fund	6.9	1994	Diamonds and minerals
Angola	Fundo Soberano de Angola	5.0	2012	Oil
Nigeria	Nigeria Sovereign Investment Authority	1.4	2012	Oil
Senegal	Senegal FONSIS	1.0	2012	Non-commodity
Ghana	Ghana Petroleum Funds	.45	2011	Oil
Gabon	Gabon Sovereign Wealth Fund	.4	1998	Oil
Mauritania	National Fund for Hydrocarbon Reserves	.3	2006	Oil and gas
Equatorial Guinea	Fund for Future Generations	.08	2002	Oil

Sources: Sovereign Wealth Fund Institute and others. http://www.swfinstitute.org

Many reasons converge towards considering SWFs as crucial sources for infrastructure investment, especially when acting through regional banks like AfDB or BADEA. South Africa and Tunisia seem to be the only African countries that have attracted major SWF inflows but the Libyan Foreign Investment Company, Istithmar World and Mubadala have been reported as making discrete investments in 28 African countries.[41] The China-Africa Development Fund (CADFund) is an equity fund that, since 2007, steadily invests in Chinese firms engaged in agriculture, energy, manufacturing, and urban infrastructure and extractive industry projects in Africa. It may reach USD 5 billion of capitalization soon.[42] SWF's money and interest are there, especially due to the high yield of investments in Africa, but a number of impediments need to be resolved, chiefly the high systemic risk and volatility of returns, the lack of matching long-term domestic lending, and the lack of volume in African marketplaces (see Table 10). The Johannesburg Stock Exchange may be the exception but even it needs enhancement to become a capital centre for the whole region (see Annex Table 7).

Table 10: Stock Exchanges in Africa Having Received SWF Investments

Country	Stock market capitalisation / GDP	Stock market total value traded / GDP	Stock market turnover ratio
Botswana	61%	1%	2%
Côte d'Ivoire	56%	1%	1%
Egypt	102%	39%	29%
Ghana	18%	1%	2%
Kenya	46%	3%	8%
Malawi	7%	0%	2%
Morocco	86%	36%	35%
Namibia	12%	0%	3%
Nigeria	18%	2%	19%
South Africa	308%	197%	60%
Swaziland	7%	0%	0%
United republic Tanzania	4%	0%	2%
Tunisia	17%	2%	13%
Uganda	1%	0%	5%
Zambia	23%	1%	5%
Average	27%	4%	7%

Source: Turkisch 2011. Note: Last year available. Average does not include South Africa and Egypt

(4) Monetary Policy and Finance

Monetary policy is a major enabling factor. Establishing a monetary zone is deemed the ultimate achievement of economic integration, for it demands the highest level of national macroeconomic policy coordination in finance and investment, together with the relinquishment of domestic monetary (and fiscal) policymaking in favour of a supranational authority. Africa is no exception and a complex roadmap has been formulated by national central banks to get to the adoption of a common currency (see Annex, Tables 8 and 9). This presupposes having successively completed the processes for a continental free trade area (FTA), a customs union (FTA plus common external tariff) and a common market (customs union plus free factor movement) as requisites to implementing an Africa-wide optimal currency area, a very tall order indeed.[43] Starting from macroeconomic policy convergence, the effort comprises trade and market integration, financial integration, and statistical harmonization, among other already ongoing initiatives.[44]

The Abuja Treaty of 1991 calls for a single African currency –the Afro– to be instituted by 2028 by a newly created African Central Bank (ACB). Clearly the trend is there for the adoption of sub-regional currencies first, as envisaged, although the process is neither simple nor uneventful. Firstly, the major sub-regional players may not be willing to move forward for lack of interest (they may be global traders already) and risk of contagion from bad performers (inflation, unpredictability, lack of proper property rights protection); secondly, smaller players may be reluctant to join in because of perceived dominance by major players; thirdly, all participants must be prepared to face a lengthy, intricate and exacting sequence. Overall, the political and economic climate should be propitious to market-friendly cooperation but the thrust for monetary integration will ultimately result from the perceived tangible benefits of using a common currency including more intraregional and interregional trade, economies of scale, better macroeconomic management, lower vulnerability to international capital movements, sustainable welfare gains, credible monetary policy, and political insulation of the common central bank, etc.[45]

Currently 40 African countries issue their own legal tender, 14 have adopted the CFA franc, two share the Moroccan dirham, and one uses the U.S. dollar for government transactions (see Annex Table 9).[46] The CFA franc comprises 14 jurisdictions, including the West African CFA franc (8 countries) and the Central African CFA franc (6). Both are interchangeable, guaranteed by the French treasury, and bear a fixed parity to the euro. The Common Monetary Area (CMA), dating back to 1986, links South Africa, Lesotho and Swaziland into a monetary union.[47] The Namibian dollar, the lilangeni of Swaziland and the loti of Lesotho are at par with the South African rand, which circulates freely in these countries. The East African shilling is proposed by the East African Community (Kenya, United Republic of Tanzania, Uganda, Rwanda and Burundi) as their common currency as early as 2015. The eco is proposed as the common currency of the West African Monetary Zone (Gambia, Ghana, Guinea, Liberia, Nigeria and Sierra Leone) also by 2015. Eventually the CFA franc and the eco should merge, that being the responsibility of both the West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI).

Irrespective of national legislations, formal exchange regimes and international covenants, the U.S. dollar and the euro (and a few other hard currencies) are more or less openly traded throughout the continent, usually as a shield against high and variable domestic inflation and foreign exchange volatility. Gold hoarding does not seem to be as pronounced in Africa as it is in other continents, although 32 African countries account for about 20 percent of world production (see Table 11). For different reasons, the same applies to natural diamonds, although 16 African countries account for about 60 percent of world production.[48]

Table 11: Top 10 African Countries by Reported Gold Holdings, June 2014

World Ranking	Country	Gold Holdings (Tonnes)
24.	**Algeria**	173.6
29.	**South Africa**	125.1
31.	**Libya**	116.6
41.	**Egypt**	75.6
58.	**Morocco**	22.0
60.	**Nigeria**	21.4
72.	**Ghana**	8.7
79.	**Tunisia**	6.8
83.	**Mozambique**	5.0
86.	**Mauritius**	3.9

Source: World Gold Council webpage. http://www.gold.org/supply-and-demand/gold-demand-trends

If even a fraction of the expected benefits of monetary integration materialized along the way, it would be a vital boon to intraregional trade and brand Africa. While overall progress is yet uneven in terms of factor mobility, price and quantity restriction harmonization, administrative prowess and infrastructure development, macroeconomic indicators tend to move in the right direction. It is a positive trend that can be a valuable stepping-stone to ever-more-encompassing regional collaboration.

Chapter 4 Intra-African Trade Growth: Some Guiding Principles and Priorities

The CFTA will constitute the heart of African continental integration as envisioned in the Abuja Treaty and prioritized in Africa's 2063 Agenda. It will drive economic transformation needed to foster sustained and inclusive growth needed to help African countries implement the 2030 agenda for sustainable development including the sustainable development goals. The CFTA is thus more than just a free trade agreement – it is central to Africa's development strategy and ambitions. Every effort must thus be mobilized to ensure a robust agreement that boosts intra-African trade, building on what has been achieved so far in the continent and using the opportunity to innovate and introduce features and policies that would bring about a modern and comprehensive agreement serving the needs of all African countries.

4.1 Guiding Principles

Several guidelines or principles leading to the realization of CFTA have been in place for some time now. These include the adoption of:

1. A bottom-up approach, with widespread ownership at the grassroots level;
2. A variable geometry approach, allowing for scalable progress;
3. An African Union-led set of policies, frameworks and guidelines aimed at inspiring African countries in their mutual relationships and those with others;
4. Continuous monitoring, evaluation and review so as to assess compliance by countries;
5. Equity and fair play in the financing of trade integration, based on sharing costs and benefits;
6. A fair and equitable system of capacity building and economic empowerment;
7. Special attention to needs of economically weaker and less industrialized countries including least developed countries; and
8. An equitable distribution of trade facilitating instruments, such as infrastructure facilities, based on intensity of use.

Furthermore, a rapidly integrating Africa needs to make far-reaching decisions on a number of trade-related policies to target intra-regional trade (and investment) growth, *to wit* continent-wide standards for trade facilitation, rules of origin, Trade and Investment Repository platform, Inventory of Trade Restrictions including non-tariff measures and mechanisms to address them, and transparency and integrity in governance. Each of these related policies that African countries would need to adopt at the continent level to serve as building blocks for the CFTA are discussed below.

4.2 Continent-wide Priority Building Blocks

(1) Liberalizing trade in goods and in services

The CFTA comprises the central plank of African continental economic integration process. This central plank will rest on two main pillars, namely an agreement an agreement liberalizing trade in services. Continental wide approaches to developing, negotiation and implementing the trade in goods and trade in services agreements are a sine qua non. The approach to building on the acquis built up so far among African countries, especially in the RECs, and the level of ambition in liberalization together with supportive policies to build supply capacities and competitiveness are critical in launching trade agreements that fit best for African. The CFTA must be ambitious in dismantling berries and reducing cost to intra -Africa trade[49]

(2) Continent-wide set of standards for trade facilitation

Adopting continent-wide standards for trade facilitation is necessary for intra-regional trade growth. In light of global competitiveness considerations, adopting internationally accepted trade facilitation standards is a necessary condition for joining major global value chains, as well as developing regional value chains. Business and investment facilitation disciplines, especially those that relate to immigration rules and practices, come closely behind trade facilitation measures.

Some trade facilitation measures are more important than others for intra-regional trade, like the development of multimodal trade corridors; the establishment of joint border posts; the uniformity of trade enquiry points; the standardization of trade documentation so that the export documents of one country are the import or transit documents of another; the standardization of risk management for customs control along trade routes; or the organization of regional transit arrangements (RTAs), among many others. A ranking of trade facilitation measures that foster intra-regional trade and value aggregation should be comprehensively discussed and adopted across sub-regions and regions as a priority.[50]

Although most African countries are members of the World Customs Organization (WCO), only 27 are contracting parties to the WCO-administered International Convention on the Simplification and Harmonization of Customs Procedures (the Revised Kyoto Convention (RKC)), in force since 3 February 2006.[51] Trade facilitation is recognized as a key priority, especially via the adoption of generally accepted best practices in customs administration. Thus, not adhering to RKC may be interpreted as leading to heterogeneity in trade procedures, unreceptiveness to international cooperation and unnecessary bureaucratic complexity.[52] Since the adoption of the WTO Trade Facilitation Agreement in Bali, a number of African countries have ratified the agreement. Ratification by African countries would signal their intention to upgrade and enhance their trade facilitation measures to international standards including as set out by the WTO. At the same time the provisions for flexibility and special and differential treatment provided to developing countries including African countries, especially the links to provisions of adequate financing for trade facilitation, should be forthcoming and provided to developing countries.

(3) Continent-wide set of standards and procedures for rules of origin

Adopting continent-wide Rules of Origin (RoO) are key to determining eligibility to preferential treatment under the CFTA. Such RoO must ensure they target intra-regional trade growth and industrialization as a priority. The predominant trend is for product-specific RoO, in the form of a single rule for an entire harmonised system chapter (the EU model) or as a subheading or tariff line level (the NAFTA model). As embraced in many recent preferential trade agreements, many developing countries prefer a change of tariff classification (CTC) methodology for drafting RoO, focusing on the products they frequently trade in.

RoO can be designed to support regional industrial promotion including formation of regional value chains. Lenient RoO allows producers to source inputs regional-wide and globally at the most competitive prices, the *raison d'être* of regional and global value chains. On the contrary, the combination of realistic RoO and origin cumulation can motivate African countries to use regional inputs instead.[53] Handling RoO has its costs for national customs and the trading community, which may constitute a disincentive to using some PTA benefits, especially when they require the physical submission of documentary evidence, like certificates of origin, exchange of signatures of certifying officers, and the like.

An option to foster intraregional trade would be to introduce an active regional database of registered exporters, authorized by their national customs services to issue declarations of origin. When their declarations are submitted at a regional port of entry, customs can confirm online whether the exporter is listed or not and preferential tariff rates can apply straight away. *Ex-post* control of exporters' declarations and the eventual post clearance recovery at the national level would complete the process. Special agreements can be executed with extra-regional trade partners to expand the application of this trade facilitating methodology.

(4) Continent-wide Trade and Investment Repository Platform

Adopting a continent-wide trade and investment repository platform and making sure it focuses on promoting intra-African trade growth as a priority is important. It can be situated at the headquarters a regional organization, like at AUC, AfDB or UNECA, and cover trade and investment laws and regulations; customs codes, regulations and general decisions; central bank circulars and health and security authority specifications; national trade and finance practices, as well as actual trade enabling tools (TETs) too. Such a repository, to be of use, needs to be made available widely, online, in the user-friendliest of formats, and in such a way as to nurture public-private information flows. TETs would include, at a minimum, commissioning and making widely available within the region:

- Trade flow analyses by country and sub-region/region, historical, current and projected;
- Country competitiveness studies by sector, with the intervention of national chambers of commerce and professional associations;
- In-country due diligence reports on the export capacity of selected domestic companies;
- *Ad hoc* software to match potential buyers, sellers and services providers for effective transaction-making;
- Reports on lessons learnt of bringing together selected buyers and sellers by industries, including resulting transactions and new opportunities, etc.

This would go a long way towards spearheading intra-regional trade at a relatively low cost, while spreading out know-how on cross-border trade, finance, investment, eligibility for government incentives, marketing, branding, packaging, quality control, CSR practices, and the like.

(5) Continent-wide Trade Restrictions and Non-Tariff Measures

Adopting a continent-wide inventory of trade restrictions and non-tariff measures and ascertaining how their impact on intra-African trade growth can be abated is necessary. Many African countries are world suppliers of foodstuffs, minerals, fossil fuels and other raw materials. Some could be essential in a process of continental value aggregation and widespread industrialization. As no country in the world is fully self-sufficient in all products and some of them require significant financial, technological and infrastructure investment to be processed, a web of agreements will be crucial for sustainable socioeconomic development in Africa to materialize. A point of convergence needs to be reached to orderly meet the national, regional and global needs of the many stakeholders involved.

The first target of trade integration, explicitly provided for in regional trade agreements within or between RECs, is the phasing out of price (tariff) restrictions; non-tariff measures and barriers are trickier to tackle but a distinct priority too especially as they become more important as tariff are reduced. Some shortcomings, like those relating to progress in infrastructure and lack of know-how, will take long to resolve. The development of a continent-wide inventory of trade impediments by African country and product, for imports and exports, could help elicit and rank practical solutions.[54] Such inventory can be updated with actual experience gained in conducing intra-regional trade and reporting by businesses, like SMEs, on the barriers faced.

There is much work already done in this field by international, regional and plurilateral organizations, national governments, trade support institutions (TSIs), consultancies and academia. Some of the existing databases could be enhanced to target the primary objective of promoting African intraregional trade and investment growth.[55] For example UNCTAD's Non-Tariff Measures database can be used to develop a nomenclature for non-tariff measures in the context of the CFTA and then to collect information on such measures, introduce mechanisms to address those that act as barriers to trade, and foster convergence in regulatory policies among Africa countries, especially those relating to technical barriers to trade and sanitary and phyto-sanitary measures. Such an approach would be built on existing efforts in RECs to eliminate non-tariff barriers.

(6) Continent-wide set of Standards for Transparency and Integrity in Governance

Adopting a continent-wide set of standards for transparency and integrity in governance and making sure these target intra-regional trade and investment is another building block for effective continental trade and economic integration. If AU members consider transparency and integrity in governance important for development they need to make it unambiguously ostensible. It is a positive step forward that they have launched the African Union Convention on Preventing and Combating Corruption of 2003, the Southern African Development Community Protocol against Corruption of 2001 and similar instruments.[56] Strengthening governance systems would help Africa to improve its leverage in mobilizing badly needed long-term external financing and investment to build up its infrastructure and industrial base.

(7) Continent-wide Agreements to Reinforce Traffic Security

Adopting a web of sovereign agreements to reinforce security in the land, maritime and air traffic routes of Africa and making sure they target intra-regional trade and investment as a priority is critical. If regional integration and intra-regional trade growth is to be realized from the CFTA, the multinational security cooperation network that underpins Africa's international trade routes needs to be enhanced. Given the sheer size of Africa's land masses, international and territorial waters and air spaces involved – some affected by civil and international conflicts; some affected by steady migrations within and outside the continent; some subject to piracy and armed robbery in the high and national seas; some infiltrated by transnational crime operators – responsibility for coordination and implementation of comprehensive security arrangements should be a top priority.[57]

This is where support to the CFTA can be forthcoming from the Peace and Security Department of the African Union Commission, in charge of implementing the Common African Defense and Security Policy (CADSP), the Continental Peace and Security Architecture (APSA), and other related policies. One challenge is the coordination and division of labour among national armed and security forces; another is the negotiation of security cooperation agreements with extra-regional powers and international organizations dedicated to the preservation of peace and security, like UNODC, Interpol and NATO.[58] Addressing the trade perspective of security is of the essence to the CFTA.

Also, the mandate of some traditional institutions exclusively dedicated to trade, revenue collection and the movement of persons and goods across borders, like the national customs and immigration services, needs to be re-examined since international threats have proliferated to encompass those relating to health, food, nuclear and chemical materials, narcotic drugs, weapons of mass destruction, endangered species, etc.[59] This also means that the number and size of the opportunities for illegal practices steadily grows more alluring, and that state-of-the-art risk management techniques need to be introduced and enforced across national control agencies in African countries in coordination with the African Union.

(8) Continent-wide Approach toward Energy Development

Adopting a continent-wide open approach for the development and sharing of energy resources, with an eye in promoting intra-regional energy integration is an essential building block for continental integration and intra-African trade expansion. Although Africa is a net energy exporter, resources are unevenly distributed among countries, overall generation capacity is low for the continent's needs, and its rate of growth remains well below economic output growth rates. It is not for lack of proven and potential energy resources, including from clean, renewable sources (although the share of renewable sources is minimal in Africa. For instance, it is hard to envision a more propitious environment for solar and wind energy generation than the Sahara desert, an area of 9.4 million square kilometers spanning 11 countries, the equivalent of the United States or China but occupied by less than half an inhabitant per square kilometer.[60] The idea goes back over a hundred years, in the pioneering work of U.S. engineer Frank Shuman, who built the world's first solar thermal power station in Maadi, Egypt in 1913.[61]

Insufficiency in energy availability, which arguably has remained constant since the 1980s, seriously menaces Africa's long-term socioeconomic development prospects. According to some studies, the situation is critical in at least 25 sub-Saharan countries .The Africa Energy Outlook 2014 states that more than 620 million people live without access to electricity in sub-Saharan Africa, and calls it 'the epicentre of the global challenge to overcome energy poverty'.

Pressing forward for a composite of more efficient energy use, more energy production, more regional energy pooling, more energy trading and better energy distribution could not rank higher in the regional agenda. Africa's Energy ministers do not need any convincing in this respect; it is the trade and investment dimension of energy that needs to be emphasized.[62]

It is a case of regional solidarity, self-reliance and endogenous development building competitiveness at the continental level to promote the beneficial utilization of existing and prospective energy resources for African countries and the rest of the world. Progress in energy availability could boost implementation of all the United Nations Sustainable Development Goals, an Africa-wide priority.[63] Most of the measures projected for trade integration, trade promotion and trade facilitation in Africa heavily depend on the availability of cheap and reliable electricity, on improvements in information technology access, and on enhanced interconnectivity across countries.

Conclusions

"We all want a united Africa, united not only in our concept of what unity connotes, but united in our common desire to move forward together in dealing with all the problems that can best be solved only on a continental basis."

Kwame Nkrumah[64]

Concentrating attention on deep, accelerated integration at the continental scale is the worthiest economic and political endeavour several generations of Africans can pledge to take upon themselves. It should be envisaged with the right frame of mind otherwise, discussions and negotiations will inevitably revolve around technical and procedural matters instead of finding comprehensive answers to the inescapable ethical dilemmas of cost and benefit sharing. Now is the moment to show determination and altruism, at the sub-regional and regional levels first; it is a task less epic than emancipation from colonialism but equally inspired. A symbol of Africa rising through the CFTA can be develop to mobilize participation by African stakeholders in building Africa's trade and economic integration. Consideration can be given, for example, to adopt an image for the CFTA representing the peoples of Africa choosing to live in peace and aiming for progress.[65]

For all its daunting quandaries, the solution of Africa's challenges, including accelerated regional integration, is less economic than political in nature.[66] That is, the continent's wealth is there for anyone to see (and so is poverty) and as being documented in many studies however the resources are to be capably mobilized to resolve development problems on a grand scale, and not in a piecemeal fashion. This means that finding long-term financial and investment solutions to development is a condition for trade integration to fructify. It means setting the political ambition of integrating Africa, especially through implementing the CFTA, and following up on implementing it. It is a task for African statesmen and women, with an expanded conscience about an African community of nations guided by a common vision and common set of principles and priorities.

Again, relinquishing national priorities in favour of regional ones will require determination over the long haul, through the articulation of directive principles of state policy at the continental level. This is similar to the supranational arrangements envisaged for Europe by the likes of Robert Schuman, Alcide De Gasperi and Konrad Adenauer in the 1920s.[67] Many were skeptical about the progress of European unity during the Cold War years and as late as the 1990s most economists doubted the euro's viability (many still do).[68] The 'Founding Fathers' of modern Europe realized, for posterity, that nothing destroys the fabric of development more than war and that mutual trade and investment can not only prevent conflict but also make their communities prosper.[69] The issues of national sovereignty and regional government continue to affect relations among EU member States, as will they among African states.

There are three basic ways to go about fostering accelerated economic growth. One is through a top-down liberalization of markets and prices, including interest rates, exchange rates, foreign trade, and the privatization or elimination of State-run companies and some Government agencies. The objective of this 'shock therapy' is to send a clear, alluring signal to large investors to bring in their money, technology and know-how, and set the tone for a modern economy, attuned to the world markets. A second approach is to form a strong, proactive central government able to fix, and stick to, a set of strategic priorities, somehow rally the resources to confront the most urgent encumbrances, and convince investors and donors that a stepped-up approach will do the trick. A third, 'bottom-up' approach is to identify at the disaggregate level what is working now, has worked in the past or has worked somewhere else and could work in Africa without inordinate effort, let the little people put their money where they see the value, with government helping them address the impediments, big and small, that they themselves identify as crucial to their success.

While the first approach requires a concentration of power to stay the course, the second and third may find the needed resources not forthcoming over time. All three approaches require effort, dedication and constant and continuous follow up, but option three involves both government, the private sector, civil society and the international community in a reciprocal, incremental exchange of ideas, information, resources and trust that can build lasting, market-friendly and development oriented collaboration.

The economics of integration inescapably are a composite of the three approaches, resulting from the interplay of international framework commitments, sub-regional integration processes, and domestic priorities. It is tempting to consider Africa such a singular continent that standard policy, which have proved effective in other countries, cannot apply to it. A new approach to fostering trade integration is timely in building on current practices and innovating and bold ideas for the future in view of future challenges like Agenda 2030 and Agenda 2063. Beyond regional cohesion and a proud history, Africa is called to choose a path to inclusive and sustainable development and the CFTA is one key instrument that African countries can leverage to encapsulate and realize the future African needs and wants.

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Annex

Table 1: Africa's Regional Economic Communities

	AMU	CEMAC	CEN-SAD	CEPGL	COMESA	EAC	ECCAS	ECOWAS	IGAD	IOC	MRU	SADC	SACU	UDEAC	WAEMU
Algeria	M	M													
Angola					F *		M					M			
Benin		M	M					M							M
Botswana												M	M		
Burkina Faso			M					M							M
Burundi		M		M	M	M	M								
Cameroon		M					M							M	
Cape Verde								M							
Central African Republic		M	M				M							M	
Chad		M	M				M							M	
Comoros			M		M					M					
DR Congo		M		M	M		M					M		M	
R Congo		M					M								
Cote d'Ivoire			M					M			M				M
Djibouti			M		M				M						
Egypt			M		M										
Equatorial Guinea		M	M				M							M	
Eritrea			M		M				M						
Ethiopia					M				M						
Gabon		M					M							M	
Gambia			M					M							
Ghana			M					M							
Guinea			M					M			M				
Guinea-Bissau			M					M							M
Kenya			M		M	M			M						
Lesotho					F							M	M		
Liberia			M					M			M				
Libya	M		M		M										
Madagascar					M					M		M			
Malawi					M							M			
Mali			M					M							M
Mauritania	M														
Mauritius					M					M		M			
Morocco	M		M												
Mozambique					F							M			
Namibia					F							M	M		
Niger			M					M							M
Nigeria			M					M							
Rwanda			M	M	M	M	M								
Sao Tome and Principe		M	M				M								
Senegal			M					M							M
Seychelles					M					M		M			
Sierra Leone			M					M			M				
Somalia			M						M						
Somaliland															
South Africa												M	M		
South Sudan															
Sudan			M		M				M						
Swaziland					M							M	M		
UR Tanzania					F	M						M			
Togo			M					M							M
Tunisia	M		M												
Uganda					M	M			M						
Western Sahara															
Zambia					M							M			
Zimbabwe					M							M			

Sources: Institutional webpages. Note: M stands for Member; F stands for Former Member. * Angola unilaterally 'suspended' its participation in COMESA in 2007

Table 2: African Membership to International Organizations

	AU	BIS	IBRD	ICC	ICJ	ICSID	IFC	ILO	IMF	IMO	IOM	IPU	ISO	ITU	MIGA	UN	WCO	WIPO	WTO *
Algeria	M	M	M	M		M	M	M	M	M	M	M	M	M	M	M	M	M	
Angola	M		M				M	M	M	M	M	M	CM	M	M	M	M	M	M
Benin	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Botswana	M		M		M	M	M	M	M		M	M	M	M	M	M	M	M	M
Burkina Faso	M		M		M	M	M	M	M		M	M	M	M	M	M	M	M	M
Burundi	M		M		M	M	M	M	M		M	M	CM	M	M	M	M	M	M
Cameroon	M		M			M	M	M	M	M	M	M	M	M	M	M	M	M	M
Cape Verde	M		M		M	M	M	M	M	M	M	M		M	M	M	M	M	M
Central African Republic	S		M		M	M	M	M	M		M			M	M	M	M	M	M
Chad	M		M		M	M	M	M	M		M	M		M	M	M	M	M	M
Comoros	M		M		M	M	M	M	M	M	M			M	M	M	M	M	O
DR Congo	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
R Congo	M		M		M	M	M	M	M	M	M	M		M	M	M	M	M	M
Cote d'Ivoire	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Djibouti	M		M		M		M	M	M	M	M	M		M	M	M	M	M	M
Egypt	M		M	M		M	M	M	M	M	M		M	M	M	M	M	M	M
Equatorial Guinea	M		M				M	M	M	M		M		M	M	M		M	O
Eritrea	M		M				M	M	M	M			CM	M	M	M	M	M	
Ethiopia	M		M			S	M	M	M	M	M	M	M	M	M	M	M	M	O
Gabon	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Gambia	M		M		M	M	M	M	M	M	M	M	CM	M	M	M	M	M	M
Ghana	M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Guinea	M		M		M	M	M	M	M	M	M	M	CM	M	M	M	M	M	M
Guinea-Bissau	M		M			S	M	M	M	M	M	M		M	M	M	M	M	M
Kenya	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Lesotho	M		M		M	M	M	M	M		M	M	CM	M	M	M	M	M	M
Liberia	M		M		M	M	M	M	M	M	M		CM	M	M	M	M	M	O
Libya	M		M				M	M	M	M	M	M	M	M	M	M	M	M	
Madagascar	M		M		M	M	M	M	M	M	M	M	CM	M	M	M	M	M	M
Malawi	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Mali	M		M		M	M	M	M	M		M	M	M	M	M	M	M	M	M
Mauritania	M		M			M	M	M	M	M	M	M	CM	M	M	M	M	M	M
Mauritius	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Morocco	F M		M	M		M	M	M	M	M	M	M	M	M	M	M	M	M	M
Mozambique	M		M			M	M	M	M	M	M	M	CM	M	M	M	M	M	M
Namibia	M		M		M	S	M	M	M	M	M	M	M	M	M	M	M	M	M
Niger	M		M		M	M	M	M	M		M	M	CM	M	M	M	M	M	M
Nigeria	M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Rwanda	M		M			M	M	M	M		M	M	M	M	M	M	M	M	M
Sao Tome and Principe	M		M			M	M	M	M	M	O	M		M	M	M	M	M	O
Senegal	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Seychelles	M		M		M	M	M	M	M	M	M	M	CM	M	M	M	M	M	O
Sierra Leone	M		M		M	M	M	M	M	M	M	M	CM	M	M	M	M	M	M
Somalia	M		M			M	M	M	M	M	M			M		M	M	M	
Somaliland																			
South Africa	M	M	M	M	M		M	M	M	M	M	M	M	M	M	M	M	M	M
South Sudan	M		M			M	M	M	M		M	M		M	M	M	M		
Sudan	M		M			M	M	M	M	M	M	M	M	M	M	M	M	M	O
Swaziland	M		M			M	M	M	M		M		CM	M	M	M	M	M	M
UR Tanzania	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Togo	M		M			M	M	M	M	M	M	M	CM	M	M	M	M	M	M
Tunisia	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Uganda	M		M		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Western Sahara	M																		
Zambia	M		M		M	M	M	M	M		M	M	CM	M	M	M	M	M	M
Zimbabwe	M		M			M	M	M	M	M	M	M	M	M	M	M	M	M	M

Sources: Institutional webpages. Note: ICC stands for International Chamber of Commerce; M stands for Member. CM stands for Correspondent Member. F stands for Former Member. S stands for Suspended. O stands for Observer. * All African WTO members are members of the African Group for multilateral trade negotiations. http://www.wto.org/english/tratop_e/dda_e/negotiating_groups_e.pdf

Table 3: African Presence in Plurilateral Organizations

	ACP	AOSIS	BCN	BRICS	CAEU	CPLP	G-20	G-24	G-77	NAM	OAPEC	OIC	OIF	OPEC
Algeria					M			M	M	M	M	M		M
Angola	M					M			M	M				M
Benin	M								M	M		M	M	
Botswana	M		M						M	M				
Burkina Faso	M								M	M		M	M	
Burundi	M								M	M			M	
Cameroon	M		M						M	M		M	M	
Cape Verde	M	M				M			M	M			M	
Central African Republic	M								M	M			M	
Chad	M								M	M		M	M	
Comoros	M	M			C				M	M		M	M	
DR Congo	M							M	M	M			M	
R Congo	M								M	M			M	
Cote d'Ivoire	M							M	M	M		M	M	
Djibouti	M				C				M	M		M	M	
Egypt					M			M	M	M	M	M	M	
Equatorial Guinea	M					M			M	M			M	
Eritrea	M								M	M				
Ethiopia	M							M	M	M				
Gabon	M							M	M	M		M	M	
Gambia	M		FM						M	M		M		
Ghana	M		M					M	M	M			M	
Guinea	M								M	M		M	M	
Guinea-Bissau	M	M				M			M	M		M	M	
Kenya	M		M						M	M				
Lesotho	M		M						M	M				
Liberia	M								M	M				
Libya					M				M	M	M	M		M
Madagascar	M								M	M			M	
Malawi	M		M						M	M				
Mali	M								M	M		M	M	
Mauritania	M				C				M	M		M	M	
Mauritius	M	M	M		AO				M	M			M	
Morocco					M				M	M		M	M	
Mozambique	M		M			M			M	M		M	O	
Namibia	M		M		AO				M	M				
Niger	M								M	M		M	M	
Nigeria	M		M					M	M	M		M		M
Rwanda	M		M						M	M			M	
Sao Tome and Principe	M	M				M			M	M			M	
Senegal	M				AO				M	M		M	M	
Seychelles	M	M	M						M	M			M	
Sierra Leone	M		M						M	M		M		
Somalia	M				M				M	M		M		
Somaliland														
South Africa	M		M	M			M	M	M	M				
South Sudan									M					
Sudan	M				M				M	M		M		
Swaziland	M		M						M	M				
UR Tanzania	M		M						M	M				
Togo	M								M	M		M	M	
Tunisia					C				M	M	M	M	M	
Uganda	M		M						M	M		M		
Western Sahara														
Zambia	M		M						M	M				
Zimbabwe	M		FM						M	M				

Sources: Institutional webpages. Note: M stands for Member. FM stands for Former Member. C stands for Candidate. AO stands for Associate Observer.

Table 4: Africa's Development Banks and Funds

	AfBD	AFESD	AMF	BADEA	BDEAC	EADB	IDB	IFAD	WADB
Algeria	M	M	M	M			M	M	
Angola	M							M	
Benin	M						M	M	M
Botswana	M							M	
Burkina Faso	M						M	M	M
Burundi	M							M	
Cameroon	M				M		M	M	
Cape Verde	M							M	
Central African Republic	M				M			M	
Chad	M				M		M	M	
Comoros	M		M				M	M	
DR Congo	M							M	
R Congo	M				M			M	
Cote d'Ivoire	M						M	M	M
Djibouti	M	M	M	M			M	M	
Egypt	M	M	M	M			M	M	
Equatorial Guinea	M				M			M	
Eritrea	M							M	
Ethiopia	M							M	
Gabon	M				M		M	M	
Gambia	M						M	M	
Ghana	M							M	
Guinea	M						M	M	
Guinea-Bissau	M						M	M	M
Kenya	M					M		M	
Lesotho	M							M	
Liberia	M							M	
Libya	M	M	M	M			M	M	
Madagascar	M							M	
Malawi	M							M	
Mali	M						M	M	M
Mauritania	M	M	M	M			M	M	
Mauritius	M							M	
Morocco	M	M	M	M			M	M	
Mozambique	M						M	M	
Namibia	M							M	
Niger	M						M	M	M
Nigeria	M						M	M	
Rwanda	M					M		M	
Sao Tome and Principe	M							M	
Senegal	M						M	M	M
Seychelles	M							M	
Sierra Leone	M						M	M	
Somalia	M	M	M	M			M	M	
Somaliland									
South Africa	M							M	
South Sudan	M							M	
Sudan	M	M	M	M			M	M	
Swaziland	M							M	
UR Tanzania	M					M		M	
Togo	M						M	M	M
Tunisia	M	M	M	M			M	M	
Uganda	M					M	M	M	
Western Sahara									
Zambia	M							M	
Zimbabwe	M							M	

Sources: Institutional webpages. Note: M stands for Member. AMF is the Arab Monetary Fund, not the African Monetary Fund that is not operational as of yet. http://www.au.int/en/organs/fi

Table 5: Importance of African Minerals (2012, percentages)

Mineral	Share of world production (Top 10)	
Antimony	South Africa,	2%
Bauxite	Guinea,	7%
Chromium	South Africa,	44%
Coal	South Africa,	3%
Cobalt	DR Congo,	68%
Cobalt	Zambia	4%
Copper	Zambia,	4%
Copper	DR Congo,	4%
Diamond	Botswana,	16%
Diamond	RD Congo,	16%
Diamond	Angola	7%
Diamond	South Africa,	6%
Diamond	Namibia,	1%
Gold	South Africa,	6%
Gold	Ghana,	4%
Iron ore	South Africa,	2%
Platinum	South Africa,	59%
Platinum	Zimbabwe,	4%
Phosphate rock	Morocco,	13%
Phosphate rock	Tunisia	1%
Phosphate rock	Egypt,	1%
Tin	Rwanda,	1%
Tin	DR Congo	1%
Tungsten	Rwanda,	1%
Uranium	Namibia	7%
Uranium	Niger,	8%
Uranium	Malawi,	3%

Source**: Brown et al., 2014.**

Table 6: Top Sovereign Wealth Funds

Country	Fund	Assets USD billion	Inception	Origin
Norway	Government Pension Fund - Global	893	1990	Oil
United Arab Emirates - Abu Dhabi	Abu Dhabi Investment Authority	773	1976	Oil
Saudi Arabia	SAMA Foreign Holdings	757	n/a	Oil
China	China Investment Corporation	652	2007	Non-commodity
China	SAFE Investment Company	567	1997	Non-commodity
Kuwait	Kuwait Investment Authority	410	1953	Oil
Hong Kong	Hong Kong Monetary Authority Investment Portfolio	400	1993	Non-commodity
Singapore	Government of Singapore Investment Corporation	320	1981	Non-commodity
Canada - Federal	CPP Investment Board	208	1997	Non-commodity
China	National Social Security Fund	201	2000	Non-commodity
Canada - Quebec	Caisse de dépôt et placement du Québec	183	1965	Non-commodity
Singapore	Temasek Holdings	177	1974	Non-commodity
Qatar	Qatar Investment Authority	170	2003	Oil
Australia	Future Fund	95	2006	Non-commodity
United Arab Emirates - Abu Dhabi	Abu Dhabi Investment Council	90	2007	Oil
Russia	Russian National Wealth Fund	88	2008	Oil
Russia	Russian Reserve Fund	86	2008	Oil
Kazakhstan	Samruk-Kazyna JSC	77	2008	Non-commodity
Algeria	Revenue Regulation Fund	77	2000	Oil
Kazakhstan	Kazakhstan National Fund	77	2000	Oil

Sources: Sovereign Wealth Fund Institute and others. http://www.swfinstitute.org

Table7: Stock Exchanges in Africa

Economy	Stock Exchange	Site	Established	Listings
Algeria	Algiers Stock Exchange	Algiers	1997	3
Botswana	Botswana Stock Exchange	Gaborone	1989	44
Cameroon	Douala Stock Exchange	Douala	2001	2
Cape Verde	Bolsa de Valores de Cabo Verde	Mindelo	2005	
Egypt	Egyptian Exchange	Cairo, Alexandria	1883	
Ghana	Ghana Stock Exchange	Accra	1990	34
Kenya	Nairobi Securities Exchange	Nairobi	1954	50
Libya	Libyan Stock Market	Tripoli	2007	7
Malawi	Malawi Stock Exchange	Blantyre	1995	8
Mauritius	Stock Exchange of Mauritius	Port Louis	1988	88
Morocco	Casablanca Stock Exchange	Casablanca	1929	81
Mozambique	Bolsa de Valores de Mozambique	Maputo	1999	
Namibia	Namibia Stock Exchange	Windhoek	1992	
Nigeria	Abuja Securities and Commodities Exchange	Abuja	1998	
Nigeria	Nigerian Stock Exchange	Lagos	1960	223
Rwanda	Rwanda Stock Exchange	Kigali	2008	4
Seychelles	Seychelles Securities Exchange	Victoria	2012	1
Somalia	Somalia Stock Exchange	Mogadishu	2012	
South Africa	Johannesburg Stock Exchange	Johannesburg	1887	402
Sudan	Khartoum Stock Exchange	Khartoum	1994	
Swaziland	Swaziland Stock Exchange	Mbabane	1990	10
United Republic of Tanzania	Dar es Salaam Stock Exchange	Dar-es-Salaam	1998	17
Tunisia	Bourse des Valeurs Mobilières de Tunis	Tunis	1969	56
Uganda	Uganda Securities Exchange	Kampala	1997	17
West African Regional Stock Exchange	Bourse Régionale des Valeurs Mobilières	Abidjan	1998	39
Zambia	Agricultural Commodities Exchange of Zambia	Lusaka	2007	
Zambia	Lusaka Stock Exchange	Lusaka	1994	16
Zimbabwe	Zimbabwe Stock Exchange	Harare	1948	81

Sources: Institutional webpages, African Securities Exchanges Association. http://www.african-exchanges.org/

Table 8: Stages for implementation of the African Monetary Union

Stage I: 2002–2003	Adoption by sub-regions of monetary integration programmes
Stage II: 2004–2008	1. Harmonisation and coordination of macroeconomic and monetary policies 2. Gradual interconnection of payments and clearing systems (a) Promotion of African banking networks (b) Promotion of sub-regional and regional stock exchanges (c) Strengthening and harmonisation of banking and financial supervision 3. Observance of the following macroeconomic indicators by 2008 (a) Budget deficit/GDP ratio not exceeding 5 percent (b) Central bank credit to government not exceeding 10 percent of previous year's tax revenue (c) Single digit inflation rate (d) External reserves/import cover of at least 3 months
Stage III: 2009–2012	Observance of the following macroeconomic indicators by 2012 (a) Budget deficit/GDP ratio not exceeding 3 percent by 2012 (b) Elimination of central bank credit to the government (c) Inflation rate of less than 5 percent (d) External reserves/import cover equal or greater than 6 months
Stage IV: 2013–2015	Assessment of macroeconomic performance and negotiation for the establishment of a common central bank (2015); consolidation of third stage achievements (a) Inflation rate of less than 3 percent (b) Continuous assessment of macroeconomic indicators against convergence criteria; comparative analysis referred to a Convergence Council (c) Commissioning of a study on the establishment of an African Exchange Rate Mechanism
Stage V: 2016–2020	Finalisation of arrangements for launching the African Monetary Union (a) Preparation of institutional, administrative and legal framework for setting up the common central bank and currency of the African Monetary Union (b) Review of commissioned study on the African Exchange Rate Mechanism; operationalisation of the mechanism (c) Appointment of key officers of the common central bank (d) Preparation for the introduction of a common currency (e) Recruitment of staff of the Bank (f) Mid-term assessment of country performance (g) Final assessment of countries' performance against convergence criteria
Stage VI: 2021	1. Introduction and circulation of the common African currency 2. A transitional period during which sub-regional monetary institutions would operate alongside the African Central Bank

Note: The AMCP was adopted by the Association of African Central Banks (AACB) in Algiers in September 2002. http://www.aacb.org/sites/default/files/AMCP_ALGIERS_AACB_website__0.pdf

Table 9: African currencies

Country	Currency	Country	Currency
Algeria	Algerian dinar	**Madagascar**	Malagasy ariary
Angola	Kwanza	**Malawi**	Malawian kwacha
Benin	CFA franc	**Mali**	CFA franc
Botswana	Pula	**Mauritania**	Ouguiya
Burkina Faso	CFA franc	**Mauritius**	Mauritian rupee
Burundi	Burundi franc	**Morocco**	Moroccan dirham
Cameroon	CFA franc	**Mozambique**	Mozambican metical
Cape Verde	Cape Verdean escudo	**Namibia**	Namibian dollar
Central African Republic	CFA franc	**Niger**	CFA franc
Chad	CFA franc	**Nigeria**	Naira
Comoros	Comorian franc	**Rwanda**	Rwandan franc
R Congo	CFA franc	**Sao Tome and Principe**	Dobra
DR Congo	Congolese franc	**Senegal**	CFA franc
Cote d'Ivoire	CFA franc	**Seychelles**	Seychellois rupee
Djibouti	Djiboutian franc	**Sierra Leone**	Sierra Leonean leone
Egypt	Egyptian pound	**Somalia**	Shilling
Equatorial Guinea	CFA franc	**Somaliland**	Somaliland shilling
Eritrea	Nakfa	**South Africa**	South African rand
Ethiopia	Ethiopian birr	**South Sudan**	South Sudanese pound
Gabon	CFA franc	**Sudan**	Sudanese pound
Gambia	Dalasi	**Swaziland**	Lilangeni
Ghana	Ghanaian cedi	**United Republic of Tanzania**	Tanzanian shilling
Guinea	Guinean franc	**Togo**	CFA franc
Guinea-Bissau	CFA franc	**Tunisia**	Tunisian dinar
Kenya	Kenyan shilling	**Uganda**	Ugandan shilling
Lesotho	Loti	**Western Sahara**	Moroccan dirham
Liberia	Liberian dollar	**Zambia**	Zambian kwacha
Libya	Libyan dinar	**Zimbabwe**	Zimbabwean dollar

Source: Current currency and funds code list, Swiss Association for Standardization. http://www.currency-iso.org/en/home/tables/table-a1.html

End Notes

1 African Union, 2005c:Assembly/AU/Dec.90(V), §3; Murithi 2008.

2The Chairs of the African Union (AU) and the New Partnership for Africa's Development (NEPAD), both heads of their own states, are regularly invited to G-20 meetings. The Presidents of Benin, Equatorial Guinea, Ethiopia, Malawi, Mauritania, Nigeria and Senegal have been invited on different occasions. According to the current IMF Data Mapper, the top five African economies (in PPP terms). Available at: http://www.imf.org/external/Datamapper/. See Vestergaard 2011; ARIA V 2012.

3 See The Development of Trade Transit Corridors in Africa's Landlocked Countries, 2010; Chapter 7, ARIA IV, 2010.

4 As pointed out by Akyeampong et al. in Africa's Development in Historical Perspective (2014), '[u]nderstanding Africa's relative standing in the global distribution of wealth entails understanding its development path and the legacies that shaped it. The absence of such an understanding undermines the efforts of practitioners to "save Africa"…'

5 See Bhagwati 2002; Teodorescu 2008.

6 World Investment Report 2013.

7 The AU/NEPAD African Action Plan 2010-2015: Advancing Regional and Continental Integration in Africa. http://www.uneca.org/sites/default/files/uploads/sectors.pdf

8 UNEP-WCMC Biodiversity A-Z website.

9 Although politically complex, from a technical viewpoint national customs' ICT convergence is less complicated than it looks. Of all African countries, more than 3/4 are UNCTAD's ASYCUDA (Automated System for Customs Data) users, including Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo DR, Congo R, Cote d'Ivoire, Djibouti, Eritrea, Ethiopia, Gabon, Gambia, Guinea, Guinea-Bissau, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Seychelles, Sierra Leone, Sudan, Swaziland, United Republic of Tanzania, Togo, Tunisia, Uganda, Zambia, and Zimbabwe. Others have inter-connectable software of their own, like Ghana (TradeNet) and Angola (TIMS, soon to migrate to ASYCUDA World). http://www.asycuda.org/countrydb.asp

10 L'Alliance Africaine pour le Commerce Electronique (Benin, Cameroon, R Congo, Cote d'Ivoire, Gabon, Ghana, Kenya, Libya, Madagascar, Mauritius, Mozambique, Senegal) promotes convergence through the SW concept. http://www.aace-africa.net/nouveau_2/

11 2013 Annual Statistical Report on United Nations Procurement. UN General Assembly Resolution 57/279 (2002) on procurement reform encourages UN organizations to increase opportunities for suppliers from developing countries and countries with economies in transition. http://www.worldlii.org/int/other/UNGARsn/2002/351.pdf

12 Also, on average, government procurement accounts for 10 to 15 percent of national output, no small order of magnitude for any exporter. Monitoring opportunities is part of the job of the African representatives to development banks, like EBRD (Egypt, Morocco, Tunisia) or IDB (Algeria, Egypt, Libya). However, no African country is a party to the WTO Agreement on Government Procurement (GPA) and Cameroon is the only observer at the WTO Government Procurement Committee. http://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm

13 ARIA III, 2008; Regional Perspectives on Aid for Trade 2014.

14 Like UN Comtrade statistics, http://comtrade.un.org; ITC trade data, http://www.intracen.org/itc/market-info-tools/trade-statistics/; UNCTAD'S TRAINS and the World Bank's WITS, http://wits.worldbank.org/.

15 Africa's Trade Potential, 2012.

16 De Wulf 2001.

17 Other trade-related issues to be considered in building the CFTA include trade facilitation, RoO, a possible trade and investment repository platform, an inventory of trade restrictions, standards on transparency and integrity in governance, regional migration rules, security on maritime, land and aerial trade routes, and energy cooperation, taking into consideration existing initiatives and programmes in these areas.

18 UNCTAD, 2009, op. cit.

19 When discussing non-tariff barriers, it is worth considering the online TFTA mechanism for reporting, monitoring and eliminating such barriers, and how it might be adapted to the CFTA.

20 UNCTAD, 2015, *Deep Regional Integration and Non-tariff Barriers: A Methodology for Data Analysis*; and UNCTAD, 2015, *Non-tariff Measures and Regional Integration in the Southern African Development Community*.

21 Treasure Thembisile Maphanga, op. cit.

22 As also argued in UNECA, 2015, op. cit.

23 Mevel and Karingi, op. cit.
24 See African Union's African Academy of Languages (ACALAN) webpage. http://www.acalan.org
25 African Languages 2000.
26 Many national single windows are available online in a vernacular version and in international languages as well, usually English and French. See, for example, Mozambique's MCNet (Portuguese, English) or Madagascar's GasyNet (French, English). Unlike the EU (24 working languages), most international organizations face serious budgetary challenges to go beyond three official languages (hiring of multilingual translators, interpreters, webpage designers, proofreaders, archivists, etc.). For instance, even international organizations with global reach, like OECD, WCO and UNITAR, may organize programmes in other languages but they have not expanded from their two statutory working languages (English, French).
27 The story goes that UK premier Winston Churchill was advised to cut down the arts funding during World War II and that he responded, 'then what are we fighting for?' The story is probably apocryphal but priorities are priorities are priorities.
28 The Tax Justice Network for Africa, a pan-African advocacy group, estimates that about 1/3 of sub-Saharan Africa's annual output ends up in tax havens. See Nairobi Declaration on Taxation and Development of 2010. http://www.taxjusticeafrica.net/content/nairobi-declaration, http://taxjusticeafrica.net/sites/default/files/Price_of_Offshore_Revisited_120722.pdf
29 Liberia, Mauritius and Seychelles appear on the OECD List of Unco-operative Tax Havens, although they have committed to improve transparency and establish effective exchange of information in tax matters. http://www.oecd.org/countries/monaco/jurisdictionscommittedtoimprovingtransparencyandestablishingeffectiveexchangeofinformationintaxmatters.htm
30 See, for example, El Qorchi et al. 2005.
31 Container Security Initiative Ports. http://www.dhs.gov/container-security-initiative-ports.
32 Export restrictions in raw materials trade, 2014.
33 The United States (18%), the EU institutions (14%), IDA (9%) and AfDB (4%) donate close to 1/2 of all ODA for Africa, an aggregate of USD 51.3 bn in 2012. The top ten aid recipients in Africa are Ethiopia (6%), DR Congo (6%), United Republic of Tanzania (6%), Kenya (5%), Cote d'Ivoire (5%), Mozambique (4%), Nigeria (4%), Ghana (4%), Egypt (4%) and Uganda (3%. Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, S Korea, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States, and the EU institutions are considered traditional donors. Brazil, China, Estonia, Hungary, India, Kuwait, Lithuania, Monaco, Qatar, Saudi Arabia, South Africa, Thailand and Venezuela are considered non-traditional donors. See Development Aid at a Glance, Statistics by Region, OECD, 2014. http://www.oecd.org/dac/stats/documentupload/2.%20Africa%20-%20Development%20Aid%20at%20a%20Glance%202014.pdf; http://aiddata.org
34 USD 93 billion a year over the 2010-20 decade, according to other World Bank estimates. Foster and Briceño-Garmendia, 2009. See Infrastructure in Sub-Saharan Africa. http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:21951811~pagePK:146736~piPK:146830~theSitePK:258644,00.html
35 Pioneers on the Frontier, 2011.
36 Mapping Support for Africa's Infrastructure Investment, 2012.
37 Erturk et al. 2007.
38 While the Ease of Doing Business Ranking 2015 has Mauritius (28), South Africa (43) and Rwanda (46) among the top 50 countries in the world, the bottom third of countries is dominated by Sub-Saharan Africa. Beck et al. 2011, 2014; Doing Business 2015.
39 The only Central Banks from Africa that are among the 60 members of the Bank for International Settlements, the 'bank for central banks', are those of Algeria and South Africa. As for the Basel Accords on banking regulatory standards, only South Africa has adopted the Basel II regulations. No African country has adopted the Basel III regulations. http://www.bis.org/about/member_cb.htm, http://www.bis.org/publ/bcbs/b2prog_rep_table.pdf, http://www.bis.org/publ/bcbs/b3prog_rep_table.pdf
40 Turkisch 2011; Blas 2013.
41 In Algeria, Burkina Faso, Central African Republic, Chad, Comoros, DR Congo, R Congo, Cote d'Ivoire, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Liberia, Madagascar, Mali, Niger, Nigeria, Rwanda, Senegal, Somalia, South Africa, Sudan, Togo, Uganda, Zambia, and Zimbabwe, according to Turkisch 2011.

42 UNCTAD Cross-border M&A database. www.unctad.org/fdistatistics,
http://www.cadfund.com/en/NewsInfo.aspx?NId=400

43 See Masalila 2010.

44 ARIA III, 2008.

45 The integration process encompasses the eight AU-recognised RECs (UMA, CEN-SAD, COMESA, EAC, ECOWAS, ECCAS, IGAD and SADC) as well as the six IGOs related to the agenda (CEMAC, CEPGL, IOC, MRU, SACU and WAEMU). ARIA III, 2008.

46 The Zimbabwean dollar was suspended indefinitely on 12 April 2009 and the U.S. dollar was adopted as the official currency for government transactions in Zimbabwe. Other than the U.S. dollar, the circulation of South African rand, Botswana pula, British pound sterling, Australian dollars, Chinese yuan, Indian rupees and Japanese yen is also authorized by the Reserve Bank of Zimbabwe. http://www.zimbabwesituation.com/news/zimsit-m-rbz-rules-out-return-of-zim-dollar-dailynews-live/

47 Asonuma et al. 2012.

48 The top five African gold producers are South Africa, Ghana, Mali, Sudan, and United Republic of Tanzania. The top five African diamond producers are Botswana, DR Congo, Zimbabwe, Angola, and South Africa. Brown et al. 2014; World Gold Council.

49 CFTA policy brief http://unctad.org/en/PublicationsLibrary/presspb2015d18_en.pdf

50 This is exactly what the 16 European countries devastated by World War II did in the 1940s and 1950s, leading to the Benelux Customs Union of 1848 and the Treaty of Paris of 1951 that created the European Coal and Steel Community and set in motion European integration. See Marglin and Schor 1992.

51 WCO declares that its membership –197 customs services– accounts for 98 percent of world trade. The RKC contracting parties in Africa are Algeria, Botswana, Cameroon, Cape Verde, DR Congo, Cote d'Ivoire, Egypt, Gabon, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Morocco, Mozambique, Namibia, Nigeria, Rwanda, Senegal, South Africa, Sudan, Swaziland, Togo, Uganda, Zambia, and Zimbabwe. DR Congo signed RKC in 2000 but has not ratified it yet; Angola is the only major African economy not to have adhered to RKC. http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv/instruments.aspx

52 See Yasui 2010.

53 See, on accumulation / cumulation, http://www.wcoomd.org/en/topics/origin/instrument-and-tools/comparative-study-on-preferential-rules-of-origin/specific-topics/study-topics/cum.aspx

54 Some are of a macroeconomic nature, like trade taxes, which continue to play an important role as a source of government revenue for many African countries, with the notable exception of South Africa and Mauritius.

55 Like the work done under the Transparency in Trade (TNT) partnership of AfDB, ITC, UNCTAD and the World Bank, integrating trade-related databases like WITS, TTBD, SPRD and ITC's Market Analysis Tools (Trade Map, Market Access Map, Investment Map, Trade Competitiveness Map and Standards Map). http://www.tntdata.org/tnt-brochure.pdf, http://legacy.intracen.org/marketanalysis/default.aspx, http://comtrade.un.org/db/default.aspx, http://www.unctad.info/en/Trade-Analysis-Branch/Data-And-Statistics/Other-Databases/

56 Like the Maputo Declaration of the Customs and Revenue Administrations of the African Continent – A Commitment to Integrity in Customs, 22 March 2002.
http://www.wcoomd.org/en/topics/integrity/~/media/WCO/Public/Global/PDF/About%20us/Legal%20Instruments/Declarations/Maputo_declaration_EN.ashx

57 The United Nations' High-level Panel on Threats, Challenges and Change in 2004 identified ten global threats for which urgent action is needed: poverty, infectious disease, environmental degradation, inter-state war, civil war, genocide, other atrocities (e.g., trade in women and children for sexual slavery, or kidnapping for body parts), weapons of mass destruction (nuclear proliferation, chemical weapon proliferation, biological weapon proliferation), terrorism, and transnational organized crime. One way or another, all of them affect Africa. http://www.un.org/en/peacebuilding/pdf/historical/hlp_more_secure_world.pdf

58 See http://www.peaceau.org/en/.

59 See, for example, WCO's SAFE Framework of Standards to Secure and Facilitate Global Trade. http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/~/media/55F00628A9F94827B58ECA90C0F84F7F.ashx

60 Algeria, Chad, Egypt, Libya, Mali, Mauritania, Morocco, Niger, Sudan, Tunisia and Western Sahara. See, for example, DESERTEC Foundation, http://www.desertec.org/; NATO-sponsored project helps harvest wind energy in the Sahara. http://www.nato.int/cps/en/natolive/news_91105.htm.

61 Kryza 2003.

62 For a U.S. perspective, see Banks 2013.

63 A study on 20 poverty reduction strategy papers, prepared by African countries as an IMF and World Bank requisite for debt relief, showed that most did not include energy access in their development strategies. Energy and the Millennium Development Goals in Africa 2006.

64 Nkrumah 1963, Wapmuk 2009.

65 For instance, five African countries have designated the lion as their national animal (Ethiopia, Kenya, Liberia, Libya, Morocco); five, the eagle (Egypt, Ghana, Nigeria, South Sudan, Zambia); and three, the leopard (Benin, Rwanda, Somalia) and the elephant (Cote d'Ivoire, Kenya, Mozambique). Many national sports teams identify themselves by their national animals, like South Africa's Springboks in rugby and Morocco's Atlas Lions in football.

66 As Ludwig Erhard (1958), the 'father of the German Miracle' put it, '[a]ny scientifically trained mind must ask whether, how far and under what conditions economic integration which requires that opposing principles of economic and social policy be reconciled can create the basis for an integration of countries within the meaning of political law'.

67 As encapsulated by Admore Kambudzi (2008), 'The effective integration of Africa at the regional and continental levels will depend on the success with which the current independent sovereign African states execute the enormous tasks of transforming and modernising the countryside, closing the urban-rural gap and reorienting education more towards science and technology. An appropriate constitutional and political formula also needs to be established and referred to the people, in order to give effect to a union Government'.

68 Jonung and Drea 2009.

69 As suggested in the Schuman Declaration of 9 May 1950, '[w]ith increased resources Europe will be able to pursue the achievement of one of its essential tasks, namely, the development of the African continent'. http://europa.eu/about-eu/basic-information/symbols/europe-day/schuman-declaration/index_en.htm