



ABOUT US

Policy Development Facility Phase II (PDF II) is a flexible, rapid-response programme funded by the UK Aid Department for International Development (DFID). The primary objective of PDF II is to provide targeted assistance to support Nigeria's 'champions of change' across the Federal Government to implement economic and social reforms that lead to poverty reduction. This is done through the provision of high quality organisational support and high quality policy research to build the evidence base for this support.



AFCTA- NIGERIA SIGNS UP

Over 80% of Africa's exports are shipped overseas mainly to the European Union (EU), China and the US, with the continent trailing behind its counterparts in intra-regional trade at 17% compared to Europe at 69% and Asia at 59%. [1] There are huge benefits in establishing a free trade area among the 1.3bn [2] people (accounting for Africa's population) with a combined GDP of US\$ 2.5 trillion from 54 countries [3]. Free trade could create millions of jobs and reduce unemployment among the continent's teeming youth population as free trade could be a catalyst for structural change and economic development.

To prepare and update the nation's trade policy in a rapidly global economic landscape and better coordinate all of Nigeria's trade and investment relations, so as to maximize Nigeria's gains from trade, the Nigerian Office for Trade Negotiations (NOTN) was established as "the institutional framework and foundation for Nigeria's trade policy".

UK Aid provided technical support through PDF II to help the NOTN provide legal support on Nigeria's trade agreement reviews and build Nigeria's trade remedies infrastructure. The support was in the form of an Embedded Adviser (EA) who had responsibility for leading on the NOTN's effort to develop an integrated digital database for Nigeria's trade agreement, trade-related agreements and investment agreements and MOUs, as well as develop Nigeria's trade defense, remedy and safeguard infrastructure for the Nigerian Economy.

[1] https://www.brookings.edu/wp-content/uploads/2019/02/global_foresightafrica2019_F6.7.png

[2] Source: Worldometers (www.worldometers.info)

[3] <https://www.afdb.org/en>

ACHIEVEMENTS

Through PDF II's support to NOTN, the Agency was able to achieve certain milestones that ramped up to the AfCFTA getting signed;

- ✓ Partnership with a leading international trade law firm, King and Spalding to establish a rules-based trade remedy infrastructure for Nigeria as a key element of modern trade policy on a pro bono basis.
- ✓ Capacity building and development comprising of a 3-month mentoring and training programme at the Australian Trade Remedy Commission, Australia to understudy national trade defense mechanisms, remedy and safeguard infrastructure for the Nigerian Economy. The NOTN personnel cascaded the training received by training their newer colleagues.
- ✓ Establishment of the Nigerian Trade Remedy Department which has the mandate of protecting Nigerian businesses from injury caused by unfair trading practices, such as dumping, subsidies, and unforeseen surges in imports given the attendant increase in continental integration contingent of Nigeria's sign-up to AfCFTA which will facilitate improvement in trade between 54 countries.
- ✓ Commencement of the digitalization of the nation's database containing the various trade agreements, bilateral investment treaties, and memoranda of understanding (MOU) which ensured the harmonization of some of such agreements while separating the MoUs from agreements.
- ✓ Development of the Nigerian Annual Trade Policy Report (NATPOR) launched in 2017 and utilised by the Economic Management Team (EMT) in identifying Nigeria trade flow trends and strategically managed its key-trading partners by deepening and expanding Nigeria's trading relationships, across the board, so as to buffer it from future exogenous shocks.
- ✓ Persuasive presentations to decision-makers such as the Economic Management Team to enlighten them on the potential benefits of AfCTA and the reason Nigeria should continue to lead on it.
- ✓ Trade consultations for the AfCFTA in the six (6) geo-political zones championed by the EA, where inputs from industry experts and diverse stakeholders led to outcome trade agreements in line with Nigeria's interest enshrining consultations in Nigeria's trade infrastructure. In terms of contribution to the signing of the agreement, anecdotal evidence shows that the main contributing agency is the NOTN with some support from Customs and inputs from associations like MAN, Nigeria Coalition of Services Industries, while FMITI played a supervisory role.
- ✓ The state of play on the AfCFTA sensitisation and consultation exercise were presented to the President which culminated in the President signing the AfCFTA agreement in Niamey, Niger on the 7th July, 2019.



According to the Economic Commission for Africa (ECA) forecast, the AfCFTA is projected to increase the value of intra-Africa trade through the removal of tariffs on goods by between 15% (or \$50 billion) and 25 percent (or \$70 billion), depending on liberalization efforts, by 2040, compared to without AfCFTA. Alternatively, the share of intra-African trade would increase by nearly 40 to over 50 percent, depending on the ambition of the liberalization, between the start of the implementation of the reform (2020) and 2040 .

KEY PROCESS LESSONS



From reflections of the legal and project management support of the Embedded Adviser to NOTN, as well as NOTN's interactions with the CFTA Committee members, relevant government MDAs, their international counterpart and other critical stakeholders, the following were the lessons and takeaways:



Policy coherence and coordination in trade is needed to spur growth, accelerate modernization and increase job creation opportunities. To do this requires a consistent and visionary reform team that can lead on the nation's strategic trade direction provided there is an awareness of the risks which could affect it and putting in place adequate contingency plan as well as having a robust consultation and implementation plan.



Stakeholder Management and profiling is crucial to the success of any project. Identifying important power structures and devising a strategy to carry them along while educating them when the need arises cannot be wished away in any task that involves national change or reform.

The Nigerian Office of Trade Negotiations can be found at;
 www.notn.gov.ng |  @TradeOfficeNG