

AFRICAN UNION

الاتحاد الأفريقي



UNION AFRICAINE

UNIÃO AFRICANA

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ASSEMBLY OF THE AFRICAN UNION

Thirteenth Extraordinary Session (on the AfCFTA)

5 December 2020

Johannesburg, South Africa

VIRTUAL PLATFORMS (ZOOM)

Ext/Assembly/Dec.1(XIII)

Ext/Assembly/AU/ Decl.1(XIII)

Original: English

DECISION AND DECLARATION



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**DECISION ON THE START OF TRADING UNDER THE AFRICAN
CONTINENTAL FREE TRADE AREA (AfCFTA)**



DECISION ON THE START OF TRADING UNDER THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)

The Assembly,

1. **RECALLS** Decision Assembly/AU/Dec.751 (XXXIII) adopted at its 33rd Ordinary Session held in Addis Ababa, Ethiopia, on 9th – 10th February, 2020, to hold this 13th Extraordinary Summit to approve all instruments required for the start of trading under the AfCFTA on 1 July 2020;
2. **FURTHER RECALLS** its Decision Assembly/AU/OSP/Dec.1(06.20)II of 17 June 2020 adopted through Silent Procedure to postpone the start of preferential trade under the AfCFTA to 1 January 2021;
3. **TAKES NOTE WITH APPRECIATION** of the Report of H.E. Mr. Issoufou Mahamadou, President of the Republic of Niger, the Leader and Champion of the AfCFTA, and **ADOPTS** the recommendations thereof on the progress achieved on the establishment of the African Continental Free Trade Area (AfCFTA);
4. **COMMENDS** the role of all Member States, African Union Ministers of Trade (AMOT) and other AfCFTA Negotiating Institutions, the African Union Commission (AUC), Regional Economic Communities (RECs) and the AU Cooperating Partners, on the significant progress made in advancing AfCFTA negotiations;
5. **CONGRATULATES** Angola, Central African Republic, Cameroon, Nigeria and Tunisia for having recently deposited their instruments of ratification of the AfCFTA Agreement with the Chairperson of the Commission, thus increasing the number of State Parties to thirty four (34);
6. **REITERATES** its congratulations to the thirty four (34) State Parties who deposited their instruments of ratification of the AfCFTA Agreement with the Chairperson of the Commission, namely: Angola, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Congo, Djibouti, Egypt, Eswatini, Ethiopia, Equatorial Guinea, Gabon, The Gambia, Ghana, Guinea, Kenya, Lesotho, Mali, Mauritania, Mauritius, Namibia, Niger, Nigeria, Rwanda, Saharawi Arab Democratic Republic, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, Togo, Tunisia, Uganda and Zimbabwe;
7. **TAKES NOTE** of the advanced stage of preparations by Algeria, Central African Republic, Malawi, Somalia and Zambia to deposit instruments of ratification and **URGES** them to deposit the same with the Chairperson of the Commission before 31 December 2020;
8. **CALLS UPON** those Member States which have not yet ratified the Agreement to do so as soon as possible and qualify as State Parties, in order to increase the size of the market and the volume of trade under the AfCFTA;

9. **APPROVES** the Schedules of Tariff Concessions submitted by Member States and Customs Unions in line with the adopted Modalities on Tariff Liberalisation;
10. **FURTHER APPROVES** the recommendations of the AMOT that the outstanding work on Rules of Origin, Trade in Goods and Trade in Services be concluded before the end of June 2021;
11. **CONGRATULATES** the thirty four (34), Member States who submitted their initial offers on Trade in Services, namely: Benin, Burkina Faso, Burundi, Cabo Verde, Comoros, Cote d'Ivoire, the Gambia, Ghana, Guinea, Guinea Bissau, Democratic Republic of Congo, Egypt, Eswatini, Kenya, Lesotho, Liberia, Madagascar, Mali, Mauritania, Mauritius, Namibia, Niger, Nigeria, Rwanda, Sao Tome, and Principe, Senegal, Seychelles, Sierra Leone, South Africa, South Sudan, Tanzania, Togo, Uganda and Zambia and **URGES** other Member States to make their offers to finalise bilateral negotiations;
12. **DECIDES** to start trading under the AfCFTA on the basis of legally implementable and reciprocal Tariff Schedules and Concessions, with agreed Rules of Origin, and Customs Documentation as attached hereto as Annexes.
- (i) Annex 1: Finalised Schedules of Tariff Concessions submitted by State Parties;
 - (ii) Annex 2: Finalised Schedules of Tariff Concessions submitted by Customs Unions whose Members have all ratified the AfCFTA Agreement or by those members of the Customs Unions that have ratified the AfCFTA Agreement and can legally implement the Schedule of Tariff Concessions on an individual basis;
 - (iii) Annex 3: The List of Agreed Rules of Origin; and
 - (iv) Annex 4: Customs Documentation required for preferential trade under the AfCFTA.
13. **FURTHER DECIDES** that subsequent offers and tariff schedules submitted by State Parties:
- (i) Shall be provisionally implemented once approved by the Council of Ministers, pending adoption by the Assembly at its next Ordinary Session thereafter; and
 - (ii) Must specify a schedule of tariff cuts that meets the annual tariff reduction schedule in order to achieve zero-rated duties on 90% of tariff lines with the time frames set out in the Modalities and subject to reciprocity provided that tariffs are eliminated by the end of phase-down period outlined under the adopted Modalities.

14. **DIRECTS** the Council of Ministers, the AfCFTA Secretariat and Customs Authorities to expedite the customs processes, procedures and instruments that are required for operationalisation of the trading under the African Continental Free Trade Area starting the 1st of January 2021.
15. **DECIDES** that the exchange of tariff concessions between State Parties will be conditioned by the principle of reciprocity in terms of product line coverage and tariff reduction schedules that are aligned with the agreed Modalities.
16. **REQUESTS** the AfCFTA Leader and Champion to continue his efforts to ensure that all fifty-five (55) African Union Member States are State Parties to the AfCFTA Agreement and provide a report on the outcome of the efforts at the next session of the Assembly.
17. **WELCOMES** the establishment of the African Business Council (AfBC) which is part of the Architecture of the AfCFTA and **CONGRATULATES** the Interim Executive Bureau led by Dr. Amany Asfour.
18. **TAKES NOTE** of the Report of the Representative of the Private Sector on the outcome of the third AfCFTA Business Forum and **URGES** the Private Sector to scale up trade and investment across Africa by taking advantage of the vast opportunities arising from the start of trading under the AfCFTA.
19. **FURTHER TAKES NOTE** of the ongoing logistical infrastructure and preparations at national, regional and continental levels to facilitate flow of goods and services and **URGES** all involved to finalize the preparations by 31st December 2020.
20. **REQUESTS** the AfCFTA Leader and Champion, H.E. Mr. Issoufou Mahamadou, President of the Republic of Niger, to submit a progress report on the AfCFTA at the 34th Ordinary Session of the Assembly, in February 2021.
21. **NOTES** the outcomes of the 3rd Meeting of the Council of Ministers to transfer the coordination of the AfCFTA negotiations from the Commission to the AfCFTA Secretariat.
22. In line with the Agreement establishing the AfCFTA and the applicable Assembly Decisions, **REQUESTS** the Commission in collaboration with the AfCFTA Secretariat, to prepare a draft concept note and a draft Decision on the transfer of functions from the Commission to the AfCFTA Secretariat including its structural, legal, and financial implications for consideration by the PRC in January 2021 in preparation for the February 2021 Ordinary Sessions of the Executive Council and the Assembly.

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**ASSEMBLY OF THE UNION
13th EXTRAORDINARY SESSION ON
THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)
5 December 2020
VIDEOCONFERENCE
Johannesburg, South Africa**

Ext/Assembly/AU/Decl.1(XIII)

Original : English

**JOHANNESBURG DECLARATION ON THE START OF TRADING
UNDER THE AGREEMENT ESTABLISHING THE AFRICAN
CONTINENTAL FREE TRADE AREA**



JOHANNESBURG DECLARATION ON THE START OF TRADING UNDER THE AGREEMENT ESTABLISHING THE AFRICAN CONTINENTAL FREE TRADE AREA

PREAMBLE

WE, the African Union (AU) Heads of State and Government, having held our 13th Extraordinary Summit virtually on 5 December 2020;

Expressing our deep appreciation and gratitude to the People and Government of the Republic of South Africa for agreeing to earlier host this Extra Ordinary Session of our Assembly in a physical setting, and their readiness to adjust to a virtual platform in view of the ongoing COVID-19 Pandemic;

Recalling:

- a) The Treaty Establishing the African Economic Community signed in Abuja, Nigeria, 3 June 1991;
- b) Decisions Assembly/AU/Dec.392 (XVIII) on African Integration and Assembly/AU/Dec 394 (XVIII) on Boosting Intra-African Trade & Fast Tracking the Continental Free Trade Area adopted on 30 January 2012 at the 18th Ordinary Session of the Assembly held in Addis Ababa, Ethiopia;
- c) Decision Assembly/AU/Dec.569(XXV) of the 25th Ordinary Session of the Assembly held in Johannesburg, South Africa, in June 2015 launching the negotiations for the establishment of the AfCFTA;
- d) Decision Assembly/AU/Dec.676 (XXX) of the 30th Ordinary Session of the Assembly held in January 2018 in Addis Ababa Ethiopia, adopting the Protocol to the Treaty Establishing the African Economic Community Relating to the Free Movement of Persons, Right of Residence and Right of Establishment and its Implementation Roadmap and opening it up for signature and ratification;
- e) Decision Ext/Assembly/AU/Dec1(X) on the Agreement Establishing the African Continental Free Trade Area adopted at the 10th Extra-Ordinary Session of the Assembly held on 21 March 2018 in Kigali, Rwanda;
- f) Decision Ext/Assembly/AU/Dec.1(XII) on the Launch of the Operational Phase of the African Continental Free Trade Area (AfCFTA) adopted at the 12th Extraordinary Session of the Assembly held in July 2019 in Niamey, Niger;
- g) Decision Assembly/AU/Dec.751(XXXIII) of the 33rd Ordinary Session of the Assembly to hold an Extraordinary Summit on 30 May 2020 to approve all instruments required for the start of trading under the African Continental Free Trade Area on 1 July 2020;

- h) Decision Assembly/AU/OSP/Dec.1 (06-20) II of 17 June 2020 adopted online through Silent Procedure, where the Assembly decided that the start of trading under the African Continental Free Trade Area be postponed from 1st July 2020 to 1st January 2021.

Re-affirming our solemn resolve to deepen continental integration through the African Continental Free Trade Area (AfCFTA);

Noting and Appreciating the progress that has been made in developing the schedules of tariff concessions, operational instruments on customs, trade facilitation, transit and the tools on monitoring and elimination of Non-Tariff Barriers;

Further noting the progress made in concluding negotiations on Trade in Services in the five priority sectors and the initial offers submitted by Member States;

Recognising that there are outstanding Phase I negotiation issues that are necessary for the full implementation of the Protocols to the Agreement Establishing the AfCFTA on Trade in Goods and Services;

Reiterating the need to conclude Phase II and III negotiations on Competition Policy, Investment, Intellectual Property and e-commerce to ensure sustainable economic growth and integration of the Continent into the global economy;

Determined to achieve continental integration as set out in the Treaty Establishing the African Economic Community;

THEREFORE,

Launch of Start of Trading

1. **DECLARE** the start of trading, as from 1 January 2021, under the Agreement establishing the African Continental Free Trade Area (AfCFTA) based on the agreed Rules of origin;
2. **APPRECIATE** His Excellency Mr. Mahamadou Issoufou, President of the Republic of Niger for his determination in championing the operationalization of the African Continental Free Trade Area (AfCFTA) and leading the AfCFTA Negotiations process;
3. **COMMEND** the African Union Ministers of Trade (AMOT) for their oversight of the negotiations towards the establishment and operationalization of the AfCFTA;
4. **ACKNOWLEDGE WITH APPRECIATION** the contribution of the Council of Ministers responsible for Trade for the preparations for the launch of trading on 1 January 2021 and **REQUEST** them to oversee the full implementation of the tariff reduction commitments on Trade in Goods and the schedules of commitments on Trade in Services;

5. **WELCOME** the efforts of Member States to formulate national AfCFTA implementation strategies as these will contribute to mainstreaming intra-African trade in their national development plans, and trade and development strategies;
6. **COMMIT** to broaden inclusiveness in the operation of the AfCFTA through interventions that support young Africans, women, and Small and Medium Enterprises as well as integrating informal cross border traders into formal economy by implementing the simplified trade regime;
7. **RECOMMIT** to finalize work on the AfCFTA Adjustment Facility and Pan African Payments and Settlements System, to boost intra-African trade;
8. **FURTHER RECOMMIT** to operationalize all the modules of the African Trade Observatory (ATO) in order to enhance readily available of trade information and related services as well as promote transparency, efficiency and integrity in the AfCFTA market on trade in goods and services;
9. **WELCOME** the operationalization of the online mechanism on monitoring, reporting and elimination of non-tariff barriers and **URGE** all stakeholders to make use of it in order to make intra-African trade more efficient;

Outstanding Negotiations

10. **CONGRATULATE** the following forty one (41) countries who have submitted their schedules of tariff concessions; namely, Benin; Botswana; Burkina Faso; Burundi; Cabo Verde; Cameroon; Chad; Central Africa Republic; Congo Republic; Cote d'Ivoire; Democratic Republic of Congo; Egypt; Equatorial Guinea; Eswatini; Gabon; The Gambia; Ghana; Guinea; Guinea Bissau; Kenya; Lesotho; Liberia; Madagascar; Malawi; Mali; Mauritania Mauritius; Namibia; Niger; Nigeria; Rwanda; Sao Tome and Principe; Senegal; Sierra Leone; Seychelles; South Africa; South Sudan; Togo; Uganda, United Republic of Tanzania and Zambia.
11. **URGE** Member States that have not done so to submit tariff offers identifying 90% of the tariff lines to be liberalized;
12. **FURTHER CONGRATULATE** the thirty four (34) countries that have submitted their initial offers in respect of Trade in Services; namely, Benin, Burkina Faso, Burundi, Cabo Verde, Comoros, Cote d'Ivoire, Democratic Republic of Congo, Egypt, Eswatini, The Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia, Madagascar, Mali,, Mauritania, Mauritius, Namibia, Niger, Nigeria, Rwanda, Senegal, São Tome and Principe, Seychelles, Sierra Leone, South Africa, South Sudan, Tanzania, Togo, Uganda and Zambia;
13. **STRONGLY URGE** those Member States who have not yet submitted their initial offers to do so and engage in the negotiations of trade in services to finalize the development of schedules of specific commitments in the five (5)

priority services sectors; namely, Business services; Communications; Finance; Tourism and Transport;

14. **TAKE NOTE** of the outstanding work on Rules of origin, tariff concessions and specific commitments on Trade in Goods and Services and **ENDORSE** the Decision of the African Ministers of Trade that all the outstanding issues in these areas be finalized by June 2021 and in this connection, **URGE** all parties involved to meet that deadline.
15. **FURTHER TAKE NOTE** that it was not possible to conclude Phase II negotiations by the agreed deadline of December 2020 due to the ongoing COVID – 19 Pandemic and **ENDORSE** the Decision of AMOT to conclude the negotiations on Phase II and Phase III by 31 December 2021 and **URGE** all parties involved to meet that deadline;

Signature and Ratification of the AfCFTA Agreement

16. **CONGRATULATE** the Member States that have ratified the Agreement establishing the AfCFTA and submitted their instruments of ratification to the Commission, making a total of Thirty-four (34) State Parties to date;
17. **URGE** the Member States that have not signed and those that have not ratified the Agreement to do so and qualify as State Parties, in order to increase the volume of our trading under the AfCFTA;

Trade Supporting Measures

18. **ACKNOWLEDGE** the need and critical importance of creating an expanded and secure market for African goods and services through adequate infrastructure development and the elimination of tariff and non-tariff barriers to trade and investment;
19. **FURTHER ACKNOWLEDGE** that free movement of capital and people across Africa is conducive to increasing intra-African trade flows, and **ENCOURAGE** Member States that have not yet done so, to sign and ratify the Protocol to the Treaty Establishing the African Economic Community Relating to Free Movement of Persons, Right of Establishment and Right of Residence;
20. **REAFFIRM** our commitment to the development of regional value and supply chains vital to promoting inclusive sustainable industrialization and specialization;
21. **FURTHER URGE** all Member States to promote collaboration with their respective private sectors and academic institutions in the areas of research and development and industrial properties and design, in order to build up innovation, domestic technological capabilities and competitiveness that are necessary to deepen the process of industrialization and social economic transformation across Africa;

22. Keenly aware of the growing importance of modernized trade related infrastructure as being key to faster movement of goods and services across our continent, **RECOMMIT** to meeting Africa's infrastructure finance gap within a decade in collaboration with the African Business Council and Afro-Champions Initiative and other stakeholders;

Collaboration with Regional Economic Communities and Partners

23. **REAFFIRM** the role of the Regional Economic Communities (RECs) as building blocks to the African Economic Community, and **URGE** the RECs and the AfCFTA Secretariat to collaborate in the implementation of the AfCFTA Agreement;
24. **EXPRESS** our thanks and gratitude to the Regional Economic Communities, United Nations Economic Commission for Africa, United Nations Conference for Trade and Development, African Export Import Bank, African Development Bank, private sector as well as other development and cooperation partners and stakeholders for the valuable support and cooperation during the process of establishing the AfCFTA under the leadership of H.E. Mr. Issoufou Mahamadou, President of the Republic of Niger and the Champion of the AfCFTA;
25. **REQUEST** the African financial institutions, working closely with the AfCFTA Secretariat, to mobilize resources and provide technical and financial support Member States in the implementation of the AfCFTA and to address the adverse impact of the COVID-19 pandemic.

The Road Ahead

26. **WE UNDERSCORE** the fact that the start of trading under the Africa Continental Free Trade Area is a novel undertaking which requires collective responsibility to generate results that will improve the welfare of each and every African in the spirit of inclusiveness. In this vein, **WE CALL ON** women, youth, businesses, trade unions, Civil Society, cross border traders, the academia, the African Diaspora and other stakeholders to join us as governments in this historic endeavour of creating the Africa We Want in line with the African Union Agenda 2063.

Adopted on this 5th day of December 2020 at Johannesburg, Republic of South Africa