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WEBINAR

GREEN TRADE UNDER THE AFCTA: THE ROLE OF AU-EU PARTNERSHIP

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P R O C E E D I N G S

MR. ORDU: Good morning everyone, and a warm welcome to our listeners here in the United States, in Africa, and around the world. I'm Aloysius Uche Ordu, director of the Africa Growth Initiative at The Brookings Institution here in Washington, DC. Today, I'm particularly delighted that we're co-hosting this event with the United Nations University Institute for Natural Resources in Africa. The topic is "*Green trade under the African Continental Free Trade Area: The role of the African Union and the European Union partnership.*"

By now, we're all too familiar with the considerable havoc wrecked by COVID-19. Just when we thought the world should pull together to fight the pandemic, a two-track world is emerging. The rich unvaccinated, the poor are unvaccinated. As if that challenge wasn't enough to deal with, we're also facing the existential threat of climate change.

Guess who's suffering the most from climate change? Africa. The continent is now has more cyclones, floods, droughts, famine, and soil degradation. In fact, the World Bank just published last week it's Groundswell report, projecting that by 2050 Sub-Saharan Africa could see 86 million internal migrants due to climate change. Think of that for a moment. That's like over the population of Kenya and Rwanda put together, will be migrants internally on our continent. While Africa contributed very little to the world's climate problem, it is bearing the brunt of it.

So, what is to be done? Reductions in emission is part of the answer. But we all know that Intergovernmental Panel on Climate Change, which just was released recently, says that the global targets on emissions will not be met. Meanwhile, a most consequential development on the African continent has been the establishment of the African Continental Free Trade Area. This new block comprises 54 countries. It has tremendous potential to boost trade investments to create jobs and to reduce poverty.

Already, questions are being asked whether the African Continental Free Trade Area is green enough to mitigate the impact of climate change, and whether Africans' partnership with the EU can support green growth. Here's my take on this, that the issues at stake are very complex. If the solutions were easy, like putting a man on the moon, the climate problem would have been solved long ago.

To provide some answers to the complex challenges posed by climate change, I'm

absolutely delighted to introduce our moderator, Dr. Fatima Denton. Fatma is the director of the United Nations University Institute of Natural Resources in Africa. Fatma and her team recently released two excellent discussion papers, which I would really encourage you to download and read. The first one is the *Bridges of Opportunity: Partnering for Africa–Europe Green Development*, and the second one is *Building Forward Better Towards Africa's Green Transformation*.

I would also like to highly recommend the recently published piece by AGI's Landry Signé and the trade expert Colette van der Ven Colette. Their work is titled *Greening the African Continental Free Trade Area: It is not too late*.

On that note, let me now turn over to Fatima to introduce our esteemed panels for today. Thank you very much.

MS. DENTON: Thank you very much, Aloysius, for that very comprehensive overview. I think you've made my task a lot easier in terms of framing. So, I'll just perhaps get into the discussions. But before I do that, I wanted to just say, yes, we are also equally delighted to be co-convening this event with my colleague and partners at the African Growth Initiative, headed by Dr. Aloysius Ordu.

We are also extremely pleased that this green development is a sequel of discussions that we've been having, thanks to our partners, the German Federal Ministry of Economic Cooperation and Development, BMZ, who's been a very -- a great partner in this enterprise. And together, we've come -- we were able to do this as part of a consortium, I'd say, of members, including the Economic Commission for Africa, the ECA; the African Union commission, AUC; GIZ, the German think tank Adelphi, the African Development Bank. So, it was a great partnership. And that produced the two reports that the Aloysius mentioned. To show you this report, I hope my colleagues would be able to put the link of the reports in the chat so that you could download the report.

Two words from Aloysius, which I think is going to be extremely important in our conversation. The one is complexity. We are, more or less, trying to do something that hasn't been done before. And there is a scale issue. There's an urgency issue. There's a management issue. So, trade is fundamentally essential to growth. But we can't pretend that we can do trade in the ways that we've done before.

Many of our countries are talking about industrialization, many of our countries have got

ambitious industrial plans, and they also trying to see how they could go on that trajectory, especially since industrialization has had somewhat of a checkered history in Africa. But we can't industrialize in the same way that mature economies have done. The times have changed. But beyond times changing, it's also the fact that we are dealing with an existential strife, which Aloysius has mentioned; which comes with its own associated problems and challenges that this continent hasn't produced but is actually in the frontline, and it's going to be the hardest hit.

So, we have to industrialize with some degree of ingenuity. And that means that we have to think about how we could green industrialization and how we could green trade. I wouldn't mention what Aloysius have said about the AfCFTA, which I think is the block that many of us are on bated breath I would say. We have our hopes pinned against this block to see how much of some of our aspirations could be delivered as a result of the AfCFTA, related to new job aspirations, related to growth, aspirations even related to this industrial ambition that I've mentioned.

So, very privileged and very, very happy to have these esteemed panels, competent, able panel that will help us have a deep dive. We want to be able to slice and dice this huge topic, which is obviously we're not going to be able to exhaust everything, but we will try.

Let me introduce you to our panel -- panelists. First of all, I'm pleased to introduce Professor Wisdom Akpalu, Professor Akpalu is currently the dean of the School of Research and Graduate Studies at Ghana's Institute of Management and Public Administration, GIMPA. And he's also the president of the African Association of the Environmental and Resources Economist. His research focuses on socioeconomics, of natural resource management, including fisheries management, economics of crime and punishment, and economic institutions. Dr. Akpalu holds a PhD in Economics from Gothenburg University in Sweden.

I'm also equally delighted to introduce you to Dr. Angela Lusigi. Dr. Lusigi is the resident representative of the UNDP, the United Nations Development Program in Ghana. She comes with over 20 years of experience in dealing with national development strategies, socioeconomic analysis and partnerships building, inclusive and sustainable development.

Prior to her appointment, Dr. Lusigi was a strategic advisor in the UNDP Regional Bureau for Africa, in New York. She previously held other senior leadership positions in Africa, including serving

as a regional program advisor of the United Nations.

Dr. Lusigi has worked with EFAD. She's also worked with FAO. And she also provided policy support to national programs in South Africa and Zambia. She holds a Doctoral and Masters' Degrees in Agricultural Economics from the University of Reading in the United Kingdom, and a Bachelor's Degree in Economics and Computer Science from the University of Waterloo in Canada. She's passionate about youth employment, gender equality, and leadership development.

Next, we have Dr. Olumide Abimbola. Dr. Abimbola is a political economist and executive director of the Africa Policy Research Institute. APRI is a Berlin-based think tank, providing evidence-based policy recommendations on German, EU, Africa relations, in areas such as climate change and trade. Dr. Abimbola previously worked on trade and regional integration at the African Development Bank. He has also worked on the management of natural resources at GIZ. I wouldn't pretend read GIZ in German, sorry.

Next, we have, Ralf Peters. Ralf Peters is the chief -- Dr. Ralf Peters, I should say, he's the chief of UNCTAD's Trade Information Section and officer-in-charge of the Trade Analysis Branch, in the division on international trade and commodities. He has extensive experience in supporting developing countries with quantitative trade analyses and trade negotiations. His recent work focuses on non-tariff measures. Prior to his current position, he was chief technical advisor of the ILO for trade and employment. He holds a PhD in Economics, and was assistant professor for entrepreneurship.

So, welcome to all of you. It seems like we've got a whole group of economists, including Aloysius. So, I feel a little bit slightly outnumbered. But I hope there is some element of kindred spirits amongst us.

So, let me start by asking you all this question. You've heard Aloysius' introductions, and he talked about the importance of greening. We talk about greening the African Continental Free Trade Area, what opportunities do you see that are present for the AfCFTA? Can we somehow -- does this resonate with you that the AfCFTA can support the greening of trade in the African continent? Let me start with you, Professor Akpalu?

Thank you very much, Dr. Denton, for this wonderful introduction. And also, for posing a very, very important, very critical question. I believe that greening is something we cannot run away from

as a continent. Indeed, we cannot make meaningful progress as a continent if we do not grow in a sustainable way. And greening is the only pathway that will ensure that sustainability.

The African Continental Free Trade will also have -- I mean, it's here with us. And it goes hand in hand with the border tax that the European -- the carbon-border tax, which I believe we have to look at hand in hand. Because if we are not successful as a continent to trade among ourselves, it is unlikely that we will be able or we'll be successful in exporting our products when we consider these initiatives coming from Europe, which makes it more difficult to do business with Europe.

And for us to be able to do our trading successfully and into the long term, I believe that it is very important that we consider issues of greening. We consider the fact that sustainable development -- or development that they're into consideration the rate at which we respect our natural environment or we respect the exploitation of the use of our natural resources is extremely important. So, I believe that, one, we cannot achieve the objectives laid out in our trade, this this new trade paradigm, if we do not ensure that we're green, or we traded in a way that will ensure that the environment is given its right place.

So, I think, yes, we cannot grow or we cannot develop without ensuring that that environment is managed in a sustainable way. That's just my initial reaction before.

MS. DENTON: Thank you very much. So, I'm just going to go with first names, if that's okay, for, just for ease of conversation. Thank you so much Wisdom.

Olumide, you've heard Wisdom, and he's about the inevitability of greening. Whether we want it or not, it's almost something that we will have to do. You've also had him talk about the new trade paradigm. I mean, in your views, what do you think the AfCFTA has to do with greening? Can you help our non-specialists understand the relationship between AfCFTA and greening?

MR. AMBIBOLA: Thank you very much, Fatima. I'm going to try not to disappoint. So, I mean, when I think about AfCFTA and greening, I generally sort of think of that it means looking for ways that African countries can enhance green and climate-friendly trade under the agreement. I also think of ways that the AfCFTA can be leveraged to ensure a post COVID-19 green recovery for African countries in general. I also sort of think of looking for ways that trade can enhance sustainable development. Wisdom had already -- had spoken about that a bit earlier.

For African countries and how trade can become a tool, that Africa employs positively for itself as it trades with other parts of the world, including Europe -- and we're talking about European relations here today. I think it also means looking for ways that African countries can jointly create a common voice on what constitutes, for example, environmental goods and services. Something else that we have to do on distribution, for example, and what it means to trade in there, including with third party entities like the European Union.

I think it also means understanding what constitutes environmental (inaudible) environmental goods, and what it means to limit trading them. So, regarding the opportunities for green trade between Africa and Europe, I'm just going to say that's part of my -- I'm sort of thinking about it right now. I would say that one of the most important issues is for both sides to agree on how to forge general partnerships -- we keep saying this, and we'll keep saying it -- in sourcing raw materials and energy supplies from Africa. I think it would also include building industrial capacity where it is most needed. So, for example, also localizing global value chains and creating regional value chains where it's possible.

So, to be more specific, I think that in trade -- so Europe has been talking a lot about hydrogen now for the past -- I mean, as part of the strategy under the EU Green Deal. So, I think opportunities of green trade between Europe and Africa, in this context, would mean ensuring that trade in green hydrogen doesn't reproduce the mistakes of the past, right? And moving beyond that, it also means that trading critical raw materials that are essential for Europe's transition happen in a more equitable system.

So, green trade, in this regard, would mean ensuring that we're talking about trade and clean energy hardware, like batteries, and not necessarily trade in cobalt or lithium. I'm going to leave it at that for now.

MS. DENTON: Excellent. Thank you very much, Olumide.

Angela, let me turn to you. I think Olumide has given us also complimentary responses to the ones that we had from Wisdom, talking about the importance of sustainable development, the whole aspect of inclusivity. And the importance also, what I think I also took away from that, is the necessity for Africa to kind of speak with one voice. That that coordination, sort of leveraging on the coordination side.

Do you get a sense -- and you heard Aloysius talk about the COVID in itself and we're all facing this economic fallout. Do you get a sense somehow that we are talking up the benefits of a green trade and talking down, if you like, the barriers and the challenges that are also stuck against this continent?

MS. LUSIGI: Thank you, Fatima. And I think just to build on the comments from my colleagues, just to start with a disclaimer, when we talk about Africa, we're talking about a heterogeneous set of countries with different profiles. But the one thing that we do have is we have natural resources, whether they are below ground or above ground. So, when I think about green, I think about resources in their totality.

And just to go back from the Africa Continental Free Trade Area and the entry points and opportunities, -- because that also speaks to the to the COVID issue. Now, the CFTA is really about advancing economic and social progress. So, the focus is really on looking at trade as a lever for structural transformation, and looking at how we can advance the opportunities and change the structure of our economies so that we have more opportunities for sustainable development.

And the reason I'm touching on this is because when we look at the current flow of trade between Africa and the rest of the world, with Europe and so on, it's very much based on raw materials. And if the CFTA is to succeed, then we're going to see a shift in the small, low-level of trade that we have between African countries that's mostly around manufactured goods and agricultural products. So, when we are thinking about the opportunities for green trade, we're also starting to think about opportunities in new areas where we don't traditionally look at trade between Africa and Europe. And it's also an opportunity for us to think ahead about what the direction of travel is. Because, as was said before, we cannot look at business as usual, because the industrial strategies of the past had a huge ecological footprint, which is not sustainable.

So, this is really the opportunity to see how we look at manufacturing and industrialization and adding value to Africa's natural assets in a new way. And there is, coming to your question, the opportunity to look at a COVID recovery that is powered by a more sustainable pathway and less carbon intensive. And of course, this will take time. But this is where the opportunity is to really crystallize and look at the direction of travel; to make sure that as we expand trade between African countries, as we

expand industrialization, that is also an opportunity to learn from and to leverage on the new technologies that are currently available, so that we don't repeat the mistakes of the past, and we really have a sustainable pathway going forward. Thank you.

MS. DENTON: Excellent. Thank you very much, Angela. Ralf, Angela's made -- put a lot of emphasis on this importance of -- it's almost like we are now -- we're still in the throes of COVID, but we need to really redefine and reshape a post-COVID economy. And Angela said this, that we need to take a different course, ecologically speaking. And she talked about manufacturing and all of that.

I just wondered, regarding the direction of travel that she mentioned, how important is it that we somehow amalgamate a green trade at the same time with the post-COVID recovery? But also, talk about the necessity for consensus building. Because like she rightly said, the countries in Africa are very dissimilar. So, how do we put all of those things together?

MR. PETERS: Thank you, Fatima. Challenging, I think, to put all of this together. But I totally agree with my previous speakers who made the point that the necessity for greening the economy is inevitable. And we have seen another record high of carbon dioxide levels at the beginning of this year. It is very widely accepted that this is due to human activities. So, it's very clear that something needs to be done. Wisdom made this point, among others.

But then we have the many other challenges that Angela and you, Fatima, have been mentioned. We have the covid 19 pandemic that has maybe put us back two decades in relatively slow progress, but still progress towards achieving the sustainable development Goals.

So, where to move from here? And I think the African Continental Free Trade Agreement provides really an opportunity. And I think it is a really remarkable agreement in times where multilateralism is not so popular. So, I can only congratulate the African states to this. And as the point has been made by Olumide and Angela, the trade of Africa, inside of Africa, compared to trade with other -- with the rest of the world is quite different.

So, Africa often exports raw materials to Europe, Asia, and so on. But the trade within Africa is quite different. It is more labor intensive. It is more skill intensive. It is higher in more industrial goods, so it can contribute to industrialization. It is more trade in sophisticated intermediate goods, or in relative terms compared to trade with outside of Africa. So, it has all the opportunities here to move the

development, sustainable development, agenda of Africa.

And I think here, having a component on greening Africa is very important, and it has the potential to do so. As been pointed out by the really good reports by United Nations University and INRA, and the excellent opening remarks from Aloysius, that greening is so important for Africa and that there is an opportunity for this.

One element, for example, is changing demand in markets such as the European Union. I mean, there is more demand for greener products. And hopefully, tourism will change towards greener tourism, more sustainable tourism. But also, inside the African continent for Intra-Africa trade, there is an opportunity for greener value chains, for example, which is very important and can be strengthened also along the lines of the African Continental Free Trade Agreement.

MS. DENTON: Thank you very much, Ralf.

Wisdom, I'm coming back to you based on something you said earlier. Ralf is talking about the importance of Intra-African trade, which we know is triggered by the constitution of the AfCFTA, the value adds that both he and Angela made reference to in terms of this is a continent that's known for producing but not adding value, and also the fact that there is probably going to be a much stronger demand pull that would be coming from the EU. So, therefore, greater need for cooperation between Africa and the EU.

But here's a question. As you know, and you mentioned this, the EU has come up with a very ambitious climate action plan, which is in the form of a green deal. The EU is also talking about a carbon border adjustment mechanism, the CBM, and this is to protect trade from carbon leakages, material or goods that will be coming from carbon intensive sectors. But in many ways, this is a continent that has a very small ecological footprint, less than 5%.

Is there not a sense that in the EU's ambition of greening and of having high carbon standards, it's also going to penalize and punish African countries in a way that some would say doesn't encourage a just transition?

MR. AKPALU: Yes. Fatima, I agree with you, I think as others have said, this is more or less a protectionist type of tax. Because we know that Africa is the least industrialized continent, and we also have a very significant proportion of our population in poverty. And then because of structural

problems, a number of problems on the continent, we have attracted over the years companies -- or let me say, dirty companies or industries. So, if it comes to a point where we cannot export because prices have to be adjusted for energy at the borders, this will become extremely problematic.

This will deepen poverty, it will create more hardship, a lot of unemployment. Because we know that we have also a very huge youthful population, most of whom are unemployed. So, if we have to -- if that is introduced, obviously, it is going to create a lot of hardship, and it is unfair. Although about 61% of imports from the continent are primary products, or primary goods, there is also some level of industrialization that mostly producing items or goods that when they are exported and they are taxed, they will become more expensive. And then those industries will no longer be competitive.

So, I believe this will create a lot of problems, maybe the need for us to dip in the Free Trade Agreement within the continent so that we can do more business among ourselves than to export. So, obviously, this is not a good thing for Africa. Africa will be on the losing end, if this is implemented. So, I think that is my view, that indeed it will be unfair

MS. DENTON: Olumide, there is a sense that the CBAM is actually done not to penalize Africa, but to stop companies from relocating their dirty industries and avoiding tax to elsewhere. So, the standards have been raised, tax issues there, so they can't maybe get away with business as usual, as you had -- Angela mentioned.

Do you feel that with the CBM, that this might probably encourage African countries to really start thinking about greening their products as well? Might it be an opening or an outlet for technology transfer? Might it encourage greater technology transfer, or even greater standards from the African continent?

MR. ABIMBOLA: Yeah, thank you very much. I would say that's one of the hopes, is that it would encourage that. But I think just to speak a bit more along the lines of what Wisdom said earlier, yes, the CBN is of course the tax. It's not called a tax, but that's what it is. It will -- if it's implemented, the way that we've seen it initially highlight -- outlined, it will definitely affect trade from Africa and from other parts of the world.

So, the -- I think what we should be thinking about, and also in conversation with the EU and with other partners of Africa, is how to, like you say, find somebody -- green some of the production

industrialization happening on the continent. It's going to be difficult, but we have to find ways of doing that, so that it can escape the CBAM. That's one.

So, I think we shouldn't -- I think we should still try to find ways of engaging with the EU so that the CBAM would apply in a different way to certain parts of the world. Taking into account, for instance, historical emissions, taking into account the level of developments in the countries, taking into account the possibilities of industrialization from the countries.

So, I would say -- everything you've said, I agree with it. I think it's possible that the CBAM might lead to technology transfer to the continent. And then from there, industries producing goods for exports would be green. That's quite possible. We shouldn't also leave off the idea of engaging with EU to discuss how to make sure that this doesn't kill industries on the continent.

MS. DENTON: Angela, Olumide is talking about not killing industries in the continent. And we know that a lot of trade between EU and Africa very often is clusters. The relationship at least is clusters, not quite symmetrical relationship, where African farmers are producing -- and some of the products that are exported to the EU have to contend with subsidies and tax. And in terms of returns on investment, where these farmers are concerned, it's very marginal.

So, do you get a sense that the importance of greening value chains can also be done at the same time with this -- what seems like another mitigation exercise, whereby African countries now need to start thinking about the products that are going into the EU. And if these products are going to be guilty of carbon leakage, then they can't. Do you get feeling that it's a little bit too much for some of these countries to contend with?

MS. LUSIGI: Thank you, Fatima. And just building on the point that my colleagues have mentioned, I think we need to step away from looking at one particular instrument as being the instrument that will change everything, but also looking at the intention of the Continental Free Trade Area. Because, if indeed, we're going to build the regional value chains that are envisaged, and we have more manufacturing, with a lot more cross border inputs and intermediary products being produced, I think that there will be a completely different market.

And really looking at, as was mentioned by Olumide, business opportunities and investment opportunities where we can actually have technology transfer and have some of this clean

technology coming in. Because now, people can invest in bigger markets. So, you can produce in one country and be able to access so many other countries.

So, the whole point about transferring dirty industries to Africa has actually become transferring clean technology to Africa as an investment opportunity. And we really see that happening even now. If you go and look at some of the new factories that are being set up for agro-processing and so on, they're absolutely top-notch technology. So, it's just a matter of how do we facilitate some of these investments and make it clear that a partnership between African countries and Europe is actually an opportunity to further the ambitions -- and very high climate ambitions -- of African countries as well as the EU. So, I look at it as a business opportunity.

Apologies, I am in Accra, and we can hear all the traffic going on. We're rapidly industrializing country, right?

But just to finish, I think three areas where the CFTA is actually an opportunity to advance the climate ambitions of both EU and African countries, is really looking at the rules of the game. Because now, as we are finalizing the protocols and so on and the agreements, this is the time to look at cementing the kind of certifications and standards that would make it possible to have a sort of uniform and ambitious agenda, while also bearing in mind that most African countries will need time to be able to implement some of the ambition.

So, it's not a matter of saying we continue with our carbon intensive development. It's just a matter of, how can we facilitate the technology transfer? How can we have realistic timelines so that we are also able to continue to engage?

And also, another interesting thing with the CFTA is a focus on services. So, we're looking at the transport sector, we're looking at tourism, we're looking at financial services. So, we're also looking at the whole enabling environment to enable some of these new technologies to prosper. So, let me end there. Thank you.

MS. DENTON: Thank you very much, Angela. And that point about the siren I think just brought it home about this rapidly urbanizing region, where we have a lot of opportunities as well.

Just to come back to you, Ralf, based on the point that Angela has made, I think we do have a tendency to sort of talk up the disruptors and talk down the opportunities. And there are several

opportunities here. Like she mentioned, opportunities in terms of technology and transfer, and the facilitation of these technologies.

You also talked about the demands that might come from Europe, especially in terms of renewable energy. This is a continent that has huge resources and different types of renewable energy. But we know that there are problems as well. Could you give us a sense of how we could really start scaling up the opportunities, and using the AfCFTA as a leveraging tool to scale up the opportunities, like Angela mentioned?

MR. PETERS: Yes, I think there are opportunities that the AfCFTA provides. One is stronger Intra-African trade with a greener product. By nature, already the products that are traded within Africa, as I have outlined, are quite different from those that are traded with other continents. So, there is an opportunity here to have more regional trade, which would be greener; to produce, for example, food products for the regional markets, which would be more environment friendly; and to have less cash crops produced for international markets. And so, there's an opportunity here, as then market barriers in Africa would be reduced.

Of course, the AfCFTA I think is just a great potential, in particular for the agricultural sector in Africa, but also industrializing Africa. I don't see a contradiction here of industrializing Africa and necessarily then having higher carbon emissions. Because the products can be produced more efficiently if they are produced for a larger African market. So, they can be produced with greener technologies. And this requires investment. But again, here, the Continental Free Trade Agreement contributes and will attract investors to invest here in technologies, including in cleaner technologies, because it will be a larger market. And it will be more interesting for investors to invest in these markets.

There are green value chains, which can be strengthened here, regionally green value chains. For example, in West Africa, the product -- certain products can be produced and processed in another country. So, that can contribute also to reaping the opportunities of the AfCFTA.

Yeah, exports to the EU, because the EU as a partner is an important component of this discussion here. There is a huge demand in Europe, which currently is not satisfied for biological fair-trade products. And Africa, at least from proximity to the European Union market, has an opportunity here. I mean, they can produce products which are produced more sustainable for the European market,

and they will -- could get a price premium here that can contribute to the African development.

MS. DENTON: Thanks a lot, Ralf. Wisdom, I'm really tempted to kind of get into this.

And I know, as I mentioned, we -- I said we have this tendency to really magnify the problems rather than the solutions. I hear the word carbon colonialism used quite a lot, and it seems laden with meaning. And I don't pretend to understand it all.

Ralf was just talking about food products. We tend sometimes not to focus so much on that aspect. We talk of, again, the energy systems. But coming back to something Angela said, which is about timing, do you do you get a sense that a lot is expected from Africa in terms of a green development within a very short space of time? That for Africa to get it right, to be able to add value, to be able to ensure that it's also leapfrogging, as we tend to say, does it really -- has the issue of timing and scale even been considered?

The whole discussion on just transition is gaining a lot of ground. Do you get a sense, to a large extent, this issue has been somewhat muted, the timing issue, the fact that Africa cannot do this overnight?

MR. AKPALU: Yes. Thank you very much. So, definitely, I agree with you. First of all, let me just take us back a little bit. For businesses to operate or to relocate or maybe set up in Africa, the incentives must be right. Capital travels around. And wherever there are good institutions, wherever the environment is enabling, capital will definitely go there. And businessmen are actually looking for returns on their investments. And if institutions are weak, the likelihood of making good investments are not very clear, or there are risks involved in investing in some parts of the world, it's unlikely that investments and capital will go to those areas.

And that has been the situation or the fate of Africa. Many big companies, green company, that are operating in the West, may be operating at a slightly higher cost, that maybe are making some meaningful returns. But the risk of setting up in Africa or in most African countries or regions, they see that to be quite high. And for that matter, we are not able to attract much of those investments as of now.

To expect that Africa overnight will be able to become green and be able to trade competitively in those green products with the rest of the world, I think it's been overly ambitious. So,

there should be a path towards that transition. We have to begin from somewhere and gradually move up. And just like Ralf said, I think we may need to capitalize on areas of our comparative advantage, especially if we have to do business within the continent, which I believe is very huge, about 1.3 billion people.

We can start -- we can perhaps look at food, for example, where food production and distribution across the continent is a significant amount of -- create a significant amount of opportunities for different countries and different parts of the continent. So, yes, I think that a transition has to -- cannot be drastic. We have to live leapfrog, yes. But I believe there should be a pathway to adapt transition. We have to begin from somewhere. We cannot just all of a sudden become internationally competitive. And we cannot all of a sudden attract all the investment we need, because we are not considered as the best places to do business. So, I think there should be some pathway towards that transition. And that pathway has to be moderated to some very meaningful extent. Yeah, so that's what I think. Thank you.

MS. DENTON: Thanks. Angela, based on what Wisdom is talking about in terms of these massive investment that would have to go into the transition process, the fact also that the transitional drivers are not quite aligned, they're and not necessarily in place -- if you take just the example of renewable energy, if we want to start sort of converting renewable energy into various types of, I would say, synthetic fuels, be that gas or liquid methanol or even hydrogen, we do need to have facilities related to storage and transport.

Where's the investment going to come from, in your view? How do we facilitate or how does the AfCFTA help in that regard? What sort of support do we need for the EU to be able to help in that investment that we're talking about? Because, obviously, incentives need to be there. And we're all saying that the incentives are not quite there. So, what do you see as a role for the EU, or even the AfCFTA, in terms of enabling this in investments?

MS. LUSIGI: Thank you. That's a very loaded question. The thing about the CFTA is that it exists in the context of some very ambitious agendas for the African Union, Agenda 2063, and a lot of infrastructure related collaboration. And one of the most important things that is being taken forward by the African Union is to see how to engage with business in actually partnering to advance some of these objectives.

So, in the area of infrastructure, for example, transport, I think this is one of the priority services that has been looked at under the CFTA. But it's also one of the real investment opportunities that has a whole regional agenda for infrastructure development. Because no single African country can be able to mobilize the amount of investment that is required. So, very much looking at corridors, looking at how we can do co-investment across countries. So, that is something that I know that a lot of African countries are looking at.

But of course, we must also recognize a COVID has happened. And a lot of the investments and public investments that were geared towards infrastructure are now looking at more recovery, and social investment and social protection. So, there's definitely been a bit of a push on the physical space for countries to be able to invest in these areas.

However, at the same time, business is very much interested in partnering with government in some of these areas. So, one of the things that the CFTA can do across African countries is to come up with the enabling environment for business to invest and be able to get a good return on the investment across countries.

I believe that looking at the relationship that we have between the AU and the EU, that is a prime opportunity to be able to foster some of these partnerships and some of these engagements. And I believe that renewable energy is something that a lot of national determined contributions are looking at as part of the investments that they're going to look into to be able to meet the climate ambition.

So, definitely, there's a lot of area for co-investment. And I think the CFTA is trying to create the regulatory environments that will be -- will make it -- to derisk the investments that are possible between a lot of countries. So, definitely, the EU will not be engaging on a country-by-country basis and be able to look at standards across countries, and really create a platform for investments to take place.

Now, all that is rosy, it's work in progress, which is why very, very much we have to look at what are the prerequisites for all this to happen. And I believe a stronger CFTA where we're looking at addressing some of these things collectively is a much better platform to be able to engage with the EU.

Ms. DENTON: Excellent. Olumide, let me just ask this question quickly, and then go to Ralph before we open the session to questions. Because I'm sure there will be more interesting questions that are coming from the audience.

The CFTA, as you heard Angela, would really open the space for businesses to come onboard. We haven't talked about resource circularity. But I'm thinking that that also could be another potential advantage that the CFTA could help leverage. She also mentioned the whole aspect of pushing back on physical fiscal space. But we know the physical space has actually shrunk, especially in the context of COVID and the fact that a lot of the demand for oil has declined somewhat.

And this is an area where a lot of countries are very dependent, especially hydrocarbon-based economies, like Angola, like Nigeria, Algeria, to some extent, also. What is your sense about how -- looking forward in a post-COVID world, the CFTA could really help with that sort of regulatory mechanism that Angela was talking about in supporting countries to actually protect their physical space? Because for me, without the physical space, it leaves you very little room for that safety nets that you have, social protection mechanisms and supports that you can give to your general populace. What can we expect of the CFTA?

MR. ABIMBOLA: Thank you very much. I am going to try to answer that you have -- your question is really good and really scary, a little bit. Yeah, I mean, what can the AfCFTA do on this? First of all, as several of my colleagues already said here, AfCFTA is allowing countries to be able to -- I mean, companies to trade across countries without problem. It's allowing -- it's creating a larger market for investment from outside of Africa. It's creating a larger market for investment for African SMEs and African investors in general.

So, that's the rosy picture that we have. And that's what we hope it actually does. But the first step to getting there is implementation, right? So, African countries still have to domesticate the instruments, the agreement, into their own legislative space. They have to appoint the agency that's going to be responsible for issuing the licenses according to the AfCFTA regulations and rules. They are going to have to raise the capacity of companies within their countries to use the larger market that is now available to them. So, a lot of things still need to be done.

But like Angela just said, looking forward, looking ahead, looking into the future. If countries are able to do the things they should do -- and we should be looking at that already right now. So, if there's any way that research capacity can support countries to do the things they're supposed to do so that the market is actually really available to the companies in their countries, so that they can trade

across the borders and across the continent, if we're able to support that way, if the countries are able to implement the instruments that they need to implement to make that happen, then we can start talking about how it would actually have effect on the physical space.

But the AfCFTA itself won't do that. It is just an agreement that still has to be turned into something that is real for countries. And that has to be turned into something that is real for businesses on the continent, in the countries. And that has to be turned into something that is real for investors coming from outside of the continent, which of course they're also interested in larger markets. They're interested in -- I mean, we keep talking about how small individual African countries are as markets for investors. Actually, they're interested in coming to a larger market. But countries have to make that possible first in order for that to happen. Thank you.

MS. DENTON: Thanks. I'll go to Ralf, and then we'll open up the space for more question.

Ralph, the AfCFTA still has some travel to do, especially in terms of actualizing some of these things and implementing them. Do you sort of get a sense that it might have a role to play in terms of bilateral agreements between EU and individual African countries in terms of trade agreements? Does the CFTA have some role or support mechanism that it can do in that regard? Would it change --

MR. PETERS: I think the risk -- go ahead.

MS. DENTON: No, I was just going to ask whether it would change the nature of trading relationships between the EU and Africa?

MR. PETERS: It probably would. Because as we know, now with the Economic Partnership Agreement, it's the EU and always some regions within Africa. So, it's not the continent as a whole. And I think for Africa, there is a great potential for stronger integration. And then making trade agreements as a block with its partners, that has been mentioned by several speakers here, I think there is a good potential here.

But I also see an interest in the European Union for a strong African market. So, I don't see really here that there is not an interest in this. On the contrary, I see quite some support for real Africa integration. And I think what Olumide just said is very important. I mean, a very remarkable agreement has been signed. And I think this is one of -- I mean, it's one of the biggest trade agreements

in decades that has been signed. But yet it has to be brought into life. I mean, there are still so many open ends, like the -- even the tariffs reduction hasn't been finalized yet. So, there are still within this trade agreement, many, many issues that yet have to be really clarified.

So, I think that that is very important. And here, so I think Africans also have a responsibility here, now to -- or responsibility and opportunity to bring this to life and to collectively agree on more. Angela has mentioned the standards and regulations, which is very fragmented in Africa, as it is in many other regions. And that adds a huge cost to trading within Africa. So, I think this is something that African countries could address by trying to mutually accept the regulations if they are at a similar level.

In West Africa, there's more progress than in some other areas in Africa. So, I think that these are very important elements that can contribute to really make it happen and guarantee that this really contribute to sustainable development.

MS. DENTON: Excellent. Well, I think sustainable development is -- it's almost like a consensus. Whether you're in Africa or Europe, it's something that we all want to see as the kind of barometer for how we do development properly.

I want to pause a bit, I'm not quite sure how it works in terms of the questions. But I would like to see whether we are getting any questions from our audience, so that we could maybe address some of these questions. I know we haven't talked about a subject that is very dear to me, which is the whole aspect of stranded assets, and also these opportunities that can be mined by the green minerals that we see emerging.

But whilst we're waiting to see whether there's any question, I just wanted to trade out to Wisdom. There's always a sense when you talk about EU-Africa relationship. There is the sort of doubting Thomases who always think that there's some kind of conspiracy, and that it's almost like Africa is not expected to do well. But I think it's in EU's interests and it's in Europe's interest to see a competent Africa that is able to be a strong trading block negotiate at an equal footing, would you not say?

MR. AKPALU: To a very large extent, yes. I think continents are in business, we are trying to maximize the well-being of our citizens. So, Africa is concerned about its people. Europe is concerned about citizens of Europe. And when you come to trade, you come from -- I mean, it depends

on your position of strength. So, Europe, obviously will like Africa to do well, as much as that will benefit the relationship or the trade relationship between Europe and Africa.

So, I don't think this is really a conspiracy. It's just how business works. So, if Africa is in a position to give Europe more than they currently have from Africa, I think it will be good for Europe. So, maybe the free trade, if it creates business opportunities for European businesses to set up, knowing very well that they can now do business with a larger population and make more money, I think that will be a win-win situation.

So, that is why I personally believe that this Continental Free Trade Agreement is not only going to benefit Africa, it could also bring tremendous benefit to Europe because of the opportunities that it will unleash. So, I don't believe it's a conspiracy to keep Africa where it is supposed to be -- sorry, to keep Africa in perpetual poverty or perpetual destitution. But it is actually something that will spell growth for Africa as well as benefit Europe as well. So, we -- this is a symbiotic relationship. We like -- we have to depend on each other in one way or the other to keep going. So, I don't see a conspiracy here. But I see a lot of mutual benefits, if things are done properly.

And now we also have this issue of migration, which is causing a lot of problems for Europe as well, closely related to this. So, if Africa is not doing well, there will definitely be spillover effects. And, of course, there are moral dimension to it. Europe will not feel good if we're doing business with someone and that person is doing so badly. You also want to make sure that that moral aspect of it is taken care of, as well as the fact that there are negative spillovers, people migrating to Europe and perhaps causing or becoming a strain on resources in Europe. It's also something that is not desirable in Europe. So, if Africa is doing well, I think that it would win-win situation for both continents. So, that's how I look at it. Thank you.

MS. DENTON: Thanks, Wisdom. Angela, when we were sort of introducing you earlier on, we talked about how passionate you are about leadership. But that L word has been somewhat muted. You just had what some Wisdom mentioned. And I think in his earlier remarks, he also talked about the importance of institutions. We can't go and stagger into a green development. It needs to be coordinated, structured, it needs to have some regulation and rules.

To what extent do you think that leadership is also a kind of keyword to endless group

development? What's the role of leadership in this?

MS. LUSIGI: Thank you. Interesting question. Yes, definitely leadership. But one of the things that -- CFTA is turning leadership on its head, right? Because we are looking at an instance where, as a Olumide mentioned, it's an agreement, it was signed by our leaders. And now giving legs to the agreement, you have to look at different levels of leadership. So, of course there's a country level leadership, where you need the regulators and ministers of trade and so on to lead in the implementation.

But then at the same time, and what I'm seeing in Ghana and many countries, is that the business sector is really coming forward and saying, "We also want to be engaged in how this is being implemented." So, we're looking at an instance where the leadership is now co-shared between the public sector. The private sector wants to get in, but also the SMEs. This is this is a new area of engagement. Because we have small operators who are now beginning to understand that there are opportunities for them to grow by getting involved in in cross border trade.

So, now there's an area of leadership. But the question is, how do we engage with different associations, whether it's producer associations, whether it's the labor movement? There's a lot of leadership that is co-shared now. And the question is, how do we in the implementation of the CFTA ensure that these platforms are engaged so that we can actually see us moving from ambition to action?

So, definitely, there's leadership at the national level, there's public sector/institutions leadership. But also, the SMEs are coming up and saying, "We want to be engaged." And very recently, we've had an exercise where we were looking at women, SMEs and women traders, to kind of see what their aspirations are for the CFTA. And they are also beginning to organize themselves and say, "We want to have a voice. We want to contribute to the women in trade protocol."

So, all I can say is that from where I stand, going forward, the leadership will be required at various levels. And for the secretariat and other actors who are trying to advance this agenda, it's very important to make sure we have the platforms in place to continue to engage different sets of actors.

MS. DENTON: Right. And I can't say anything else to that. So, A very complete response, Angela, especially about this co-shared leadership. And the fact that the SMEs and the businesses are not sort of passively waiting to be engaged, that they recognize this space and they know that they also have a value add, so they're coming on board.

There are several questions. And to be able to start -- do justice to the question, there's a first one, I believe, which is, in what ways does the political economy constraint the greening of the AfCFTA, and how can the bottlenecks be addressed? So, I'll throw that out for you.

And there is another question that is also looking at the potential enforcement mechanism to police any sort of environmental policies through the AfCFTA. Enforcement is sometimes very weak in Africa. And regulatory systems are put in place, but enforcement sometimes suffers a little bit in terms of people actually respecting it and doing what it says. So, there's this question about enforcement policy and also what relationship do regional intergovernmental organizations have regarding the AfCFTA in enacting any environmental policies?

So, let me throw those two out. Let me probably start with -- who should I start with? There is a political economy question, which I think is very important, who wins, who loses? Even the direction of the green trade, the green development, does have a political economy implication.

Because he who directs where it's headed -- Angela talked about the direction of travel, but if you're able to direct the direction, excuse the pun, that also to my -- as far as I can see, is a political economy-based issue. Because it means that you have the power, the autonomy, the sovereignty, the capacity to do that. What is your take on the political economy Olumide? The question was about political economy and the constraints or the bottlenecks that you see.

MR. ABIMBOLA: Yeah, thank you very much. I think the very first thing that Angela said at the beginning was that we are talking about a very heterogeneous collection of countries here, right? So, we are of course going to talk about power relations between the different countries and the continent and how not everyone is a law -- is an LDC, not everyone is a developing country of the same kind. So, part of the whole task at this point is figuring out how best to work together in ways that don't reinforce those power imbalances, first of all, continentally, but also within countries.

So, like we've had just now, we're here, we're seeing core leadership happening. We're seeing business leaders talking with SMEs, MSMEs who are coming up with -- who are now understanding what this market means for them, and who are looking for ways to make it work for them.

We are seeing political leaders starting to engage with liberal leaders. And we are trying to figure out what this would mean for liberal countries, where you suddenly have a conflict coming from

an outside country who now -- who is employing liberal in a different way than they used to in the country. So, you're seeing all of this happen.

I think, again, it's back to implementation and it's back to the idea of how do we actually ensure that all of these layers are not -- that we don't reinforce, like I said, the political imbalances that are there before, that were there the day before. And we can also rule this back to rural and urban differences, and sort of try to make sure that the agreement doesn't also reinforce those imbalances, that rural dwellers don't end up bearing the brunt of much of the trade happening on that AfCFTA.

We can also push this towards youth and women, that's -- how are we ensuring that they don't lose it? How are we thinking about their role in this whole process, not just as people who have to, who will implement, but actually have voices that contribute to creating it?

So, I mean, all of these are things that we have to think about. And I'm sure that African countries are thinking about it. But I just feel like it's important to sort of reiterate that at this forum to say that they're very important discussions to have. And they're very important discussions to have especially now that implementation is starting.

MS. DENTON: I just realized, what about the question -- thanks for that Olumide. There was a question that, as I mentioned, on the enforcement aspect, how will this be enforced in terms of environmental mechanisms to police any kind of policies that are promoted through the AfCFTA? Any thoughts on that?

MR. ABIMBOLA: I mean, at the moment, the AfCFTA doesn't have an environmental protocol of its own. So, the discussion as to how to enforce environmental provisions I think would be a discussion that has to be brought to the table. Again, we are not yet done with the creation of the AfCFTA. There are still protocols to be negotiated, some are being negotiated right now. And we have seen that some -- their protocol was brought to the table that wasn't originally part of the considerations.

So, maybe this is something to consider, that we should have a special protocol on the environment, so that we can have and create instruments that can sort of deal with enforcement; not just enforcement, but also actually have a discussion about what environmental goods and services are for the continent.

That's something that has been difficult to do multilaterally at the WTO. Maybe the

AfCFTA can support African countries to have that clarified. And then that can then be part of how the Africa and the AfCFTA relates to other parts of the world, including Europe. So, the question of enforcement is important, but I will take a step backwards first on the environmental issue to say that we probably need to have a discussion about the protocol around that issue specifically.

MS. DENTON: Okay, excellent. The whole aspect of infrastructural development, we were speaking earlier and said that quite a few things are not quite aligned in terms of this journey that we have to take towards green development. So, questions are being asked about the potential to transform Africa's economy for green development. But also, there's a sense that there -- what are the possible choices to generate capital to inject an infrastructural development, especially in Africa, when you when you consider the carbon footprint of Africa?

So, I think if I get a sense -- if I understand the question properly, it's asking about what are other ways that the continent can generate capital? Because, as we said, all of this is going to need some investment, and infrastructural development is going to be important. Any takers for that? Wisdom? Ralf?

MR. AKPALU: Yes, I would like to just go back a little bit on the political economic issue, and then I come back to the question you just asked, if you don't mind. So, first of all, I think it all starts with the political will to embrace this agreement, to ratify the agreement, which most countries have done. Then it comes to the will to implement those agreements. Then, after that, we come to the issue about winners and losers, or those who gain from it. And mostly when it comes to how the benefits are generated and shared, we have to think within the broader framework again of institutions.

And politics is part of the institutions. The way property rights are defined across countries, within countries, is part of our institutions. Civil liberty, et cetera, are also part of the institutions. So, for example, we know that -- as already indicated by Angela and Olumide and others, we know these countries are heterogeneous. We have different institutions that sway differently. We have corruption more in one country than the others, ease of doing business differs across countries. So, countries that may have better institutions are more likely to make more gains when this agreement is implemented.

So, if a country or some countries tend to feel that they have less to gain from this,

having that political will to take it to that next level of implementing this agreement may not be happening at the rate at which we expect. And that will create problems for all the other countries that -- because these are all parts of a whole. So, if some countries are not doing what they are expected to be doing, then the benefit that are supposed to go to all countries will be constrained.

So, it is important that the political will to ratify this agreement, to implement this agreement is there, as well as countries must be willing to improve the quality of the institutions so that benefits can be shared fairly. Otherwise, the quality of decisions is not good if countries are not democratic enough. People don't want to do business there, so they don't set up business there. They'll be reluctant to play active role in these processes.

So, that is one thing that I think -- perhaps I would just want to add to the excellent contribution that Olumide made.

And then issue about capital, where do we get capital from? I believe that capital must be generated from within the continent or those coming from the continent to a very large extent. A typical example, when we talk about mining, mining is predominantly capital intensive. And mineral extraction is mostly financed by foreign direct investment, which has its own problems. Because the royalties we get from, for example, extraction of minerals is very, very low. So, what has been suggested is that why not float shares? Why not make -- people make small, small contributions? And eventually, putting those contributions together, we generate sufficient capital to be able to take up even large investment projects.

So, I believe that if we have a way of mopping up capital, if we have a financial market that works well, that people can put together excess monies that they are not able to spend on consumption, maybe that will be enough to provide the needed capital to start some industrialization within the continent. So, this is what I would like to add to the discussion. Thank you.

MS. DENTON: Sorry. Thank you very much, Wisdom. There is a question that is talking about in which product areas can companies and organizations who are focused on sustainability, either through green building or manufacturing, engage African countries through the channels that the AU-EU partnership has -- have created? So, whether we can provide examples.

I don't know whether, Angela, this sort of question can be put to you when you were

talking about the aspect of businesses and sustainability. Can -- yeah, I'm actually also trying to understand the question. But I know that the question is focusing on sustainability and is asking about either through green building or manufacturing, what the channels that the AU-EU partnerships offer and what sort of concrete examples can we provide?

MS. LUSIGI: Okay, thank you. That's a very complex question. Because as Olumide mentioned, everything is still unfolding. But what I do know is that the specific African countries, there is a movement now to try and push investment in STG sectors. So, for example, when you're looking at the sustainability, areas of investment, they are coming up with all these business maps and SDG investment maps, which are a combination of support to identifying specific areas in their development planning, priority areas, and then trying to map out specific business opportunity.

So, I know there are a couple of countries across Africa, maybe over 20, and I know across the world, where there's a sustained effort to try and look at where are some of these areas for investment where partners can come on board and invest in these particular areas. So, I know that the sustainability aspect is very big in the identification of areas of investment. So, that could be possibly one channel.

But looking specifically at AU specific areas across countries, I believe that is ongoing and looking at within the partnership between the EU and various African countries. But for specific African countries, I do know that there are business investment maps that are available, if people are interested in looking at areas for investment.

MS. DENTON: Okay, excellent. So, let me just ask this question very quickly. And I want to ask the last question that I want you all to reflect on. So, the first question that I have is -- I'm going to field this to Ralf, because I know you were talking about food and agriculture earlier. The question is asking, what contribution can food trade make to the success of the AfCFTA and accelerating value addition? So, that's a question to Ralf.

So, while Ralf is thinking about that, I'll also want to ask a question, which I think is actually very important. Basically, the question here is that the EU solicits for zero assistance from African institutions or organizations with improving development, is the AfCFTA not set aside to solely rely on its own strength and resources? This may be a partnership, but it is in promoting dependence on

Western -- but let me paraphrase, because sometimes questions are a little bit --

What I think that the questioner is asking is about whether with the AfCFTA and with the EU and this push for green development, does it leave Africa enough space to fashion and design its own destiny? I think that's what the question is. So that we don't -- the continent doesn't perennially rely on support and aid, etcetera, etcetera. So, it's that whole dependency thing, I think, the question is asking. And there was one question, which I thought we had answered, but there's a questioner asking how the carbon-border tax mechanism is going to affect exports and trade.

So, let me go to Ralf on the food trade and food experts question, if you could help us with that Ralph,

MR. PETERS: Yes. We know all the paradox that Africa is net food importer, yet a large share of the population is in agriculture. So, how is that possible and what are the reasons for this? Well, one of the reasons is the market access barriers. And here, AfCFTA can contribute to help this situation. So, if African producers can produce easier for the -- can produce for the regional market and can trade rather within Africa, that helps them to have a higher interest in investment to become more productive, so to produce for regional markets rather than exporting abroad. So, I think here is a great potential that the AfCFTA can provide in terms of improving the food availability and food self-sufficiency of Africa.

But there is nothing bad about trade with international markets. So, if Africa exports high-value products -- and here, the issue is producing high-value products and adding value to it. So, not just exporting raw coffee beans or cocoa beans from Ghana to the world, but producing cocoa butter and moving up the value chain to also create jobs, that is an important element. And again, here at AfCFTA, which tends to have more trade of more processed products adds to this.

MS. DENTON: Excellent. So, what are your thoughts on the -- let me just very quickly -- we don't seem to have a lot of time in four minutes. But I would really want for you maybe, Olumide, to just very quickly tell us what do you see as some of the potential problems that the CBAM will cause, especially with regard to export trade from Africa? I mean, AU, EU, they've been doing trade for a long time. The EU is one of Africa's largest trade partners. So, how will this impact on Africa's ability to export to the EU countries?

MR. ABIMBOLA: Yeah, thank you very much. Again, very, very loaded question. I think

it all depends on capacity. It depends on how the EU chooses to implement the CBAM. Because from what I understand, there are still discussions regarding that even within the EU. The EU parliament, from what I heard last time, has some reservations about it. They have questions about whether or not it fits with the WTO rules.

So, there are still a lot -- I mean, it kind of feels like today we're talking about how so many things are still in flux. This is one of them. But I think we have to talk about it very, very clearly now to make it clear that it will most likely lead to lower trade from African countries to Europe, and that -- not just lower trade, but lower trade in manufactured goods because -- I mean, that's probably where we're going to see more effects of the carbon coming on.

So, we have to have that conversation and have the discussion, both at the EU level, but also at the EU level, and also from every country that's interested in trading with the EU moving forward from Africa. So, I think there -- I mean, it's very clear that any new tax which will affect trade. CBAM is a new tax, it will affect trade, It depends, of course, on how it is implemented and who it affects, how much it affects, et cetera, et cetera.

MS. DENTON: I like the et cetera, et cetera, et cetera. Thank you very much. I have a sense of we are somewhat getting to the end of the conversation, as interesting it is has been, and I think it's almost impossible -- I've taken copies, notes. I think it's been very rich and very complimentary also in terms of a lot of the things that you've said.

I could give you the opportunity to kind of round up again, but I'm sure that maybe that might take us beyond the time that we have. Unless if there is a burning issue that you felt have been left out and if you left a meeting or you left the event you will feel that we haven't done justice, is there one thing that you feel we haven't talked about? I know I mentioned the whole aspect of stranded assets. But I think somehow, we've covered that in terms of what might happen with physical space and revenue loss. So, just very quickly, to see whether you -- from the panelists. There are some questions unfortunately --

MS. LUSIGI: I want to say something about --

MS. DENTON: Yeah, please go ahead.

MS. LUSIGI: I want to say something about confusion.

MS. DENTON: Yes, please go ahead.

Ms. LUSIGI: Because I started the conversation with the fact that we are looking at the economic aspects, but we're also looking at social progress. So, as much as we are looking at green, we're also looking at inclusive. And we're looking at making sure that these instruments also help to shift that balance of power that we spoke about earlier. And the fact that we're looking at smaller players, we're looking at women and youth-led enterprises.

So, there's definitely an opportunity also not to forget that aspect of as we are looking at these green opportunities, whether it's in agriculture and other areas, we're also looking at players who are usually left out. So, very much looking at the green agenda, but also not losing the fact that we're also looking at the "leaving no one behind" agenda. Thank you.

MS. DENTON: Excellent. And I think the UNDP has got a very strong push about ensuring that inclusive development is something that we all aim to achieve.

So, thank you very much. Like I said, it's been very rich, there's some very good questions about vision and interactions between the AfCFTA and the EU and the AU, and what the AfCFTA can do.

I want to come back to something that Olumide said, we also have to realize that the AfCFTA -- I will do what Angela did, the CFTA (laughs). It's easier. It's a bit of a mouthful when you want to say all the lectures that come with it. The CFTA, it still has an implementation, I'd say journey. It still has a lot that it needs to do. And as you've rightly said, there are still protocols that are not yet negotiated.

So, I think, Angela, we're still talking about a potential rather than an actualization. And I think that this is also true based on what Ralf and Wisdom have said. It's almost impossible, as I said, to kind of come up with a very cogent summary. But one thing I think you've all said is that green development is a must for Africa. It's almost a de facto thing, we have to do it. We might delay in doing it, the timing might be -- probably take a bit longer because we can't just make it happen overnight. But it's something that we have to do.

And I think you've all agreed on the benefits. The green development should not be seen as something we do for the AU or for partnership. It's something that Africa does for itself. And it's

important because it has growth diversification benefits. It has benefits that are related to creation of jobs. Because when you green your trade, you green your development, then you are creating new opportunities for jobs. It has a value addition. Angela talked about this; how important it is that we look at it also from a value addition perspective. Competitiveness, this is a region that has difficulties in terms of being as competitive as other regions.

So, I think you've all agreed that these are some benefits that a green development has. And it's important that we also do not lose sight of these benefits. What is also very clear is you all recognize that we're not all at the same starting point. This region is not a homogenous region. Countries are very dissimilar. They're dissimilar in terms of their trade policies. They're dissimilar even in terms of their competitiveness. They're dissimilar in terms of the services and the products that they produce. So, they're not all at the same level.

But I think we're also saying that there is an -- it is very important for partnership between the AU and the EU to be somewhat symmetrical in ways that would support trade coming from Africa. But also, there is also a sense I guess, a point that you've all made, that we don't want to just get to green development for the sake of getting to green development. That that recovery process, that trajectory, that the quality of the direction that we take, has to be based on justice. It has to be just. So, the just transition aspect, and Angela's just complimented it really well in terms of ensuring that nobody's left behind.

And this is not just from the macro perspective of countries, but we also have to be -- we haven't talked about the informal sector. But it's also important that we look at it from the micro perspective, the informal sector, and there is no such thing as left behind groups that is inclusive. And that in that inclusiveness, that would also help to boost traded.

But whatever way we slice this, the CBAM, from at least perceptually, is still seen as attacks. It's still seen as a penalizing sort of instrument. But I have a feeling that even the EU is not quite -- it's still working its way where the CBAM is concerned. The EU hasn't crossed all the Ts and dotted all the Is where the CBAM is concerned. So, the EU also has some way to go.

You also talked about the importance of -- I guess it came out in some of what Ralf talked about, the food trade aspect as well. The region being a net importer of food imports. I don't remember

what the figure is. But hopefully, if the CFTA can help in greening our value chains, especially where food is concerned, I think that's also a very important thing. Another point that Angela mentioned, which came up I think in the conversation as well, is the whole aspect of technology and technology facilitation. There is a sense that not all is lost or not all is negative. There are signs that we're seeing that businesses are more or less becoming more active in this sort of green trade transition pathway. There is also the sense that we can green our industrialization, which is something that would be good for the continent.

Ralph and Wisdom also talked about the importance of moving up the value chain, ensuring that by doing that we become more resilient and more inclusive. And there are opportunities, a point that Wisdom really emphasized on, the opportunity to build quality institutions. Because these processes are not going to happen without the institutions that need to sort of help them along. So, we need to also ensure that we build quality institution.

So, I'm sure I haven't done justice to a lot of the discussions that took place. There will be a recording, I'm sure, of this conversation. And there's been a really -- lot of good points that came up in the conversation, have to do justice when you've got limited time. But I would like to now thank all of you, the Wisdom Akpalu, Olumide Abimbola, Ralf Peters. And last, but certainly not least, our dear Angela Lusigi, thank you all so very much. Thank Aloysius for setting the scene and for a brilliant expose on this very important topic,

I think please stay tuned. The Brookings, through the African Growth Initiative, is doing quite a lot in this area of work. We are also working very closely with them and other partners. So, hopefully, we'll be able to provide more. If you've got an appetite for AfCFTA and green developments, then you're not going to be disappointed.

So, thank you very much. Thanks to the colleagues and to the teams in the different organizations. But thank you all to the audience for your brilliant questions, and to your panelists for a fantastic conversation. Thank you very much. And if I could just ask our panelists to stay on board for a few minutes. Thank you so much. Thank you all. And apologies if we haven't been able to answer your questions. There will be more.

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