

SPEAKING NOTES

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ON OCCASION OF THE
INAUGURAL MEMORIAL LECTURE IN HONOUR OF
AMBASSADOR CHIEDU OSAKWE

(1955 – 2019)

THEME: AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)
AND THE WTO: SHAPING THE FUTURE OF THE MULTILATERAL
TRADING SYSTEM

22 September 2021, 13:15 – 13:45, Room S2/Zoom

Excellencies,
Distinguished Participants,
Colleagues and Friends,
Ladies and Gentlemen,

I thank the DG Madam Dr. Okonjo-Iweala for initiating this lecture series in memory of Ambassador Chiedu Osakwe. I also want to appreciate Ms. Maika Oshikawa for her commitment to keeping the legacy of Ambassador Osakwe alive.

We are gathered today to pay tribute to a phenomenal gentleman. A distinguished man after whom this lecture series is named: The Late Ambassador (Dr.) Chiedu Osakwe. He was the model public servant, quintessential diplomat, champion of the multilateral trading system – a mentor, and above all, a marvelous human being. Whether you liked him or not – I happened to have liked him – and whether you disagreed with him or not, and I had many policy and tactical disagreements with him over beautiful South African red wine, I can confidently assert knowing that none will disagree with me, he was one of the best trade policy minds of his generation that Africa has ever produced. Ambassador Osakwe was easily one of

the most outstanding and dedicated supporters of the multilateral trading system – and of its embodiment in the WTO.

It is therefore befitting that we honour him in this way. And I am deeply humbled and singularly honoured to deliver this inaugural public lecture in honour of one of the WTO's most committed stalwarts, Ambassador Osakwe, exactly two years since his passing.

Excellencies, Distinguished Ladies and Gentlemen:

Today, we look back at the fuel that drove Ambassador's commitment to service – in what was a stellar career spanning the WTO, and his native country, Nigeria. But we also look to the future – seeking answers to that penultimate question – of how to preserve his legacy especially on the future of trade policy on the African continent. Those of us who worked closely with him here at the WTO and later in his life when we were negotiating the AfCFTA, have a brotherly duty to do all that we can to advance his ideals of the multilateral trading system.

And second, the memorial lectures, this being the first of the series, will also offer an opportunity for intellectuals, academics and policymakers to come together and engage in constructive debates to shape the future of the multilateral trading system. Ambassador Osakwe was not only passionate about the multilateral trading system, he believed in it, he defended it and also provided a critique of it. Almost like an ethos, a creed, he was completely sold to the notion that the world has a force for good in the WTO. Those of us who had the privilege to interact closely with Ambassador Osakwe can attest to the passion with which he navigated discourse on the WTO.

Excellencies, Distinguished Ladies and Gentlemen:

I view this occasion, the Ambassador Osakwe Memorial Lecture, as a celebration of the life, deeds and legacy of one of the most illustrious sons of Africa.

Ambassador Chiedu Osakwe was a personal friend and a dear senior brother to me, I believe he was likewise to many of you in this room and beyond. He was an inspiring advocate for a multilateral trading system that should work for all. In his own words, "... of all the possible options, the rules-based liberal market order, with a development dimension, is best. The elasticity of such an order should accommodate all who want to remain part of the system."

Contribution to the Multilateral Trading System

Ambassador Osakwe was committed to safeguarding and strengthening the multilateral trading system – both in his work at the WTO Secretariat and as a trade diplomat for Nigeria, where he spent the early and latter parts of his career.

He held several senior management positions in key areas of the WTO Secretariat over a 19-year career spanning back to 1998.

In particular, Ambassador Osakwe served as Director of the Accessions Division from 2009 to 2016. In this capacity, he helped several African and other developing countries through the difficult process of acceding to the WTO. At a time when we crisscrossed the negotiating rooms in this historic house, and while deals and consensus somewhat eluded us, there was quite a buzz of activity in the most unsuspecting of places – the Accessions Division.

And so we saw the house expand, and the WTO's quest for universality gain unprecedented traction – in speed and in scale. We saw Montenegro, Samoa, the Russian Federation and Vanuatu in 2012; Lao PDR and Tajikistan in 2013; Yemen in 2014; Seychelles and Kazakhstan in 2015; and Liberia and Afghanistan in 2016. Ambassador Osakwe was relentless in pursuing the objective of universality of the WTO. He achieved success in this regard, in part due to his deep knowledge of the rules based system, but more importantly, due to his determination to broaden the membership of the WTO and to make it more representative.

Prior to his work on accessions, he led the Doha Development Agenda (DDA) Special Duties, Textiles, and Technical Cooperation Divisions and also served as the Head of the Inter-Agency Working Group for the Integrated Framework for LDCs. When the story of the cotton file in the DDA agriculture negotiations is told – of why it must be treated ambitiously, expeditiously and specifically, it would involve the propositions and alternative solutions Ambassador Osakwe brokered – bringing development dimensions to the heart of the DDA negotiations.

Late Ambassador Osakwe published extensively on a range of subjects, including two seminal books on WTO accessions from Cambridge University Press: "WTO Accessions and Trade Multilateralism: Case Studies and Lessons from the WTO at Twenty" (co-edited by Uri Dadush) in 2015, and "Trade Multilateralism in the

Twenty-First Century: Building the Upper Floors of the Trading System Through WTO Accessions" (co-edited by Alexei Kireyev) in 2017.

Contribution to African Regional Integration

Ambassador Osakwe firmly held the conviction that trade can play a critical role in transforming the prospects of Africa – and in particular, can help defeat poverty. He believed that the value of trade is grossly misunderstood and underestimated by many countries and that enhanced trade would serve as a driver to prosperity around the world.

His historical contribution in chairing the Negotiating Forum of the AfCFTA Institutions from June 2017 to March 2018 led to the timely conclusion of the Agreement Establishing the African Continental Free Trade Area, and leaves a lasting legacy for the future of trade policy on the African continent.

He steered the negotiations to a successful conclusion culminating in the signing of the AfCFTA Agreement by 44 African countries in March 2018. Thus, with his dynamism, negotiating and political skills, deep knowledge and outstanding diplomatic skills, and above all, grit, he led the process to a successful and historic conclusion in a very short space of time.

I last saw him on 6 July 2019 in Niamey, when we attended the AU Summit. It may well be recalled that, two photographs in the Nigeria media that captured Ambassador Osakwe's last public appearance were those taken at the 12th Extraordinary Summit of the African Union in Niamey, Niger Republic, on July 7, 2019. In one of them, he was seen being congratulated by President Muhammadu Buhari for delivering on an important national and continental assignment – the Africa Continental Free Trade Agreement (AfCFTA). The other photograph was one of him standing alongside other members of the Nigerian delegation, cheering heartily as President Buhari signed Nigeria's Instrument of Accession to the AfCFTA. This, arguably, was one of his proudest moments given the initial hesitation about Nigeria becoming a signatory to the agreement. Sadly, he passed on about three months later.

His commitment to public service and region-building, and his resolve to finding solutions to the multiple, significant challenges faced by Africa in its developmental efforts, set him apart from others.

Today, as we confront the challenges of implementation of the AfCFTA Agreement, the brilliant mind of our late dear brother and friend, Ambassador Chiedu Osakwe, arguably one of the best trade diplomats that Africa has ever produced, will deeply be missed.

May his soul rest in peace and his inspiration stay with us for the rest of our lives.

And now, Excellencies, Distinguished Ladies and Gentlemen, I would like to spend the second part of my address, teasing out a narrative on the theme of this maiden Memorial Lecture: “African continental free trade area (AfCFTA) and the WTO: Shaping the Future of the Multilateral Trading System.”

Before addressing the theme, however, I thought it would be useful to step back for a moment and try to get some perspective. So I hope you will indulge me as I briefly recall the background and current state of play of the establishment of the world’s largest free trade area, in terms of geographic coverage and number of participating countries, since the formation of the WTO, the AfCFTA.

The formation of the Organization of African Unity (OAU) in 1963 ignited the vision of regional integration in Africa. However, it was only in the early 1980s that the vision was given substantive meaning with the adoption of the Lagos Plan of Action (NLA) in 1980. The Lagos Plan of Action called for the integration of the continent based on “self-reliance, endogenous development and industrialization”. The ambition was further elaborated through the 1991 OAU Treaty establishing the African Economic Community, (AEC) the so-called Abuja Treaty. It was however, not until the launch of Agenda 2063 in 2015 and the identification of the African Union flagship programmes, that the ambitions were concretized.

The AfCFTA is, therefore, one of the flagship projects of the implementation plan of the AU’s Agenda 2063, Africa’s long-term development strategy for transforming the continent into the global powerhouse of the future. Accordingly, the AfCFTA is complemented by other continental initiatives or flagship programmes, including the Free Movement of Persons, Right to Residence and Right to Establishment, the Single African Air Transport Market (SAATM), and the Programme for Infrastructure Development in Africa, among others.

Negotiations for the creation of the continental free-trade area began in February 2016, followed by a number of other meetings that led up to the 10th

Extraordinary Session of the African Union Summit on the AfCFTA in Kigali, Rwanda, in March 2018. During the summit, 44 countries signed the agreement and entered into force on May 30, 2019.

To date, there are 54 signatories to the AfCFTA Agreement and 42 member states have become State Parties by virtue of having ratified the Agreement. It is noteworthy that Member States that have not yet ratified are engaged in the necessary domestic consultations and processes to do so. It is a sovereign decision to enter into an international agreement. There is a standing call from the Assembly of Heads of State and Government that requests all countries to ratify the agreement as soon as possible, or as soon as domestic legal processes allow it. The Secretariat will continue to engage and provide the needed support, where necessary, to the Member States that are in the process of ratification to ensure full ratification in the near term.

Based on progress made in the implementation of the Agreement, the AU Summit in December 2020 provided the legal basis for the operationalization and commencement of preferential trading under the AfCFTA on 1 January 2021. Thus, from 1 January this year, it became possible for State Parties whose customs procedures are ready to trade under the AfCFTA.

It is important at this juncture to pay tribute to the AU Assembly of Heads of State and Government for their leadership and unflinching political commitment that have brought us this far. Also, I salute all the comrades who have worked on the AfCFTA project from inception to date, particularly some whom we have lost, including our senior colleague, brother and friend the Late Ambassador Osakwe.

While the modest success achieved is worth celebrating, there is still much more to do. There remain outstanding negotiations that must be finalized for effective trading under the AfCFTA preferential trading regime. Negotiations are still underway across various aspects of the AfCFTA, since as you may well know, the AfCFTA is being negotiated over multiple phases.

Phase I of the negotiations established the Protocols on Trade in Goods, Trade in Services, and Dispute Settlement. However, negotiations on some issues of Phase I are ongoing, namely, rules of origin, schedules of tariff concessions, and schedules of specific commitments on the five priority service sectors (business services; communications; finance; tourism and transport).

Phase II of the AfCFTA negotiation covers intellectual property rights; investment; and competition policy, E-commerce, and Women and Youth in Trade and is expected to be completed by **December 2022**.

Indeed, as Ambassador Chiedu Osakwe pointed out, there is a strategic dimension to establishing the AfCFTA. According to him, it is much more than a trade agreement. “The AfCFTA will be about re-organizing the geo-economic landscape of Africa. It is about shedding the inheritance of a divided continent and fragmented markets. It is about robust growth for job creation, modernization of Africa’s economy and relating with the global economy on a surer footing.”

The AfCFTA is therefore not simply a free trade agreement; it is a vehicle for Africa’s economic transformation. The importance of the economic transformation of Africa has to be viewed within the context of the continent’s historical position in the global division of labour, largely as a producer and exporter of raw materials and natural resources.

A foremost task of economic transformation in the African context is, therefore, a transformation of the system of “production” from one dominated by primary extraction and low value-added agriculture and services, to one in which high value is added through the application of technology, innovation, and better linkages between sectors in the wider economy.

As we know, African economies sustained unprecedented rates of growth in the past decade, driven mainly by the exports of natural resources and commodities, improved macroeconomic management, a growing middle class, and increased domestic demand fueled by consumption, and increased political stability. However, this growth was not inclusive, as poverty rates and inequalities remained high.

Creating decent jobs at the scale required is inconceivable without a structural transformation that enables an expansion of modern activities and the reallocation of labour from the traditional to the modern sector.

The AfCFTA offers a new window of opportunity for Africa to industrialise, and to transform its economy. It signals a paradigm shift and a commitment to deeper integration of the continent. By providing a large and attractive market, with

reduced cross border barriers, investors can undertake larger revenue projects on a continental rather than national scale.

Once in place, intra-African trade is expected to grow significantly and according to World Bank projections, the continent will emerge as one of the largest regional trading blocs, with potential of reaching 81 per cent by the end of 2035 and its total trade deficit is expected to be cut in half.

Again, if successfully implemented, the Agreement would increase African exports by \$560 billion, mainly in the important manufacturing sector (World Economic Forum, 2021). This would create the much-needed jobs for Africa's young populations.

The Mo Ibrahim Foundation estimates that if AfCFTA works as intended, it could generate combined consumer and business spending of \$ 6.7 trillion dollars by 2030. It will also transform markets and economies across the region, leading to the creation of the much-needed downstream processing industries and the expansion of key sectors.

The AfCFTA and the Multilateral trading system /WTO

Excellences:

The multilateral trading system/World Trade Organisation (WTO), has faced several serious challenges that have threatened its legitimacy in the eyes of its members; challenges including the stalling of the Doha Round of negotiations in which African countries placed all their hopes and expectations to introduce development into the multilateral trading system; increased protectionism in the form of non-tariff barriers; and the renewed use of tariffs; and a faltering dispute-settlement mechanism, which had been the “crown jewel” of the global economic governance framework.

In the face of the several chronic and acute challenges of the multilateral trading system, Africa is consolidating and advancing its continental market integration objectives, through the AfCFTA. Our collective priority now is to rapidly conclude the negotiations of the AfCFTA, (both Phases I and II) to facilitate commercially meaningful intra-African trade and to unlock the continent's full productive capacity.

The launch and operationalisation of the AfCFTA signals Africa's preference for a rules-based multilateralism, which aligns with the WTO's ideals. The successful and effective implementation of the AfCFTA, thus, strengthens the WTO as it adds a very significant portion of market opening to the WTO based on rules.

Today, Africa is leading the way, affirming and reaffirming its confidence in a rules-based system of economic liberalization as essential pathway to achieve inclusive and equitable development-oriented results.

Instructively, Africa's belief in the rules-based system of economic governance is clearly being demonstrated at both the continental and multilateral levels; by the rapid pace at which the AfCFTA was launched, negotiated and operationalized as well as the continued steps by African countries to accede to the WTO. All of the nine WTO acceding African countries are signatories of the AfCFTA. The AfCFTA offers opportunities for these countries to trade across Africa as well as help them to prepare for WTO accession.

By the active participation in the multilateral trading system, and the continued show of interest to join the WTO, while at the same time signing and ratifying the AfCFTA Agreement and bringing it into force in record time, the clear message is that Africa's hope lies in a rules-based system of regional and global economic governance.

Excellencies, Ladies and Gentlemen:

As observed by the late Ambassador Osakwe, while the WTO remains an indispensable organisation, "it requires urgent modernisation". According to him, "Members have to face the reality that the organisation requires non-cosmetic, serious root-and-branch reform for a WTO adapted to 21st century economic and political realities."

In the reform process, it is critical that the developmental aspirations of Africa are fully taken on board. To quote late Ambassador Osakwe again: "A reformed approach to engagement with Africa should be in full recognition of the Agreement Establishing the African Continental Free Trade Area (AfCFTA)." "... Therefore, the legal and policy framework for relations with Africa must and

should be based on the new terms governing trade arising from the AfCFTA. In responding to Africa's economic policy choices, WTO members should reform their approach to Africa, and stop designing "assistance" programmes or providing development aid as a substitute for rules-based trade and investment engagement. Furthermore, Africa as a market will be a centre of gravity in the global economy by 2050. The relevance of a reformed and refitted WTO, with a claim to universality, for the 21st century would depend substantially on its engagement with and acceptance of the AfCFTA."

Future of Multilateral Trading System

The future of the multilateral trading system depends importantly on revitalizing the WTO and policy change in the largest trading nations. A vibrant multilateral trading system, anchored on international cooperation, offers a path forward to a global economy where all countries can participate and benefit. In this regard, critical measures are needed to reinvigorate and sustain the multilateral trading system, with urgent actions to avoid a scenario where the system fragments.

I am confident and share the view that Dr. Okonjo-Iweala, who has emphasized that trade must be centred around people and focused on economic development and reducing global inequities, is singularly positioned to lead this effort.

The future of the multilateral trading system will need to draw strength from the aspirations, and dynamism of Africa, galvanized by the AfCFTA. The AfCFTA will allow Africa to look inwards for solutions to its development challenges. By boosting trade and investment, it positions African countries to derive greater benefits from the multilateral trading system.

Therefore, the AfCFTA, rather than signifying a retreat from trade with the rest of the world, is designed to promote Africa's global market position by unifying the continent under one voice, especially in global policy trade negotiations. It is time for Africa to derive substantial benefits from both continental and global economic integration. This must remain a major objective for both Africa and the multilateral trading system.

Excellencies, Distinguished Ladies and Gentlemen:

In concluding, I would like to thank the WTO for instituting this memorial lecture in honour of the late Ambassador Osakwe, which gives us the opportunity to reflect on the contributions to the multilateral trading system, made by this true son of Africa: a patriot who served the continent and his country with distinction.

Excellencies:

As I stated in my inaugural address as Secretary General, in any long journey to the promised land, some comrades will not make it. The comrades who met their demise whilst in the service of Africa, shall not be forgotten. One of such comrades in Africa's march to a single, continental market, a stepping stone to the 'Africa We Want', is Ambassador Chiedu Osakwe. He lit up so many lives. He played a significant role in the establishment of the AfCFTA, an economic foundation, that will transform Africa.

As Secretary General of the AfCFTA Secretariat, I feel honoured to have had Ambassador Osakwe as a personal friend and senior colleague, and hope that we can carry his legacy forward with the same ideals that he embodied.