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Economic Commission for Africa

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AD HOC EXPERT GROUP MEETING

Theme:

“Implications of ECOWAS potential expansion and the African Continental Free Trade Area (AfCFTA)”

25-26 June 2018, Benin Royal Hotel, Benin, Cotonou

Concept note

May 2018

1. Background and Rationale

The Economic Community of West African States (ECOWAS) is the main regional economic community in West Africa. According to the African Union, ECOWAS is considered as one of the major regional economic communities whose contribution to the acceleration of the integration process of the continent is likely to have a considerable impact on areas such as trade, free movement of goods and persons and monetary matters. ECOWAS is a 15-member regional group with a mandate to promote economic, social and cultural cooperation and integration. As a trading union, it is also meant to create an economic and monetary bloc.

After over 42 years of existence, this regional economic community has made significant strides towards the achievement of regional integration. Its major achievements in its quest to create a common regional market include the: (a) adoption and implementation of protocols on free movement of goods and persons and the right of residence and establishment, (b) creation of a free trade area with the implementation of the Trade Liberalization Scheme since 1979; and (c) entry into force of the ECOWAS Common External Tariff in January 2015, which is a major step forward in the creation of a customs union.

ECOWAS and its Member States have signed bilateral and continental trade agreements, notable among which are the Economic Partnership Agreement with the European Union and the African Continental Free Trade Area (AfCFTA), signed by 44 out of the 55 member countries of the African Union, at a Summit of Heads of State and Government in Kigali in April 2018.

Efforts at consolidating the economic union led to the adoption of a number of joint policies and programmes designed to strengthen the harmonization and coordination of national policies, particularly in agriculture, environment, industry, the private sector, infrastructure and energy.

In a bid to create a monetary union, in 1987, the region adopted the ECOWAS Monetary Cooperation Programme to harmonize macroeconomic policies and, in 1999, an economic convergence mechanism to monitor the region's economies. ECOWAS is committed to ensuring the launch of the single currency in 2020, and a roadmap has been designed to achieve this.

All these initiatives are coordinated and monitored through a Community Strategic Framework (the current one covers 2016-2020) and a Community Development Programme as a means of operationalizing vision 2020.

While this integration process does face some challenges¹ the region appears to be one of the most integrated on the continent, as shown by its strong performance in the ECA regional integration index, calculated based on human mobility, capital flow and macroeconomic integration.

In view of these considerable strides in integration and economic development, ECOWAS, with its market of over 350 million consumers, has, in recent years, aroused the interest of countries from North Africa mainly, which have expressed their intention to join the regional group.

¹ These include low-level trade, high cost of production, poor complementarity among national economies, lack of infrastructure, in particular transport and energy, ineffective implementation of economic integration solutions and an unattractive business environment.

The Kingdom of Morocco officially expressed its desire to join ECOWAS in February 2017, citing its strong, age-long ties with the ECOWAS Member States as the rationale for its decision. Consequently, the fifty-first ordinary session of the ECOWAS Authority of Heads of State and Government, held on 4 June 2017 in Monrovia, agreed in principle to the accession of Morocco to the Community.

After Morocco, Tunisia, which has observer status, also officially requested to become a full member of ECOWAS in August 2017. According to the country's Prime Minister, this initiative to reposition Tunisia on the African continent depends on comprehensive diplomatic action, driven by cultural communication and trade. With the repositioning, Tunisia hopes to boost trade with West African countries from a mere 1 per cent of its overall trade to more than 10 per cent.

For its part, Mauritania, a founding member of ECOWAS, which it left in 2000, to join the Arab Maghreb Union, initialed with the Commission, in August 2017, an association agreement whose aim is to facilitate the free movement of goods and persons between Mauritania and the 15 Member States of ECOWAS.

It is in this context that the ECA Subregional Office for West Africa, in partnership with the Government of Benin, ECOWAS and UEMOA, plans to hold an ad hoc expert group meeting on the theme: ***"Implications of ECOWAS potential expansion and the African Continental Free Trade Area (AfCFTA)"***. In order to facilitate and enrich the discussion of the meeting, ECA has prepared a report on the theme, which will be made available to participants as the basis for the discussion.

2. Objectives of the ad-hoc meeting of experts

The main objective of the meeting is to deepen scientific thought on the possible economic and socioeconomic implications of the expansion of ECOWAS, following the accession of Morocco, Tunisia and Mauritania.

The meeting will:

- Assess the economic implications, especially in terms of trade flows and public revenues
- Consider the implications for the well-being of the people
- Identify and discuss the main challenges for ECOWAS, and also for the countries joining the Community
- Review the potential implications of the ECOWAS expansion on the implementation of the AfCFTA
- Improve the preliminary findings of the draft ECA report
- Formulate recommendations for an economic and socioeconomic expansion beneficial to all parties and for the entry into force of the AfCFTA

3. Format and target public

The two-day ad hoc expert group meeting will be held in plenary sessions during which participants will discuss the implications and major challenges of the ECOWAS expansion for the various parties and for the AfCFTA implementation.

ECA will present the major conclusions of the preliminary report, after which country and non-State experts will be given the opportunity to contribute to the scientific discussion. The experts will also have the opportunity to share research findings on the implications of regional integration and bilateral cooperation agreements for their country.

The meeting will be attended by experts from ECOWAS Member States, representatives of regional economic communities and intergovernmental organizations in West Africa. Representatives of the private sector and civil society actively engaged in development efforts to promote integration in West Africa will also be present. Experts in foreign trade, customs and integration issues at the ministries of trade and economy and finance are the main targets at the country level.

4. Expected outcomes and outputs

Participants will formulate recommendations for an economically and socially beneficial expansion of the subregion and an accelerated implementation of the AfCFTA, ultimately achieving structural transformation of economies and strengthening of regional integration in West Africa

At the end of the meeting, the secretariat will prepare a report on the major conclusions and recommendations from the deliberations and submit it to the experts for validation. The deliverables of the meeting will also serve as a basis for finalizing the preliminary report on the theme developed by ECA.

Date and venue and logistics detail

The meeting will be held at the Royal Benin Hotel, Cotonou, from 25 to 26 June 2018.

The ECA Subregional Office for West Africa will handle all local logistics, including hotel reservations, airport reception, and shuttle to and from the hotel. The Office will be supported by the Ministry of State, Ministry of Planning of Benin, partner in the organization of the twenty-first session of the Intergovernmental Committee of Experts. The organizers will cover economy return air tickets and the DSA of sponsored participants at the United Nations rate.

Participants should confirm their participation and provide the ECA Subregional Office for West Africa with details of their travel itinerary as soon as possible in order to facilitate logistics mobilization.

Further details on other administrative arrangements will be provided in the information note, which will be sent to participants who have confirmed their participation.

5. Contacts

Please send confirmation of participation and all necessary information to:

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