



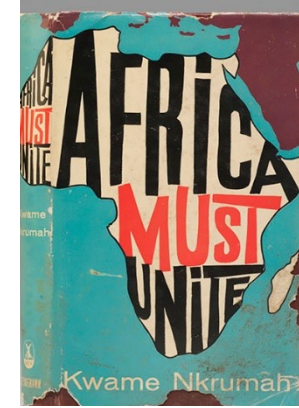
AFCFTA NEGOTIATIONS & IMPLEMENTATION: STATE OF PLAY, KEY ISSUES & TIMELINES

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AFRICAN UNITY: A HISTORY

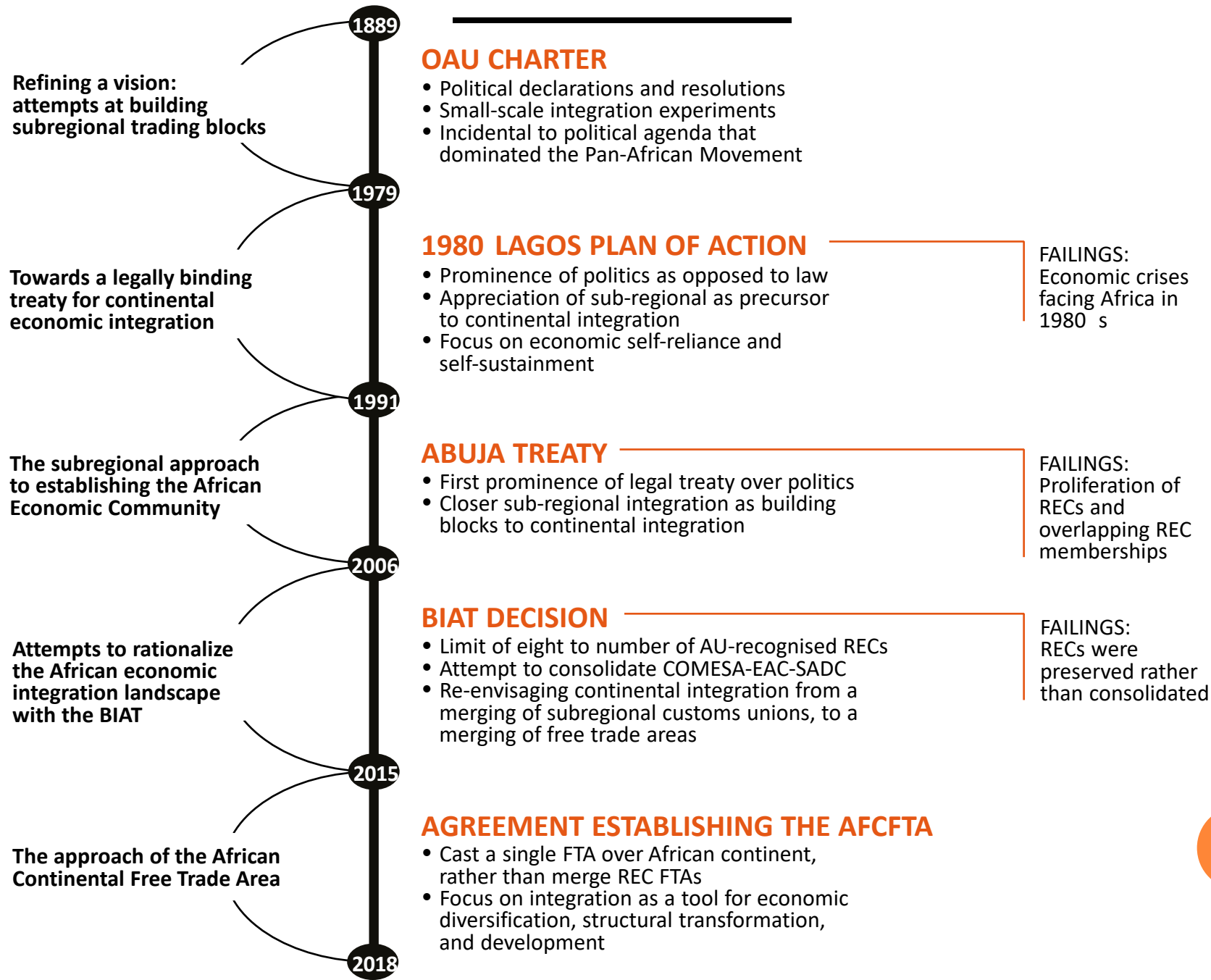


- **1950s:** Quest for a united Africa, just after the independence of some countries resulted in the formation of various groupings.
- **Casablanca Group**
 - Led by Kwame Nkrumah, favoured a politically united federation of African states immediately. Africa Must Unite Now!:
 - 7 Countries: Algeria, Egypt, Ghana, Guinea, Libya, Mali & Morocco
- **Brazzaville Group:**
 - Favoured close co-operation with the former metropole (pro-western) and the preservation of the state system bequeathed by the colonial era.
 - 12 Countries: Cameroon, Congo-Brazzaville, Côte d'Ivoire, Benin, Gabon, Burkina Faso, Madagascar, Mauritania, Niger, the Central African Republic, Senegal and Chad.


HISTORY CONT..

- **Monrovia Group:** Led by Julius Nyerere of Tanzania,
 - Favored a loose alliance based on gradual economic cooperation.
 - 12 Brazzaville Members+ Ethiopia, Liberia, Nigeria, Sierra Leone, Somalia, Togo, Tunisia and Congo (Kinshasa).





ABOUT AfCFTA

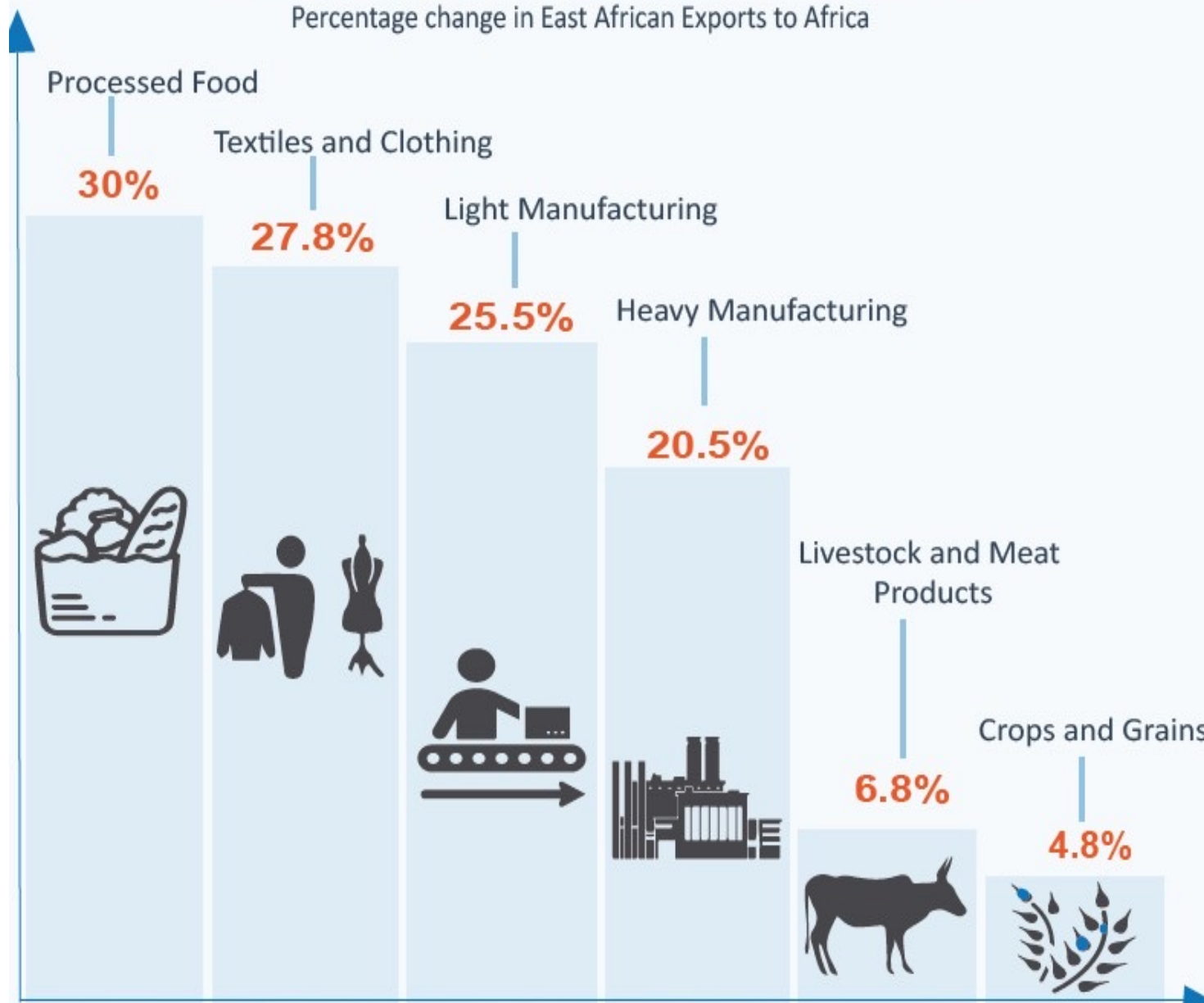
- Flagship project of the **African Union's** Agenda 2063.
 - Blueprint for attaining inclusive and sustainable development across the continent over the next 50 years.
 - Creating a continental market for goods and services, with free movement of people and capital.
 - Pave the way for establishment of an African Economic Community.
 - Promoting the continent's industrialization and competitiveness by unlocking regional value chains that can enable Africa's meaningful integration into the global economy.
- 

AFCTA IN NUMBERS: UNECA 2020

- **1.2 Billion**-Market/Africa's population.
 - **US\$ 3.4 trillion**-Combined GDP.
 - **52.3%**-potential boost to Intra-African Trade.
 - **16% (USD 1.1 billion)**: Projected boost to Intra-EAC Trade.
 - **\$1 trillion**: Growth of Manufacturing sector.
 - **USD 14.5 billion**: Gains from Pharmaceutical sector.
70% of pharmaceuticals outside Africa.
 - **\$470 billion by 2035**: increase in income
 - **USD 1.1 billion**: intra-EAC trade potential
 - **14 million**- Jobs to be created
 - **50 million** –Africans out of poverty
- 

What sectors stand to benefit the most?

Percentage change in East African Exports to Africa



AfCFTA IN NUMBERS

CONT...(UNECA 2020)

- **USD 1.8 billion** –Welfare gains for EAC
- **2 million**-New Jobs in EAC
- **USD 4.1 Bn**-Revenue losses due to Liberalization.
- Cargo transported by vessels would increase from 58 million to 132 million tons with the implementation of AfCFTA.
- Comoros, Gabon, Gambia, Ghana, Madagascar, Mauritius, Mozambique, Namibia and Somalia will experience a surge in traffic through their ports by 2030 as a result of AfCFTA.



ISSUES AND NEGOTIATION PHASES UNDER AfCFTA

TRADE IN GOODS

PROTOCOL ON

Annex 1 Schedules of Tariff Concessions
Annex 2 Rules of Origin
Annex 3 Customs Cooperation and Mutual Administrative Assistance
Annex 4 Trade Facilitation
Annex 5 Non-Tariff Barriers
Annex 6 Technical Barriers to Trade
Annex 7 Sanitary and Phytosanitary Measures
Annex 8 Transit
Annex 9 Trade Remedies

PROTOCOL ON INVESTMENT

PROTOCOL ON COMPETITION POLICY

PROTOCOL ON INTELLECTUAL PROPERTY RIGHTS

Phase II Negotiations

TRADE IN SERVICES

PROTOCOL ON

- Schedules of Specific Commitments
- MFN Exemption
- Air Transport Services
- List of Priority Sectors
- Framework document on Regulatory Cooperation

RULES AND PROCEDURES ON THE SETTLEMENT OF DISPUTES

PROTOCOL ON

- Annex 1 Working Procedures of the Panel
Annex 2 Expert Review
Annex 3 Code of Conduct for Arbitrators and Panelists

STATUS OF NEGOTIATIONS

- Phase 1 Negotiations launched on 15th June 2015; entered into force on 30th May 2019.
- As of July 2022, 54 AU Member States have signed the AfCFTA Agreement.
- Only Eritrea has yet to sign.

← Tweet



Yemane G. Meskel 
@hawelti

In terms of the academic discourse on ACFTA, [#Eritrea](#)'s long-held stance is crystal-clear. First articulated at the 1994 OAU Summit, GOE's pragmatic position transcends abstract platitudes to focus on incremental/achievable results; i.e nurturing first the building blocs or RECs

CONT...

- 46 State Parties have deposited their instruments of ratification (recent being Comoros)
- Trading under AfCFTA framework commenced on 1st January 2021.
- State Parties encouraged to individually put in place National AfCFTA implementation Strategies.
- Regional Economic Communities designing the same strategies-EAC at consultation level.



TRADE IN GOODS

- The overarching aims of the agreement for goods are:
- (1) progressively eliminating tariffs;
- (2) progressively eliminating nontariff barriers;
- (3) enhancing the efficiency of customs, trade facilitation, and transit;
- (4) promoting cooperation on technical barriers to trade (TBTs) and sanitary and phytosanitary (SPS) measures;
- (5) developing and promoting regional and continental value chains; and
- (6) promoting socioeconomic development, diversification, and industrialization across Africa.

Architecture of the Protocol on Trade in Good

Part II: Non-Discrimination

Reaffirms that Most-Favoured Nation Treatment, National Treatment, and Special and Differential Treatment will apply.

Part III: Liberalization of Trade

Scopes out the coverage of the Protocol: import duties; schedules of tariff concessions; quantitative restrictions; export duties; non-tariff barriers; and rules of origin.

Part IV: Custom Cooperation, Trade Facilitation and Transit

Affirms that these matters will be governed by the respective Annexes (3, 4 and 8).

Part V: Trade Remedies

Affirms that these matters (anti-dumping, countervailing duties, and safeguards) will be governed by Annex 9.

Part VI: Product Standards and Regulations

Affirms that technical barriers to trade, as well as sanitary and phytosanitary measures, will be governed by the respective Annexes (6 and 7).

Part VII: Complementary Policies (SEZs; II; STEs)

Establishes that the Parties policies concerning special economic zones will be subject to regulations to be developed by the Council of Ministers; infant industry protection may also be subject to implementation guidelines to be adopted by the same body; and established transparency (notification) obligations in respect of state trading enterprises.

Part VIII: Exceptions

These comprise three: General, such as for health and public safety; Security; and Balance of Payments.

Part IX: Technical Assistance, Capacity Building and Cooperation

Part X: Institutional Provisions

These cover consultation and dispute settlement; Implementation, Monitoring and Evaluation; and amendment of the Protocol.

TARIFF LIBERALIZATION CONT..

Product Group	Level of Ambition for all State Parties	Timeframe for Implementation		
		Non-LDCs	LDCs	Special Needs/G-7
Non-Sensitive Products	Not less than 90% of tariff lines	5 years	10 years	10 years for 85% of tariff lines. 15 years for additional 5 percent of tariff lines (may be phased from year 11 to year 15)
Sensitive Products	Not more than 7% of tariff lines	10 years	13 years	13 years
Exclusion List	<ul style="list-style-type: none"> Not more than 3% of tariff lines⁸ Exclusion list shall at maximum constitute 10% of the value of imports from other African countries based on a 3-year reference period (2014-2016 or 2015-2017). Subject to a review process after 5 years 			

CONT....

- Tariff liberalization under the Pact has been designed under three (3) parameters i.e. 90% (outright liberalization); 7% (progressive liberalization) and 3% (exclusion list).
- Tariffs on non-sensitive products are to be eliminated after five years (non-LDCs) or 10 years (LDCs).
- Tariffs on sensitive products to be eliminated after 10 years (non-LDCs) or 13 years (LDCs).



SENSITIVE & EXCLUDED PRODUCTS

CEMAC - SENSITIVE & EXCLUDED PRODUCTS

Sensitive products: 408 tariff lines

- Phase-down period: **13 years**.
- For the first 5 years the CET applies; liberalisation only starts in year 6.
- 58% of the products have a 30% tariff, 21% have a 20% tariff, 12% have a 10% tariff, and 10% have a 5% tariff.



beef, pork, lamb,
goat meat & fresh
chicken meat



malt extract, pasta,
tapioca & prepared
foods containing
cereals



preserved
sardines &
anchovies



cotton pants,
suits, ensembles,
jackets & dresses



cereal flours



sugar



tea



garlic



plastic
packaging



perfume



most goods &
passenger
vehicles



butter, processed
cheese, gouda &
cheddar



trunks &
suitcases



skimmed & full-
fat milk & cream

Excluded products: 175 tariff lines

products: 5% tariff

3 products:
unsweetened low fat milk
brown wheaten meal
waste pharmaceuticals

products: 20% tariff

9 products:
bovine carcasses
other dried fish
denatured ethyl alcohol
Portland cement
other hydraulic cement
mastics
aluminium doors
guns for military use
air pistols for military use

products with 10% & 30% tariffs

1. 61 products with a 10% tariff
2. 102 products with a 30% tariff

products: 10% tariff

crude palm oil, unmanufactured
tobacco & tobacco refuse, mica waste,
slag & ash, chemical waste, recovered
scrap paper, waste of man-made
fibres, and air gun pellets

products: 30% tariff

buttermilk & yoghurt, apples, corn
flour, margarine, refined sugar, sugar
confectionery, chocolate, fruit juices,
sparkling wine, cigars & cigarettes,
soaps & surface agents, arms &
ammunitions, and plated, corrugated
flat-rolled steel

EAC

- 88% of goods tariff lines have been decided for the consolidated offer by the EAC to the AfCFTA Secretariat.



ECOWAS

90%

of CET tariff lines to be liberalised

57%

Tariffs reduced to 5% after 10 years

CET: mostly 10% and 20% tariffs. 4 products (edible offal of fatty geese & duck) have a 35% tariff

Products included:

- live animals
- yarn
- fabrics
- cut flowers
- assembled vehicles
- fish

ECOWAS
Not all tariff lines
duty-free after 10
years

43%

94 tariff lines are already duty-free
Other: duty-free after 10 years
CET: 5%

Products included:

- vegetable seeds
- citrus peel
- grain seeds for sowing
- malt extract
- baby food preparations
- ores and concentrates

TRADE IN SERVICES OFFERS : 5 PRIORITY SECTORS FOR LIBERALIZATION

Priority Area	Specific categories/sectors
Financial services	All Insurance and Insurance related; Banking and other financial services.
Transport	Maritime; Internal waterway; Air Space; Rail; Road; Pipeline; Services auxiliary to transport.
Communication	Postal; Courier; Telecommunication; Audiovisual
Tourism	Hotels and Restaurants; Travel agencies and tour operators; Tourist guide services.
Professional services	Legal; Accounting; Taxation; Architectural; Engineering; Urban planning; Veterinary; Medical & Physiotherapies.

AfCFTA IMPLEMENTATION STRATEGIES

- Complement a broader development framework, regarding the trade policy environment of each State Party to the Agreement.
- Facilitating State Parties' efforts to 'localize' the AfCFTA,
- Help State Parties Assess their readiness to trade
- Help State Parties to identify the required policy adjustments (or enactment),
- Help implementation of AfCFTA in a coherent way with the AfCFTA objectives



AfCFTA IMPLEMENTATION STATUS CONT..

- July 2022, AfCFTA Council of Ministers flagged off the “AfCFTA Initiative on Guided Trade”
- Launched 7th October 2022



The AfCFTA Guided Trade Initiative



7 October 2022





KEY ANNOUNCEMENTS

The AfCFTA Initiative on Guided Trade

The idea behind the initiative is to gather countries among the 29 who have submitted their tariff schedules, who have expressed their interest in trading, to initiate trading with the guidance of the Secretariat. The key benefits will be to:

-  Test the environmental, legal and trade policy basis for trade under the AfCFTA;
-  Demonstrate that the AfCFTA is functioning
-  Send an important political message to countries that are yet to submit their provisional schedules of tariff concessions in accordance with the agreed modalities
-  Give hope to the continent that trading under the AfCFTA is achievable.



We are ready to help you trade!



The AfCFTA Initiative on Guided Trade supports countries among the 29 who have submitted their tariff schedules, and expressed their interest in trading to initiate trading with the facilitation of the Secretariat.



**The AfCFTA
Initiative On
Guided Trade**



Participating Countries

Cameroon, Egypt, Ghana,
Kenya, Mauritius, Rwanda,
Tanzania and Tunisia.

All other countries are welcome to come on board!



**The AfCFTA
Initiative On
Guided Trade**



Products

Ceramic
Tiles

Batteries

Pharmaceuticals

Palm Kernel
Oil

Rubber



Avocados

Horticulture

Tea

Components for
Air Conditioners



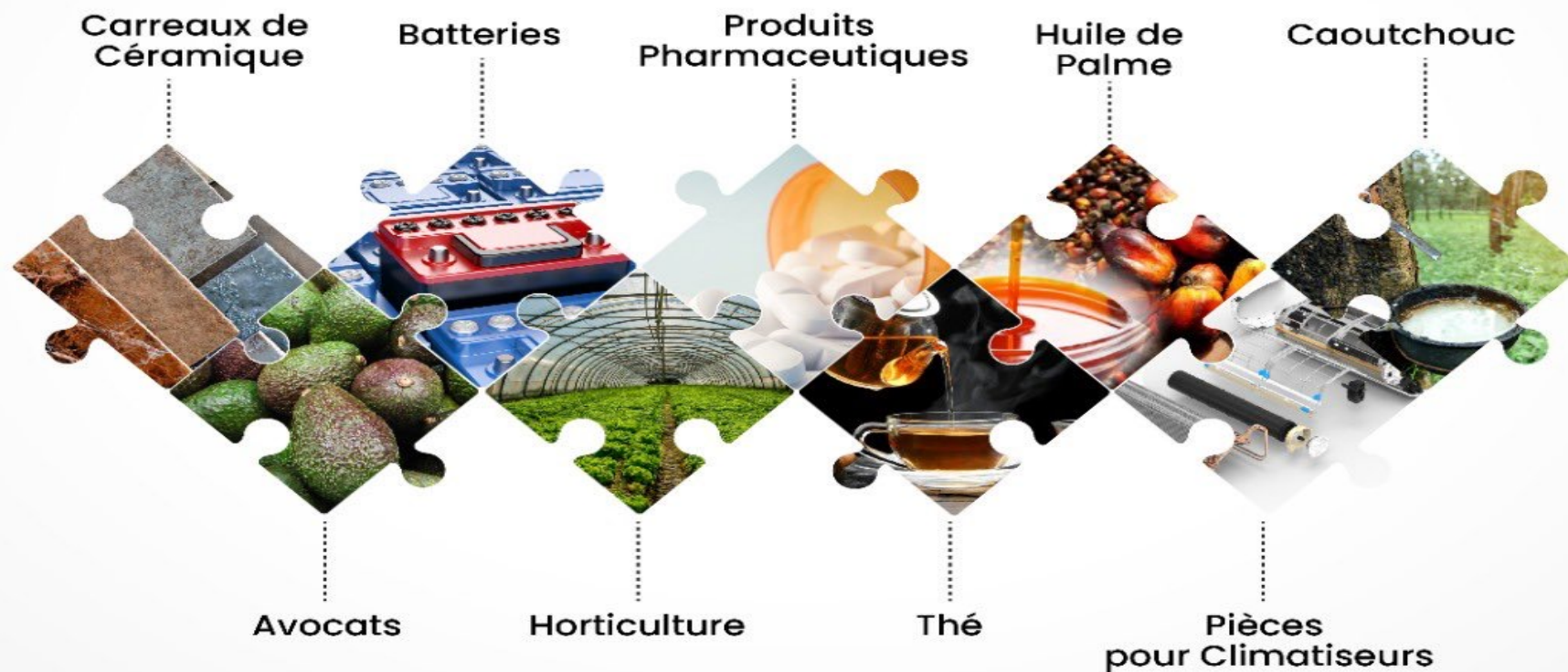
AfCFTA Secretariat



L'initiative de la ZLECAf sur le Commerce Guidé



Produits Concernés



LAUNCH OF AfCFTA GUIDED TRADE INITIATIVE



AfCFTA GUIDED TRADE INITIATIVE CONT..

- In 2023, the AfCFTA GTI will focus on Trade in Services in the five priority areas, ie. **Tourism, transport, Business Services; Communication Services; Financial Services; Transport Services, and Tourism and Travel-related Services.**



AFCFTA AND THE “INTERNATIONAL COMMUNITY”



PHASE TWO NEGOTIATIONS

THE AFRICAN CONTINENTAL FREE TRADE AREA



Conclusion of Legal Scrubbing of 3 key Protocols

The Continent's Minister's of Justice finalised the legal scrubbing of the 3 protocols:



The Investment Protocol



Competition Protocol



Intellectual Property Protocol



These three groundbreaking Protocols will now be presented at the upcoming AU Summit on **February 18 -19 in Addis Ababa**, where Heads of States are expected to adopt them.

We are en route to One African Market.

LA ZONE DE LIBRE ÉCHANGE CONTINENTALE AFRICAINE



Conclusion du récurage légal des 3 protocoles clés

Les ministres de la justice du continent ont finalisé le toilettage juridique des 3 protocoles:



Le protocole sur l'investissement



le protocole sur la concurrence



le protocole sur la propriété intellectuelle



Ces 3 protocoles révolutionnaires seront présentés au sommet de l'U.A à venir organisé les **18 et 19 février à Addis Ababa** d'où les chefs d'états sont attendus de les adopter.

Nous sommes sur le chemin d'un marché unique.

CONT....

- E-Commerce (Scoping level)..NO Draft Text yet
- Women & Youth in Trade-Negotiations ongoing



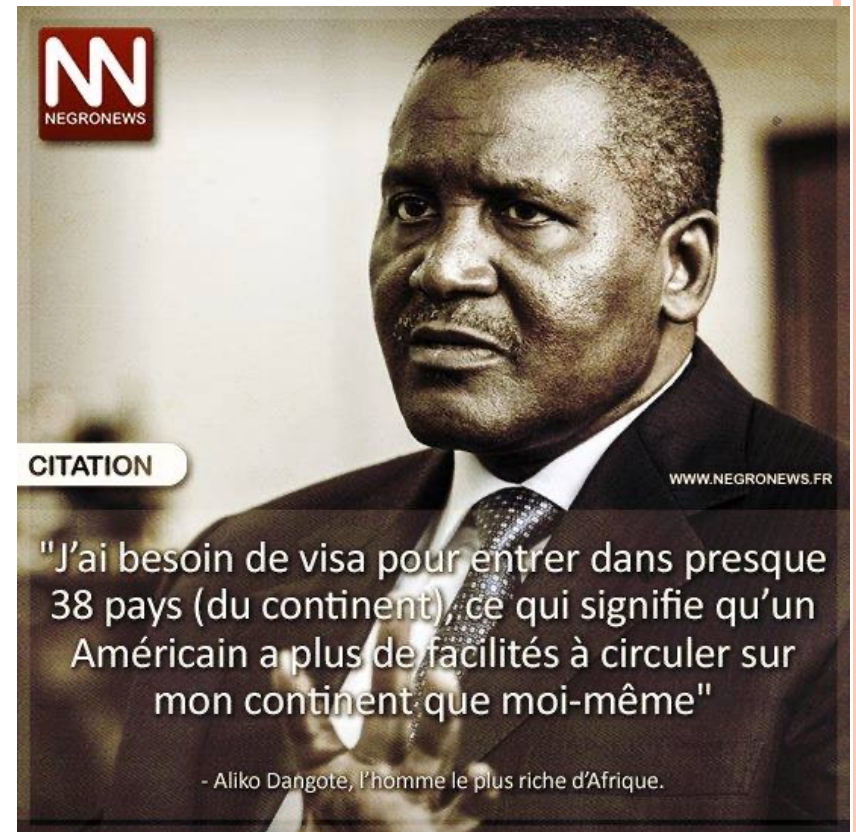
LABOR MOVEMENT & AFCFTA

- ❑ Protocol Free Movement signed in 2018 (by some)
- ❑ Captures the commitment of AU Member States to establish mechanisms for the free movement of persons, capital, goods and services so as to promote integration of the African people, and facilitate intra-African trade, investment and mobility of labour.
- ❑ These freedoms shall be realized ‘progressively’, (Article 5), by first
 - ❖ implementing the right of entry and abolition of visa requirements (phase 1),
 - ❖ implementing the right of residence (phase 2) and
 - ❖ finally implementing the right of establishment (phase 3).



PROTOCOL ON MOVEMENT OF PEOPLE

- 30 AU Members signed it since 2018
- Only **FOUR (4) State Parties** have ratified the Protocol on the Movement of People: **Rwanda, Niger, São Tomé and Príncipe, and Mali.**
- At least 15 ratifications are needed for this Protocol to enter into



ARGUMENTS FOR LABOUR PROVISIONS IN FTAs

- If trade deals do not contain effective protections for workers' rights, they just make it easier for companies to locate themselves in countries where wages are lower and workers are less able to resist exploitation
- Helps halt a 'race to the bottom' in which national labour conditions are reduced in an attempt to lower production costs, expanding international trade and competition.
- To ensure a level playing field for fair global competition
- **Restrict Countries using “Cheap Labor/lowest labour costs” as a competition tool....to attract trade & investments**



AFCTA & LABOUR RIGHTS SPECIFIC FINDINGS

- Whereas the imminent dangers of AfCFTA on labour rights are profound, the current AfCFTA agreement and its related Annexes and Protocols **(except draft INVESTMENT PROTOCOL)** do not include any labour provisions nor make any reference to the globally recognized ILO decent work Agenda.
- One of the aspirations of AfCFTA is the creation of “a single market for goods, services, *facilitated by movement of persons* in order to deepen the economic integration of the African continent”.
- Without strong Labour Rights protection/promotion provisions, this movement may be disadvantageous to workers.



CONT....

- Limited mainstreaming of labour rights/provisions in AfCFTA
- No reference to ILO Decent work Agenda and labour rights: *freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation*
- Limited or no involvement (consultation) of Trade Unions in the AfCFTA negotiations.
- Thus final AfCFTA is void of labour unions voice.



CONT.....

- Negotiations on Investment, E-Commerce, Intellectual property & competition policy protocols just began and it is not clear on the extent of their mainstreaming of labor rights.
- Enforcement of Labor rights left to Individual Partner States domestic regulations.
- Limited access to information: Negotiation texts and Timelines/schedules



SPACE FOR ENGAGEMENT FOR TRADE UNIONS

Continental Level

- The Agreement will be reviewed in five years.
- Noting that most of the provisions of the protocols and in some events the protocols themselves are still to be developed, this means that trade unions have to be organized and start developing inputs on labour provisions to be incorporated in the protocols.

Regional Level

- Trade safeguard measures deals with the possibility of imposing suspension of preferential trade benefits on the reasons of economic or monetary constraints (balance of payments, integrity of financial system).
- Trade unions need to ensure that they are part of the AfCFTA Regional Implementation Committees.

National Level

- As has been highlighted before the effective implementation of the AfCFTA hinges on the work done at the national level. It is therefore imperative that trade unions get intensively involved at the national level.
- The National AfCFTA Implementation Committees. National AfCFTA entities with broad membership represents an opportunity for trade unions to enter the AfCFTA institutional structure

KEY ISSUES ON EACH

○ **Investment Protocol:**

- Clear definition of Labour Rights in Preamble
- Performance requirements: *employ or source locally, transfer of technology and skills*
- Chapter on Investment and Labour
- Labour Rights enforcement mechanisms
- Exclusions for Public Services
- No special courts for foreign investors
- Establishment of Labor Attaches
- Mutual Recognition of Certificates, Diplomas and Skills



E-COMMERCE PROTOCOL CONT...

- Increase in precarious work *Ratings systems, overbearing surveillance and formal job targets disempower workers at the expense of employers and buyers, because low ratings or missed targets, even when unmerited or unattainable, can have serious consequences, including sanctions and loss of employment*
- Making Enforcement of Local Labour Laws more difficult: *without a local presence of companies,*
- Eroding (**gig**) Workers' Rights by Necessity: *Many gig economy workers are already under heavy surveillance at work, and this is currently expanding to cover non-working hours as well.*



E-COMMERCE

- Emerging issues in the digital workspace:
Algorithmic bias, workplace surveillance, electronic union blacklisting
- Obligations for local presence of E-Commerce companies.
- Data Governance/regulation of cross-border data flows: – to protect workers, to protect personal data, to avoid market power abuses.



Asanteni
Merci Beaucoup
Thank You

