



The AfCFTA

Efforts and achievements in the AfCFTA negotiations

Blessing Chipanda and Jakkie Cilliers

Last updated 11 September 2024 using IFs v8.22

Efforts and achievements in the AfCFTA negotiations

The [AfCFTA agreement](#) came into effect in January 2021, nine years after the idea was proposed by the AU. Only Eritrea has not signed the agreement - shunning it in favour of its membership of COMESA and IGAD. By January 2024, 47 out of 55 countries have ratified except for Benin, Liberia, Libya, Madagascar, Somalia, South Sudan and Sudan. By January 2024, 44 countries had ratified the Pan African Payment and Settlement System (PAPSS), which is intended to reduce trade costs and speed up the continent's economic integration. PAPSS enables companies to conduct transactions using any of Africa's 42 currencies without needing a third-party currency such as the United States dollar or Euro. South Africa is one of the countries that has not yet ratified the payment system. South Africa has more than **80%** of manufactured goods trade in Africa. Only 34 countries signed the protocol of free movement of persons and ratified by just four countries (Rwanda, Niger, Mali, Sao Tome and Principe). The slow pace of ratification is of great concern as the free movement of persons is crucial for the successful implementation of the AfCFTA, particularly for facilitating trade in services across the continent.

Negotiations are inevitably complex and divided into three phases with a large body of associated [legal text](#):

- Phase 1 negotiations - cover trade in goods and services, based on reciprocal concessions and subsequent agreements between state parties. The negotiations led to the ratification of the legal instruments (the AfCFTA agreement itself and protocols on trade in goods and services and settlement of disputes) that came into force end of May 2019, permitting the launch of trading.
- Phase 2 negotiations - cover intellectual property rights, investment and competition policy. Negotiations have already begun.
- Phase 3 negotiations - cover e-commerce and women and youth in trade. Draft protocols were adopted by the AU Assembly in February 2024.

Each phase is captured in a legally binding protocol that forms part of the AfCFTA Agreement on adoption. The plan is that, by 2034, Africa will have achieved tariff liberalisation of 97% of goods in a staged manner. In Phase I, member states agreed to remove 90% of tariff lines translating into full liberalised with zero tariff rates. The remaining 10% of tariff lines are divided into **two categories**: 7% are designated sensitive products and they will have a 10% tariff rate, and 3% of tariff lines are excluded from liberalisation entirely - to allow flexibilities for State Parties with particular sensitivities but will be subject to review every five years.

A 'pilot phase' of the AfCFTA was launched in October 2022 in the form of the Guided Trade Initiative (GTI) originally involving seven State Parties representing the five regions of the continent and subsequently expanded. The objectives of the GTI are to test the operational, institutional, legal and trade policy environment under the AfCFTA; allow commercially meaningful trading under the AfCFTA; and to send a positive message to African economic operators about the AfCFTA. State Parties who have had their Provisional Schedules of Tariff Concessions verified may join the GTI, subject to their rules of origin for the intended products being finalised.

Donors and sponsors



Reuse our work

- All visualizations, data, and text produced by African Futures are completely open access under the [Creative Commons BY license](#). You have the permission to use, distribute, and reproduce these in any medium, provided the source and authors are credited.
- The data produced by third parties and made available by African Futures is subject to the license terms from the original third-party authors. We will always indicate the original source of the data in our documentation, so you should always check the license of any such third-party data before use and redistribution.
- All of our charts [can be embedded](#) in any site.

Cite this research

Blessing Chipanda and Jakkie Cilliers (2024) The AfCFTA. Published online at futures.issafrica.org. Retrieved from <https://futures.issafrica.org/thematic/08-afcfta/> [Online Resource] Updated 11 September 2024.

About the authors

Dr **Blessing Chipanda** joined the African Futures and Innovation (AFI) programme in January 2023. Before joining the ISS he worked as an assistant lecturer/research assistant at the University of Pretoria, Department of Economics. He is particularly interested in tasks within the wider realm of international trade, development economics, public policy, monetary policy, and econometric modelling. Equally interested in economic and socio-economic activities that impact social welfare. Blessing has a PhD in economics from the University of Pretoria, South Africa.

Dr **Jakkie Cilliers** is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

About African Futures & Innovation

Scenarios and forecasting can help Africa identify and respond to opportunities and threats. The work of the African Futures & Innovation (AFI) program at the Institute for Security Studies aims to understand and address a widening gap between indices of wellbeing in Africa and elsewhere in the world. The AFI helps stakeholders understand likely future developments. Research findings and their policy implications are widely disseminated, often in collaboration with in-country partners. Forecasting tools inspire debate and provide insights into possible trajectories that inform planning, prioritisation and effective resource allocation. Africa's future depends on today's choices and actions by governments and their non-governmental and international partners. The AFI provides empirical data that informs short- and medium-term decisions with long-term implications. The AFI enhances Africa's capacity to prepare for and respond to future challenges. The program is headed by Dr Jakkie Cilliers.