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EXECUTIVE COUNCIL

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**REPORT OF THE MINISTERS OF TRADE
ADDIS ABABA, ETHIOPIA, 8 – 15 MAY 2015**

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**DEDICATED SESSION OF EXPERTS AND SENIOR
OFFICIALS followed by MINISTERS OF TRADE ON THE
CONTINENTAL FREE TRADE AREA (CFTA)
08 – 15 May 2015
ADDIS ABABA, ETHIOPIA**

**AU/TD/DS/AMOT/RPT.FINAL
Original: English**

**REPORT OF MEETING OF MINISTERS
14 – 15 May 2015**

**Report
Meeting of Ministers
14 – 15 May 2015, Addis Ababa, Ethiopia**

Introduction

1. The dedicated meeting of Ministers of Trade was held from 14 to 15 May, 2015 in Addis Ababa, Ethiopia, in accordance with Decisions EX.CL/Dec.857 (XXVI) and Assembly/AU/Dec.555(XXIV) of the Executive Council and Assembly of Heads of State and Government of January 2015 respectively. It was preceded by a meeting of Trade experts and Senior Officials. The objective of the meeting was to consider and finalize preparations for the launch of the Continental Free Trade Area (CFTA) negotiations. The meeting was chaired by H.E. Mr. Osman Omer El Sharif, Minister of Trade of Sudan, 1st Vice-Chair of the Bureau.

Participation

2. The meeting was attended by the following Member States: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, Congo, Comoros, Côte d'Ivoire, Democratic Republic of Congo, Egypt, Eritrea, Ethiopia, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Saharawi Arab Democratic Republic, Senegal, Seychelles, South Africa, South Sudan, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.

3. The following Regional Economic Communities and partner organisations also participated: CENSAD, COMESA Secretariat, ECOWAS Secretariat, IGAD Secretariat, SADC Secretariat, AfDB, UNECA, ARSO, ASCCI, and FEWACCI. The list of participants is attached as Annex 1.

PROCEEDINGS**Agenda Item 1: Opening of the Meeting.****Remarks by United Nations Economic Commission for Africa (UNECA)**

4. In his remarks, Dr Abdalla Hamdok, Deputy Executive Secretary and Chief Economist for the United Nations Economic Commission for Africa (UNECA), pointed to the forthcoming signing of the Tripartite Free Trade Area Agreement and the launch of the negotiations for the Continental Free Trade Area as the two landmark events in the regional integration agenda of the African continent in 2015. He emphasized that the consolidation of Africa's integration efforts will enable the continent to be in a better position in relation to the Sustainable Development Goals and to weather the slowing down of the global growth, the uncertainty surrounding the post-Bali work program at the WTO, the emergence of mega-regional trade agreements, as well as the Economic Partnership Agreements.

5. Recalling the research done by the UNECA, he highlighted the various benefits that would accrue to the African continent by finalizing and implementing the CFTA that covers both trade in goods and trade in services. He also pointed out that the CFTA will assist Africa's structural transformation as it is expected to enhance industrialization and pave the way for Africa's effective integration into the global value chains. He concluded by re-emphasizing the readiness of UNECA to provide technical support to the processes of the WTO Ministerial, AGOA as well as the CFTA negotiations and the implementation of the Boosting Intra African Trade initiatives.

Remarks by the AU Commission

6. H.E. Mrs. Fatima Haram Acyl, Commissioner for Trade and Industry, welcomed the Ministers to the dedicated session and recalled the objectives of the meeting as well as the efforts deployed towards the launch of the negotiations. She highlighted the commitment and confidence of African leaders in the benefits of the CFTA for the continent. She acknowledged the challenges awaiting the negotiators given the various levels of development of African countries and in this regard, called on the meeting to bear in mind that there is no alternative but to go forward. In this regard, she urged Member States to show flexibility and compromise for the common goal.

7. The Commissioner reported on resource mobilisation effected by the Commission for the CFTA process amounting to approximately US \$ 18 million for the period 2016-2017 and thanked the partners in this regard. She however called on Member States to also make budgetary provision so that the CFTA becomes an African owned and led initiative. She stated that the emergence of mega regional trade agreements in the world should be an additional reason for Africa to brace itself within a CFTA in order to be in a better position to defend itself economically.

8. The Commissioner briefed the Ministers on the wide advocacy exercise carried out in Washington on AGOA and on the expected outcome. In this regard, she called on Ministers to discuss and have a common understanding of the implications of the new Bill. She also urged the Ministers to seize the opportunity of the Tenth WTO Ministerial holding on African soil to ensure that Africa's interests are safeguarded. In conclusion, she invited Ministers to finalise the documents that will allow a smooth launch of the CFTA negotiations and wished the meeting fruitful deliberations.

Opening Statement by the Chair (Sudan)

9. H.E. Mr. Osman Omer El Sharif, Minister of Trade of Sudan, welcomed the Ministers to this dedicated session of AU Ministers of Trade to discuss modalities for the establishment of a Continental Free Trade Area (CFTA) which represents the hopes and future of Africa. He added that it was time for African peoples to benefit from one another's resources and connect freely in a common space.

10. He recalled that the idea of establishing an entity with the objective of unifying the continent economically is not new and has always been in the mind-set of the African leaders since the establishment of the OAU, the Lagos Plan of Action as well as other decisions taken by the African Heads of State and Government. He appreciated the decision of the AU Summit held in January 2012 that called for fast tracking the establishment of the CFTA. He commended the work of the Experts and Senior Officials during the past six days in considering documents towards reaching a semi-consensus that will greatly facilitate the process of the establishment of the Continental Free Trade Area.

11. He then exhorted the Ministers of Trade to take the appropriate decisions for Africa and its peoples. He then called for a minute of silence for lives lost in the past period in the Mediterranean and in various terrorist attacks perpetuated by the terrorist group of ISIS. He then declared the meeting formally open.

Agenda Item 2: Adoption of the Agenda and Organisation of Work

12. The agenda was adopted with amendments as follows:

Item 1: *Opening of the Meeting;*

Item 2: *Adoption of the Agenda and Organisation of Work;*

Item 3: *Consideration of the Recommendations of Senior Officials and Adoption of:*

- *The Objectives and Principles Guiding the negotiations of the CFTA,*
- *The Terms of Reference for the CFTA-Negotiating Forum;*
- *The Indicative Road Map for the establishment of the CFTA.*

Item 4: *Consideration of the Draft Declaration and Draft Decision launching the CFTA Negotiations;*

Item 5: *Any Other Business:*

- a)** *Briefing on the Tenth WTO Ministerial Conference;*
- b)** *Briefing on AGOA;*
- c)** *Briefing on UNCTAD XIV;*
- d)** *Briefing on the Ebola Virus Disease.*

Item 6: *Consideration and Adoption of the Report of the Meeting of Ministers;*

Item 7: *Closure of the Meeting.*

Agenda Item 3: Consideration of the Recommendations of Senior Officials:

13. The meeting took note of the Report of Senior Officials and decided to concentrate on the unresolved issues in the following documents:

(a) Draft Objectives and Principles Guiding the negotiation of the CFTA

14. 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 II.

Recommendations

- i) The Ministers recommended that the adopted Objectives and Principles Guiding the Negotiations for the CFTA be submitted to the June 2015 Summit for endorsement and that they should form part of the Documents for the launch of the negotiations.
- ii) The detailed definitions for the guiding principles shall be dealt with by the CFTA-Negotiating Forum;

(b) Draft Indicative Road Map for the establishment of the CFTA

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

Recommendation

- i) The Meeting recommended that the Indicative Road Map for the establishment of the CFTA be submitted to the June 2015 Summit for endorsement and that they should form part of the Documents for the launch of the negotiations.

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

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

Recommendation

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

Agenda Item 5: Consideration of the Draft Declaration and Draft Decision on the Launch of the Negotiations for the CFTA;

17. The meeting considered and amended the draft Declaration on the Launch of the CFTA Negotiations, **Reference Number: AU/TI/AMOT/DECL/1** hereto attached and marked as Annex V.

18. The meeting considered and amended the Draft Decision on the launch of the CFTA Negotiations, **Reference Number AU/TI/AMOT/DECL/1** hereto attached and marked as Annex VI.

Recommendation

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

Agenda Item 6: Any Other Business

Briefing on the 10th WTO Ministerial Conference

19. The Cabinet Secretary of the Ministry of Foreign Affairs and International Trade of the Republic of Kenya briefed the Meeting on the preparations for the 10th WTO Ministerial Conference that will be held in Kenya on 15-18 December 2015. In the Briefing, she thanked African WTO Members for supporting Kenya's bid to host the MC 10. She urged Member States to work together for a successful development focused outcome. She expressed Kenya's preparedness to host a preparatory Ministerial Meeting MC10 in August and expressed confidence in the support of the AU Commission in the lead up to MC10. She further requested the AUC to coordinate the technical preparatory work with the African Ambassadors in Geneva and proposed that specific Ministers champion specific technical areas leading up to and including MC10.

20. The meeting took note of the information.

Briefing on AGOA

21. The Minister of Trade and Industry of South Africa introduced the discussion on AGOA highlighting that the AGOA Bill of 2015 is being considered by various committees of the US Congress with a 10 year extension instead of the 15 years requested. The AGOA Bill contains some provisions that can have implications on beneficiary countries, including the out of cycle reviews, which may result in uncertainty with regards to preferences. He drew attention to some trends such as reciprocal trade arrangement with African countries. In conclusion he proposed that AGOA beneficiary countries should organise a meeting at the Ministerial level in preparation for the AGOA Forum to be held in Gabon in 2015.

22. The Kenyan Cabinet Secretary recalled the plea made at the 13th Forum not to change the nature of AGOA as a unilateral concession initiative and underlined the need to discuss the issue at length in Gabon.

23. Other delegations supported the proposal while Sudan made an appeal to request the US to lift economic sanctions on the country.

24. The representative of Gabon confirmed that the 14th AGOA Forum will take place in Gabon on 24 – 27 August 2015 and proposed that all concerns expressed be included on the agenda for discussion at the Forum.

25. The meeting took note of the information.

Briefing on UNCTAD XIV

26. The Permanent Representative of the African Union in Geneva informed the meeting that H.E. Ms Amina Mohamed, Cabinet Secretary for Foreign Affairs and International Trade of the Republic of Kenya, had been appointed by the General Council as Chair of the Tenth Ministerial Conference. He then briefed the meeting on the preparations for the fourteenth session of the United Nations Conference on Trade and Development (UNCTAD XIV) to be held in Lima, Peru, in March 2016. He also presented the proposals of the UNCTAD Secretary-General on the main theme and sub-themes and those of the African Group and the Group of 77 and China. He specified that the theme and sub themes will guide the preparation of the document which will constitute the mandate of UNCTAD for the next four years. He finally presented the roadmap for the Lima Conference, as adopted by the Trade and Development Board of UNCTAD.

27. The meeting took note of the information on preparations for UNCTAD XIV and congratulated H.E. Ms. Amina Mohamed for her appointment.

Briefing on Ebola

28. The Minister of Trade of the Republic of Guinea briefed the meeting on efforts made to combat the Ebola Virus/ Disease as well as its socio-economic impact on affected countries. He expressed gratitude for the support that the affected countries received from various partners which has led to containment of the epidemic. The Minister also informed the Meeting that Liberia had been declared Ebola free by the World Health Organisation while Sierra Leone and Guinea are expected to follow suit. He called on all African countries to show solidarity and to resume trade in goods and services with the affected countries.

29. The meeting took note of the information.

30. A proposal was made to the Commission to present in future briefings on the impact of Mega Regional trade agreements, and developments at the WTO and AGOA on Africa.

Agenda Item 7: Consideration and Adoption of the Report of the Meeting of Ministers

31. The Meeting adopted its Report with all its Annexes

Agenda Item 8: Closure of the Meeting.

32. The Chair thanked all participants for their contributions to the success of the meeting and declared it officially closed.

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ANNEX II

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 Work plan, 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 III

Ref: TI/TD/AMOT/RM/1

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

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 acquits;
 - 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; - 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	List of Chief Trade Negotiators and focal persons	Member States & RECs	July 31 2015

	and contacts			
	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	Adoption of Progress Report to the Summit	Member States, RECs	May 2016

	Meeting		and AUC	
	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

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ANNEX IV

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;
- 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.

AFRICAN UNION

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**DEDICATED SESSION OF EXPERTS AND SENIOR
OFFICIALS followed by MINISTERS OF TRADE ON THE
CONTINENTAL FREE TRADE AREA (CFTA)
08-15 May 2015
ADDIS ABABA, ETHIOPIA**

ANNEX V

**AU/TI/AMOT/DECL/1
Original: English**

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

**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.

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DEDICATED SESSION OF EXPERTS AND SENIOR
OFFICIALS followed by MINISTERS OF TRADE ON THE
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ANNEX VI

AU/TI/TD/AMOT/ DEC/1

Original: English

**DRAFT DECISION ON THE LAUNCH OF
CFTA NEGOTIATIONS**

DRAFT
DECISION ON THE LAUNCH OF CFTA NEGOTIATIONS
Doc. Assembly/AU/...(XXV)

The Assembly,

- 1. EXPRESSES** satisfaction with the preparatory work done towards the launch of the negotiations for the Continental Free Trade Area;
- 2. ADOPTS** the Roadmap for Establishing the Continental Free Trade Area, the Objectives and Principles Guiding the negotiation of the Continental Free Trade Area, the Institutional Arrangements for the Negotiation of the Continental Free Trade Area and the Terms of Reference of the CFTA – Negotiating Forum;
- 3. COMMITS** to negotiate a CFTA with significant benefits by building on the progress already achieved by the RECs;
- 4. 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;
- 5. DIRECTS** 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;
- 6. 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.

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2015

Report of the Ministers of Trade Addis Ababa, Ethiopia, 8 – 15 May 2015

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