



African Continental Free Trade Area (AfCFTA) PRESENTATION- Ms GONAYA MONEI E. SETHORA

EMPOWERING MSMEs, Women and Youth Entrepreneurs to Harness the AfCFTA

CAPACITY BUILDING WORKSHOP

Kampala Uganda

OUTLINE

- I. Introduction
- II. . Ratifications and signatures
- III The Role of the African Continental Free Trade Area (9)
- III. Status of negotiations (17)



- IV. Decisions of the Last Council of Ministers on Start of Trade (30)
- V. Status of implementation
- VI. Private Sector Engagement

Large but
fragmented
market

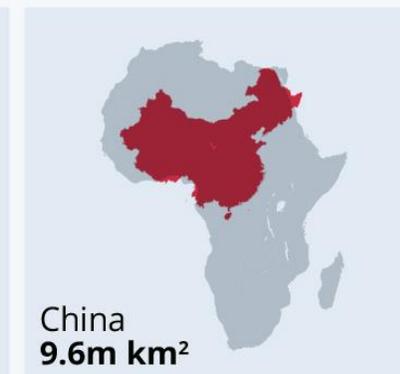
More than 100
unique land
borders;
Different trade
rules

22 out of 55
African
countries have
populations
below 10
million

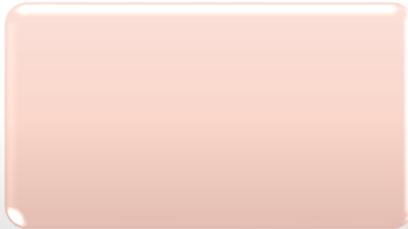
The True Size of Africa

Comparison of Africa's land area to selected countries/regions

African continent **30.4m km²**



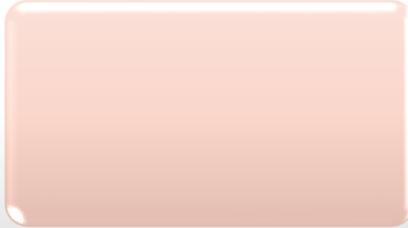
I. Introduction



Import/export procedures involve an average of 20 to 30 different parts, 40 documents, 200 data elements.



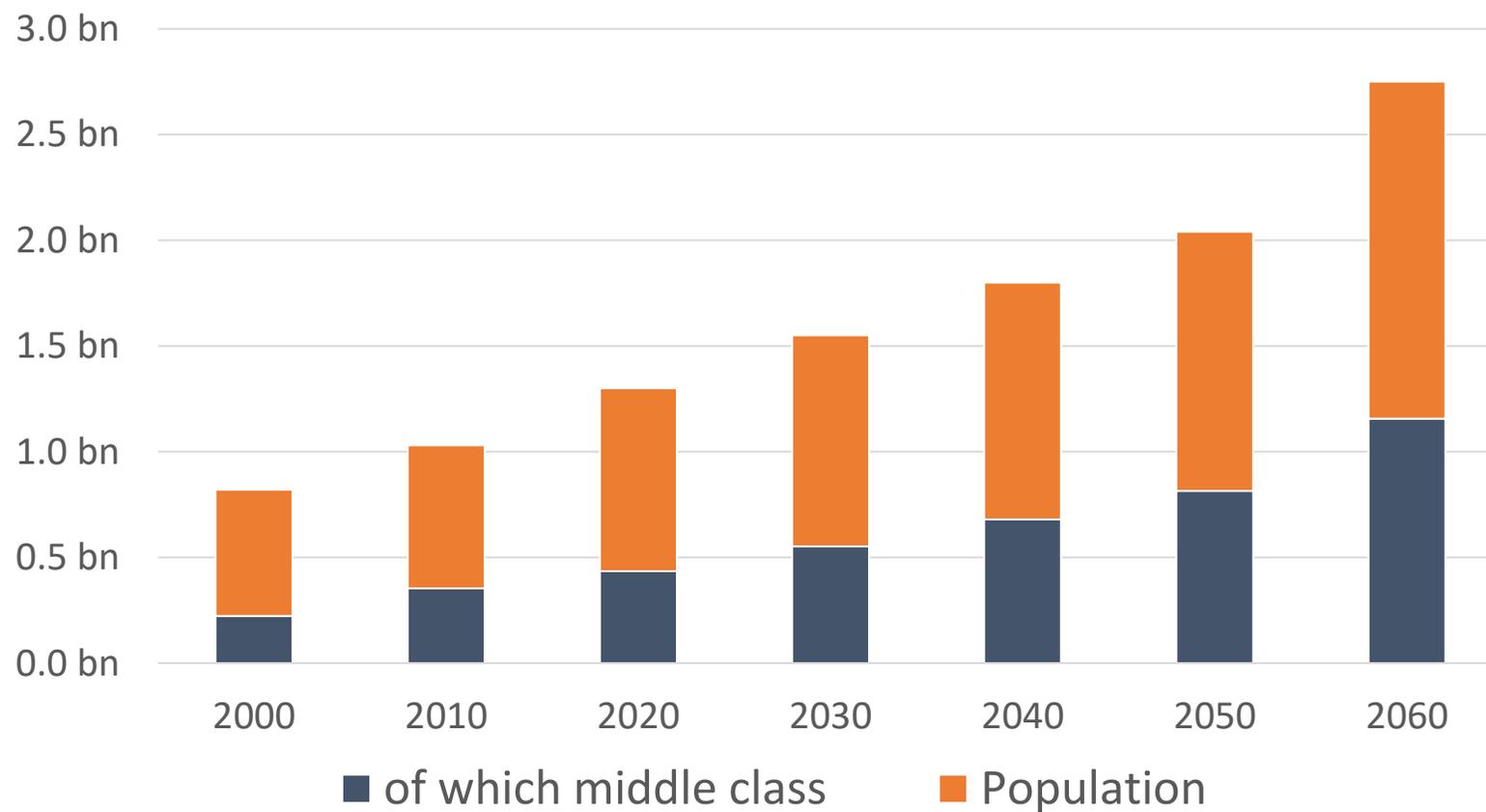
High transport costs (63% higher than in DC and 135% higher than in Europe).



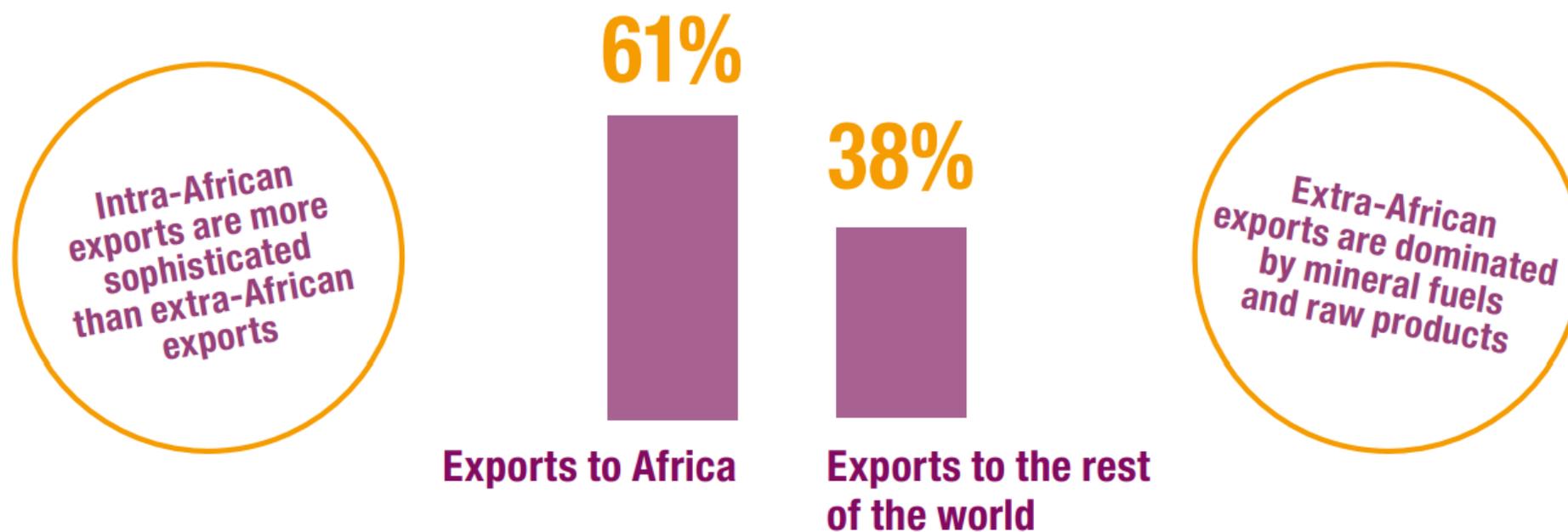
The average cost of freight as a % of the total value of imports is around 11.4% for Africa versus 6.8% for DevCs.

I. Introduction

- 6 of the top 10 fastest growing economies were African in 2019
- Expanding population from 1.3 billion in 2020 to 2.75 billion in 2060
- GDP forecast to grow from US\$3.4 trillion currently to US\$16 trillion in 2060

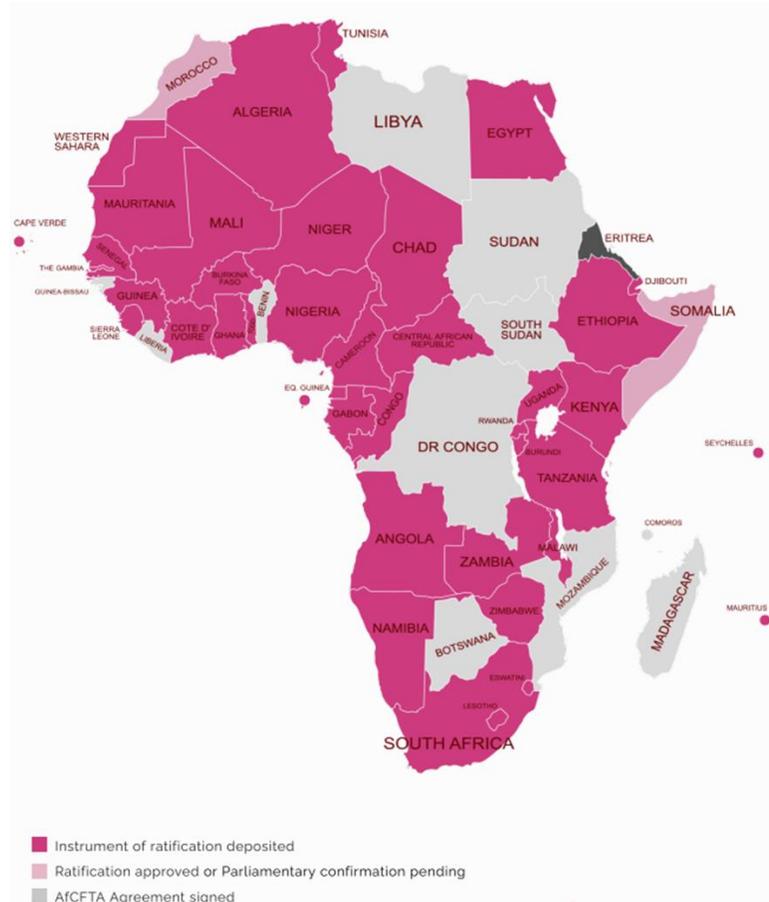


SHARE OF PROCESSED AND SEMI-PROCESSED GOODS IN EXPORTS TO EACH REGION



Africa's exports outside the continent are essentially raw materials
Intra-African trade is more diverse: Promotion of industrialization and diversification of the economy (resilient economy).

Ratifications and signatures



As at 30 June 2022, 43 of the 55 African Union Member States are State Parties by virtue of their depositing of instruments of ratification of the Agreement Establishing the AfCFTA – a demonstration of the assumption of legal commitment to benefit from the rights and assume the obligations inherent in the AfCFTA. It is also a signal of strong political will of the Assembly of Heads of State and Government of the African Union to this groundbreaking development accelerating continental integration initiative

III. Signatures and Ratifications

54 of 55 African countries have signed the AfCFTA Agreement.
State of Eritrea – the only remainder

43 African countries have ratified the AfCFTA Agreement

Guinea-Bissau has ratified and awaiting the necessary gazetting processes

The Secretariat has been advocating for 100% signature and ratification of the Agreement.



II. African Continental Free Trade Area

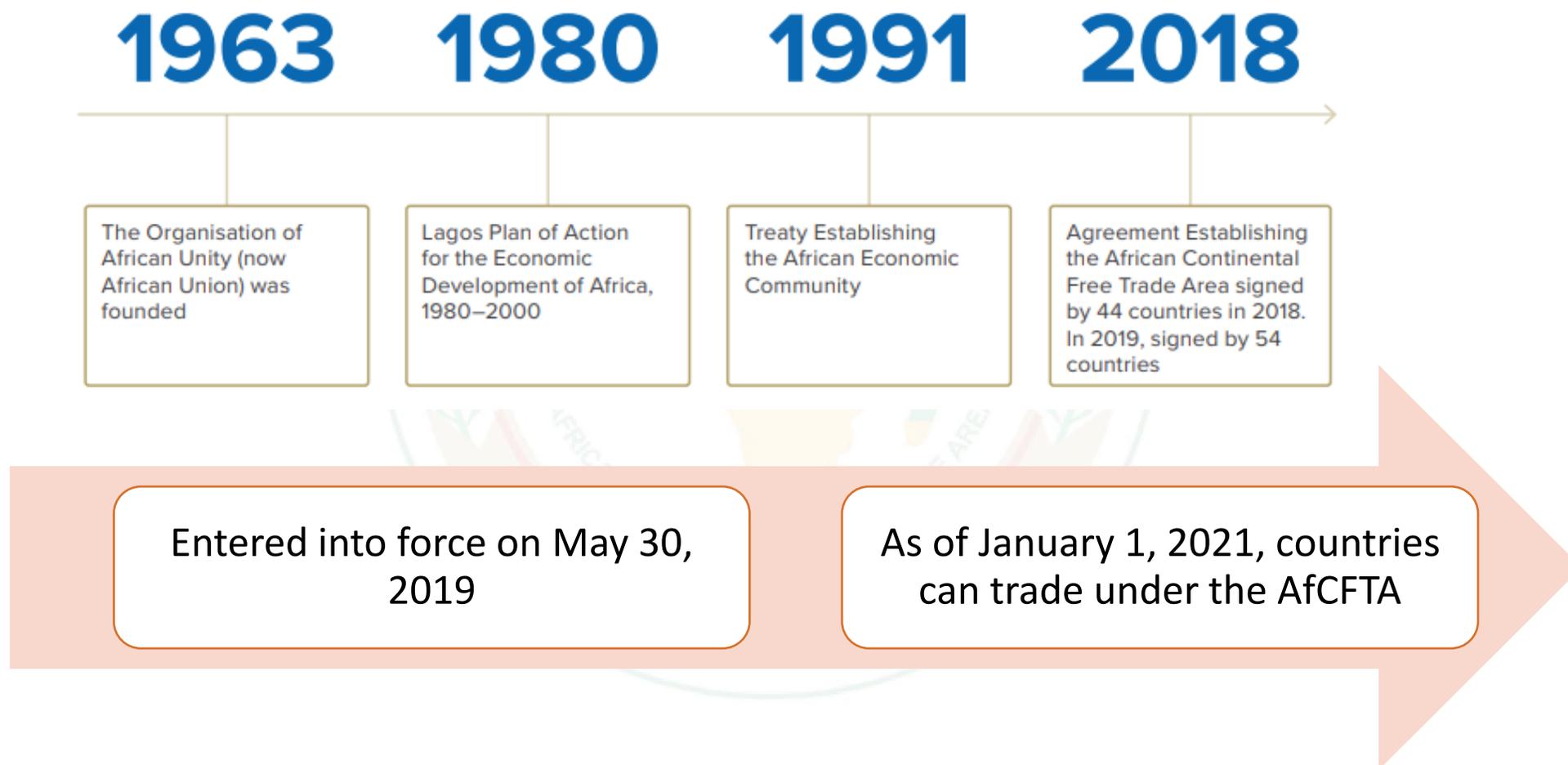
II.A. Creating one African Market

- Largest free trade area since the creation of the WTO (by number of participants)
- 55 countries, 1.3 billion people with a combined GDP of \$3.4 trillion.
- Key tools:
 - Tariff reductions on most tradable products
 - Liberalization of trade in services
 - Clear rules of origin
 - Identification of non-tariff barriers



II. African Continental Free Trade Area

II.A. Creating one African Market

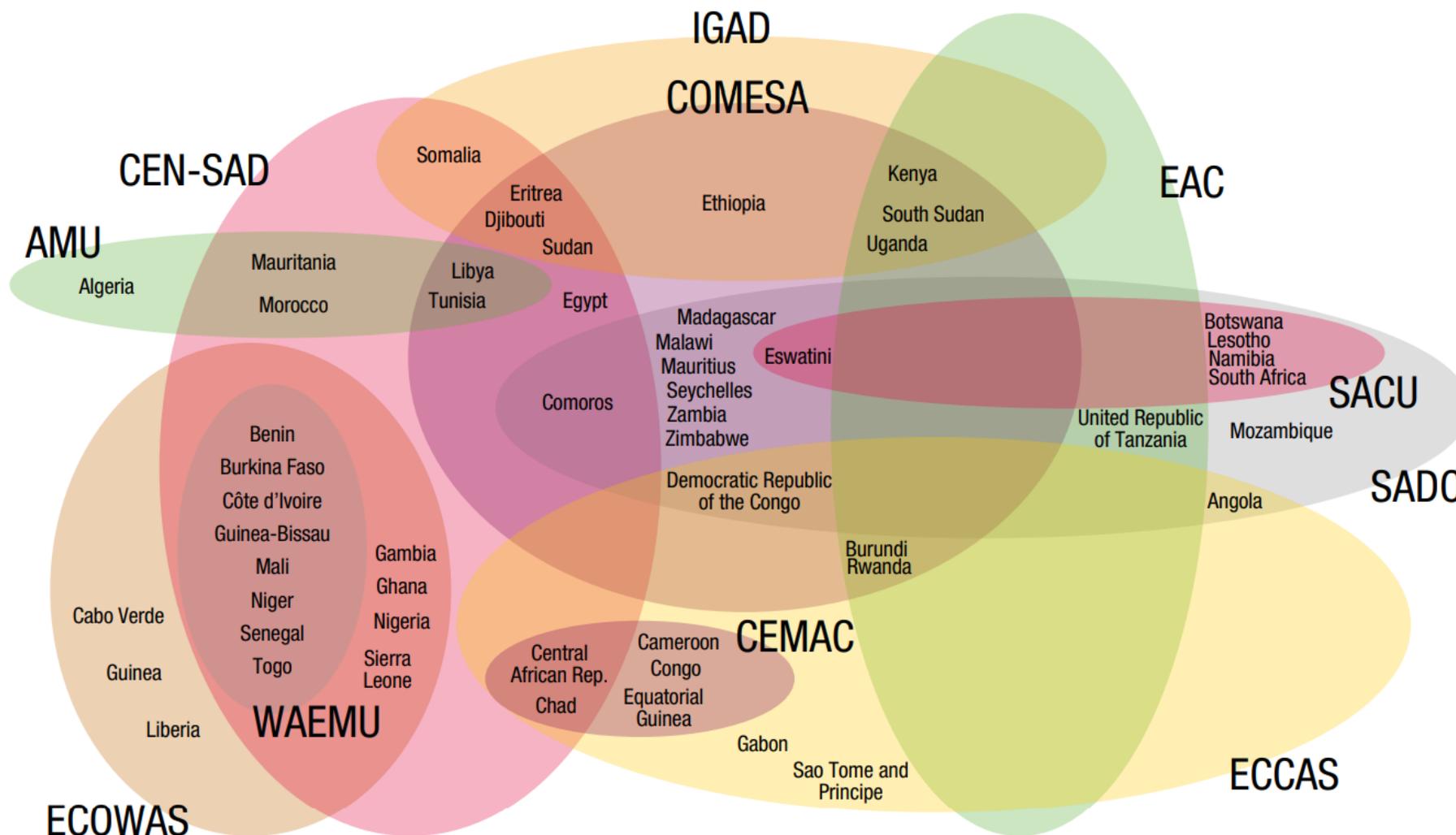


II. African Continental Free Trade Area

II.B. Objectives

- Create a single market for goods, services, facilitated by movement of persons in order to deepen the economic integration of the African continent and in accordance with the Pan African Vision of “An integrated, prosperous and peaceful Africa” enshrined in Agenda 2063;
- Create a liberalised market for goods and services through successive rounds of negotiations;
- Contribute to the movement of capital and natural persons and facilitate investments building on the initiatives and developments in the State Parties and RECs;
- Lay the foundation for the establishment of a Continental Customs Union at a later stage;
- Promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties;
- Enhance the competitiveness of the economies of State Parties within the continent and the global market;
- Promote industrial development through diversification and regional value chain development, agricultural development and food security; and
- Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.

Africa: Overlapping memberships in subregional trade agreements



II. African Continental Free Trade Area

II.C. Tools

- Progressively eliminate tariffs and non-tariff barriers to trade in goods;
- Progressively liberalise trade in services;
- Cooperate on investment, intellectual property rights, competition policy, on customs matters and the implementation of trade facilitation measures and other trade-related areas
- Establish a mechanism for the settlement of disputes concerning their rights and obligations; and
- establish and maintain an institutional framework for the implementation and administration of the AfCFTA.



Creating One African Market

Creating One African Market



II. African Continental Free Trade Area

II.C. Expected impact

- Creating a bigger and integrated regional market for African products;
- Permitting producers to benefit from economies of scale and to access cheaper raw materials and intermediate inputs;
- Improving conditions for forming regional value chains and integrating into global value chains;
- Giving consumers access to cheaper imports from other African countries;
- Better allocation of resources and faster economic and trade growth;
- Catalysing the structural transformation of countries from resource- and low-technology-based economies to more diversified, knowledge-based economies;
- Encouraging both intra-African and external direct capital flows to African countries;
- Stimulating cooperation in other areas such as technology transfer, innovation, investment and continent-wide infrastructure development.

II. African Continental Free Trade Area

II.C. Expected impact



Lift 30 million Africans out of extreme poverty and boost the incomes of nearly 68 million others who live on less than \$5.50 a day

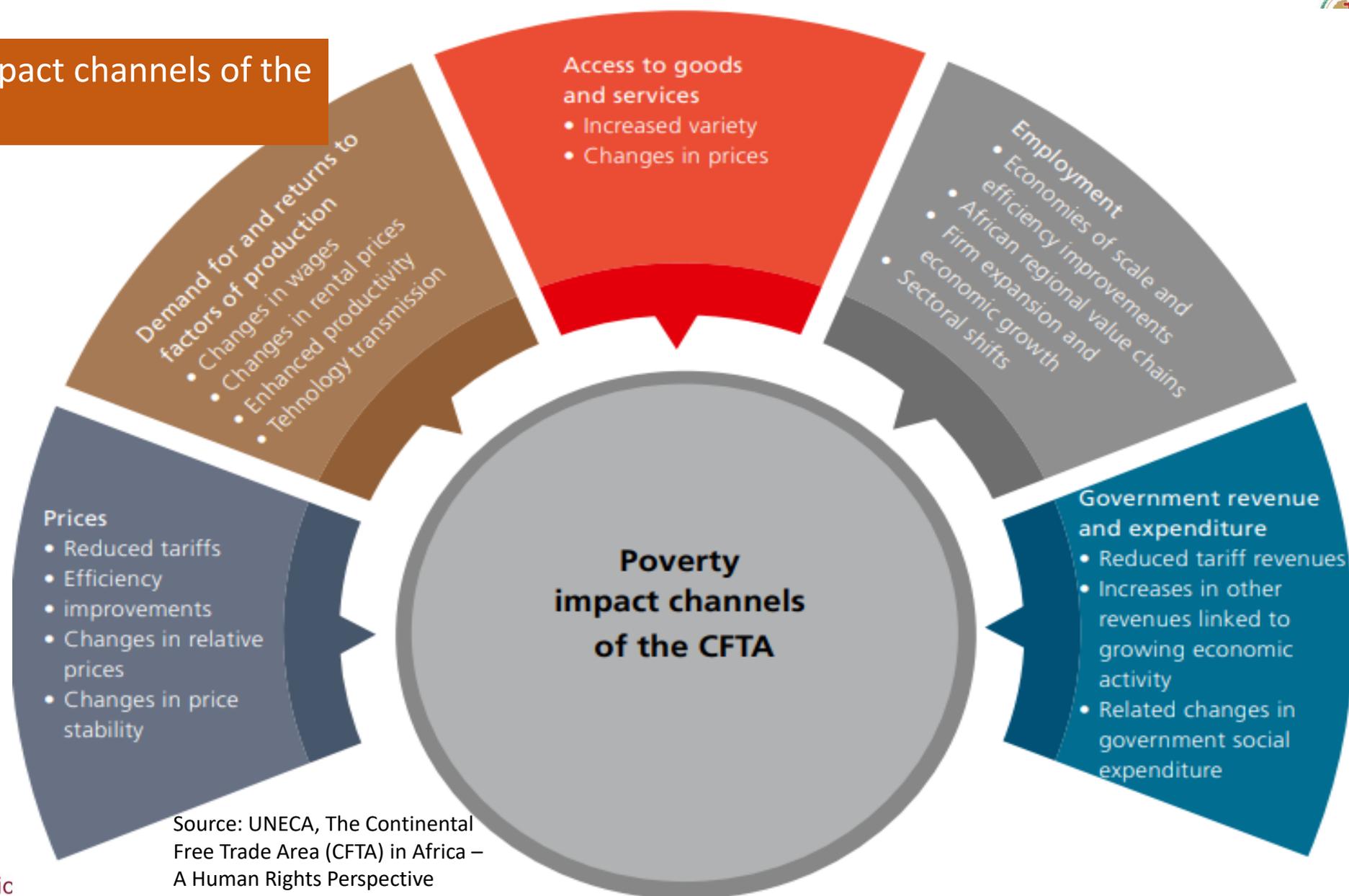
Boost Africa's income by \$450 billion by 2035 (a gain of 7 percent) while adding \$76 billion to the income of the rest of the world.

Increase Africa's exports by \$560 billion, mostly in manufacturing.

Spur larger wage gains for women (10.5 percent) than for men (9.9 percent).

Boost wages for both skilled and unskilled workers—10.3 percent for unskilled workers, and 9.8 percent for skilled workers.

Poverty impact channels of the AfCFTA



Source: UNECA, The Continental Free Trade Area (CFTA) in Africa – A Human Rights Perspective



Agreement Establishing the AfCFTA

Protocol on Trade in
Goods

Annex 1 : Schedule of Tariff Concessions
Annex 2 : Rules of Origin
Annex 3 : Customs Cooperation and Mutual Assistance
Annex 4 : Trade Facilitation
Annex 5 : Non-Tariff Barriers
Annex 6 : Technical Barriers to Trade
Annex 7 : Sanitary and Phytosanitary Measures
Annex 8 : Transit
Annex 9 : Trade Remedies

Protocol on Trade in
Services

Schedules of Specific Commitments;
MFN Exemption(s);
Air Transport Services;

Protocol on Rules and
Procedures for the
Settlement of Disputes

Schedule and Working Procedures of the Panel
Expert Review
Code of Conduct for Arbitrators and Panelists

Phase II negotiations: Women and Youth in Trade, Digital trade, Competition, Intellectual Property and Investment.

IV. Status of negotiations

IV.A. Trade in Goods

Objectifs (art. 2 PTG):

- Progressive elimination of tariffs and non-tariff barriers;
- Enhanced efficiency of customs procedures, trade facilitation and transit;
- Enhanced cooperation in the areas of technical barriers to trade and sanitary and phytosanitary measures;
- Development and promotion of regional and continental value chains; and
- Enhanced socio-economic development, diversification and industrialisation across Africa.

IV. Status of negotiations

IV.A. Trade in Goods

Schedule of Tariff Concessions

(list of negotiated specific tariff concessions and commitments by each State Party)

- Level of ambition of 97% tariff liberalization over a specified period of time = 3%
Exclusions
- 43 African countries have submitted their Offers to the AfCFTA Secretariat
- 4 Customs Unions have submitted Tariff Offers: CEMAC; EAC; ECOWAS and SACU
- 29 initial Tariff Offers have been technically verified and are certified to be ready to commence trading under AfCFTA preferences
- Technical verification continues on the remainder of the initial offers to ensure that they are Summit-modalities compliant

Rules of Origin

(criteria used to define where a product was made)

- 87.8% of the tariff lines have been agreed upon under the RoO negotiations
- 12.3 % of the tariff lines under the RoO negotiations are yet to be agreed upon:
- Provisional application of RoO in existing trade regimes of RECs, pending the adoption of all outstanding issues in the RoO negotiations (CoM).
- Technical work around the outstanding rules to be continued to be a built-in agenda with aim of finalization in September 2022.

IV. Status of negotiations

IV.B. Trade in Services

- Article 3 (among other objectives):
- Enhance competitiveness of services through: economies of scale, reduced business costs, enhanced continental market access, and an improved allocation of resources including the development of trade-related infrastructure;
- Promote sustainable development in accordance with the Sustainable Development Goals (SDGs);
- Foster domestic and foreign investment;
- Accelerate efforts on industrial development to promote the development of regional value chains
- Progressively liberalise trade in services across the African continent on the basis of equity, balance and mutual benefit, by eliminating barriers to trade in services;
- Promote and enhance common understanding and cooperation in trade in services to improve the capacity, efficiency and competitiveness of the services markets
- Promote research and technological advancement in the field of services to accelerate economic and social development.

IV. Status of negotiations

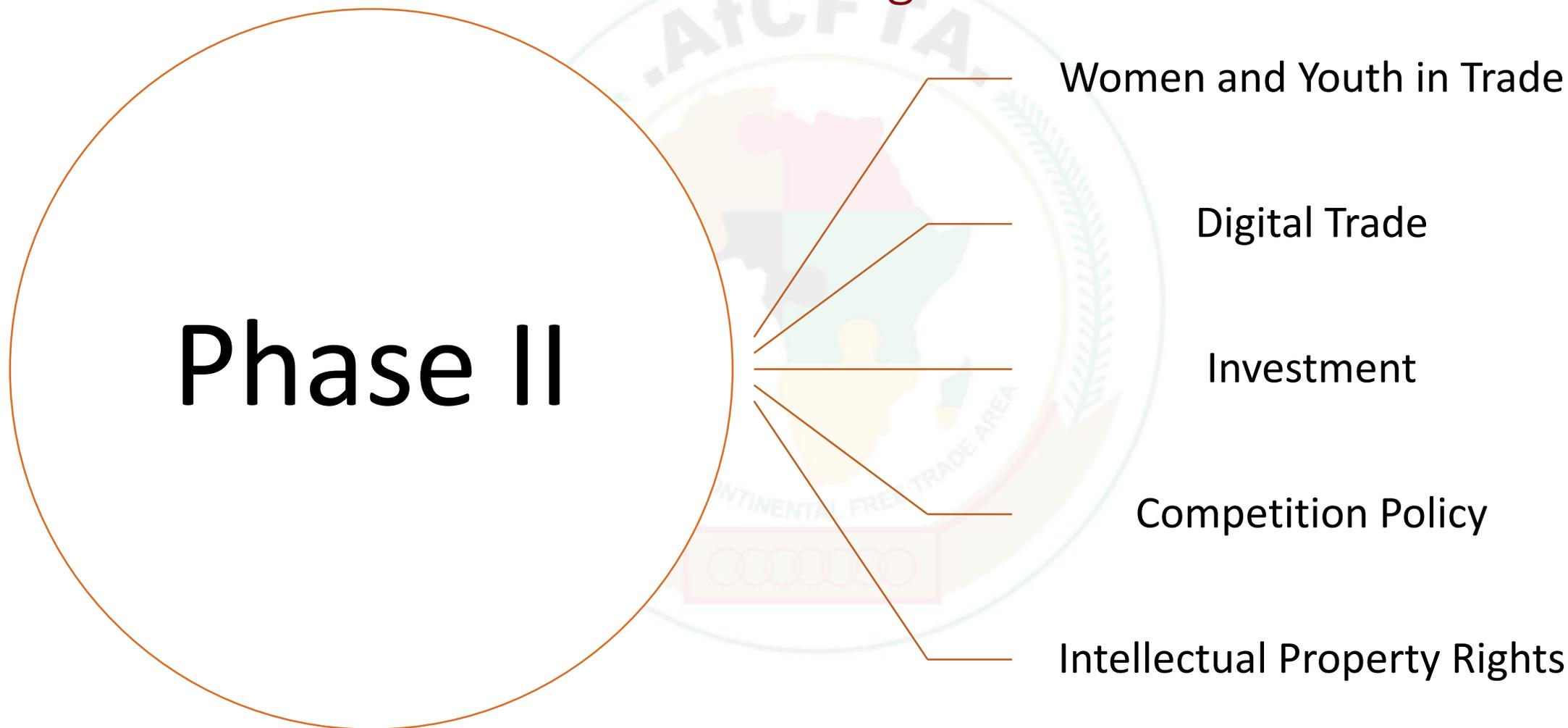
IV.B. Trade in Services

- 46 African countries have submitted their Services Offers
- Technical verification to ensure that offers are in line with the adopted modalities and Guidelines for Negotiating Trade in services under the AfCFTA and regulatory audits for some Member States
- Negotiations on submitted offers in the 5 priority sectors have been carried-out in four Dedicated Sessions (Business Services, Communications, Financial Services, Tourism and Transportation)
- Extension of the deadline for completion of the services negotiations in the 5 priority sectors to 30 June 2022 (CoM decision endorsed by the Assembly).
- Outstanding Issues: Negotiations to commence on the remainder of 7 Services Sectors and regulatory frameworks



IV. Status of negotiations

IV.C. Phase II negotiations



IV. Status of negotiations

IV.C. Phase II negotiations

a) Protocol on Women and Youth in Trade

Youth population can contribute to sustainable growth and development.

Africa is the youngest continent in the world, with a median age of 19.8 years and 65% of the population under age 25.

Africa's large and rapidly growing young labour force is a valuable asset that has the potential to generate a demographic dividend and yield economic and social gains.

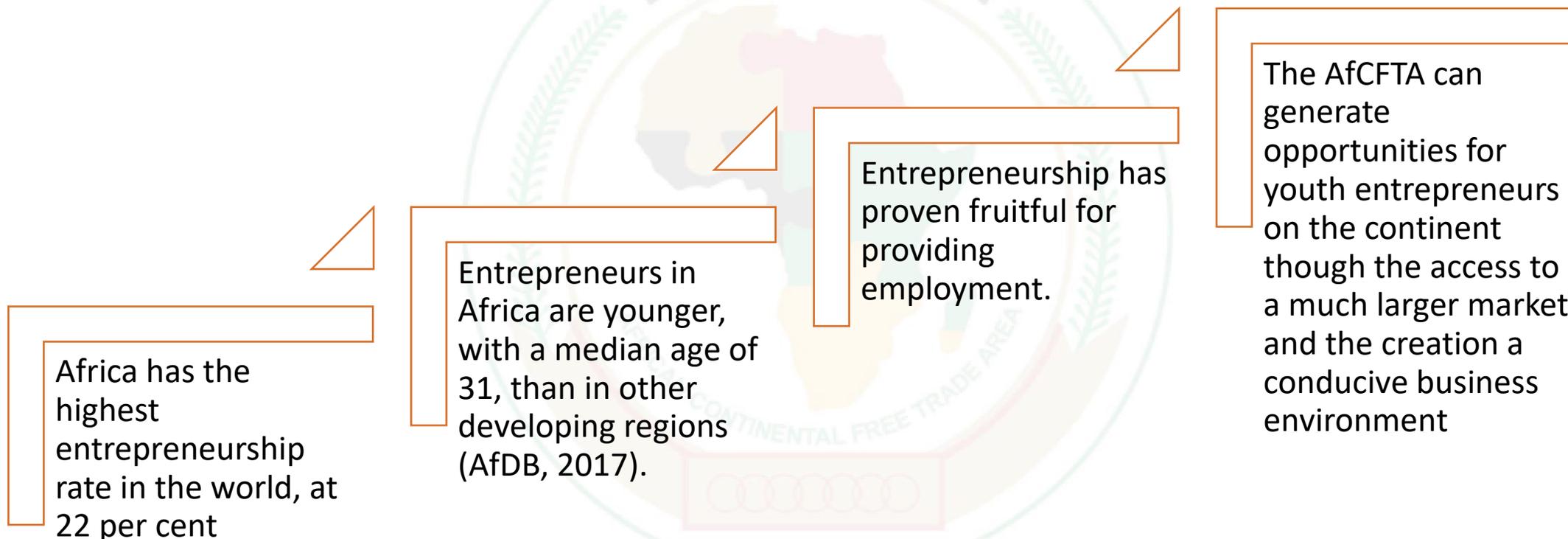
Talent of young Africans as drivers of transformational change, offering a comparative advantage by providing a productive and dynamic labour force full of energy, ideas and willingness to innovate.

Most youth-owned businesses are SMEs, which form the backbone of African economies (they account for over 90% of businesses and employ around 60% of workers).

IV. Status of negotiations

IV.C. Phase II negotiations

a) *Protocol on Women and Youth in Trade*



IV. Status of negotiations

IV.C. Phase II negotiations

a) Protocol on Women and Youth in Trade

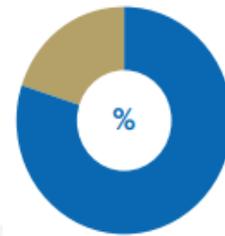
- Mandate: *‘broaden inclusiveness in the operation of the AfCFTA through interventions that support young Africans, women and small and medium enterprises as well as integrating informal cross-border traders into formal economy by implementing the simplified trade regime’* The Assembly (Assembly, December 2020).
- *“To include the Protocol on Women and Youth in Trade in the scope of the AfCFTA Agreement”* (Assembly, February 2022).

Women and Youth in the AfCFTA

Two groups are specifically mentioned in the Agreement: women and youth.

Article 3 (e): promote and attain sustainable and inclusive socio-economic development, **gender equality** and structural transformation of the State Parties.

Per Article 27 (2) (d) of the Protocol on Trade in Services, State Parties are mandated to: “improve the export capacity of both formal and informal service suppliers, with particular attention to micro, small and medium size; women and youth service suppliers”.



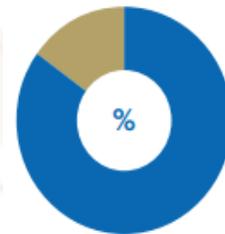
80%

of businesses in Africa are categorized as small- and medium-sized enterprises.



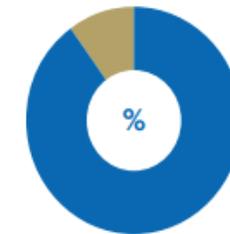
18–35 yrs

African Union defines youth as people aged between 18 and 35.



85%

The informal sector accounts for more than 85 percent of economic activity in Africa.



90%

Women account for nearly 90 percent of the labour force in the informal sector.

IV. Status of negotiations

IV.C. Phase II negotiations

b) Protocol on Digital Trade

Benefits for MSMEs, the increasing use of digital technologies has the following benefits:

Reduce costs of production/trade and to reach a wider range of customers.

Match potential buyers with sellers, regardless of their physical location, thus improving the visibility of the company in different markets.

Help match small producers with available service providers such as logistics, transport and payments.

- Decision to include of digital trade in the AfCFTA negotiations (Assembly, February 2019).
- A Committee was established to coordinate and facilitate the negotiations of digital trade (May 2021).
- Brainstorming Session to determine and identify potential issues to consider in the development of the Protocol on Digital Trade.
- AfCFTA Secretariat participation in several digital trade related meetings

IV. Status of negotiations

IV.C. Phase II negotiations

c) Protocol on Competition

- In the absence of safeguards to fight against anti-competitive practices, certain companies, both national and foreign in particular, can abuse their dominant position.
 - Anti-competitive practices reduce choice, increase prices and thus deprive consumers and other excluded professionals of the benefits of trade liberalisation.
 - Anti-competitive practices can create barriers to market entry (cartels and abuse of dominant position), drive competitors out of the market (predatory practices), contradict the labor market and dictate prices, all of which affect the well-being to be of the consumer.
- The committee developed its working plan for 2022 and adopted indicative work plan to sequence the negotiations.
 - The AfCFTA secretariat has been mandated to develop the competition protocol draft by march 2022.
 - ToR for the Committee on Competition on Policy approved (CoM, 2022)
 - Development of the situational analysis for competition policies in Africa, the indicative program for sequencing for the negotiations and the indicative work plan of capacity building for competition.
 - Extension of the deadline for work on the Committee on Competition on Policy until end of September 2022.

IV. Status of negotiations

IV.C. Phase II negotiations

d) Protocol on Investment

FDI has a positive impact on the economic growth of host countries:

Increased capital accumulation

Greater efficiency

Technological change

Increased exports

Job creation

- A Committee on Investment was established (CoM, 2021).
- Capacity building and regional stakeholder engagements to receive views on the potential issues for inclusion in the Protocol.
- Zero draft of the Protocol developed by a Task Force.
- Situational Analysis on Investment treaties in Africa.
- Adoption of the Modalities and Principles for Negotiating (CoM, 2022)
- Extension of the deadline for the conclusion of negotiations on the Protocol to September 2022.



IV. Status of negotiations

IV.C. Phase II negotiations

e) Protocol on Intellectual Property Rights

- The Committee on IPRs established and its ToR adopted (CoM, 2021).
- The AfCFTA Secretariat organized capacity building activities to enhance the understanding of the members of the Committee on IPRs on regional as well as international IPR-related issues.
- Situational analysis study on the state of play of IPRs in Africa which was presented at the meeting of the Committee on IPRs and deliberated on by members of the Committee.
- The Modalities for the Negotiations is adopted (CoM, 2022)
- The deadline for the conclusion of negotiations on the Protocol on Intellectual Property Rights is extended to 30 September 2022.

- CoM (2022): 44. The Council of Ministers considered the recommendations of the Committee of STO and made the following decisions:
 - i. Took note of the work towards the development of the Protocol on Intellectual Property Rights



State of Readiness for the Start of Commercially Meaningful Trade under the AfCFTA - Decisions of the Last Council of Ministers on Start of Trade

From the (9TH) MEETING OF THE COUNCIL OF MINISTERS OF THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA) REPORT Themed : “Towards the Start of Commercially Meaningful Trade under the AfCFTA” Accra – GHANA, 25 – 26 July, 2022 that is: the state of readiness of the AfCFTA State Parties for the start of trade. The session covered a number of important updates including institutional readiness; the readiness of key instruments under the Agreement Establishing the AfCFTA, the next key steps and areas where immediate action is required to actualise readiness for full utilisation of AfCFTA preferences.

Institutional Readiness

As prescribed by the Agreement Establishing the AfCFTA, all implementing institutions, including Committees and sub-Committees under the Protocols on Trade in Goods and Trade in Services, have been duly established.

Institutional Readiness

As the lead administrative organ of the AfCFTA institutions, the Secretariat is also in good shape and ready to facilitate the trading across the State Parties. We have attained more than 90% recruitment record in the Phase I recruitments, with 100% gender parity and equal geographic representation across the 5 regions of Africa – Central, East, West, Southern and Northern Africa. Recruitments of 265 positions under the Phase II structure have also commenced in earnest; and in line with the decisions of the Council of Ministers, these recruitments will continue to be transparent, meritbased and open to all State Parties and non-State Parties.

V. Status of implementation

V.A. Customs operations

- Establishment of the AfCFTA Committee of the Director Generals of Customs (4th Meeting of Council of Ministers) and the Sub-Committee on Customs Cooperation, Trade Facilitation, and Transit.
- Meeting of Ministers responsible for trade, Director Generals of Customs, Customs and Trade Experts on 16th and 17th September 2021 to discuss issues of Trade Facilitation, Transit and Customs Cooperation along the Corridor.
- As a pilot project, the Secretariat is directly engaging with the traders, economic operators and stakeholders on ground (public and private) so as to assess the implementation of the Abidjan – Lagos Corridor.
- Corridor by corridor approach to promoting trade facilitation, transit and customs cooperation programmes and the overall effective implementation of the AfCFTA Agreement.



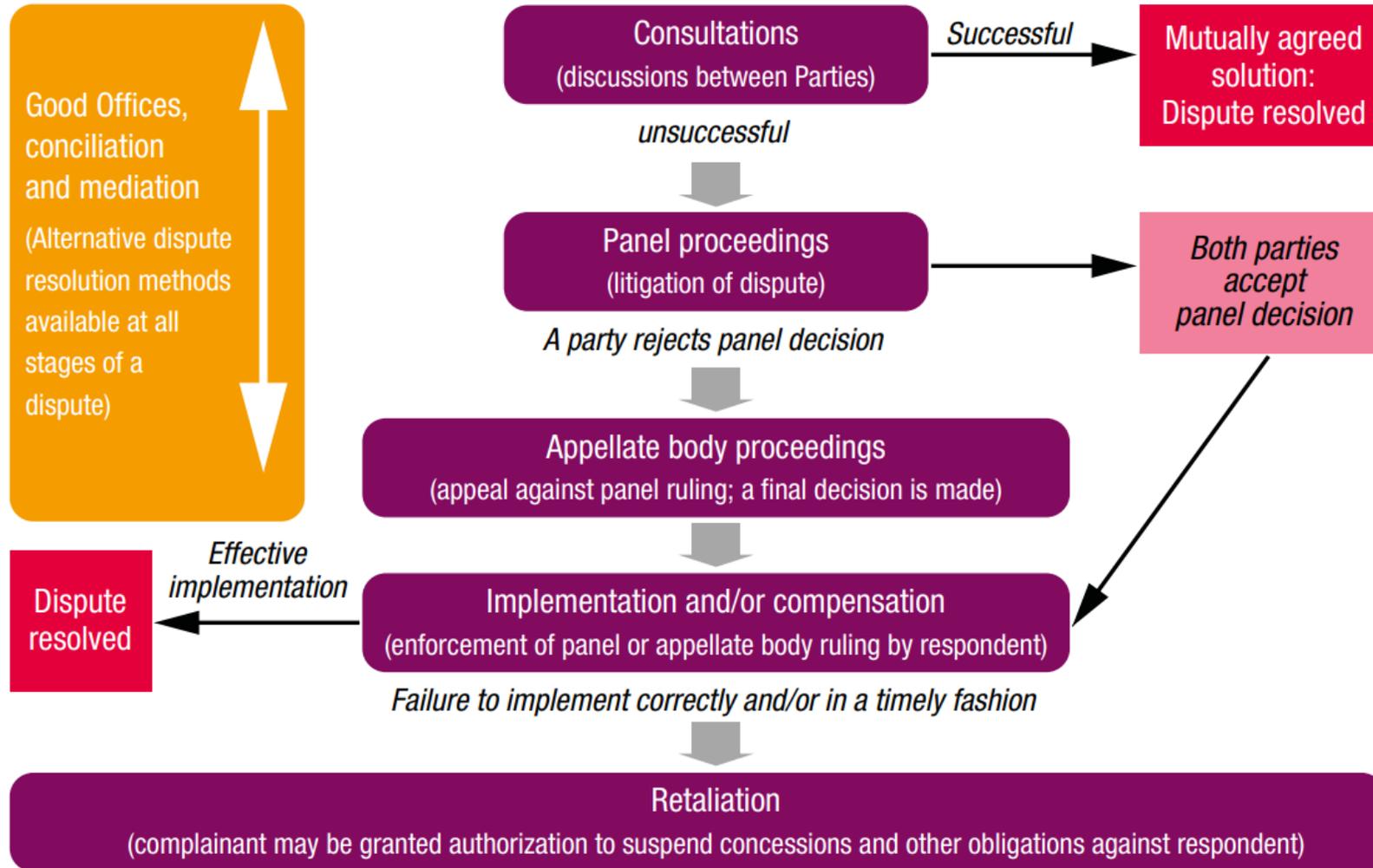
V. Status of implementation

V.B. Dispute Settlement



Objective (art. 2): Provides for the administration of the Dispute Settlement Mechanism (...) and aims at ensuring that the dispute settlement process is transparent, accountable, fair, predictable and consistent with the provisions of the Agreement.

African Continental Free Trade Area dispute settlement mechanism

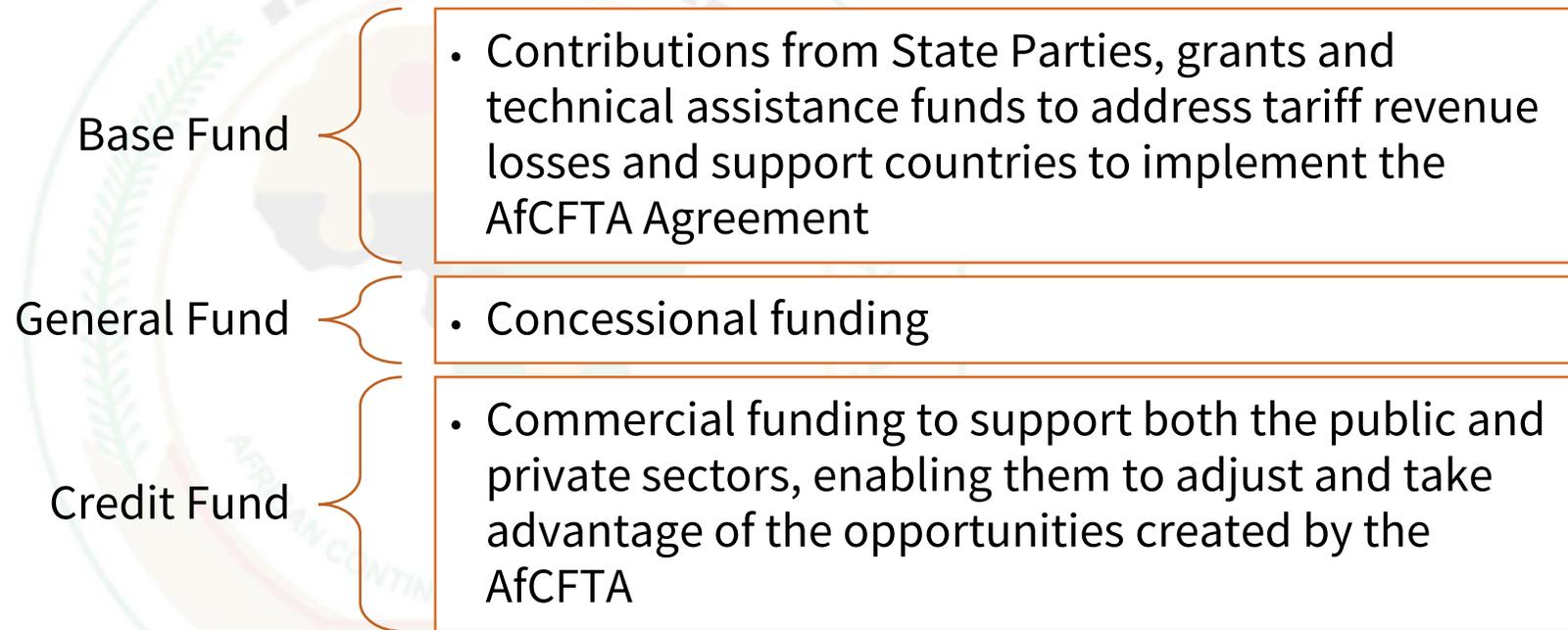


Source: UNCTAD, based on African Union, 2018b.

VI. AfCFTA Implementation Tools

VI.A. Adjustment Facility

- Adjustment Fund to respond to the challenges of short-term negative impact of the liberalization process on State Parties' fiscal capacities.
- An Agreement relating to the management of the Base Fund was signed on 9 February 2022 with Afreximbank.



VI. AfCFTA Implementation Tools

VI.B. Pan-African Payments and Settlements System (PAPSS)

- By Decision Ext/Assembly/AU/Dec.1(XII), the 12th Extra-Ordinary Session of the Assembly of Heads of States and Governments held in July 2019, launched the PAPSS.
 - Commercial launch of the PAPSS on the 13th January 2022.
 - The pilot for PAPSS was focused on the West African Monetary Zone (WAMZ).
-
- Assembly 2022.
 - 43. COMMENDS the Government of the Republic of Ghana for successfully hosting the commercial launch of the Pan-African Payments and Settlement System (PAPSS) leading to the operational phase of PAPSS, piloting and execution of transactions in the West African Monetary Zone (WAMZ), and DIRECTS the AfCFTA Secretariat and the Afreximbank in consultation with Member States and Governors of the Central Banks to deploy the System to cover the entire continent and finalize the regulatory frameworks.

VI. AfCFTA Implementation Tools

VI.C. Intra-Africa Trade Fair (IATF)

- Bi-annual trade show convened by the AUC, the AfCFTA Secretariat and the Afreximbank.
- The overall aim is to boost intra-African trade by filling existing trade and market information gaps that negatively affect the level of trade within the continent.
- Platform allowing key trade stakeholders and players to share information and best practices on trade, investment, and markets; provides a unique opportunity for government, selected buyers, investors, entrepreneurs, and product manufacturers to discuss relevant trade-related policy issues and opportunities; and offers exhibitors an opportunity to showcase their goods and services and conclude deals.
- During the second IATF (Durban, 2021), US\$42.1 billion worth of trade and investment deals were signed; and attracted 1161 exhibitors against the targeted 1100 exhibitors.
- The III edition to be hosted by the Cote d'Ivoire in November 2023.

IATF[®] Intra-African
Trade Fair
2023

VI. Private Sector Engagement

VI. D. Value Chains Development

- The potential for value chains development is critical to the implementation of the AfCFTA. Article 3 (g) of the AfCFTA Agreement sets the objective to “*promote industrial development through diversification and regional value chain development, agricultural development and food security*”.
- Four value chains prioritized for the first set of interventions, based on high potential for meeting demand locally and the ability to produce the goods locally



VI. Private Sector Engagement

VI.E. Launch of the AfCFTA Business Investment Forum



- The AfCFTA - Business Investment Forum, launched on 3 August 2021 by the President of the Republic of Angola, aims to further expand business relations through the promotion of investment and mutually complementary partnerships in the relations between countries.
- AfCFTA will continue to provide a platform for business to government engagements through the Business- Investment Forums and intends to strengthen its efforts for the year 2022.
- Seek opportunities to support respective governments' engagements with the private sector.





AfCFTA
Secretariat

THANK YOU!

Creating One African Market

www.afcfta.au.int



AfCFTA
Secretariat

An Organ of the
African
Union



African Continental Free Trade Area Secretariat



AfCFTA Secretariat



African Continental Free Trade Area (AfCFTA) Secretariat

www.afcfta.au.int

AfCFTA and implications for businesses

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Empowering MSMEs, Women and Youth Entrepreneurs to Harness the AfCFTA

Capacity Building Workshop for East African BSOs

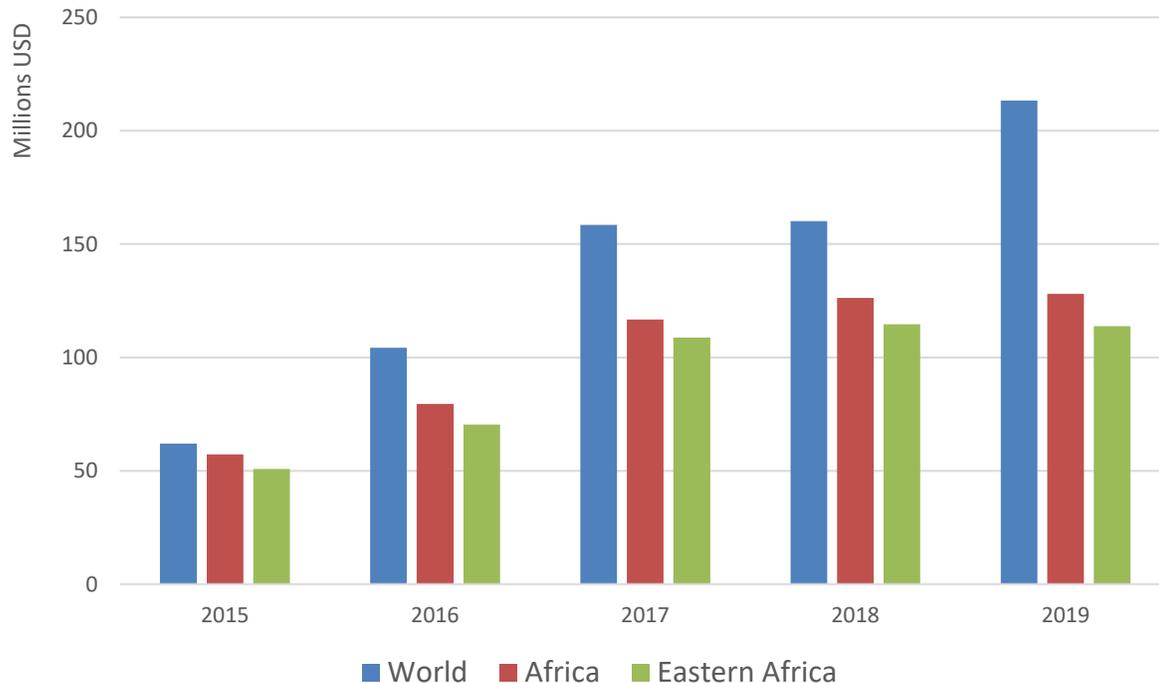
20-22 September 2022, Hotel Africana, Kampala, Uganda

Untapped potential of dairy markets in Africa

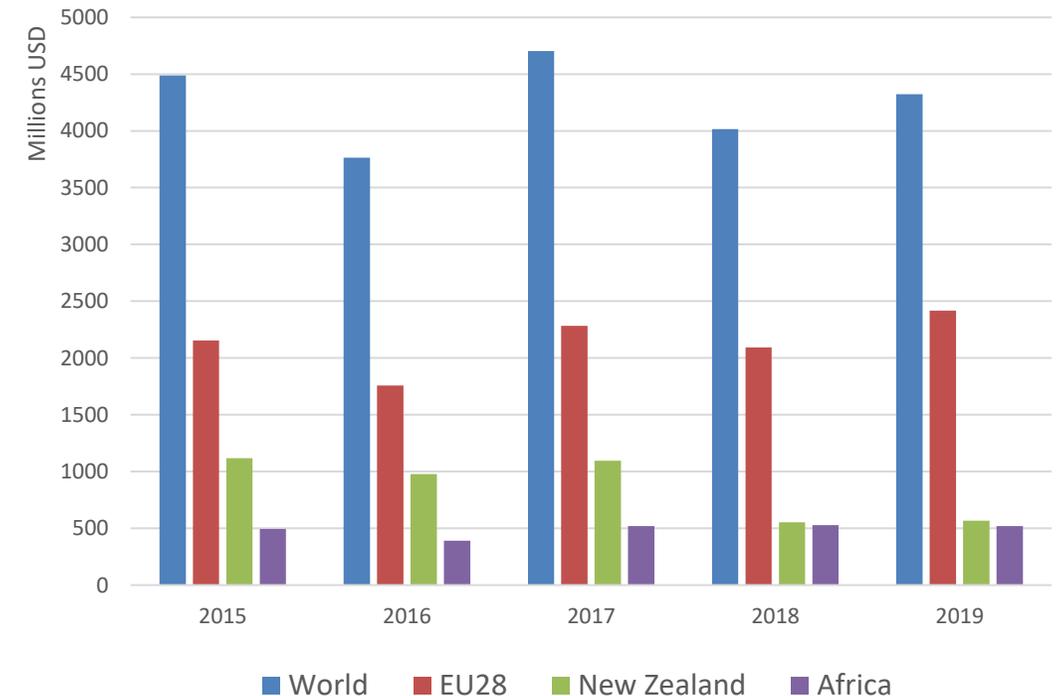
- ❑ Dairy products from EA traded mainly in regional markets;
- ❑ Dairy products composed mainly of Milk, cream and milk products --- low value added for by products such as butter



Exports of Dairy products by EA region

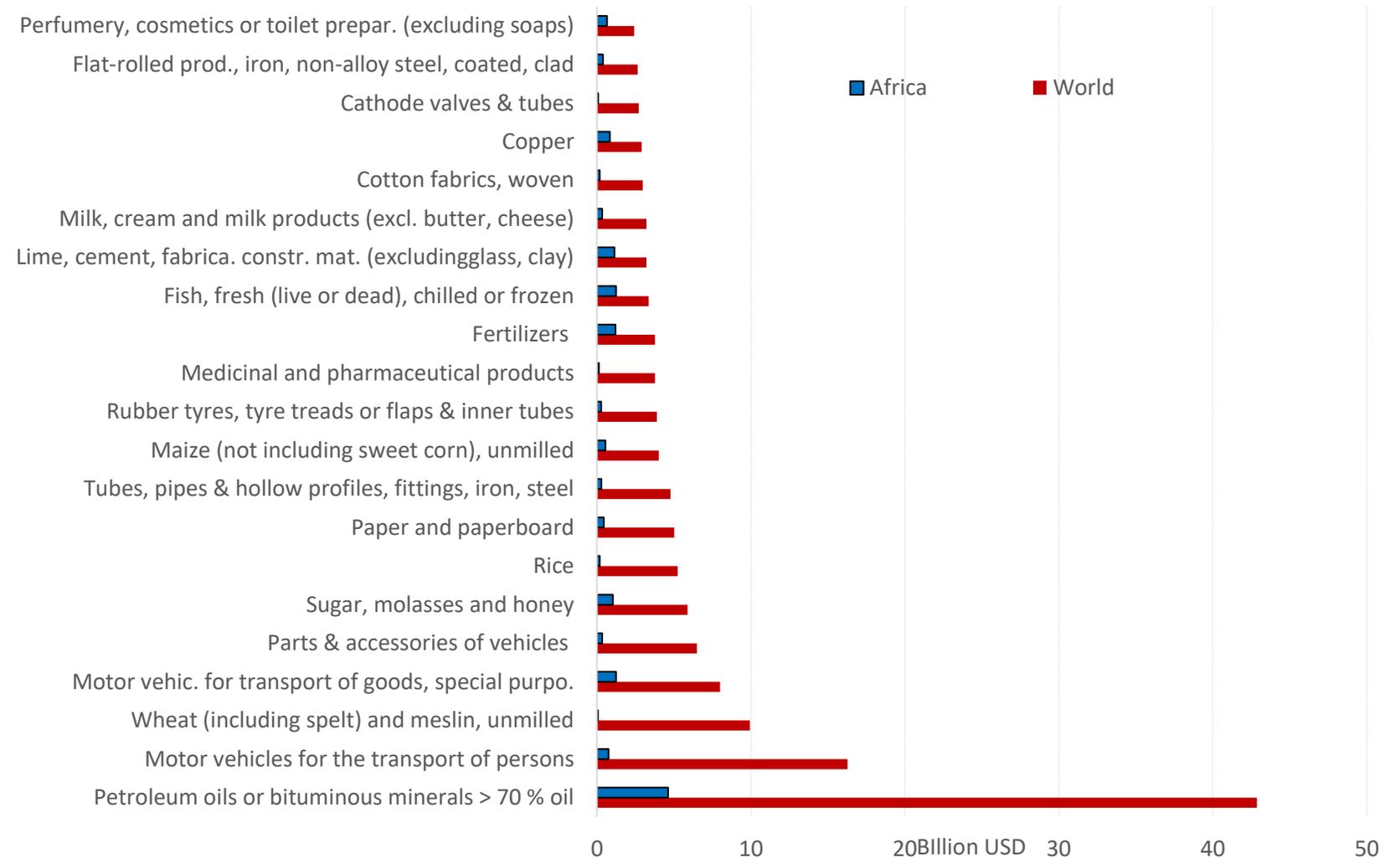


Africa's imports of Dairy products by main import partners



AfCFTA as a game changer : Opportunities across sectors

Selected top products imported by Africa, world and intra-African values (annual average 2016-18)



AfCFTA : Rationale (1/1)



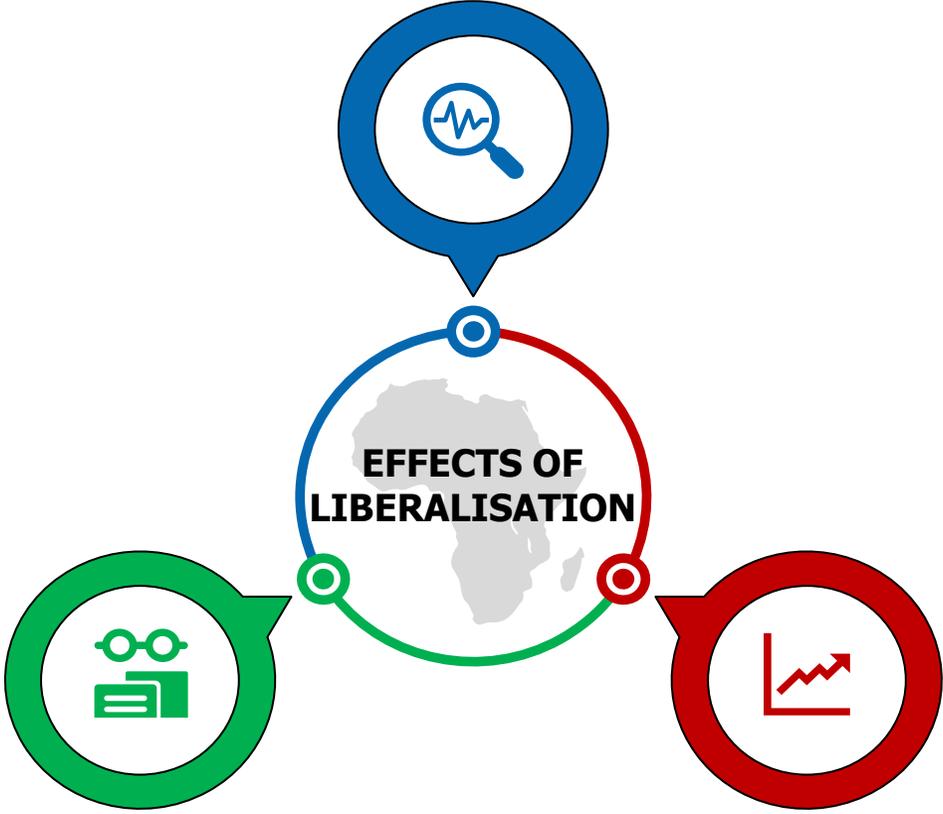
- African economies **are fragmented** : difficulties to build competitive productive capacities
- **About 20 African countries** have populations under 10m
- Trade frustrated by more than **100 unique land borders** between countries
- AfCFTA to consolidate Africa market of 1.3bn people
- Allowing: **scale economies, improved competition, lower business costs**



AfCFTA : Rationale (1/2)

PRODUCTION AND MARKET LINKAGES

Development of regional value chains, which offer opportunities for countries to climb up the value chain and opportunity for countries in the region to link gainfully into continental value chains.



COMPETITION

Liberalization promotes fair and healthy competition, ensures efficient market outcomes and expanded opportunities for economic growth and trade.

ECONOMIC GAINS

Liberalization is expected to increase Africa's GDP and exports due to intra-African trade among participating countries.

AfCFTA Framework : Scope

Trade in goods

- Progressive elimination of tariffs
- Elimination of non-tariff barriers
- Rules of Origin
- Cooperation of customs authorities / Trade facilitation and transit

Trade in Services

- Transparency and convergence in service regulations
- Mutual recognition of standards, licensing and certification of services suppliers
- Progressive liberalization of services sectors

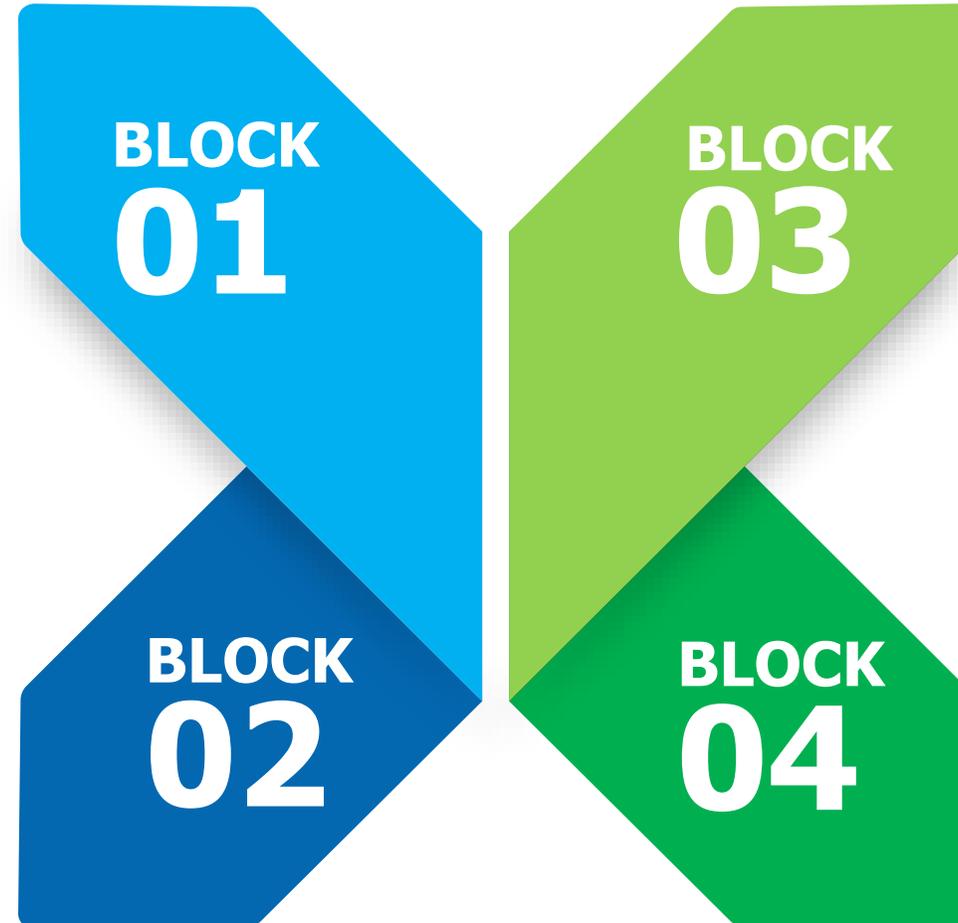
...and more

- Intellectual property rights,
- Investment
- Competition policies
- Digital trade
- Women and Youth in Trade

RECs : The Building Block of the AfCFTA

The Preamble to the AfCFTA Agreement:
RECs are building blocks *"towards the establishment of the African Continental Free Trade Area"*

Article 19(2) of the AfCFTA Agreement



AfCFTA negotiations are guided by best practices in the RECs

With the advent of the African continental Customs Union, RECs to be subsumed by the AfCFTA

Modalities of tariff liberalization under AfCFTA (1/2)



A

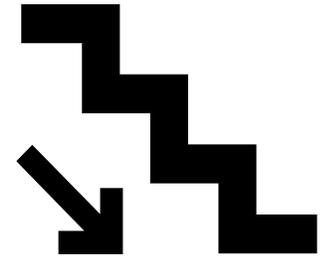
Non-Sensitive Products

Tariffs on 90 per cent of goods from AfCFTA State parties will be reduced at "linear rates": 5 years for non-LDCs and 10 years for LDCs.

B

Sensitive Products

For the 7% of "sensitive" goods, tariffs will be reduced within: 10 years for non-LDC countries and 13 years for LDCs



C

Excluded products

Tariffs will be maintained on 3% of products "excluded" from liberalization

Modalities of tariff liberalization under AfCFTA (2/2)



A

Non-Sensitive Products

Example : Exports of rice from country X to Z

B

Sensitive Products

C

Excluded products

HS / National Code	Description	AfCFTA Category	Time Frame	MFN Rate	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
10.06	Rice.																
1006.10	- Rice in the husk (paddy or rough)																
<input type="checkbox"/> 1006.10.10	-- De semence	A	10	5	4.5	4	3.5	3	2.5	2.0	1.5	1.0	0.5	0	0	0	0
<input type="checkbox"/> 1006.10.90	-- Autres	B	13	5	5.0	5	5.0	5	5.0	4.4	3.8	3.1	2.5	1.9	1.3	0.6	0

Understanding the rules : Rules of Origin



Key Question : what are the conditions under which a product can benefit from reduced tariffs or can access AfCFTA markets duty free ?

Cocoa grown in Côte d'Ivoire and processed into chocolate in Ghana or Côte d'Ivoire and exported to Ethiopia



Cocoa grown and processed into Cocoa Butter in Brazil then exported and packaged in Côte d'Ivoire and re-exported to South Africa

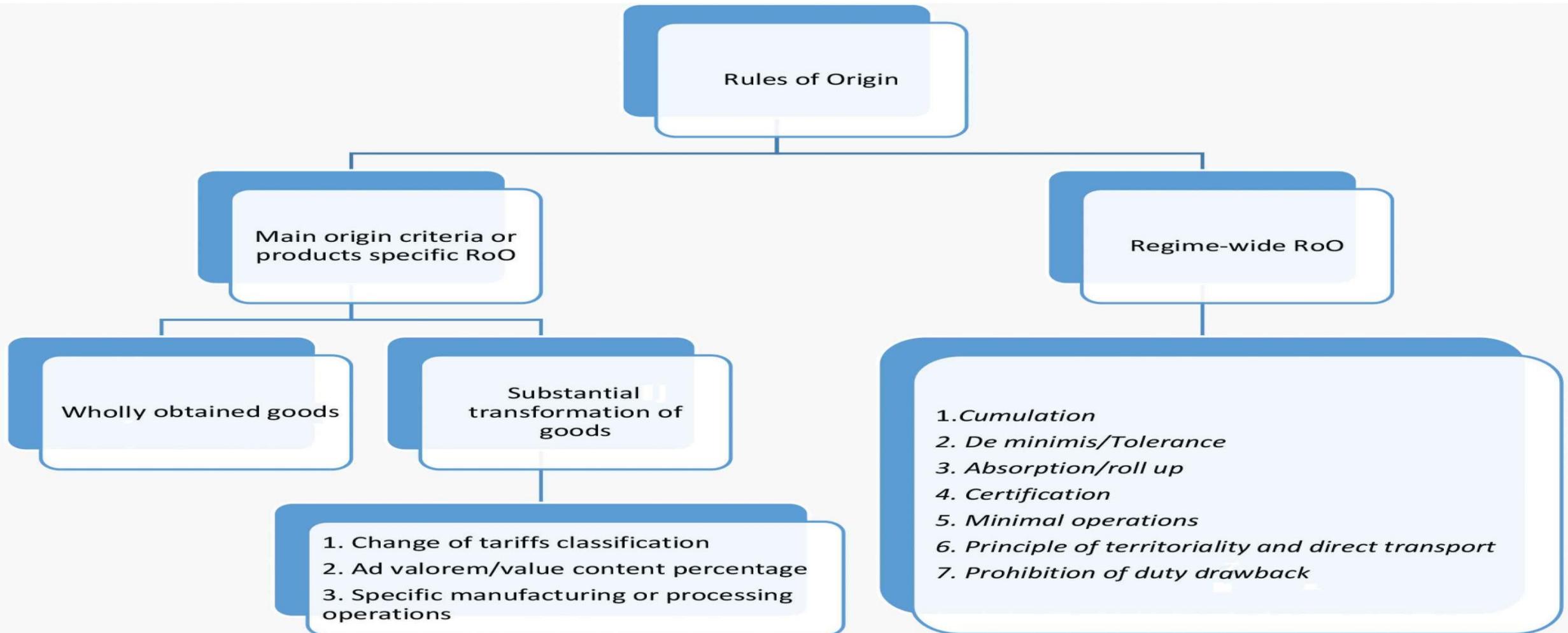


X% Burkina Faso cotton mixed with Y% Indian cotton then processed into cotton yarn in Burkina Faso and exported to Cameroon (X and Y to be determined with AfCFTA RoO)



Rules of Origin : Concept and definition

Rules of Origin : “economic nationality” of a product



Rules of origin under the AfCFTA

RoO under the AfCFTA

Wholly obtained in AfCFTA member
*e.g. live animals born and raised in a State Party;
mineral products extracted from the ground, food
products grown and harvested in the member country*

Undergone **substantial transformation** in a state party
*e.g. Cocoa beans to chocolate, cotton
lint to fabrics, etc.*

Understanding the rules : Operations not conferring origin under the AfCFTA

- (a) operations exclusively intended to preserve Products in good condition during storage and transportation;
- (b) breaking-up or assembly of packages;
- (c) washing, cleaning or operations to remove dust, oxide, oil, paint or other coverings from a Product;
- (d) simple ironing or pressing operations;
- (e) simple painting or polishing operations;
- (f) husking, partial or total bleaching, polishing or glazing of cereals and rice;
- (g) operations to colour sugar or form sugar lumps, partial or total milling of crystal sugar;
- (h) peeling, stoning or shelling of vegetables of Chapter 7, fruits of Chapter 8, nuts of Heading 08.01 or 08.02 or groundnuts of Heading 12.02, fruits, nuts or vegetables;

- (i) sharpening, simple grinding or simple cutting;
- (j) simple sifting, screening, sorting, classifying, grading or matching;
- (k) simple packaging operations, such as placing in bottles, cans, flasks, bags, cases, boxes or fixing on cards or boards;
- (l) affixing or printing marks, labels, logos, and other like distinguishing signs on the Products or their packaging;
- (m) simple mixing of Materials, whether or not of different kinds; which does not include an operation that causes a chemical reaction;
- (n) simple assembling of parts of articles to constitute a complete article;
- (o) a combination of two or more operations specified in subparagraphs (a) to (n); and
- (p) slaughter of animals.

Liberalization of Services

MODE 1

CROSS-BORDER SUPPLY

Service flows that move from the territory of one Member into the territory of another member
e.g. Banking or architectural services transmitted via telecommunication or mail

MODE 2

CONSUMPTION ABROAD

Service consumer moves into another Member's territory to obtain a service
e.g. Student, Tourist or patient

MODE 3

COMMERCIAL PRESENCE

Service supplier of one Member establishing territorial presence through ownership or lease of premises in another Member's territory to provide a service
e.g. Domestic subsidiaries of foreign insurance companies or hotel chains

MODE 4

PRESENCE OF NATURAL PERSONS

Consists of a person of one Member entering the territory of another Member to supply a service
e.g. Accountants, Lawyers doctors or teachers

Operational instruments of the AfCFTA



RULE OF ORIGIN

Criteria which confer to a specific product "an economic nationality". AfCFTA RoO determine the minimum level of processing of a product on the continent so that it benefits advantages provided by the Agreement

[https://etariff.au-afcfta.org/assets/manuals/AfCFTA RULES OF ORIGIN MANUAL.pdf](https://etariff.au-afcfta.org/assets/manuals/AfCFTA_RULES_OF_ORIGIN_MANUAL.pdf)



ONLINE TARIFF PORTAL

Online mechanism ensure that tariff concession schedules are easily accessible to Trade and Customs Authorities, to allow them to make use of the benefits under the AfCFTA agreement and to enhance knowledge and capacities in the use of tariffs

[eTariff - AfCFTA \(au-afcfta.org\)](https://etariff-afcfta.org)

....



NON-TARIFF BARRIERS (NTB) MECHANISM

Online mechanism for notification, monitoring and elimination of NTBs under the AfCFTA. The tool is accessible via <https://tradebarriers.africa/>

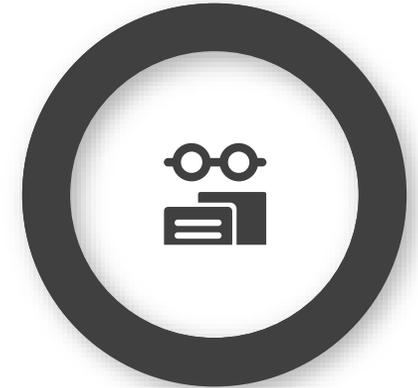
[Non-Tariff Barriers :: Trade barriers in Africa](https://tradebarriers.africa/)



PAN-AFRICAN PAYMENT AND SETTLEMENT PLATFORM

Digital payment system that will help companies to clear and settle intra-African trade transactions for goods and services in their local currencies

[PAPSS - Make instant and secure cross-border payments in local currencies across Africa](https://papss.africa/)



AFRICAN TRADE OBSERVATORY

Online platform that collect, process and analyse intra-Africa trade data and other related information.

<https://ato.africa/en>

Reaping AfCFTA benefits is not automatic...



INVESTMENT



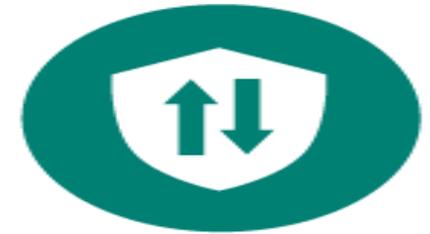
PRODUCTION



TRADE
FACILITATION



TRADE-RELATED
INFRASTRUCTURE



IMPORT
DEFENCE

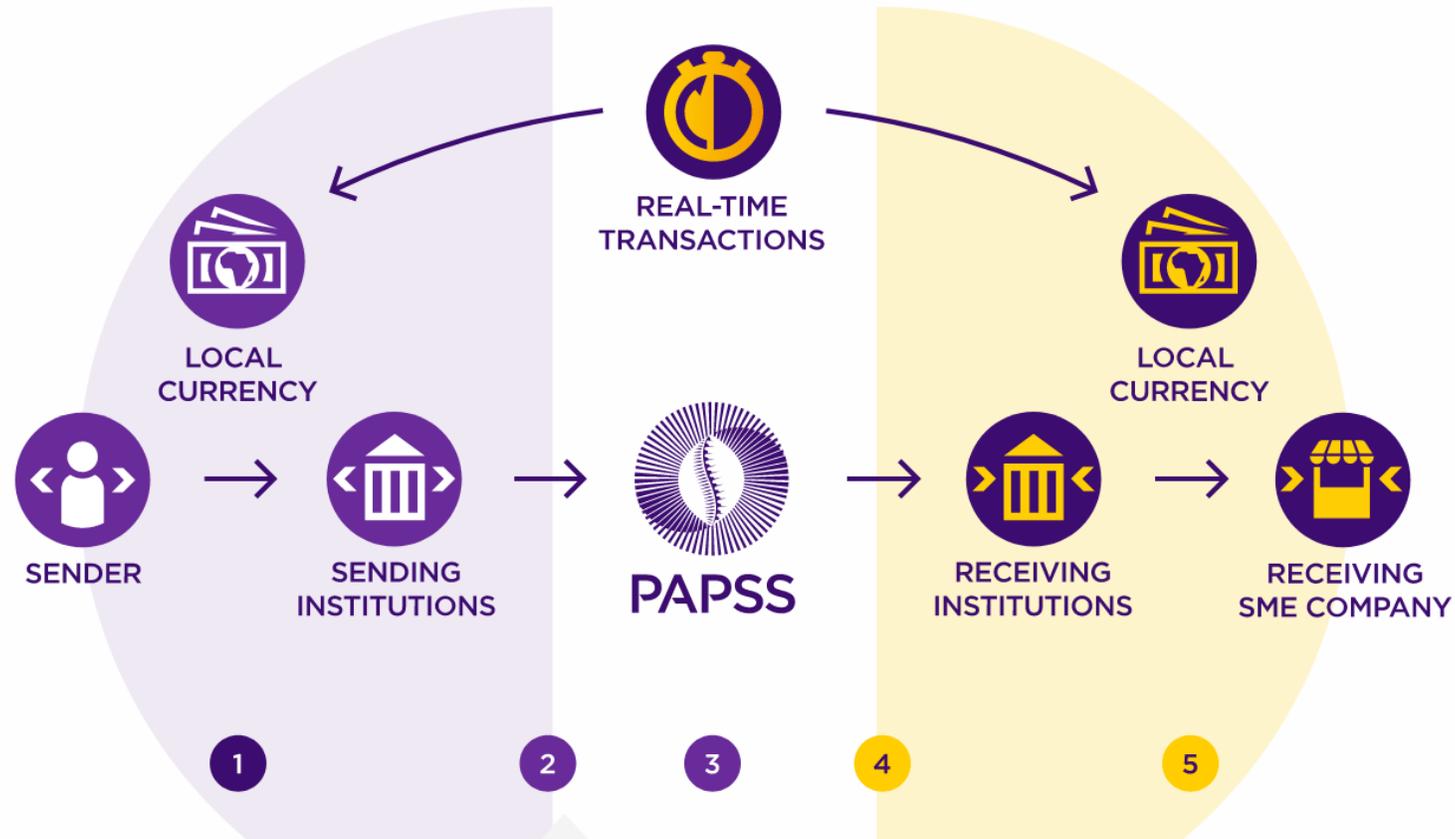
- ❖ Great **understanding / awareness of trade rules & practices** under AfCFTA framework (tariffs schemes, rules of origins, SPS, trade facilitation mechanism, Online NTB reporting mechanisms, etc.) by the private sector;
- ❖ **Market prospections** including through trade fairs (e.g. Intra-African Trade Fair), Trade exhibitions and conferences;
- ❖ Countries **competitiveness/ attractiveness/comparative advantages/positioning as regional hubs**, etc;



THANK YOU / MERCI / ASSANTE

AfCFTA tools

Pan African Payment and Settlement Service



[PAPSS - Make instant and secure cross-border payments in local currencies across Africa](https://papss.com)

papss.com

Pan African Payment and Settlement Service



[Back to Main Website](#)

[Rules of Origin](#)

[EN](#) [FR](#) [ES](#) [AR](#) [PT](#) [SW](#)



Search by map for Importing State Party



-   State Parties where Tariff Concession Schedules have been submitted and verified
-  State Parties where Tariff Concession Schedules have not yet been submitted or verified

Search by keywords

I am exporting from 

I am importing into 

Search for product 

[BEGIN SEARCH →](#)

Select AfCFTA State Party to where you intend to import.

Operational Tools of the AfCFTA

East Africa BSO Workshop

Dr Ify Ogo

UNDP Regional Service Centre

20 September 2022

Kampala/Hybrid



RULE OF ORIGIN

Criteria which confer to a specific product "an economic nationality". AfCFTA RoO determine the minimum level of processing of a product on the continent so that it benefits advantages provided by the Agreement



ONLINE TARRIF NEGOTIATION PORTAL

Tool with a view to facilitate and accelerate harmonization of data needed for negotiations and support preparation and submission of offers based on countries' priorities, in accordance with the tariff liberalization schedule of the AfCFTA.



NON-TARIFF BARRIERS (NTB) MECHANISM

Online mechanism for notification, monitoring and elimination of NTBs under the AfCFTA. The tool is accessible via <https://tradebarriers.africa/>



PAN-AFRICAN PAYMENT AND SETTLEMENT PLATFORM

Digital payment system that will help companies to clear and settle intra-African trade transactions for goods and services in their local currencies



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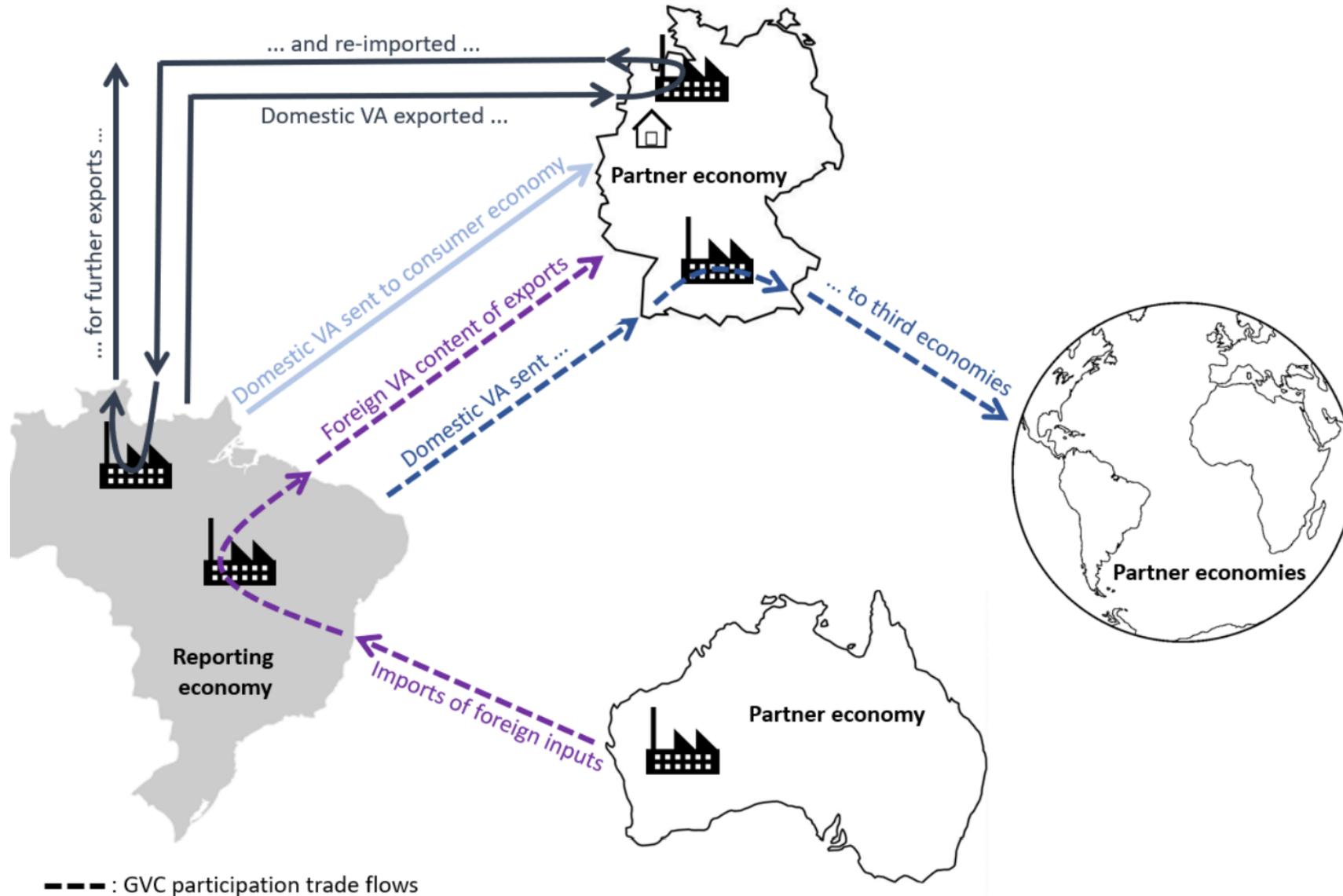
KEPSA PRESENTATION

Connecting East African Businesses to Continental Value Chains

Victor Ogalo
Deputy CEO
KEPSA Business



ILLUSTRATION: THE VALUE-ADDED COMPONENTS OF GROSS EXPORTS AND RELATED GVC TRADE FLOWS IN PERSPECTIVE



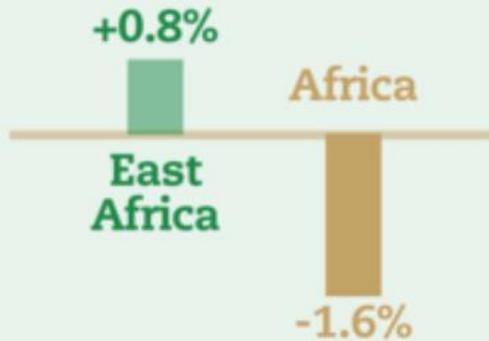
PARTICIPATION IN GLOBAL VALUE CHAINS

Backward GVC participation refers to the share of a country's imported inputs embedded in its total gross exports. This is the "Buyer" perspective or sourcing side in GVCs, where an economy imports intermediates to produce its exports.

Forward GVC participation measures the share of a country's exports that are used by an importing country for export production. E.g. our commodity exports or re-exports such as petroleum. It captures the domestic value added contained in inputs sent to third economies for further processing and export through supply chains. This is the "Seller" perspective or supply side in GVC participation.

EAST AFRICA PARTICIPATION IN GLOBAL VALUE CHAINS

GDP growth showed resilience in 2020

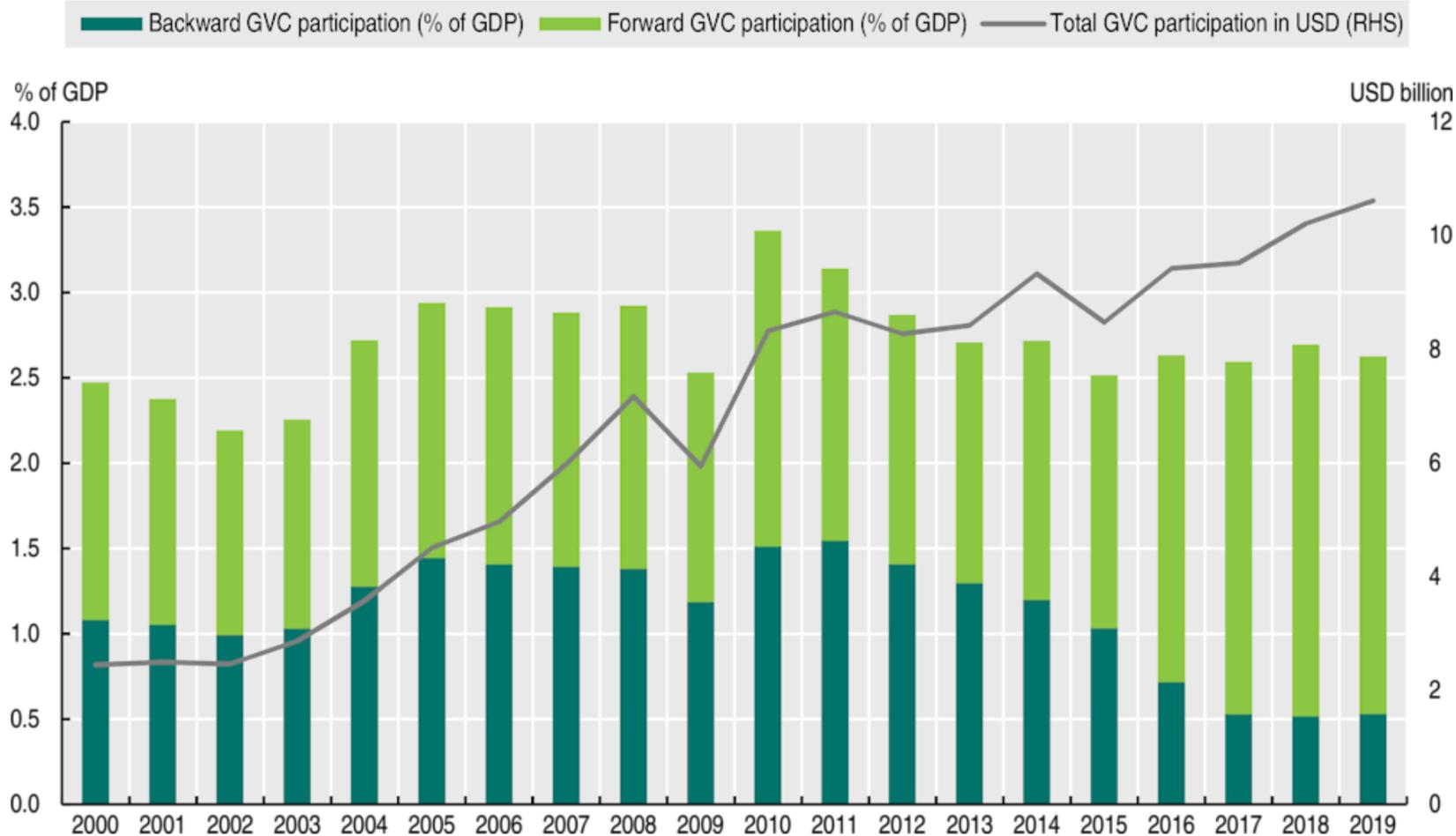


GVC participation



Regional value chains such as agri-food can help accelerate industrialisation and create jobs. The African Continental Free Trade Area (AfCFTA), demographic growth, urbanisation and digital transformation create favourable conditions for the agri-food sector. However, policy interventions will be necessary to overcome persistent competitiveness issues and high intra-regional trade costs.

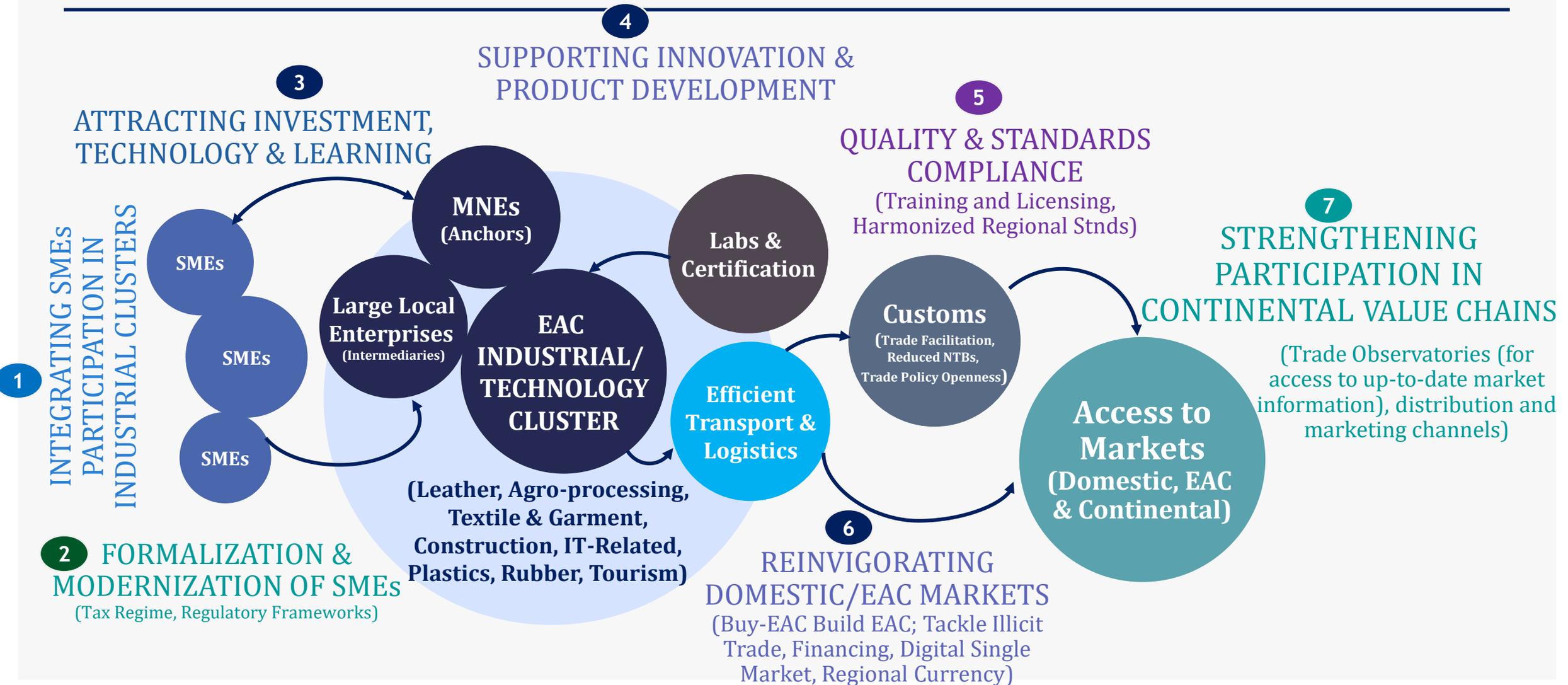
EAST AFRICA PARTICIPATION IN GLOBAL VALUE CHAINS



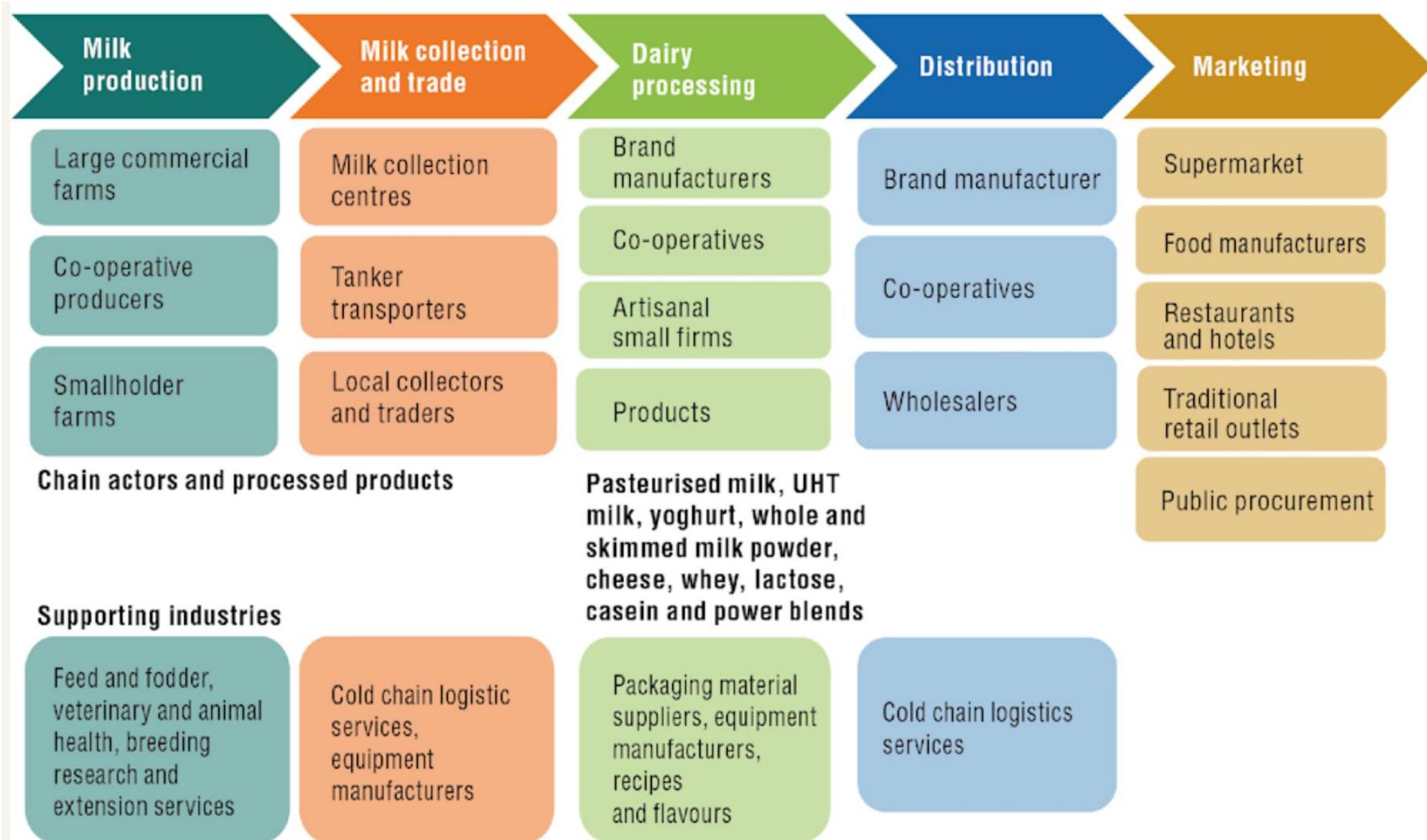
- East Africa's GVC participation as a share of GDP has not improved since 2000.
- Possible reasons for this are:
 - Land-lockedness and small market size
 - Policy factors such as low levels of domestic productivity, high cost of transportation and communication infrastructure and, for some countries, a relatively closed economy.

➤ **External factors:** the 2008 global financial crisis, uncertainties around trade agreements, trade conflicts between major trading partners and the emergence of labour-saving technologies which dampened incentives for the outsourcing of manufacturing.

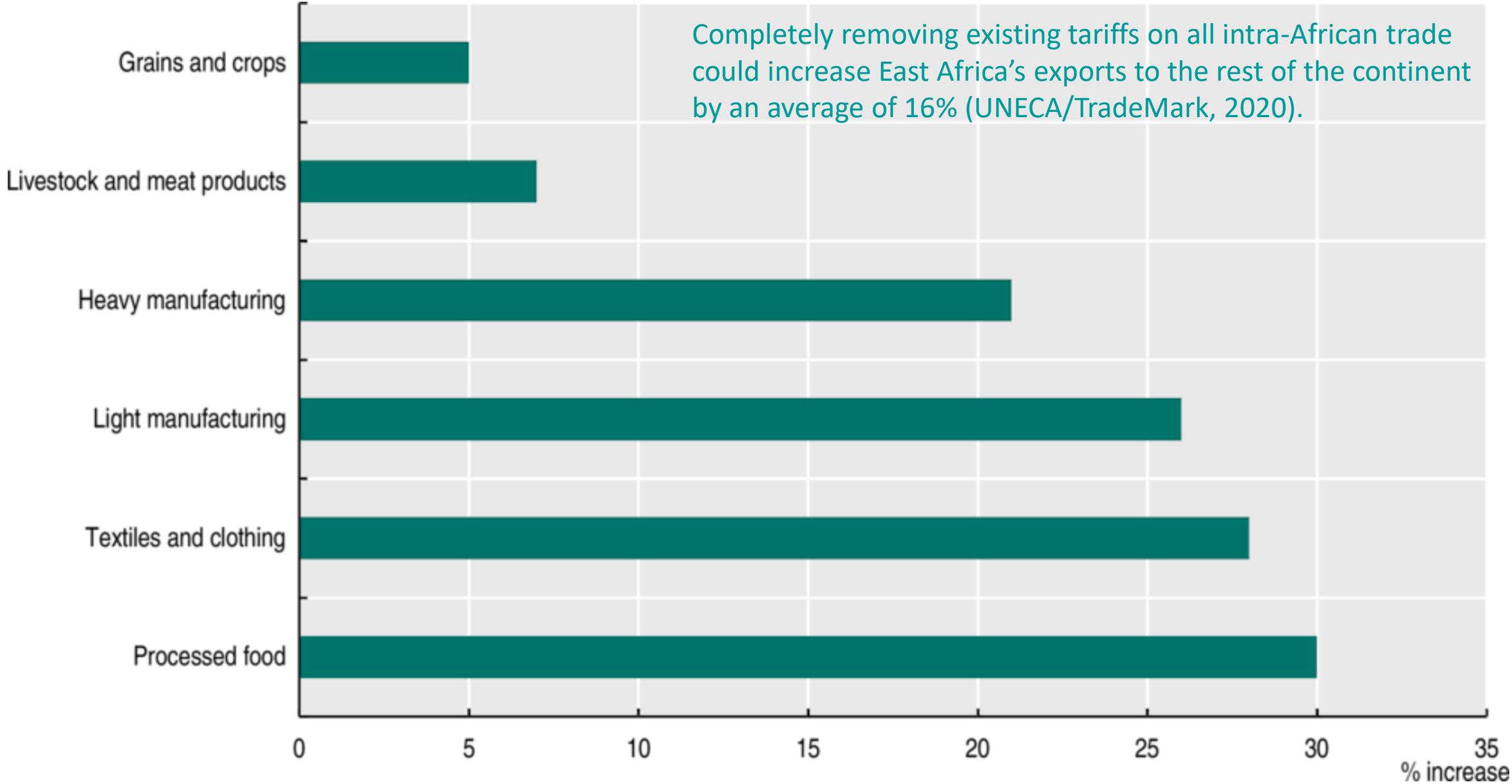
A Value-Chain and Cluster Development Approach to Catalyse SME Development, Investments, Jobs and Inclusive Wealth Creation



Case Study 1: Dairy Regional and Global Value Chain



Case Study 2: Increase in East Africa Exports to Africa thanks to AfCFTA



CLUSTERS ARE KEY TO GREATER COMPETITIVENESS REGIONALLY AND GLOBALLY

Construction

- We need a **cluster-focused approach** to increase **productivity** and enhance **quality standards** in the industry.
- Kenyan firms currently lack the **scale** and **expertise** required to carry out valuable infrastructural projects .

Kenya imports **\$1.3 BN** of iron and steel products:

\$200-400Mn of imported, processed steel products

Competes directly with locally produced products

Import substitution would lead to



1 An additional **28,000 jobs**

2 Additional USD **80-150Mn** in GDP

IT Related Sectors

Kenya can leverage:

1. Its reputation as an IT hub;
2. Advanced IT and Communications infrastructure &
3. Its competitive cost structure

Cost Advantage over:

UK

70%

South Africa

50%



Building on these advantages to create an IT service export hub within Africa would lead to

1 An additional **45,000 jobs**

2 Additional USD **200 Mn** in GDP

- East Africa is also a global leader in Mobile money use.
- Mobile bank accounts per 1000 adults are the highest in the world.
- Need to coordinate policy on digital infrastructure, skills and regulatory harmonisation to realise the Single Digital Market



POTENTIAL FOR HIGHER-VALUE EXPORTS IN STRATEGIC CLUSTERS

Leather (in Kenya)

Of Kenya's USD 94Mn leather exports:

Unfinished
wet blue leather

Finished
leather

90%

10%

Further processing
would lead to



- 1 An additional **35,000 jobs**
- 2 Additional USD **150-250Mn** in GDP
- 3 Contribute to **substituting** a portion of **USD 86 million** in shoe imports yearly.

Agro-processing (in East Africa)

- The percentage of processed agricultural exports in EAC are: Kenya 16%, Tanzania 27% and Uganda 34%.
- If Kenya doubled its share of processed exports, it could create additional **110,000 jobs** and add **USD 600Mn** to its GDP

The AfCFTA could boost East Africa's exports to Africa by 16%



CONSTRAINTS TO THE DEVELOPMENT OF AGRI-FOOD VALUE CHAINS

Trade barriers remain too high

Unilateral deviations from the EAC's common external tariffs



Transport and logistics can improve further



In Uganda, smallholder farmers lose up to **40%** of their fresh produce

Weak competitiveness



The informal sector produces **80%** of the region's milk, with little quality control

Key Actions that Could Catalyse transformative Value Chain and Cluster Development by SMEs to create opportunities for Employment, SME Growth and Inclusive Wealth Creation

- 1) Use the momentum from AfCFTA to reduce barriers to intra-regional trade, especially in reviewing the Common External Tariff and trade facilitations of the East African Community (EAC)
- 2) Promote Interactions between industrial clusters across the EAC Countries. Co-ordinating industrial strategies to strengthen regional competitiveness in key value chains such as agri-food, particularly with investment and cluster policies.
- 3) Co-operating in areas related to digital infrastructure, skills and regulatory harmonisation to realise the Single Digital Market. Expand the One Network Area mobile roaming initiative beyond EAC
- 4) Invest in 3-5 flagship agro-processing projects (e.g. “agropolis” agro-industrial park and logistics hub to get priority value chains off the ground)
- 5) Develop an integrated approach to trade and investment which develops backward and forward linkages in terms of production of raw materials, to processing and to markets.
- 6) Investment in Tourism to develop all the products beyond the beach and safari.

Thank You !

Key Contacts



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P.O. Box 3556-00100 Nairobi, Kenya



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@KEPSA_KENYA



Kenya Private Sector Alliance (KEPSA)



Kenya Private Sector Alliance (KEPSA)



Kenya Private Sector Alliance (KEPSA)



International
Trade
Centre



How to Export with the AfCFTA

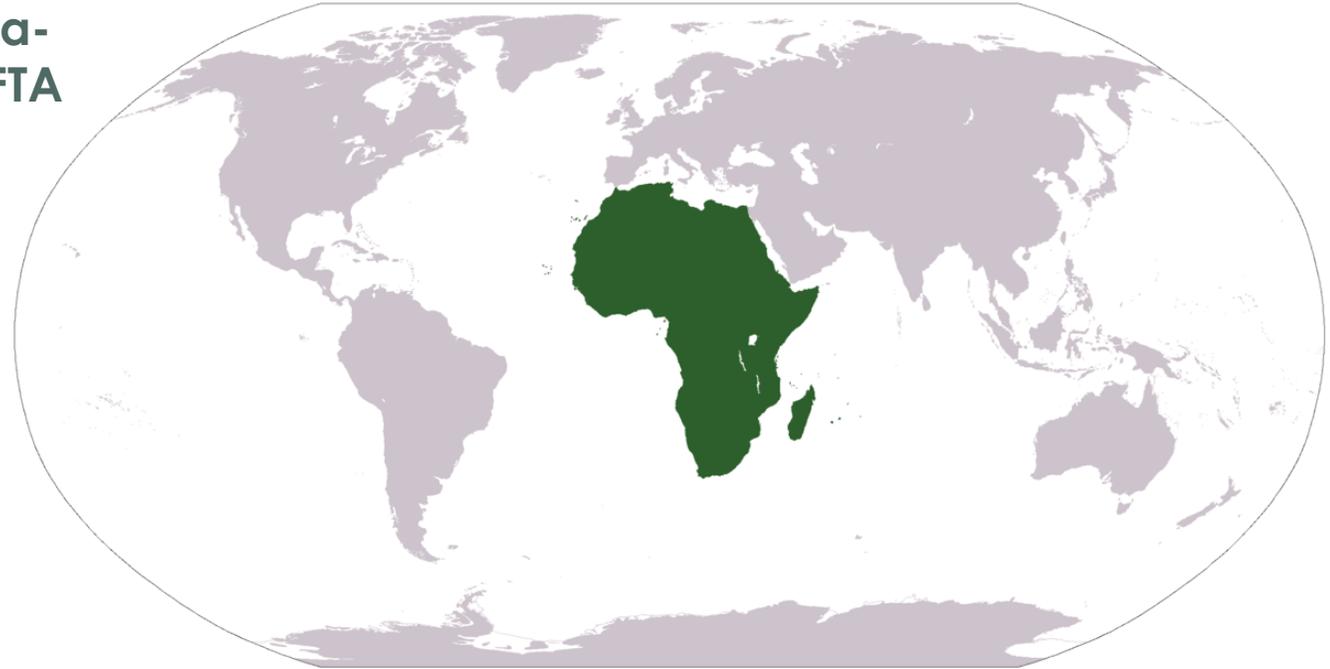
HOW TO
EXPORT
WITH THE
AFCFTA

What is the How to Export with the AfCFTA project ?

Afreximbank-funded project to promote intra-African trade for SME Exporters with the AfCFTA

Objectives:

- Increase awareness of the opportunities brought by the AfCFTA
- Improve export skills of SME Exporters
- Promote the use of trade support services



8 core modules

Applicable across Africa and the
AfCFTA



How to Export with the AfCFTA Curriculum

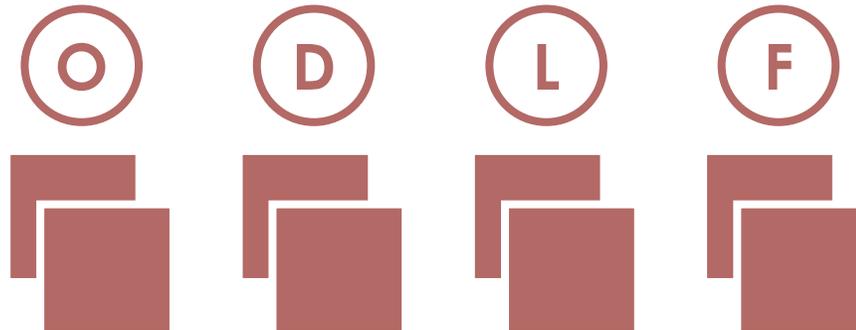
8 core modules

Applicable across Africa and the AfCFTA



National Workshops

A 2-day workshop including 4 sessions is designed to address national priorities in relation to intra African trade under the AfCFTA

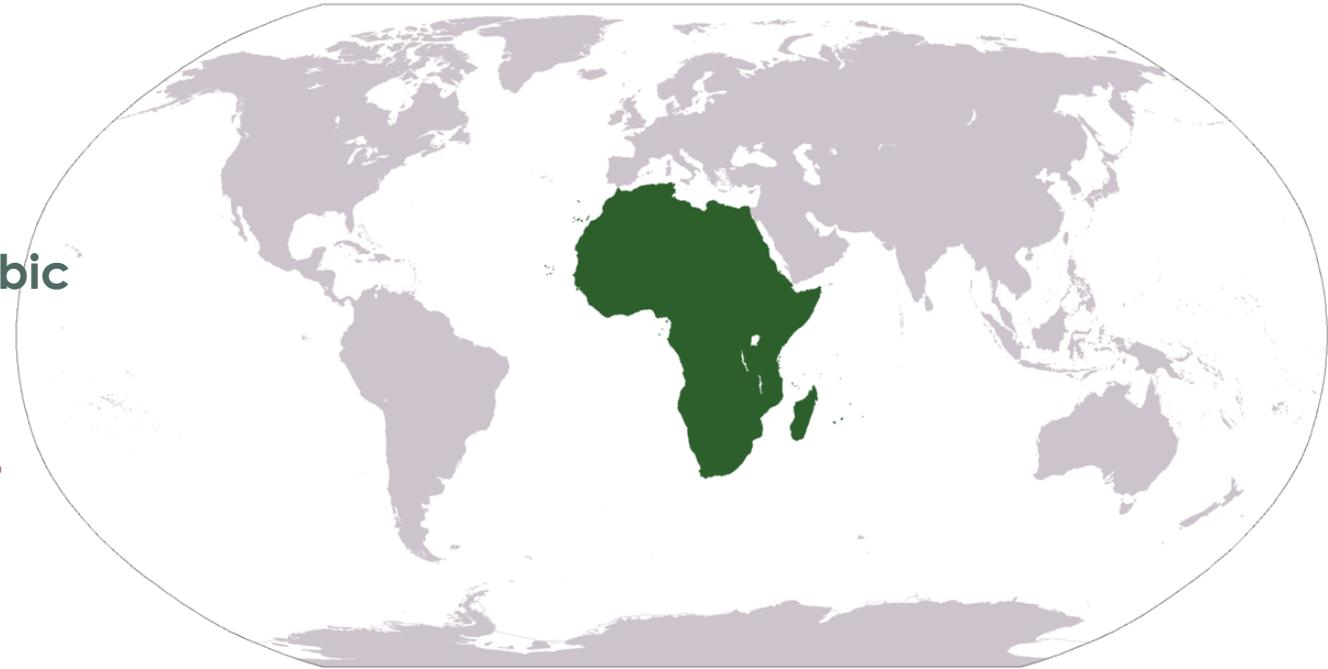


The online course component:

- All 55 AU member states
- Added case studies
- Translation of the online curriculum in Arabic and Portuguese

Expansion of national workshop component

- National workshops delivered in selected countries (currently include 15 countries)



The Curriculum

Modules

**Introduction to the
AfCFTA**
**An Opportunity of
Intra-African
Trade**

**Getting Your
Business Ready for
Export**

**Researching
African Markets**

**Developing an
African Market**

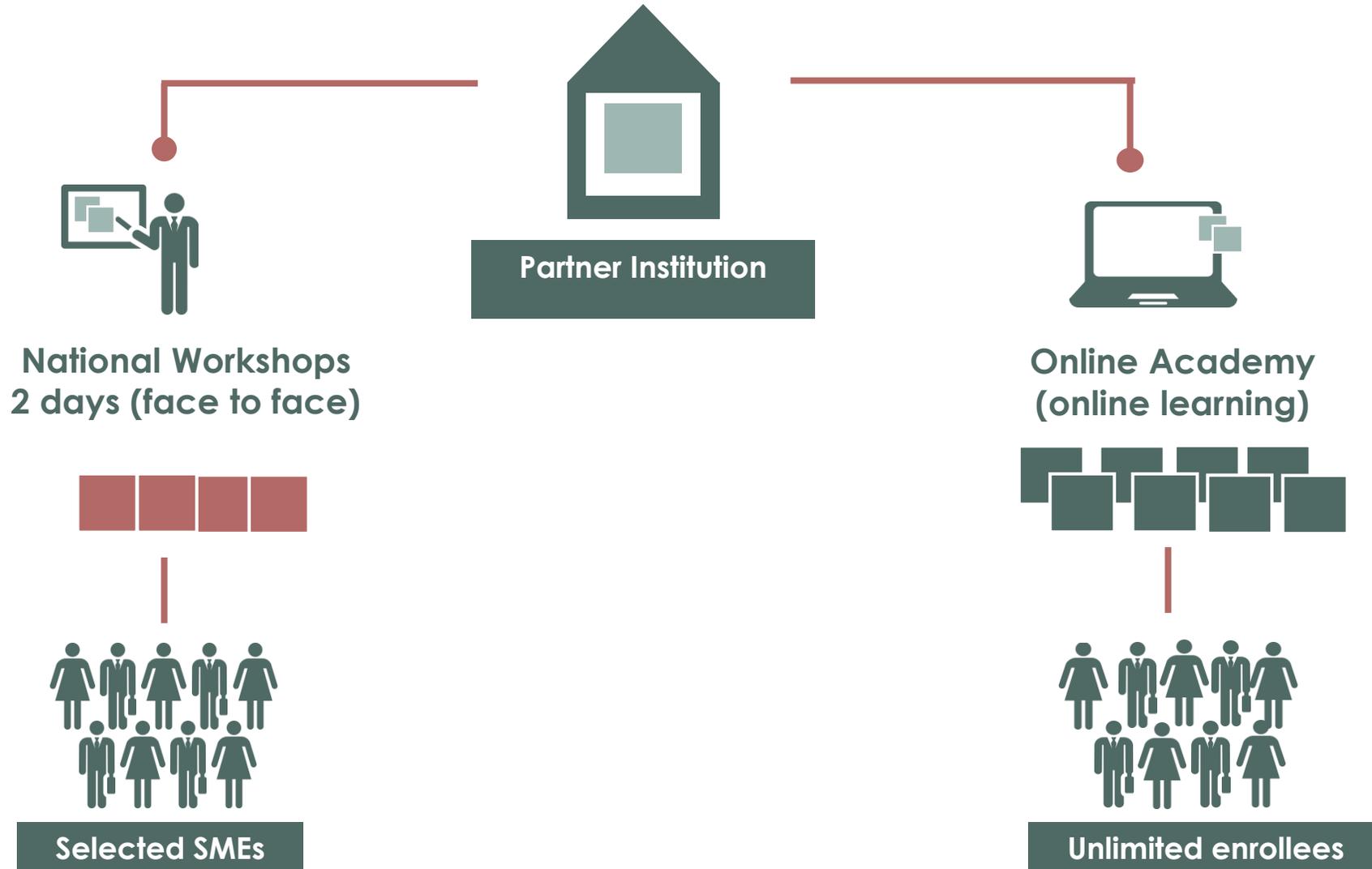
**African Market
Access
Conditions**

**Standards under
the AfCFTA**

**Financing Intra-
African Trade**

**Intra-African
Logistics**

How will it be delivered?



National Workshop

Roles and responsibilities



Benefits to BSOs

Key benefits of the online programme

- Ready-made free online course – no limit
- Offer the online course link via your website
- Participate in online events
- Access to resources provided on the online academy

Key benefits to becoming a partner for national workshops (provided you are selected)

- Provision of workshop training material
- Training and certification of trainers
- Assistance in the organization of the 1st workshop
- Promotional materials

If you are interested in becoming a partner to run national workshops please contact Dorina Dobre at The SME Trade Academy at ddobre@intracen.org

Demonstration

Let us now go to the Afreximbank Academy

www.afreximbankacademy.org



Afreximbank Academy



Thank you.

How to Export with the AfCFTA



International
Trade
Centre

TRADE IMPACT
FOR GOOD

Empowering MSMEs, Women and Youth Entrepreneurs to Harness the AfCFTA

Session 7

Empowering Women to Export with the AfCFTA

Dorothy M. Tuma

Regional Integration Expert / Trainer



Empowering Women to Export with the AfCFTA

SheTrades AfCFTA:

- Online learning modules and tools
- Technical Expertise
- Identifying priorities for a gender responsive AfCFTA
- Networking support for women-owned businesses

Visit: SheTrades Virtual Learning Space



Empowering Women to Export with the AfCFTA

Technical Expertise

AfCFTA Export Readiness Bootcamp

- Introductory course
- 3 day practical workshop
- Delivered by an ITC Trainer
- Participants review AfCFTA, National AfCFTA Strategy, present products, SWOT and One Page Export Plan

Empowering Women to Export with the AfCFTA - AfCFTA Readiness Bootcamp



Empowering Women to Export with the AfCFTA

ITC Policy Briefs identify several points of intervention for BSOs

- Equipping SMEs to conduct business
- Raising the voice of SMEs through BSO advocacy

Empowering Women to Export with the AfCFTA

For effective advocacy in relation to the AfCFTA:

**SMEs need to understand what the AfCFTA means /
practical implications**

- **Import tariff reductions**
- **Increased competition**
- **Market opportunities**
- **Opportunities to influence country position –
National Strategy, Protocol on Women and
Youth**

Empowering Women to Export with the AfCFTA

For effective advocacy in relation to the AfCFTA:

- BSOs need to partner for impact
- BSOs need to lead advocacy efforts effectively
- Experience sharing – BSO Advocacy support for MSMEs

Empowering Women to Export with the AfCFTA

Questions / comments





African Continental Free Trade Area (AfCFTA) PRESENTATION- Ms GONAYA MONEI E. SETHORA

EMPOWERING MSMEs, Women and Youth Entrepreneurs to Harness the AfCFTA

CAPACITY BUILDING WORKSHOP

Kampala Uganda

OUTLINE

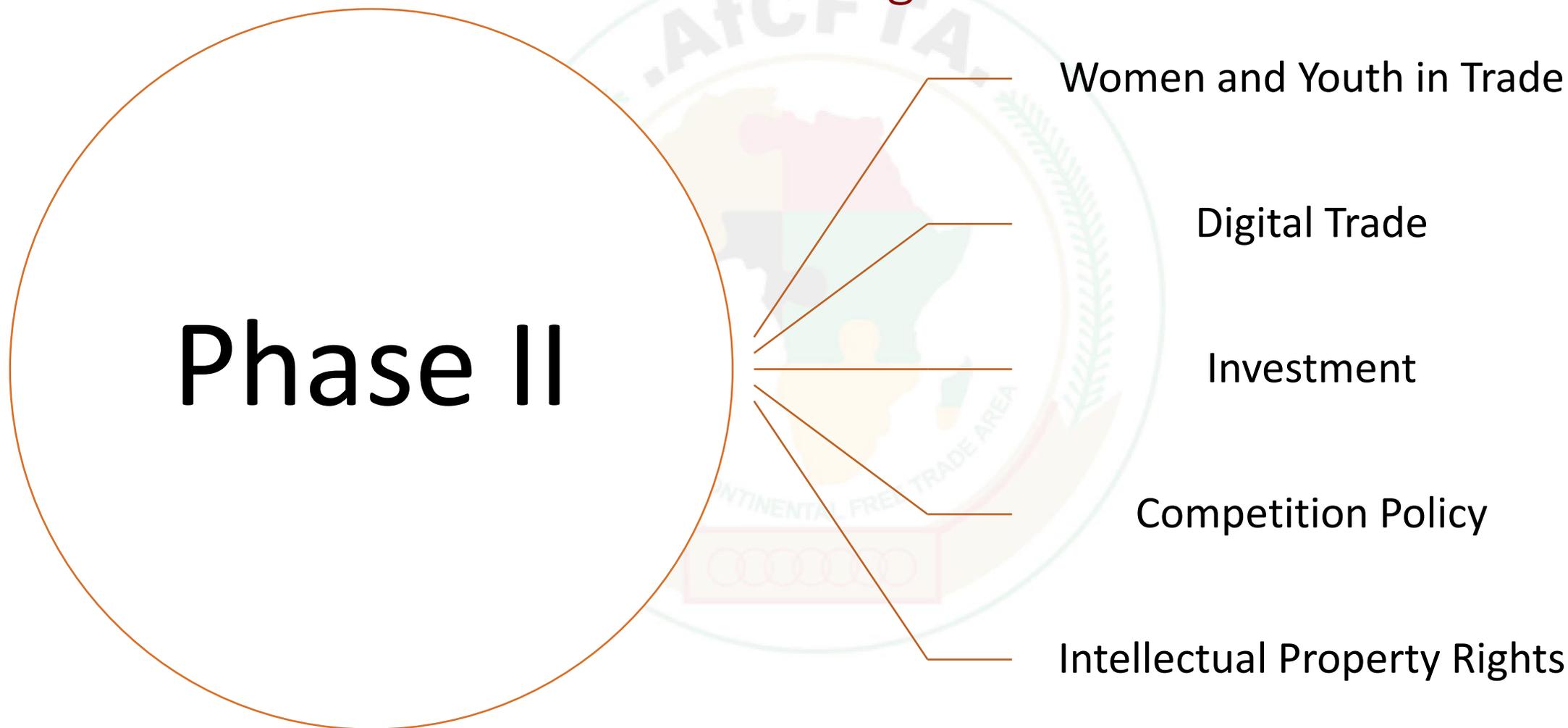
- I. Introduction
- II. Protocol on Women and Youth Mandate



- III. What to expect from the protocol (7)
- IV. AfCFTA Youth consultations

IV. Status of negotiations

IV.C. Phase II negotiations



IV. Status of negotiations

IV.C. Phase II negotiations

a) Protocol on Women and Youth in Trade

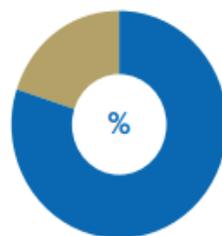
- Mandate: *‘broaden inclusiveness in the operation of the AfCFTA through interventions that support young Africans, women and small and medium enterprises as well as integrating informal cross-border traders into formal economy by implementing the simplified trade regime’* The Assembly (Assembly, December 2020).
- *“To include the Protocol on Women and Youth in Trade in the scope of the AfCFTA Agreement”* (Assembly, February 2022).

Women and Youth in the AfCFTA

Two groups are specifically mentioned in the Agreement: women and youth.

Article 3 (e): promote and attain sustainable and inclusive socio-economic development, **gender equality** and structural transformation of the State Parties.

Per Article 27 (2) (d) of the Protocol on Trade in Services, State Parties are mandated to: “improve the export capacity of both formal and informal service suppliers, with particular attention to micro, small and medium size; women and youth service suppliers”.



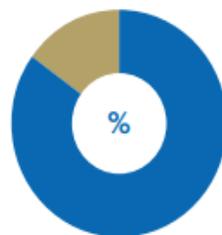
80%

of businesses in Africa are categorized as small- and medium-sized enterprises.



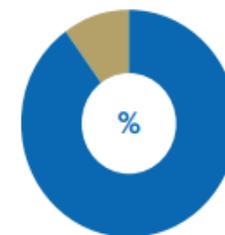
18–35 yrs

African Union defines youth as people aged between 18 and 35.



85%

The informal sector accounts for more than 85 percent of economic activity in Africa.



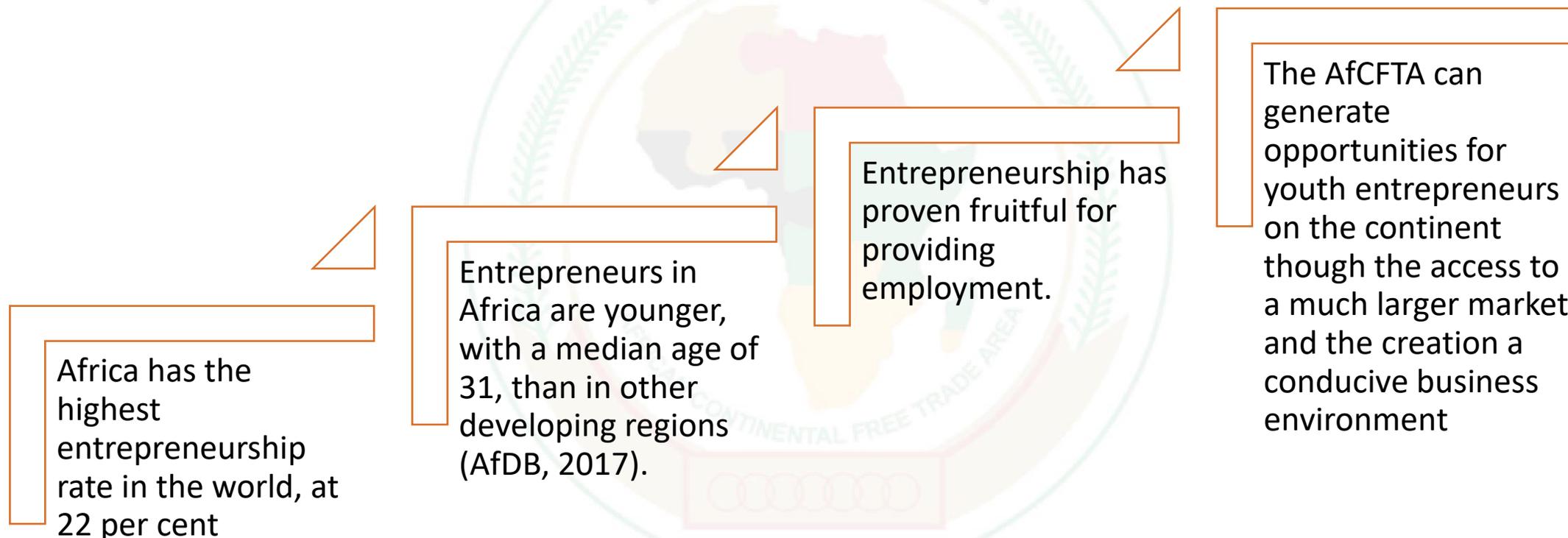
90%

Women account for nearly 90 percent of the labour force in the informal sector.

IV. Status of negotiations

IV.C. Phase II negotiations

a) Protocol on Women and Youth in Trade



IV. Status of negotiations

IV.C. Phase II negotiations

a) Protocol on Women and Youth in Trade

Youth population can contribute to sustainable growth and development.

Africa is the youngest continent in the world, with a median age of 19.8 years and 65% of the population under age 25.

Africa's large and rapidly growing young labour force is a valuable asset that has the potential to generate a demographic dividend and yield economic and social gains.

Talent of young Africans as drivers of transformational change, offering a comparative advantage by providing a productive and dynamic labour force full of energy, ideas and willingness to innovate.

Most youth-owned businesses are SMEs, which form the backbone of African economies (they account for over 90% of businesses and employ around 60% of workers).

What is expected from the Protocol on Women and Youth in Trade IV.C

- The difficulties faced by women involved in cross-border trade need to be addressed via a concerted continental effort and an appropriate legal arrangement.
- The AfCFTA is the obvious platform for doing so; it would be incomplete without a ***Protocol on Women in Trade***. When the AfCFTA has such a Protocol it will be possible to align national measures and policies in the State Parties and to pull in the same direction.

II. African Continental Free Trade Area

II.C. Expected impact of the protocol

1. it should address the persistent challenges faced by women in trade and provide solutions in terms of better border governance and trade facilitation.
2. there should be bespoke continental and national institutions to implement obligations, remove general malfunctioning, and monitor compliance
3. Time-consuming trade measures and documentary requirements impinge more heavily on women.

- A Committee on women and youth in trade will be established to coordinate and facilitate the negotiations of the protocol on women and youth in trade .
- This committee will Brainstorming Session to determine and identify potential issues to consider in the development of the Protocol on Women and Youth in Trade .
- AfCFTA Secretariat participation in several digital trade related meetings
- The committee will its working plan and adopt indicative work plan to sequence the negotiations.



AfCFTA
Secretariat

THANK YOU!

Creating One African Market

www.afcfta.au.int



AfCFTA
Secretariat

An Organ of the
African
Union



African Continental Free Trade Area Secretariat



AfCFTA Secretariat



African Continental Free Trade Area (AfCFTA) Secretariat

www.afcfta.au.int



Delivering
as One



Independent Continental Youth
Advisory Council On AfCFTA

YouLead Africa

Africa Youth Leadership Program

Joint initiative of



MS TCDC
act:onaiddenmark



East African Community
One People, One Destiny

ABOUT YOULEAD

Africa's flagship Youth Leadership Program, working to unlock youth leadership potential for a prosperous continent by identifying, connecting and fostering cooperation among Africa's vibrant and influential young leaders and their initiatives.

YouLead is a joint initiative of MS Training Centre for Development Cooperation and the East African Community (EAC) in Arusha, Tanzania.

H.E. Jakaya Kikwete, Former President of the United Republic of Tanzania, is YouLead Africa's current Patron.



FROM A SUMMIT TO A PROGRAM

VISION

A One Young Africa where
dreams are born and youth
become leaders

MISSION

Towards Solidarity | Voice |
Participation Access to
Economic Opportunities |
Decent work for African
Youth

VALUES

Apolitical | Intentional
gender mainstreaming |
Intersectionality | integrity

THE JOURNEY

2017-2022

[YouLead Legacy video](#)

OUR JOURNEY

Our journey is an instructive success story! What simply started out as “East Africa Youth Leadership Summit” (YouLead Summit) in 2017 is in present day Africa Youth Leadership Program (YouLead Program).

2017 - 200 DELEGATES

Inaugural Summit under the theme “Unlocking Youth Leadership Potential: Youth at the Centre of East African Integration”.

2018 - 200 DELEGATES

The second East Africa Youth Leadership Summit themed “Youth Political and Economic Inclusion: Scenarios for Sustainable Regional Integration”.

2019 - 250 DELEGATES

Youth at the Crossroads: Migration, participation and access to opportunities

The Summit marked the transition of YouLead as an annual convening to a full-fledged program, through the implementation of the Post-Summit Agenda interventions at regional and national levels deliberated by the delegates.

OUR JOURNEY

2020 - 6000 DELEGATES HYBRID FORMAT

Development is People: Youth at the Centre of the Peace and
Development Agenda

As the climax event of YouLead Program, the Summit marked the inclusion of the Peace and Security component and introduced the hybrid format of the convening, in response to the challenges presented by COVID-19. YouLead also received a Patron that year

2021

The Future of Africa: Creating Jobs, Feeding, and Housing the
World's Youngest Continent

The Summit marked the full transition of the program from East Africa to Africa, and introduced Arusha Debates, the Policy Makers and Development Partners Roundtable, as well as the East Africa Parliamentary Tubonge. [2021Summit video](#)

PROGRAM PILLARS

YOUTH IN POLITICS

Amplify youth voices, build the capacity of youth political leaders and increase the number of youth leaders holding positions of policy decision making responsibility in political Governance, Peace , Security and Conflict Management institutions and processes



PROGRAM PILLARS

YOUTH IN BUSINESS

Enhance the capacity of youth in business, trade and enterprise to advocate for youth friendly economic policies and effectively Pursue economic opportunities and decent work.



YOUTH IN BUSINESS INITIATIVES



AFCFTA YOUTH INCLUSION ACCELERATOR PROJECT (AFCFTA-YIAP)

- A two-year project being implemented by MSTCDC/YouLead Secretariat in collaboration with the German Agency for International Cooperation (GIZ) - African Union's office.
- Implementing partners include collaborating entities across the continent.
- The project was launched after the official launch of trading under the AfCFTA on January 1, 2021, and the necessity of positioning young people at the forefront and capacitating them to ensure the successful implementation of the AfCFTA agreement.

Activities of the project includes:

YouLead
Summit 2021
THE FUTURE OF AFRICA

1. MAKING THE AfCFTA PROMISES A REALITY FOR AFRICAN YOUTH; A CONTINENTAL STUDY ON CAPACITY GAPS, POLICY CONSTRAINTS AND PROSPECTS OF YOUTH INCLUSION IN AfCFTA

The continental study carried out between March and May 2021, has not only provided invaluable data, but also emerged as a vital document for achieving the structural inclusion of youth in the AfCFTA processes, and its accompanying sustainable development prospects through expanded industrialization, markets and trade opportunities for the youth. 20.000 young people participated in the process.





2.AFCFTA CONTINENTAL YOUNG LEADERS AND POLICY MAKERS SUMMER BOOTCAMP

Intended to build the awareness and capacity of 30 selected African young people between the age of 18 and 35 years to position themselves as key stakeholders and contributors in accelerating implementation of the AfCFTA. The Summer Bootcamp, held from the 1st to the 5th of November 2021, was composed of young entrepreneurs from selected sectors who are engaged in cross-border trade or who intend to export, and policy makers at Regional and national levels. Part of the young leaders who were selected to attend the bootcamp were those who were the best continental debates and essay writers on AfCFTA topic titled How can Africa's Young Entrepreneurs and Innovators Make AfCFTA "Magic" Happen?.



OUTCOMES OF THE BOOTCAMP

- A major outcome of the continental bootcamp was the formation of the Independent Continental Youth Advisory Council on AfCFTA (ICOYACA).



ICOYACA

**Independent Continental Youth
Advisory Council On AfCFTA**



YouLead ONE young
YouLead Summit 2021
THE FUTURE OF AFRICA

MS TCDC
POINT
#YouLead21

EAC Youth Ambassadors Platform
UNEP
UNEP
UNEP

Young AFRICA

YouLead Summit 2021
THE FUTURE OF AFRICA

FINDINGS AND RECCOMENDATIONS

Making the AfCFTA Promises a Reality for African Youth

A continental Study on Capacity Gaps, Policy
Constraints and Prospects of Youth inclusion in AfCFTA



FINDINGS

- The findings showed that the existing frameworks at national, Regional Economic Communities (RECs), and continental levels, do not specifically accommodate the youth and other vulnerable groups such as persons abled differently and women.
- Lack of youth structures in the AfCFTA related processes.

Making the AfCFTA Promises a Reality for African Youth

A continental Study on Capacity Gaps, Policy
Constraints and Prospects of Youth inclusion in AfCFTA



FINDINGS

- The findings show a huge information deficit. Whereas most youth have heard about AfCFTA mainly through social media, a large number do not have the knowledge on how to make good of the common market, and how they can, besides being beneficiaries of the AfCFTA, be active participants and contributors in the implementation processes.
- Lack of youth structures in the AfCFTA related processes.

Making the AfCFTA Promises a Reality for African Youth

A continental Study on Capacity Gaps, Policy
Constraints and Prospects of Youth inclusion in AfCFTA



RECOMMENDATIONS TO THE AfCFTA SECRETARIAT

- Establish a Youth-led body and Institutionalize inclusion of youth under the protocol.
- African Youth Business Council (bringing all youth led organisations working on AfCFTA).
- The study makes recommendations on the potential in inclusion of established youth structures at national, RECs and African Union (AU) level, and how such structures can be harnessed and leveraged on, to promote youth participation in AfCFTA processes.

Making the AfCFTA Promises a Reality for African Youth

A continental Study on Capacity Gaps, Policy
Constraints and Prospects of Youth inclusion in AfCFTA



RECOMMENDATIONS TO THE AfCFTA SECRETARIAT

- There should be more investment in research as a basis to fully understand the challenges Africa's youth face and how best they can be addressed within the AfCFTA framework. In doing so, extensive studies need to be conducted on how best youth can make use of the Agreement.
- The study suggests the establishment of an "AfCFTA Implementation Progress Index" as an indicator of the impact, contribution and successes of youth inclusion in AfCFTA.

Making the AfCFTA Promises a Reality for African Youth

A continental Study on Capacity Gaps, Policy
Constraints and Prospects of Youth inclusion in AfCFTA



RECOMMENDATIONS TO THE AfCFTA SECRETARIAT

- The study seeks to inspire stakeholders keen to advance the cause and interests of the youth, to make genuine adjustments to their plans and investment priorities with the aim of supporting and affording concrete stakeholder roles to young people and creating platforms through which they can share and convert their innovative ideas into solutions to some of the most pressing issues they face in their day-to-day life.

REPORT LAUNCH & ICOYACA UNVEILING

The AfCFTA Youth Inclusion Report and the ICOYACA was launched and unveiled respectively by H.E Wamkele Mene, Secretary General of the AfCFTA Secretariat.





THE INDEPENDENT CONTINENTAL YOUTH ADVISORY COUNCIL ON AfCFTA

YOUTH INCLUSION

A Joint Initiative



MS TCDC
act:onaid denmark



East African Community
One People, One Destiny



Implemented by
giz
Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



Delivering
as One



BRIEF BIO

The Council is a youth led body initiated by young people from the continent of Africa, under guidance and stewardship of Youlead Africa, the MS TCDC and the GIZ-African Union office.

It was unveiled by H.E Wamkele Mene, Secretary General-AfCFTA Secretariat and our Patron is H.E Jakaya Kikwete Former President of Tanzania.





OUR VISION

Facilitate the institutionalization of youth participation in the decision-making process and Implementation processes of the African Continental Free Trade Area (AfCFTA).



OUR MISSION

Mobilize & empower young people to participate in Intra-African Trade .

WHY ICOYACA?

Engagement of youth and their enterprises

ICOYACA Country Chapters ensure proper bottom-up mobilization and strong youth engagement at each member state.

Implementation

ICOYACA helps to mobilize resources to foster youth inclusion, whilst also advocating for the alignment of national-level plans to suit AfCFTA implementation.

Trade Data Availability

Our 550 members will ensure quality data collection which will make the development of learning systems and trade facilitation websites easy.



WHY ICOYACA?

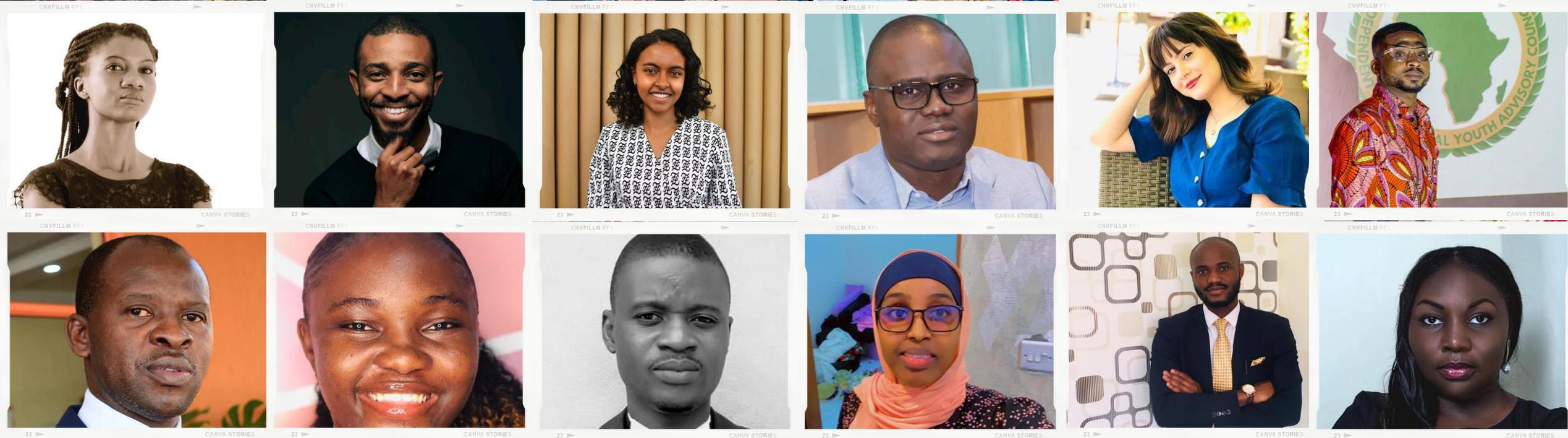
Coordination and mainstreaming

Country Chapters prevent misalignment of AfCFTA youth programs hence enabling at-scale participation of youth in intra-Africa trade.

Partnership leveraging:

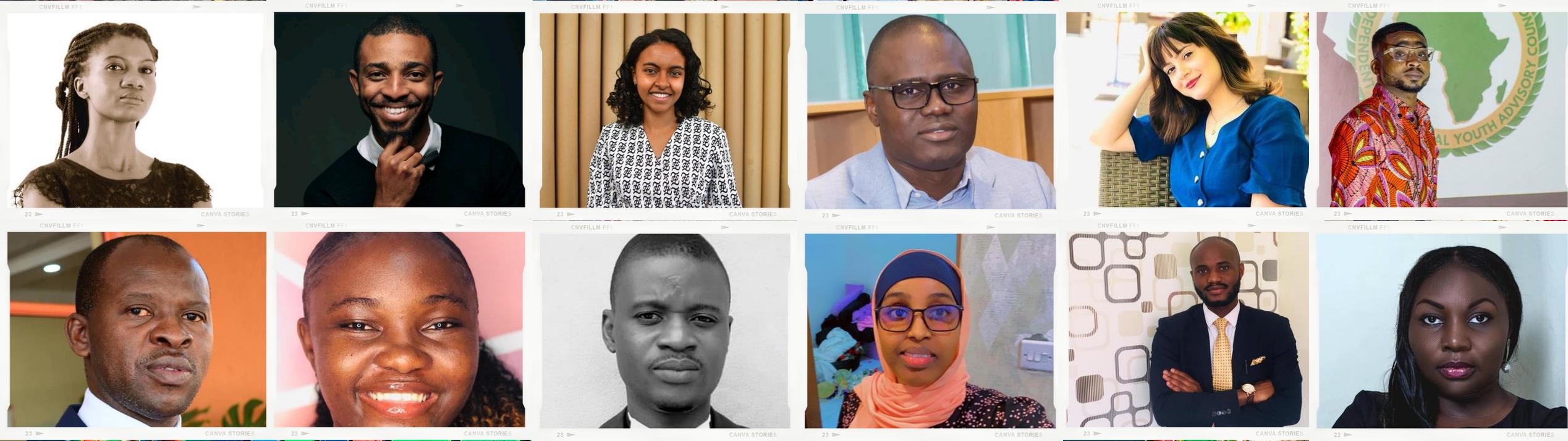
Our Chapters are the only youth bodies with a strong foundation and a system to harmonize the partners' competing overlapping framework and initiatives.





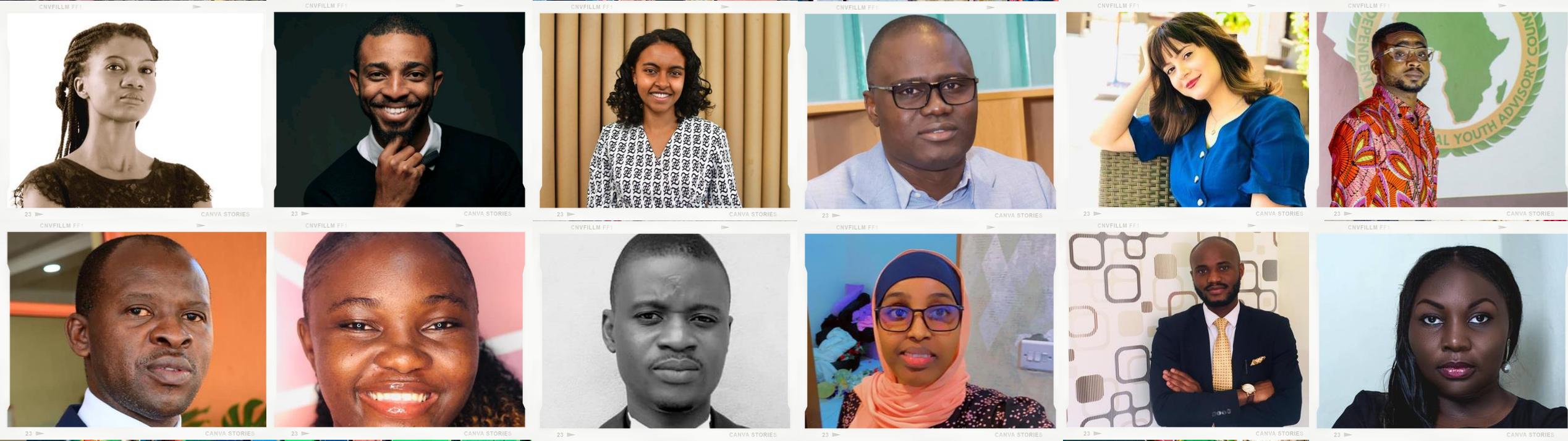
AFCFTA WOMEN AND YOUTH IN TRADE ONLINE ACADEMY

This will ensure continuous education of our women and youth in trade about the African Continental Free Trade Area, Market Entry Procedures among others.



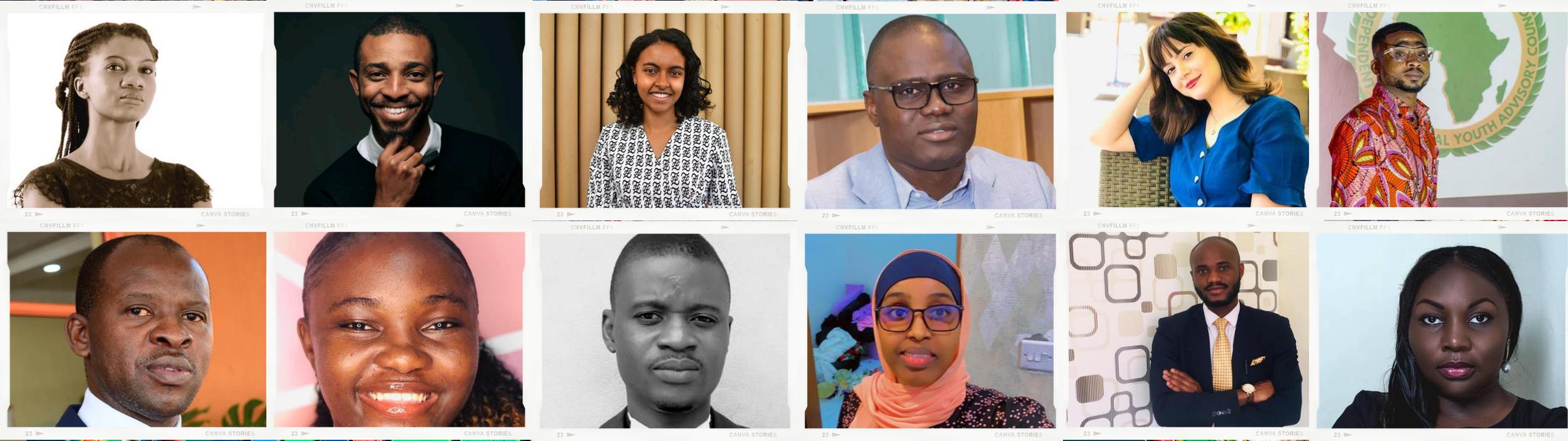
AFCFTA YOUTH ENGAGE SERIES

This is a one hour informal online engagement where experts in trade and young business leaders are hosted to share their knowledge on the AfCFTA and experiences trading in the African Continent and the world.



AFCFTA YOUTH DAY

This is an initiative by the ICOYACA aimed at celebrating the AfCFTA Youth Champions working tirelessly to champion Youth Inclusion in the AfCFTA.



OTHER KEY INITIATIVES

1. Model AfCFTA Negotiations
2. ICOYACA AfCFTA Youth Conference

ENGAGEMENT IN AFCFTA RELATED PROCESSES

The AfCFTA Secretariat invited the council to a brainstorming session on Women and youth in trade that took place in Nairobi, Kenya as part of the build up to the launch of the Negotiations on the protocol of women and youth in trade.



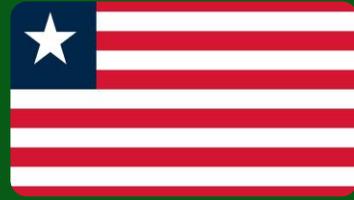
INCLUSION OF HUMAN RIGHTS PROVISIONS

When it comes to adding Human Rights provisions to the Protocol of Women and Youth in Trade, a recommendation I suggested, the AfCFTA Secretariat stated that the AU has various human rights instruments that protect women and youth. So they are reluctant to add them.



PROPOSITION TO BE INCLUDED IN THE PROTOCOL

- Recognizing the significance of youth participation, inclusion, and mobilization in the AfCFTA framework, there shall be an established continental youth body that shall have structures at member state level to;
 - Champion youth inclusion in the AfCFTA implementation processes.
 - Ensure continuous capacity building
- Member States should ensure that 10% of government leased lands for agriculture set aside for young farmers.
- Member States should provide cost based and not profit based tax incentives to address strategic market failures.
- Member States should provide access to affordable capital by setting up a revolving funds kitty to provide loans to youth in business.
- Member States should enact policies to regulate digital currencies to protect the youth from being defraud.



COUNTRY CHAPTERS

1. EGYPT
2. ALGERIA
3. TUNISIA
4. MOROCCO
5. MAURITANIA
6. LIBYA
7. SHARAWI REPUBLIC
(WESTERN SAHARA)
8. SIERRA LEONE
9. THE GAMBIA
10. LIBERIA
11. IVORY COAST
12. GHANA
13. SENEGAL



COUNTRY CHAPTERS

14. NIGERIA

15. TOGO

16. BENIN

17. SOUTH SUDAN

18. GABON

19. DRC

20. ANGOLA

21. CHAD

22. CAMEROON

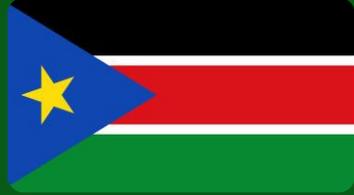
23. SAO TOME & PRINCIPE

24. RWANDA

25. UGANDA

26. KENYA

27. TANZANIA



COUNTRY CHPATERS

28. ETHIOPIA

29. DJIBOUTI

30. SOMALIA

31. MALAWI

32. ZAMBIA

33. ZIMBABWE

34. BOTSWANA

35. ESWATINI

36. LESOTHO

37. SOUTH AFRICA

38. COMOROS

39. SEYCHELLES

40. BURUNDI



THANK YOU FOR LISTENING



EMOLOT ALLAN DAVID
CHAIRPERSON

Making the AfCFTA Work for Informal Traders

ITC – UNDP – UN Women

East Africa BSO Workshop

Dr Ify Ogo

UNDP Regional AfCFTA Unit

22 September 2022

Kampala/Hybrid

Who is an informal trader?

- Size of business?
- Gender of business owner?
- Other considerations?

What is an informal **goods** transaction?

- Monetary value of a transaction?
- Documentation?
- Other considerations?

What could be the compensations for informal traders who suffer loss – caused by illegal actions of governments/officials?

What could be the penalties for institutions that discriminate against informal traders?



United Nations
Economic Commission for Africa

Empowering Youth to Export in the AfCFTA

Mie Vedel-Joergensen
Regional Integration and Trade Division
UNECA

September 2022



Youth in the AfCFTA

- IMSMEs account for 80 pct. of Africa's businesses – many are led by youth and women
- The informal economy is creates 20-75 percent of jobs
- Disparity between education and unemployment
- *Constraints:* Access to assets, finance, markets, information, networks, skills, standards, technology
- Lacking inclusion in trade limits structural transformation of economies



ECA Africa Renewal Magazine, 2014

Youth are key for the success of the AfCFTA

- Enabling digital environment
- Skills training and free movement of persons
- Digitalisation of SMEs – COVID has supported this but barriers are more apparent
- Digitalisation of customs procedures to reduce discrimination
- Foster innovation and participation in the green economy
- Protocol on Women and Youth in Trade



Creating One African Market

Opportunities for collaboration and supporting inclusion

- Understand changes in operations as a result of AfCFTA:
 - Regional value chains in products and services
 - Investment opportunities
 - Impacts on and opportunities for women- and youth-owned businesses and key sectors
 - Bottlenecks/NTBs
- Supporting MSME competitiveness
 - Market and supply chain linkages
 - Invest in entrepreneurship & innovation, scale up what works
 - Upgrade education, training, skill development (esp digital)
 - Technical training in sectors likely to gain from trade

Key areas and sectors for youth empowerment

Creative sectors

- Intellectual property rights: capacity building, IPR incentives, simplified registration systems
- Financial capacity: improve access to finance and financial services, capacity building
- Business management
- Support regional value chain development

Digital services

- Enhance access to digital infrastructure and skills development
- Enable start up capital
- Create services and infrastructure that are inclusive for youth in rural areas



Key areas and sectors for youth empowerment

Financial services

- Facilitate financial support and lines of credit to youth-led business
- Design insurance schemes for youth-led SMEs
- Include youth-led SMEs in policy making
- Target youth inclusion in fintech
- Facilitate youth access to investment networks

Trade facilitation

- Ease market entry for youth-led MSMEs
- Capacity building on trade compliance i.e. rules of origin, standards etc.
- Leverage and accelerate paperless trade



Key areas and sectors for youth empowerment

- **Agri-business**
- Ease youth SME's access to SEZs
- Ease trade, dissemination and implementation of climate smart and climate resilient technologies and systems that will ensure that farmers in Africa are less vulnerable to the impact of climate change
- Prioritize insuring farmers against climate related catastrophic risk events
- Support regional value chain development
- Capacity building of business development, accessing new markets and trade compliance with standards



Actions for Inclusive AfCFTA Implementation

1. Close the gap in access to finance
2. Build the export and trading capacity of SMEs, youth-led business in the AfCFTA
3. Support youth and SME participation in regional value chains, corporate supply chains and public procurement
4. Streamline border procedures to incentivise formalisation, implement STRs
5. Close the digital divide and leverage youth innovation to support participation in e-commerce and digital trade solutions
6. Plan innovative AfCFTA sensitization among stakeholder groups and inclusion of diverse voices in national implementation efforts



THANK YOU!

Ideas
to
Action