Annex V: Ministerial Directive

AfCFTA/COM/7/DIRECTIVE/FINAL
Distribution: RESTRICTED
Original: English

COUNCIL OF MINISTERS RESPONSIBLE FOR TRADE
OF THE AFRICAN CONTINENTAL FREE TRADE AREA
(AfCFTA)

ACCRA – GHANA
10 OCTOBER 2021

The Application of Provisional Schedules of
Tariff Concessions

Ministerial Directive 1/2021
The Council of Ministers of the Africa Continental Free Trade Area (AfCFTA):

*Acting* pursuant to Article 11.3 (b) and (c) of the Agreement Establishing the AfCFTA, according to which the Council of Ministers shall ensure effective implementation and enforcement of the Agreement, including by taking measures necessary for the promotion of the objectives of the Agreement;

*Recalling* that the State Parties of the AfCFTA are committed to establishing a continent-wide African free trade area through the progressive reduction and elimination of customs duties and non-tariff barriers on goods and adopted Modalities on Tariff Negotiations to accomplish this objective;

*Noting* that at the Thirteenth Extraordinary Session held at Johannesburg in December 2020, the Assembly of Heads of State and Government of the African Union decided to start trading on 1 January 2021 on the basis of legally implementable and reciprocal Tariff Schedules of Concessions.

*Recalling* the powers of the Council of Ministers under Article 11.3 (j) of the Agreement Establishing the AfCFTA to make regulations, issue directives and make recommendations in accordance with the provisions of the Agreement; and

*Determined to* implement tariff concessions on a provisional basis to facilitate and operationalise the start of trading within the African Continental Free Trade Area:

**HEREBY DIRECTS AS FOLLOWS:**

**Progressive Elimination of Duties**

1. The Council of Ministers reiterates that Article 7 of the Protocol on Trade in Goods requires that State Parties shall progressively eliminate import duties and other charges having equivalent effect on goods originating from the territory of any other State Party in accordance with their Schedules of Tariff Concessions contained in Annex 1 to that Protocol.

2. The Council of Ministers reiterates that, as stated in Article 8 of the Protocol on Trade in Goods, each State Party shall apply preferential tariff to imports from other State Parties in accordance with its Schedule of Tariff Concession contained in Annex 1 to this Protocol and in conformity with the adopted tariff Modalities for Tariff Negotiations.

3. The Council of Ministers recalls the Decision of the Assembly of Heads of State and Government of the African Union at its Thirteenth Extraordinary
Session that State Parties must specify a schedule of tariff cuts that meets the annual tariff reduction schedule in order to achieve a zero-rate of duty on 90% of tariff lines within the time frames set out in the adopted Modalities for Tariff Negotiations.

4. The Council of Ministers further affirms that in that Decision, the Assembly of Heads of State and Government of the African Union reiterated that the exchange of tariff concessions between State Parties shall be conditioned by the principle of reciprocity in terms of product line coverage and tariff reduction schedules that are aligned with the agreed Modalities.

5. The Council of Ministers notes that the following State Parties: Democratic Republic of Congo, Egypt, Madagascar, Malawi, Mauritius, Seychelles, Zambia, and the CEMAC and ECOWAS Member States + Mauritania have submitted Provisional Schedules of Tariff Concessions identifying at least 90% of tariff lines and calls for immediate implementation of these Schedules, pending final approval by the Assembly of Heads of State and Government of the African Union. The full list is provided in Annex 1.

6. Subsequent submissions by State Parties that meet at least the 90% threshold, shall be provisionally implemented once approved by the Council of Ministers, pending adoption by the Assembly of Heads of State and Government of the African Union at their next Ordinary Session.

7. The Council of Ministers also notes the tariff liberalisation schedules made by the 41 State Parties and Member States that have been submitted to the Commission of the African Union and directs all State Parties and Member States to conclude their tariff offers in accordance with the agreed Tariff Modalities.

**Application of Provisional Schedules of Tariff Concessions**


9. The Council of Ministers reiterates that the Modalities on Tariff Negotiations are an integral part of the Agreement. Accordingly, the Provisional Schedules of Tariff Concessions shall cover, at a minimum, 90% of products as set out in the Modalities for Tariff Negotiations and shall take into account the relevant Decisions of the 13th Extra-Ordinary Summit.
10. In accordance with the Modalities for Tariff Negotiations, the base tariff rates set out in each State Party’s Provisional Schedules of Tariff Concessions shall reflect the Most-Favoured-Nation (MFN) applied rates of customs duties of each State Party in effect on the date of the entry into force of the Agreement Establishing the AfCFTA, that is, 30 May 2019.

11. The reduction or elimination of customs duties on a preferential and reciprocal basis as provided for in all the Schedules in Annex 1 shall be deemed to have commenced on 1 January 2021.

12. Provisional Schedules of Tariff Concessions shall apply for all State Parties until final Schedules of Tariff Concessions are appended to Annex 1 (‘Schedule of Tariff Concessions’) of the Protocol on Trade in Goods.

13. State Parties shall promptly gazette Provisional Schedules of Tariff Concessions, in accordance with their internal procedures, including, where possible, through the Internet, and shall notify the AfCFTA Secretariat in writing of the date and place of publication.

14. State Parties shall negotiate and submit final Schedules of Tariff Concessions in accordance with the approved Modalities for Tariff Negotiations and the relevant Decisions of the 13th Extraordinary Summit by no later than 31 October 2021.

**Exceptions**

15. State Parties shall not be required to refund any customs duties collected on imports from other State Parties between 1 January 2021 and the first day of implementation of their Provisional Schedules of Tariff Concessions.

16. State Parties shall not be required to implement preferential tariff concessions:

   i. with respect to products imported from another State Party before the date of implementation of their own Provisional Schedule of Tariff Concessions; and

   ii. with respect to products imported from State Parties that have not yet start the implementation of their Provisional Schedules of Tariff Concessions.
17. State Parties shall not be required to implement preferential tariff concessions with respect to products in the Provisional Schedules of Tariff Concessions for which there are no agreed AfCFTA Rules of Origin. State Parties may apply Rules of Origin of Most-Favored-Nation (MFN) applied on these products or developed under a Regional Economic Community for intra-REC trade until agreement has been reached on AfCFTA Rules of Origin in accordance with Art 42(3) of Annex 2 of the Protocol on Trade in Goods.

**Notification and monitoring of Implementing Measures**

18. State Parties shall take such measures as are necessary to implement this Directive and shall notify the AfCFTA Secretariat of such measures.

19. The Committee of Senior Officials is responsible for monitoring the implementation of this Directive and reports on its application to the Council of Ministers.

**Review**

20. The Council of Ministers shall review annually the disciplines of this Directive and shall monitor the implementation of this Directive as appropriate. Such review shall include regular updates of the Annex to this Directive.

**Non-derogation**

21. Nothing in this Ministerial Directive shall be read as a waiver or a derogation from any right or obligation under the Agreement Establishing the AfCFTA.

________________________
Annex 1

Submission of Provisional Schedules of Tariff Concessions

<table>
<thead>
<tr>
<th>STATE PARTY</th>
<th>DATE OF SUBMISSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democratic Republic of Congo</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td></td>
</tr>
<tr>
<td>Madagascar</td>
<td></td>
</tr>
<tr>
<td>Malawi</td>
<td></td>
</tr>
<tr>
<td>Mauritius</td>
<td></td>
</tr>
<tr>
<td>Seychelles</td>
<td></td>
</tr>
<tr>
<td>Zambia</td>
<td></td>
</tr>
<tr>
<td>CEMAC Member States</td>
<td></td>
</tr>
<tr>
<td>Gabon</td>
<td></td>
</tr>
<tr>
<td>Cameroon</td>
<td></td>
</tr>
<tr>
<td>Central African Republic</td>
<td></td>
</tr>
<tr>
<td>Chad</td>
<td></td>
</tr>
<tr>
<td>Republic of the Congo</td>
<td></td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td></td>
</tr>
<tr>
<td>ECOWAS Member States + Mauritania</td>
<td></td>
</tr>
<tr>
<td>Benin ᵁ</td>
<td></td>
</tr>
<tr>
<td>Burkina Faso</td>
<td></td>
</tr>
</tbody>
</table>
Cabo Verde
Côte d'Ivoire
The Gambia
Ghana
Guinea
Guinea Bissau*
Liberia*
Mali
Mauritania
Niger
Nigeria
Senegal
Sierra Leone
Togo

* Subject to ratification