



Africa Continental Free Trade Area
Impact & Readiness Assessment
Kick-Off Meeting

24th October 2018

Agenda



1 Opening Remarks - Chairman of the AfCFTA Technical Work Group

2 Remarks - Honourable Minister, FMITI

Terms of Reference

- 3**
- Objective
 - Governance Structure & Organisation
 - Technical Working Group Mandates
 - Approach
 - Timelines
-

4 Next Steps

5 Q&A

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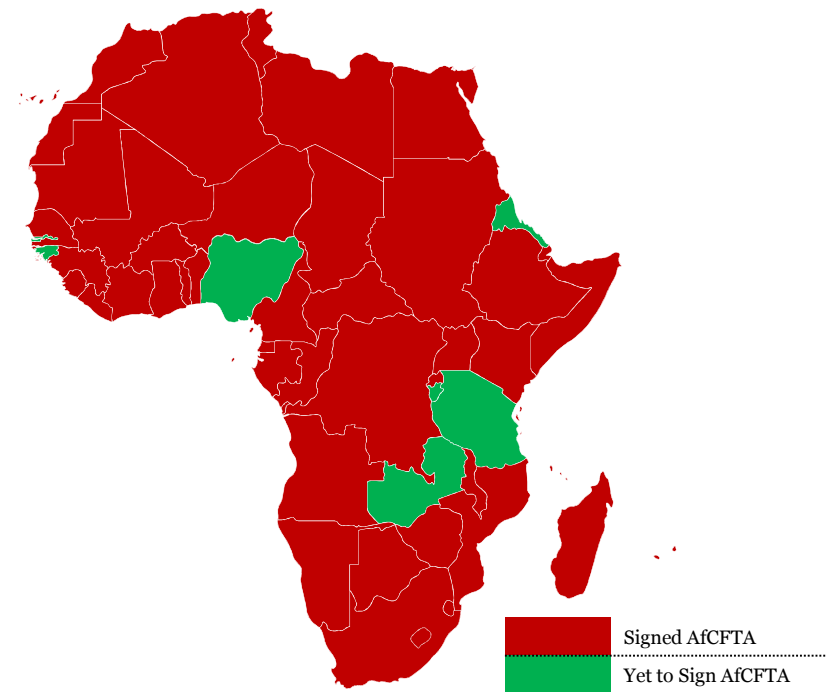
5 Q&A

The African Continental Free Trade Agreement (AfCFTA) was established to eliminate tariff and non-tariff barriers to increase trade within Africa

The AfCFTA is set to be the largest trade pact since the formation of the World Trade Organisation.

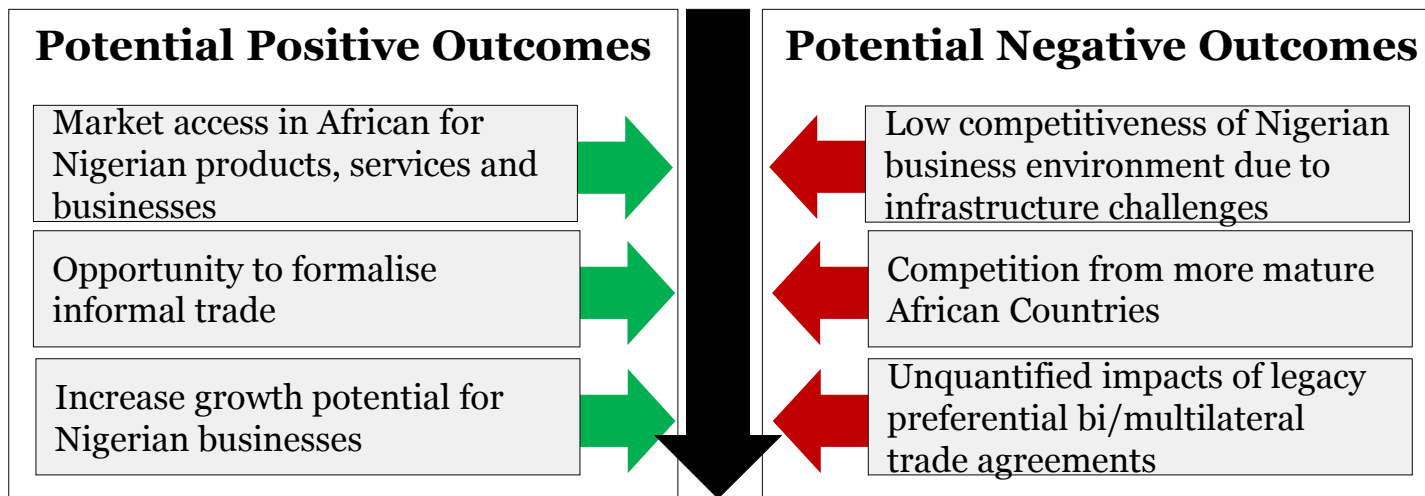
The aim of the AfCFTA is to progressively eliminate tariff and non-tariff barriers between African countries, increasing the ease for African businesses to trade within the continent.

Eritrea, Guinea-Bissau, Tanzania, Zambia and **Nigeria** are yet to sign the agreement.



50 of Africa's 55 countries have signed the framework

Stakeholder engagements on the AfCFTA acknowledged the potential benefits of implementation, but also noted potential challenges to Nigerian businesses



The Unknowns

- What will be the overall impact of the AfCFTA on Nigerian businesses?
- What are the requirements to prepare Nigeria and Nigerian business for AfCFTA?

To assess the potential impact of the AfCFTA, the Technical Committee was inaugurated to outline measures to prepare and protect Nigerian businesses



***Technical
Committee
Objectives***

- Conduct a full assessment of the costs and risks inherent in the AfCFTA
- Identify short, medium and long-term measures to resolve the issues and risks
- Define roadmap to prepare Nigeria for the take-off of the AfCFTA trading bloc
- Finalise and launch plan to enforce the provisions of the ECOWAS treaty

The scope of work of the Technical Committee will cut across four (4) key thematic areas... (1/2)

Impact Assessment

This will include:

- Review of impacts on government revenue and fiscal policy.
- Review of impact on the monetary policy taking into account the absence of a continental monetary policy arrangement/understanding.
- Review of changes in intra-Africa trade patterns (import/exports) and their impacts on local businesses (at product, sector and aggregate levels).
- Impact of smuggling and abuse of the rules of origin on gains from AfCFTA.
- Impacts of legacy bilateral/multilateral trade agreements, e.g. EPA, ECOWAS.
- Review of national security and other implications of movement of persons that will arise from AfCFTA.

Readiness Assessment

This shall cover measures to mitigate the costs and risks of AfCFTA and prepare Nigerian businesses for export trade, taking into consideration, ongoing programs and reforms. The measures shall include critical trade enhancing projects, policies, reforms and compliance actions to be implemented over the next 5- 10 years. It will also:

- Identify and define remedial actions for policies, laws and regulations that are in conflict with the AfCFTA.
- Identify and quantify non-tariff and other non-technical barriers which if not addressed, will impede export of Nigerian Goods and Services and erode the expected benefits from AfCFTA.
- Identify transitional arrangements that must be instituted at AU and Member States to mitigate risks of AfCFTA.
- Assess trade logistics, energy and other infrastructure requirements to enable the major production and service hubs across the country.
- Identify key markets for priority Nigerian goods and services and requirements to unlock these markets.
- Identify incentives and capacity building requirements to prepare local businesses for export to Africa and beyond.

The scope of work of the Technical Committee will cut across four (4) key thematic areas... (2/2)

Enforcement of ECOWAS & Other Trade Treaties Enforcement

The scope shall cover development and implementation of actions to enforce the provisions of ECOWAS and other trade treaties with a view to assessing the practical policy provisions and safeguards in the AfCFTA, including:

- Harmonisation and finalisation of the plans developed by other committees and MDAs to tackle smuggling and enforce Rule of Origin provisions in the ECOWAS and other trade treaties.
- Development of plans to enforce all other critical aspects of the ECOWAS treaty including non-tariff barriers.
- Short-term actions to tackle smuggling, dumping, and abuse of rules of origin, subject to presidential approval.

Governance and Stakeholder Management Arrangement

The Committee shall assess and recommend an operating model to mainstream trade into national development plans and programmes to derive the expected benefits of AfCFTA. The operating model shall include:

- An organisation to ensure harmonization and coordination of trade related plans and projects among relevant government entities (MDAs), the organized private sector and the public.
- A framework for continuous acquisition and dissemination of reliable trade research and intelligence information to policy and investment decision makers.
- Define a platform to integrate stakeholders (3 tiers of government, private sector, civil society and public) into the policy formulation, implementation, communication, monitoring, evaluation and update processes.

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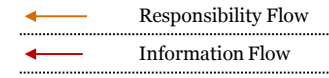
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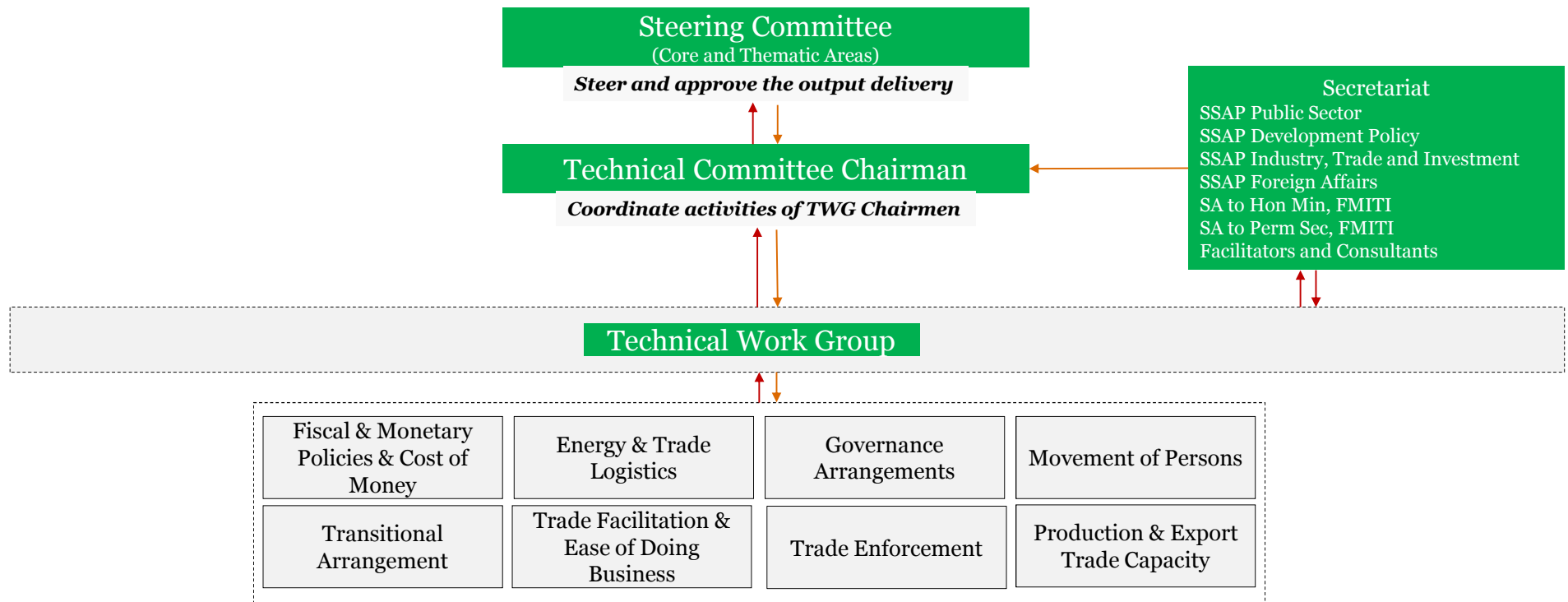
- 3
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The Technical Committee will be headed by a Chairman, who will oversee Technical Working Groups (TWG) and report to the Steering Committee



Core Steering Committee

The Core Steering Committee members shall be invited to all the Steering Committee meetings

Government

- Hon. Minister of Industry, Trade & Investment (Chairman)
- Chief of Staff to the President (Co-Chairman)
- Hon. Minister of Foreign Affairs
- Hon. Minister of Finance
- Hon. Minister of Budget & National Planning
- Attorney General of the Federation/Minister of Justice
- Economic Adviser to the President
- Governor, Central Bank of Nigeria
- Permanent Secretary, Ministry of Industry, Trade and Investment
- Director General, Nigerian Governors Forum

Stakeholders

- President, Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)
- President, Manufacturers Association of Nigeria (MAN)
- Executive Secretary, Shippers Council
- President, National Association of Nigerian Traders (NANTS)
- President, Airline Operators of Nigeria (AON)
- President, National Union of Road Transport Owners (NARTO)
- President, Nigeria Economic Summit Group (NESG)
- Chairpersons, Nigerian Coalition of Services Industry
- President, Nigerian Association of Small & Medium Enterprises (NASME)
- President, Nigerian Labour Congress (NLC)

Thematic Area Steering Committee

The Thematic Area Steering Committee members shall be invited to sessions related their subject area

Infrastructure	Economic Sectors	Fiscal & Monetary Policy	Trade Enforcement
<ul style="list-style-type: none">• Hon. Minister Power, Works & Housing• Hon. Minister, Transportation• Hon. Minister, Communications• Director General, NIMASA• Managing Director, Nigerian Ports Authority	<ul style="list-style-type: none">• Hon. Minister, Agriculture and Rural Development• Hon. Minister, Petroleum Resources• Hon. Minister, Information• Hon. Minister of Communications• Hon. Minister of State, Mines and Steel Development	<ul style="list-style-type: none">• Governor, Central Bank of Nigeria• Chairman, Federal Inland Revenue Service• Comptroller General, Nigeria Customs Service	<ul style="list-style-type: none">• Hon. Minister of Interior• Hon. Minister of Defence• National Security Adviser• Comptroller General, Nigeria Customs Service• DG, Standards Organization of Nigeria• DG, National Agency for Food and Drug Administration• DG, National Bureau of Statistics• DG, National Intelligence Agency• DG, Department of State Security• Comptroller General, Nigerian Immigration Service• Coordinating Director, Nigeria Agricultural Quarantine Service

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The Technical Work Group shall comprise of nominees of the following government and private sector organisations and independent experts... (1/6)

TWG	Key Ask	Nominees
Impact & Market Assessment	Review changes in intra-Africa trade patterns (import/exports) and their impacts on local businesses (at product, sector and aggregate levels)	<ul style="list-style-type: none"> • National Bureau of Statistics Representative • Ministry of Budget and Planning Representative • Central Bank of Nigeria Representative • Federal Inland Revenue Service Representative • Nigeria Customs Service Representative • Nigerian Governors Forum Representative • Stakeholders Representatives (NACCIMA, NASME, MAN, NLC, NANTS, Shippers Council, NESG, Nigeria Coalition of Services Industry)
Movement of Persons	Review national security and other implications of movement of persons that will arise from AfCFTA	<ul style="list-style-type: none"> • Ministry of Defence Representative • Nigeria Immigration Service Representative • National Intelligence Agency Representative • Stakeholders Representatives (NACCIMA, NASME, NANTS, NLC, MAN, NCSI)

The Technical Work Group shall comprise of nominees of the following government and private sector organisations and independent experts...(2/6)

TWG	Key Ask	Nominees
Legal	Identify and define remedial actions for policies, laws and regulations that are in conflict with the AfCFTA	<ul style="list-style-type: none"> • Ministry of Justice Representative • The Presidency Legal Team Representative • Ministry of Industry, Trade and Investment Legal Team Representative
Cost of Money, Monetary & Fiscal Policies	Review impact on monetary policy taking into account the absence of a continental monetary policy arrangement/understanding	<ul style="list-style-type: none"> • Central Bank of Nigeria Representative • Federal Inland Revenue Service Representative • Nigeria Customs Service Representative • Federal Ministry of Industry Trade and Investment Representative • Bank of Industry Representative • Development Bank Representative • Nigerian Economic Summit Group Representative
AU/ECOWAS Level Transitional Arrangements for AfCFTA	Assess impacts of legacy bilateral/multilateral trade agreements, e.g. EPA, ECOWAS	<ul style="list-style-type: none"> • Ministry of Foreign Affairs Representative • Central Bank of Nigeria Representative • Ministry of Justice Representative • Nigeria Office of Trade Negotiations Representative

The Technical Work Group shall comprise of nominees of the following government and private sector organisations and independent experts...(3/6)

TWG	Key Ask	Nominees
Trade Facilitation & Ease of Doing Business	Identify and quantify non-tariff and other non-technical barriers which if not addressed, will impede export of Nigerian Goods and Services and erode the expected benefits from AfCFTA	<ul style="list-style-type: none"> • Nigeria Customs Service Representative • National Facilitation Committee Representative • Ministry of Industry, Trade and Investment Representative • PEBEC Representative • Nigeria Office of Trade Negotiations Representative • NEXIM Bank Representative • Standards Organization of Nigeria Representative • National Agency for Food and Drug Administration Representative • Nigerian Maritime Administration and Safety Agency Representative • Nigeria Ports Authority Representative • Stakeholders Representatives (NACCIMA, NASME, MAN, NLC, NANTS, Shippers Council, NESG)
Energy & Trade Logistics Services & Infrastructure	Assess trade logistics, energy and other infrastructure requirements to enable the major production and service hubs across the country	<ul style="list-style-type: none"> • Ministry of Power, Works and Housing Representatives • Ministry of Petroleum Resources Representatives • Ministry of Transportation Representatives (Air, Road, Rail & Water) • NIMASA Representative • NNPC Representative • NEPZA Representative • OGFZA Representative • Nigeria Ports Authority Representative • FERMA Representative • Stakeholders Representatives (NARTO, Airline Operators, Shippers Council, AfDB, AFREXIMBANK, Nigeria Coalition of Services Industry)

The Technical Work Group shall comprise of nominees of the following government and private sector organisations and independent experts...(4/6)

TWG	Key Ask	Nominees
Production, Services and Export Trade Capacity Enhancement	<p>Identify key markets for priority Nigerian goods and services and requirements to unlock these markets</p> <p>Identify incentives and capacity building requirements to prepare local businesses for export to Africa and beyond</p>	<ul style="list-style-type: none"> • Ministry of Industry, Trade and Investment Representatives • Ministry of Agriculture Representative • Ministry of Petroleum Resources Representative • Ministry of Information Representative • Ministry of Mines and Steel Development Representative • Nigerian Film Corporation Representative • National Institute for Hospitality and Tourism Development Representative • NNPC Representative • National Sugar Development Council Representative • National Automotive Council Representative • SMEDAN Representative • NIRSAL Representative • Central Bank of Nigeria Representative • NITDA Representative • Nigerian Communications Commission Representative • National Broadcasting Commission Representative • National Insurance Commission Representative • Bankers Committee Representative • Nigerian Export Promotion Council Representative • Nigerian Investment Promotion Council Representative • Nigeria Agriculture Quarantine Service Representative • Stakeholders Representatives (NACCIMA, NASME, MAN, NLC, NANTS, Shippers Council, NESG, Nigerian Coalition of Services Industry, Bankers Committee

The Technical Work Group shall comprise of nominees of the following government and private sector organisations and independent experts...(5/6)

TWG	Key Ask	Nominees
Trade Enforcement	<p>Harmonise and finalise plans developed by other committees and MDAs to tackle smuggling and enforce Rule of Origin provisions in the ECOWAS and other trade treaties</p> <p>Develop plans to enforce all other critical aspects of the ECOWAS treaty including non-tariff barriers</p> <p>Develop short-term actions to tackle smuggling, dumping, and abuse of rules of origin, subject to presidential approval</p>	<ul style="list-style-type: none"> • Nigeria Customs Service Representative • Nigeria Office of Trade Negotiations Representative • Ministry of Foreign Affairs Representative • Standards Organization of Nigeria Representative • National Agency for Food and Drug Administration Representative • Nigeria Agriculture Quarantine Service (NAQS) Representative • Ministry of Interior Representative • Ministry of Defence Representative • National Intelligence Agency Representative • Nigerian Immigration Service Representative • Stakeholders Representatives (NACCIMA, NASME, NESG, NANTS, NLC)

The Technical Work Group shall comprise of nominees of the following government and private sector organisations and independent experts...(6/6)

TWG	Key Ask	Nominees
Governance Arrangement	<p>Ensure harmonisation and coordination of trade related plans and projects among relevant government entities (MDAs), the organized private sector and the public</p> <p>Develop framework for continuous acquisition and dissemination of reliable trade research and intelligence information to policy and investment decision makers</p> <p>Define a platform to integrate stakeholders (tiers of government, private sector, civil society and public) into the policy formulation, implementation, communication, monitoring, evaluation and update processes.</p>	<ul style="list-style-type: none"> • Ministry of Industry Trade & Investment Representative • Ministry of Budget and National Planning Representative • Ministry of Foreign Affairs Representative • Ministry of Finance Representative • Nigeria Office of Trade Negotiations Representative

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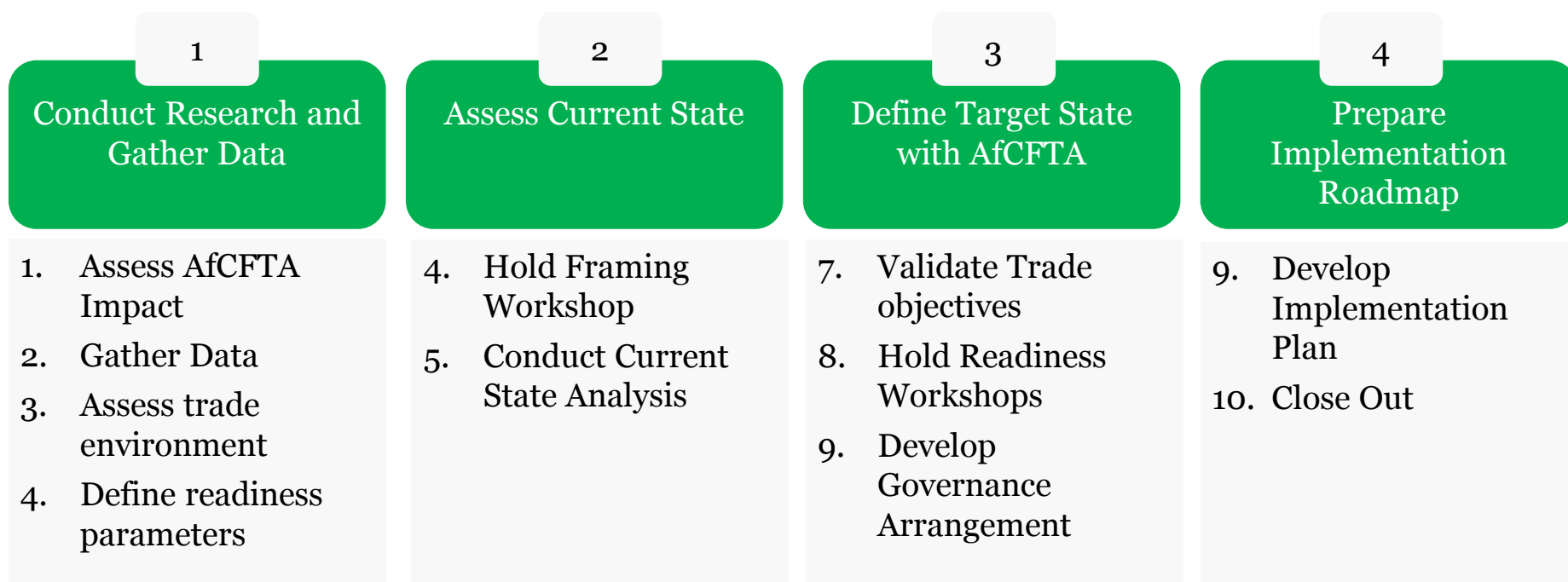
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The Technical Committee's scope of work will be implemented in four (4) key phases



Phase 1 will entail researching and gathering data in developing the understanding of the AfCFTA's potential impact

1

Conduct Research and
Gather Data

- 1. Assess AfCFTA Impact within the following themes**
 - Fiscal and monetary
 - Trade pattern, production and employment
 - Legacy Agreements
 - Trade Rules and Abuse
- 2. Conduct Data Gathering**
 - Collate data from MDAs and Industry stakeholders on production and service capacities, hubs routes etc.; Trade Statistics (domestic and export); Progress on Sector/Product Development Plans
- 3. Conduct Research**
 - Define trade readiness and competitiveness parameters
 - Conduct desktop research & surveys on market conditions & trade competitiveness

During Phase 2, relevant stakeholders will be engaged to assess the current state of trade, sector development plans and implications of the AfCFTA

2

Assess Current State

4. Hold Framing Workshop

- Determine current state of trade environment
- Assess progress on sector development plans (domestic and international)
- Review impact in line with provisions of the AfCFTA

5. Conduct Current State Analysis utilising

- SWOT Analysis
- Current Positioning Analysis (Value chain)
- Current competitiveness assessment (Diamond Framework)

6. Validate Trade Objectives

- Outline Trade objectives
- Assess suitability of Trade objectives

Phase 3 will ensure the development of required governance arrangement for the implementation of ‘readiness requirements’

3

Define Target State
with AfCFTA

7. Hold Readiness Workshop

- Determine Target state positioning
- Outline Readiness requirements (policies, capacity upgrades, infrastructure needs, transition arrangements, trade facilitation and ease of doing business needs)

8. Governance Arrangement

- Assess and recommend operating model to mainstream trade into national development plans and programmes

In Phase 4, an Implementation Roadmap will be developed identifying action owners to drive execution

4

Prepare
Implementation
Roadmap

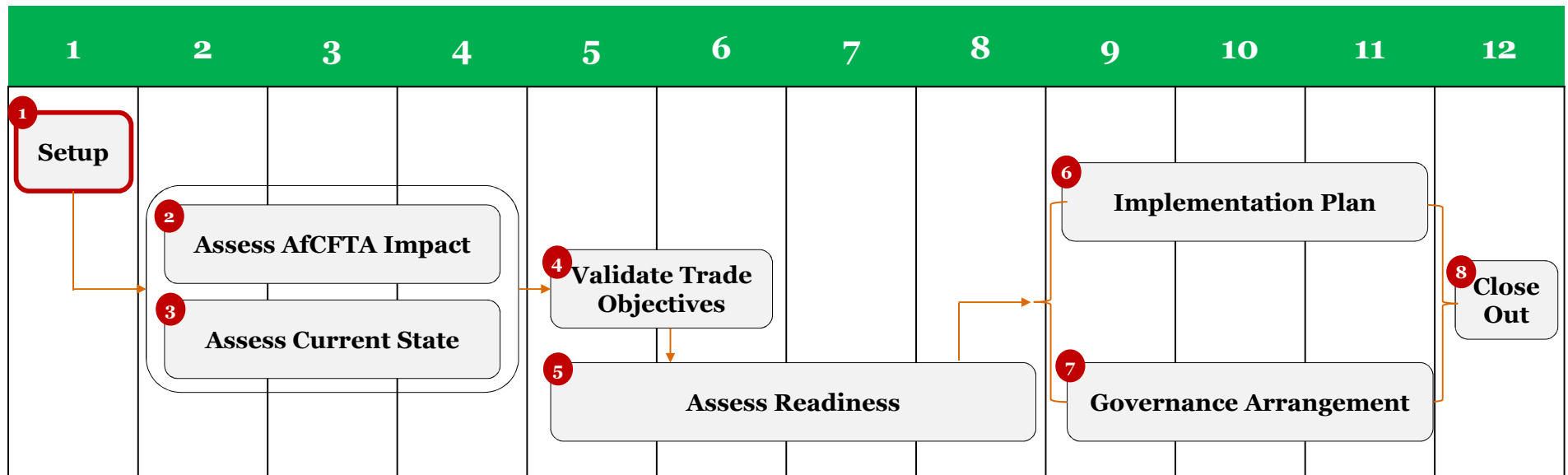
9. Hold Readiness Workshop

- Prioritise and sequence project and policy measures with timelines, budgets, value expectations and action owners

10. Close Out

- Prepare presentations to Steering Committee
- Submit Report to the President

The scope of work for the Technical Committee will be implemented over a 12 week period



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|----------|---|--------------|
| 1 | Confirm contact details of Technical Working Group nominees | 24 October |
| 2 | Communicate Technical Work Group meeting arrangements | 24 October |
| 3 | Communicate data requests | 25 October |
| 4 | Setup Sub-Teams/Define Work Plan | 29 October |
| 5 | Hold Framing Workshop | 5-9 November |
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Thank You