

Support to Trade Agreements with Africa

Appui aux accords commerciaux avec l'Afrique (AACA)



NEWSLETTER

November 2022



Implemented by



In cooperation with





News

Tunisia takes part in the AfCFTA Guided Trade Initiative



Project organisation and management

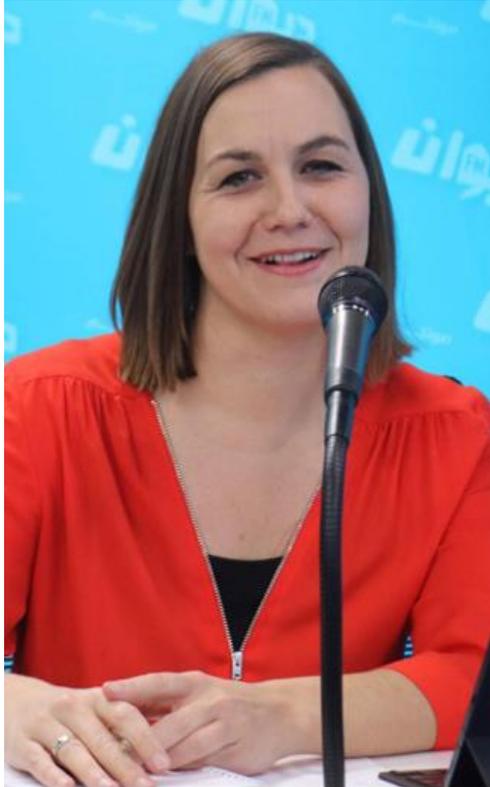
The structure of the project "Support to Trade Agreements with Africa"



Areas of intervention

- 1 – Support to the AfCFTA negotiation
- 2 - Support for the establishment of the prerequisites of the COMESA and AfCFTA Agreements
- 3 - Raising awareness among the private sector about these agreements and their implementation tools
- 4 – Cross-cutting activities

 Hello !



Dear colleagues, dear partners, dear readers,

We meet again one last time before the new year, to share with you the results and progress of our activities for this quarter.

The AACA project is making good strides in the implementation of its activities, thanks to the continuous and solid commitment of our main partner, the Ministry of Trade and Export Development and the active participation of various others in our activities.

Looking forward to seeing you again next year with a wide range of results, for now, I invite you to discover our flagship activities for this quarter.

Lisa Menucha



News





5

The AfCFTA Initiative On Guided Trade

Participating Countries
Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda, Tanzania and Tunisia.

All other countries are welcome to come on board!

AfCFTA Secretariat

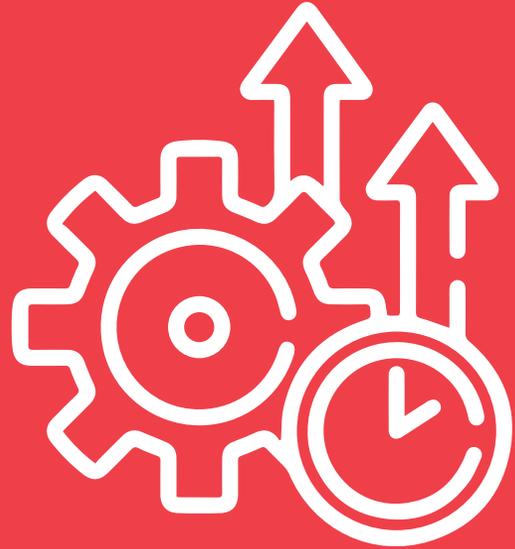
Tunisia takes part in the AfCFTA Guided Trade Initiative

This initiative was launched on the sidelines of the 10th meeting of the AfCFTA Council of Ministers, the Guided Trade Initiative aims to facilitate trade through an arrangement of companies and products for export and import between interested States Parties.

Tunisia is among the first eight countries to participate in this initiative to start trade under the AfCFTA Agreement.

5





Project organisation and management





Project organisation and management

New structure



As of January 2022, GIZ has a project that encompasses several funds to support Tunisia in the negotiation and implementation of the COMESA agreement and that of the AfCFTA.

Main partner

Ministry of Trade and Export Development



Budget

4
Mio.
EUR

Duration

Until

JUNE
2024

Funds represented in the project Other international partners



Tunisia component of the AfCFTA support programme



Output 3



Tunisian Component project Union for the Mediterranean



Global Alliance for Trade Facilitation project in Tunisia





Project organisation and management

Collaboration history since 2019



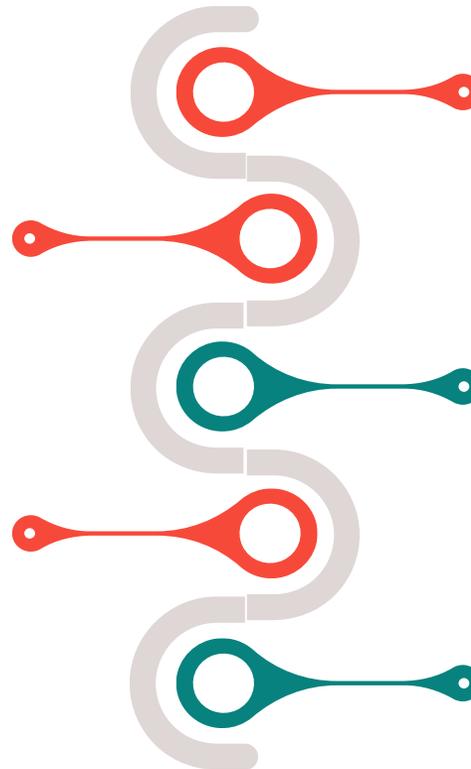
A fruitful cooperation with the Directorate for Cooperation with African Countries and the African Union of the Ministry of Trade and Export Development that started with a small capacity building program under the PEMA I project until the structuring of a whole new component.

2020 - 2023 Output3 PEMA II

Public-Private Dialogue for the identification of Tunisian SME issues related to the negotiations and implementation of COMESA and AfCFTA agreements

2020 – Mid 2024 Tunisia component of the AfCFTA support programme

- Partner: Ministry of Commerce and other stakeholders in the framework of COMESA and AfCFTA
- Mandant: Federal Ministry for Economic Cooperation and Development (BMZ)
- Budget: 1.5 million euro
- Duration: 08/2020 – 06/2024
- International partner: African Union - AfCFTA



Mid 2019 – 2020 Output3 PEMA I

Strengthening the capacities of Tunisian public actors to negotiate and implement pertinent trade agreements in the intra-African trade integration process

August 2020 Planning mission

As part of Phase II of the continental GIZ programme with the African Union, implementation of the national components of this programme

January 2022 Planning mission

- National component of the project in cooperation with the Union for the Mediterranean focusing on the AfCFTA
- Continuation of the trade facilitation project, funded by the Global Alliance for Trade Facilitation or the German Alliance for Trade Facilitation





PEMA II and AACCA: Complementary projects



The PEMA II and the AACCA projects have a joint history and a logical link that explains their complementarity. PEMA supports small and medium-sized enterprises to fully exploit the potential of new markets in sub-Saharan Africa and AACCA supports Tunisia in the negotiation and implementation of Trade Agreements with Africa, including AfCFTA and COMESA, hence the synergy.

PEMA promotes exports to sub-Saharan Africa, an opportunity that would be more beneficial for SMEs if they use trade agreements that provide them with tax and legal benefits such as COMESA and AfCFTA.

Following this logic and working on a rather macro level, AACCA carries out missions and activities to support the negotiation of the AfCFTA and its implementation along with COMESA. These free trade area agreements are tools that will not only be promising to the private sector to explore, exploit and export to sub-Saharan Africa, and Africa in general, but they also represent a potential of economic development for Tunisia.



Project organisation and management



Agreements phases



Agreements negotiations



Agreements implementation



Areas of intervention

1

AfCFTA negotiations are supported and concluded

2

The prerequisites and conditions of use of the AfCFTA / COMESA are put in place

3

The private sector is sensitized on the agreements and their implementation tools

4

Cross-cutting activities

Objectives

Tunisian stakeholders (public and private) are supported to ensure that the AfCFTA is well negotiated. **Desired outcome: A well-negotiated AfCFTA**

Relevant stakeholders are supported to implement the AfCFTA/COMESA agreements by establishing the necessary framework conditions and tools for the implementation and use of the agreements, taking into account the needs of the private sector. **Desired Outcome: Stakeholders have what they need for the use of the AfCFTA and COMESA agreements**

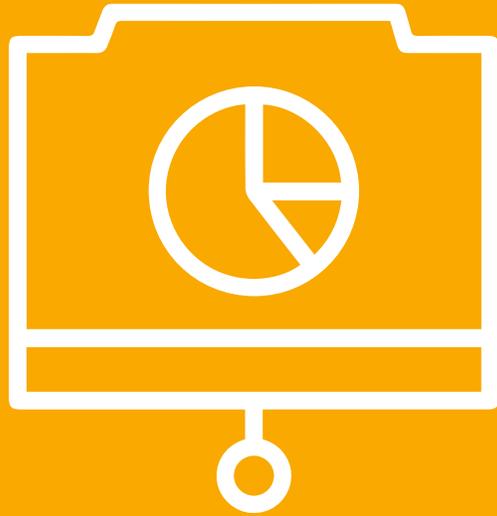
The private sector is informed about the agreements and sensitized on its operational tools to use and benefit from the AfCFTA and COMESA agreements. **Desired Outcome: The private sector is sensitized, uses and benefits from the AfCFTA and COMESA agreements**

Contribution to the overall objective

Overall objective



- Strengthening framework conditions and capacity building for the public sector
- Capacity building for the private sector to use and benefit from the AfCFTA
- Promoting public-private dialogue

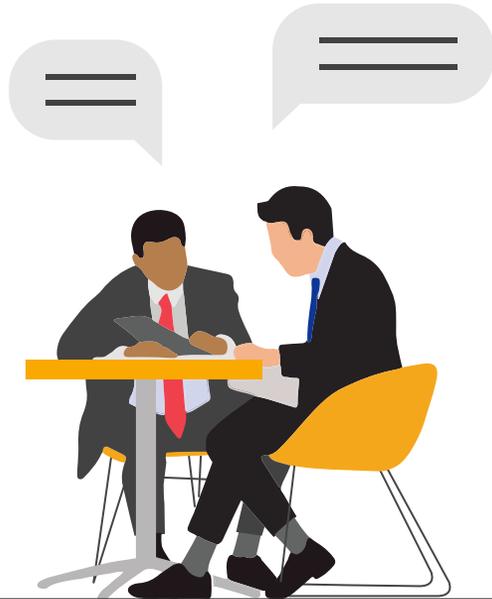


Areas of intervention





1 AfCFTA negotiation



Activities in progress

- Support to negotiate and implement Phase II of the AfCFTA
- Support for "Trade in Services" (TiS) regulations
- Support for "Trade in Goods" (TiG) regulations



Areas of intervention

1 – AfCFTA negotiation



Support to negotiation and implementation of Phase II of the AfCFTA



Workshop to reveal needs for the negotiation of Phase II of the AfCFTA Agreement

Date : **1&2 june 2022**

Participants : **15 Participants**

The Tunisian government's economic policy increasingly targets trade and investment with the African continent, a major market, so that Tunisia integrates regionally with Africa, develops more value chains.

This new economic paradigm is strategically reflected in the ratification of the two trade agreements in 2020; that of the COMESA Common Market and that of the AfCFTA Free Trade Area.

In this context, a workshop on the negotiation of Phase II of the AfCFTA Agreement was organised on 1 and 2 June 2022 in Hammamet. Phase II includes the negotiation of four pan-African protocols on Investment, Competition, Intellectual Property Rights and Digital Trade.

Presentation sessions and collective reflection sessions, supervised by a team of consultants, brought together different participants:

- Chief Negotiator of the AfCFTA Agreement ;
- Representatives of the Ministry of Trade and Export Development ;
- Phase II negotiating focal points and selected members of their working groups ;
- Other representatives of ministries and public institutions involved in the AfCFTA Agreement;
- Representatives of the private sector;
- GIZ experts and consultants from the Aets-Cibola Partners consortium.

This workshop was an opportunity to better understand the AfCFTA Agreement by the various participants, exchange on the progress of Phase II, the difficulties felt during the preparation for the negotiation and during the negotiation and how to ensure good governance and symmetry of information between the focal points and the chief negotiator.

In addition, **7 action sheets were revealed reflecting the immediate need of negotiators to prepare and conduct the negotiation of the four protocols.** Its milestones will be processed in the next quarter and will be rendered on October 12 & 13, 2022, via a new workshop.



Areas of intervention

1 – AfCFTA negotiation



Support to negotiation and implementation of Phase II of the AfCFTA



Workshop on the Negotiation Manual and Information System

Date : 12&13 october 2022

Participants : 20 senior public officers

A workshop was held in Tunis on support for Phase II of the Pan-African Agreement establishing the African Continental Free Trade Area (AfCFTA). This support is addressed to the Chief Negotiator and the focal points, as well as their working groups, responsible for negotiating the 4 protocols on competition policy, investment policy, intellectual property rights policy and digital trade.

The mission to support Phase II of the AfCFTA Agreement on behalf of the Tunisian side was entrusted to the international consortium Aets-Cibola Partners. It started in February 2022. The contract is designed to equip the Tunisian side with capacity-building actions, economic policy notes and organizational and good governance support.

During this workshop, the negotiators and their working groups discussed the difficulties they have faced in Phase I, in order to successfully conduct the negotiations of Phase II of the AfCFTA:

- 1- Lack of a Vision and Strategy for the AfCFTA,
- 2- Lack of Negotiating Mandate for Focal Points,
- 3- Difficulty in setting up theme based Working Groups to negotiate the 4 protocols with the exception of the Investment Protocol - already established previously in the context of negotiations of other bilateral, regional and multilateral agreements-,
- 4- Deficiency of the real-time IS Information System between the chief negotiator and the negotiating focal point, and vice versa.



Areas of intervention

1 – AfCFTA negotiation



Support to negotiation and implementation of Phase II of the AfCFTA



Workshop on the Negotiation Manual and Information System

Date : 12&13 october

Participants : 20 senior public officers

To deal with these shortcomings, brainstorming sessions were led by the experts. The following emerges from these meetings:

1- A first document for the IS designed by the participants and responding to their needs, "**Back To Unit Report (BTUR)**". This document will be refined by the experts with rules of use.

Initially, the participants agreed to apply and test the BTUR for possible continuous improvement. For the second step, they recommended putting it online on the website www.africatradeagreements.tn with a login for each user or on the mobile application dedicated to the negotiation which is in the process of approval.

2- A Negotiation Manual responding to the first three shortcomings will be developed by the consortium, with a suggestion of the adequate profiling of the negotiator and his working group members.



Areas of intervention

1 - AfCFTA negotiation



Preparation and negotiation of the services offer

Date :From 30th august until 07th september.

Participants : 35 participants

As part of the activities to support the negotiation of the first phase of the AfCFTA agreement, a seven (7) day workshop was held in Dar el Marsa, Tunis, to finalize Tunisia's list of specific commitments for the liberalization of trade in services in priority sectors (business services, communication services, construction services, financial services, tourism services and transport services) in accordance with the Protocol on Trade in Services (TiS) of the AfCFTA Agreement.

This workshop was assisted by an international expert in trade in services who is also responsible for accompanying national stakeholders in the process of finalizing the Tunisian offer.

At the end of these seven (7) intense days, the involvement of the various public and private structures made it possible to translate Tunisia's interests into a schedule of commitments for the liberalisation of trade in services within the framework of the AfCFTA.





Areas of intervention

1 - AfCFTA negotiation



Support for "Trade in Goods" (TiG) regulations

Training Workshop on Rules of Origin for Customs

Date : 22 September

Participants : 20 participants

Following the request of our partner the Tunisian Customs, and as part of the preparations for the launch of the Guided Trade initiative in the AfCFTA, a half-day training took place on 22nd September 2022.

During this training, the AfCFTA rules of origin were introduced and explained to the 20 customs officers and managers.



Areas of intervention

2 - The prerequisites and conditions of use of the AfCFTA / COMESA are put in place



Institutionalisation of the AfCFTA National Committee in Tunisia

Date : 11th October
Participants : 30 participants

A benchmarking on the institutionalisation of the AfCFTA national committee in African countries was presented, namely in Côte d'Ivoire, Ghana, etc. This benchmarking was an introduction to discuss the possible institutional forms in Tunisia with taking in consideration the legislation in force.

Starting from 5 possible institutional formats, the participants, through work groups and a matrix of criteria, had defended two formats, namely a Management Unit by Objectives (UGO) in accordance with Decree No. 96-1236 of 6 July 1996, creating management units by objectives; and a non-organizational Unit through an internal decision of the Minister in charge of trade.

At the end of the group work session, most participants advocated the 1st institutional form of UGO, which could meet the criteria of good governance, the current policy of austerity of public finances and its potential of being a financing vehicle for technical and financial partners present in Tunisia who would like to support regional integration agreements with Africa.





Areas of intervention

2 - The prerequisites and conditions of use of the AfCFTA / COMESA are put in place



Identification of promising value chains under the AfCFTA



In which intra-African value chains could Tunisia integrate and rise further?

This is the question that a study, entrusted to the International Trade Centre as part of the AACA Project, is currently addressing, and this, to enlighten the public authorities and the private sector in Tunisia on the opportunities of the AfCFTA Agreement.

The identification of promising value chains is based on the capacity of Tunisia and its potential partners to provide inputs or produce outputs (6-digit HS WITS) as well as the synergy between partners. Indeed, two types of value chains are studied:

- 1- Established product value chains, and
- 2- Value chains of new products.

The preliminary results of this study are as follows:

28 existing and 12 new intra-African value chains were identified as promising for Tunisia benefiting from the AfCFTA Agreement.

The Ministry of Trade and Export Development (MCDE) will deliberate on 5 channels among these 40 channels according to certain criteria such as market size, production capacity, creation of decent employment, possible tariff reduction according to Tunisia's list of tariff concessions and synergy with other value chains. These 5 chains will be the subject of a more in-depth qualitative analysis based on bottlenecks that hinder the potential for complementarity upstream and downstream.

Stay tuned for the final results of this study. The first milestone will be in November 2022 during 3 regional workshops that will be organized by the GIZ AACA Project in cooperation with MCDE, in Tunis (3-4.11), Sfax (7-8.11) and Sousse (9-10.11), on behalf of the national Chambers of Commerce and Industry, representatives of the private sector and public authorities.

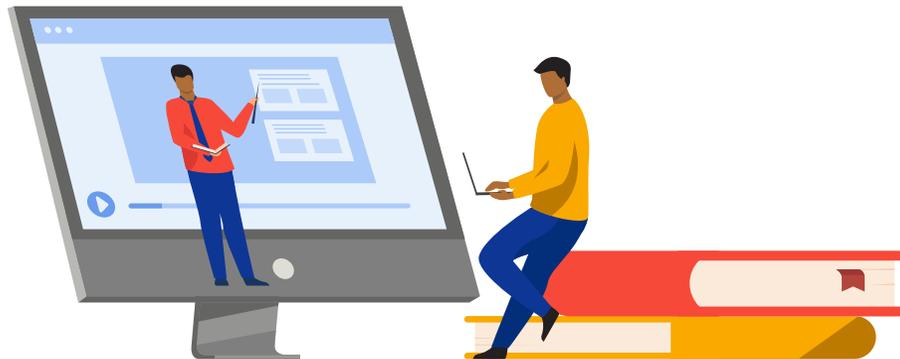


Areas of intervention

2 - The prerequisites and conditions of use of the AfCFTA / COMESA are put in place



Support to Customs Authorities on AfCFTA, Rules of Origins and Tariff Classification



The COMESA and AfCFTA trade agreements offer great potential for growth for the intra-African economy, provided that customs-specific requirements and specifications are applied and implemented appropriately.

For the Tunisian Customs Authorities, the basic understanding of the AfCFTA and related trade facilitation, and the topics of rules of origin (RoO) and tariff classification are of particular interest. Specific capacity-building measures are therefore foreseen to support Customs Authorities in carrying out their tasks in this regard.

This mission comes at the right time in the context of Tunisia's participation in the AfCFTA Secretariat's unprecedented initiative on guided trade.

Tunisia is thus one of the pioneers of intra-African trade under the AfCFTA free trade agreement.

This AACA Project support activity to the Tunisian Customs Authorities will address the following points:

- In-depth analysis of Customs' specific needs for the use of trade agreements;
- Customs Capacity Building on AfCFTA, RoO and Tariff Classification;
- Exchange trip to another AfCFTA country;
- Support for the implementation of measures in the context of trade agreements.



3 The private sector is sensitized on the agreements and their implementation tools



Activities in progress

- Development of strategies, materials and website feed, to raise awareness on the AfCFTA and COMESA agreements

- Communication and outreach activities

Activities completed

- COMESA Tunisia Business Women Days International Conference

Planned activities

- Awareness and popularization of the implementation tools of the of the agreements to companies (PAPSS, RO, ATO,...)



Areas of intervention

3 - Raising private sector awareness on COMESA and AfCFTA agreements



COMESA Tunisia Business Women Days International Conference

Date : 29 & 30 september

Participants : 200



The COMESA Tunisia Business Women Days international conference was held on Thursday 29 and Friday 30 September 2022 in Tunis.

The event was organized in the framework of the project "Support to Trade Agreements with Africa" (AACAA) and the project "Promotion of Exports to Sub-Saharan Africa" (PEMA II) , mandated by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in Tunisia in collaboration with the Ministry of Trade and Export Development, the Export Promotion Center and the National Chamber of Women Entrepreneurs (CNFCE).

Putting women at the centre of intra-African trade and more particularly in the context of trade in COMESA, this was the main theme of the COMESA TUNISIA BUSINESS WOMEN DAYS International Conference.

This event was organised, under the auspices of the Minister of Trade and Export Development, Mrs. Fadhila REBHI, with the presence of the Minister of Family, Women, Children and the Elderly, Dr. Amel Belhaj Moussa, accompanied by His Excellency the German Ambassador to Tunisia, Mr. Peter Prügel, Mr. Fritz Jung, Head of Cooperation at the Embassy of Germany in Tunisia, the Regional Director of GIZ in Tunisia and Libya, Mr. Manfred HERR. COMESA and COMFWB were also present with the participation of Ms. Ruth Negash, CEO of COMFWB and Ambassador Kipyego Cheluget, Assistant to the Secretary General of COMESA.

This high-level conference was an ideal opportunity to bring together stakeholders to discuss this theme. Diplomatic representations of Libya and Egypt were also present as COMESA member countries.





Areas of intervention

3 - Raising private sector awareness on COMESA and AfCFTA agreements



COMESA Tunisia Business Women Days International Conference

Date : 29 & 30 september
Participants : 200

Main results:

The conference, through its plenary, shed light on the positioning of African women in trade in COMESA, and the measures taken by the latter to adopt a gender policy that encourages women to undertake and benefit from the legal framework of the COMESA Agreement.

The existing bodies and instruments to foster women's entrepreneurship were presented and explained by the stakeholders, thus demonstrating the commitment to gender in COMESA.

The private sector and the general public has gained awareness on the COMESA Agreement, its mechanisms and benefits.





4 Cross-cutting activities



Activities in progress

- Workshop facilitation
- Short term expert pool
- Public-Private Dialogue



Public-private dialogue in the context of negotiation and implementation

Date : 03 June

Participants : 35 participants

Referring to the research work previously covered by this mission, a one-day training program took place on 03 June 2022 in Hammamet, Tunisia, on good practices and the definition of a public-private dialogue as a catalyst for the negotiation of pan-African multilateral trade agreements.

More than thirty (30) participants from different public and private structures were present with a common will, to strengthen the prospects in order to take advantage of such a promising regional integration.

The day kicked off with a presentation on the state of play of the AfCFTA negotiations, followed by training on the fundamentals of public-private dialogue. Participants were then divided into two focus groups.

The goal was to provide them with a space for exchange allowing a better understanding of the perspectives of both spheres, public and private, in the context of the negotiation and implementation of multilateral trade agreements with Africa (AfCFTA and COMESA).

The brainstorming session clarified the roles, responsibilities and expectations of both parties, as the public sector expects the private sector to bring a force of proposal with clear positions. While the expectations expressed by the private sector were to have active feedback and continuous involvement at the level of the different phases of consultation.



Areas of intervention

4 – Cross-cutting activities



Training workshop on private advocacy and regional trade agreements with Africa

Date : 12 et 13 octobre

Participants : 120 representative of the UTICA

In the framework of the cooperation project between the "Directorate General for Economic and Trade Cooperation-DGCEC" of the Ministry of Trade and Export Development (MCDE) and the project "Support to Trade Agreements with Africa-AACA" of GIZ, mandated by the German Federal Ministry for Economic Cooperation and Development (BMZ), a request came from the Tunisian Confederation of Industry, Trade and Handicrafts (UTICA) mentioning the need for a better understanding of Pan-African Regional Trade Agreements, in particular, the African Continental Free Trade Area (AfCFTA) and the Common Market for Eastern and Southern Africa (COMESA).

In response to this request, the cooperation project organised a workshop of two (2) consecutive days on 12 and 13 October 2022 in El Mouradi Gammarth.

This awareness-raising session was inaugurated by the Head of the GIZ Project "Support to Trade Agreements with Africa", the Director of Cooperation with African Countries and the African Union of MCDE and the Vice-President of UTICA, Mr. Hamadi Kooli.

At the end of the first day of the workshop, the institutional architecture of the AfCFTA agreement was clarified; the state of play of the negotiation of the various protocols relating to the AfCFTA and COMESA agreements by the Tunisian side were presented and participants were sensitised on the importance of establishing a public-private dialogue in favor of free trade.

As for the second day, the indispensable contribution of the private sector was highlighted, hence the importance of private sector advocacy. To this end, the team of experts, mandated by the cooperation project, presented the good practices of proactive advocacy for a collective, transparent and chosen approach by building a shared conviction between the public and private sectors.

The outcomes of the two-day workshop reflected the private sector's strong and immediate commitment to regional integration with Africa. More than 120 participants throughout the two days came out with concrete and at different levels commitments.



Copyrights



Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Project Lead: Lisa Menucha

Team Leader AACA: Amal Mghirbi

📍 Ministry of Trade and Export Development, Tunis 1001, Tunisia

✉ lisa.menucha@giz.de
amal.mghirbi@giz.de

🌐 www.africatradeagreements.tn

f [Africatradeagreements.tn](https://www.facebook.com/Africatradeagreements.tn)

in [Africatradeagreements.tn](https://www.linkedin.com/company/Africatradeagreements.tn)



Implemented by



In cooperation with

