



Creating One African Market

Update on Rules of Origin of the African FTA

Francis Mangeni

Head of Trade Promotion and Programs

AfCFTA Secretariat



Recapitulation

15 June 2015 – African FTA negotiations launched in Joburg

21 March 2018 – Agreement signed in Kigali

30 May 2019 – Agreement entered force

1 January 2021 – starting of trading under, as decided and declared by African Union Summit on 5 December 2020

2023 – African Common Market is to be formed

2028 – African Economic and Monetary Union is to be formed

We have political ownership and high momentum

It is one, comprehensive, modern continental FTA, 1 of the 15 flagship programs

under Agenda 2063 which aims for an internally integrated, peaceful and prosperous, and internationally efficacious Africa

It aims to boost intra-Africa trade and investment, value chains and industrialization, and inclusive social economic transformation



Outcome of the 13th Extra Ordinary AU Summit

The Summit adopted the **Declaration and a Decision** on Commencement of Trading under the African FTA on 1 January 2021

Outstanding negotiations to be finalized – on **phase I by June 2021**, on **phase II and e-commerce by December 2021**

Functions under the African FTA Agreement, including negotiation of outstanding areas, to be transferred to the Secretariat in Ghana by 31 March 2021

The AUC Chairperson handed over to the Member States and the African FTA Secretary General the following instruments:

- a. Agreed Rules of Origin (81%)
- b. Tariff Schedules (41)
- c. Services Initial Offers (34)
- d. Online mechanism for addressing non-tariff barriers www.tradebarriers.africa

Cf www.tradebarriers.org



Rules of Origin for **Made in Africa**

To promote industrialization and value chains in Africa

- on the whole, African FTA rules have a local content requirement of 40% with wide variations
- With value of imported non-originating material of up to 60%
- Except, wholly obtained where assessments show the materials are adequately available on the continent
- Cumulation will assist regional value chains

Africa has a single continent-wide trade regime, beginning with a core group of 41 out of 55 countries

Africa is more attractive for investment and business

Ease of doing business has improved, through the single trade regime and regulatory reforms required by the African FTA Agreement and its Annexes – TF, standards, customs, NTB system, dispute settlement

Capabilities as exporting countries

- *equipment, knowledge creation and management*



Producers and Logistics industry

- To structure production for preferential treatment of the products under African FTA RoO
- To avoid mistakes and minimize paper-work and time related costs from breach of rules and procedures
- RoO are written in customs language, training is required
- Proper, verifiable accounting records, accessible to authorities

Customs and Competent/ designated issuing authorities

- Digitalization and data bases
- Seamless issue and administration of certificates of origin and other documents (web-based)
- Continuous capacity building of officials and economic operators
- Mechanisms for feedback from users for continuous improvement



Capabilities as importing countries

- *compliance and readiness*

Importers and logistics industry

- (should everyone be an exporter)
- Simplification and harmonization of documentation (universal, e-CoO, SAD, national)
- Sourcing of imports that qualify for preferential treatment under the African FTA RoO
- And declaring under the correct regimes

Customs and other regulatory authorities

- Recognition of certificates of origin and other documents from exporting countries
- Mutual administrative assistance frameworks
- Single windows (national, regional)
- One-stop-border-posts and transport corridors
- Digitalization, automation



The Menace of Non-Tariff Barriers

www.tradebarriers.org (87/ 729 on RoO)

Swazi-Zimbabwe fridge case

- Can Eswatini manufacture fridges

Kenya-Zambia palm oil case

- National investment programs

Uganda-Kenya sugar cases

- EAC or COMESA regime?

Mauritius-Kenya sugar cases

- Sugar from EPZ, Brazil, high seas?

- Online systems for addressing non-tariff barriers
- National Focal Points and National Monitoring Committees
- Formal trade dispute resolution systems – panels and courts
- Pools of (WCO-accredited) Trainers of Trainers, a good number is available on the continent
- Retention of customs experts
- Robust Customs and TF programs (continental and regional)



Strategic objectives

– a single market for the Africa We Want

Means:

1. Global Partnerships – Governments, Industry, Academia, civil society; technical and financial
 2. Knowledge products (eg analytical work) for evidence based policy and implementation
 3. Training Meetings for optimal outcomes
 4. Short and Long Term Experts, Consultancies
 5. Missions and outreach
 6. Subscriptions to data bases and knowledge sources
 7. Proactive hands-on engagement
 8. Monitoring and Evaluation
- ❖ The inclusive AfCFTA - prioritizing women, young Africans and SMEs
 - ❖ The transformative AfCFTA – AfCFTA strategies, markets, industrialization, infr
 - ❖ The functional AfCFTA - all institutions activated
 - ❖ The rule-based AfCFTA - full implementation and compliance achieved
 - ❖ The knowledge- innovation- and technology-driven AfCFTA - fit for the Fourth Industrial Revolution
 - ❖ The globally networked AfCFTA – a universal Africa based on science diplomacy
 - ❖ A well resourced Secretariat fit for purpose - as the technical arm of the AfCFTA

The Economic and Universal Africa Union



To all people of good will -

Invest in Africa

develop regional value chains

Build sound technological bases

Prepare innovation eco-systems

Integrate Africa into global
knowledge centers and systems

Africa is a growth pole of the global economy – 19.7 median age, 30 million km² with 60% of the world's arable land, minerals for the 4IR, contributes to environmental protection, a stable global order, has home-grown initiatives and solutions

Partnerships can assist developmental integration – large markets, industrialization, infrastructure, political and macroeconomic stability

Contact



Creating One African Market

The AfCFTA Secretariat
Africa Trade House
Ambassadorial Enclave
Liberia Road
Accra- GHANA



Francis Mangeni

Head of Trade Promotion and
Programs

francismangeni@hotmail.com

Francis.Mangeni@au-afcfta.org

+233 55 410 9330

+ 260 96 521 4720

