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ASSEMBLY OF THE UNION
Twenty-Fifth Ordinary Session
14 – 15 June 2015
Johannesburg, SOUTH AFRICA

Assembly/AU/11(XXV)

REPORT OF THE CHAIRPERSON OF
THE HIGH LEVEL AFRICAN TRADE COMMITTEE (HATC)

**REPORT OF THE
CHAIRPERSON OF THE HIGH LEVEL AFRICAN TRADE
COMMITTEE (HATC)**

INTRODUCTION

1. The 5th High Level African Trade Committee (HATC) Meeting was held in Johannesburg, South Africa on 13 June 2015. It was chaired by H.E Ekwow Spio-Garbrah, Minister of Trade of the Republic of Ghana, the AU Commission was represented by H.E Fatima Haram Acyl, AUC Commissioner for Trade and Industry.

ATTENDANCE

2. The following Members of the HATC attended the meeting: Senegal in its capacity as Chair of ECOWAS, Chad in its capacity as Chair of CENSAD, Ethiopia in its capacity as Chair of IGAD and COMESA, Libya in its capacity as Chair of AMU, Zimbabwe in its capacity as SADC, and Tanzania in its capacity as Chair of EAC.

3. Namibia, Ghana and The Sudan attended the Meeting as Members of the Bureau of the African Union Ministers of Trade Meeting (AMOT) that was held in Addis Ababa on 14-15 May 2015. The following Regional Economic Communities (RECs) Secretariats also participated in the meeting: COMESA, EAC, ECOWAS, and SADC. A Representative of the United Nations Economic Commission for Africa was also in attendance.

PROCEEDINGS

Agenda Item 1: Opening of the Meeting

4. The Chairperson of the HATC welcomed all participants to the Meeting.

Agenda Item 2. Adoption of the Agenda and Organization of Work

5. The Meeting adopted the following agenda for its work:

Item 1: Opening of the Meeting

Item 2: Adoption of the Agenda and Organization of Work

Item 3: Consideration of the Report of Ministers of Trade

Item 4. Any Other Business

Item 5. Date and Venue of next HATC meeting and designation of next Chair

Item 6. Closure

Agenda Item 3: Consideration of the Report of Ministers of Trade

6. The meeting adopted the recommendations of Ministers of Trade and the following Annexes:

- a) Objectives and Principles Guiding the negotiation of the CFTA

7. The Meeting adopted the Objectives and Principles Guiding the Negotiations for the CFTA, **Reference Number: TI/TD/AMOT/OGP/1** hereto attached and marked as Annex I.

Recommendations

The HATC recommended that the adopted Objectives and Principles Guiding the Negotiations for the CFTA be submitted to the June 2015 Assembly for endorsement and that they should form part of the Documents for the launch of the negotiations.

- b) Indicative Road Map for the establishment of the CFTA

8. The HATC adopted the Indicative Road Map for the establishment of the CFTA, **Reference Number: TI/TD/AMOT/RM/1** hereto attached and marked as Annex II.

Recommendation

The HATC recommended that the Indicative Road Map for the establishment of the CFTA be submitted to the June 2015 Assembly for endorsement and that it should form part of the Documents for the launch of the negotiations.

- c) Terms of Reference for the CFTA-Negotiating Forum

9. The HATC adopted the Terms of Reference for the CFTA-Negotiating Forum; **Reference Number: TI/TD/AMOT/TOR/1** hereto attached and marked as Annex III.

Recommendation

The HATC recommended that the Terms of Reference for the CFTA-Negotiating Forum be submitted to the June 2015 Assembly for endorsement and that they should form part of the Documents for the launch of the negotiations.

- d) Institutional Arrangements for the Negotiation of the Continental Free Trade Area (CFTA)

10. The Meeting recalled that the 9th Conference of AU Ministers held in December 2014 adopted the Institutional Arrangements for the Negotiation of the Continental Free

Trade Area (CFTA). The HATC adopted the Institutional Arrangements for the Negotiation of the Continental Free Trade Area (CFTA); **Reference Number: TI/TD/IA/1** hereto attached and marked as Annex IV.

Recommendation

The HATC recommended that the Institutional Arrangements for the Negotiation of the Continental Free Trade Area (CFTA) be submitted to the June 2015 Assembly for endorsement and that they should form part of the Documents for the launch of the negotiations.

e) Draft Decision and Declaration on the launch of CFTA Negotiations.

11. The HATC endorsed the Draft Declaration on the Launch of the CFTA Negotiations hereto attached and marked as Annex V.

12. The HATC also endorsed the Draft Decision on the launch of the CFTA Negotiations hereto attached and marked as Annex VI.

Recommendation

i) The Meeting recommended that the Draft Declaration and the Draft Decision on the launch of the CFTA Negotiations be submitted to the June 2015 Assembly for consideration and that they should form part of the Documents for the launch of the negotiations.

13. In the discussions that ensued, the Meeting also made the following recommendations;

i) The AUC should co-organise with the Republic of Kenya, a Meeting for Ministers of Trade on the 20th of July 2015 in preparation for the 10th WTO Ministerial Conference to be held in December 2015. The UNECA should prepare a discussion paper on the Common African Position in preparation for the Conference.

ii) The preparations for the 10th WTO Ministerial Conference should emphasise substantive issues of developmental interest to the continent. There is need to develop an effective coordination mechanism to ensure that Africa speaks with one voice during the 10th WTO Ministerial Conference.

iii) The African Union Commission should collaborate with the African Development Bank (AfDB) and the African Export-Import Bank (*Afreximbank*) in conducting empirical studies on the link between trade and development in support of the African Common position in preparation for the 10th WTO Ministerial Conference.

Agenda Item 4. Any Other Business

14. No issue was raised under Any Other Business.

Agenda Item 5: Date and Venue of next HATC meeting and designation of next Chair

15. The Meeting noted the challenge of scheduling HATC Meetings during the Summit as there are a lot of other meetings that conflict with the HATC meetings. In this regard, the Meeting recommended that HATC meetings should be convened outside the Summit to ensure that adequate attention is paid to trade and investment issues at the highest level.

Agenda Item 6: Meeting Closing

16. The chairperson brought the meeting to a close.

**Assembly/AU/11(XXV)
Annex I**

**OBJECTIVES AND GUIDING PRINCIPLES FOR NEGOTIATING THE
CONTINENTAL FREE TRADE AREA (CFTA)**

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ANNEX I

Ref: TI/TD/AMOT/OGP/1

Original: English

**Objectives and Guiding Principles for Negotiating the
Continental Free Trade Area (CFTA)**

Objectives and Guiding Principles for Negotiating the Continental Free Trade Area (CFTA)

Preamble

1. The 18th Ordinary Session of the Assembly of Heads of State and Government of the African Union which was held in January 2012 in Addis Ababa, Ethiopia under the theme “Boosting Intra-African trade” took important decisions aimed at enhancing trade integration in Africa. The Assembly, through a Decision (Assembly/AU/Dec.394 (XVIII)) and a Declaration (Assembly/AU/Decl.1 (XVIII)) endorsed an Action Plan for Boosting Intra-African Trade and agreed on a roadmap for the establishment of a Continental Free Trade Area (CFTA) to be operationalized by an indicative date of 2017.

2. Reaffirming Its commitment to continental market integration, the 23rd Ordinary Session of the Assembly of Heads of State and Government of the African Union which was held in June 2014 directed the AU Commission through Decision (Assembly/AU/13/(XXXIII)) to prepare Objectives and Guiding Principles among other documents for the CFTA negotiations for the consideration of AU Ministers of Trade with a view to submit them to the AU Summit for endorsement towards the effective launch of the CFTA negotiations in June 2015;

3. Heads of States and Government in their January 2015 Decision (Assembly/AU/11(XXIV)) reaffirmed their commitment to launch the CFTA Negotiations in June 2015.

4. In moving towards the establishment of the CFTA the AU Member States agree to undertake negotiations based on the objectives and principles as stated below.

Objectives

5. Within the broader framework of the Abuja Treaty Establishing the African Economic Community, the objective of launching negotiations for the CFTA is to achieve a comprehensive and mutually beneficial trade agreement among the Member States of the African Union. The Objectives of the CFTA are as follows;

- i) Enhance competitiveness at all levels and more specifically at the industry and enterprise level through exploiting opportunities for scale economies, reducing business costs, continental/global market access and better reallocation of resources including through the development of trade-related infrastructure;

- ii) To overcome dependence on exportation of primary products and promote social and economic transformation for inclusive growth, industrialization and sustainable development in line with Agenda 2063;
- iii) Realize the potential to expand and accelerate the growing diversification and dynamism of intra-African trade including the aim to increase by 50 % trade among African countries by 2022 through better harmonization, coordination and implementation of trade liberalization and facilitation regimes and instruments across RECs and across Africa in general; and
- iv) In the context of boosting intra-Africa trade and realizing the transformational potential of increased trade among African countries, to create a freer market for goods and services, building upon the trade agreements within the regional economic communities and associated commitments and thus pave the way for accelerating the establishment of the Continental Customs Union;
- v) Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes;

6. These objectives are to be met through negotiations of the CFTA and accelerated efforts on industrial development to promote the development of regional value chains. Industrial development is pursued through, among others, the Action Plan for Accelerated Industrial Development for Africa (AIDA), the Action Plan for Boosting Intra-African Trade (BIAT), the Program for Infrastructure Development in Africa (PIDA) and the CAMI Workplan, which address the supply side constraints to ensure that market integration, is beneficial to all countries.

Industrialisation and Infrastructure Pillars

7. CFTA negotiations shall be pursued in the context of a developmental integration strategy. In this regard, CFTA negotiations shall take into account policies aimed at developing the productive capacity and industrial integration among industries of the regions. The CFTA should leverage existing programmes on infrastructure development and industrialisation adopted at the continental level.

Scope of the CFTA negotiations

8. The scope of the CFTA negotiations shall cover Trade in Goods, Trade in Services, Investment, Intellectual Property Rights and Competition Policy

Sequence of negotiations

9. CFTA negotiations shall be conducted in two phases. The first phase shall cover negotiations on trade in goods and trade in services. There shall be two separate legal instruments for Trade in Goods and Trade in Services to be negotiated in two separate tracks. The second phase shall cover negotiations on the following areas: investment, intellectual property rights and competition policy. Negotiations in these areas shall be undertaken by dedicated structures.

Guiding Principles

10. The Continental Free Trade Area negotiation process shall be guided by the following overarching principles:

- i) The CFTA negotiations shall be AU Member States/RECs/Customs Territories driven with support of the African Union Commission and its structures.
- ii) RECs FTAs as building Blocs for the CFTA
- iii) Reservation of Acquis
- iv) Variable geometry
- v) Flexibility and Special and Differential Treatment Transparency and disclosure of information
- vi) Substantial liberalisation
- vii) MFN Treatment
- viii) National Treatment
- ix) Reciprocity
- x) Decisions shall be taken by consensus.
- xi) Adoption of Best Practices

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Annex II

**INDICATIVE ROADMAP FOR THE NEGOTIATION AND
ESTABLISHMENT OF THE CONTINENTAL
FREE TRADE AREA (CFTA)**

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ANNEX II

Ref: TI/TD/AMOT/RM/1

**Indicative Roadmap for the Negotiation and Establishment of the Continental Free
Trade Area (CFTA)**

A. Background

1. The 9th Ordinary Session of the AU Conference of Ministers of Trade requested the AU Commission to prepare a Road Map towards the launch of the CFTA Negotiations with specific details on planned studies and schedule of meetings, highlighting the resource requirements and the capacity needs of the AUC, RECs and Member States. This paper represents an initial framework for that Roadmap for the Negotiations;

2. The Roadmap is informed by

- a) RECs and Tripartite acquis
- b) Capacity in Member States and RECs
- c) Mobilised Resources and preparatory work required

B. Preparations for the launch of the CFTA negotiations

3. CAMOT 9 emphasised the importance of technical studies in the preparation for the launch of the negotiations. In response to the request of the Ministers, the Commission, working in collaboration with the United Nations Economic Commission for Africa (UNECA), United Nations Trade and Development Conference (UNCTAD), Trade Law Centre (Tralac) and the Trade Advocacy Fund (TAF) commissioned a number of technical studies. These studies together with a number of essential technical documents will enable the Assembly to launch the CFTA negotiations in June 2015 as scheduled. The Institutional Arrangements for the CFTA negotiation were agreed upon during CAMOT 9 in December 2014.

C. Draft Texts and Papers

4. The Commission shall prepare papers as requested by the CFTNF and propose draft texts as inputs into the negotiations.

5. AUC will coordinate and provide technical support required during the Negotiating Sessions on each Topic. Technical Papers and Draft Text will be finalized, translated, and circulated to member states according to the agreed schedule and Rules of Procedure. Given this context, AUC DTI will coordinate activities, informed by the approaches of the RECs best practices, WTO and the Tripartite to trade negotiations, in the run-up to the CFTA Negotiations.

D. Financial Resources for the CFTA Negotiations

6. The Commission was directed by CAMOT 9 to develop a resource mobilization strategy to ensure sustainable resource availability for the process and a matrix indicating clearly the list of different areas to be covered, the studies to be undertaken as well as human and financial resources requirements to carry out the work. In line with this mandate, while awaiting the preparation of a Resource mobilization strategy, the Commission has undertaken the following;

- i) Secured funding for part of the staff of the CFTA Unit and short term experts as the need arises for the period 2016-2017.
- ii) Funds for all foreseen studies to be undertaken in preparation and during negotiations.
- iii) Mobilized resources (for the period 2016-2017) organizing the meetings outlined in the schedule including translation, interpretation, meeting venues, etc.

7. All the resources that have been mobilized so far are from Partners. Member States are yet to commit to funding the CFTA negotiations. Members will be expected to fund their participation to the CFTA negotiations. However, efforts shall be made to assist members in mobilizing resources for negotiations. In total the Commission has secured approximately US \$ 18 million for the period 2016-2017, excluding in-kind technical assistance from the African Trade Policy Centre, the Trade Advocacy Fund (extension of project foreseen for additional 6-9 months), inter alia.

E. Capacity Needs of the AUC

8. In line with the BIAT/CFTA Decision of 2012, which was re-echoed by the 9th CAMOT the Commission was charged with the responsibility to coordinate and provide overall guidance for the CFTA negotiations as well as serve as secretariat for the implementation process and for the High Level African Trade Committee (HATC). With this responsibility the Department of Trade and Industry was also mandated to strengthen its capacity in order to deliver on its mandate. In this regard, a CFTA Support Unit will be incorporated within the department's organogram to facilitate the CFTA negotiations.

9. The CFTA Support Unit will also provide technical and negotiating assistance to countries that need them during the course of the negotiations.

F. Capacity Needs of the RECs and Member States

10. Capacity constraints is an important consideration for the negotiations, and will require a mapping of available support for building negotiating capacity, especially within the continent's LDCs, as well as potential options for future support programmes. There is need for capacity building/training in among other areas - rules of origin, customs and trade facilitation, Health and Safety Standards, Trade Remedies and trade in services in trade negotiations.

11. A capacity needs assessment will be conducted with support from technical partners between June 2015 and March 2016.

G. Schedules of CFTA Negotiations

12. The 18th Ordinary Session of the Assembly of Heads of State and Government of the African Union, which was held in January 2012 in Addis Ababa, Ethiopia, agreed on the establishment of a Continental Free Trade Area (CFTA) by an indicative date of 2017. Significant progress has been made in preparation for the negotiations. The 24th Ordinary Session of the Assembly of Heads of State and Government of the African Union in January 2015 reaffirmed its commitment to launch the CFTA negotiations by June 2015. The objective of this schedule is to outline the following period major milestones in the negotiations for the establishment of the CFTA period: the post launch preparatory period, the negotiations period, the finalisation of the CFTA Agreement, and the ratification/domestication and entry into force of the CFTA agreement.

13. The preparatory period is expected to start immediately after the launch in July 2015 for a period of six to twelve months and will be used to prepare for the negotiations at all levels- national, regional and continental. During the preparatory period, Member States and RECs may prepare negotiating mandates to guide their negotiators during the CFTA negotiations. A number of capacity building initiatives will be implemented aimed at strengthening the capacity of Member States and RECs to engage effectively in the negotiations. The CFTA-Negotiating Forum is expected to organise its initial meetings and adopt a schedule of negotiations during the preparatory period. The preparatory period will

also include exchange of relevant trade information and statistics among negotiating parties, RECS and the AUC.

14. The preparatory period will be followed by the negotiations period, which shall be marked by the commencement of negotiations. Negotiations will be carried out within the framework of the Institutional Arrangements for the Negotiation of the CFTA as well as the objectives, negotiating principles and roadmap for the negotiations.

15. The negotiating period will be followed by the finalisation period of the CFTA negotiations from October to December 2017. The legal scrubbing of the agreement is expected to take place during this period. The CFTA agreement will be approved by the AU Assembly of Heads of State and Government of the African Union and signed by the Member States. The final period of the process is the ratification and domestication of the Agreement establishing the CFTA by Member States according to their national laws to pave way for the implementation.

16. The CFTA-Negotiating Forum will adopt a schedule for its meetings, in line with its reporting obligations according to the Roadmap.

17. The efforts to advance the implementation of the industrial and infrastructure initiatives should be aligned with the CFTA. There should be progress reports on on-going industrialisation and infrastructure development initiatives to the CFTA negotiation structures.

18. Tentatively, the matrix below presents a schedule of meetings based on the three identified periods:

Indicative Roadmap for the Negotiation and Establishment of the Continental Free Trade Area

Milestones	Activity	Outputs	Responsibility	Timeline /period
Launch of the Negotiations	AU Summit of Heads of States and Government	Adoption of the Decision Launching CFTA Negotiations and the accompanying Declaration.	AU Assembly	June 2015
		Adoption of; <ul style="list-style-type: none"> Institutional Arrangements for the Negotiation of the CFTA, Objectives and Negotiating Principles for the CFTA, Terms of Reference for the CFTA-NF Approve Indicative Roadmap for the CFTA Negotiations. 	Member States, RECs and AUC/CTF	
	National, Regional and Continental Publicity Campaigns initiated	Comprehensive Publicity Campaign for the CFTA continued	Member States, RECs and AUC	On-going
Preparations for the Negotiations	Completion of Initial Papers, Technical Modalities and Draft Text	Identification of areas of negotiation Draft Papers, Technical Modalities and Draft Text	AUC	February 2015 – August 2015
	Exchange of trade information	Member States exchange information on applied National and Regional tariffs and measures affecting trade- (trade in goods and services)	AUC, Member States & RECs	April 2016
	National and Regional Consultations	National Negotiating Mandates adopted by Member States and RECs(subject to National Processes)	Member States & RECs	
	Launch Capacity Building Program *	Capacity of Member States to negotiate the CFTA enhanced		On-going
	Formal notification to AU Commission/Secretariat of Chief Trade Negotiator and Alternate, focal person at Embassy in Addis Ababa with addresses and contacts	List of Chief Trade Negotiators and focal persons	Member States & RECs	July 31 2015
	Training Workshop/1st Negotiating Forum Meeting 3 days dedicated to Seminar/Training Workshop and 2 days dedicated to adoption of Rules of Procedure etc	Adopting of rules of Procedure/Election of Chairs/ Establishment of TWGs/Technical Modalities	Member States and RECs	November 2015
Negotiation Phase	1st Private Sector Forum/Ministerial Dialogue	Ministerial Dialogue with Private Sector Stakeholders on expectations for the CFTA [Business Leaders, REC – SGs, Ministers]	Member States and RECs	October 2015

Senior Officials/African Ministers of Trade Meeting	Adoption of Progress Report for the Summit	Member States and RECs	December 2015/Possibility of holding it on back to back with the MC 10 in Nairobi
Receipt of Country/REC Proposals and Amendments to circulated Texts	Country/REC Proposals and Amendments	Member States, RECs and AUC	January 15 2016
Civil Society Dialogue	Expectations from Civil Society on the CFTA	Member States and RECs	February 2016
Parliamentary Dialogue	Expectations from Parliamentarians on the CFTA	Member States and RECs	February 2016
Consolidation, translation into official languages and circulation of received proposals and amended texts to all member states	Circulation of received proposals and amended texts to all member states	Member States, RECs and AUC	March 2016
2 nd Negotiating Forum meeting	Report of Negotiating Forum	Member States, RECs and AUC	April 2016
Senior Officials/ African Ministers of Trade Meeting	Adoption of Progress Report to the Summit	Member States, RECs and AUC	May 2016
TWG Sessions	Deliberations of TWGs	Member States, RECs and AUC	April - November 2016
HATC/Summit – Progress Update	Progress Update	Member States, RECs and AUC	June 2016
2 nd Private Sector Forum/Ministerial Dialogue	Ministerial Dialogue with Private Sector Stakeholders on expectations for the CFTA [Business Leaders, REC – SGs, Ministers]	Member States, RECs and AUC	October 2016
3 rd Negotiating Forum Meeting	Report of Negotiating Forum	Member States, RECs and AUC	December 2016
Senior Officials/African Ministers of Trade Meeting	Report of Meeting	Member States, RECs and AUC	December 2016
HATC/Summit – Progress Report	Progress Report	Member States, RECs and AUC	January 2017
Final TWG Sessions	Final TWG Reports	Member States, RECs and AUC	January – October

				2017
	4 th Negotiating Forum Meetings	Report of Negotiating Forum	Member States, RECs and AUC	April 2017
	Senior Officials/African Ministers of Trade Meeting	Adoption of Progress Report to the Summit	Member States, RECs and AUC	May 2017
	3 rd Private Sector Forum/Ministerial Dialogue	Ministerial Dialogue with Private Sector Stakeholders on expectations for the CFTA [Business Leaders, REC – SGs, Ministers]	Member States, RECs and AUC	June 2017
	HATC/Summit – Progress Report	Progress Report	Member States, RECs and AUC	June/July 2017
	2 nd Civil Society Forum	Dialogue with Civil society stakeholders on the CFTA	Member States, RECs and AUC	September 2017
	5 th Negotiating Forum Meetings – Adoption of Final Texts	Final texts Adopted	Member States, RECs and AUC	October 2017
	Senior Officials/African Ministers of Trade Meeting	Final Texts adopted	Member States, RECs and AUC	November 2017
Finalisation of the CFTA Agreement and Launch of the Continental Free Trade Area	AU Summit of Heads of States and Government.	CFTA Agreement on Trade in goods and Services is approved by the AU Summit and signed by the Member States	AU Assembly	January 2018
Domestication of the CFTA agreement	Initiate domestic Processes to domesticate the CFTA Agreement.	Agreement establishing the CFTA ratified by Member States	Member States legislative bodies	February 2018 - onwards

**Assembly/AU/11(XXV)
Annex III**

**TERMS OF REFERENCE
FOR THE CONTINENTAL FREE TRADE AREA-NEGOTIATING FORUM
(CFTA-NF)**

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ANNEX III

Ref: TI/TD/AMOT/TOR/1

**Terms of Reference
for the Continental Free Trade Area-Negotiating Forum (CFTA-NF)**

Terms of Reference for the CFTA-Negotiating Forum

I. Introduction

1. The 18th Ordinary Session of the Assembly of Heads of State and Government of the African Union which was held in January 2012 in Addis Ababa, Ethiopia under the theme “Boosting Intra-African trade” took important decisions aimed at enhancing trade integration in Africa. The Assembly, through a Decision (Assembly/AU/Dec.394 (XVIII)) and a Declaration (Assembly/AU/Decl.1 (XVIII)) endorsed an Action Plan for Boosting Intra-African Trade and agreed on a roadmap for the establishment of a Continental Free Trade Area (CFTA) by an indicative date of 2017.
2. The 22nd Ordinary Session of the Assembly of Heads of State and Government of the African Union through a Decision (Assembly/AU/Dec.531(XXIII)) directed the AU Commission to prepare the Draft Terms of Reference of the CFTA Negotiating Forum based on best practices in the RECs and the Tripartite.
3. CFTA negotiations will be guided by the Objectives and Guiding Principles and Institutional Arrangements for CFTA negotiation as endorsed by the African Union Ministers of Trade and endorsed by Summit.
4. The scope of the CFTA shall cover Trade in Goods, Trade in Services, Investment, Intellectual Property Rights, and Competition Policy.

II. Responsibilities of the Continental Free Trade Area Negotiating Forum (CFTA-NF)

5. The Continental Free Trade Area Negotiating Forum shall conduct negotiations and shall report to the Committee of Senior Officials on its negotiation activities. Its specific responsibilities shall include, to;
 - a) Develop and adopt Rules of Procedure for the Continental Free Trade Area-Negotiating Forum including guidelines for observers which shall be consistent with the Rules of Procedure of the Africa Union ;
 - b) Agree on Modalities and approach to the negotiations;
 - c) Undertake technical negotiations, including on the Draft Texts for the establishment of the Continental Free Trade Area;
 - d) Identify technical training and capacity building needs of the negotiators on scheduled negotiating themes at appropriate times during the course of negotiations assisted by the African Union Commission and the Continental Task Force on the CFTA as necessary;
 - e) Identify areas requiring expert inputs and create sub-committees and technical working groups to address specific issues requiring technical expertise. Initiate and supervise the undertaking of impact assessment

studies as well as technical and policy research and analysis to facilitate negotiation;

- f) Prepare reports of its meetings; and
- g) Prepare quarterly reports on progress made in the negotiations including areas requiring higher level intervention and address any technical issues as directed or referred to it by the Committee of Senior Officials, Ministers of Trade, HATC and the Assembly.
- h) To receive status reports on industrialisation and infrastructure development
- i) To Adopt its schedule for Negotiations in line with the Roadmap for the CFTA negotiations

III. Composition of the CFTA Negotiating Forum

6. The composition of Member states/RECs/Customs Union negotiating delegations will be at the discretion of each Member State. The costs of participating in the negotiations shall be borne by Member States, AUC and RECs. However, efforts shall be made by AUC to assist Members States in mobilizing resources for negotiations.

7. Member States are encouraged to make arrangements to receive inputs from the private sector and other key stakeholders including civil society, Women and Youth. Member States may wish to include private sector representatives in their country delegations. Member States retain the sovereign right to use its system for involving the private sector, for instance through national consultations.

IV. Role of the African Union Commission

8. The AUC will provide and coordinate technical and administrative support to the CFTA negotiations; it will also serve as the Secretariat to the CFTA Negotiating Forum. The Commission shall develop background documents and texts based on the agreed scope of negotiations as an input for the CFTA Negotiating Forum. The AUC shall closely collaborate with the RECs, the ECA and the AfDB in undertaking this responsibility and shall coordinate the activities of all the Institutions involved in the negotiations.

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Annex IV

**INSTITUTIONAL ARRANGEMENTS FOR THE NEGOTIATION OF THE
CONTINENTAL FREE TRADE AREA (CFTA)**

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Annex IV

Ref: TI/TD/IA/1

Institutional Arrangements for the Negotiation of the Continental Free Trade Area (CFTA).

Institutional Arrangements for the Negotiation of the Continental Free Trade Area (CFTA)

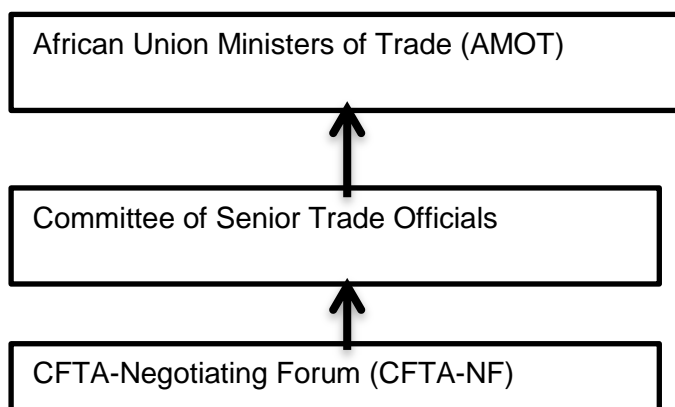
1. The 18th Ordinary Session of the Assembly of Heads of State and Government of the African Union which was held in January 2012 in Addis Ababa, Ethiopia under the theme “Boosting Intra-African trade” took important decisions aimed at enhancing trade integration in Africa. The Assembly, through a Decision (Assembly/AU/Dec.394 (XVIII)) and a Declaration (Assembly/AU/Decl.1 (XVIII)) endorsed an Action Plan for Boosting Intra-African Trade and agreed on a roadmap for the establishment of a Continental Free Trade Area (CFTA) by an indicative date of 2017.

Institutional framework for the negotiations

2. The negotiation for the CFTA shall be conducted within the context of the following institutional arrangements;

- I. African Union Ministers of Trade (AMOT)
- II. Committee of Senior Trade Officials
- III. CFTA-Negotiating Forum (CFTA-NF)

3. The Architecture for CFTA Negotiations is as follows,



Composition and responsibilities of the institutions

4. For the day-to-day functions of the negotiations, the following structures are adopted:

African Union Ministers of Trade (AMOT)

5. The AU Ministers of Trade (AMOT) will be responsible for providing political leadership and direction to the CFTA negotiations as well as resolving contentious issues that may arise in the negotiations. It is composed of Ministers responsible for trade in the AU Member States. The AMOT will receive reports from the Committee of Senior Trade Officials and it reports to the Assembly of Heads of States and Government through the through the normal processes of the AU Policy Organs Meetings. Ministers of Trade may invite other sectoral Ministers to their meetings depending on the nature of the issue to be resolved.

Committee of Senior Trade Officials

6. The Committee of Senior Trade Officials is composed of Permanent Secretaries and Directors Generals or Officials of equivalent level in the Ministries of Trade of AU Member States. The Committee of Senior Trade Officials shall receive Reports from the Continental Free Trade Area Negotiating Forum and will provide guidance to the CFTA-NF on technical issues in the negotiations and report to AMOT.

CFTA-Negotiating Forum (CFTA-NF)

7. The Continental Free Trade Area Negotiating Forum (CFTA-NF) is composed of Officials from the AU Member States. The CFTA-NF shall conduct trade negotiations and shall report to the Committee of Senior Trade Officials on its negotiation activities. The responsibilities of the CFTA-NF are outlined in a document entitled Terms of Reference for the CFTA-NF.

African Union Commission (AUC)

8. The AUC will provide and coordinate technical and administrative support to the CFTA negotiations; it will also serve as the Secretariat to the CFTA Negotiating Forum. The Commission shall develop background documents and texts for the consideration of the CFTA Negotiating Forum. The AUC shall closely collaborate with the RECs, the ECA and the AfDB in undertaking this responsibility and shall coordinate the activities of all the Institutions involved in the negotiations.

The Continental Task Force (CTF) on the CFTA

9. The CTF is composed of the AU Commissioner for Trade and the Chief Executives of RECS. The responsibilities of the CTF are outlined in a document entitled Terms of Reference of the Continental Task Force attached hereto.

Monitoring and Evaluation of the negotiations

The HATC shall be responsible for monitoring the progress on the CFTA Negotiations. It shall ensure adherence to the timeframes as provided for in the CFTA Roadmap. Progress on the negotiations shall be monitored through half yearly Reports by the Chairperson of AMOT to be submitted to the normal processes of the AU policy organs.

**Assembly/AU/11(XXV)
Annex V**

**DRAFT DECLARATION ON THE LAUNCH OF THE NEGOTIATIONS
FOR THE ESTABLISHMENT OF THE CONTINENTAL
FREE TRADE AREA (CFTA)**

Annex V

DRAFT DECLARATION ON THE LAUNCH OF THE NEGOTIATIONS FOR THE ESTABLISHMENT OF THE CONTINENTAL FREE TRADE AREA (CFTA)

We, the Heads of State and Government of the African Union, meeting at the 26th Ordinary Session of our Assembly in Johannesburg, South Africa, from 14 to 15 June 2015;

Recalling our Assembly Decision (Assembly/AU/Dec.394 (XVIII)) adopted in January 2012 Summit on the establishment of the Continental Free Trade Area to be operationalized by an indicative date of 2017;

Also Recalling our Assembly Decision (Assembly/AU/11(XXIV)) of January 2015 reaffirming our commitment to launch the CFTA Negotiations in June 2015.

Reaffirming our commitment to increase intra-African trade through the establishment of a CFTA that will foster economic growth, equitable development, and support integration through trade liberalization, industrialization and infrastructure development towards the full implementation of the Abuja Treaty Establishing the African Economic Community;

Emphasizing the importance of building the CFTA on existing regional free trade areas in order to broaden and deepen continental integration;

Reiterating that the establishment of a functional CFTA that integrates African economies is a fundamental milestone in the implementation of Agenda 2063 and the Common African Position on the Post-2015 Development Agenda will play a major role in fostering the structural transformation of the Continent;

Reiterating the importance of implementing the Action Plan on Boosting Intra African Trade (BIAT) prioritising work on industrialisation, infrastructure development and free movement of people to ensure maximisation of benefits of establishing the CFTA;

Noting the importance of relevant flanking policies and reforms at the continental, regional and national levels to maximise the benefits of establishing the continental free trade area;

Recognizing the need for technical assistance in order to facilitate the effective participation of all Member States in the entire process leading to the establishment of the CFTA;

Aware of the importance of constructive participation of the private sector, parliamentarians and other relevant stakeholders in the CFTA Negotiations through appropriate mechanisms;

Taking Note of the Report the AU Ministers of Trade Meeting that was held in Addis Ababa, Ethiopia on 14-15 May 2015;

Now therefore,

1. **Launch** negotiations for the establishment of the Continental Free Trade Area aimed at integrating Africa's markets in line with the objectives and principles enunciated in the Abuja Treaty Establishing the African Economic Community;
2. **Urge** all Regional Economic Communities and Member States to participate effectively in the CFTA negotiations;
3. **Call Upon** the AUC, United Nations Economic Commission for Africa, African Development Bank, African Export-Import Bank (Afreximbank) and other development partners to provide analytical support, technical assistance and to carry out a comprehensive capacity building program targeted at Member States and RECS in order to strengthen their capacity to effectively engage in the negotiations;
4. **Commend** the AU Commission and the Continental Task Force on the CFTA for the work done in preparation for the launch of the CFTA negotiations.

Assembly/AU/11(XXV)
Annex VI

**DRAFT DECISION ON THE LAUNCH OF CONTINENTAL
FREE TRADE AREA NEGOTIATIONS**

Annex VI

**DRAFT DECISION ON THE LAUNCH OF CONTINENTAL
FREE TRADE AREA NEGOTIATIONS
Doc. EX.CL/907(XXVII)**

The Assembly,

1. **TAKES NOTE** of the outcomes of the Conference and **ADOPTS** the following:
 - i) The objectives and principles of Negotiating the CFTA;
 - ii) The indicative Roadmap for the Negotiation and establishment of the CFTA;
 - iii) The Terms of Reference for the CFTA Negotiating Forum (CFTA-NF);
 - iv) The institutional arrangements for the CFTA negotiation;
 - v) The Draft Declaration on the Launch of negotiation for the establishment of the CFTA.
2. **EXPRESSES** satisfaction with the preparatory work done towards the launch of the negotiations for the Continental Free Trade Area and **COMMITTS** to negotiate a CFTA with significant benefits by building on the progress already achieved by the RECs;
3. **LAUNCHES** negotiations for the establishment of the Continental Free Trade Area aimed at integrating Africa's markets in line with the objectives and principles enunciated in the Abuja Treaty Establishing the African Economic Community;
4. **REQUESTS** the Continental Free Trade Area-Negotiating Forum (CFTA-NF) to organise its inaugural Meeting in 2015 and to work towards concluding the negotiations by 2017;
5. **CALLS UPON** the United Nations Economic Commission for Africa and the African Development Bank, African Export-Import Bank (Afreximbank) and Development Partners to provide the necessary support to the Member States, the Commission and the Regional Economic Communities to ensure a timely conclusion of the Negotiations.
6. **TAKES NOTE WITH APPRECIATION** of the status of preparations for the 10th WTO Ministerial Conference 2015, and **CONGRATULATES** the Republic of Kenya for hosting this important Conference, and **URGES** Member States to participate actively;

7. **WELCOMES**

- i) the briefing on progress made on AGOA as well as the initiative to hold in Gabon a Ministerial Meeting in preparation for the AGOA Forum;
- ii) the briefing on UNCTAD XIV due to be held in Lima, Peru in March 2016. In this regard, **CONGRATULATES** H.E. Ms. Amina Mohamed, Cabinet Secretary for Foreign Affairs and International Trade of the Republic of Kenya over her appointment by the UNCTAD General Council as Chair of the 10th Ministerial Conference.

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Report of the chairperson of the high level African trade committee (HATC)

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