



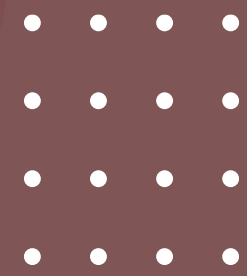
SCOPE OF MUTUAL RECOGNITION AGREEMENTS (MRAs) UNDER THE AfCFTA

REBECCA EBOKPO
SENIOR ASSOCIATE AELEX



AELEX

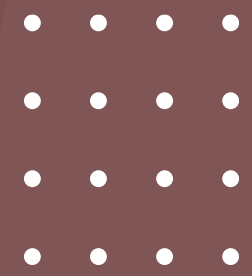




WHAT IS A MUTUAL RECOGNITION AGREEMENT?

A Mutual Recognition Agreement (MRA) is an international agreement by which two or more countries agree to recognize one another's conformity assessments, decisions or results (for example, certifications or test results). A mutual recognition arrangement is an international arrangement based on such an agreement.

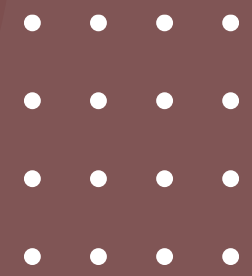
MRAs reflect a conscious choice of governments not to engage in regulatory change, and solely focus on reducing transaction costs of market access in case of relatively more regulated products.



HOW DO MUTUAL RECOGNITION AGREEMENTS EVOLVE?

MRAs emanate from a wider concept known as Mutual Recognition.

Mutual Recognition implies that goods or services produced under a regulatory regime or rules in country A enjoy unhindered market access in country B, presumably having different rules(or laws).



HOW DO MUTUAL RECOGNITION AGREEMENTS EVOLVE?

When there is uniformity of safety, health, environment and consumers (SHEC) requirements or when such requirements are similar in A and B, these requirements will not impede market access. However, when SHEC requirements differ, MR may help address the trade frictions that such differences may generate by promoting the notion of “equivalence” of SHEC levels or of relevant aspects/procedures ensuring such equivalence.



THE SCOPE OF MRAS UNDER THE AFCFTA

Protocol on Trade in Services

Article 10 (1) provides for a standardised criteria for the authorisation, licensing or certification of service suppliers under the agreement. It further provides for the recognition of education, experience, requirements met, licences or certifications granted in one state party by another state party. Such recognition is to be attained through harmonisation, bilateral agreements or arrangements or autonomously.

Article 10 (2) provides that State Parties shall afford adequate opportunity to other interested State Parties to negotiate their accessions to such an agreement or negotiate comparable ones.



THE SCOPE OF MRAS UNDER THE AFCFTA

Protocol on Trade in Services

Article 10 (3) provides that State Parties shall not accord recognition in a manner which would constitute a means of discrimination between State Parties in the application of its standards.

Article 10 (4) prescribes a 12 months timeframe from the operational date of the agreement, for informing the Secretariat of the existence of an Agreement/arrangement.



THE SCOPE OF MRAS UNDER THE AFCFTA

Protocol on Trade in Services

Article 10 (5) provides that MRAs should be based on AfCFTA agreed criteria. State parties are also enjoined to cooperate towards development and adoption of criteria for recognition and common standards for practice of relevant service trades.



THE SCOPE OF MRAS UNDER THE AFCFTA

Protocol on Trade in Goods

One of the key objectives of the protocol on trade in goods as provided in Article 2(2)(e) is to liberalise the market for trade in goods through cooperation in areas of technical barriers to trade and sanitary and phytosanitary measures. The annex to the protocol on trade in goods further promotes mutual recognition arrangements to achieve the objectives of the protocol as follows:



THE SCOPE OF MRAS UNDER THE AFCFTA

Protocol on Trade in Goods

- Article 13 (7) of Annex 4 on Trade Facilitation provides that- In order to enhance the Trade Facilitation measures provided to operators, State Parties shall afford to other State Parties, the opportunity of negotiating mutual recognition of Authorised Operator schemes. The Authorised Operator Scheme comprises of specific criteria which state parties apply in their customs and security procedures such as appropriate record of compliance with Customs and other related regulations, a system of managing records for necessary internal controls, financial solvency and supply chain security.



THE SCOPE OF MRAS UNDER THE AFCFTA

Protocol on Trade in Goods

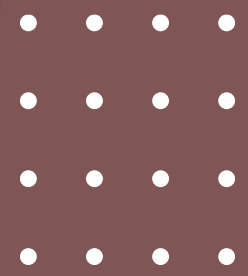
- Article 4(f) of Annex 6 on Technical Barriers to Trade provides that one of the objectives of the Annex is to - promote mutual recognition of results of conformity assessment.



HOW ARE MRAS NEGOTIATED?

MRAs are negotiated under trade arrangements such as bilateral, multilateral, regional or continental trade instruments, with the major purpose of facilitating trade. In negotiating MRAs, State Parties proceed through the following stages:

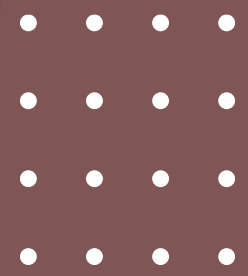
- Preliminary Proposal for an MRA
- Impact Assessment
- Confirmation of Scope and Objectives
- Preparation of Working Draft for the MRA
- Deliberation of the Working Draft by the Working Group leading to the development of a Draft for Member States' Consultation.
- Consultation with Stakeholders within each Member State
- Development of a final Working Group Draft
- Finalisation and Approval
- Implementation



WHAT ARE THE BENEFITS OF MRAS?

MRAs reduce the multiple conformity assessment that products, services, systems, processes and materials may need to undergo, especially when they are traded across borders. By implication, they reduce the cost of Trade.

MRAs contribute to the efficiency of the international trading system by facilitating the acceptance of goods and services everywhere on the basis of a single assessment in one country.



WHAT ARE THE BENEFITS OF MRAS?

MRAs enable greater certainty of market access.

MRAs increase competition and innovation.

MRAs foster harmony amongst trading nations as well as greater administrative efficiency

CHALLENGES/RISKS POSED BY MRAS

Political economy of co-operation:

- Unequal distribution of costs and benefits, reduced regulatory competition and (a fear of) lower quality of regulation may impede the adoption of MRAs by nations.

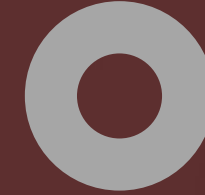
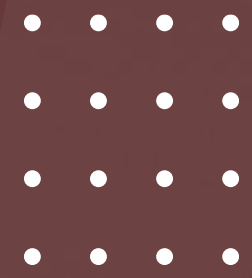
Regulatory specificity and a possible lack of flexibility:

- Differences between countries in their regulatory procedures and/or legal systems or traditions may significantly complicate efforts to overcome regulatory divergence. In some cases, regulatory paths are already deeply entrenched making rapprochement difficult.

Reduction of regulatory authority:

- The adoption of MRA may impact on the freedom of nations to decide and insist on their trade laws and regulations.

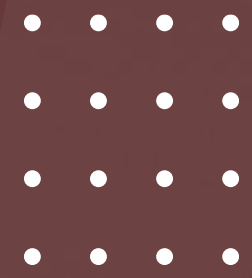
The Challenge of implementation.



STAKEHOLDERS AND RELEVANT INSTITUTIONS

Article 8(d) and (e) of Annex 6 on Trade Facilitation seeks to promote the following:

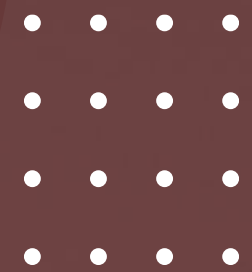
- The use of accredited conformity assessment bodies as a tool to facilitate trade amongst the State Parties;
- mutual acceptance of conformity assessment results of conformity assessment bodies which have been recognised under appropriate multilateral agreements between their respective accreditation bodies and the relevant mutual recognition arrangements of the AFRAC, ILAC and IAF.



STAKEHOLDERS AND RELEVANT INSTITUTIONS

It is important to note the relevance of the following institutions which are duly recognised under the AfCFTA Agreement/Annexes.

- AFRICAN Accreditation Cooperation (AFRAC)
- The International Laboratory Accreditation Cooperation (ILAC)
- International Accreditation Forum (IAF)
- African Organisation for Standardisation (ARSO)



STAKEHOLDERS AND RELEVANT INSTITUTIONS FACILITATING MUTUAL RECOGNITION IN SERVICES

- The National Agency for Food and Drug Administration and Control (NAFDAC)
- Standards Organisation of Nigeria (SON)
- Nigerian Agricultural Quarantine Service (NAQS)
- Various Professional Organisations
- Regional and continental professional Organisation
- Local regulatory agencies/institutions

QUESTIONS AND ANSWERS



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THANK YOU

REBECCA EBOKPO
SENIOR ASSOCIATE AELEX

