



tralac 2021 Annual Conference Report

This year's tralac Annual Conference was held virtually on 22nd and 23rd July under the theme 'COVID-19 has changed Africa and the world: How should we respond?' The Conference was attended by participants from the African Union Commission, regional organisations, national governments, the private sector, non-governmental organisations, academia, and civil society.

The **Opening Session** began with Opening Remarks by Mr George Lipimile, Chair of the tralac Board, and Keynote Addresses by H.E. Ambassador Albert M. Muchanga, African Union Commissioner for Economic Development, Trade, Industry and Mining, and Ms Treasure Maphanga, tralac Board Member and AeTrade Group Director.

Mr Lipimile confirmed that tralac considers the AfCFTA as crucial to Africa's development. tralac had begun working on the AfCFTA as far back as 2014 – even before negotiations on the Agreement commenced – and has been hosting training workshops and publishing legal and policy documents as well as analyses on topics relevant to the negotiations and implementation of the Agreement. He said, if properly designed and implemented, the AfCFTA would bring about crucial progress in Africa's trade governance.

Mr Lipimile noted that the pandemic had brought serious setbacks – and these are evident in terms of both intra-African trade and Africa's trade with global trade partners. He emphasised that the pandemic had highlighted Africa's dependence on imports, including in the health sector, as global supply chains have been disrupted. This made the improvement of Africa's health infrastructure even more urgent.

He turned his attention to the importance of a continental competition policy for the success of the AfCFTA. He urged that these negotiations, scheduled as part of Phase II, be fast-tracked to foster inclusion under the AfCFTA regime. He emphasised that competitive markets enhance economic welfare by fostering efficiency in productivity and commerce, bringing lower prices, ensuring high quality of goods and services, and providing choices for consumers. Effectively

implemented, competition policy contributes to further economic growth and increased employment.

Mr Lipimile said that despite significant progress made in advancing women's and girls' rights globally, this is not generally the case across the continent. He noted that the pandemic had disproportionately impacted women and girls, the majority of whom work in vulnerable sectors of the economy. He said women and girls in Africa face more significant barriers than men and boys in terms of access to education and capital, and this limits their economic opportunities and overall contribution to the continent's economic development. He noted the work that tralac is doing both to support women policy makers through the SheGovernTrade initiative and in collaboration with the International Chamber of Commerce and UPS, to support Women Traders in the AfCFTA through the [eTradeHubs](#). Mr Lipimile's speech is available [here](#).

In his Keynote Address, **Ambassador Muchanga** noted the devastating impact COVID-19 has had on Africa and the world, highlighting the effects on trade specifically. Trade was disrupted, in many instances, by the legitimate adoption of restrictive measures to curb the spread of the virus. The trade impact was particularly important since African countries rely on imports of pharmaceutical goods, medical equipment and of course vaccines, sourced mostly from global trade partners. He noted that currently only 5 African countries – Egypt, South Africa, Senegal, Tunisia and Ethiopia – have the capacity to produce vaccines. And net-food importing countries also face restrictions on food trade and disruptions of supply chains. Against this background, he emphasised the importance of finalising the outstanding negotiations of the AfCFTA, and the effective implementation of the Agreement, which State Parties will have to prepare for. He fully supported the inclusion of e-commerce, and women, youth and SMEs in the AfCFTA negotiations, and also encouraged the consideration of making healthcare a sixth priority services sector. Amb. Muchanga's speech is available [here](#).

In her Keynote Address, Ms. Maphanga focused on the importance of addressing the challenges faced by women, youth and SMEs, and specifically the opportunities that digital trade can bring. She noted the challenges associated with access to information about trade agreements, and the specific challenges that women face with respect to, for example, access to finance. In most instances, access to finance is still contingent upon meeting collateral requirements featuring the ownership of property, an area where women still face significant constraints. She emphasised the

role of technology, research and development and innovation to open opportunities for women, youth and SMEs.

Focusing specifically on the challenges that Africa's women traders face, she underscored the fact that digital exclusion, caused by factors such as the lack of connectivity and high cost of data, need to be urgently addressed. She encouraged the roll-out of solar technology to provide energy security and connectivity, and specifically to enable women and youth to take up the opportunities offered by e-commerce. She shared details of the digital infrastructure project of AeTrade Group, working from their continental headquarters in Rwanda, in collaboration with member states in 5 sub-regions. This project also addresses issues such as data storage and access, recognising the importance of ensuring coordination and good governance in such matters to support inclusive market development, and achievement of the objectives of the AfCFTA. She commended tralac's [SheGovernsTrade](#) initiative which supports women in trade policymaking and offers a Development Programme for Africa's Young Women Policymakers. Gender-inclusive policy making is essential to address the challenges that women entrepreneurs and traders face. To support this, she emphasised the importance of the collection and analysis of sex-disaggregated data, business intelligence and ensuring that the voices of micro, small and medium enterprises are heard in policy processes.

Trade and Gender

In this session, tralac launched the study on trade and gender – '[Trade and Gender in Africa's Trade Agreements](#)' – reviewing the gender-related provisions in all of Africa's trade agreements. A key finding is that although gender-related provisions are included in Africa's trade agreements, they generally do not create binding commitments. This [Blog](#) provides a brief overview of how the AfCFTA fares on gender inclusion.

The implications for new AfCFTA legal instruments focusing on women, youth and SMEs are important. It is not yet clear whether there will be a dedicated Protocol on Women in Trade or whether a single Protocol will cover Women, Youth and SMEs. A gender-inclusive AfCFTA also requires that gender be mainstreamed in the implementation strategies of the State Parties – this is essential for women to benefit from the AfCFTA opportunities.

The session also focused on tralac's [SheGovernsTrade \(SGT\)](#) Development Programme, whose objective is to capacitate and empower particularly young women policymakers to contribute

towards enhancing trade governance in Africa. tralac's SGT programme focuses not only on development of technical trade skills but also professional skills development, change management skills, and mentoring. During the session, many SGT alumni shared their personal experiences participating in the programme. A brief overview of tralac's collaboration with ICC and UPS was provided with an introduction to the [eTradeHubs](#) portal, which offers a selection of trade tools with information on tariffs and other taxes, rules of origin and other regulations that are essential for successful cross-border trade. The portal also provides details of training that we are offering – and all past courses are available on the portal. ICC-tralac-UPS will bring the Women Trade in the AfCFTA programme to Expo 2020 later this year.

COVID-19 and Africa's healthcare sector

The Conference featured strong focus on the importance of the development of Africa's healthcare (including pharmaceutical) sector to provide access to healthcare for all, and to shore up the sector's resilience and preparedness not only to deal with the ongoing [COVID-19 pandemic](#) but also for future health crises. Achieving these objectives also requires strengthening and diversifying Africa's capacity to produce pharmaceutical products, including COVID-related medicines, and equipment. This will require investment and development of considerable capacity in productive capacity and related fields, including the establishment of laboratories and the training of scientists and medical experts. In this regard, the [proposal](#) submitted by South Africa and India for a World Trade Organisation (WTO) waiver on specific provisions in the TRIPS Agreement was considered, also noting the timelines for the meetings of the TRIPS Council to consider the proposal which has gathered the support of a large number, but not all, of the WTO membership. The European Union has also submitted a proposal which does not include a waiver of TRIPS provisions. As this WTO process continues, it is also important to situate the healthcare sector development within the AfCFTA – across the trade in goods, trade in services, investment, intellectual property, and competition agendas. A detailed mainstreaming agenda is required to address the issues pertinent to leveraging the AfCFTA to support a robust and capable healthcare sector on the continent. The trade in goods agenda (focusing on tariffs, rules of origin, standards, and trade facilitation), the trade in services agenda (including the focus on the professional services – specifically healthcare services and service providers, as well as investment (mode 3)), intellectual property, investment, competition, and digital trade and e-commerce are all connected to the effective incorporation of healthcare as a priority in the AfCFTA.

Update on the AfCFTA

An update on the [AfCFTA](#) negotiations and implementation processes was provided by the tralac team. The discussion noted that although the AfCFTA Agreement entered into force on 30th May 2019 and was now ratified by 37 African Union member states, there is not yet preferential trade under the AfCFTA regime. Preferential trade based on the AfCFTA arrangement will commence once the tariff schedules, rules of origin, and schedules of services commitments are finalised.

Phase II negotiations (investment, intellectual property rights and competition policy) and Phase III negotiations on e-commerce are scheduled to be finalised by December 2021. Women, youth, and SMEs will be added to the negotiating agenda, but the time frame is not yet decided. With respect to investment negotiations, the Committee on Investment Facilitation has been established, guiding principles and modalities for the negotiations of the Investment Protocol have been developed and are yet to be approved by the Committee and the Council of Ministers. Investment capacity building meetings and regional stakeholder engagement consultations on the development of the Protocol on Investment have been held, and the technical experts are preparing for the Zero Draft.

With respect to implementation, it was highlighted that tariff reductions and services liberalisation will happen progressively, and State Parties will cooperate on IPRs, investment and competition policy. Regional economic communities and their trading arrangements will co-exist with the AfCFTA. Trade agreements with third parties are permitted. Equally important, governments will need to take necessary domestic actions and reforms (e.g., updating national and customs union tariff books, legislative reforms, trade remedies regimes, trade facilitation policies) to effectively implement and realise the benefits of the AfCFTA.

The session further underscored that most of the benefits of the AfCFTA will come broadly speaking from governance improvements; specifically, from the trade facilitation agenda, including the modernisation of customs procedures and the elimination of non-tariff barriers.

Investment facilitation was also emphasised as essential to be included in the AfCFTA Protocol on Investment along with other investment dimensions such as investment promotion, protection, and regulation. Investment facilitation provisions in the AfCFTA would enhance and complement what countries are doing at national levels as well as enhance cooperation, coherence, and coordination among African governments in investment facilitation. African countries were also

urged to monitor and participate in the ongoing discussions of investment facilitation for development at the World Trade Organisation.

Although [intra-Africa trade](#) has increased over the past 20 years, it remains very low (averaging 16%) compared to other regions. Mineral and chemical products, food, beverages, and tobacco are the main traded products. South Africa is the main intra-regional importer and exporter on the continent – and its trade is concentrated in the southern African region, with partners in SACU and SADC.