

**The Role of South-South Cooperation
in Promoting and Deepening Trade and Investment in Africa**
Promoting Conducive Policy and Legal Environments in Africa

5 November 2019
2:00 pm-6:15 pm
Hotel Carlton
Antananarivo, Madagascar

Background

The African Continental Free Trade Agreement (AfCFTA) which entered into force on 30 May 2019, represents a milestone achievement in Africa’s rich history of regional integration, continental unity, and deepening of economic ties. The AfCFTA is the world’s largest free trade area since the formation of the World Trade Organization covering “a market of 1.2 billion people and a gross domestic product (GDP) of \$2.5 trillion, across all 55-member states of the African Union.”¹ Additionally, the AfCFTA has been touted as a catalyst for the region’s industrial development, as it will provide business opportunities in line with the African Union’s Agenda 2063.

Due to the low development levels of African economies, coupled with their dependence on commodities for exports, there is very little trade and investment between and/or among them. This has the potential to increase with the AfCFTA, which should help in formalizing intra-African trade and boost continental business spending. In the next phase of negotiations, member states intend on introducing provisions to increase intra-African investment, protect property rights, and eliminate unfair competition practices, which should create the conditions to diversify exports away from commodities. This will be known as the AfCFTA’s Investment Protocol.

For several decades, development cooperation has mainly followed a North-South pattern – with donors from the North and recipients from the South. Africa’s economic progress has historically relied on Northern donor support and trade. However, this trend is beginning to change as South-South cooperation (SSC) is experiencing a resurgence and countries of the Global South such as Brazil, China, India, Morocco, South Africa and Turkey are experiencing fundamental economic transformation, significant trade expansion, improved human development, and technological advancement. Thus, SSC is a movement intended to “challenge the Northern-dominated political and economic system and, from the 1950s to the present, has been through a series of starts and stops, surges and retreats.”² The latest forms of SSC, including at the G-20 level, include foreign direct investment and related

¹ African Union (2017). “Continental Free Trade Area”. Available from: [https:// au.int/en/ti/cfta/about](https://au.int/en/ti/cfta/about). [Accessed 27 July 2019].

² Kevin Gray and Barry K. Gills. (2016). “South–South cooperation and the rise of the Global South.” *Third World Quarterly*, 37 (4). pp. 557-574, DOI: 10.1080/01436597.2015.1128817. [Accessed 27 July 2019].

policies, South-South mergers, legislative reform, and transparency initiatives. However, it should be noted, that the official stand of developing countries is that SSC is not a substitute but a complement or supplement to North-South cooperation.

The continued economic rise of certain countries, such as Mexico, Indonesia, Turkey, China, India, and Brazil (to name a few), have given further impetus to the movement as they seek trade partnerships, new investment opportunities, and political influence abroad. These countries have identified Africa as an important trading and investment partner and have crafted policies, programmes, and initiatives targeted at African governments to engage them in what they believe will bring win-win partnership outcomes.

The AfCFTA provides a useful mechanism for reframing SSC or perhaps rethinking it in two ways: first, according to the continental scale of engagement between African countries; and second, how African state could deepen their contribution to the global political economy as well as their engagement with emerging Southern trading partners and investors.

The objectives of the AfCFTA are meant to promote sustainable socio-economic development throughout the continent. The seven priority areas of the AfCFTA – namely policy, infrastructure, finance, information, market integration, increased productivity, and trade facilitation – will complement the Sustainable Development Goals (SDGs).

At this juncture, the opportunities inherent in free trade across the region are proving to be special and the chance for the next phase of negotiations to outline the future Investment Protocol in ways that break from the traditional North-South axis can be transformational. Important questions going forward include: What should be objectives the Investment Protocol? Will the Protocol contain binding commitments? How can the Protocol ensure that investments contribute to development? How can the Protocol increase and facilitate intra-Africa investments? A draft of the Protocol is expected to be prepared for the January 2020 African Union Assembly, with a draft legal text being ready for adoption in January 2021.

At this time, technological advancement has become valuable in business transactions globally, and there is a need to harness the use of digitalization for the AfCFTA and its future Investment Protocol. Digitalization, as recognized in discussions on South-South cooperation and achievement of the SDGs, could be the channel through which trade and investment become faster, more efficient, and more effective, laying the groundwork for various endeavors linked to Agenda 2063.

Against this background, the promotion of SSC, especially South-South investments, is critical for countries in Africa and other developing countries of the Global South. The AfCFTA, therefore, is the most ambitious economic decision that African leaders have collectively ever taken in the postcolonial period premised on achieving economic emancipation and transformation. Additionally, the AfCFTA will ensure that Africa becomes more resilient in the face of global financial and commodity shocks. The Investment Protocol is expected to build on existing investment initiatives and developments of member states and Africa's Regional Economic Communities as well as include a dispute resolution mechanism.

In light of above, the United Nations Office for South-South Cooperation (UNOSSC) in partnership with the African Union Commission, and the Organisation internationale de la Francophonie (OIF) are organizing a workshop entitled "The Role of South-South Cooperation in Promoting and Deepening Trade and Investment in Africa- *Promoting Conducive Policy and*

Legal Environments in Africa” on 5 November 2019, ahead of the 11th African Private Sector Forum in Antananarivo, Madagascar.

In analyzing the regional South-South investment and trade trends and related policy and legal environments in Africa, this session seeks to engage discussions on the relevance, the need for the adaptation of the existing instruments for investment in the context of AfCFTA; scope the contributions of South-South investments in the SDGs in the region; identify the opportunities and challenges of the AfCFTA and other regional policy and legal frameworks that can facilitate greater South-South investments in Africa; and identify funding mechanisms and frameworks that can facilitate better South-South investments for the achievement of the SDGs.

Objectives of the Workshop

The discussions and outcomes of the workshop would feed into the formulation of a research agenda that aims to inform better policy-making to promote and strengthen trade and investment policies, specifically South-South investments. The research agenda would also identify policy and legal issues that are enabling or hindering Southern countries in engaging in SSC within the region. Additionally, a research report based on the sessions would be developed. In particular, the report would delineate the major elements of policy action enshrined in the different protocols (Protocol on Trade in Goods, Protocol on Trade in Services, Protocol on Rules and Procedures on the Settlement of Disputes, and future Protocol on Investment, and Protocol on Competition Policy) and annexes of the AfCFTA and investigate the role that digitalization can play in operationalizing these policy action areas. Trade, transit, and transport facilitation together form one such area.

The session will be open to participants and representatives from governments, the private sector, international financial institutions, multilateral institutions, development agencies, and think tank networks.

Tentative Agenda

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| Venue: | | |
| Session 1: Welcoming Remarks and VIP Group Photo | | |
| Moderator: Ms. Xiaojun Grace Wang, Deputy Director, United Nations Office for South-South Cooperation (UNOSSC) | | |
| 2:00 pm-2:20 pm | Opening Remarks | H.E Ambassador Malik Sarr , Regional Representative of the Organisation internationale de la Francophonie (OIF) for the Indian Ocean (5 min) |
| | | Prof. Victor Harison , Commissioner of Economic |

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| | | <p>Affairs, African Union Commission (AUC) (5 min)</p> <p>Mr. Jorge Chediak, Envoy of the Secretary-General on South-South Cooperation and Director of UNOSSC (5 min)</p> |
| Panel Sessions | | |
| <p>Session 2: South-South Investment and Trade for the SDGs: Regional and Country Trends Moderator: Mr. Francois Ekoko, Chief for Africa, UNOSSC</p> | | |
| 2:20 pm-3:20 pm | <p>This session will provide and discuss perspectives on regional and country trends. Speakers during this session will provide country perspectives and share examples of practices and initiatives that worked and did not work; and present future needs and priorities for South-South investment</p> | <p>H.E. Mrs. Lantosoa Rakotomalala, Minister of Trade, Industry and Artisanhip, Madagascar (5 min) (tbc)</p> <p>H.E. Jean Marie Ogandaga, Minister of Industry, Trade SME and Tourism, Gabon (10mins)</p> <p>H.E. Mr. Michel Hamala Sidibé, Minister of Health and Social Affairs, Mali (tbc)</p> <p>H.E. Dr. Arkebe Oqubay, Special Advisor to Prime Minister, Federal Republic of Ethiopia (tbc)</p> <p>Mr. Prince Adetokunbo Kayode, President, Abuja Chamber of Commerce of Industry (ACCI) Nigeria (10 min)</p> <p>Mr. Faman Toure, President Chamber of Commerce and Industry, Côte d'Ivoire (10 min)</p> <p>Lord Komba Sam Mayor, Koidu New Sembehun City Council, Kono District, Sierra Leone (10 min)</p> |
| 3:20 pm-3:30 pm | Q&A | |
| 3:30 pm-3:40 pm | Coffee break | |
| <p>Session 3: South-South Investment: Public and Private Partnerships and Perspectives within the framework of the African Continental Free Trade Agreement (AfCFTA) Moderator: Ms. Xiaojun Grace Wang, Deputy Director, United Nations Office for South-South Cooperation (UNOSSC)</p> | | |

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| 3:40 pm-4:45 pm | This session will discuss and also identify policy and legal issues that are enabling or hindering Southern countries in engaging in South-South investment and trade within the region. This session will focus identify incentives, opportunities, challenges, and risk management for South-South trade and investments in the Africa region within the framework of AfCFTA. | <p>H.E. Mr. Robert Ahomka-Lindsay, Deputy Minister of Trade and Industry, Ghana (tbc)</p> <p>Mr. Jean François Yanda, Director General of Commerce, Ministry of Trade, SMEs, Industries and Tourism, Gabon (10 min)</p> <p>Mr. Christopher Forster, President, Chamber of Commerce and Agriculture Sierra Leone (10 min)</p> <p>Ms. Lin Yang, Executive Chairwoman, Yingke Law Firm, China (10 min)</p> <p>Mr. Hassanein Hiridjee, CEO, Group Axian, Madagascar (10 min) (tbc)</p> <p>Dr. Sarah Jinjie Wang, Director of the Research Office at South-South Institute of Cooperation and Development (ISSCAD), Peking University, China (5 min)- video message</p> <p>Dr. Chukwuka Onyekwena, Executive Director, Centre for the Study of the Economies of Africa (CSEA) (10 min)</p> |
| 4:45 pm-5:00 pm | Q&A | |
| Session 4: Digital Economy and its contribution to South-South Investments and trade Moderator: Mr. Hany Beseda, Senior Research and Senior Advisor, UNOSSC | | |
| 5:00 pm-6:00 pm | Analyzing how digitalization and the range of available digital technologies from the 3 rd and 4 th Industrial Revolution could facilitate the effective implementation of the AfCFTA. The session also aims to address these risks so that AfCFTA delivers on its goals which include boosting intra-African trade, creating jobs and promoting structural transformation for the implementation of the SDGs. | <p>Mr. Phillip Thigo, Senior Adviser, Data, Innovation and Open Government, Office of the Deputy President of Kenya (10 min) (tbc)</p> <p>Mr. Tian Tan, Lexin, China</p> |

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| | | <p>Ms. Neuma Grobbelaar, Director of Research, South African Institute of International Affairs (SAIIA) (10 min)</p> <p>Ms. Zhou Mei Xiang, Deputy Director General The Finance Centre for South-South Cooperation (FCSSC), China (10 min)</p> |
| 6:00 om-6:10pm | Q&A | |
| 6:10 pm-6:15pm | ClosingRemarks | Ms. Xiaojun Grace Wang, UNOSSC |
| 6:30 pm-8:30 pm | Cocktail Reception | |

For inquiries about this event, please contact:

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