

The Africa we strive for

• Possible in unity, solidarity

– Page SS04

Optimising AfCFTA's full benefits

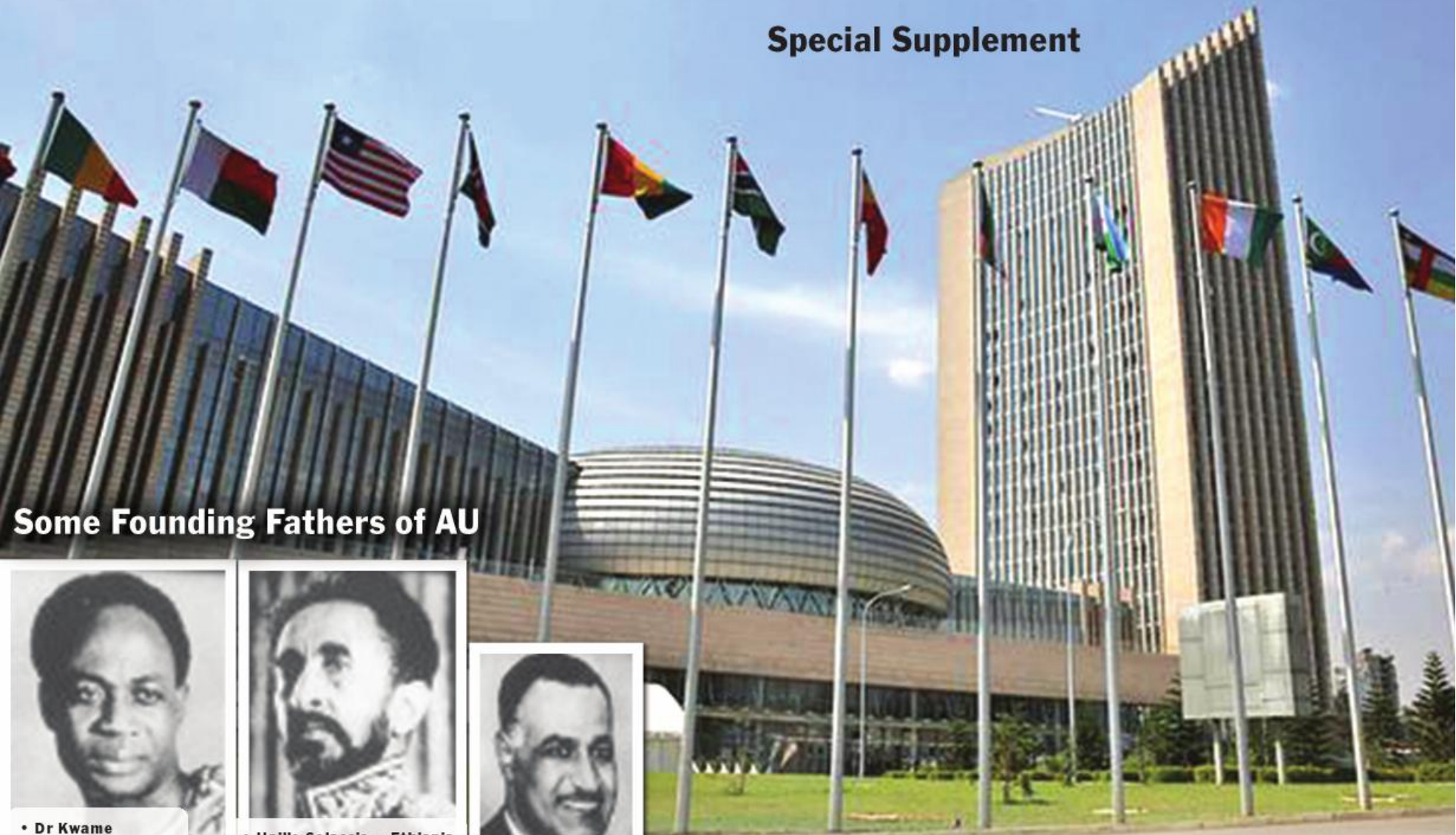
• Lessons for Ghana

– Pages SS08

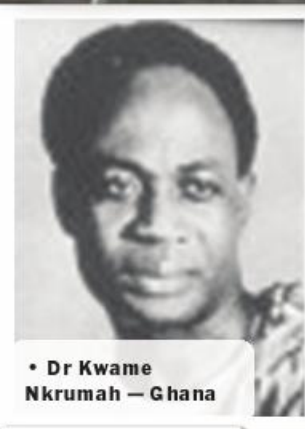
Tuesday, May 25, 2021

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Special Supplement



Some Founding Fathers of AU



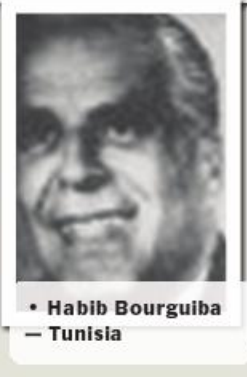
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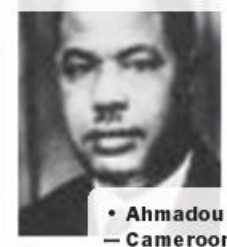
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AU @ 58:

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• Continued on page SS08



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THE Minister of Foreign Affairs of the Republic of Turkey, Mr Mevlüt Çavuşoğlu, has congratulated all its African friends wholeheartedly on the celebration of the African Union day which falls today, May 25.

He said Turkey remembers with appreciation the African countries coming together under the roof of the African Union (AU) on May 25th, 1963, predicating on independence and freedom, and displaying a common consciousness based on solidarity and unity.

Future of the continent

"The success story reached in the following decades in this spirit and understanding gives us hope for the bright future of the continent.

"Without a colonial past and having attained its full independence with its struggle against the occupation forces during the War of Independence, Turkey is one of the countries that best grasp the meaning of this day," he said.

According to him, Turkey is happy to share this day of common joy, conscious of the importance of remembering the struggle for independence by the peoples of Africa, for freedom, equality and justice, and evoking the founding goals of the AU.

Equal partnership

"Our approach to African countries completely matches the founding principles of the AU and is built on a holistic, inclusive, equal partnership on the basis of mutual respect and win-win strategy. We share the spirit of 1963 and the vision of Africa, and attach great importance to Agenda 2063 and the UN 2030 Sustainable Development Goals," the foreign minister said.

He said in his country's concerted journey, which gained momentum with its observer membership status to the AU in 2005, Turkey had covered plenty of ground with the 1st Turkey-Africa Partnership Summit that it hosted in Istanbul, and by being declared a strategic partner of the Union in 2008.

Turkey-Africa Partnership

After the 2nd Turkey-Africa Partnership Summit held in Malabo in

2014, he said, Turkey's ties with African countries had become stronger and the hope was to host the Third Summit in September, which "we believe will offer opportunities for a strong and comprehensive cooperation between Turkey and Africa."

According to him, the country had continued to contribute to peace and stability and economic and social development in Africa through its public institutions, non-governmental organisations and the private sector. "Our Africa Initiative and Africa Partnership policies, considered among the most successful initiatives of our foreign policy, constitute an added value to our relations with the continent," he added.

Strengthening co-operation

He said Turkey could see this constructive effect in many areas such as trade, investment, culture, security, military cooperation and development, and, especially, in its intensifying and developing political relations with Africa in the last decade and added, "We are pleased to observe that African countries also attach importance to strengthening cooperation with our country."

Mr Çavuşoğlu gave an assurance that his country would continue to integrate with Africa in all areas. While the number of its diplomatic missions in the continent was

only 12 in 2002, it had since increased this number to 43 with its latest embassy opened in Togo last month while African countries had also increased the number of their embassies in Ankara, from 10 in 2008 to 37 currently.

Diplomatic missions

He indicated that Turkey, which is the fifth country in the world in terms of the number of diplomatic missions, continued to bring the issues of Africa to the agenda at the global level with its wide diplomacy network, and also continued to co-operate with African



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Mr Çavuşoğlu said the total value of Turkey's direct investments in Africa had exceeded \$6 billion dollars while Turkish contractors contributed to Africa's development by undertaking more than 1,150 projects.

We appreciate the African Continental Free Trade Area Agreement, which is considered the most important project of Agenda 2063. We are ready to share our experiences with our African friends and provide support in this regard.

Development and humanitarian aid of Turkey continues to contribute to the creation of favourable conditions for the establishment of a prosperous Africa. The official development aid provided by our public institutions to Africa between 2005 and 2019 has reached almost 3.5 billion Dollars," he emphasised.

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In line with the Addis Ababa Action Agenda commitments, Mr Çavuşoğlu said Turkey's total development aid for 46 Least Developed Countries (LDCs), 33 of which are in Africa, was 8.7 billion Dollars between 2009-2019.

"We are also pleased that the sustainable development projects of Turkish Cooperation and Coordination Agency (TİKA), whose representation office number has reached 22 in Africa and whose bilateral official development assistance for the continent exceeded 500 million dollars, are embraced throughout

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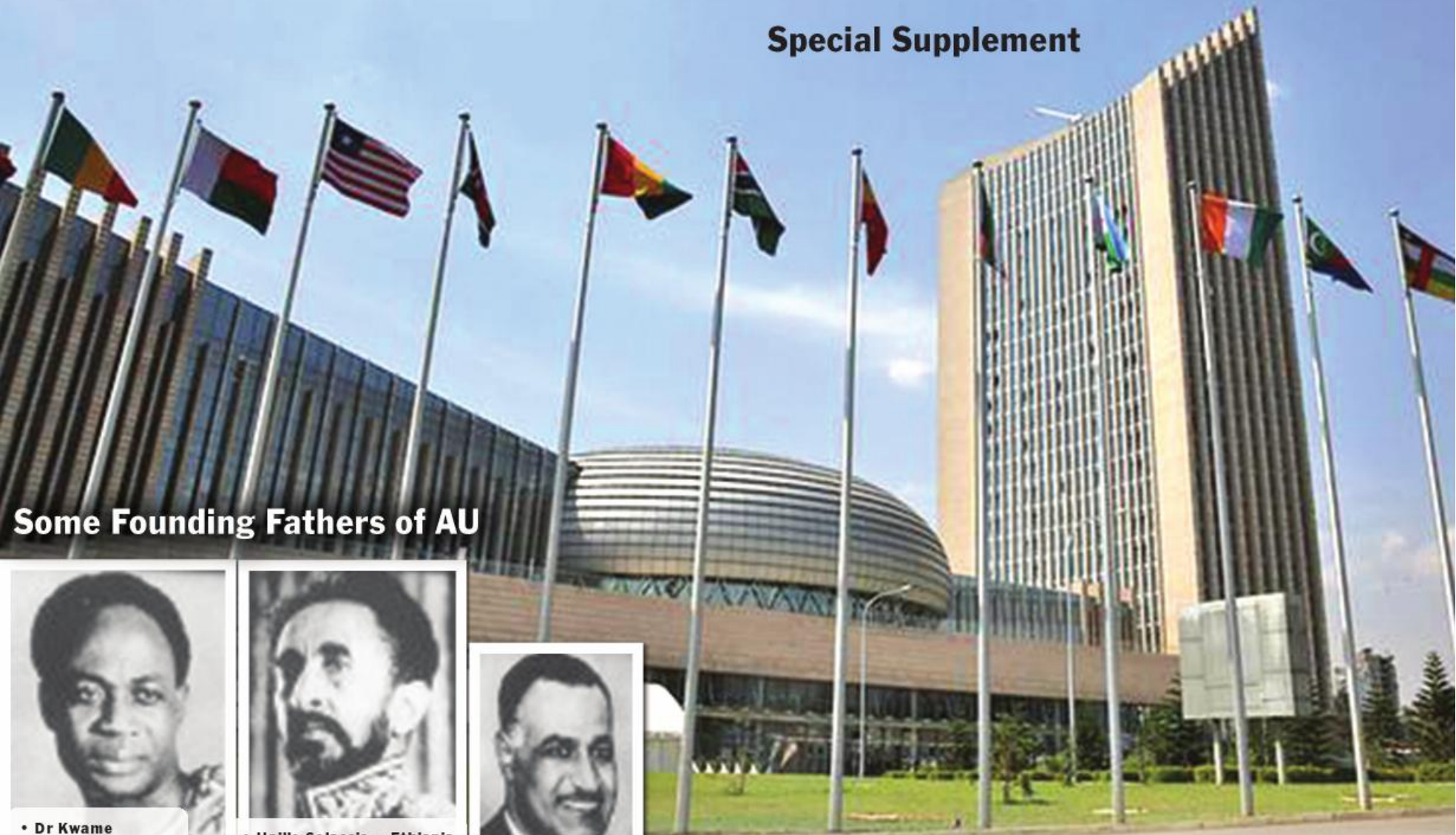
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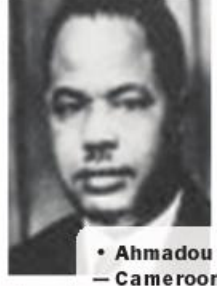
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Optimising AfCFTA's full benefits

By Theophilus Yartey

• Lessons for Ghana

AFRICA'S journey to market integration within the continent has begun in earnest. With the commencement of trading under the African Continental Free Trade Area (AfCFTA) on January 1, 2021, all is set for Africa to take full advantage of this agreement.

The free trade agreement is expected to favour small and medium enterprises (SMEs), which are responsible for more than 80 per cent of Africa's employment and 50 per cent of its Gross Domestic Product (GDP).

Obviously, any economic policy that facilitates imports and exports among

member countries — with lower or no tariffs, free access to the market and market information and the elimination of trade barriers — offers numerous benefits to SMEs.

And, since AfCFTA is one of history's largest free trade agreements, which has a market size in the region of US\$2.5 trillion and a population of 1.2 billion, most people are excited at the development.

But sceptics have pointed to pending challenges, especially those which affect SMEs in Ghana, which must be addressed if the country can optimise the benefits of AfCFTA.

But, first, let's look at who stands to gain.

One of the positives is that AfCFTA will allow African-owned companies that are very strong and well-capitalised to enter new markets. This will expand their customer bases and lead to new products and services, making investment in innovation viable.

It is estimated that manufacturing represents only about 10 per cent of total GDP in Ghana, on average which is well below the figure in other developing regions. A successful continental free trade area could reduce this gap. A bigger manufacturing sector will lead SMEs to create more well-paid jobs, especially for young people, thereby alleviating poverty.

With restrictions lifted on foreign investments, investors will flock to the continent. This adds capital to expand local industries and boost domestic

It will be most unfortunate that after proudly hosting the AfCFTA Secretariat, local businesses, and to a large extent, the nation will have nothing to show for all their efforts and pioneering role in the implementation of the free trade agreement.

businesses. New capital enhances an upward productivity cycle that stimulates the entire economy, while an inflow of foreign capital can also stimulate banking systems, leading to more investment and consumer lending.

While there are potential gains, there will be losses, as well. For instance, many emerging African markets, including Ghana, are traditional economies that rely on farming for employment. These small family farms cannot compete with large agri-businesses in high-income African countries such as South Africa, Kenya, Ethiopia, Egypt and Nigeria. As a result, our small farmers may lose their farms, leading to high unemployment and poverty.

It is a fact that consumers always

prefer cheaper products. This may lead to local producers losing huge sales to foreign suppliers because the latter can lower the cost of their products by leveraging the reduced tariffs imposed on imported goods.

One can't be oblivious of the fact that Ghana does not have adequate laws in place that protect patents, inventions and new processes. Unfortunately, the few ones are not strictly enforced as a result, ideas of companies often get stolen.

Although it is early days yet, the AfCFTA Secretariat has been quite proactive in its engagement with stakeholders since the implementation began, which is good. And this gives industry and captains of industry hope that the secretariat will hold the hands of participating countries such as Ghana to build an efficient and participatory institutional architecture to avoid leaving any economies behind.

To increase the impact of the trade deal, the government must ensure that industrial policies are in place, especially those concerning SMEs and manufacturing. These must focus on productivity, competition, diversification and economic complexity.

The fact remains that without comprehensive policy-making that makes the local manufacturing companies competitive in terms of cost, AfCFTA could prove to be a force for economic divergence, rather than a force for good.

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• President Nana Addo Dankwa Akufo-Addo

Assessing Union's relevance

• Continued from SS01

Union (AU).

For some, Africa Day is also a time for hard questions: Is a continental organisation like the AU still relevant for Africa, or could development and peace-making be more effectively handled bilaterally or by regional bodies?

Clearly, the AU is serving a huge continent - it has 55 member states - with very diverse cultures and histories. Yet, over the past few decades, pan-African ideals have held sway and the AU is not suffering from centrifugal forces that have lost faith in the organisation and threatened to withdraw.

Brexit and the breakaway by the United States from some global agreements under former President Donald Trump such as those on climate change have set a trend that has tarnished the reputation of cross-border cooperation and multilateralism. In this regard, Africa is the counter-example. In fact, a new member, Morocco, joined the organisation in 2017, indicating the AU's relevance.

Important milestones

The signing of various regional trade agreements, as well as the agreement on the African Continental Free Trade Area (AfCFTA)

are examples of this cooperation. Naturally, AfCFTA won't be established overnight.

African countries also signed an agreement on a single air transport market, as well as a protocol on the free movement of people. Both will potentially have major advantages for economic growth on the continent.

These are important achievements. But they come at a time when the AU faces major divisions and uncertainty about how reforms of the institution should be implemented.

Two years after the launch of the AU reforms, the process is still in the starting blocks. There are notable divisions between member states and regions about the reforms, which deal with narrowing the priorities of the AU, streamlining the AU Commission and ensuring its independence from outside donors.

Years after the launch of the AU reforms, the process is still in the starting blocks.

The Southern African Development Community (SADC), for one, believes that several of the proposals are not in line with the AU's Constitutive Act. Some, for example, say that reducing the powers of the Permanent Representatives Committee (ambassadors) in Addis Ababa in relation to the AU Commission will impact on the nature of the AU as a member state-driven organisation.

Funding is another perennial sticking point. While African leaders all agree the AU should be

self-funded - a mantra heard repeatedly at the AU and big continental meetings - there are strong divisions over how to achieve this.

It came up recently that 20 countries had already started implementing the proposed 0.2 per cent levy on imports to finance the AU. This is not nearly enough, given that the implementation of the levy by member states was set for the beginning of 2017.

Major contributors to the AU budget of roughly \$800 million annually, such as South Africa, are opting out of the levy. Pretoria argues that it pays its assessed contributions of 9.6 per cent of the total AU budget straight from its Treasury and hasn't defaulted, as is the case with over 30 other AU member states. Currently, more than 70 per cent of the total AU budget (including operations, programmes and peace support operations) is funded by international donors.

Another question facing the AU is whether institutions created by the organisation's founding fathers in 2002 need a second chance to show their usefulness to the continent. Rumours were rife at the AU summit in January that the New Partnership for Africa's Development (NEPAD) Agency would be turned into an AU development agency.

The Pan-African Parliament (PAP), another brainchild of AU founders, notably former presidents Thabo Mbeki of South Africa,

Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria, has also recently come under scrutiny.

More than 10 years since it was set up, PAP still has no legislative powers. This raises questions about its viability and whether it plays any significant role in promoting democracy and good governance in Africa.

It is worth remembering that decision-making in the AU cannot be enforced in the same way as the European Union (EU), for example. The European Parliament does have the power to legislate on certain issues. The fact that PAP doesn't have legislative powers is due to the nature of the AU, where member states have not ceded any sovereignty to the organisation.

Finally, AU efforts to end conflicts in Africa - an area where it has made significant impact - is under strain due to the decline in funding from institutions such as the EU for the flagship AU peace mission in Somalia. The creation of an AU Peace Fund that will ensure African countries provide at least 25% of the budget for African peacekeeping is, therefore, a welcome development.

Clearly, the organisation based in Addis Ababa has come a long way. Africa Day is a good occasion to reflect on how the AU can achieve its goal of supporting peace and development. African leaders must show their ability to overcome internal squabbles and make the AU more relevant to the continent's citizens.



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businesses. New capital enhances an upward productivity cycle that stimulates the entire economy, while an inflow of foreign capital can also stimulate banking systems, leading to more investment and consumer lending.

While there are potential gains, there will be losses, as well. For instance, many emerging African markets, including Ghana, are traditional economies that rely on farming for employment. These small family farms cannot compete with large agri-businesses in high-income African countries such as South Africa, Kenya, Ethiopia, Egypt and Nigeria. As a result, our small farmers may lose their farms, leading to high unemployment and poverty.

It is a fact that consumers always

prefer cheaper products. This may lead to local producers losing huge sales to foreign suppliers because the latter can lower the cost of their products by leveraging the reduced tariffs imposed on imported goods.

One can't be oblivious of the fact that Ghana does not have adequate laws in place that protect patents, inventions and new processes. Unfortunately, the few ones are not strictly enforced as a result, ideas of companies often get stolen.

Although it is early days yet, the AfCFTA Secretariat has been quite proactive in its engagement with stakeholders since the implementation began, which is good. And this gives industry and captains of industry hope that the secretariat will hold the hands of participating countries such as Ghana to build an efficient and participatory institutional architecture to avoid leaving any economies behind.

To increase the impact of the trade deal, the government must ensure that industrial policies are in place, especially those concerning SMEs and manufacturing. These must focus on productivity, competition, diversification and economic complexity.

The fact remains that without comprehensive policy-making that makes the local manufacturing companies competitive in terms of cost, AfCFTA could prove to be a force for economic divergence, rather than a force for good.

It will be most unfortunate that after proudly hosting the AfCFTA Secretariat, local businesses, and to a large extent, the nation will have nothing to show for all their efforts and pioneering role in the implementation of the free trade agreement.



• President Nana Addo Dankwa Akufo-Addo

Assessing Union's relevance

• Continued from SS01

Union (AU).

For some, Africa Day is also a time for hard questions: Is a continental organisation like the AU still relevant for Africa, or could development and peace-making be more effectively handled bilaterally or by regional bodies?

Clearly, the AU is serving a huge continent - it has 55 member states - with very diverse cultures and histories. Yet, over the past few decades, pan-African ideals have held sway and the AU is not suffering from centrifugal forces that have lost faith in the organisation and threatened to withdraw.

Brexit and the breakaway by the United States from some global agreements under former President Donald Trump such as those on climate change have set a trend that has tarnished the reputation of cross-border cooperation and multilateralism. In this regard, Africa is the counter-example. In fact, a new member, Morocco, joined the organisation in 2017, indicating the AU's relevance.

Important milestones

The signing of various regional trade agreements, as well as the agreement on the African Continental Free Trade Area (AfCFTA)

are examples of this cooperation. Naturally, AfCFTA won't be established overnight.

African countries also signed an agreement on a single air transport market, as well as a protocol on the free movement of people. Both will potentially have major advantages for economic growth on the continent.

These are important achievements. But they come at a time when the AU faces major divisions and uncertainty about how reforms of the institution should be implemented.

Two years after the launch of the AU reforms, the process is still in the starting blocks. There are notable divisions between member states and regions about the reforms, which deal with narrowing the priorities of the AU, streamlining the AU Commission and ensuring its independence from outside donors.

Years after the launch of the AU reforms, the process is still in the starting blocks.

The Southern African Development Community (SADC), for one, believes that several of the proposals are not in line with the AU's Constitutive Act. Some, for example, say that reducing the powers of the Permanent Representatives Committee (ambassadors) in Addis Ababa in relation to the AU Commission will impact on the nature of the AU as a member state-driven organisation.

Funding is another perennial sticking point. While African leaders all agree the AU should be

self-funded - a mantra heard repeatedly at the AU and big continental meetings - there are strong divisions over how to achieve this.

It came up recently that 20 countries had already started implementing the proposed 0.2 per cent levy on imports to finance the AU. This is not nearly enough, given that the implementation of the levy by member states was set for the beginning of 2017.

Major contributors to the AU budget of roughly \$800 million annually, such as South Africa, are opting out of the levy. Pretoria argues that it pays its assessed contributions of 9.6 per cent of the total AU budget straight from its Treasury and hasn't defaulted, as is the case with over 30 other AU member states. Currently, more than 70 per cent of the total AU budget (including operations, programmes and peace support operations) is funded by international donors.

Another question facing the AU is whether institutions created by the organisation's founding fathers in 2002 need a second chance to show their usefulness to the continent. Rumours were rife at the AU summit in January that the New Partnership for Africa's Development (NEPAD) Agency would be turned into an AU development agency.

The Pan-African Parliament (PAP), another brainchild of AU founders, notably former presidents Thabo Mbeki of South Africa,

Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria, has also recently come under scrutiny.

More than 10 years since it was set up, PAP still has no legislative powers. This raises questions about its viability and whether it plays any significant role in promoting democracy and good governance in Africa.

It is worth remembering that decision-making in the AU cannot be enforced in the same way as the European Union (EU), for example. The European Parliament does have the power to legislate on certain issues. The fact that PAP doesn't have legislative powers is due to the nature of the AU, where member states have not ceded any sovereignty to the organisation.

Finally, AU efforts to end conflicts in Africa - an area where it has made significant impact - is under strain due to the decline in funding from institutions such as the EU for the flagship AU peace mission in Somalia. The creation of an AU Peace Fund that will ensure African countries provide at least 25% of the budget for African peacekeeping is, therefore, a welcome development.

Clearly, the organisation based in Addis Ababa has come a long way. Africa Day is a good occasion to reflect on how the AU can achieve its goal of supporting peace and development. African leaders must show their ability to overcome internal squabbles and make the AU more relevant to the continent's citizens.