



## Understanding The African Continental Free Trade Area (AfCFTA) and how it relates to Zimbabwean Women in Trade





## Introduction to this Booklet

The purpose of this booklet is to raise awareness on the African Continental Free Trade Area (AfCFTA) among stakeholders in Zimbabwe, especially women traders. It is intended to facilitate information on opportunities and benefits provided by AfCFTA that women in trade can exploit and use, in pursuit of their business goals whether formally or informally.

## Acknowledgments

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## 1. What is AfCFTA

The African Continental Free Trade Area (AfCFTA) is an important instrument in the realisation of Africa's economic integration and economic development ambitions.

The AfCFTA agreement establishes a single continental market for goods and services and seeks to increase intra-African trade by reducing and eventually eliminating custom duties and non-tariff barriers.

It is a framework agreement comprising of protocols on Trade in Goods and Services, Investment, Intellectual Property Rights and Competition Policy.

These Protocols, as well as the Protocol on Dispute Settlement, form an integral part of the Agreement.

It emphasizes the facilitation of free movement of people and labour, right of residence, right of establishment, and right of investment.

In terms of numbers of participating countries, the AfCFTA will be the world's largest free trade area since the formation of the World Trade Organization in 1995.

### Timelines in the establishment of AfCFTA:

**1963** - African Unity (now African Union) was founded.

**1980** - Lagos Plan of Action for the Economic Development of Africa, 1980–2000.

**1991** - Treaty Establishing the African Economic Community.

**2018** - Agreement Establishing the African Continental Free Trade Area originally signed by 43 countries in 2018, today signed by 54 countries.

**2019** - Agreement Establishing the African Continental Free Trade Area entered into force.

**2021** - Trading under AfCFTA started with 37



countries having ratified/acceded to the Agreement.

## 2. Who are Member States and State Parties under the AfCFTA?

The AfCFTA Agreement refers to **Member States** and **State Parties**. The “Member States” are the Member States of the AU. The “State Parties” are the AU Member States that have ratified the AfCFTA Agreement or acceded to it, and for which the AfCFTA Agreement is in force. Only the State Parties will have rights and obligations under the AfCFTA Agreement.

## 3. Why the AfCFTA?

### General Objectives of AfCFTA

The general objective is to create a liberalised market for trade in goods and boost inter-African trade. The Objectives of the Agreement are reflected in Article 3 of the Framework Agreement as follows:

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 persons and facilitate investments building on the initiatives and developments in the State Parties and Regional Economic Communities; 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.

#### **Specific Objectives of AfCFTA**

These are reflected in Article 4 of the Framework Agreement as follows:

Progressively eliminate tariffs and non-tariff barriers to trade in goods;

Progressively liberalise trade in services; cooperate on investment, intellectual property rights and competition policy;

Cooperate on all trade-related areas; cooperate on customs matters and the implementation of trade facilitation measures;

Establish a mechanism for the settlement of disputes; and

Establish and maintain an institutional framework for the implementation and administration of AfCFTA.

## **4. Benefits of AfCFTA to the African continent**

AfCFTA will help bring together a single and large market of more than 1.2 billion people, of goods and services with movement of people and investments. It will:

Increase intra-African trade which will boost revenues and livelihoods.



Create better terms of trade which will enhance global export earnings.

Capture trade in services which will drive competitiveness.

Lower prices for consumers because of increased competition.

Create stronger partnerships between public and private actors which will enable trade expansion.

Result in more foreign exchange earnings through increased market access.

Develop industry and create jobs.

Bring greater choice of goods.

Reduce general poverty.

## **5. Women and Youth in AfCFTA**

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

The Preamble recognises the importance of international security, democracy, human rights, gender equality, and the rule of law for the development of international trade and economic cooperation.

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

Article 27 (2) (d) of the Protocol on Trade in Services mandates State Parties 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.”

## 6. Why is AfCFTA important to women in Zimbabwe?

Women play a significant role in trade in Zimbabwe and will be essential to the continent’s success in leveraging the full potential of AfCFTA.

Women comprise the vast majority of informal cross-border traders in Zimbabwe.

## 7. How will AfCFTA benefit women?

Women will be affected differently, depending on characteristics like their education, experience, location, and role in the economy. It is critical to understand the gendered impact of intra-African trade liberalisation in order to ensuring equality of opportunity for women and men in AfCFTA.

Women exporters of goods and services will be afforded an expanded market thereby spurring economic growth and boosting job creation.

Women in informal cross-border trade (WICBT) will have greater opportunities due to the tariff reductions promised under the Protocol on Trade in Goods.

Women in agriculture value chains will gain a comparative advantage by leveraging the AfCFTA’s Protocol on Rules of Origin which permits access to cheap raw materials.

As their participation in public procurement at the national level will increase, with the impetus of AfCFTA preferential regimes, women will realize increased revenue gains and be better positioned to play a larger role in AfCFTA intra-regional trade opportunities.

AfCFTA can promote women’s economic empowerment by providing them with expanded access to regional food markets and stimulating demand for intra-African food imports.

Smallholder female farmers in particular could benefit from opportunities to integrate their activities into regional agricultural value chains and higher value-added agro-processing activities. At the same time, however, female farmers in some African countries may be adversely affected by increased food imports from other AfCFTA member states.

An expanding services sector in Africa has created formal skill intensive jobs for some highly educated women.

Opportunities for intra-African trade will be expanded across all sectors which can promote entrepreneurship and economic opportunities for women-owned small and medium enterprises (SMEs) and microenterprises in the formal and informal sector.

Unfair and discriminatory treatment directed against women can be resolved through the Dispute Settlement Mechanism.

AfCFTA would also help accelerate women’s empowerment in every area.



## 8. Challenges to women's participation in trade

### **High transaction costs and delays.**

Traders face high costs and delays at the borders, these include high fees and duties, unpredictable and complex regulations, extensive and centralized documentation requirements, as well as strict immigration laws.

### **Corruption, Insecurity and Gender-Based Violence and Harassment.**

Women are estimated to account for around 70 per cent of cross-border trade in Africa. When engaged in such informal activity, they are particularly vulnerable to violence, confiscation of goods and sexual violence and harassment.

Traders and border officials alike often have limited awareness of their respective rights and obligations.

### **Poor basic infrastructure and facilities.**

There is a lack of basic infrastructure at most African borders to accommodate the needs of small-scale traders, compounding the constraints already resulting from their general lack of access to electricity, transport, storage and telecommunications. Proper infrastructure – such as markets, storage/warehousing, health and sanitary facilities (especially for women), accommodation, security lighting and pedestrian lanes – are often lacking at border areas, making these places chaotic and unsafe, especially for women.

### **Weak trade associations.**

Cross-border trade associations are either non-existent or, where present, frequently ill-equipped to deal with the challenges and typically have low levels of membership, are not formally registered and have little management capacity or financial resources.

### **Lack of gender-disaggregated data on cross border trade flows.**

The lack of systematic data collection and management on WICBT affects its proper

monitoring and understanding by governments, trade associations, regional organizations and cooperating partners.

Lack of access to productive resources such as land, finances and other assets.

Digital divide between men and women, caused by lack of affordability and digital know-how.

Limited resources for marketing, developing local trademarks, accessing intellectual property rights.

Limited access to information on trade related issues.

Limited knowledge of relevant institutions providing Trade services.

Limited access to credit and collateral.

Lack of inclusivity and accommodative supports for women and persons with disabilities.

Lack of adequate frameworks and monitoring around trade facilitation.

Limited access to online markets and e-commerce.



## 9. What can be done to facilitate women's opportunities under AfCFTA

The following recommendations are presented to address gaps and to inform policy discussions on gender and trade in the context of AfCFTA:

Improve country and regional trade infrastructure;

Seek inclusive participation of key stakeholders such as women in AfCFTA negotiation processes;

Improve the availability of relevant gender disaggregated data;

Conduct comprehensive gender analysis and studies to support evidence-based AfCFTA policymaking;

Monitor AfCFTA processes in responding to gender gaps in trade;

Conduct advocacy and awareness raising on gender and AfCFTA issues;

Support capacity-building initiatives for SMEs on international and regional trade requirements;

Advocate for the review of legal and policy framework at the national level; and

Promote the use of ICT-based e-procurement systems.

Establish whistle blower protection so that women can report all corrupt border officials without the fear of victimization.

Mainstream gender in trade policies.

Protect Indigenous knowledge systems and intellectual property rights.

Support capacity-building initiatives on AfCFTA for the various sectors in Trade, such as formal

and informal Traders, border and customs personnel.

Streamline and make considerations of the Informal Sector.

Ensure Disability Inclusion so that information is disseminated in accessible formats and plans and processes take into consideration supports and accommodations for women with disabilities.

Create a comprehensive database of Women in Trade so as to create an entry point for interventions and support to women Traders.

## 10. Impact of COVID 19 on women in trade

The COVID-19 pandemic is exacerbating the impact of pre-existing barriers affecting women in trade;

Owing to the pandemic, women in formal and informal economies have lost their jobs;

Women face barriers in accessing online educational opportunities;

Women's access to health services and medical establishments has been curtailed;

Women have faced a massive increase in household responsibilities; and

Domestic violence against women has risen due to lockdowns with their abusive family members.

## Definitions

**Gender equality:** equal rights, responsibilities and opportunities of women and men, and girls and boys. Equality does not mean that women and men will become the same but that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female. Gender equality implies that the interests, needs and priorities of both women and men are taken into consideration, recognizing the diversity of different groups of women and men. Gender equality is not a women's issue and should concern and fully engage men as well as women. Equality between women and men is seen both as a human rights issue and as a precondition for, and indicator of, sustainable people-centred development.

**International Trade:** the exchange of goods and services between countries

**Member States:** member states of the African Union.

**Non-Tariff Barriers:** barriers that impede trade through mechanisms other than the imposition of tariffs.

**Protocol:** an instrument attached to the Agreement, which forms an integral part of the Agreement.

**State Party:** a state that has ratified or acceded to the Agreement and for which the Agreement is in force.

**Tariff:** a tax imposed by one country on the goods and services imported from another country.

## Sources of Information

1. National Consultative virtual Meeting on Women in Trade in Zimbabwe held on 25th June 2021
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5. Opportunities for Women Entrepreneurs in the Context of the African Continental Free Trade Area, UN Women,  
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