



OPPORTUNITIES FOR WOMEN ENTREPRENEURS IN THE CONTEXT OF THE AFRICAN CONTINENTAL FREE TRADE AREA



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STUDY REPORT

OPPORTUNITIES FOR
WOMEN ENTREPRENEURS
IN THE CONTEXT OF THE
AFRICAN CONTINENTAL
FREE TRADE AREA



UN WOMEN EAST AND SOUTHERN AFRICA

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TABLE OF CONTENTS

ACKNOWLEDGEMENTS	III
ACRONYMS	IV
EXECUTIVE SUMMARY	V
1. CONCEPTUALIZING GENDER AND TRADE IN THE CONTEXT OF THE AfCFTA	1
1.1 The AfCFTA: A Window of Opportunity	2
1.2 Analysing the AfCFTA's Provision on Gender and Trade	4
1.3 Reviewing the Literature on Links between Gender, Trade, the Value Chain and Public Procurement	6
1.4 Study Objectives, Research Questions and Report Organization	8
2. WOMEN IN INFORMAL CROSS-BORDER TRADE AND THE AfCFTA	10
2.1 Challenges to Women's Participation in Informal Cross-Border Trade	11
2.2 Role of Regional Economic Communities and Member Countries in Supporting Women in Informal Cross-Border Trade	13
2.3 Analysis of Existing SSCBT Gender-Disaggregated Data	13
2.4 Improving Informal Cross-Border Trade Conditions	16
3. THE AfCFTA AND WOMEN'S PARTICIPATION IN REGIONAL VALUE CHAIN PROCESSES	17
3.1 The AfCFTA's Role in Enhancing Competitiveness in Regional Value Chains	18
3.2 Key Challenges to Women's Participation in Regional Value Chains and Implications for the AfCFTA	18
3.3 Gender, Trade and Value Chains	21
4. PUBLIC PROCUREMENT AND THE AfCFTA	23
4.1 Exploring Public Procurement through Country Case Studies	24
4.2 Case Study: Kenya	24
4.3 Case Study: Rwanda	25
4.4 Case Study: South Africa	26
4.5 Case Study: Uganda	27
4.5 The Case for Public Procurement	27
5. CONCLUSIONS, RECOMMENDATIONS AND THE WAY FORWARD	29
5.1 Major Conclusions	30
5.2 Recommendations	31
5.3 Way Forward	33
ANNEXES	34
1: Study Methodology	35
2: Resources Reviewed	36
3: Stakeholders Consulted	38
4: Research Guide/Questions	39
5: Profiles of Women Entrepreneurs in Various Agriculture Value Chains	41
ENDNOTES	45

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ACRONYMS

AfCFTA	African Continental Free Trade Area	OECD	Organisation for Economic Co-operation and Development
AU	African Union	REC	regional economic community
COMESA	Common Market for Eastern and Southern Africa	SADC	Southern African Development Community
EAC	East African Community	SSCBT	small-scale cross-border trade
ECOWAS	Economic Community of West African States	SME	small or medium-sized enterprise
ESARO	East and Southern Africa Regional Office	TPP	Trans-Pacific Partnership
FEMCOM	Federation of National Associations of Women in Business in Eastern and Southern Africa	UN	United Nations
ICBT	informal cross-border trade	UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
ICT	information and communications technology	WICBT	women in informal cross-border trade

EXECUTIVE SUMMARY

The signing of the African Continental Free Trade Area agreement (AfCFTA) at the March 2018 10th Extraordinary Session of the Assembly of the African Union (AU) was a tremendous milestone in the pursuit of integrated and inclusive economic growth in Africa. For complete success, such growth should address inequality in all its forms – including gender inequality. It is therefore critical from the onset to establish what the AfCFTA means for women in terms of their participation in cross-border trade, value chains and public procurement; the potential these hold for women; and the contributions women can make in fostering the aim and objectives of the AfCFTA.

This study aimed to identify opportunities for women entrepreneurs with regard to the AfCFTA, focusing on three areas of interest: women in informal cross-border trade (WICBT), gender and value chain analysis, and affirmative action/preferential public procurement. The study further analysed challenges for women entrepreneurs in the context of the AfCFTA. The study looked at inter-linkages between trade, public procurement, value chains and gender inequality. It assessed potential ways for improving regional integration frameworks from a gender perspective. It also analysed potential ways of integrating gender concerns into value chain development projects and programmes to help women maximize their profitability and competitiveness. Finally, the study analysed different preferential procurement schemes adopted in four countries in East and Southern Africa, namely Kenya, Rwanda, Uganda and South Africa. The selection of these countries was based on UN Women's ongoing work on preferential public procurement in these four countries.

To address the specified objectives, the study reviewed, analysed and synthesized existing literature from various sources. This was complemented with key informant interviews facilitated via email, Skype and telephone. The key informants were selected from among stakeholders currently involved in AfCFTA negotiation processes or involved in gender equality and women's economic empowerment programmes. The study also drew on an analysis of

secondary data accessed from existing gender and trade databases, mainly the COMESA open access data under COMSTAT.

The study findings reveal the following:

The nature of **WICBT** operations are well documented as being highly informal and therefore subject to high transaction costs and border delays, corruption, insecurity and gender-based sexual harassment, poor basic infrastructures and facilities, weak trader associations and a lack of gender-disaggregated data on cross-border trade flows.

In light of this, AfCFTA provisions that adopt preferential trade regimes for small-scale trade, including its annex on customs cooperation, should include simplified measures that can accommodate a small volume of consignments and implement specific trade permits and visa regimes for small traders, as well as reduce other taxes such as the value-added tax and import and export taxes.

The AfCFTA's provisions for tariff measures to facilitate small-scale trade are likely to address WICBT challenges regarding corruption. Such provisions should aim at progressive elimination of tariff and import duties for goods and commodities that are mostly traded by WICBT. This also requires an extensive common list for low-value exports for improved market access with specific importance to cross-border traders.

AfCFTA implementation also requires strong monitoring mechanisms for systematic collection of gender-disaggregated data on cross-border trade flows.

The AfCFTA agreement is likely to foster industrialization and regional competitiveness through the creation of regional **value chains** and improved agro-processing. The success of such value chains will, however, depend on addressing identified key challenges to women's effective participation in them.

Three principles should guide integration of gender concerns into value chain development projects and programmes. Such initiatives should ensure

(i) economic impact, (ii) environmental impact and (iii) robust infrastructure.

On **gender and public procurement**, the AfCFTA's implementation should consider strengthening public procurement systems as a vehicle for creating wealth for growing small and medium-sized enterprises (SMEs) or women-owned businesses. The increased finance opportunities of the public procurement market and other intrinsic benefits such as labour provisions mean that public procurement has the potential for creating backward and forward linkages in support of intra-regional trade. Public procurement programmes are needed that are gender responsive and build on the lessons from the reviewed case studies; to this end, regional policies on public procurement are essential.

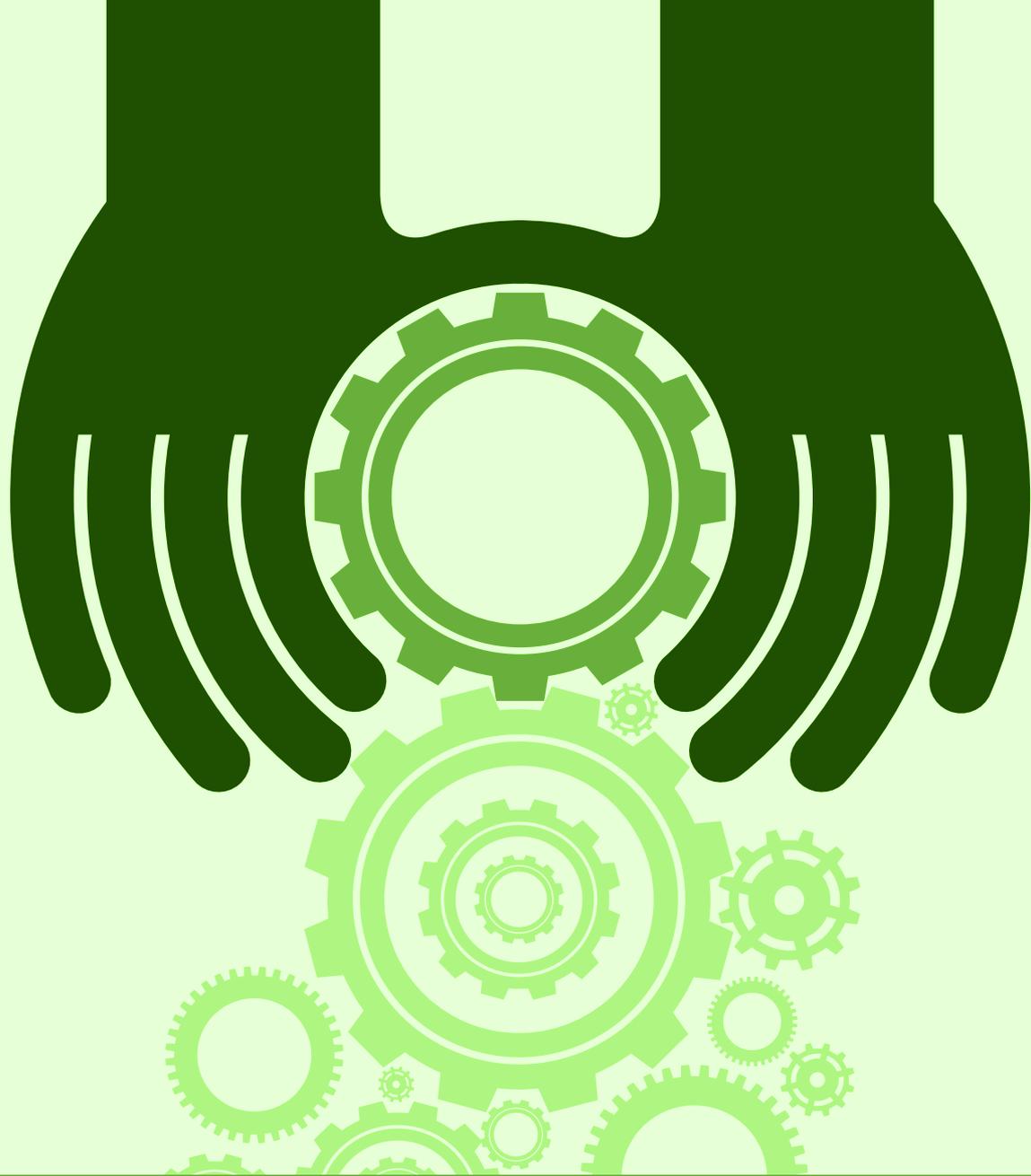
The study makes the following recommendations:

- Seek inclusive participation of key stakeholders in AfCFTA negotiation processes
- Improve the availability of relevant gender-disaggregated data
- Conduct comprehensive gender analysis and studies to support evidence-based AfCFTA policymaking
- Conduct advocacy and awareness raising on gender and AfCFTA issues
- Monitor AfCFTA processes in responding to gender gaps in trade
- Strengthen women's trade associations and networks
- Support capacity-building initiatives for SMEs on international and regional trade requirements
- Advocate for the review of legal and policy frameworks
- Promote the use of information and communications technology-based e-procurement systems

Overall, the study report showcases different interventions and advocacy efforts UN Women East and Southern Africa Regional Office (ESARO) can roll out in the context of the AfCFTA. The report also prompts national governments and key stakeholders in their preparedness for the AfCFTA. The proposed interventions will help forge partnerships between UN Women ESARO and other like-minded organizations in gender and trade programme initiatives. Key stakeholders include the African Union Commission, the African Development Bank, Africa's regional economic communities, other United Nations entities such as the United Nations Commission on Trade and Development and the United Nations Economic Commission for Africa, and other partners at both the regional and national levels.

Given time limitations and the importance of preparing an exploratory study in time for AfCFTA negotiations, this study has not considered all possible opportunities for women entrepreneurs under the AfCFTA. It primarily deals with trade in commodities, which has predominated women's activities across borders in Africa. While trade in services (as soft goods) is also included in the AfCFTA, it is not considered in this analysis, even though it holds great potential for employment and wealth creation by women. Note too that the discussion here on value chains is focused solely on agricultural value chains, although other chains, such as manufacturing, can provide similar avenues of opportunities for women.

A further limitation to this study is the lack or inadequacy of gender-disaggregated data. For these reasons, this study should be considered an exploratory effort highlighting areas for future research and analysis.



1

CONCEPTUALIZING GENDER AND TRADE IN THE CONTEXT OF THE AfCFTA

1.1 THE AfCFTA: A WINDOW OF OPPORTUNITY

The AfCFTA, women and socioeconomic growth in Africa

The signing of the African Continental Free Trade Area agreement (AfCFTA) at the March 2018 10th Extraordinary Session of the Assembly of the African Union (AU) was a tremendous milestone in the pursuit of integrated and inclusive economic growth in Africa. For complete success, such growth should address inequality in all its forms – including gender inequality. It is therefore critical from the onset to establish what the AfCFTA means for women in terms of their participation in cross-border trade, value chains and public procurement; the potential these hold for women; and the contributions women can make in fostering the aim and objectives of the AfCFTA.

Women's contribution towards socioeconomic growth in Africa is well documented in the development literature and widely acknowledged in practice. UN Women and its predecessor United Nations (UN) entity, UNIFEM, note that increased women's income is an investment in the next generation, as women who have more control over household resources tend to spend more on food, better health and schooling for their children.¹ Women in Africa play an important role in intra-regional trade activities, either through formal trade or through informal and small-scale activities. The AfCFTA can thus provide a significant opportunity for women, giving them a head start towards increasing their economic empowerment. To best exploit this opportunity, care must be exercised to ensure that the AU's programming priorities for the AfCFTA do not divert away from domains where women are traditionally dominant by emphasizing the activities of large multinational firms and their subsidiaries.

The genesis of the AfCFTA

Trade and regional integration lead Africa's development agenda. This was the theme of the 2018 African Economic Conference, a broad forum for the discussion of knowledge and solutions for continental integration. Trade and regional integration are key pillars in structural transformation and

industrialization, and important to the realization of both the AU Agenda 2063 and the UN Agenda 2030.

The AfCFTA is a flagship programme of the AU Agenda 2063. Envisioned in 1991 under the Abuja Treaty Establishing the African Economic Community, the AfCFTA is a continental-wide initiative of the AU. It seeks to deepen economic regional integration of the African continent by creating a single market featuring the free movement of goods, services and investments. It aims at expanding intra-African trade through better harmonization and coordination of trade liberalization and facilitation regimes and instruments across both regional economic communities (RECs) and Africa in general. The AfCFTA is expected to enhance competitiveness at the industry level by exploiting opportunities for large-scale production, continental market access and better allocation of resources within Africa.

The AfCFTA is a response to Africa's status as the world's least economically integrated continent. Statistically, 80 per cent of its trade is with the rest of the world; intra-African trade accounts for just over 10 per cent of total continental trade, compared with nearly 70 per cent in Europe, 54 per cent in North America, 51 per cent in Asia and 15 per cent in Latin America.² Even though the Lagos Plan of Action for the Economic Development of Africa (1980–2000) led to the creation of several African RECs – including the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Economic Community of West African States (ECOWAS) and the Southern African Development Community (SADC) – integration among these established regional blocs is reportedly shallow.³

Given this weak integration, Africa remains a fragmented continent with very high trade costs. Steep tariff barriers (averaging 8.7 per cent), as well as non-tariff barriers such as cumbersome customs procedures ("thick" borders) and excessive regulation, make the cost of doing business across Africa extremely high.⁴ In 2011, the AU Assembly adopted the Action Plan for Boosting Intra-Africa Trade, and at the AU Summit held in Addis Ababa in January

2012, the African heads of state adopted a decision to establish a continental free trade area by 2017.

In March 2018, the agreement establishing the AfCFTA was presented for signature in Kigali, Rwanda. As a demonstration of the unprecedented high level of political will supporting the agreement, 44 of the 55 AU member states signed the agreement at the time of its launch, giving it tremendous momentum towards its entry into force. As of January 2019, 49 countries had signed the agreement, and 10 had ratified it. The AfCFTA entered into force on 30 May 2019 for the 24 countries that had deposited their instruments of ratification with the AU Commission.

Opportunities for women entrepreneurs in the AfCFTA context

The AfCFTA offers a window of opportunity for African countries to boost intra-African trade and to diversify, structurally transform and meet the human rights objectives and poverty-related goals to which the continent is committed under Agenda 2063.

As one of its general objectives, the AfCFTA commits to “promote and attain sustainable and inclusive socio-economic development, gender equality and structural transformation of the State Parties.”⁵ Thus, ensuring that gender equality is promoted in all AfCFTA processes is at the heart of the agreement.

This study – commissioned by UN Women East and Southern Africa (ESARO), in collaboration with the COMESA Secretariat and the AU Commission – has identified rich opportunities for women entrepreneurs and women-owned businesses within the framework of the AfCFTA, notably in cross-border trade, value chains and public procurement.

- AfCFTA provisions under the Protocol on Rules of Origin permit access to cheaper raw materials and intermediate inputs. Thus, women participating in value chains would be able to produce goods and services with significant African content in terms of raw materials and value addition in line with the preferential trade regime of the AfCFTA.
- The AfCFTA establishes trade negotiations that should benefit all key players in terms of

flexibility and policy space, either in the form of exemptions or specific positive requirements in the trade agreement. Regarding flexibility, countries will be able to build on the productive capacities of their trade sector producers with greater comparative advantage before fully opening up to trade. This gradual liberalization enables small-scale producers (the majority of whom are women) to enhance their competitiveness in intra-regional trade. As to policy space, the AfCFTA takes the following into account: safeguards, standards (e.g. regarding the environment, safety, etc.) and transitional periods on tariff progression. If properly harnessed, these trade measures will allow countries to protect their small-scale producers against competition via import surges and counterfeit products.

- The AfCFTA’s criteria for designating sensitive products and exclusion lists take into consideration restrictive trade liberalization measures on specific products deemed essential for women’s needs – e.g. reproductive health products, and agro-processing.
- The AfCFTA adopts preferential trade regimes facilitating small-scale cross-border traders and smallholder farmers through measures that promote their integration into larger value chains. For example, the provisions of the AfCFTA annex on standards and phytosanitary measures entails mutual recognition of standards, licensing and certification of service suppliers across the continent, making it easier to meet export standards and satisfy regulatory requirements for niche markets.

Under the AfCFTA, 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. And by increasing their participation in public procurement at the national level, 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.

The next two sections provide important context to the above assertions by looking at the

gender-related opportunities and challenges of the AfCFTA (Section 1.2), and the links described in the literature between gender, trade, value chains

and public procurement (Section 1.3). More details on the scope and structure of the study are in Section 1.4.

1.2 ANALYSING THE AfCFTA'S PROVISION ON GENDER AND TRADE

The International Trade Centre has estimated the target market of the AfCFTA at 1.27 billion people; this is projected to rise to 1.7 billion by 2030, of whom about 600 million will be middle class.⁶ It has further estimated that Africa's aggregate gross domestic product will soar to USD 6.7 trillion in purchasing power parity terms. Intra-African trade is projected to grow by 52.3 per cent by 2022, and global trade by 6 per cent. Plus the AfCFTA is expected to attract an estimated USD 4 trillion in investment and consumer spending. Numbers aside, the AfCFTA has the potential to make a concrete impact on the lives of ordinary citizens across the continent by facilitating job creation and greater regional competitiveness of African small and medium-sized enterprises (SMEs) in lucrative markets.

The growth of the middle class will create a demand for high-quality products in terms of food, textiles, apparel, construction and other commodities with high value addition. Women entrepreneurs will have the opportunity to meet the demands from the growing middle class with likely higher profitability in terms of returns.

The AfCFTA is also expected to encourage industrialization on the continent through the development of regional value chains and more diversified intra-African trade.⁷ To ensure that women are not left behind in this dynamic, it is important to ascertain that the necessary skills and resources – including financing – are provided to support women's move into more productive sectors.⁸

AfCFTA negotiations on liberalization of trade in goods and services have focused on the following provisions: the Protocol on Trade in Goods, the Protocol on Trade in Services, the Protocol on Rules of Origin and the Protocol on the Free Movement of People. These provisions offer a variety of economic opportunities to women entrepreneurs, as the following delineates.

Access to cheaper raw materials

The AfCFTA Protocol on Rules of Origin makes provisions permitting access to cheaper raw materials and intermediate inputs. For example, the AfCFTA plans to adopt a change in tariff of 35 per cent in value addition as a means of supporting information and communications technology (ICT) in agro-processing.⁹ This means that women participating in value chains have an opportunity to produce goods and services with significant African content in terms of raw materials and value addition in response to the preferential trade regime of the AfCFTA.

Flexibility and policy space

The AfCFTA establishes trade negotiations that should benefit all key players in terms of flexibility and policy space, either in the form of exemptions or specific positive requirements in the trade agreement.

In terms of flexibility, the AfCFTA negotiations provide tariff modalities that allow African countries to apply some form of protectionism on up to 10 per cent of sensitive products, thus opening 90 per cent to the AfCFTA trade regime. The specific tariff lines that will be adopted for AfCFTA ratification have yet to be determined.¹⁰ In any event, assessment of the implications on gender inequality in the context of the AfCFTA tariff regime is essential.

Under the AfCFTA's provision on flexibility, countries will be able to build on the productive capacities of their trade sector producers with greater comparative advantage before fully opening up to trade. The literature suggests that trade sectors in which countries have the greatest comparative advantage have the greatest absorption capacity for small-scale producers, the majority of whom are women.

As to policy space, the AfCFTA takes the following into account: safeguards, standards (e.g. regarding the environment, safety, etc.) and transitional periods on tariff progression. Countries are able to create temporary exclusion lists that limit imports in times of sudden import surges. If properly harnessed, these trade measures will allow countries to protect their small-scale producers against competition via such import surges and counterfeit products (the infant industry argument).

As to the transitional periods on tariff progression, AfCFTA's effectiveness will depend on which tariff lines are covered within the 90 per cent of the liberalized goods and whether such tariff lines are applicable to the most traded commodities by small-scale traders. Successful implementation of such measures relies on gradual liberalization, which allows for the protection of small-scale players – such as women engaged in cross-border trade and with the public procurement system.

Trade liberalization measures

The AfCFTA's criteria for designating sensitive products and exclusion lists take into consideration restrictive trade liberalization measures on specific products deemed essential for women's needs – such as reproductive health products, sanitary requirements and agro-processing, among others. The specific targeting of public goods in the AfCFTA has a direct bearing on public procurement systems, where women entrepreneurs have a comparative advantage in leveraging domestic markets.

Priority sectors

The AfCFTA Protocol on Trade in Services requires that countries identify priority sectors for trade under the AfCFTA. The AfCFTA has identified 12 priority sectors for effective liberalization in trade in services. At the continental level, the importance of service sectors such as infrastructure, finance and energy to Africa's integration and economic development is largely recognized.¹¹ A more inclusive approach on the prioritization of trade sectors will ensure job creation and market integration for women in various value chains.

Preferential trade regimes

The AfCFTA adopts preferential trade regimes facilitating small-scale cross-border traders and smallholder farmers (which account for around 53 per cent of Africa's agriculture producers) through measures that promote their integration into larger value chains.¹² For example, the provisions of the AfCFTA annex on standards and phytosanitary measures entails mutual recognition of standards, licensing and certification of service suppliers across the continent, making it easier to meet export standards and satisfy regulatory requirements for niche markets.¹³

Issues and concerns

In spite of the AfCFTA offering myriad opportunities for greater market integration, concerns have been raised that the agreement does not include conditions facilitating the continent's structural economic transformation, thus limiting its potential benefits – especially for women entrepreneurs, who play a significant role in Africa's intra-regional trade. The following concerns have been highlighted:

- The AfCFTA flexibilities with regard to exclusion list and sensitive product terms may not be appropriate for achieving intended market integration.¹⁴ Further, where such flexibilities exist, they are likely to be hampered by other technical policies and conditions, as well as by commitments that compromise their use.¹⁵ Germane to this concern is the provision on tariff modalities for African countries to apply some form of protectionism on up to 10 per cent of their sensitive products. The proposed tariff regime is viewed as inadequate to afford the necessary policy space to support a wide range of domestic SMEs, as well as those operating in relatively more constrained economic business environments. The United Nations Economic Commission for Africa notes that domestic SMEs need time to develop their capacities in order to compete against larger and relatively better financed enterprises from other countries.¹⁶ Therefore, a 10 per cent margin for sensitive products may not successfully facilitate intra-African trade, especially for these SMEs.

As Third World Network – Africa observes, the actual process of tariff concessions should focus

on the composition of the 10 per cent allowance for sensitive products and exclusions so as to yield optimal space and support for vulnerable groups as well as strategic sectors.¹⁷ To ensure that preferential tariff options are not restrictive for small-scale operators, a detailed analysis of their implications on small-scale operators under the AfCFTA should be conducted.

- A concern has been raised about the provisions of safeguard measures under the AfCFTA's Protocol on Trade in Goods. The technical capacity of African countries is currently considered too weak to effectively apply such measures, especially on counterfeit products, which ultimately compete with locally – typically small-scale business – produced goods.¹⁸
- Another concern relates to AfCFTA annex provisions on rules of origin, standards and phytosanitary measures. Third World Network – Africa notes that the nature of the annexed rules are neither sufficiently flexible to improve

market access for African products nor sufficiently robust to defend them against non-African products and enterprises.¹⁹ Such limitations are likely to affect women entrepreneurs more than men, because of their limited productive capacities to integrate in the market. Evidence-based formulation of these rules is important, building on lessons from existing trade agreements and economies.

- A concern about the Protocol on Trade in Services centres on whether countries have determined the prioritized service sectors for liberalization based on the capacity of local versus foreign service providers to supply services competitively. An inclusive approach should be considered if women are to be the beneficiaries of such interventions/processes in sectors where they predominate. Specifically, AfCFTA provisions on trade in services need to address how women entrepreneurs can be integrated into the business environment and benefit from prioritized service sectors.

1.3 REVIEWING THE LITERATURE ON LINKS BETWEEN GENDER, TRADE, THE VALUE CHAIN AND PUBLIC PROCUREMENT

Gender and trade agreements

Viteri analyses the Trans-Pacific Partnership (TPP) agreement from a gender lens.²⁰ Specifically, she looks at the positive and negative implications of the TPP on countries that have introduced trade liberalization policies. Evidence indicates that liberal trade policies – including the formation of trade agreements such as the TPP – have some positive implications in achieving women's economic empowerment, including greater inclusion of women in the marketplace and opportunities for women-owned SMEs to expand their trade overseas. Examples of actions that governments and non-state actors have implemented in favour of women during trade liberalization include labour provisions in trade agreements, programs to help women with business training, financing programs and connecting women to supply networks.

However, women's employment has mainly increased in the unskilled sector, and women willing to expand their businesses still face several barriers because of gender inequalities. Viteri also delineates negative outcomes for women as a result of trade liberalization, including in agriculture.²¹ Although the TPP seeks to include labour rights provisions, a strong enforcement mechanism is needed to ensure that labour rights are upheld among all TPP members – particularly women's rights.

In the wake of the North American Free Trade Agreement (NAFTA) in Mexico, women's relative wages increased following implementation.²² Beyond job creation, trade liberalization heightened women's autonomy and resulted in benefits for future generations through investments in human capital. For instance, in a review of the gender implications of trade liberalization in Latin America, export expansion through the cultivation of new

agricultural products provided jobs for women who had no access to monetized earnings before. This formal employment resulted in their gaining status in the household and achieving relative economic independence.²³

Trade liberalization may also worsen women's economic and social status, leading to persistent and widening wage and occupational gaps, as well as job insecurity. For example, the impact of trade liberalization in Chile was that gross job reallocation rates were often over twice as high for women as for men. A cross-country review of countries in Latin America and Asia found that female intensity in manufacturing was negatively correlated with higher levels of value-added manufacturing or capital intensity in production.²⁴

The gender-differentiated effects of trade liberalization are felt at the macro, meso and micro levels, and are the result of differences between women and men in their access to assets, human capital, labour markets and labour earnings. At the macro level, gender gaps in market participation may narrow if sectors that expand through trade liberalization are more female-intensive than the sectors that contract. The inverse holds true as well. At the meso level, public provision of social services that favour women might be undermined if the loss of government revenue through reductions in tariffs leads to cuts in these services. At the micro level, trade liberalization may extend or reduce female control over household spending, depending on whether it creates or destroys sources of independent income for women.²⁵

Despite increased interest in and research on gender and trade policies, sound empirical evidence is sparse, with analyses limited by a lack of gender-differentiated data, as well as the difficulty of disentangling the effects of trade liberalization from other simultaneous changes.²⁶

Useful lessons for the AfCFTA can be drawn from implementation of other trade agreements to the extent that the reality of doing business in Africa poses unique challenges. The AfCFTA must be packaged and implemented in a way that maximizes trade benefits for women entrepreneurs in order to create a win-win situation.

Gender, trade and value chain linkages

The continental focus on regional value chains in agricultural commodities and processed products comes at a time when the importance of agriculture to the African economy is generally recognized.²⁷ Small-scale women farmers contribute 70 per cent of the labour force in the agriculture sector. However, their effective participation in regional value chains is hampered by a lack of productive capacities with low input, low output and low value added²⁸ – resulting in relatively little participation in intra-regional trade by small-scale women farmers.

Small-scale traders, the majority of whom are women, are likely to incur more trading costs in intra-regional trade compared to large-scale traders.²⁹ Under the COMESA-EAC-SADC tripartite capacity-building programme, a study was conducted to assess and improve the understanding of costs associated with technical barriers to trade for selected trade corridors in East and Southern Africa. The study findings reveal that large-scale traders (and their agents) are generally familiar with border procedures, but for small-scale traders, border processes are quite stringent. The study concludes that the current lack of capacity in managing technical barriers to trade measures means higher trading costs, particularly for small-scale traders. It recommends improving transparency so that small-scale traders understand their rights and responsibilities with regard to technical trade measures.

To minimize trade restrictions, international trade agreements require that trade measures be transparent and non-discriminatory, and cause the least disruption necessary to achieve country objectives in applying the measures. Finding ways to reduce the negative impact of technical and other non-tariff measures has become an important part of facilitating trade – especially for small-scale cross-border trade (SSCBT), as emphasized by the World Trade Organization's Trade Facilitation Agreement.³⁰ It is within this context that the Buenos Aires Declaration on Women and Trade, a joint ministerial initiative on trade and women's economic empowerment, was issued.³¹ The impact of trade facilitation in providing equal access and opportunities for women entrepreneurs is one of the thematic areas highlighted for consideration.

The concerns that limits effective participation of women in value chains include low production capacities (both in terms of quantity and quality); limited access to market-driven information; and infrastructure challenges including unequal land accessibility; an unfair commercial environment; lack of access to information; limited access to post-harvesting technologies; and a lack of export competence.³²

Addressing the key constraints that limits women's effective integration into strong value chain systems is critical to the success of AfCFTA implementation.

Gender, trade and public procurement linkages

Annually at the global level, USD 15 trillion passes through government to suppliers through public procurement systems. However, only 1 per cent goes to women-owned businesses.³³ While governments have used public procurement policies as a vehicle for socioeconomic objectives, few governments have fully recognized how procurement can release the potential for women-owned businesses and entrepreneurs. Well-designed public procurement policies have the potential to speed technical development, increasing trade margins and overall productivity. To this end, governments need to do more to integrate women-owned businesses into public procurement supply chains.

While public procurement is increasingly recognized as a vehicle to support governments' socioeconomic objectives, the International Trade Centre notes that very few governments have used public procurement as a tool to unleash the vast economic potential of women entrepreneurs. Research indicates that public procurement policies must be gender sensitive (to include some degree of affirmative action favouring women to bridge the gap in women's economic capacity and increase

access to resources), which implies a sustainable selection of services and goods that takes into account the impact on gender equality and women's empowerment.

The rules and regulations guiding public procurement systems need to emphasize the increased participation of women-owned businesses as a policy agenda. For example, government procurement programmes, largely in Organisation for Economic Co-operation and Development (OECD) member countries, attach additional conditions to government contractors designed to raise environmental and/or social standards. These conditions include improvement of women's rights. The argument is that while the main goal of public procurement is for government to purchase goods and services, public procurement ultimately increases the benefits of economic development for women.³⁴

The AfCFTA should leverage the positive role the public procurement system plays in unleashing the potential of women-owned businesses. The literature suggests that public procurement can be used as a vehicle for propelling intra-regional trade for women-owned businesses through the financing opportunities it provides.

Gender and trade in the context of the AfCFTA

The AfCFTA can do much to enhance women's opportunities through cross-border trade, integration into value chains and participation in public procurement systems. To ensure that women entrepreneurs leverage emerging trade opportunities and expanding markets, AfCFTA policy experts and trade negotiators must successfully integrate identified gender concerns into AfCFTA provisions. Moreover, the success of AfCFTA provisions in addressing the gender dimensions of trade must be monitored.

1.4 STUDY OBJECTIVES, RESEARCH QUESTIONS AND REPORT ORGANIZATION

This report seeks to inform gender considerations in AfCFTA implementation and to support country preparedness in this regard. Specifically, it highlights

key opportunities for increasing women's participation in the context of the AfCFTA with a focus on WICBT, value chains and public procurement. The

study it documents took into consideration similar ongoing initiatives by the United Nations Economic Commission for Africa, the International Trade Centre, the United Nations Commission on Trade and Development, and the AU. Through this work, UN Women ESARO hopes to build synergies and collaboration in advancing women's participation in AfCFTA implementation.

Study objectives

This study aimed to identify opportunities for women entrepreneurs with regard to the AfCFTA, focusing on three areas of interest:

- WICBT
- Gender and value chain analysis
- Affirmative action/preferential public procurement

Research questions

The study set out to provide answers to the following questions:

- How does the nexus between trade, public procurement and value chains address gender inequality?
- What are the main challenges and opportunities for women entrepreneurs in the context of AfCFTA?
- What are the potential ways of improving regional integration frameworks from a gender perspective?

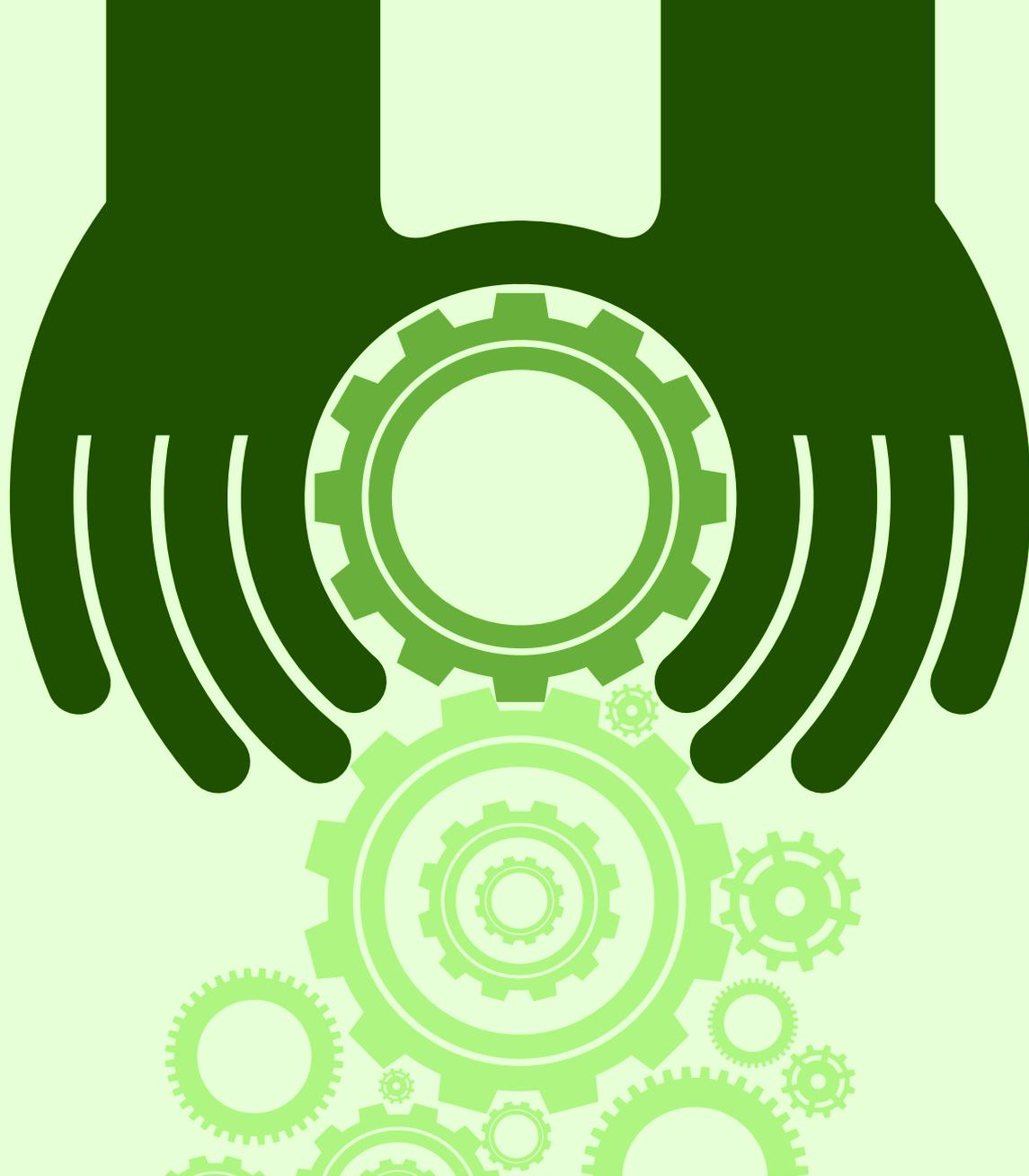
- What are the potential ways of integrating gender concerns into value chain development projects and programmes to help women maximize their profitability and competitiveness?
- What are the emerging opportunities for businesses owned by women in the context of preferential procurement schemes adopted in a few countries in East and Southern Africa?

In responding to these questions, and based on extensive analysis, the study generated a set of recommendations to inform policy discussions on gender and trade in the context of the AfCFTA.

The study methodology and detailed objectives are presented in Annex 1.

Report organization

The next three chapters of this report explore each of the three areas of interest in more detail. Chapter 2 focuses on WICBT and the AfCFTA; Chapter 3 looks at value chain analysis in light of the AfCFTA; and Chapter 4 presents four case studies on public procurement, with lessons for AfCFTA implementation. Annex 1 presents the study's methodology; it is supplemented by Annexes 2, 3 and 4, which present, respectively, the resources, personnel and interview guidelines relied on in study conduct. Finally, Annex 5 presents profiles of women entrepreneurs in agriculture value chains.



2

WOMEN IN INFORMAL CROSS- BORDER TRADE AND THE AfCFTA

2.1 CHALLENGES TO WOMEN'S PARTICIPATION IN INFORMAL CROSS-BORDER TRADE

WICBT contributes significantly towards socioeconomic growth in Africa. However, while it provides short- and medium-term solutions for poor households, such informal trade is not an ideal situation for either traders or governments.¹ Primarily, it is considered a coping/survival strategy resulting from both structural governance dysfunctions and multiple crises.² In fact, WICBT can challenge the long-term economic development prospects of African countries, notably by creating unfair competition and weakening the formal private sector, de-incentivizing investments, affecting consumer welfare and eroding revenue collection by governments while jeopardizing the reliability of official statistics.³

Therefore, while it is important to recognize the contribution of ICBT to development, it is equally important to identify sustainable and inclusive ways to build the capacity of trade associations. It is also important to build the capacity of key actors such as immigration and customs officials for efficient service delivery on border controls. Within the COMESA-EAC-SADC tripartite region, for example, many borders remain “thick,” with significant price differences for the same commodity. For instance, the price of maize flour in Gatuna, Rwanda, is nearly double that in Kampala, Uganda.⁴ While transport and internal barriers contribute significantly to price differences, studies that specifically analysed these costs found a significant border effect in the very nature of the informality of ICBT – with women operators facing more of these challenges.⁵

Several challenges have been identified as pushing WICBT into informality, including the following:

- High transaction costs and delays
- Corruption, insecurity and gender-based harassment
- Poor basic infrastructures and facilities
- Weak trade associations
- Lack of gender-disaggregated data on cross-border trade flows

These challenges and their implications under the AfCFTA are discussed below.

High transaction costs and delays

The high costs and delays traders face at the borders remain a primary distinction of informality;⁶ these include high fees and duties, unpredictable and complex regulations, extensive and centralized documentation requirements, as well as strict immigration laws.

In light of this, AfCFTA provisions that adopt preferential trade regimes for small-scale trade, including its annex on customs cooperation, should include simplified measures that can accommodate a small volume of consignments – including applying risk-based approaches, reducing the trading costs of certificates and decentralizing testing and certification services; implementing specific trade permits and visa regimes for small traders; expanding the common lists of products under the Simplified Trade Regime and increasing the value thresholds; and reducing other taxes, e.g. value-added tax, processing fees, income taxes or implementing an automated system for customs data fees (such as the United Nations Commission on Trade and Development's ASYCUDA system).

Corruption, insecurity and gender-based harassment

Another key distinction of informality is bribery and the arbitrary application of existing rules (“rent-seeking” behaviours) and harassment (especially for women traders), as well as the overall weak law enforcement environment that often prevails at border posts.⁷ Women are estimated to account for around 70 per cent of ICBT in Africa. When engaged in such informal activity, they are particularly vulnerable to violence, confiscation of goods and sexual harassment. Traders and border officials alike often have limited awareness of their respective rights and obligations. Their relationship with WICBT is often characterized by mistrust and a lack of confidence. Law enforcement agents sometimes take advantage of their lack of knowledge about existing rules and procedures.

In some cases, traders themselves try to bribe officials in order to avoid taxes and legal documentation requirements. In some countries, parallel networks and informal agreements have developed between traders and border officials. Corruption and insecurity are fuelled by the high quantity of cash-based transactions and the large number of agencies and officials operating at the border, the poor gender balance among officials (strong male prevalence) and the lack of appropriate infrastructure (electricity, proper accommodation for traders, surveillance cameras, etc.).⁸

Under the AfCFTA agreement, these issues can be addressed through the successful implementation of tariff provisions that will facilitate trade for small-scale traders through formalizing it. Such provisions could either entail the progressive elimination of tariffs and import duties for commodities mostly traded by WICBT, as well as a common list of low-value exports for duty-free market access, with a focus on products of particular importance to women traders.⁹

Poor basic infrastructure and facilities

As noted above, 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), decentralized sanitary and phytosanitary certification centres, accommodations, security lighting and pedestrian lanes – are often lacking at border areas, making these places chaotic and unsafe. The lack of market infrastructure near borders reduces the connection between traders and customers. In addition, poor quality or absent storage facilities often means that traders sell perishable stock at a loss to prevent spoilage. Women cross-border traders who deal primarily with low-value, perishable primary products are particularly susceptible to this occurrence, which is clearly not conducive to competitive business.

Under the AfCFTA, this situation can be rectified through implementation of the provisions under the Customs Cooperation annex that address infrastructure gaps in order to enhance interconnectivity for trade facilitation.

Weak trade associations

Cross-border trade associations are either non-existent or, where present, frequently ill-equipped to deal with the challenges mentioned above. These associations typically have low levels of membership, are not formally registered and have little management capacity or financial resources. Consequently, they are usually unable to provide advocacy, market-driven information or business support services to their members.¹⁰ Such services – in areas including business management/marketing skills, sanitary and phytosanitary compliance, technical barriers to trade compliance, access to credit and promotion of business linkages – are essential in helping small traders grow their business. Empowering cross-border trade and similar associations to provide relevant information could have a tremendous incentive effect in encouraging informal traders to join the formal economy.

The proposed African Business Council under the AU is expected to address challenges involving private sector participation in the implementation of the AfCFTA. It is hoped that specific concerns on institutional strengthening of cross-border and other trade associations will be taken into consideration, with a focus on challenges for WICBT. The AU African Business Council could leverage resources from existing REC institutions such as the East African Women in Business Platform (EAWiBP) under the East African Community and the Federation of National Associations of Women in Business in Eastern and Southern Africa (FEMCOM) under COMESA.

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. Such data – and the analysis these data enable – are crucial, notably in measuring the impacts of cross-border trade and informing policymaking at national and regional levels. Therefore, AfCFTA implementation requires strong mechanisms for systematic collection of gender-disaggregated data on cross-border trade flows.

2.2 ROLE OF REGIONAL ECONOMIC COMMUNITIES AND MEMBER COUNTRIES IN SUPPORTING WOMEN IN INFORMAL CROSS-BORDER TRADE

In response to the above challenges, several initiatives have been rolled out by various institutions from which the AfCFTA can draw concrete lessons and on which it can build for its implementation. This section highlights the role of RECs and regional member countries in this regard.

Under the COMESA-EAC-SADC tripartite programme, an online reporting system for non-tariff barriers was launched in 2015. It is currently being piloted in Comoros, with the objective of rolling it out to other tripartite member states. The system allows SMEs and women cross-border traders to use their mobile phones to report on challenges faced at the border.

COMESA has developed several policies and mechanisms to facilitate trade for WICBT, including the following:

- Under the Simplified Trade Regime, adopted by seven COMESA member states (Burundi, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe), traders carrying goods included in a pre-negotiated list of products and valued up to a certain threshold (in some cases, up to USD 2,000) can clear them with limited paperwork, using a simplified customs document available at border posts and without entailing the involvement of clearing agents.

- The Passenger and Cargo Manifest System aims to speed clearance at borders and to improve data collection. The system, piloted in Zambia and Zimbabwe, requires that information on travellers and their goods be collected at bus stations and sent in advance to the border station.
- COMESA regulations on minimum standards for the treatment of small-scale cross-border traders build on the World Bank Charter for Cross-Border Traders,¹¹ and seek to improve information availability on existing charges and promote fair treatment of traders by officials.
- The COMESA Green Pass is a certification system intended to support trade in agricultural commodities.

EAC has developed the EAC Simplified Certificate of Origin, a trade facilitation instrument for small-scale cross-border traders.

UN entities, including UN Women ESARO, have supported the establishment of 11 platforms for women entrepreneurs in East and Southern Africa at the major border posts for EAC and SADC countries. These platforms provide a “safe space” for women traders to network, learn, share experiences, discuss common challenges, identify trade opportunities and engage with government officials.¹²

2.3 ANALYSIS OF EXISTING SSCBT GENDER-DISAGGREGATED DATA

The relevance of trade data in AfCFTA implementation cannot be overemphasized. Several countries in the East and Southern Africa region have made progress in compiling trade statistics. However, only two countries in the region – Rwanda and Uganda – currently conduct ICBT surveys on a regular basis and collect SSCBT data under the COMESA Great Lakes Trade Facilitation Project. Further, only

Rwanda’s SSCBT data are disaggregated by gender. This study analysed these data, focusing on (i) Rwanda’s SSCBT export volumes disaggregated by gender, (ii) women’s share of total SSCBT export trade and (iii) SSCBT commodities traded by women.

SSCBT export volumes disaggregated by gender

Rwanda's data show an increase in trade exports between 2016 and 2017. This increase was largely driven by a growth in women's export trade volumes, as shown in Table 2.1 and Figures 2.1 and 2.2.

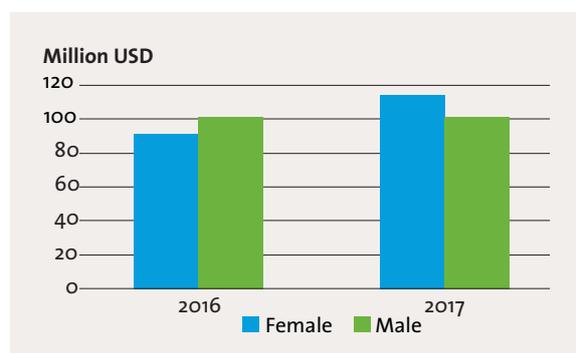
Table 2.1 shows that SSCBT exports for female traders increased from about USD 91 million in 2016 to about USD 114 million in 2017, an increase of 20 per cent. In comparison, the value of SSCBT

Table 2.1 Value of Rwanda's SSCBT exports disaggregated by gender, 2016 and 2017 (USD)

Gender	2016	2017
Female	91,301,356	113,941,539
Male	100,885,607	100,829,683

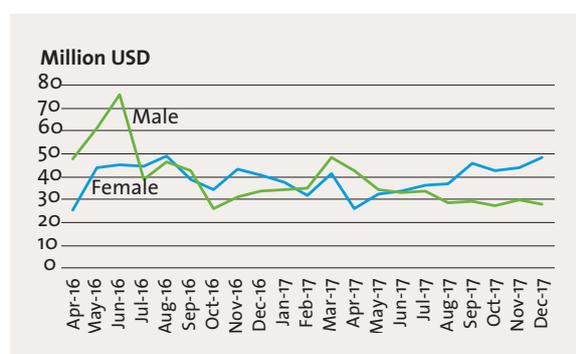
Source: COMSTAT database, www.comesa.int.

Figure 2.1 Value of Rwanda's SSCBT exports disaggregated by gender, 2016 and 2017 (USD)



Source: COMSTAT database, www.comesa.int.

Figure 2.2 Rwanda's SSCBT Exports by Gender by month: April 2016 – Dec 2017



Source: COMSTAT database, www.comesa.int.

exports by male traders remained fairly constant at about USD 101 million; Figure 2.2 shows variations by month.

Women's share of total SSCBT export trade

Figure 2.3 shows an increase in women's share of total SSCBT export trade, rising from 37 per cent in the second quarter of 2016 to 63 per cent in the fourth quarter of 2017.

SSCBT commodities traded by women

As illustrated in Table 2.2 and Figure 2.4, highly traded commodities for women in SSCBT are agricultural exports including vegetables, cereals, fish, meat and dairy products. Women also export light industrial products such as salt and cement. Similar trade commodities have been identified for WICBT in regional studies by the World Bank, UN Women and COMESA.¹³

The available data for Rwanda suggest that WICBT mostly participate in agriculture value chains. As the literature suggests, similar trends prevail for women's participation in intra-regional trade. Further analysis and profiling of actual cases in the agriculture value chain should ascertain the extent to which women are trading in intermediate agriculture goods and processed agriculture goods. This information will be useful in guiding targeted agriculture trade programmes for women so they can best leverage the AfCFTA provisions on agricultural trade.

Figure 2.3 Women's share of Rwanda's SSCBT export trade by quarter: 2016–2017



Source: COMSTAT database, www.comesa.int.

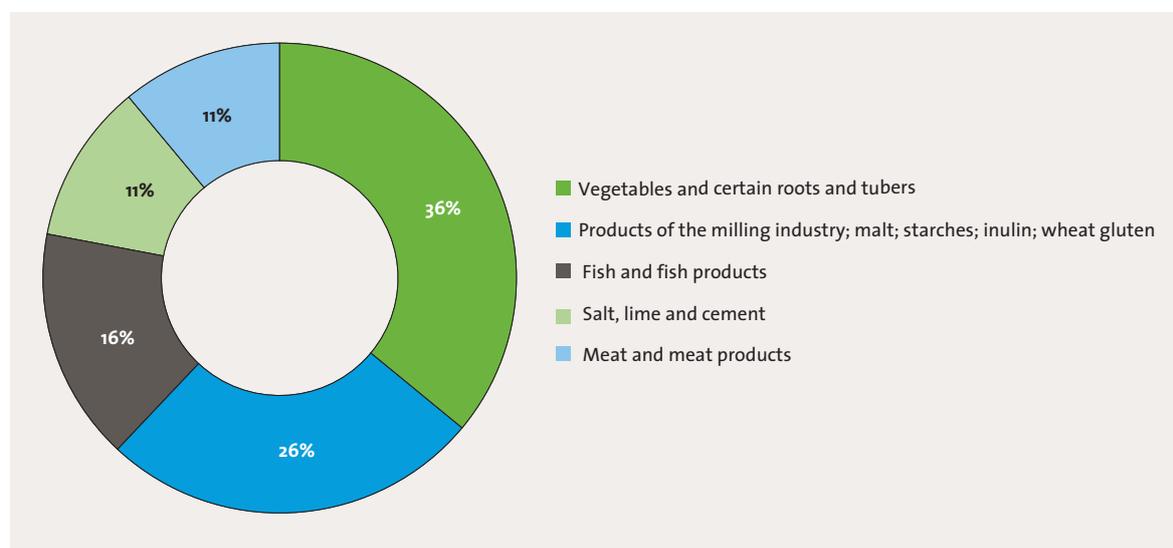
Table 2.2 Rwanda's top SSCBT export products by women by Harmonized System chapter, 2017

Rank	HS chapter	Commodity name	Export value (USD)	Export share (%)
1	07	Vegetables and certain roots and tubers	81,843,605	22.9
2	11	Products of the milling industry; malt; starches; inulin; wheat gluten	58,259,284	16.3
3	03	Fish and fish products	36,105,448	10.1
4	25	Salt, lime and cement	25,675,668	7.2
5	02	Meat and meat products	24,407,754	6.8
6	04	Dairy products	23,878,175	6.7
7	16	Processed meat and fish products	22,674,708	6.3
8	10	Cereals	15,497,264	4.3
9	08	Fruit and nuts; peel of citrus fruit or melons	12,102,904	3.4
10	01	Live animals; animal products	12,002,805	3.4
		Other	44,668,720	12.5
		Total	357,116,336	100.0

Source: COMSTAT Database, www.comesa.int.

Note: Commodities are classified according to the World Customs Organization's Harmonized System of product coding.

Figure 2.4 Rwanda's overall top five SSCBT export product shares, 2017



Source: COMSTAT database, www.comesa.int.

2.4 IMPROVING INFORMAL CROSS-BORDER TRADE CONDITIONS

From the reviewed literature and analysis, it is evident that women are major players in ICBT and that their ongoing initiatives contribute immensely to the regional integration agenda.

It is also evident that WICBT operating activities are highly informal and that they face numerous constraints. The study findings and analyses show that, due to weak trade networks and associations for WICBT, women traders have limited knowledge and information on the key provisions of regional trade agreements. They also lack a general understanding of existing trade facilitation instruments and their applicability. Successful AfCFTA implementation can be curtailed by women's inability to understand the agreement's market access provisions and to leverage the opportunities these afford.

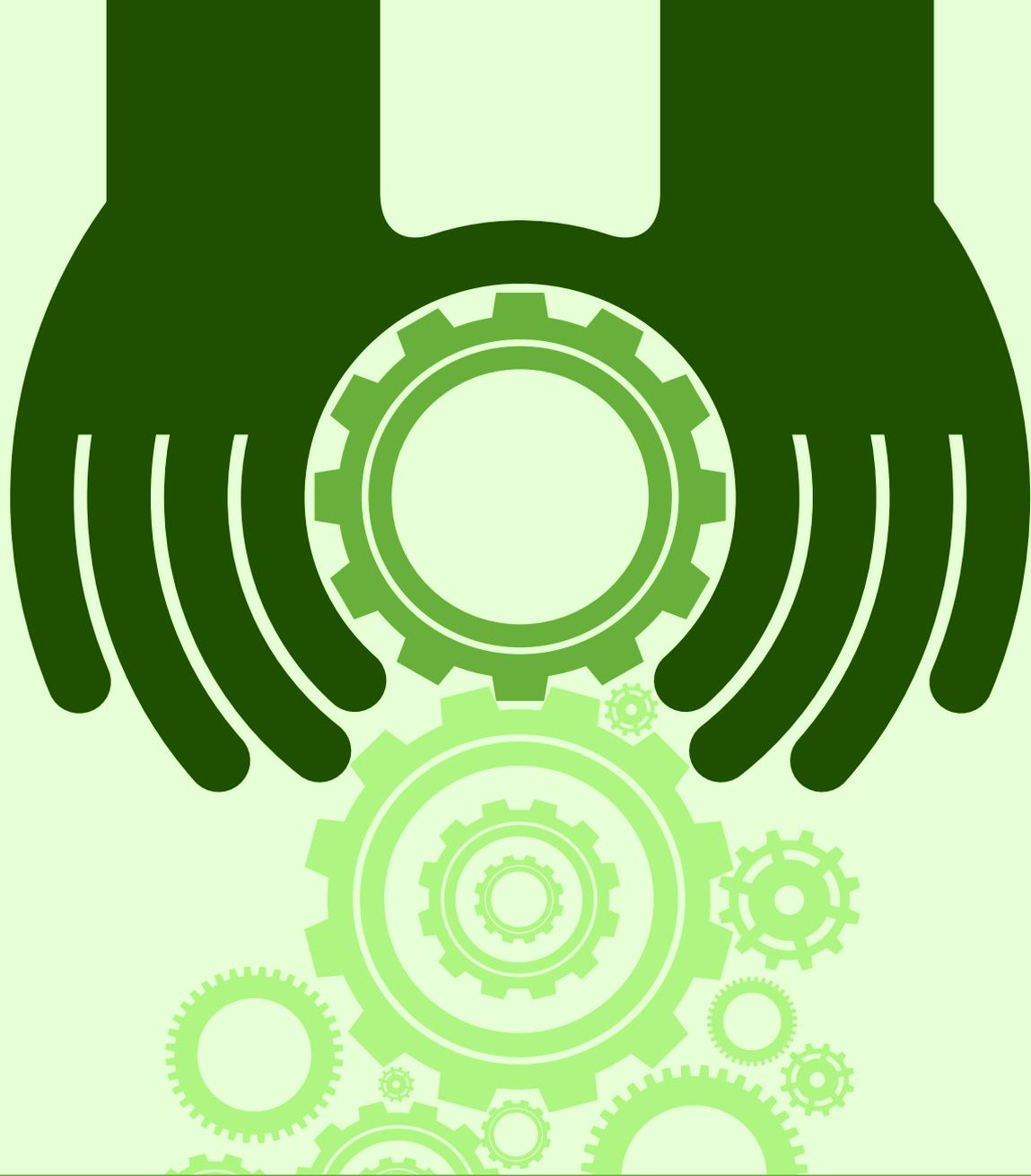
The existence of strong women's networking associations for cross-border trade can be a vehicle for channelling information on cross-border trade in a more coherent manner. Lessons for the AfCFTA can be drawn from UN Women's cross-border trade programmes in the East and Southern Africa region, which have successfully established platforms to provide a "safe space" for women traders in networking, learning and sharing experiences.¹⁴ This is likely to build women's confidence and capacity to enter new markets and overcome barriers to trade.

Beyond a lack of information and limited understanding of existing trade facilitation agreements, WICBT also face infrastructure-related challenges in terms of storage, accommodation, transport and reliable energy and electricity provision – including Internet service. Infrastructure provision is considered one of the key enablers in facilitating intra-regional trade through minimizing trade costs and border delays.¹⁵ Addressing such

infrastructure-related bottlenecks in the AfCFTA hinges on leveraging existing initiatives such as the Programme for Infrastructure Development in Africa.

SSCBT Rwanda data show that agricultural commodities rank high as SSCBT exports for women. Also, the United Nations Economic Commission for Africa notes that changes in agricultural markets are expected to have an impact on women in particular, given that women's economic activity in Africa is concentrated in this sector.¹⁶ In this regard, it is advantageous that the AfCFTA agreement aims to attain full liberalization of agricultural inputs as a means of enhancing value addition in agro-processing.¹⁷ Nevertheless, because cross-border agricultural trade requires meeting certain minimum standards in terms of certification, packaging and labelling, relevant information needs to be provided to women traders through capacity building and strengthening of WICBT.

Rwanda's efforts in collecting gender-disaggregated SSCBT statistics are commendable and should encourage other countries to undertake similar initiatives. Beyond collecting trade merchandise data, countries should also consider compiling and disseminating SSCBT trade in services data, including transport costs, storage costs, accommodation costs and also time costs involved in cross-border movements. These data will be useful in monitoring the effectiveness of the AfCFTA's provision on facilitation of cross-border trade. Routine border assessments and WICBT surveys would also be useful in monitoring AfCFTA progress and trends.



3

THE AfCFTA
AND WOMEN'S
PARTICIPATION IN
REGIONAL VALUE
CHAIN PROCESSES

3.1 THE AfCFTA'S ROLE IN ENHANCING COMPETITIVENESS IN REGIONAL VALUE CHAINS

Value chain development programmes are increasingly becoming a critical issue for consideration in terms of women's economic empowerment – especially in the context of intra-regional trade. For example, the 2014 Malabo Declaration's review of the AU's Comprehensive African Agriculture Development Programme (CAADP) reiterated the need to support and facilitate the preferential entry and participation of women in various regional value chains as a means to boost intra-regional trade in Africa.¹

Recently, a number of concerns have been raised in terms of ensuring the competitiveness of women-led SMEs under the AfCFTA. For example, at a consultative workshop held in Dakar, Senegal, 5–9 November 2018, the need for increasing the productive capacities for SMEs was emphasized. The relevance of SMEs to the AfCFTA was further highlighted at the Africa Trade Forum held in Lagos, Nigeria, 2–3 November 2018.²

The following key aspects have been identified as critical in developing successful regional value chain programmes under the AfCFTA:³

- The potential of the AfCFTA in building the productive capacities of small-scale farmers (the majority of whom are women), as well as of women-led SMEs in enhancing their competitiveness in regional value chains
- The potential of the AfCFTA in leveraging the role of technology in Africa's industrial development in support of agro-processing
- The inclusivity of the AfCFTA in enhancing the participation of diverse stakeholders at all levels, ensuring ownership of the AfCFTA
- The mandate of the AfCFTA to transform Africa's weak economies, which are predominantly agriculture based and heavily dependent on primary commodities

The ability of African countries to evolve from an overdependence on primary commodities to strong, more inclusive, manufacturing-based economies is fundamental in measuring the competitiveness of regional value chains under the AfCFTA. As markets expand and new trade opportunities emerge, it is critical that women producers are able to upgrade along the value chains and access more market opportunities.

3.2 KEY CHALLENGES TO WOMEN'S PARTICIPATION IN REGIONAL VALUE CHAINS AND IMPLICATIONS FOR THE AfCFTA

Limited information exists on analytical studies of women's participation in regional value chains. However, national-level analysis reveals the following about women in agriculture value chains.

Women are increasingly involved in various value chains, although the majority seem to be concentrated in the upstream segment of the respective value chain. Women tend to be involved in the primary production segment of value chains, and face significant challenges in moving downstream

in the value chain – i.e. into marketing, processing and distribution. This tendency is mainly driven by limitations posed by household responsibilities, limited access to credit (for productive investments) and more restricted rights to land.⁴ These factors create barriers for women to participate in more productive agricultural activities and trade. If these factors are not properly addressed, increased regional competitiveness under the AfCFTA agreement may negatively affect less productive players, which

can pose a risk to livelihoods especially for women in agriculture.⁵

Women in Africa are predominantly in subsistence agriculture. They make up a large part of the agricultural labour force and produce much of Africa's food. Also, as highlighted by Rwandan SSCBT data, women predominantly participate in agriculture value chains – mostly in cereals (e.g. maize, rice, wheat, soya bean), horticulture products, fish and fish products, dairy and livestock. However, women's participation in agriculture value chains is characterized by limited production capacities, both in terms of quantity and quality. The situation is exacerbated by poor market infrastructure as well as by inconsistent policy regimes, contributing to segmented markets. Women are also limited in terms of their ability to comply with technical standards requirements for agricultural products which require packaging (including branding), labelling and certification.⁶

The AfCFTA is expected to include full liberalization of agricultural inputs under the exclusion list. The agreement has the potential to boost intra-African agricultural trade in line with the priorities outlined in the AU Action Plan for Boosting Intra-African Trade.⁷ There is also scope for building agro-regional value chains and enhancing value addition in agro-processing. In light of this, AfCFTA implementation should consider targeted capacity-building programmes in support of smallholder farmers, especially women. Such programmes should adopt technologies for increased production and productivity and help connect women to agricultural regional value chains.

Women-led SMEs are beginning to participate in both regional and international export markets, but market access challenges limit their effective participation. Furthermore, the majority of women-led SMEs are not fully mainstreamed in international exportation and are thus unable to receive institutional support for their service delivery.⁸ Women's lower literacy levels mean that they are likely to face more difficulties in complying with border management procedures given the concomitant paperwork requirements, such as sanitary and phytosanitary certificates, certificates of origin, trade permits and export certificates. Women-led SMEs also appear to have limited information on

cross-border trade requirements and existing trade facilitation provisions.

The AfCFTA agreement is expected to directly address trade facilitation measures for small-scale traders. Such measures should specifically include an objective of supporting female traders in particular. A continental Simplified Trade Regime could encourage the formalization of small-scale businesses and support the participation of women-owned enterprises in intra-African trade. Under the AfCFTA, an extensive common list of low-value exports should be considered for duty-free market access, with a focus on products of particular significance to women traders.⁹ Such a system could build on the success of the COMESA's Simplified Trade Regime.¹⁰ In fact, the currently ongoing tripartite negotiations for COMESA-EAC-SADC have considered an annex on a Simplified Trade Regime to facilitate small-scale trade under the AfCFTA agreement.

To highlight key aspects of gender and agriculture value chains, this study profiled selected women-led enterprises – specifically, those in the East African Women in Business Platform. The businesses were looked at in terms of agriculture value chain, source of raw materials (if any), major export markets, estimated annual trade values, key constraints and opportunities, as well as success highlights. Table 3.1 summarizes these profiles; more detailed information is provided in Annex 5.

The information provided in Table 3.1 demonstrates women's ability to identify niche markets for various value chains at both regional and international levels. As these examples indicate, women entrepreneurs are increasingly aware of market trends and emerging markets to which they can export their products. However, based on the key constraints identified, their market access is much easier for destinations outside Africa as compared to regional markets. This suggests the need for the AfCFTA to address persistent barriers to market access for increased intra-regional trade.

Table 3.1 Summary profiles of women entrepreneurs in various agriculture value chains

Company name and product	Location	Key constraints	Major export markets		
			East Africa	Elsewhere in Africa	Outside of Africa
Fluffy Buttah – organic body products	Kenya	<ul style="list-style-type: none"> Export documentation and border processes High shipping costs, especially air freight to West Africa Lack of information available online from exporting countries, e.g. on taxes, border procedures, etc. 	Rwanda, Tanzania, Uganda	Senegal	USA
Madepices MG – spices, dried foods and cosmetics	Madagascar	<ul style="list-style-type: none"> Expensive certification requirements (e.g. organic, fair trade, hazard analysis and critical control points) to sustain niche markets Expensive to ship to African export destinations as Madagascar is an island Gaps in laboratory capacities to fulfil international food safety requirements Infrastructure challenges in terms of Internet connectivity and electricity to access up-to-date market information 		South Africa	Belgium, Canada, France, Italy, Japan, Luxembourg, Norway
Miyonga Fresh Greens – horticulture	Kenya	<ul style="list-style-type: none"> Certification, packaging and labelling requirements, including costs for GLOBALG.A.P., GRASP, organic and fair trade certification Limited market information on value-added products, e.g. dried fruits 		South Africa	European Union (Germany, Greece, Ireland, Netherlands, Norway, UK)
KivuCold – horticulture	Rwanda	<ul style="list-style-type: none"> High logistical costs to African destinations High certification requirements in European Union, making Rwandan produce uncompetitive for export markets 		South Africa	European Union
PJ Flowers Ltd/ Wetfarms Ltd – horticulture	Kenya	<ul style="list-style-type: none"> Border delays and border procedures in accessing regional markets reduces the quality of fresh products, leading to lower pricing Market access challenges due to political instability, e.g. in Burundi 	Burundi, Rwanda, Uganda		European Union, Middle East
NaFarm Foods – value addition in tomatoes (tomato paste, soups, etc.)	Nigeria	<ul style="list-style-type: none"> Export requirement information, e.g. export licensing and other documentation Food safety requirements and standards in importing countries tend to differ from country to country 		Togo and other neighbouring Nigerian countries	

(continued)

Table 3.1 Summary profiles of women entrepreneurs in various agriculture value chains (*continued*)

Company name and product	Location	Key constraints	Major export markets		
			East Africa	Elsewhere in Africa	Outside of Africa
Homeland Tastes – value addition in tea	Benin	<ul style="list-style-type: none"> • Maintaining standards for export products • Accessing loans, matching grants and investments • Price volatility due to minimum price fixing, affecting profitability 		Côte d’Ivoire, Gabon, South Africa (rarely)	
Nature’s Touch – value addition for organic body products (shea butter)	Kenya	<ul style="list-style-type: none"> • Access to information on export readiness and the export market 	Uganda	Zambia	
Green Afro-Palms (GAP) – palm oil processing	Ghana	<ul style="list-style-type: none"> • Standards and certification requirements differ from country to country, making it difficult to export within the region • Border delays and complicated border procedures 		Burkina Faso, Nigeria, Togo	
Select Fresh Produce Kenya Ltd – horticulture and grains and oil seeds	Kenya	<ul style="list-style-type: none"> • High capital requirements for shipping • Cumbersome certification requirements (e.g. GLOBALG.A.P., fair trade, hazard analysis and critical control points, organic) by buyers who are unwilling to co-invest with the farmers and exporters 			Middle East (Dubai), European Union (Ireland, Germany, Netherlands) Russia, USA

3.3 GENDER, TRADE AND VALUE CHAINS

As highlighted in Section 1.2 of this report, the AfCFTA agreement is likely to foster industrialization and regional competitiveness through the creation of regional value chains. The success of such value chains will, however, depend on addressing identified key challenges to women’s effective participation in them.

Three principles should guide integration of gender concerns into value chain development projects and programmes. Such initiatives should ensure (i) economic impact, (ii) environmental impact and (iii) robust infrastructure.

Economic impact

Value chains should aim at producing high-quality products that meet the demands of the increasing number of urban consumers. Providing technical support to the private sector – especially women-led SMEs – in upgrading from production to processing methods enables access to high-value markets and lucrative export markets. Additionally, supporting investments in packaging/branding, labelling and product certification in line with private sustainability standards would enhance competitiveness and market access for women-led SMEs, leading to increased economic returns.

Environmental impacts

Sustainable operating practices are becoming a major competitive driver of efficient markets, as consumers demand that sustainability, energy efficiency and economic inclusion be taken into consideration at all stages in the value chain. For example, higher-value markets offering a premium for food products with sustainability labels are now common around the world – and are an incentive for companies to be more responsible towards the environment and to provide better wages and working conditions to the men and women who provide the labour.

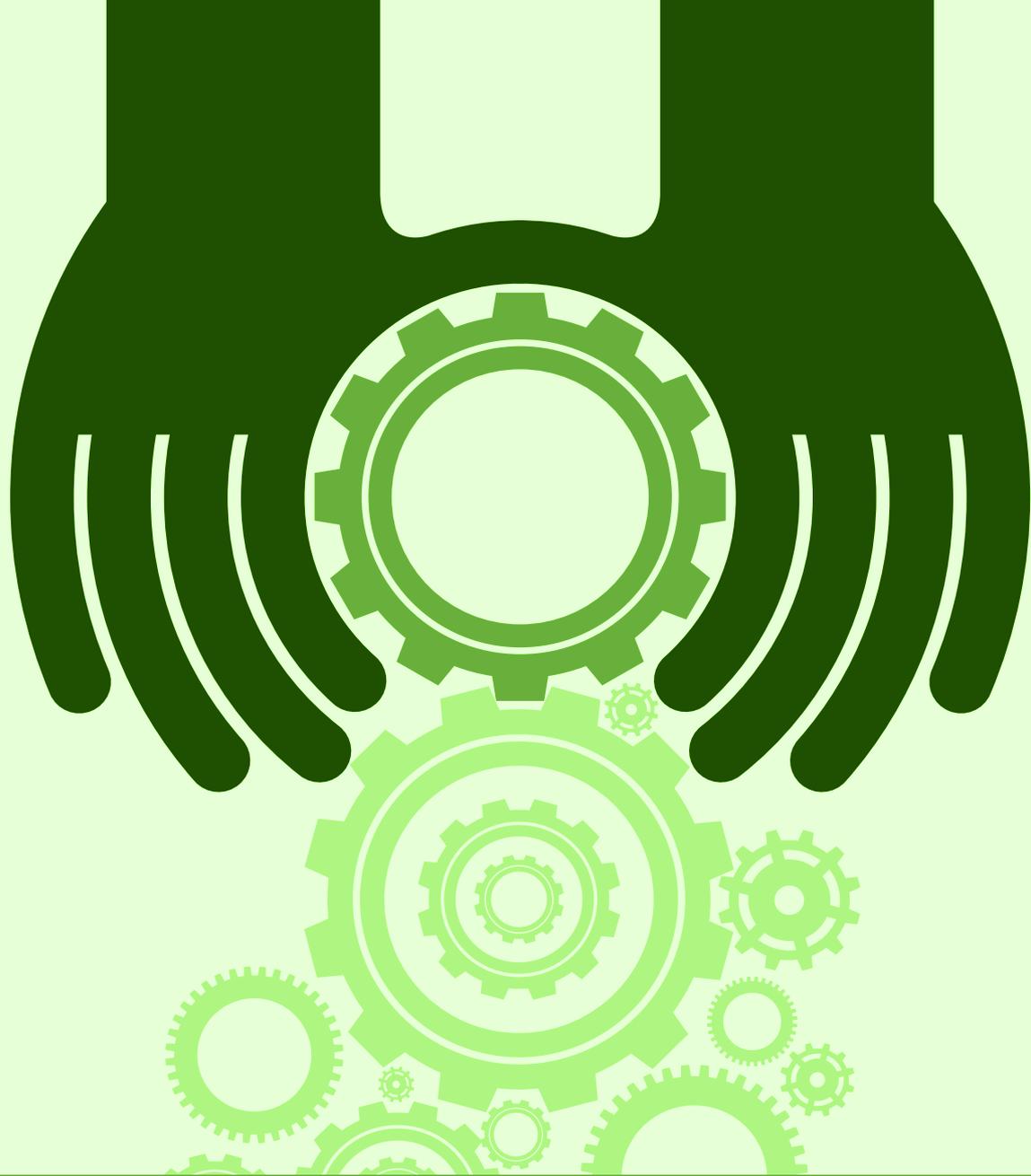
It is well established that production and processing operations emit significant amounts of the greenhouse gases that contribute to climate change. It is becoming increasingly important to support companies in reducing their environmental footprint, which also improves the resilience of value chains. This support could be through (i) scaling up investments in energy-efficient technologies, (ii) facilitating efficient utilization of water resources (water is a major cost factor in food processing operations) and/or (iii) facilitating reduction of losses and waste, especially in food processes. Women-led SMEs need to be well capacitated in order to adhere to international standards and requirements.

Robust infrastructure

Increasing investments in energy and other infrastructure provisions enhances the competitiveness of perishable food products – in the production of which, the majority of key players are women. Perishable food products in food systems require a cold chain to be maintained during storage and long-distance transportation in accessing markets.

An efficient warehouse receipt system is another consideration in this regard. Such a system allows agricultural producers to access credit by borrowing against receipts issued for goods stored in private warehouses. It enables producers to delay the sale of their products until after harvest, to a time when prices are more generally favourable. Warehouse receipt systems can therefore mobilize credit for the agricultural sector and improve intra-regional agricultural trade.

They also enable farmers to access good post-harvest handling and storage in accordance with mandatory standards; this helps reduce post-harvest losses and improve product safety and quality. Expanded storage of agricultural commodities after the harvest season may in turn contribute to stabilizing commodity price volatility.



4

PUBLIC
PROCUREMENT AND
THE AfCFTA

4.1 EXPLORING PUBLIC PROCUREMENT THROUGH COUNTRY CASE STUDIES

Providing women-owned businesses the opportunity to participate in public procurement represents an important avenue for promoting gender equality through access to government funds. Four country cases from the East and Southern Africa region have been reviewed as a key element of this study to explore the linkages between gender and public procurement. While different countries have different public procurement policies, there are useful lessons that can be drawn for the AfCFTA. The cases

presented in this chapter are from Kenya, Rwanda, South Africa and Uganda. These countries were selected in light of UN Women's ongoing initiatives on affirmative action/preferential procurement in these countries. Further, the procurement policies of these four countries can be considered progressive in terms of women's economic empowerment, as they generally all provide for clear affirmative action favouring women entrepreneurs and women-owned businesses.

4.2 CASE STUDY: KENYA

Kenya's public procurement policy framework has evolved tremendously over the decades, gradually shifting from a system with no regulations at all in the 1960s to a gender-transformative public procurement system ushered in by the 2015 Public Procurement and Asset Disposal Act. The new system is fair, equitable, transparent, competitive and cost-effective. It required the Kenyan Parliament to pass procurement regulations that would provide for preferential allotment of contracts and protections for disadvantaged groups.

The act's gender responsiveness is explicitly set forth in numerous passages, including the following:¹

...promote preference and reservations schemes for small and micro enterprises and other disadvantaged groups, citizen contractors, women, youth, persons with disabilities, minorities and marginalized groups in public procurement at the county...

All procurement and asset disposal planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups...

Tender securities shall not be required in procurements reserved for small and micro-enterprises or enterprises owned by women, youth, persons with disabilities and other disadvantaged groups participating in a procurement proceeding...

...provide data disaggregated to indicate the number of youth, women and persons with disability whose goods and services have been procured by the procuring entity...

It is worth noting that, like many policies, the act may face some implementation challenges; nonetheless, informed observers note that with this act, Kenya is leading the way in creating greater space for women entrepreneurs in public procurement.²

Kenya is the first country in Africa to introduce a Commonwealth Business Women's Academy. Its purpose is to train women on how to increase their capacity as entrepreneurs to take advantage of business opportunities through procurement. As many as 55,000 businesses had registered for the procurement programme as of 2017. This is considered an innovative programme that addresses many of the critical areas of the Beijing Platform for Action on Poverty and the Economy that underpin women's socioeconomic advancement.³

Public procurement is an important driver of the Kenyan economy, as the government seeks to build major social sectors such as health, education, security, defence and infrastructure. The total value of public procurement in Kenya is currently estimated at 10 per cent of gross domestic product.⁴

Even though the public procurement act does not mandate women's representation on the Procurement Regulatory Board that oversees its enactment, a number of positive lessons can be

drawn from Kenya’s public procurement policy framework:

- The policy framework addresses long-term challenges women entrepreneurs confront. For example, women lack technical skills and business acumen; the Kenyan Government has attempted to address through its academy for women entrepreneurs.
- Few women entrepreneurs can compete favourably with their male counterparts in all areas of public procurement. By setting out minimum quotas for women (reserving 30 per cent of government contracts for women and other vulnerable groups), the Kenyan Government demonstrates great commitment towards gender equality and implementation of regional and international commitments such as the Beijing Platform for Action.
- Frequently, issues arise regarding the control, sharing and use of finances in the home due to “male capture.” By providing for funds to be deposited directly into an account in which a woman is a signatory, the act provides greater leverage for women to have control over their economic lives.
- Despite playing important roles in development, women are rarely counted and are thus invisible in most government reports. By making it a policy mandate to provide gender-disaggregated data related to public procurement, the Kenyan Government has demonstrated a commitment to making women economically visible – as well as to establishing effective monitoring to ensure that progress is being made towards gender equality and women’s empowerment, and to take appropriate actions where challenges in this direction have been detected.

4.3 CASE STUDY: RWANDA

Unlike Kenya, which has a specific act governing public procurement and is managed by a board, Rwanda’s public procurement is managed through government policy guidelines set out by the Rwanda Public Procurement Authority which was established in 2008. The authority’s board of directors comprises seven members (30 per cent of whom are supposed to be women), including a chairman and vice chairman; all members are appointed by the prime minister.

Rwanda’s public procurement policy framework is silent on specific commitments to women’s economic empowerment except the above-mentioned quota that 30 per cent of the board of directors be women.⁵ This silence should not be interpreted as a lack of political will, for Rwanda is a leading country in promoting gender equality, and women occupy significant – if not majority – space in most spheres of Rwandan public life, including in business. In fact, a recent UN Women study of Rwanda finds no significant differences between men’s and women’s participation in business.⁶

The same study concludes that Rwanda’s current public procurement system is “gender neutral, or simply gender blind.” It is possible that those who

developed the public procurement policy framework did not find it useful to highlight women or gender issues in a country where men and women are almost on par in most spheres of life. Rwanda’s public procurement policy is merit based and guided by fundamental principles of transparency, economy, fairness, competition, efficiency and accountability.

The danger of unarticulated gender intentions, however, means that there are no gender checks and balances to track and sustain progress. For example, while there is no difference in the numbers of men- and women-owned businesses, studies on public procurement in Rwanda show very limited participation of women-owned businesses in current tendering processes. For example, about 12 per cent of combined public tenders in 2016/2017 in the fields of agriculture, infrastructure, education and trade were won by women-owned businesses.⁷ Women-owned businesses appear to be successful in bidding only for comparatively lower-value tenders.⁸

Moreover, despite parity in some sectors, women and women-owned businesses face many challenges stemming from their social and cultural status

which limit their effective participation in the procurement system, including the following:

- Women often lack financing to cover required bid securities.
- Tender requirements such as minimum years of business experience exclude start-up enterprises,

the majority of which are women-owned, from bidding.

- Women have limited opportunities for networking, as well as limited access to market information and ICT. These limitations put them at a disadvantage compared to their male counterparts.

4.4 CASE STUDY: SOUTH AFRICA

The public procurement framework in South Africa is informed by Section 217 of the Constitution, which requires organs of the state in the national, provincial and local spheres of government, and any other institution identified in national legislation, to contract for goods and services in accordance with five foundational principles: fair, equitable, transparent, competitive and cost-effective.⁹ The public procurement policy framework is anchored on the Broad-Based Black Economic Empowerment Act of 2013, which seeks, among other objectives, to achieve gender equality through public procurement.

The gender responsiveness of South Africa's public procurement policy is evident in the following:

- The establishment of a preferential procurement scheme to promote black empowerment and protect historically disadvantaged individuals¹⁰
- The provision of equal opportunities in overcoming discrimination on the basis of race, gender and disability, despite the time and cost implications entailed¹¹
- The enactment of the 2011 Preferential Procurement Regulation Framework Act as a means to promote economic involvement and recognition of women-owned businesses in government supply chains

Notwithstanding the above, some challenges have been identified in South Africa's public procurement system and can be summarized as follows:

- Enforcement of the public procurement legislative framework is achieved through separate, independent statutory instruments. This high-level division of rules has in many cases resulted in a fragmented procurement regulatory

landscape, making compliance – specifically with regard to designated groups such as women – difficult. This has created a challenge for the government in attaining its development and empowerment objectives.¹²

- Despite existing procurement policies, women operating businesses face various barriers and in other instances, less competitive when tendering for government contracts.¹³ In evaluating the supply- and demand-side constraints to promoting women-owned businesses in government procurement, it was found that women entrepreneurs account for only 9 per cent of public procurement contract awards, and yet they account for 38 per cent of all businesses in South Africa.¹⁴

As argued by Edinger,¹⁵ the following factors also bear on effective implementation of South Africa's public procurement policy on the demand side:

- Absence of a policy stance that explicitly promotes equality for women-owned businesses and systemic weaknesses in the existing policy framework
- A lack of standardized targets for procurement spending set-asides for women-owned businesses
- Definitional inconsistencies in classifying women-owned businesses
- The absence of a homogeneous monitoring framework
- A lack of repercussions for not meeting targets where there are set (accountability issues)

South Africa's public procurement system can be said to be one of the most progressive systems in

Africa for achieving economic empowerment, especially for black women. That said, the challenges

outlined above require attention if the system is to live up to its potential.

4.5 CASE STUDY: UGANDA

Uganda can be considered an African pioneer in the implementation of public procurement reforms. Procurement reform processes in Uganda began in 1997; in 2003, Uganda was one of the first countries in Africa to enact a procurement law. The law created the Public Procurement and Disposal of Public Assets Authority, which has subsequently been at the forefront of promoting a well-functioning procurement system by working together with local and international partners. This framework has helped increase competition in the public procurement process, including providing greater opportunity for redress in case of dissatisfaction with the process.

In terms of opportunities for women entrepreneurs, however, Uganda's system is not considered gender responsive in that "gender equality" is rarely considered as a selection criterion in the evaluation of bids and contracts. This ultimately affects the ability of women-owned businesses to compete with large buyers and capitalize on government spending through procurement processes. The following points about Uganda's public procurement system are also relevant in this regard:

- The public procurement regime does not provide for specific affirmative action schemes targeting women and their enterprises.
- The procurement system lacks a mechanism for systematically capturing data on public procurement; this makes it difficult to ascertain

the exact volumes and values of the public procurement contracts awarded to women and women-owned enterprises.

- The system does not properly disseminate information on tendering processes.¹⁶ It is reported to lack feedback mechanisms where a bid has been unsuccessful. One of the major barriers identified to Ugandan SME access to procurement contracts was that there is no feedback on previous unsuccessful tenders.¹⁷
- The system is highly susceptible to corruption. Contracts are frequently awarded on the basis of subjective or unannounced criteria to favoured contractors.¹⁸ Corruption is seen as a major issue, and it affects the effective participation of women-owned businesses in the public procurement system.

Some positive, gender-responsive measures exist within Uganda's public procurement system as well. Building on these, the country could perhaps better open its procurement processes to women entrepreneurs:

- The system enables gender-based budgeting.
- A gender committee has been established within the Public Procurement and Disposal of Public Assets Authority.
- An equal opportunities commission report is prepared annually.

4.5 THE CASE FOR PUBLIC PROCUREMENT

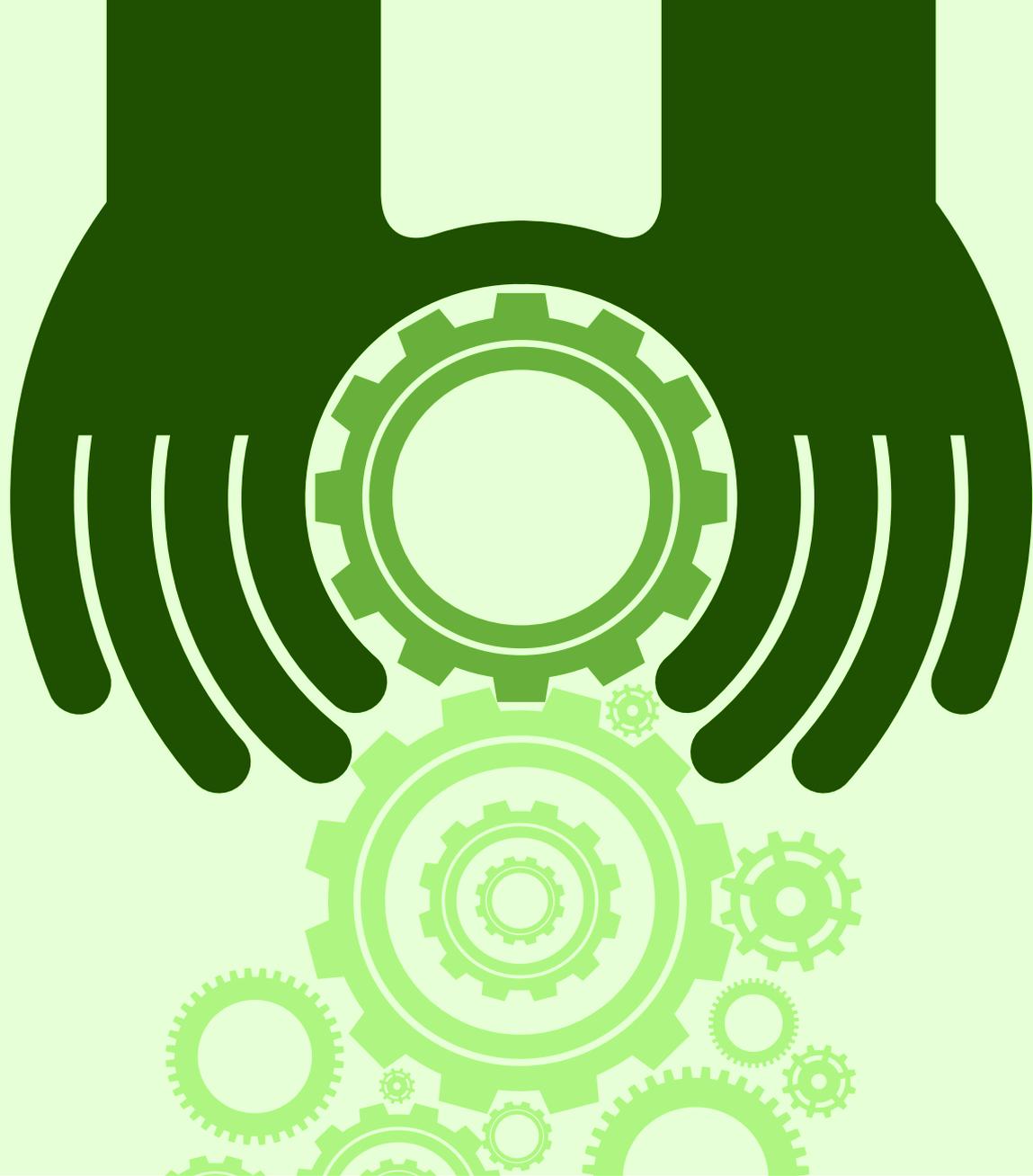
Public procurement plays a significant role in achieving gender equality and poverty reduction. Therefore, expanding the participation of women-owned businesses in the tendering process has a number of advantages for poverty reduction, gender equity and sustainable development.¹⁹ Studies also show that public procurement has been a significant policy tool in most economies in

supporting domestic industry start-ups, propelling industrial growth, and securing technology transfer and innovation, while frequently providing preference to small firms to achieve goals of equitable, sustainable development.²⁰ For example, a recent OECD study finds positive direct links between public procurement and increased market access.²¹ And empirical evidence from around the globe

confirms that women-owned businesses are largely labour-intensive, low-technology or low-capital-equipment enterprises, compared to larger businesses. Therefore, a fast-growing SME sector of predominantly women-owned businesses has great potential for reducing unemployment.²²

In the context of the AfCFTA, public procurement should be considered a vital tool for wealth creation in terms of growing SMEs and women-owned businesses in support of intra-regional trade. If properly harnessed, public procurement creates trade at the national level critical for financing

inter-regional trade. Women in particular can be enabled to participate in the AfCFTA trade opportunities by leveraging the funds generated through their participation in public procurement, supported by affirmative action labour provisions. Thus, public procurement has the potential to create backward and forward linkages in support of AfCFTA implementation. Public procurement programmes are needed that are gender responsive and build on the lessons from the reviewed case studies; to this end, regional policies on public procurement are essential.



5

**CONCLUSIONS,
RECOMMENDATIONS
AND THE WAY
FORWARD**

5.1 MAJOR CONCLUSIONS

Several opportunities exist for women entrepreneurs to effectively participate under the AfCFTA. The study has identified these key opportunities for women entrepreneurs in **cross-border trade**, **value chains** and **public procurement**, including the following:

- AfCFTA provisions under the Protocol on Rules of Origin permit access to cheaper raw materials and intermediate inputs. Thus, women participating in value chains would be able to produce goods and services with significant African content in terms of raw materials and value addition in line with the preferential trade regime of the AfCFTA.
- The AfCFTA establishes trade negotiations that should benefit all key players in terms of flexibility and policy space, either in the form of exemptions or specific positive requirements in the trade agreement. Regarding flexibility, countries will be able to build on the productive capacities of their trade sector producers with greater comparative advantage before fully opening up to trade. This gradual liberalization enables small-scale producers (the majority of whom are women) to enhance their competitiveness in intra-regional trade. As to policy space, the AfCFTA takes the following into account: safeguards, standards (e.g. regarding the environment, safety, etc.) and transitional periods on tariff progression. If properly harnessed, these trade measures will allow countries to protect their small-scale producers against competition via import surges and counterfeit products.
- The AfCFTA's criteria for designating sensitive products and exclusion lists take into consideration restrictive trade liberalization measures on specific products deemed essential for women's needs – e.g. reproductive health products, and agro-processing.
- The AfCFTA adopts preferential trade regimes facilitating SSCBT and smallholder farmers through measures that promote their integration into larger value chains. For example, the provisions of the AfCFTA annex on standards and phytosanitary measures entails mutual recognition of standards, licensing and certification of

service suppliers across the continent, making it easier to meet export standards and satisfy regulatory requirements for niche markets.

Various challenges may limit the effective participation of women entrepreneurs intra-regionally and overall under the AfCFTA. For WICBT, these include the high transaction costs and border delays occasioned by informality, corruption and gender-based sexual harassment, poor basic infrastructure and facilities, and weak trade associations. Challenges to participation in agriculture value chains include women's inability to access upstream segments of value chains due to low productive capacities and gender-based barriers to market access. As to public procurement, a variety of supply-side constraints prevent the majority of women from effectively tapping these domestic markets; these include a lack of financing to cover required bid securities, complex tender requirements and women's limited opportunities to effectively network and access information.

Following are the study's three major conclusions regarding gender and trade, gender and value chains, and gender and public procurement systems:

- AfCFTA implementation must ensure that it maximizes trade benefits and creates a win-win situation for women entrepreneurs despite the challenges facing them in cross-border trade activities.
- Strong agricultural value chain systems that effectively integrate women along all their segments are critical to AfCFTA implementation. To enhance their productive capacities and enable their effective participation in intra-regional trade, women entrepreneurs should be able to produce goods and services with significant African content in terms of raw materials and value addition; in this way, they will be able to respond to the emerging preferential trade regimes under the AfCFTA.
- Public procurement presents a useful entry point for women entrepreneurs in trade and economic development. Public procurement plays a significant role in unleashing the potential of

women-owned businesses and propels intra-regional trade for women-owned businesses through the financing opportunities and wealth creation it provides. Implementing a preferential

public procurement system requires that public procurement programmes be gender responsive in meeting their socioeconomic objectives.

5.2 RECOMMENDATIONS

The study identified various gaps in current practice that need to be addressed to facilitate women's opportunities under the AfCFTA in the three focus areas. The following recommendations are presented to address these gaps and to inform policy discussions on gender and trade in the context of the AfCFTA.

Improve country and regional trade infrastructure

The AU member states should invest in improving trade infrastructure in their countries in order to facilitate the participation of women in intra-African trade within the context of the AfCFTA. Such infrastructure should include improvements in border and customs-related infrastructure, port facilities, road and rail transport, and safety and security.

Further, they should support national WICBT networks/associations through favourable policy and regulatory environments that facilitate knowledge transfer, access to technology and trade networks and information. They should also support national-level trade agencies to raise awareness about the AfCFTA and the opportunities it offers women entrepreneurs.

The RECs should consider integrating gender and women's economic empowerment in their trade and regional integration policies and strategies.

It is also recommended that the RECs consider pooling resources from member countries for the purpose of developing skills and regional capacities in the development of value chains in product lines that include women entrepreneurs – e.g. agro-processing, pharmaceuticals, tourism and financial services.

Seek inclusive participation of key stakeholders in AfCFTA negotiation processes

In order to address issues involving women entrepreneurs, AfCFTA policy experts and trade negotiators should integrate identified gender considerations and concerns into AfCFTA provisions. To this end, the AU Commission should ensure that the composition of both policy expert and trade negotiator teams includes experts conversant with gender issues in trade. This will safeguard a policy space for identified women's issues in AfCFTA negotiations.

Improve the availability of relevant gender-disaggregated data

The study found that gender-disaggregated trade data to inform evidence-based policymaking are rarely available. Building on its ongoing efforts with gender statistics and citizen-generated data, UN Women should strengthen the systematic collection of gender-disaggregated statistical data in the three focus areas identified by this study. These data should then be compiled, harmonized and disseminated in order to increase evidence-based policymaking at both the national and regional levels. To this end, African governments should support and strengthen the capacity of national statistics offices to collect gender-disaggregated trade data.

- **SSCBT:** The collection of SSCBT statistics should go beyond merchandise trade data to include data on trade in services as well. Further, trade-related cost data for WICBT need to be compiled in order to assess the impact of trade facilitation measures. These data include transport costs, storage costs and accommodation costs as well as data on the estimated time needed to cross borders.

- **Value chains:** The AU Commission, member states and RECs should intensify their efforts to collect gender-disaggregated data to inform women's participation in various levels of value chains – production, processing and marketing – and their overall ability to enhance their presence in downstream value chain segments.
- **Public procurement:** Gender-disaggregated data should be compiled by national statistics offices to inform women's participation in public procurement; this includes the value and volumes of women's procurement bids and other relevant information on the topic.

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

UN Women and other institutions including academia should support evidence-based planning and policy formulation on various aspects of gender and trade facilitation measures under the AfCFTA. Potential areas for further research and analysis include the following:

- The applicability of different tariff structures under the AfCFTA's rules of origin in support of women entrepreneurs
- Analysis of prioritized sectors under the Protocol on Trade in Services in line with highly traded sectors by women entrepreneurs
- Analysis of the AfCFTA's provision on sensitive products and exclusion lists in support of women in public procurement systems
- Regional competitiveness and market access for women-led SMEs in the context of the AfCFTA

These analyses could further examine the differential impacts of such initiatives on men and women.

Conduct advocacy and awareness raising on gender and AfCFTA issues

To raise awareness about and advocate for gender issues in AfCFTA implementation, UN Women should do the following:

- Engage with civil society organizations and women's economic empowerment groups to advocate to national governments on the ratification and implementation of the AfCFTA

provisions – specifically, the need to ensure that the AfCFTA meets gender-related objectives and outcomes as spelled out in Article 3e of the AfCFTA agreement.

- Conduct advocacy work and engage with various stakeholders at both the regional and continental levels in order to strengthen gender equality commitments and provisions in the AfCFTA.
- Engage with RECs on advocacy with border officials on women's rights in relation to technical measures on trade.
- Engage with relevant regional economic institutions and support gender mainstreaming in the development of AfCFTA national implementation strategies.

Monitor AfCFTA processes in responding to gender gaps in trade

Given the importance of monitoring and reporting on progress in the implementation of the AfCFTA, development partners such as the UN agencies, RECs and other like-minded institutions should establish a comprehensive and comprehensible monitoring mechanism, that includes a clear roadmap for assessing both the economic and social impacts of the AfCFTA. Such monitoring could be made a feature of the respective AfCFTA national implementation strategies and their action plans/enforcement. Ongoing monitoring and reporting should ensure that AfCFTA implementation continues to respond to economic, social and development needs – particularly those of vulnerable groups such as women entrepreneurs and SMEs.

Strengthen women's trade associations and networks

The AU Commission should make use of existing regional women's trade associations and networks as a good entry point for strengthening women's participation. These regional networks include women's business associations such as the East African Women in Business Platform and the Federation of National Associations of Women in Business (FEMCOM), as well as UN Women's "safe space" trade facilitation initiatives.

These women's trade networks should be continuously capacitated and provided with market-driven

information as it relates to the AfCFTA. Women-led SMEs should also be given opportunities to participate in regional platforms such as international trade fairs and networks as a means of identifying niche markets under the AfCFTA.

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

UN Women, in collaboration with the RECs, should support AfCFTA implementation at the national level by integrating capacity-building programmes to empower women-led SMEs. These efforts should emphasize market-driven information and technical, trade and business knowledge as critical aspects in the successful conduct of intra-regional trade.

- **Technical knowledge:** This is in response to women's low productive capacities (both quantity and quality) and inability to compete in regional value chains. Technical knowledge on intra-regional trade is important to address such bottlenecks, such that, women entrepreneurs need to be capacitated on packaging, labelling and certification of their products in a way that meets the minimum standards for intra-regional trade.
- **Trade knowledge:** SSCBT requires export documentation – certificates of origin, trade permits, sanitary and phytosanitary certificates, rules of origin document requirements – to facilitate trade across the borders. Therefore, knowledge of such trade documentation is important in facilitating the smooth flow of cross-border trade.

5.3 WAY FORWARD

The study findings and recommendations come at a propitious time when AfCFTA negotiations are still ongoing. As a way forward, national governments and key stakeholders in the region are encouraged to take these interventions into consideration to ensure their readiness for the AfCFTA.

Implementation of the proposed interventions will also be useful in forging partnerships between UN Women and like-minded organizations focusing on gender and trade development. Key stakeholders in

Women entrepreneurs and women-led SMEs also need to know the rules and requirements for trading certain products and about the importing country. For example, they need to know the requirements on local content and on rules of origin, among other topics.

- **Business knowledge:** Globalization is increasingly shifting the production frontier in terms of product quality and service, leading to changes in both consumer and business preferences. Women-led SMEs need to be aware of such market variations in order to produce and trade in demand-driven commodities as a way of enhancing their competitiveness in regional value chains.

Advocate for the review of legal and policy frameworks

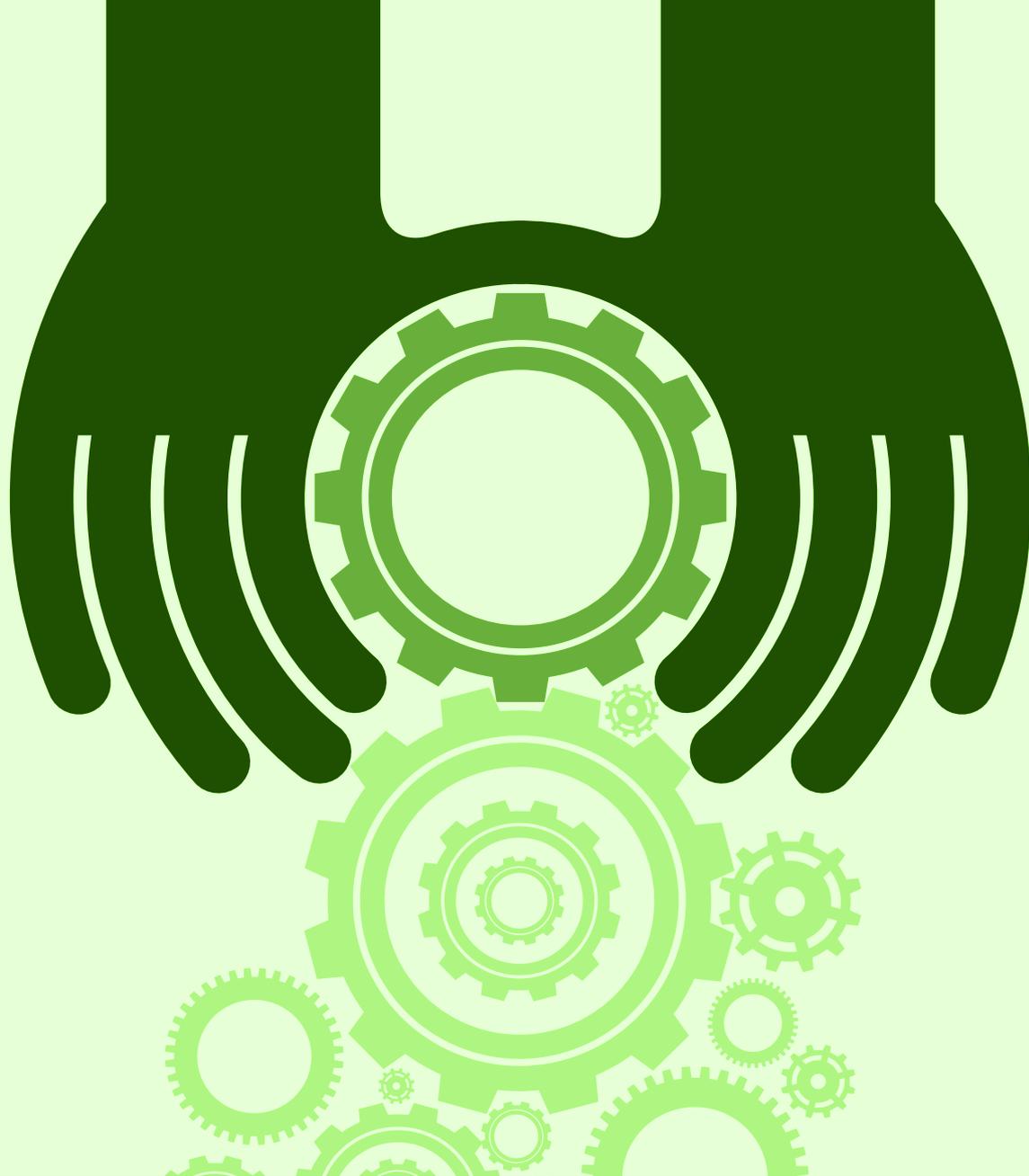
A regional policy on public procurement should be developed to guide AfCFTA implementation on the role of public procurement regarding gender and intra-regional trade.

Promote the use of ICT-based e-procurement systems

In the wake of AfCFTA implementation, national government procurement processes should integrate online public procurement systems in contract bidding and tender awards in order to strengthen data availability. Additionally, capacity-building programmes should be implemented targeting women-owned businesses in the use of ICT-based e-procurement systems.

this regard include the AU Commission, the African Development Bank, the RECs, UN entities such as the United Nations Commission on Trade and Development and the United Nations Economic Commission for Africa, and other partners both at the regional and national levels.

UN Women plans to continue its research on gender and the AfCFTA, focusing on how to protect women from vulnerable trade-related activities that are likely to emerge in the wake of the AfCFTA.



ANNEXES

ANNEX 1: STUDY METHODOLOGY

The study involved the review, analysis and synthesis of both published and unpublished literature from various sources (see Annex 2); this review was complemented with key informant interviews conducted via email, Skype and telephone (Annex 3). The key informants were selected from among stakeholders currently involved in AfCFTA negotiation processes and those involved in gender equality and women's economic empowerment through trade. The present report also draws on analysis of secondary data accessed from existing gender and trade databases, mainly COMESA open access data at the COMSTAT hub (<http://comstat.comesa.int/>).

The study's specific objectives were as follows:

- To explore cases of women who are breaking through and participating in export trade in the context of regional integration (e.g. within COMESA) and to document the gender dimension of trade and regional integration and implications for women's participation in the AfCFTA
- To assess the opportunities and challenges for women businesses, focusing on women doing business at the sub-regional and regional levels (WICBT), to address the issue of economic integration in the context of the AfCFTA
- To explore ways of improving regional integration frameworks that promote WICBT and how public procurement policies can be balanced
- To assess the potential influence of RECs and regional member countries in supporting WICBT
- To identify factors likely to have a negative impact on women's productive participation in the value chain and propose mitigating solutions
- To propose concrete guiding principles for the integration of gender concerns into selected value chain development projects and programmes
- To explore the nexus between trade policy and the emerging affirmative action procurement regimes in selected countries in Africa (Kenya, Rwanda, South Africa and Uganda)
- To review case studies on public procurement and women-owned businesses, exploring the linkages between public procurement and trade

Reviews and analysis of key trade literature on the AfCFTA

The main information source was a desk review of key trade documents related to the AfCFTA. The focus was to assess the extent to which they contain explicit statements, commitments or interventions on gender. It is presumed that the lack of gender-specific commitments or interventions in these documents reflects little direction on gender integration in the AfCFTA. It is also presumed that this gender lack can reflect a significant challenge to gender integration in trade stemming from a lack of policy guidelines or direction.

Stakeholder consultations/key informant interviews

The AfCFTA negotiation process is participatory and inclusive and involves a number of stakeholders with a functioning task force at the continental level. While the AU Commission is the key driver of AfCFTA processes, other important actors and stakeholders are the RECs – COMESA, EAC, ECOWAS, SADC – building on their ongoing initiatives on regional economic integration and trade. Other entities consulted included trade-related international organizations and institutions, particularly the International Trade Centre, the AU, UN Women and representatives of women-led SMEs from the East African Women in Business Council and FEMCOM. Efforts were made to engage with such institutions as the United Nations Commission on Trade and Development, the Trade Law Centre and the African Development Bank, but no feedback was received. Key contacts were identified within the responding institutions to answer research questions. Annex 3 lists the key stakeholders interviewed for the study. Annex 4 presents the research guide/questions used in these consultations.

Analysis of gender and trade databases

Significant emphasis in the AfCFTA consultations was placed on COMESA, since it is the largest REC with a membership comprising 21 African states. Consequently, statistical data available on the COMESA COMSTAT hub were used to conduct an analysis of women in SSCBT.

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ANNEX 3: STAKEHOLDERS CONSULTED

No.	Name	Position	Institution
1.	Prudence Sebahizi	Chief Technical Advisor on the AfCFTA	African Union Commission
2.	Beatrice Claudia Chaytor	Senior Expert on Trade in Services	African Union Commission
3.	Francis Mangeni	Director, Trade and Customs Division	COMESA Secretariat
4.	Beatrice Hamusonde	Director, Gender and Social Affairs Division	COMESA Secretariat
5.	Thierry Mutombo	Director, Industry and Agriculture Division	COMESA Secretariat
6.	Martha Byanyima	Sanitary and Phytosanitary Expert	COMESA Secretariat
7.	Seth Gor	Coordinator, AfCFTA	COMESA Secretariat
8.	Dorothy Tembo	Deputy Executive Director	International Trade Centre
9.	Nancy Gitonga	Regional Coordinator	East African Women in Business Platform

ANNEX 4: RESEARCH GUIDE/QUESTIONS

4.1 General questions

No.	Question	Response
A1	Name of organization	
A2	Person responding	
A3	Position of person	
A4	Number of years in the organization	
A5	Role in AfCFTA activities	
A6	What are the key emerging issues in the AfCFTA negotiations, and what are your views on the same?	
A7	It is said that women are the potential beneficiaries in the AfCFTA negotiations. What does the AfCFTA signify for women entrepreneurs in Africa? What are the key challenges and what are the key opportunities?	
A8	Due to tariff liberalization and tax base reforms under the AfCFTA, some African governments are likely to experience revenue loss at the same time trade volume increases. What should African governments do to create a win-win situation, especially for women entrepreneurs in the context of the AfCFTA?	
A9	What are the key interventions your organization is doing to support women entrepreneurs? What key recommendations would you propose to these ongoing negotiations?	

4.2 Questions on women in informal cross-border trade

No.	Question	Response
B1	Name of organization	
B2	Person responding	
B3	Position of person	
B4	Number of years in the organization	
B5	Role in AfCFTA/WICBT activities	
B6	What programmes does your organization have in place in support of WICBT?	
B7	What provisions does the AfCFTA provide for WICBT?	
B8	What are the existing capacity gaps for WICBT that can enable their effective participation on the AfCFTA? What solutions do you propose to such?	
B9	How best can the participation of WICBT in various regional value chains be enhanced in the context of the AfCFTA to increase their profitability? List.	
B10	What would be your key recommendations in support of WICBT in the context of the AfCFTA?	

4.3 Questions on affirmative action/preferential public procurement

No.	Question	Response
C1	Name of organization	
C2	Person responding	
C3	Position of person	
C4	Number of years in the organization	
C5	Role in public procurement issues	
C6	What is your understanding of the existence of public procurement policies/acts in support of women entrepreneurs at the country level? How effective are governments in the implementation of such policies? Any highlights/shortfalls?	
C7	What are the key challenges women entrepreneurs face in line with public procurement policies? What do you propose as solutions?	
C8	What effective implementation mechanisms would you propose in line with public procurement policies to reduce government red tape and perceived corruption that disadvantage women as beneficiaries in these public procurement schemes?	
C9	How best can the participation of WICBT in various regional value chains be enhanced in the context of the AfCFTA to increase their profitability? List.	
C10	What would be your key recommendations in support of affirmative action/public procurement schemes?	

4.4 Questions on gender and value chains

No.	Question	Response
D1	Name of organization	
D2	Person responding	
D3	Position of person	
D4	Number of years in the organization	
D5	Role in value chain development	
D6	List the top three regional value chains that may be considered ideal for participation by women entrepreneurs in Africa.	
D7	What are the key issues affecting women's effective participation in regional value chains and international export?	
D8	How best can we integrate gender concerns into value chain development projects and programmes to help women entrepreneurs maximize their profitability?	
D9	Provide a list of regional integration frameworks that support women's participation in international trade and regional value chains.	
D10	What is the role of African governments to ensure that these frameworks are operationalized at the national level?	
D11	What would be your key recommendations in support of women's effective participation in regional value chains in the context of the AfCFTA?	

ANNEX 5: PROFILES OF WOMEN ENTREPRENEURS IN VARIOUS AGRICULTURE VALUE CHAINS

Name of business	Fluffy Buttah
Location	Kenya (wakonyo.kimeria@gmail.com)
Type of business	Manufacture of organic plant oil-based body products
Source of raw materials	Ghana and locally in Kenya
Major export markets	Rwanda, Senegal, Tanzania, Uganda, USA
Est. annual trade value	USD 25,000
Key constraints	<ul style="list-style-type: none"> • Export documentation and border processes • High shipping costs, especially air freight costs to West Africa • Lack of information available online from exporting countries, e.g. on taxes, border procedures, etc.
Key opportunities	<ul style="list-style-type: none"> • Use of an online platform makes it easy for potential customers to make inquiries • Growing – and therefore profitable – market for organic body products
Success highlights	Supply products wholesale to an agent in Senegal who is responsible for product labelling has reduced trade costs as well as the need to identify niche markets at the local level

Name of business	Madepices MG
Location	Madagascar (direction@madepices.mg)
Type of business	Spices, dried foods and cosmetics
Source of raw materials	Locally in Madagascar
Major export markets	South Africa, Belgium, Canada, France, Italy, Japan, Luxembourg, Norway
Key constraints	<ul style="list-style-type: none"> • Expensive certification requirements (e.g. organic, fair trade, hazard analysis and critical control points) to sustain niche markets • Expensive to ship to African export destinations as Madagascar is an island • Gaps in laboratory capacities to fulfil international food safety requirements • Infrastructure challenges in terms of Internet connectivity and electricity to access up-to-date market information
Key opportunities	Ability to make use of natural products to produce high-value quality items for export

Name of business	Miyonga Fresh Greens
Location	Kenya
Type of business	Horticulture
Source of raw materials	Locally in Kenya
Major export markets	South Africa, European Union (Germany, Greece, Ireland, Netherlands, Norway, UK)
Est. annual trade value	USD 400,000
Key constraints	<ul style="list-style-type: none"> • Certification, packaging and labelling requirements, including costs for GLOBALG.A.P., GRASP, organic and fair trade certification • Limited market information on value-added products, e.g. dried fruits, fruit powder and fruit concentrates
Key opportunities	<ul style="list-style-type: none"> • Increasing demand for healthy and useful fruits and vegetables across the region as well as internationally • Seasonality in fruits across countries makes it easier to identify markets at the regional level, e.g. new emerging markets with high expected returns in South Africa and Zambia • Strong partnerships in the export of fruits to different destinations e.g. Europe and Asia
Success highlights	Miyonga is a multiple award-winning company that has grown from seed funding of USD 10,000 to revenues of USD 400,000 in three years. Growing from 1.5 acres of land to 10 acres, Miyonga is now a direct exporter to six destinations in Europe. In Africa, it has successfully exported to South Africa, and has received interest and inquiries from Zambia; however, the trade requirements of these two countries are quite restrictive.

Name of business	KivuCold
Location	Rwanda (doreen@kivucold.rw)
Type of business	Horticulture
Source of raw materials	Rwanda
Major export markets	South Africa, European Union
Est. annual trade value	USD 75,000
Key constraints	<ul style="list-style-type: none"> • High logistical costs to African destinations • High certification requirements in European Union, making Rwandan produce uncompetitive for export markets
Key opportunities	<ul style="list-style-type: none"> • RwandAir's servicing of several regional destinations provides a unique opportunity to reach markets in Africa, simplifying logistical requirements • There is a unique opportunity to export to central transshipment hubs which can create scale for otherwise small shipments
Success highlights	Successful operation of cold supply chains able to take as much as 20 tonnes in capacity; this has created strong linkages with smallholder farmers, making aggregation easier

Name of business	PJ Flowers Ltd/Wetfarms Ltd
Location	Kenya (elizabeth@wetfarm.co.ke)
Type of business	Horticulture (floraculture) and grains
Source of raw materials	Locally in Kenya
Major export markets	Burundi, Rwanda, Uganda, European Union, and the Middle East
Est. annual trade value	Above USD 300,000
Key constraints	<ul style="list-style-type: none"> • Border delays and border procedures in accessing regional markets reduces the quality of fresh products, especially of flowers, leading to lower pricing • Market access challenges due to political instability, e.g. in Burundi
Key opportunities	<ul style="list-style-type: none"> • Improving market trends, especially for new improved varieties, create the ability to supply clients (e.g. in Rwanda and Burundi) with good-quality seeds • Capacity-building initiatives especially for new growers on Good Agricultural Practices (GAP) make aggregation easier • Strong partnerships with small-scale growers facilitate the creation of backward and forward product linkages
Success highlights	As a successful grower and exporter of horticulture products in Europe as well as the Middle East, there are greater emerging opportunities at the regional level as well, which the company is venturing into

Name of business	NaFarm FOODS
Location	Nigeria (nafarmfoods@gmail.com)
Type of business	Value addition in tomatoes (tomato paste, soups, etc.)
Source of raw materials	Nigeria
Major export markets	Neighbouring countries, e.g. Togo
Est. annual trade value	USD 20,000
Key constraints	<ul style="list-style-type: none"> • Export requirement information, e.g. export licensing and other documentation • Food safety requirements and standards in importing countries tend to differ from country to country

Name of business	Homeland Tastes
Location	Benin (nafarmfoods@gmail.com)
Type of business	Value addition in tea (processing)
Source of raw materials	Benin
Major export markets	Neighbouring countries: Côte d'Ivoire, Gabon, South Africa (rarely)
Est. annual trade value	USD 10,000
Key constraints	<ul style="list-style-type: none"> • Maintaining standards for export products • Accessing loans, matching grants and investments • Price volatility due to minimum price fixing, affecting profitability
Key opportunities	Growing demand in neighbouring countries for food that is locally grown and produced (organic)

Name of business	Nature's Touch
Location	Kenya (caroline@naturestouch.co.ke)
Type of business	Value addition for organic body products (shea butter)
Source of raw materials	Uganda
Major export markets	Uganda, Zambia
Est. annual trade value	USD 10,000
Key constraints	Access to information on export readiness and the export market
Success highlights	Reliable distribution agents for company's products in Uganda and Zambia

Name of business	Green Afro-Palms (GAP)
Location	Ghana (greenafropalms@gmail.com)
Type of business	Palm oil processing
Source of raw materials	Ghana
Major export markets	Burkina Faso, Nigeria, Togo
Est. annual trade value)	USD 100,000
Key constraints	<ul style="list-style-type: none"> Standards and certification requirements differ from country to country, making it difficult to export within the region Border delays and complicated border procedures

Name of business	Select Fresh Produce Kenya Ltd
Location	Nairobi (Eunice.mbeneka@gmail.com)
Type of business	Horticulture and grains and oil seeds
Source of raw materials	Locally in Kenya
Major export markets	Middle East (Dubai), European Union (Ireland, Germany, Netherlands) Russia, USA
Est. annual trade value	USD 100,000
Key constraints	<ul style="list-style-type: none"> High capital requirements for shipping Cumbersome certification requirements (e.g. GLOBALG.A.P., fair trade, organic, food and drug administration, hazard analysis and critical control points) by buyers who are unwilling to co-invest with the farmers and exporters; the average cost of certification per farm is USD 3,000 Aggregation in grain trade is a considerable task given the fragmented nature of grain traders
Key opportunities	Opportunities for value addition in all the exported commodities listed above
Success highlights	Established partnerships with fellow African SMEs from different countries in the region to fulfil international mentorship requirements

ENDNOTES

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