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# REPORT

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**REPORT OF THE SECRETARY GENERAL OF THE AFCFTA ON THE  
AU THEME OF THE YEAR 2023  
“ACCELERATING THE IMPLEMENTATION OF THE AFRICAN CONTINENTAL  
FREE TRADE AREA”**

**FEBRUARY 2023 TO FEBRUARY 2024**



**ACCELERATION OF**  
**AfCFTA**  
**IMPLEMENTATION**



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## **I. INTRODUCTION**

1. Following the adoption of the Agreement establishing the African Continental Free Trade Area (AfCFTA) in March 2018, the Agreement legally entered into force in May 2019. This was subsequently followed by the launch of trade on 1<sup>st</sup> January 2021. Commercially meaningful trade, thereafter, commenced in October 2022 using AfCFTA preferential tariff regime and trading documents.
2. The AfCFTA is a flagship project of Agenda 2063 aimed at creating a single African market for goods and services. In pursuit of this aspiration, 2023 was declared the acceleration year of the AfCFTA implementation by the AU Summit. Riding on this declaration, the AfCFTA Secretariat spared no effort to advance the AfCFTA Agenda. The work of the Secretariat in 2023 was marked by successful realisation of a series of milestones aimed at progressively achieving overreaching goals of the AfCFTA. These goals encompass deepening economic integration, promoting and attaining sustainable and inclusive socio-economic development, gender equality, industrialization, agricultural development, food security, structural transformation and inclusive human development.
3. Specifically, outstanding negotiations and implementation of the AfCFTA constituted the main priorities of the Secretariat during the year under review. The year 2023 marked a new course for the implementation of the AfCFTA. Unleashing the potential of this Agreement lies in maintaining the momentum and transitioning it to its implementation phase. As the global economy undergoes systemic challenges, the relevance of the AfCFTA tool to foster Africa's endogenous economic growth and as a hedge against external economic headwinds cannot be overemphasised.
4. This report provides an account of the work of the Secretariat during the year under review. It is divided into three sections. Section I provides an introduction on the AfCFTA; Section II outlines activities undertaken under the Theme of the Year 2023 "Acceleration of AfCFTA implementation" and Section III makes recommendations and proposes follow up actions for the full realisation of the AfCFTA.

## **II. THEME OF THE YEAR 2023 - ACCELERATION OF THE AFCFTA IMPLEMENTATION**

5. With the ultimate goal of accelerating effective implementation of the AfCFTA in a manner that truly benefits the people of the Continent and achieve the aspirations and goals of Agenda 2063, the AU by Decision Assembly/AU/Dec.861(XXXVI) of 2023 launched the Theme of the Year for 2023 as 'Acceleration of the AfCFTA implementation'.
6. In adherence to the implementation plan, the AfCFTA Secretariat has diligently worked towards realising the established objectives. This report succinctly outlines the notable accomplishments in the implementation of the Theme of the Year 2023 and puts forth recommendations for future engagements and follow-up actions.

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## A. STATUS OF ONGOING NEGOTIATIONS

7. The AfCFTA stands out as the most rapidly ratified legal instrument by Member States since the inception of the African Union (AU). Five years into its existence, 47 State Parties have ratified and submitted their instruments of ratification to the African Union Commission (AUC), with seven (7) countries expected to ratify the Agreement, namely, Benin, Liberia, Libya, Madagascar, Somalia, South Sudan, and Sudan.
8. Regarding trade in goods, the number of adopted Provisional Schedules of Tariff Concessions for market access has risen to 45 from 42, Malawi, Comoros, and Ethiopia submitting their respective offers. Following technical verification by the Secretariat, these offers were provisionally adopted by the AfCFTA Council of Ministers in 2023. Angola, Zimbabwe, and Sao Tome & Principe have also submitted their tariff offers. These are undergoing technical verification. In the area of Trade in Services, twenty-two (22) Schedules of Specific Commitment have been adopted covering five (5) priority sectors (i.e. Business, Communication, Financial, Tourism, and Transport Services). At the writing of this report there were twenty-six (26) offers in the five priority sectors under negotiations.
9. In 2023, additional legal instruments were incorporated into the AfCFTA framework. These include the AfCFTA Protocols on Investment, Intellectual Property Rights, and Competition Policies. Meanwhile, the Protocols on Women and Youth in Trade and Digital Trade are in the final stages of consideration by the Member States.

## B. CREATION OF OPPORTUNITIES AND PRIVATE SECTOR ENGAGEMENTS

10. The implementation of the AfCFTA by State Parties has instilled optimism among the business community, seeking to unleash the complete economic potential of the continent. In recognising the central role of the private sector in AfCFTA implementation, the AfCFTA Secretariat launched an all-encompassing private sector strategy aimed at actively involving the private sector.
11. Some of the key milestones in 2023 aimed at fostering AfCFTA private sector engagement were the following:

### i. AfCFTA Guided Trade Initiative

12. The AfCFTA Secretariat in implementation of the Theme of the Year launched the 2<sup>nd</sup> AfCFTA Guided Trade Initiative (GTI). The GTI is a platform that brings together State Parties and their private sector/state enterprises to seize opportunities availed by the AfCFTA. The Secretariat rendered technical support to the State Parties in the verification of the custom systems *vis a vis* requirement for participation in GTI. The pilot phase of the initiative was launched in October 2022 with the private sector of seven (7) participating State Parties namely: Cameroon, Egypt, Ghana, Kenya, Mauritius, Rwanda and Tanzania. This phase saw engagement of over 100 investors that could potentially trade under the AfCFTA preferences regime in goods such as coffee, ceramic tiles, electric components, dried fruits, tea and processed meat.

13. In 2023, the scope of the GTI was broadened with the view to unlocking trade and investment opportunities in both product and country coverage. Consequently, the outreach on GTI by the Secretariat led to coverage of the five African regions and Islands. In total, thirty-five (35) countries covered per region were as follows:

- i. **East Africa Region:** Kenya, Rwanda, United Republic of Tanzania and Uganda;
- ii. **Central Africa Region:** Cameroon, the Democratic Republic of the Congo (DRC), Burundi, Gabon, the Republic of Congo, Chad, Central African Republic and Equatorial Guinea;
- iii. **North Africa Region:** Egypt, Algeria, Tunisia and Morocco;
- iv. **Southern Africa Region:** Angola, Botswana, Namibia, South Africa, Zimbabwe, Malawi, Lesotho and Eswatini;
- v. **West Africa Region:** Ghana, Cote d'Ivoire, Nigeria, Senegal, Sierra Leone and Togo; and
- vi. **Island States:** Mauritius, Cape Verde, Comoros, Madagascar and Seychelles.

14. The outcome of the engagements under GTI in 2023 led to identification of products tradeable under the Initiative. These include: mushrooms, flowers, bio pesticides, powdered milk, fish oil, frozen tuna, mineral and chemical fertilizers, essential oils, packaged moringa, fortified maize porridge, honey, nut butters, fruit jams, tea, coffee, meat products, beverages, milling (flour and maize meal), pasta, and fabric(material).

15. On 31 January 2024, the 13<sup>th</sup> Meeting of the AfCFTA Council of Ministers witnessed the launch of the Republic of South Africa's preferential trade under the AfCFTA Guided Trade Initiative. For the first time, the South African companies were able to make shipments under the AfCFTA rules. During the launch, H.E. President Cyril Ramaphosa noted the countries determination to focus on implementing its freight logistics roadmap to improve efficiency and competitiveness of the country's rail lines and ports. This is in turn expected to ensure greater investment in the infrastructure.

## ii. The AfCFTA Business Forum – Biashara Africa

16. From 16 to 18 April 2023, the AfCFTA Secretariat organised the inaugural AfCFTA Business Forum in Cape Town, South Africa, under the patronage of the Government of South Africa. The Theme of the Business Forum was “Acceleration of Implementation of the AfCFTA” in line with the Theme of the Year 2023. The event brought together more than 1000 delegates from over 63 countries from the African Continent, and abroad. Participants ranged from Heads of State, Senior government officials, CEOs of Financial Institutions, champions of industries, SMEs, Regional and continental business councils and Business Support organizations, Investment Promotion Agencies, Academia, development partners, women and youth entrepreneurs as well as investors.

17. By establishing a platform for public-private engagements among businesses and governments, the AfCFTA Business Forum heightened awareness of the current trade and investment opportunities in AfCFTA among Africa's business community. It facilitated connections between businesses and funding opportunities for AfCFTA value chains, created a private sector engagement platform for ongoing consultations on private sector needs in AfCFTA implementation, and served as the launchpad for the *HerAfCFTA*

movement. The *HerAfCFTA* movement aims to elevate issues affecting women in trade by creating a platform that accelerates the export readiness of women, enabling them to explore opportunities presented by the AfCFTA.

18. The upcoming edition of the AfCFTA Business Forum rebranded as “Biashara Afrika” is scheduled for 2024 under the Theme: “Strong value chains and supply chains systems for increased Intra Africa Trade”.

### **iii. Intra-Africa Trade Fair (IATF)**

19. The AfCFTA Secretariat, in collaboration with the African Union and the African Export-Import Bank (Afreximbank) organised the 3<sup>rd</sup> Intra-Africa Trade Fair (IATF) in Cairo, Egypt from 9-15 November 2023.
20. The IATF was created as a platform that provides opportunities for business to business (B2B); business to government (B2G) and government to government (G2G) interaction and linkages for investment, business facilitation and policy dialogues to enhance participation in Africa’s single market through the AfCFTA. The IATF 2023, attracted 1,939 exhibitors and 28,282 participants. In addition, the fair attracted participation by 130 countries. During the event business deals and transactions valued at US\$43.8 billion were concluded.
21. The AfCFTA Secretariat had a pavilion at the IATF 2023 edition, that served as the hub for all information related to trade in Africa and as a platform for engagement and showcasing Made in Africa luxury products. In this year of “Acceleration of AfCFTA implementation”, the pavilion highlighted and reflected the journey towards the implementation phase of the AfCFTA from the historic mandate of the AU Founding fathers, to the activities and initiatives undertaken by the AfCFTA Secretariat and the results of collaboration with stakeholders. The activations were under various forms such as panel discussions, exhibitions, workshops or targeted bilateral meetings.
22. An array of themes relevant to the effective implementation of the AfCFTA were equally addressed through the AfCFTA’s participation, including the following:
  - The role of AfCFTA Trading Companies in the implementation of the AfCFTA
  - Investment under the AfCFTA
  - Private sector engagement
  - Trade Facilitation
  - The business impact of value addition in entrepreneurship
  - The importance of commodity exchange and quality infrastructure under the AfCFTA
23. The 4<sup>th</sup> IATF will be hosted in 2025 by the Government of the Republic of Algeria. Negotiations of hosting Agreement between the Government, AUC, AfCFTA Secretariat and the Afreximbank are ongoing towards making this event a success.

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### **iii. The AfCFTA tariff quantification and the AfCFTA Adjustment Fund**

24. In the process of implementing the AfCFTA, concerns have been raised about potential short-term disruptions, including reduced tariff revenues for State Parties, implications on industrial sectors, and the reorganization of businesses and supply chains. To address these challenges, the AfCFTA Secretariat and Afreximbank collaborated on two key initiatives: conducting a study to quantify tariff revenue loss in AfCFTA implementation and operationalizing the AfCFTA Adjustment Fund to facilitate the adaptation of Member States to tariff reductions and potential revenue losses.
25. The study evaluated the revenue implications of tariff reductions under the AfCFTA for 45 State Parties. While previous studies have explored tariff quantification, this particular study was the first to analyse customs revenue in the context of total government revenue, the level of trade with other African countries, the tariffs imposed on these imports, and the potential revenue implications of the AfCFTA implementation. This analysis was based on the Provisional Schedule of Tariff Concessions (PSTCs) submitted by African States or regional groupings to the AfCFTA Secretariat as of March 2023.
26. This approach allowed for a comparative analysis of revenue effects across a broader spectrum of African countries, providing a precise estimate of tariff revenue losses. It paved the way for the development of operational guidelines and the initiation of the piloting phase of the Adjustment Fund. To ensure a collaborative approach, the Secretariat organized a workshop in October 2023 to discuss the findings of a technical report on the quantification of revenue losses. Participants included experts from Member States' Revenue Authorities, Ministries of Finance, Reserve Banks, Statistics offices, and Ministries of Trade.
27. The Adjustment Fund is set to operate through a subsidiary of Afreximbank, the Fund for Export Development (FEDA) in Kigali, Rwanda. It held its inaugural Board Meeting in September 2023 in Kigali. During this meeting, the operational guidelines for the Credit and General Fund were adopted, while the operational guidelines for the Base Fund (voluntary contributions of Member States) are expected to be finalized by the end of March 2024.
28. Aligned with the guidance of policy organs, the AfCFTA Secretariat aims to develop an analytical framework for modelling revenue losses resulting from AfCFTA implementation in 2024. The plan is to test this framework on existing data sets or new trade and tariff data provided by member states and implement a technical assistance program on the utilization of the framework and the model.

### **C. STRATEGIC PARTNERSHIPS**

29. Strategic partnerships play a key role under the AfCFTA to facilitate global trade negotiations, and their role is paramount in translating the AfCFTA policy objectives into actionable regional and national trade initiatives. The formation of these partnerships necessitates stringent criteria to ensure alignment with AfCFTA's core goals and to maintain the highest standards of governance, financial integrity, and social responsibility.



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30. In this regard, the AfCFTA Secretariat entered into new partnership agreements in 2023:

- i. A Memorandum of Understanding (MoU) with the United Bank for Africa (UBA) entailing a substantial portfolio of USD \$6 billion dedicated to bolstering support for Small and Medium-sized Enterprises (SMEs) operating within the AfCFTA framework. This collaboration is expected to have a transformative impact on various sectors, including Pharmaceuticals, Automobiles, Transport and logistics, Agriculture, and agro-processing, by providing comprehensive support and trade facilitation;
- ii. BIASHARA 2063 Project with the World Bank: The African Union, in conjunction with the World Bank (WB), formalized a Grant Financing Agreement for the Building Institutions and Systems to Harness and Realize Agenda (BIASHARA) 2063 Project (P180117). This agreement, effective from 12 October 2023, marks the second phase of the World Bank's engagement with the African Union. It aims to enhance the capacity of both the African Union Commission (AUC) and the African Continental Free Trade Area (AfCFTA) Secretariat, thereby facilitating continental integration. The project is a five-year US\$50 million Investment Project Financing (IPF) with Performance Based Conditions (PBC). A sub-component of this project will support the strengthening of the AfCFTA Secretariat to facilitate the implementation of the AfCFTA Treaty. The proposed project aims to strengthen the capacities of the AfCFTA Secretariat to ensure that the commitments made by countries, many of which have limited implementation capacity on their own, are fully implemented and coupled with a parallel agenda to maximize the potential benefits of the AfCFTA. To do this, the proposed project will support selected aspects of the following activities: (i) strengthening institutional capacity; (ii) conclusion of the negotiations of the remaining protocols; (iii) trade and investment facilitation, customs and transit aspects and trade in services capacity and services; (iii) harmonization of standards, promoting mutual recognition, collection of non-tariff measures data, resolution of non-tariff barriers; and promotion of competition policy and trade remedies; (iv) development and implementation of the Dispute Settlement Mechanism, rules of procedure, and related training; (iv) monitoring commitments through trade policy reviews; and capacity building of NICs; (v) capacity building of staff; and (vi) purchase of equipment, and (vii) finalization of annexes to the investment protocol on a Pan-African investment promotion agency and investor state disputes.
- iii. A Memorandum of Understanding was signed between the AfCFTA Secretariat and the Federation of African Engineering Organizations (FAEO), to create a mutual understanding in trade facilitation through infrastructure development. Through this MoUs, the parties committed cooperate in Alternative Dispute Resolutions, Intellectual Property and Mutual Recognition Agreements of professional qualifications of the built environment to enable smooth intra-African trade. In addition, the cooperation will contribute to accelerating implementation of AfCFTA through Innovation and Smart Partnerships; promote the Fourth Industrial Revolution through Science, Innovation and Technology in trade facilitation for the benefit of Mankind in Africa.

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- iv. As one the outputs of the AU theme of the Year 2023 “Accelerating the implementation of the AfCFTA “in a significant moment in our collective journey towards prosperity and inclusivity of youth in trade. On the 9<sup>th</sup> of December 2023, during the vibrant and inspiring annual YouthConnekt Africa Summit, the AfCFTA Secretariat signed a Memorandum of Understanding (MoU) with YouthConnekt Africa Hub. This strategic partnership marked a turning point in our commitment to harnessing the potential of Africa's youth and ensuring their active participation in the economic growth of our continent and the AfCFTA. The MOU with YouthConnekt reinforces our shared vision of empowering young people and equipping them with the necessary skills, resources, and opportunities to thrive and contribute to the African economy. Through this collaboration, we are combining our efforts to create an enabling environment that fosters entrepreneurship and innovation, while promoting intra-African trade and economic integration.
  - v. Through our collaboration with United Nations Development Programme (UNDP), the AfCFTA Secretariat has strengthened and intensified its collaboration with the United Nations. The collaboration represents a great opportunity for African countries to deepen regional integration, promote intra-African trade and achieve several Sustainable Development Goals (SDGs), including job creation and industrialisation (SDGs 8 and 9), the creation of business opportunities for women and youth (SDGs 4 and 5) and poverty reduction (SDG 1). It is in this vein that, a financial grant of US\$3 million to strengthen advocacy for the AfCFTA among policymakers, the private sector, youth and other stakeholders was granted to the AfCFTA Secretariat in 2021. Between 2023 and 2024, key events towards achieving this goal were the AfCFTA Youth Symposium; the AfCFTA Conference on Women and Youth in Trade; and support through human resource and experts. In addition, UNDP supported African governments in the implementation of the AfCFTA, focusing on raising awareness, strengthening market access opportunities, preparing a national AfCFTA implementation strategy and creating a catalytic trade finance mechanism, with a special focus on small and medium-sized enterprises (SMEs). UNDP country offices also provided support for national-level processes, such as readiness assessments and sectoral studies, to improve countries' preparedness for trade in the AfCFTA.
  - vi. The AfCFTA Secretariat and Mastercard Foundation have been working closely towards collaboration with the Mastercard Foundation. In a phased approach, we have reached an agreement to implement a \$46 million fish value chain program over the next four years (2024-2028). The program will focus on supporting women and youth-owned Small, Medium, and Micro Enterprises (SMMEs) involved in cross-border fish trade. It aims to promote sustainable job creation for young women by addressing economic, cultural, and policy barriers hindering their full participation and benefit from aquaculture and fisheries.

#### **D. PROMOTION OF REGIONAL VALUE CHAINS**

31. To fulfil the objectives under Article 3 (g) of the AfCFTA, which outlines, the need to promote industrial development and regional value chains, the focus of AfCFTA Secretariat during the year under review was on four primary value chains, namely: agro-

processing, automotive, pharmaceuticals, and transportation and logistics. These were selected due to their substantial potential to meet local demand and Africa's existing production capabilities. In 2023, the AfCFTA Secretariat engaged in several activities related to these priority value chains.

**i. Agro-processing**

32. As part of the implementation of the AfCFTA private sector engagement strategy, the AfCFTA Secretariat, in collaboration with the Mastercard Foundation, developed a production and trade program. Initial value chains covered comprise of fish, coffee, poultry, and animal feed. The program, among others, aims to promote trade and economic resilience in the fisheries sector using a market systems approach to development. This inclusive approach involved engaging various stakeholders, including local traders, communities, development partners, governments, private sector entities engaged in fish and feed processing and production, as well as key players in the logistics and transport industries. The goal is to encourage sustainable practices and optimise value chain efficiency.
33. The program also recognises the importance of creating an inclusive and supportive business environment for these enterprises. By concentrating on the interdependencies among various actors and leveraging the resources and expertise of the private sector, the program aims to facilitate equitable access to resources, capacity building, and trade opportunities. This holistic approach creates an ecosystem that balances environmental responsibility with economic viability.
34. The 4th all Africa Postharvest Congress and Exhibition (4th AAPHCE) was jointly organised by the AfCFTA Secretariat and the AUC in collaboration with a consortium of key stakeholders, including academic institutions, research organizations, development agencies, and private sector representatives. The event was held 19 – 22 September 2023 under the theme "Sustainable Postharvest Management: Boosting Intra-African Agricultural Trade and Enhancing Food and Nutrition Security." The 4th AAPHCE contributed to the collective efforts in boosting intra-African trade in agricultural commodities and realization of food and nutrition security in sustainable food systems through efficient postharvest management hence the congress theme.
35. Thus, more food can be made available to AU Member States for domestic consumption and export under AfCFTA by reducing the current levels of post-harvest losses. In this regard the 4th AAPHCE allowed key stakeholders to build consensus on concrete actions and interventions that could be undertaken to contribute to the ongoing efforts toward achievement of continental food security through postharvest loss reduction and enhanced intra- African agricultural trade.
36. In this context, during the period under review, the AfCFTA Secretariat also supported the Government of Zimbabwe to develop investment concept notes to enhance their strategic grains reserves storage system, reduce postharvest food losses, enhance food availability for domestic food security and encourage regional export of grains under the AfCFTA agreement. The project when fully implemented will save Zimbabwe over \$200m on postharvest grain losses. Under the initial scope of work the AfCFTA

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Secretariat will facilitate financial support from Afreximbank to enable Zimbabwe to develop additional 225,600 tons of silos units as part of the Government efforts to regain its position as the food basket of the southern Africa region.

**ii. Automotive**

37. In February 2023, the AfCFTA Council of Ministers launched the African Automotive Strategy, a pivotal initiative aimed at fostering the development and growth of the automotive sector in Africa. The strategy focuses on enhancing local production, reducing reliance on imports, and promoting intra-Africa trade in the automotive sector.
38. In line with the Council of Ministers' decision, an AfCFTA Automotive Task Force has been established. Comprising mainly private sector representatives, development finance institutions, and AU organs, this task force guides the implementation of the Automotive strategy and provides technical advice to the Ministers. Collaborating with Afreximbank and the African Association of Automotive Manufacturers, a continent-wide study on component manufacturing opportunities was also conducted and launched at the IATF 2023.

**iii. Pharmaceuticals**

39. Mainstreaming health in the implementation of the AfCFTA has been a key objective set by the Theme of the Year 2023. Consequently, the AfCFTA Secretariat has closely collaborated with the Africa CDC and AUDA-NEPAD to support the localisation of pharmaceuticals, vaccine production, and trade under the AfCFTA framework. The agencies convened critical discussions at both the AfCFTA Business Forum and on the margins of the United Nations General Assembly. They deliberated on the challenges and opportunities in the health sector and the necessary response under the AfCFTA through local production of required pharmaceuticals, diagnostic equipment, and vaccines. On the side-lines of the AGOA Summit held in Johannesburg 2-4<sup>th</sup> November 2023, the AfCFTA Secretariat in collaboration with the Corporate Council on Africa, organised a High-Level Public and Private Roundtable on unlocking trade and investments opportunities in the pharmaceutical sector.
40. These engagements support the AU's continent-wide strategy to enhance national discussions on priorities, challenges, and opportunities for local manufacturing, the associated regulatory/legal environment, and facilitate necessary support from governments and other stakeholders. Such engagements play a pivotal role in mobilizing domestic resources to procure commodities in Africa.

**iv. Transportation and logistics for Trade Facilitation**

41. Customs and Trade Facilitation are foundational to bolstering intra-Africa trade. Recognising the immense potential of a unified trade system, Heads of States and Governments have endorsed a corridor approach to address trade facilitation challenges, ensuring a comprehensive view of the entire trade facilitation ecosystem.

42. By focusing on the entire ecosystem of trade facilitation challenges, from the point of entry of goods to their final destination, the AfCFTA Secretariat aims to create a seamless trade environment. This approach not only ensures the efficient movement of goods across borders but also underpins the broader vision of economic integration, prosperity, and sustainable development within the continent.
43. Assessment was conducted on five major trade corridors: the Abidjan-Lagos corridor, Northern Corridor from the port of Mombasa to Goma-Democratic Republic of Congo (DRC), Central Corridor (Dar es Salaam- Kigali and Dar es Salaam - Bujumbura) (East African Community), North-South Corridor, providing a multimodal transport network to eight SADC countries, and Central Africa Corridor, covering Douala-Yaoundé-Libreville and Brazzaville-Yaoundé Corridor in the Central African States of Cameroon, Gabon, and Congo..
44. Trade facilitation challenges within the Corridors were identified including low interoperability between State Parties, low uptake of risk management, lack of IT equipment at border post, lack of harmonization of border crossing process, language barrier and low awareness of the AfCFTA Agreement. Two Subcommittee and one DGs Customs meeting organised with total number of 180 participants from different Customs Administration thereby fostering customs cooperation among State Parties. From the recommendation of the meeting, the draft technical specification for Electronic Certificate of Origin and regulatory framework for transit bond were developed.
45. Still within the scope of planned activities, port to port connectivity was mapped, capacity building for Harmonized Commodity Description and Coding System (SH 2022) conducted in collaboration with WCO for Lusophone and Francophone Countries, 45 Members States are using 2022 version of the Harmonized System, Conference on Trade Facilitation and Logistic that brought together 106 participants from more than 40 Members States/State Parties leading to recommendation on how the Transport Sector can better support the AfCFTA goal of increasing intra-Africa trade, Capacity building on the usage of the AfCFTA e-Tariff book for ECCAS, EAC, North Africa and continental was conducted, forty-four schedules in the AfCFTA e-Tariff Book available and thirty designated competent authority for Certificate of Origin shared with State Parties.
46. The AfCFTA Secretariat also established a database of Customs Focal Points; engaged in collaborations with JICA, the World Customs Organization, and the United States to enhance trade facilitation; worked closely with the World Customs Organization on various projects, including the AfCFTA Tariff book and the migration to HS 2022. The Secretariat is also working on a single Bond Guarantee to facilitate the movement of goods in transit between countries, eliminating the need for multiple bonds which significantly increase expenses and delays. Engagement with women crossing borders, real traders, and truck drivers to get a first-hand assessment of the challenges and requirements is also underway.
47. The focus moving forward is to ensure seamless communication between different customs systems, and that the initiatives and strategies implemented are sustainable and effective in facilitating trade. The Secretariat shall, in this line, continue engaging with

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member states, assess their state of preparedness and address challenges, expand and refine the corridor strategy to include more regions and address specific challenges unique to each corridor and to leverage on technology to streamline trade processes.

#### **E. CAPACITY BUILDING IN THE IMPLEMENTATION OF THE AfCFTA**

48. Beyond negotiations, capacity development to ensure the implementation of the AfCFTA was highlighted as key goal for the implementation of the Theme of the Year. Article 27 of the Protocol on Trade in Services on Technical Assistance, Capacity Building and Cooperation; Article 28 Technical Co-operation of the Protocol on Rules and Procedures on the Settlement of Disputes; Article 29 on Technical Assistance, Capacity Building and Cooperation of the AfCFTA outline these objectives clearly under the AfCFTA. During 2023, and in line with the AfCFTA Secretariat delivered several capacity building and technical assistance (TACB) interventions for the benefit of the Member States. These TABC ranged from coordination and provision of TACB to raising resources for the benefit of Member States.
49. On the negotiations front, these interventions were targeted at building the knowledge base of negotiators as well as narrowing their technical negotiation positions. These initiatives, which were targeted at concluding outstanding negotiations, were delivered in various formats ranging from specialized technical sessions to tailor-made interventions. The Secretariat further worked in partnership with several entities including the RECs to build capacity of Member States both in respect of public and private sector entities.
50. In recognition of the fact that the bulk of work on AfCFTA implementation rests with line-ministries and specialized state agencies, the Secretariat administered a multi-phased and multi-topic virtual masterclass. This represented the first of many capacity building trainings that will regularly be delivered by the Secretariat as part of broad-based sensitization of the continent on the AfCFTA.
51. The capacity building trainings ran for cumulative weeks making of up to 2 months spread over 6 months. In total a set of 6 sessions was delivered with each set running 3 – 5 sub-sessions. Consequently, the Secretariat aggregately delivered 23 capacity building sessions. On average each session had around 40 participants. The demand for the training was extremely high and new series are planned to be offered during the course of 2024.
52. These capacity building sessions are organised in total collaboration with the National AfCFTA Implementation Committees. They cover subjects as diverse and varied as the general understanding of the AfCFTA Agreement, raising awareness on the different protocols, the popularisation of the various instruments such as the Adjustment Facility, the Pan-African System of Payments and Settlements (PAPSS), the Trading Companies, The AfCFTA Non-Tariff Barriers (NTBs) Online Reporting, Monitoring, and Elimination Mechanism and others. In this regard, the Secretariat conducted capacity building trainings in Gabon, Cameroon, Angola, Madagascar, Comoros, Cote d'Ivoire, Central African Republic, etc.

## **F. IMPLEMENTATION OF THE AfCFTA THROUGH NATIONAL COORDINATION OFFICES**

53. It is to be recalled that the Assembly in July 2018 Summit in Nouakchott Assembly/AU/Dec.692(XXXI) took a decision on the establishment of National Committees on AfCFTA to ensure meaningful participation of all stakeholders. It further decided on development of national AfCFTA and Boosting Intra-African trade strategies. In line with AU Theme of the Year 2023: “Acceleration of AfCFTA Implementation”, the AfCFTA Secretariat undertook a baseline study and analysis on AfCFTA National Implementation Committees (NICs). The Study Report and the Policy Brief on the same were developed and published on AfCFTA website in May 2023. The study provided guidelines for the formation and operation of AfCFTA NICs and it is on the basis of these guidelines that the AfCFTA Secretariat supported State Parties, upon request, in terms of Technical Assistance and Capacity Building (TACB) for their NICs.
54. To date, 15 State Parties<sup>1</sup> have formally informed the Secretariat of the establishment of their NICs, 6 identified State Parties including Angola, Djibouti, Namibia, Sao Tome and Principe, Senegal and South Africa are using existing Structures for their NICs. 3 State Parties including Burundi, Cabo Verde and Mauritania are under process for establishing theirs. The Secretariat provided support to other State Parties in establishing NICs.
55. Moreover, in collaboration with development Partners, 27 State and non-State Parties<sup>2</sup> developed their respective AfCFTA Implementation Strategies. ECOWAS, EAC, IGAD, and ECCAS developed and validated their respective Regional AfCFTA Implementation Strategies.
56. In terms of Technical Assistance and Capacity Building (TACB), the 2 Regional Consultative Meetings, namely in Arusha from 27-30 April 2023 (attended by EAC, IGAD, COMESA, SACU, and SADC), and Nairobi, Kenya in July 2023 were conducted. Furthermore, the AfCFTA Secretariat conducted 2 TACB workshops on AfCFTA implementation and NIC formation and operation, in the Central African Republic and in Madagascar. Countries in the loop for NIC capacity building include Namibia, Cameroon, Tanzania and Rwanda.

## **G. MAINSTREAMING THE ROLE OF WOMEN AND YOUTH IN TRADE AND SMES DEVELOPMENT**

57. The AfCFTA recognises the significant contribution of women and youth to the economic growth of African countries and the importance of the increasing youth population as a critical factor in attaining accelerated growth and deepening the economic integration of the continent. This is also in line with the aspirations and goals of Agenda 2063 of the AU, which seeks to create a continent whose development is people-driven, relying on the potential of African people especially its women and youth.

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<sup>1</sup> Cameroon, Central African Republic, Congo, Comoros, Cote d’Ivoire, Democratic Republic of the Congo, Egypt, Gabon, Ghana, Kenya, Malawi, Nigeria, Rwanda, Togo, and Tunisia.

<sup>2</sup> Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Cote d’Ivoire, Democratic Republic of the Congo, Djibouti, Eswatini, The Gambia, Ghana, Guinea, Kenya, Malawi, Mauritania, Mauritius, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Soudan, Togo, Tunisia, Zambia, and Zimbabwe.

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58. Recognising the immense potential of Africa's women and youth, the AfCFTA Secretariat collaborated with women and youth in trade organizations as well development partners in organizing programs that ensure active participation of women and youth in the African trade integration process. The significant milestone achieved was conclusion of the negotiation of the AfCFTA Protocol on Women and Youth in Trade.
  59. In collaboration with the Government of the United Republic of Tanzania, the AfCFTA Secretariat held a Conference from 6 to 8 December 2023 in Dar es Salaam under the theme "Enhancing the Participation of Women in Trade in the Acceleration of AfCFTA Implementation." The Conference drew over 1,290 participants both virtually and in person. The Conference featured among others panel discussions, networking sessions, masterclasses and an exhibition to promote products by women entrepreneurs and enhance women's participation in the implementation of the AfCFTA. Initiatives to improve access to finance for women through innovative methods such as accepting guarantees and improving trust through references from business associations were being considered with our strategic partners.
  60. Similarly, the AfCFTA Youth Symposium was organised in collaboration with the Government of the Republic of Zambia from 21 to 23 August 2023 in Lusaka, Zambia. The Symposium drew over 1,500 youth participants both virtually and in person. The Symposium included panel discussions and side events on key trade issues affecting young people on the continent. The latter included: the Africa Youth Trade Debate organised in collaboration with the Africa Speech Forces during which students debated on trade and development issues of critical importance for the continent; the Youth Townhall which provided young people an opportunity to engage with the Secretary-General of the AfCFTA Secretariat as well as an exhibition that provided young entrepreneurs an opportunity to showcase their products and services.
  61. The AfCFTA Secretariat collaborated with the African Union Commission Women, Gender and Youth Directorate to convene the Africa Youth Month Commemoration which was held at the Headquarters' of the AfCFTA Secretariat in Accra Ghana on the 7<sup>th</sup> of November 2023 under the theme: ***"1 Million Next Level is Knocking: Youth-led Movement that Transcends Borders"*** "This is also in line with the efforts underway under the AU for Women and Youth Financial and Economic Inclusion (WYFEI 2030)-
  62. These events fostered an inclusive platform for women and youth and allowed for intergenerational engagement, sharing of knowledge and experience. They encouraged policy makers to advocate for political reforms aligned with youth and women potential, to achieve regional and continental economic integration.
  63. Moreover, the AfCFTA partnered with the Centre for Regional Integration in Africa (CRIA); Africa Capacity Building Foundation (ACBF) and the Ghana Institute of Management and Public Administration (GIMPA) to organize a SME Conference, to share information on AfCFTA opportunities and processes and how the SMEs can benefit. The conference held under the theme "Breaking Business Barriers for AfCFTA Acceleration," was attended by over 700 entrepreneurs across the continent.



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## H. MONITORING AND EVALUATION OF THE AFCFTA

64. The key to the success of the AfCFTA Agreement and its various Protocols and Annexes will be in implementation. Effective implementation of decisions, monitoring, and review are particularly important for a trade agreement whose success is highly dependent on the confidence of each State Party that every other State Party will honour the rules of conduct agreed in the text of the AfCFTA Agreement and its Protocols, annexes, etc., the concessions and commitments exchanged during the negotiations, and the binding decisions taken through its institutional structures.
65. A robust AfCFTA Review Mechanism is also critical to the process, and brings in a much-needed transparency in trade policy formulation and implementation at the national level. The AfCFTA Secretariat has in this regard embarked on a desk review of policy review mechanisms. Information gathered from the review exercise will allow for capacity building strategies to be developed to assist State Parties in the achievement of objectives set in the AfCFTA as well effective implementation of the Agreement. During consultative meetings of Member States, RECs and other multilateral stakeholders, the Secretariat received inputs and guidance, which would inform the development of the AfCFTA Implementation Review Mechanism. In 2024, the AfCFTA Secretariat will finalise the review mechanism, thereby putting in place a periodic mechanism to Council of Ministers and other AU Policy organs on specific matter and overall overview of AfCFTA implementation.
66. It is also to be recalled that the AfCFTA Secretariat and AUDA-NEPAD were directed to monitor and coordinate the implementation of the Theme of the Year. Accordingly, the Secretariats have been collaborating and set a forward-looking joint framework towards interventions on AfCFTA Impact Assessment Study to guide policy developments and interventions. Other collaborations also include implementation of priority continental and regional supply/value chains; Trade Facilitation; Micro, Small and Medium-sized Enterprises (MSMEs); African Single Electricity Market (AfSEM); Tourism, Creatives, and Cultural Services; and Private Sector Engagement.

## III. Recommendation and follow up

67. In alignment with the development roadmap outlined in Agenda 2063, which aspires to achieve "the Africa we want," inclusivity takes precedence in forging a shared vision and collective prosperity. Specifically, the AfCFTA recognises that the establishment of a unified market must be all-encompassing, with the ultimate goal of elevating the quality of life for women and men, the young and the elderly.
68. The Theme of the Year for 2023 created an appreciation for a consolidated effort by mainstreaming trade in all sectors in achieving sustainable and inclusive growth by bringing together countries, institutions, and stakeholders to work towards strengthening global partnerships for the implementation of the AfCFTA.
69. In light of developments at, and evolution of global economic environment, monitoring report with a view to establishing emerging and actual implications of these aspects on the AfCFTA implementation will be important. Concerted efforts need to be taken in

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the coming years and decade in infrastructure development, trade facilitation, eliminating Non-Tariff Barriers (NTB), financial integration, in close collaboration with the Regional Economic Communities and AfCFTA National Coordination Offices.

70. As the AfCFTA enters its implementation phase, state parties will increasingly require technical assistance and capacity building interventions by the Secretariat. Mobilisation of resources for capacity building with a view to ensuring that no country is left behind will be critical. In this regard, a diagnostic trade integration studies (DTIS) on the AfCFTA implementation will be critical both on individual and cross border basis. This will ensure that TACB interventions of the Secretariat are evidence based and output oriented. The AfCFTA Secretariat aims to finalise its 10 years implementation Strategy (2024 – 2033) in line with the AU set overall strategy. This report will provide the basis on which to keep track of threats and opportunities relative to implementation of the AfCFTA.