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THE UKRAINIAN CRISIS, WHAT LESSONS FOR AFRICA AND CAMEROON

WITHIN THE FRAMEWORK OF THE AfCFTA?

How to ensure greater visibility and availability for the made-in-Cameroon brand?



The conflict between Ukraine and Russia started on February 24, 2022 has raised some issues that were supposed acquired and sealed, in the sense to modify and turn them upside down at the global level. This changes concern geopolitical, strategic and economic domains. As Africa is part of the world, the continent is not out of target. One year after the launching of AfCFTA, what can our Region do? What should Cameroon do in order to avoid being lamblike victims of this war with many faces that has already destabilized the general equilibrium of the world? ■

(A) Medium-term perspectives of the AfCFTA

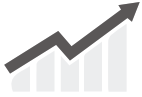
Will the African Continental Free Trade Area (AfCFTA) meet the same fate as previous high-profile international trade initiatives such as the Economic Partnership Agreements with the European Union (EPA) and the African Growth and Opportunity Act (AGOA) with the United States of America? In other words, will it remain a dream or simply an excellent intellectual endeavor?

More concretely, the question that came to mind in light of recent developments in the Russia-Ukraine war is whether Africa really has the means to take the action projected by this very commendable idea? One year after its effective launch, we are still at its initial stages, with a delay in the implementation of an idea that took nearly five (5) years to prepare. Indeed, like the EPAs and AGOA, the AfCFTA is still at the stage of catchphrases and declarations that continue to praise and magnify the enormous potential of this “project”. Except that in the end, when it is time to take stock, (AGOA for instance) the clocks have not ticked and the potential is touted at the next initiative, then the same fate is repeated .

In fact, it is obvious today that 22 years later, AGOA has not met the expectations of many people. It has not also changed much in Africa despite all the good that was credited to this initiative, although it had a sensitive lever represented by the African-American population supposed to be the figurehead of the target customers in the Americas.

Beside the purely commercial provisions, AGOA has equally and above all served as an instrument for political endorsement with the first wave of eligible countries, then exclusions, followed by reintegration and further exclusions until January 2022, based on criteria of “democracy and human rights” as perceived by the U.S.





As for the EPAs, they seem to be a game of trickery for some, targeted threats that lead to the weakening of regional integration blocs (the case of Cameroon with bilateral EPAs instead of the CEMAC community agreement, under the influence of direct pressure). The dismantling is said to be continuing and at the last assessment, made in 2021, Cameroon considers itself to be the obvious loser in the game so far. The potential appears to be our last hope... like the Sisyphus myth or the sea serpent.

And what about the AfCFTA? Our analysis is based on clear facts that everyone can see.

1) Weak integration in the CEMAC/ ECCAS Zone

In order to comply with the project to streamline African Regional Economic Communities (REC) initiated by the African Union (AU) as part of Agenda 2063, Central Africa had to create a single REC, which set in motion the process of merging/absorbing CEMAC into ECCAS. The project is underway and is led by Cameroon. But, in our view, the pace of the merger does not yet appear to be on track since CEMAC is still adopting medium term plans¹ and budgets for the community.

However, irrespective of whether it is CEMAC or ECCAS, the United Nations Economic Commission for Africa currently ranks Central Africa as the last country in the continent with the lowest level of integration as per the criteria laid down.

Under these conditions, trade development is not possible with other sub-regions if countries with the same currency (CEMAC) and a common external tariff etc. are unable to trade among themselves. In our humble opinion, this problem primarily lies on the weakness of national economies, which makes integration vulnerable and fragile, fostering mistrust and suspicion.

¹ - The community has just adopted (in March 2022) its 2030 statistical program, while PREF/CEMAC continues to seek funding for its integration projects. The CEMAC Commission also adopted its budget in March 2022 after a bit of turmoil with the Council of Ministers.

Simply put, an association of poor people exacerbates poverty because it is difficult to be virtuous in misery. Others are perceived as predators who come to take away the little that we claim to have, hence the sovereign isolationism displayed now and then by some countries for refusing community imperatives.

As long as the economies of the sub-region shall be disproportionate in terms of level, integration will have less chance of succeeding and so will the AfCFTA. For, in the end, what will we have to sell and why should we rush if we feel that the country will not benefit from it or will benefit only marginally?

Let us remember the case of AIR CEMAC which has consumed huge sums of money, only to never see the light of day, and many other community initiatives.

2) The issue of infrastructures is still being planned.

All the experts have said so. Ordinary citizens experience it on a daily basis. Road infrastructures are essential for the development of exchanges in general and trade in particular. Beyond roads to facilitate the movement of persons and goods, there is also the need to develop storage, conservation and processing infrastructures to add more value to primary products, moving on to secondary and tertiary processing. This has been said and confirmed. What we note here is the pace and strategy for implementing policies in this direction, beyond speeches. The CEMAC/ECCAS sub-region remains very landlocked and initiatives are not moving at the right speed. Cameroon, which is the natural hub and the gateway for neighbouring landlocked countries, is still not connected to all its neighbours with good roads, let alone railways. Air travel is not very common in the sub-region. One has to rely on RWANDAIR or ASKY to connect the capitals of the sub-region. The Douala/Kribi railway project to Ndjamen and Bangui has been on the drawing board for more than 20 years; and the current generation is passing by without witnessing the start of this project. These are the veritable and preliminary actions to support the AfCFTA that

must be promoted at the CEMAC/ECCAS level. If Cameroon is really connected to its five CEMAC neighbours and the DRC, land, rail, river and maritime infrastructure routes open to Nigeria would give access to the wide ECOWAS market. In the absence of such basic infrastructures, how can the AfCFTA be effective in the Central and West Africa sub-region?

3) The unstable political situation in most African sub-regions

There will never be absolute or universal peace for things to work well. So be it! That is how the world is made. However, it is desirable and even indispensable that minimum and sufficient security is guaranteed for the development of trade marked by an increased and intense movement of people and goods. It is not the case currently in most sub-regions of the continent.

In the ECOWAS, there are political and security crises in Mali, Burkina Faso and Guinea, to the point of creating a rift among ECOWAS members as some want sanctions imposed on other member states. Nigeria and other countries of the Niger Basin are facing the Boko Haram terrorist group which endangers the populations and makes movements both within the country and at its borders insecure. Chad and the CAR in Central Africa as well as Cameroon are, from time to time, subject to attacks by rebel or separatist groups. In the Great Lakes, peace has been hard to achieve for several decades between the DRC, Rwanda and Burundi.

All these pockets of tension are quite harmful to trade if they are not alleviated, if not eradicated or neutralized. It will be difficult for the AfCFTA to be smooth and make sense to the ordinary citizen.

4) The recent UNECA-IEF-ITFC initiative of 10 March 2022.

According to the Monday 21 March 2022 edition of the Economy newspaper, a new project to support the operationalization of the AfCFTA was initiated and signed on 10 March 2022 between the United Nations Economic Commission for Africa (UNECA), the Enhanced Integrated Framework (EIF)² and the International Islamic Trade Finance Corporation (ITFC). The project targets 08 out of 54 African countries³ and the 53 that have ratified the AfCFTA charter.

2 - The Enhanced Integrated Framework (EIF) is a cooperative structure created in 1997 on the initiative of the World Trade Organization and including several other international organizations that aims to assist the least developed countries. In addition to the WTO, the EIF includes the International Monetary Fund (IMF), the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) and the World Bank

3 - The 08 countries are : Burkina Faso, Côte d'Ivoire, Guinea, Mauritania, Niger, Senegal, Togo and Tunisia

In these 08 countries, 06 of which are from WAEMU/ECOWAS and 02 from the MAGHREB, the initiative aims to “support 30 activities in the strategies of the AfCFTA ” In plain language, priority is given to capacity building to make the environment more “*efficient and inclusive*”! There is nothing concrete to boost production and trade! Time is spent on paperwork and procedures by “*harmonizing customs codes with the new tariff provisions, by applying rules of origin and training national stakeholders in the AfCFTA...*” Words, yet again, whereas in March 2022, the Ukrainian crisis exposed the vulnerability of African countries in the face of dependency on wheat from the two warring countries. How can we move from the potential of African countries in the production of grains and other wheat substitutes to being autonomous in basic food products?

This is a window of opportunity for the AfCFTA. Grain production over a short period of 03 to 06 months. Therefore, a massive grain production initiative in Africa and for the continent launched, at the experimental phase, **in April 2022 can produce its first tangible results by December 2022.** The year 2023 would be the year of consolidation and Africa would be self-sufficient in 2025, by which time peace would have returned. And if the AU, the AfDB and others could agree and take action that goes beyond symposiums and signing of conventions.

What is the basis for doubt? (a) Officially, the AfCFTA was launched on 1 January 2021. We have no intention, by way of litigation, to read the report of year 1 that sets the baseline. And in view of the number of countries aligned, their geographical position on the one hand and the content of the project on the other hand, it seems to us that the AfCFTA will not take off through this approach whose strategic choices do not seem the most optimal. The international context gives us the opportunity to make informed and audacious choices beyond the politically correct and the window-dressing communication on an immutable concept. What has a resident of Batouri in Cameroon, Faya-Largeau in Chad, or Gitega in Burundi got to with the AfCFTA when the price of bread has risen and he cannot find a local substitute in his village or neighborhood store?

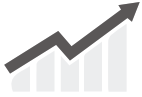
That is why the AfCFTA will find it difficult to take off in the medium term.

And how to break the deadlock?

One country one product⁴ as a solution

In order to move away from national and regional projects that are theoretically well-constructed and ambitious, and that sound good to the ear (generations aged above 40 years will remember

4. Drawn from the OVOP initiative OVOP, one village one product of the Japanese cooperation



the catchphrase: Health for all by the year 2000, in the 80's. At the end, Africa and Cameroon have never been in such a bad shape, looking at the health indicators. Who can still remember the OAU Lagos plan of action? Not forgetting other idyllic and idealistic initiatives!

In our humble opinion, and after making an analysis, African leaders (AU, AfDB, UNECA, NEPAD) should adopt a gradual step by step approach to support the AfCFTA in such a way to lay a meaningful basis for the development of inter-continental trade in goods and services.

Beyond all what has already been said by many experts, our option would be to adopt the one product one country principle, in order words: one product per country or per sub-region. Indeed, after a study to identify the needs, countries can specialize according to comparative or competitive advantages. In this case, the Russia-Ukraine war has exposed the vulnerability of the world and of Africa in particular on energy dependency (Europe and the United States) and in grains, notably wheat for African countries. Yet, there is a potential and it has been proven. Countries or the region that have the potential to produce grains can sell them mainly to the African market... that is a practical case of support to the AfCFTA. In this way, countries and sub-regions can specialize on one or more products or services that will constitute inter-African trade within the framework of the AfCFTA. The needs are identified and the outlets more or less guaranteed.

Textbox : Africa and AGOA

The African Growth and Opportunity Act (AGOA) is a law on development and opportunities in Africa, passed by the U.S. Congress in May 2000 and signed by President Bill Clinton. From 2001 to 2015, the number of AGOA beneficiary countries doubled, and their trade with the United States amounted to \$50 billion in 2014 (\$100 billion peak in 2008). Petroleum products accounted for 69% of African exports under AGOA terms in the United States in 2014. In July 2015 U.S. President Barack Obama signed an extension of the U.S. Africa trade relationship through 2025. Thirty-nine African countries joined the programme.

The purpose of this law is to support the economy of African countries by facilitating access to the U.S. market if they follow the principles of liberal economy. The African countries thus had the possibility of gradually asserting themselves on the world scene by entering globalization, and the United States thus benefited from a new source of supply, particularly in oil.

Criticism of AGOA is based on uncertainties and limitations, particularly on the fact that exemptions are in fact concentrated on a few products exported by a few countries. Indeed, the majority of tariff exemptions granted by AGOA are available to all developing countries through the Generalized System of Preferences.

The number of countries benefiting from the Agreement in 2000 is 31, including Cameroon.

The number of countries added between 2001 and 2012 is 13, of which 06 are excluded to date (March 2022) including Cameroon since October 2019 and Ethiopia since January 2022. Ethiopia was considered as a rare success story of the act.

(B) What is the way out for Cameroon? Begin by giving a national and sub-regional identity to the made-in-Cameroon brand and make it more aggressive and more marketable

Cameroonians are resourceful. They are even creative. Almost every Ministry has at least one opportunity per year to arouse the admiration of visitors during open days, fairs and exhibitions organized on various occasions. These include, but are not limited to: (i) MINRESI with the Jersic; (ii) MINPMEEESA with the SME days, and all other initiatives in favor of SMEs and handicrafts; (iii) MINPROFF with the IWD, the rural women's day, and many other exhibitions; (iv) MINAS; (v) MINADER and MINEPIA ; (vi) MINJEC with its array of programs and initiatives for youth; (vii) MINPOSTEL, with its digital innovation week (March) and the many competitions around digital start-ups; (viii) MINCOMMERCE with the many fairs, shows and exhibitions both inside and outside the country, etc.

To these periodic occasions, we can also add commercial or cultural events of private or community initiative as the PROMOTE fair, YAFE, FOMARIC, the FOTRAC, the NGONDO, the NGONDO in Douala, the TOUPOURI rooster festival, and so on.

However, despite the record number of visitors at these events, it is not possible to make a turnover. Exhibitions and fairs are ideal for communication and promotion, in order to gain exposure and to create business ties. But the step that needs to be taken remains to move from innovation to industrialization, integrate mass consumption products and services and the daily adoption by ordinary citizens either by conviction or by patriotism.

The goal is not to win prizes and certificates at the end of these national or international forums, but to develop a business that can move from a project, to a start-up, to a VSE, to a SME and then to a company. This is what ensures emergence: the number of local SMEs generating income and added value, capable of lifting their promoters out of precariousness and poverty. This is how the import-substitution lever can be consolidated.

Cameroonian innovations must move from fairs and exhibitions to the shelves of supermarkets, stores, boutiques and local markets. This is how the success of the innovation policy is judged. These products and services must become part of the daily and ordinary consumption habits of ordinary citizens in village outside the large urban centers.

1) Camer-house and the effectiveness of APEX

In a study published in 2017 on the diaspora, the Cameroon Policy Analysis and Research Center (CAMERCAP-PARC) revealed that the promotion of a country's products can only be done by frontline nationals in host countries. Chinese sell Chinese products throughout the world, even if they have to use the local workforce of the countries for a wide distribution. For European or American products to become established in third countries, it is the large distribution chains in the countries of origin that provide the counter through a sustained and well-oiled export policy: the CFAO is a conglomerate or holding of several French brands to sell French products, including agricultural products, throughout the world. The Indo-Pakistanis with the MAHIMA/MARINA/RELIANCE/VANISH brands, and many others, as well as the Turks with ORCA, are in reality buying or selling centers for products made in their «country of origin». CARREFOUR and CASINO sell more French and European products than Cameroonian products in Yaoundé and Douala or Senegalese products in Dakar.

In the perspective of the AfCFTA at the sub-regional and continental level, the leading countries (of which Cameroon should be one) should be able to adopt this counter policy for their products in the receiving countries. Let's be honest to say it without any chauvinism: Moroccans will not promote Cameroonian products in Morocco or in Mozambique. It must be done by nationals of 237 or nothing! This calls for a different approach to diplomacy and relations with the diaspora of each state. This is an opportunity to justify the creation and operationalization of the Export Promotion Agency, which should be one of the priority projects.

However, in order to do so abroad, these counters would have to prove their salt in the national territory. Hence the idea of the Camer-house that essentially markets made-in-Cameroon

products according to sectors of activity. The embryonic idea of MINCOMMERCE in ETETAK, a suburb of Yaoundé, is worth encouraging, but it lacks eccentricity and audacity. Made-in-Cameroon products are relegated to the outskirts while the city center is crowded with Chinese and Asian products. Where is the economic patriotism and the encouragement to national preference?

Similarly, visibility in supermarkets and neighborhood stores should, for example, be a concern of the National Chamber of Commerce and domestic trade regulators.

We are going to raise 02 dimensions with psychological incidence. (a) Get the made-in-Cameroon out of the exotic character and curiosity... with costs that are sometimes out of the reach of ordinary citizens compelling a presence in supermarkets (for the elite and the middle class), and (b) the presence in the shelves drowned in foreign products (the case of tea or pasta, even cosmetics, etc.) to promote spaces dedicated to homemade products in supermarkets.

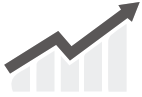
The operationalization of APEX is a prerequisite for this strategy of conquering foreign markets, including the AfCFTA. Cash crops can be exported without any external distribution tool because they have a specialized clientele made up of industries that use them as raw materials. This is not the case for other end-use products. The latter require a more aggressive commercial strategy to capture market shares. Specialists call it competitiveness. It must be done!

2) CTDs and homemade products.

A few years ago, Cameroon launched an initiative called OVOP: one village one product, through MINPEMESA with the help of Japanese cooperation. To date, nobody can say that the results are noticeable or meaningful. However, it is not the material that is lacking or the over-touted potential. It is simply the lack of control of the action, and therefore of organizational skills, or even of audacity.

To this end, CAMERCAP-PARC, through 02 studies on **(i) Identification of 10 products eligible for geographical indications of Cameroon (April 2015) and (ii) Top 10 cultural and touristic products to be labeled and promoted on the foreign market (June 2015)**, had launched the movement⁵ that can, from the base made up of 360 councils and the fact sheets developed on typical products, promote the made-in-Cameroon both domestically and for export.

5 - The AIPO and MINMIDT have seized proposals within the framework of the national project on IG and original products or registered designation (PAMPIG).



This idea should serve as a vector for this OVOP initiative at the council or inter-council level of CTDs that belong to the same agro-ecological zone.

In this perspective and according to this approach, each CTD should be able to open a store specialized in typical homemade products. At the regional level, such an idea would give rise to an exhibition hall of products made in Cameroon, or of regional origin. This would not be called village craft, but local products, or home of the West, Adamawa or South-West. The description “**craft village**” does not get us out of the psychological complex of «marginalization» and exotic character of what is exposed, and therefore in principle reserved for tourists, according to collective imagination! Why should a piece of furniture made in Fouban be an artisanal product while a shoe made, even in limited series, by an Englishman be described as «handmade» and have a value above that of a product coming out of automated factory lines? We have to start with this change of paradigm and mindset if we want to conquer the AfCFTA market and the world. The Asians and the Chinese in particular have already succeeded with their once traditional medicine, now stripped of the label «artisanal». French homemade cheese is not sold in an artisanal space, but so-called local products!

6 - In principle there is one in the capital city of each region, making 10 in total under the authority of MINPMEESA

The war in Ukraine is threatening to cause famine in the world because of the weight of the two conflicting countries in the production and marketing of wheat. Likewise, an economic crisis is around the corner due to global inflation and the limitations in various supplies due to the lack of energy sources, especially gas and oil. Africa must be aware of this and wake up. The AfCFTA will not be a panacea unless emphasis is placed on the production of goods to be traded

Above all, it is real economy that is concerned.





It is our humble plea!

(c) Barnabé Okouda
CAMercap-Parc, April 2022.

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