

SPEAKING NOTES

REMARKS

BY

**HIS EXCELLENCY (H.E.) WAMKELE MENE
SECRETARY GENERAL, AfCFTA SECRETARIAT**

ON OCCASION OF THE SIGNING CEREMONY
AFCFTA ADJUSTMENT FUND MANAGEMENT AGREEMENT

CAIRO, EGYPT
9 FEBRUARY, 2022

PROTOCOLS

- Mrs Nevin Gamea, Honourable Minister of Trade and Industry, Egypt,
- Prof. Benedict O. Oramah, President and Chairman of the Board of Directors, Afreximbank,
- Excellencies,
- Dignitaries,
- Distinguished Guests,
- Members of the Media,
- Ladies and Gentlemen

Good Morning

1. It is, indeed, a great honour for me, today, to be here to celebrate another major milestone in our ongoing collaboration: the formal signing of the AfCFTA Adjustment Fund Management Agreement between the African Continental Free Trade Area (AfCFTA) Secretariat and the AFRICAN EXPORT-IMPORT BANK (Afreximbank).
2. I would like to thank you all for being here today at this important ceremony, physically and online.
3. May I, also, thank Prof. Benedict Oramah President and Chairman of the Board of Directors of Afreximbank, my dear friend, and the Board members and staff of the Afreximbank, for the collaboration and support to the AfCFTA Secretariat and the AfCFTA as a whole.

The agreement that we are signing today is the latest chapter in the close relations between our two institutions. Last month in Accra, we launched the Pan-African Payment and Settlement System, a historic event which is set to revolutionaries cross-border trade transactions on the continent and significantly boost intra-African trade.

4. The PAPSS, as you may well know, was adopted by the African Union (AU) as the payment and settlement platform to underpin the implementation of the AfCFTA. I believe that we can count on your continued support as the continent-wide roll-out and awareness-raising campaign takes off.
5. Just a few days ago in Addis Ababa, the Assembly further took decisions that makes trading in Africa a reality. This includes the adoption of the AfCFTA Council of Ministers and the technically verified tariff offers of 29 Member States; it approved the Phase II of the AfCFTA Secretariat and directed the finalization of conclusion of all Protocols under Phase II negotiations by September 2022. It further called upon the AfCFTA Secretariat to operationalize the Adjustment Facility. The Assembly also underscored the

importance of the Inter-Africa Trade Fair. You will recall that the first IATF was launched here in Cairo in 2018 and was successfully concluded in Durban in November 2021. We are looking forward to further work with the Afreximbank towards the IATF 2023 in Cote d'ivoire.

6.

7. The Adjustment Fund Management Agreement (FMA) is the realization of our collective effort aimed at supporting our State Parties in effectively participating in the AfCFTA.

8. With the implementation of the AfCFTA, some countries may experience revenue loss in the short term which may affect their budgets.

9. And experience of some RECs has shown that this adverse fiscal impact can constitute a constraint to the transparent implementation of the liberalisation of trade in the affected countries. To address this problem, and encourage state parties to implement the agreed tariff liberalisations, the AfCFTA Secretariat, in collaboration with the Afreximbank, established an Adjustment Fund. The Facility will provide a mechanism for Member States to access financial and technical resources to implement the Agreement and mitigate the short-term disruptions and associated costs.

10. In practical terms, it is going to be for a country experiencing challenges, for example, with its textiles and clothing sector, to access the fund for retraining of workers or for recapitalization, procuring machinery for goods, or to increase competitiveness. That is essentially the purpose of the fund.

11. The AfCFTA Adjustment Facility is, thus, one of the instruments aimed at ensuring win-win outcomes in our continental economic integration.

12. The signing of the Fund Agreement today, therefore, paves way for the operationalisation of the Fund to enable countries access the funds subject to certain criteria.
13. It marks an important step in the effective implementation of the AfCFTA.
14. We have a lot of work to do in the days and weeks ahead to implement the commitments outlined in this agreement.
15. And we are going to follow through with meaningful actions as quickly as possible in order to enable countries access the funds to position their economies to benefit from the AfCFTA.

Excellencies, Distinguished Ladies and Gentlemen

16. However, no matter the good intentions of the AfCFTA objectives, they will remain elusive if the private sector - traders, investors and producers, women and young Africans - are unable to take full advantage of the opportunities offered by the AfCFTA, in terms of trade and investment. It is therefore critical that we support the private sector to effectively engage in the implementation process. And access to funds for affected sectors remains critical to the involvement of the private sector.
17. Indeed, as we work together to develop the private sector, there will be the multiplier effect of increased job creation which will stimulate demand and further enhance private sector development, ultimately establishing sustainable and inclusive economic development, the Africa we want.
18. The operationalization of the Base Fund and the signing of the Fund Management Agreement is therefore an important step, and a start of many Public-Private Partnership we are directed to undertake with Afreximbank.

19. On this note, I thank you all for your attention.

Thank you