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**Assembly/AU/8(XXIX)**  
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**Towards One African Market**

**REPORT ON THE STATUS OF  
THE CONTINENTAL FREE TRADE AREA (CFTA) NEGOTIATIONS  
BY  
HIS EXCELLENCY ISSOUFOU MAHAMADOU, PRESIDENT OF THE REPUBLIC OF  
NIGER AND LEADER OF THE CONTINENTAL FREE TRADE AREA (CFTA)  
PROCESS**

**REPORT ON THE STATUS OF THE CONTINENTAL FREE TRADE AREA (CFTA)  
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THE CONTINENTAL FREE TRADE AREA (CFTA) PROCESS**

**A. INTRODUCTION**

1. The 28<sup>th</sup> Ordinary Session of the African Union Heads of State and Government, held in Addis Ababa, Ethiopia in January 2017 mandated me to Leader the process of the Continental Free Trade Area (CFTA) Negotiations. The assignment required that I report to the 29<sup>th</sup> Ordinary Session of the African Union Heads of State and Government on measures taken to ensure that the deadline of the end of 2017 to finalize the legal text and annexes establishing the CFTA would be met. I accepted these responsibilities bestowed upon me and my country with humility, honour and a desire to make it a success. I wish to thank every one of you for your confidence and support. This will enable all of us to achieve a significant milestone for our generation, and leave a lasting legacy for our youth and posterity. It is equally an honour, Your Excellencies, for me to present my report to the 29<sup>th</sup> Ordinary Session of the African Union Heads of State and Government.

2. My report is divided into four parts as follows:

- a) A brief outline of the background of the CFTA Process during the period 2012 to 2015: This gives the context of my report.
- b) Events during the period 2015 to 2016: The Achievements and State of Play;
- c) Developments during the past six months, starting from January 2017 up to June 2017; and
- d) The way forward.

**B. BACKGROUND OF THE CFTA PROCESS**

3. You will recall that the 18<sup>th</sup> Ordinary Session of this Assembly held in January 2012 in Addis Ababa, Ethiopia, adopted an Action Plan for Boosting Intra-African Trade (BIAT). We also agreed on a roadmap for the establishment of a Continental Free Trade Area (CFTA) to be operationalized by an indicative date of 2017. The Continental Free Trade Area is one of the priority areas of the First Ten Year Implementation Plan under African Union **Agenda 2063 – The Africa We Want**.

4. During the 25<sup>th</sup> Ordinary Summit of Heads of State and Government held on 15<sup>th</sup> June 2015, in Johannesburg, South Africa, this Assembly took another historic and strategic decision of launching the CFTA negotiations and adopting a framework and principles to guide the CFTA Negotiations.

5. In deciding to establish the CFTA, we also underlined that the level of ambition in trade in goods and trade in services should be sufficiently high (while making allowance for variable geometry). This decision was made in order to ensure that the final Agreement is commercially meaningful and creates real economic opportunities for business persons within the continent and foreign investors.

6. Subsequently the 27<sup>th</sup> and 28<sup>th</sup> Ordinary AU Summits reiterated our commitment to conclude CFTA negotiations by 2017. Your Excellencies, these Decisions are a loud and clear message of our determination to realise the objectives that we set for ourselves. This clearly shows that we are very serious about improving the lives of our people.

### C. ACHIEVEMENTS AND STATE OF PLAY DURING THE PERIOD 2015 TO 2016

7. The African Union Commission has worked with African Union Member States and key strategic partners to generate results that give me confidence that we are moving in the right direction. The strategic partners are the Regional Economic Communities, the African Development Bank (AfDB), the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Economic Commission for Africa (UNECA). The results have been speedy and timely implementation of the Summit Decisions in order to fast-track the establishment of the Continental Free Trade Area.

8. Some of the key highlights in this period include:

- a) **The Establishment of the dedicated CFTA Support Unit.** The CFTA Support Unit provides technical and negotiating assistance to countries as well as secretarial and technical support to the meetings of the various levels of the CFTA negotiations structure established by the Member States.
- b) **Implementing a Capacity Building Program** for those involved in the negotiations: The program includes technical studies on the CFTA to bring Member States to the same level of understanding of the issues under negotiations. The process of capacity building will be continuous.
- c) **Raising awareness** for regional and continental stakeholders: The program includes mobilization of private sector, civil society organizations as well as other non-state actors to own the CFTA process.
- d) **Establishment of Seven Technical Working Groups** to facilitate consideration of various Annexes to the CFTA Agreement.
- e) **Developing**, in conjunction with strategic partners **draft texts of legal instruments** which will govern implementation of the CFTA.

9. In addition, the Commission is working on a program for the elimination of non-tariff barriers (NTBs) in the Continental Free Trade Area in line with our Decision taken at the 27<sup>th</sup> Assembly. The program will facilitate the unhindered movement of goods across borders within the continent.

10. The years 2015 and 2016 provided a foundation for the effective and timely conclusion of the negotiations. Consequently, from the last Assembly in January 2017 where I was mandated as Leader for the CFTA process to now, the process of negotiations has been fast-tracked with key meetings held.

**D. DEVELOPMENTS DURING THE PAST SIX MONTHS: JANUARY TO JUNE 2017**

11. Following the joint briefing I was given by the outgoing and incoming Commissioners for Trade and Industry, I decided to host the negotiating structures in Niamey, Niger. The meetings, which ran from 5<sup>th</sup> to 16<sup>th</sup> June 2017, were as follows:

- a) The 6<sup>th</sup> Meeting of CFTA-Negotiating Forum;
- b) The 3<sup>rd</sup> Meeting of the Senior Trade Officials; and
- c) The 3<sup>rd</sup> Meeting of the African Union Ministers for Trade.

12. I was able to address the Ministers in both plenary and closed sessions where I emphasized the importance of meeting the deadline to establish the Continental Free Trade Area by December this year. I also assured my full support to the Ministers in their critical and important negotiations. Furthermore, I invited the Ministers to have the next meeting in Niamey, Niger. The key outcomes of the Niamey meeting can be outlined as follows:

- a) **Agreement on modalities for the liberalization of trade in goods.** The trade in goods modalities will determine the overall ambition as well as the speed with which our countries will eliminate the tariffs currently applicable to the products, which we import from fellow African countries. Ministers of Trade agreed on an ambitious target of 90% for liberalization, which takes into account the overall goal of an integrated continent. At the same time, the adopted modalities provide sufficient flexibilities and length of time for our countries to adjust and implement the significant commitments they will be undertaking under the CFTA. The next stage after this will be the countries making the tariff offers which will be consolidated into a schedule to be annexed to the main CFTA Agreement;
- b) May I, however, point out that seven of our Member States registered reservations on the level of ambition of 90%. They proposed 85% in view of their economic circumstances. I will be talking to my colleagues from the countries with a level of ambition of 85% with a view to achieving broad-based consensus on the level of ambition. In the spirit of solidarity and pan

Africanism, my hope is that we will all speak with one voice and fully implement the CFTA legal instrument, once it is signed and ratified;

- c) In addition, the Trade Ministers meeting was able to adopt modalities on trade in services liberalization. The modalities provide a basis for the liberalization of trade in services sectors among the CFTA Member States, as well as a basis for future regulatory cooperation, in line with their agreed commitments. Once again, the modalities attempt to provide for adequate flexibilities that will be applicable to the different countries, given their different levels of development. It is my conviction that the CFTA has scope to provide opportunities and benefits to all our countries, be they large or small, landlocked, least developed and small island countries;
- d) The 3<sup>rd</sup> Meeting of African Union Ministers for Trade adopted a revised schedule of meetings to enable us conclude the negotiations by December this year in line with directive by the Assembly. The Ministers agreed to schedule additional technical meetings this year to ensure conclusion of the negotiations by the agreed deadline. In this regard, the CFTA negotiations will need significant additional resources, through the African Union supplementary budget process. It is my hope that the required resources will be made available. I count on African Union relevant policy organs for their support. I reaffirm my readiness to host the Ministers for Trade followed by the Specialized Technical Committee (STC) on Justice and Legal Affairs at the end of November 2017 and beginning of December 2017;
- e) The Ministers emphasized the need to ensure that the participants during the negotiations are represented at the appropriate levels. This is crucial in order to ensure that each meeting has a quorum as well as facilitate strategic decision making;
- f) The Ministers meeting also seized the opportunity to pass decisions on Africa Growth and Opportunity Act (AGOA). The Ministers for Trade were informed by their counterpart of Togo that the dates for next AGOA Forum are set for 8 – 10 August 2017 in Togo pending confirmation by the USA Administration. In addition, the AU Ministers for Trade also took note of the request by the DRC to support their re-admission into beneficiaries of the AGOA program as part of African Union Member States' commitment to speak with one voice on issues related to international trade;
- g) Similarly, the African Union Ministers for Trade agreed to hold a dedicated meeting to prepare for the WTO Ministerial Conference (MC-11) slated to take place in Buenos Aires, Argentina in December 2017. They also welcomed the offer by the Republic of South Africa to host a dedicated session to prepare for a common African position at the 11<sup>th</sup> WTO Ministerial Conference (MC-11).

**13.** The meeting of Trade Ministers was a distinct success in two respects: it provided clear guidelines to the negotiations as they embarked on the phase of negotiating legal texts. The Ministers also reaffirmed their commitment to uphold the Summit decision of delivering the CFTA by December this year.

#### **E. WAY FORWARD**

**14.** Ministers of Trade mooted the idea that the CFTA and economic integration agenda, should not compete with other topics on what will already be an overloaded January 2018 Summit Agenda but must be celebrated in an Extraordinary Summit in the first quarter of next year. They indicated that this is an issue which they need to reflect on till their meeting later this year in November. They will be coming with a specific recommendation after their meeting in December 2017.

**15.** Furthermore, I would like to implore Your Excellencies to direct your respective Ministers of Trade to undertake nationwide stakeholder sensitization activities so that all the nationals of African countries are fully aware of the efforts being made to establish the Continental Free Trade Area. You will agree with me that this sensitization will facilitate faster ratification of the CFTA legal instrument once it has been signed.

**16.** As Leader, I would like to assure Your Excellencies that I will play my full part in conjunction with the Chairman of the African Union Commission and the Commissioner for Trade and Industry in leading the cause to establish the Continental Free Trade Area by the stated deadline.

**17.** Let us know that the world is watching us. Let us also know that we Member States are the drivers and owners of the CFTA negotiations process. Let us therefore, uphold both the expectations of the world and our own expectations by creating the CFTA by the stated deadline. We owe it to ourselves and future generations to create an integrated market that expands opportunity for our socio-economic progress.

**18.** The journey before us is to create one Africa with one market and one strong voice, in line with the vision of “an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in global arena”.

#### **F. CONCLUSION**

**19.** Before I conclude, I would like to earnestly thank our development cooperation partners who have rendered massive financial support in our negotiations. We greatly value your support. It is also our hope that our partners will continue collaborating with us as we implement programs of the Continental Free Trade Area.

**20.** In conclusion, let us say that the status of the negotiations are currently at a critical stage where we must make sure that we keep the momentum, while ensuring that we do not allow any move backwards. It is incumbent upon us, to ensure that we

mandate our delegations to move with speed in order to conclude the negotiations on time and with a commercially viable outcome.

**21.** The motivation to succeed in creating a CFTA is premised on our vision of an integrated, prosperous and peaceful Africa. Unlike other negotiations which we have been engaged in at the global arena, the CFTA represents our own desires to create our own opportunities and solutions within the continent. While we cannot avoid negotiations, we must also be wary not to let them become a barrier to the attainment of our vision.

**DRAFT**  
**DECISION ON THE CONTINENTAL FREE TRADE AREA**  
**Doc. Assembly/AU/8(XXIX)**

**The Assembly,**

1. **TAKES NOTE** with appreciation of the Report on the status of the Continental Free Trade Area (CFTA) negotiations submitted by His Excellency Issoufou Mahamadou, President of the Republic of Niger and Champion of the Continental Free Trade Area (CFTA) Process;
2. **REAFFIRMS** the African Union's Commitment to conclude the negotiations of the Continental Free Trade Area by December 2017;
3. **APPROVES** the modalities for trade in services negotiations as well as modalities for tariff negotiations with a level of ambition of 90% in line with the adopted Modalities and **URGES** the Ministers to conclude negotiations on sensitive and exclusion lists;
4. **REQUESTS** the Commission to secure supplementary funding for the Revised Schedule of Meetings to enable the AU Member States to conclude the draft Legal text and Annexes by December 2017;
5. **CALLS UPON** AU Member States to undertake nationwide stakeholder sensitization activities so that all citizens of African countries are fully aware and own the process of establishing the Continental Free Trade Area.



2017-07-04

Report on the Status of the Continental  
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