

Update on the AfCFTA

Towards a workable integration agenda for Africa

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Annual Conference

18 & 19 May 2023

"A Practical and Realistic Agenda for the AfCFTA"



What is the African Continental FTA?

- An ambitious continental project for trade liberalization
- **Member-driven** framework with incremental implementation
- Response to specific challenges; recognition of global trade partnerships
- Does not create supra-national institutions

- Themes: Unity, Economic Integration, **Boost intra-African trade**
- AfCFTA is one of African Union (AU) flagship projects

- General Objectives of the AfCFTA (Art 3)
 - Single liberalised market for goods & services through further negotiations, contribute to the movement of capital & natural persons
 - Building on developments in the State Parties & RECs
 - Lay the foundation for a Continental Customs Union at a **later stage**
 - Enhance competitiveness & Promote industrial development
 - Tackle overlapping membership challenges

AfCFTA Flagship Project of the African Union

AfCFTA links to:

PIDA (Infrastructure)
AIDA (Industrialization)
BIAT (Boosting intra-Africa trade)
CAADP (Agriculture)
SAATM (Air transport)
Yamoussoukro Decision (Air transport)

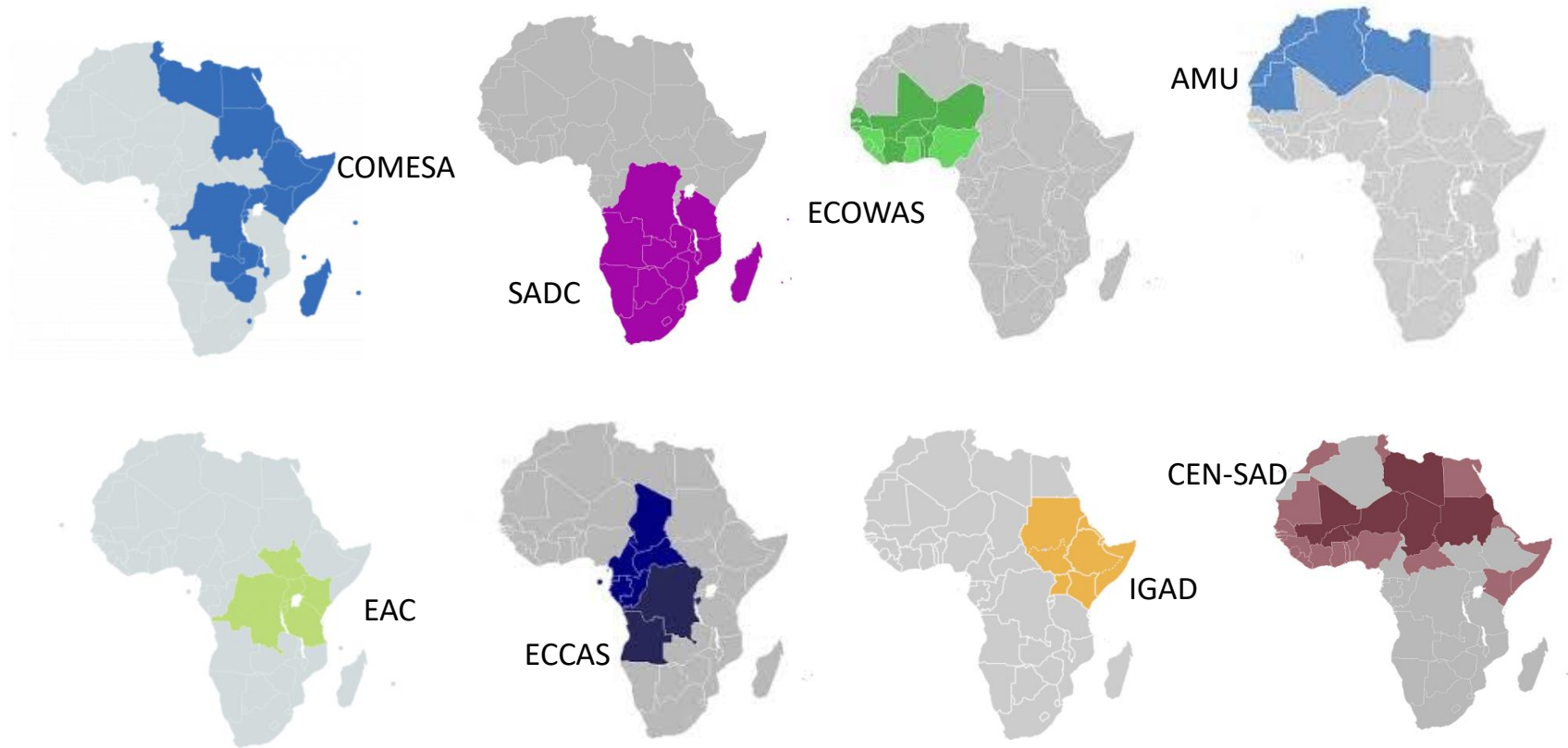
Protocol to the Treaty establishing the AEC
relating to free movement of persons, right of
residence and right of establishment



The AfCFTA shall be governed by the following principles (Art 5)

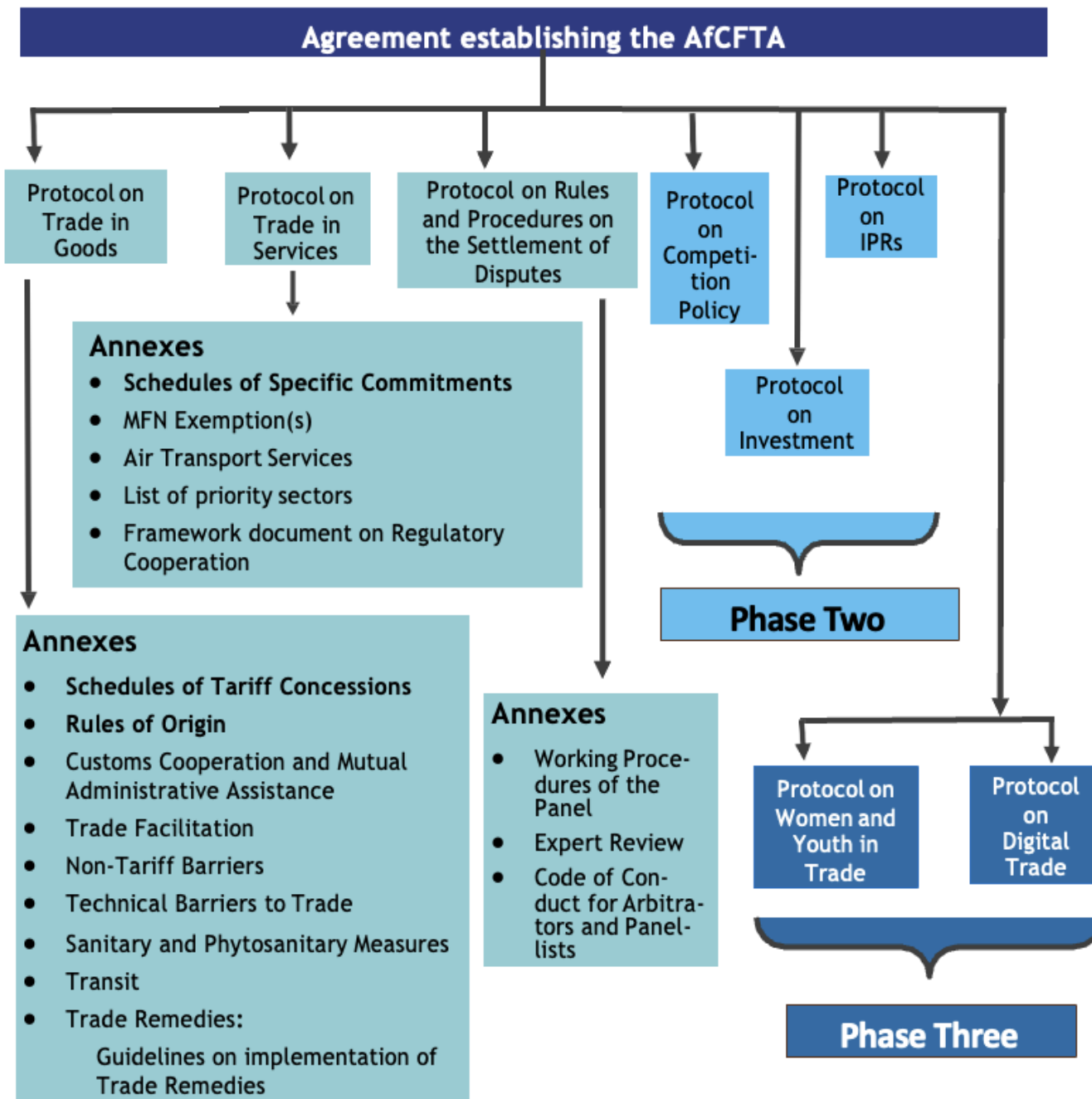
- driven by Member States of the African Union
- **RECs' Free Trade Areas (FTAs)** are building blocs for the AfCFTA
- variable geometry
- flexibility and special and differential treatment; transparency and disclosure of information
- **preservation of the *acquis***
- Most-Favoured-Nation (MFN) Treatment
- National Treatment
- Reciprocity
- substantial liberalisation
- consensus in decision-making
- best practices in the RECs, in the State Parties and International Conventions binding the African Union.

The REC FTAs are *building blocks* of the AfCFTA



- Notes:
1. These 8 RECs are recognised by the Africa Union
 2. Other trading arrangements eg SACU will also co-exist with the AfCFTA


AfCFTA Legal Compact




Part III of the AfCFTA Agreement provides for an “institutional framework for the implementation, administration, facilitation, monitoring and evaluation of the AfCFTA.” This institutional framework consists of the Assembly, the Council of Ministers responsible for Trade, the Committee of Senior Trade Officials, and the AfCFTA Secretariat. There are other institutions of the AfCFTA including the Dispute Settlement Body, Dispute Settlement Panels, Appellate Body and several technical committees and sub-committees established by the Council of Ministers.

Assembly

The highest decision-making body of the African Union. Apex body of the AfCFTA

Members	Functions	Powers
 Heads of State and Government of the African Union, not just those of AfCFTA State Parties	provides oversight and guidance on the AfCFTA	has exclusive authority to adopt interpretations of the AfCFTA Agreement on the recommendation of Council of Ministers.

Council of Ministers

Members	Functions
 Ministers responsible for Trade or such other ministers, authorities, or officials duly designated by the State Parties.	<ul style="list-style-type: none"> must ensure the effective implementation and enforcement of the AfCFTA Agreement reports to the Assembly through the Executive Council of the AU makes recommendations to the Assembly for the adoption of an authoritative interpretation of the Agreement. Establishes and delegates responsibilities to ad hoc or standing committees, working groups or expert groups decisions taken by the Council of Ministers, while acting within its mandate, shall be binding on State Parties. Decisions that have legal, structural or financial implications shall be binding on State Parties upon their adoption by the Assembly.

Committee of Senior Trade Officials

Members	Functions
 Permanent Secretaries or other officials designated by State Parties	<ul style="list-style-type: none"> responsible for the development of programmes and action plans for the implementation of the AfCFTA Agreement. oversees the implementation of the provisions of the AfCFTA Agreement implement decisions of the Council of Ministers as may be directed may request a Technical Committee or Secretariat to undertake specific assignments reports to the Council of Ministers

AfCFTA Institutions


Source: AfCFTA Secretariat

AfCFTA Secretariat

AfCFTA Secretariat

Functions
<ul style="list-style-type: none"> the administrative organ to coordinate the implementation of the AfCFTA coordinate and provide technical assistance and capacity building in trade and trade related issues for the implementation of the AfCFTA Agreement functionally autonomous institutional body within the AU system with an independent legal personality autonomous of the AU Commission based in Accra, Ghana

Dispute Settlement Body

Members	Functions
 Comprises designated officials or representatives from State Parties	<ul style="list-style-type: none"> Coordinate the implementation or operation of the AfCFTA dispute settlement mechanism. have the authority to: establish Dispute Settlement Panels and an Appellate Body; adopt Panel and Appellate Body reports; maintain surveillance of implementation of rulings and recommendations of the Panels and Appellate Body

Panels

Assists the DSB in discharging its responsibilities under the Agreement.
Consult widely and regularly with the Parties to a dispute and give them an adequate opportunity to develop a mutually satisfactory solution.

Appellate Body

Composed of 7 members
Hears appeals from panel cases.
Rulings of Appellate Body are binding on the Parties to the dispute.

The Council of Ministers has established various technical committees to assist with the implementation of the specific Protocols to the AfCFTA Agreement. These technical committees include Committees and their Sub-Committees.

Committees

Committee for Trade in Goods Members  Comprises designated officials or representatives from State Parties Functions Oversees the implementation of the Protocol on Trade in Goods May establish such subsidiary bodies as it considers appropriate for the effective discharge of its functions Reports to the Committee of Senior Trade Officials	Committee for Trade in Services Members  Comprises designated officials or representatives from State Parties Functions Oversees the implementation of the Protocol on Trade in Services May establish such subsidiary bodies as it considers appropriate for the effective discharge of its functions Reports to the Committee of Senior Trade Officials
Committee on Investment Members  Comprises designated officials or representatives from State Parties Functions Oversees the implementation of the Protocol on Investment Reports to the Committee of Senior Trade Officials	Committee on Competition Policy Members  Comprises designated officials or representatives from State Parties Functions Oversees the implementation of the Protocol on Competition Policy Reports to the Committee of Senior Trade Officials
Committee on Intellectual Property Rights Members  Comprises designated officials or representatives from State Parties Functions Oversees the implementation of the Protocol on Intellectual Property Rights Reports to the Committee of Senior Trade Officials	Committee on Women and Youth in Trade Members  Comprises designated officials or representatives from State Parties Functions Oversees the implementation of the Protocol on Women and Youth in Trade Reports to the Committee of Senior Trade Officials
Committee on Digital Trade Members  Comprises designated officials or representatives from State Parties Functions Oversees the implementation of the Protocol on Digital Trade Reports to the Committee of Senior Trade Officials	


Technical Committees

Sub-committees

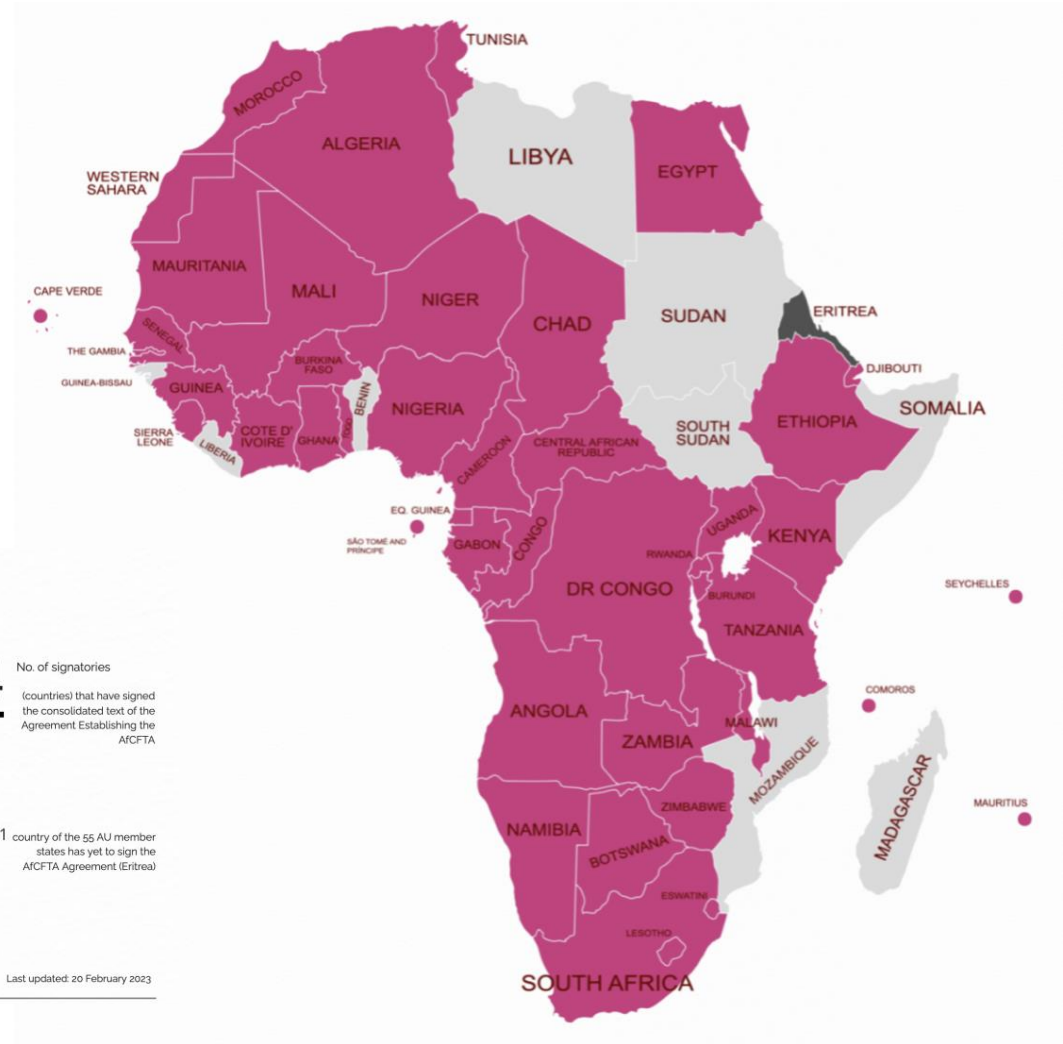
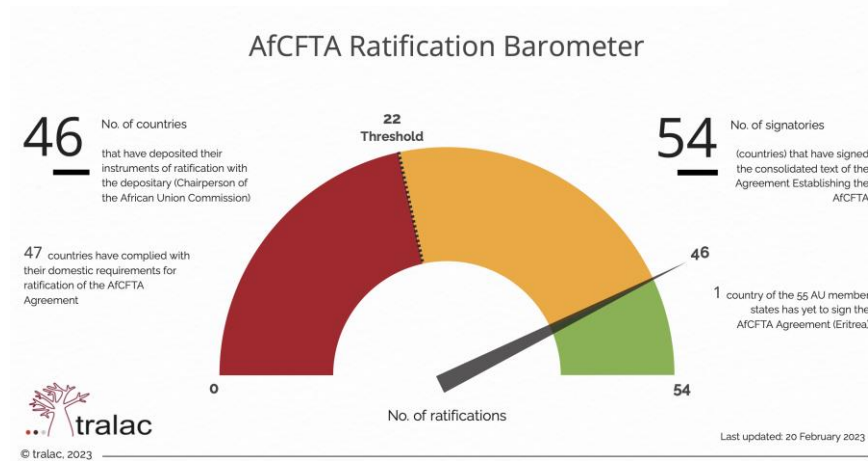
Sub-Committees

Trade in Goods Sub-Committee on RoO <ul style="list-style-type: none"> Responsible for the operationalisation of Annex 2 on Rules of Origin Sub-Committee on SPS <ul style="list-style-type: none"> Responsible for the operationalisation of Annex 7 on SPS Sub-Committee on NTBs <ul style="list-style-type: none"> Responsible for the operationalisation of Annex 5 on NTBs Sub-Committee on TBTs <ul style="list-style-type: none"> Responsible for the operationalisation of Annex 6 on TBTs 	Trade in Services Sub-Committee on Trade Facilitation, Customs Cooperation and Transit Responsible for the operationalisation of Annex 3 on Customs Cooperation and Mutual Administrative Assistance, Annex 4 on Trade Facilitation, and Annex 8 on Transit. Sub-Committee on Trade Remedies Responsible for implementation of Annex 9 on Trade Remedies	Sub-Committee on Specific Commitments <ul style="list-style-type: none"> Responsible for the operationalisation of the Annex on Schedules of Specific Commitments Sub-Committee on Regulatory Cooperation Frameworks <ul style="list-style-type: none"> Responsible for the operationalisation of the Annex on Regulatory Cooperation Frameworks Sub-Committee on Mutual Recognition of Professional Qualifications <ul style="list-style-type: none"> Responsible for the operationalisation of the Annex on Mutual Recognition of Professional Qualifications Sub-Committee on Trade in Services-Related Issues <ul style="list-style-type: none"> Responsible for the operationalisation of Trade in Services-Related Issues Sub-Committee on AfCFTA Trade in Services Rules <ul style="list-style-type: none"> Responsible for the operationalisation of AfCFTA Trade in Services Rules
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Regional Economic Communities and the AfCFTA

Members  Comprise designated officials or representatives from ECCAS, ECOWAS, EAC, SADC, COMESA, AMU, CEN-SAD and IGAD	Functions Represented in the Committee of Senior Trade Officials, in an advisory capacity. Participate in the Meetings of the Technical Committees, in advisory capacity.
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Which countries have ratified the AfCFTA?



Date: May 2023

Negotiations update

ASSEMBLY OF THE UNION
Thirty-Sixth Ordinary Session
18 - 19 February 2023
Addis Ababa, ETHIOPIA

DECISION ON THE REPORT OF H.E. MR.
ISSOUFOU MAHAMADOU, FORMER PRESIDENT OF
NIGER AND AFRICAN UNION CHAMPION ON THE
CONTINENTAL FREE TRADE AREA (AfCFTA)

Source:

[https://au.int/sites/default/files/decisions/42725-
Assembly_AU_Dec_839_-_865_XXXVI_E.pdf](https://au.int/sites/default/files/decisions/42725-Assembly_AU_Dec_839_-_865_XXXVI_E.pdf)

Tariff negotiations

“WELCOMES the submission of tariff offer by SACU the AfCFTA Secretariat and URGES the remaining 9 State Parties and Non-State Parties namely Comoros, Djibouti, Eritrea, Ethiopia, Libya, Mozambique, Somalia, Sahrawi Republic, and Sudan to submit their Tariff Offers by June 2023 in order to enable commercially meaningful trading under the AfCFTA preferences which is inclusive of all the AU Member States.”

Rules of Origin negotiations (Clothing and Textiles; Automotives) continue

Trade in Services negotiations

48 countries have submitted services offers – initial offer from Tunisia, revised offers from Botswana and ECOWAS.

Negotiations – request and responses on horizontal and specific commitments - continue

12th Committee on Trade in Services to meet 15-19 May to consider new and revised offers in the 5 priority sectors – for submission to the Council of Ministers via the Committee of Senior Trade Officials

Ongoing work on Frameworks for Regulatory Cooperation (focus currently on Financial and Communication Services – Transport to be included next)

Note: AfCFTA as a Framework for Africa's Industrialization

Special Economic Zones

AU Assembly:

“ADOPTS the Ministerial Regulations on Special Economic Arrangements/Zones so as to enable Goods produced in SEZs to be treated as originating goods”

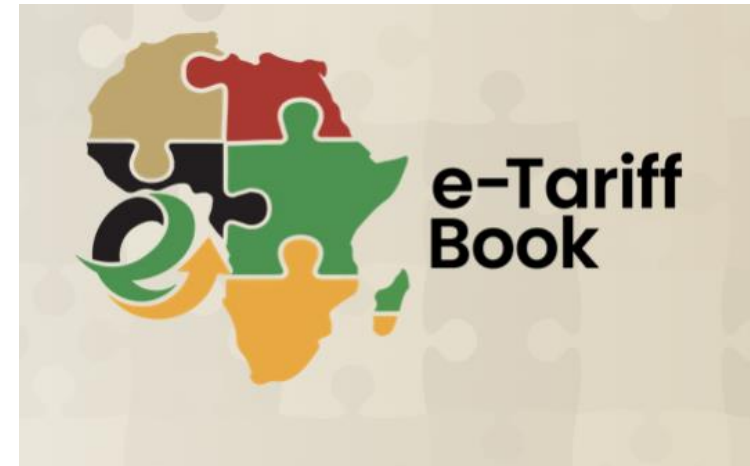
AfCFTA Automotive Strategy

AU Assembly:

“WELCOMES the launch of the AfCFTA Automotive Strategy and the finalisation of the establishment of the Automotive Task Force launched by the Council of Ministers at their 11th Meeting and DIRECTS the Council of Ministers to fast-track the conclusion of the outstanding Rules of Origin on Automotive Sector and Textiles by June 2023”

Tariff liberalization and continental value chain development: what is in the exclusion lists?

<https://au-afcfta.org/etariff/>



Search by keywords

I am exporting from ?

I am importing into ?

Search for product ?

Search for State Party

Search for State Party

Product Description or HS Code

BEGIN SEARCH →

HELP



Select AfCFTA State Party to where you intend to import.

Guided Trade Initiative

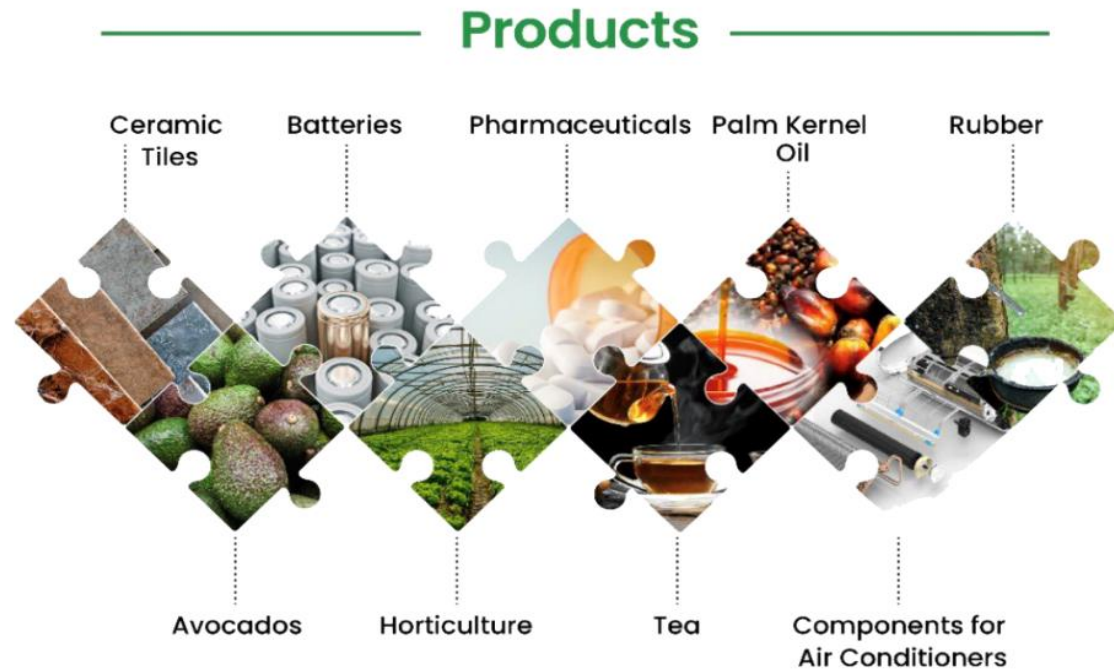
Launched: 7 October 2022

8 AfCFTA State Parties are trading select goods:

Cameroon, Ghana, Kenya
Uganda, Tanzania, Rwanda
Mauritius, Tunisia

Update:

1. Review of GTI underway
2. GTI for Trade in Services to start



Question: what is the legal basis for the GTI?

Ministerial Declaration

Phase 2 negotiations

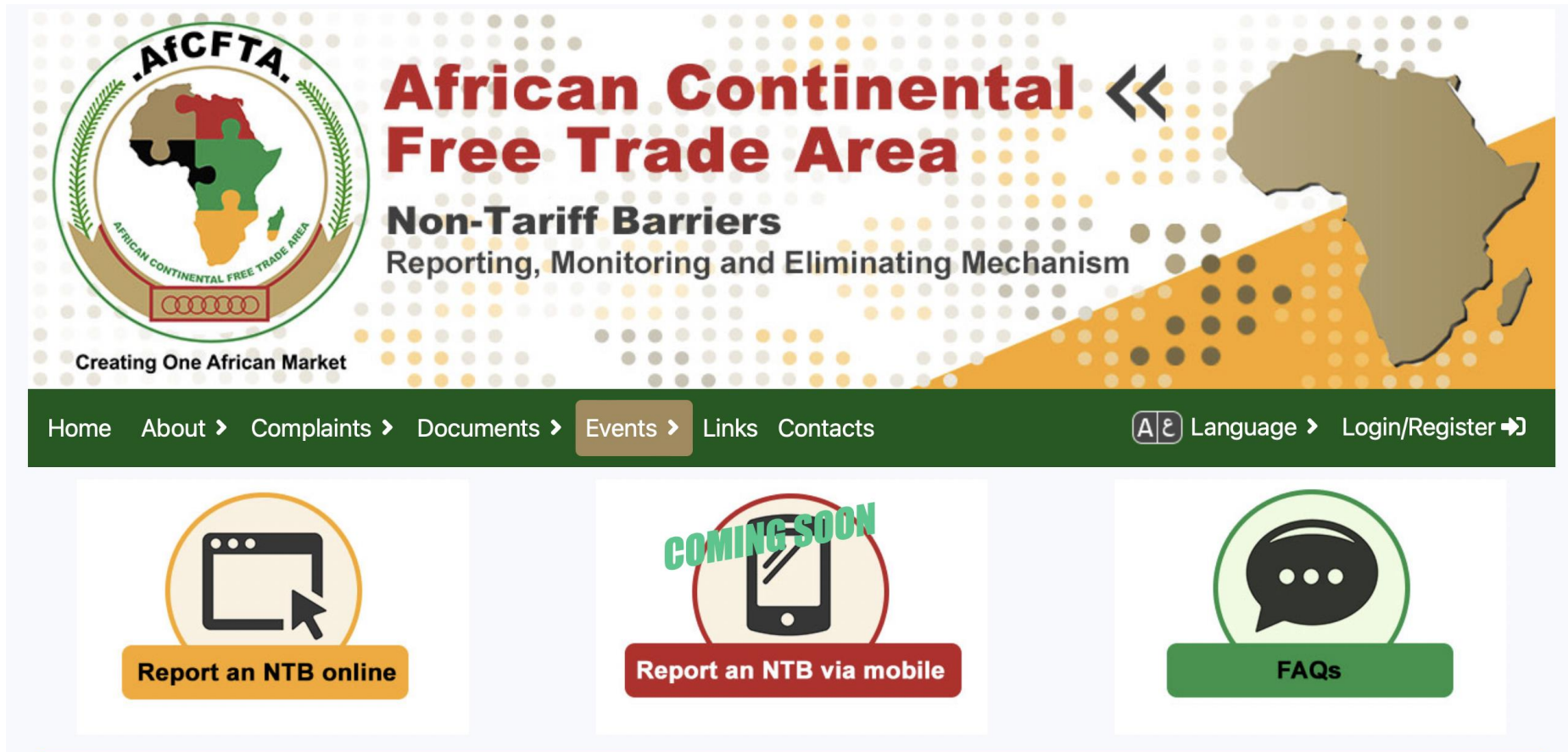
AU Assembly

“ADOPTS the Protocol on Competition Policy as recommended by the Executive Council;

FURTHER ADOPTS the Protocol on Investment and REQUESTS the Council of Ministers to review Articles 19 and 21 of the Protocol on Investment to ensure alignment with domestic legal and constitutional requirements, taking into account historical factors of some Member States and submit these two articles to the Assembly in July 2023;

ALSO ADOPTS the Protocol to the Agreement Establishing the African Continental Free Trade Area on Intellectual Property Rights (IPR); and DIRECTS the AfCFTA Secretariat to develop the necessary Annexes to these respective Protocols and submit them to the relevant AfCFTA Institutions for consideration”

Trade facilitation and elimination of NTBs



www.tradebarriers.africa

AfCFTA agenda and Infrastructure



Digital Trade



Trade In Goods



Trade In Services

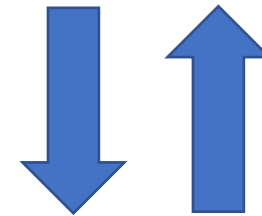


Trade Facilitation:
Beitbridge border post

Important linkages: infrastructure, trade in services and trade facilitation



Trade
facilitation –
domestic
governance



Services -
regulation
matters

Infrastructure and Network Services