

Leveraging the AfCFTA for Africa's development: Lessons from COVID-19 experience

Trade Law Centre (tralac)
4 July 2020
15:00 – 17:00 EAT

Concept note

The African Continental Free Trade Area (AfCFTA) stands to make a significant contribution to Africa's development. The AfCFTA can reduce trade transaction costs to boost intra-Africa trade and enhance Africa's global trade performance. By reducing the costs of cross-border trade, the AfCFTA will also support regional and continental value chains, contributing to the expansion and diversification of the continent's productive capacity.

We will discuss experiences during the COVID-19 pandemic, and the lessons for the implementation of the AfCFTA.

- *Facilitation of trade and cross-border economic activity*

COVID-19 has become a push factor towards *digital trade* facilitation solutions. Regional economic communities have recommended, and many countries have adopted, the use of e-certificates of origin and other e-certificates during the pandemic. Such digital trade solutions will enhance our efficiency and competitiveness for intra-Africa trade, but also for our global trade. Adopting such solutions requires not only changes at border posts, but also changes to inter-agency cooperation for effective border management.

Informal cross-border trade is an important source of livelihood across the continent. During the pandemic, border closures have summarily cut off this economic activity and the livelihoods for millions of households. What lessons can we learn from this experience?

COVID-19 has highlighted the important role of services such as transport in facilitating cross-border trade and value chain connections. Since services are regulatory intensive, regulatory harmonization may be required to support trade and economic efficiencies. Good examples are axle load limits and container dimensions for road transport. What are the implications for the AfCFTA trade in services agenda?

- *Responding to crises that transcend national borders requires collective, coordinated responses. What could be the role of the AfCFTA and its institutions?*

COVID-19 is a stark reminder that pandemics and many other crises transcend national borders. A border closure by one country impacts not only its immediate neighbour but many other countries along the corridors and trade routes that connect especially the land-locked countries to sources of inputs and final products. Border closures with immediate effect take away the income-generating activities of informal traders, many of whom are women. Can the AfCFTA and its institutions contribute to a collective, coordinated response and action plan to deal with future crises?