



African Union



Creating One African Market

**THE AFRICAN CONTINENTAL FREE TRADE AREA
(AfCFTA) AND RELATED COOPERATION / SUPPORT
UNDER THE MERCATO FRAMEWORK**

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PRESENTATION AT THE WCO, CBC MEETING IN BRUSSELS

BY

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**21st March 2018: 10th Extraordinary Summit in Kigali, Rwanda:
HE President Paul Kagame; HE President Issoufou Mahamadou; HE
Moussa Faki Mahamat**



OUTLINE

- Background of the AfCFTA
- Customs and Trade Related Issues
- Institutional Arrangements for Implementation
- Conclusion – Areas of Cooperation and Support

GOODS

Customs issues in the AfCFTA are anchored on the Protocol on Trade in Goods. The objectives as stated in Article 2 include:

1. The principal objective of this Protocol is to create a liberalised market for trade in goods in accordance with Article 3 of the Agreement.
2. The specific objective of this Protocol is to boost intra-African trade in goods through:
 - (a) progressive elimination of tariffs;
 - (b) progressive elimination of non-tariff barriers;
 - (c) enhanced efficiency of customs procedures, trade facilitation and transit;
 - (d) enhanced cooperation in the areas of technical barriers to trade ...;
 - (e) development and promotion of regional and continental value chains;
 - (f) enhanced socio-economic development, diversification and industrialisation across Africa.

IMPLEMENTATION OF THE INSTRUMENTS

- All AU member states except Eritrea have signed the AfCFTA Agreement
- Following the deposits of the required 22 ratifications, the Agreement came into effect on 30th May 2019
- As on 1st March 2020, the following 29 countries had deposited their instruments of ratification with the AUC:

Burkina Faso; Cape Verde, Chad; Congo Republic; Côte d'Ivoire; Djibouti; Egypt; Eswatini; Equatorial Guinea; Ethiopia; Gabon; Gambia; Ghana; Guinea; Kenya; Mali; Mauritania; Mauritius, Namibia; Niger; Rwanda; Saharawi Republic; São Tomé & Príncipe; Senegal; Sierra Leone; South Africa; Togo; Uganda; and Zimbabwe

- Operation of the AfCFTA was launched in July 2019 during Summit in Niamey, Niger
- The Summit decided that implementation of the AfCFTA will come into effect in July 2020

Customs-related Annexes of the Protocol on Trade in Goods:

ANNEXES WHICH REQUIRE IMPLEMENTATION BY CUSTOMS	Annex 1: Tariffs Liberalization Schedules of Commitments
	Annex 2: Rules of origin
	Annex 3: Customs Cooperation and Mutual Administrative Assistance
	Annex 4: Trade Facilitation
	Annex 5: Non – Tariff Barriers
	Annex 8: Transit

LEGAL TEXTS OF THE AfCFTA

- **AFCFTA AGREEMENT:** <https://au.int/treaties/agreement-establishing-african-continental-free-trade-area>.
- **STATUS OF SIGNATURES:** <https://au.int/treaties/agreement-establishing-african-continental-free-trade-area>
- **ANNEXES OF THE AFCFTA AGREEMENT:** <https://au.int/sites/default/files/documents/37121-draft-annexes-estbt-of-cfta.pdf>

Summary of Key Issues in Customs–related Annexes

Annex 2 on Rules of Origin (RoO)

Implementation of the RoO which are product specific

Annex 3 on Customs Cooperation and Mutual Administrative Assistance

Undertakings to cooperate/assist one another in eg: exchange of information; surveillance of operations; suppression of Customs offences; Border controls; Sharing of resources

Annex 5: on Non – Tariff Barriers

A mechanism for: identification; reporting; resolution and elimination of NTBs in the AfCFTA

Annex 8 on Transit

Streamlined and harmonised procedures and documentation to enable the faster movement of transit traffic by road;

Annex 4: Trade Facilitation

- Aims at simplifying and harmonizing international trade procedures and logistics to expedite the processes of importation and exportation.
- Undertaking to implement given trade facilitation measures eg publication of trade laws, advance rulings, electronic payment, risk management, PCA, publication of average release times, AEO, expedited shipments, perishable goods, use of IT etc
- Annex has borrowed elements of best practices – RKC and WTO TFA
- Implementation will be enabled through The AU Trade Facilitation Strategy

Institutional Arrangements

- The AfCFTA Secretariat has its Headquarters in Accra, Ghana under a Secretary General
- AfCFTA Secretariat has been mandated to facilitate implementation of the Agreement
- The Council of Ministers shall ensure the effective implementation and enforcement of the Agreement
- An MoU with the WCO already exists and this lays a foundation for collaboration
- At continental level, a Subcommittee on Trade Facilitation, Customs Cooperation and Transit is responsible for the implementation of Annexes 3, 4 and 8
- Implementation and coordination at national level would be through a national committee on trade facilitation or any designated or existing mechanism

Areas of Cooperation/Support

- Capacity for the National Committees and the Subcommittee on Trade Facilitation, Customs Cooperation and Transit
- A number of Member States will designate the national Trade Facilitation Committee of the TFA to implement the AfCFTA
- Certain areas require investment in terms of resources eg Single Windows, use of ICT, Interconnectivity, Transit - this is an area of both financial and technical assistance
- Some areas require capacity building eg Risk Management, PCA, publication of trade laws etc
- There are complementarities between the AfCFTA Trade Facilitation instruments and the TFA; AU are developing an AU Trade Facilitation Strategy; - Closer cooperation with WTO and WCO would therefore result in synergies
- Capacity Building in trade and trade facilitation issues: Customs has gone beyond mere revenue collection and control

Areas of Cooperation/Support

- Accession to and implementation of the RKC – this is the basis for trade facilitation ie simplified and harmonised procedures;
- Use of the same HS Nomenclature – there is already work taking place on HS 2022 under the EU/WCO Programme; It is envisage that Africa will harmonise and use HS 2022
- Strategy for training at national levels; Training of trainers; Capacity building in techniques such as HS, Valuation,
- Capacity Building in trade and trade facilitation issues: Customs has gone beyond mere revenue collection and control

Thank you for your attention

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