

**AFRICAN CONTINENTAL FREE TRADE AREA SECRETARIAT**

Creating One African Market



# AfCFTA Value Chain Development Initiatives

# The AfCFTA private sector strategy identifies priority value chains that could increase **intra-African trade, production, and employment**

Value chain prioritization criteria

**i** First value chains were filtered on based on value of trade...

Filter	Description
 <b>Value of trade</b>	Have <b>high potential value</b> and volume of intra-African trade
 <b>Geographic balance</b>	Provide opportunities for trade for a range of geographies and economy sizes across Africa

**>** ...then assessed for feasibility, economic growth, and inclusivity

Criteria	Description
<b>ii Feasibility</b>	<b>Ability to overcome barriers to trade and production within short time frame (&lt;5 yrs)</b>
<b>iii Economic growth</b> 	<b>GDP</b> Contribute to sustainable GDP growth
	<b>Employment</b> Contribute to creation of employment
	<b>Product complexity</b> Include a balance of low and high complexity goods, with the latter requiring more technical know-how to produce/manufacture locally
<b>iv Inclusivity</b> 	<b>Women, youth &amp; SMEs</b> Enable high participation rate and creation of economic opportunities for Women (i.e. share of labor force), Youth (i.e., share of employment) and SMEs (i.e., share of total SMEs)
	<b>Environmental sustainability</b> Support value chains that are environmentally sustainable in their production and trade processes – proxied by level of Co2 emissions









# Key Value Chains

- Agriculture and Agro Processing
- Pharmaceuticals
- Transport and Logistics
- Automotive



# ~25 priority interventions were identified across four value chains

- Priority interventions identified by AfCFTA private sector strategy

Value chain	Priority interventions
 <b>Auto</b>	<ul style="list-style-type: none"> <li><b>A1</b> Finalize negotiations on rules of origin</li> <li><b>A3</b> Reduce imports of used vehicles by 50%</li> <li><b>A5</b> Improve access to consumer financing for Africa-made vehicles</li> <li><b>A2</b> Double OEM production through regional hubs</li> <li><b>A4</b> Increase availability of local parts via developing regional ecosystem of suppliers</li> </ul>
 <b>Fish</b>	<ul style="list-style-type: none"> <li><b>F1</b> Finalize negotiations on rules of origin</li> <li><b>F3</b> Establish a Pan-African certifiable fish standard of sanitary and product measures</li> <li><b>F2</b> Scale production of fish feed</li> <li><b>F4</b> Expand aquaculture production to meet local demand</li> </ul>
 <b>Meat</b>	<ul style="list-style-type: none"> <li><b>M1</b> Establish a Pan-African certifiable meat standard of sanitary and product measures</li> <li><b>M2</b> Establish incentives to increase local meat production and processing</li> </ul>
 <b>Pharmaceuticals</b>	<ul style="list-style-type: none"> <li><b>P1</b> Strengthen pan-African regulatory bodies (AMA, AMRH) to harmonize regulation and standards</li> <li><b>P3</b> Increase procurement of locally produced drugs</li> <li><b>P2</b> Upgrade capacity and scale of local manufacturers</li> <li><b>P4</b> Increase access to affordable intra-continental freight capacity</li> </ul>
 <b>Transport and logistics</b>	<ul style="list-style-type: none"> <li><b>T1</b> Reduce customs delays at borders e.g., through single window and capability building of customs officials</li> <li><b>T3</b> Promote common standards for selected trucking regulations</li> <li><b>T5</b> Increase quantity and availability of quality trucks e.g., through incentivizing access to finance for truck operators</li> <li><b>T2</b> Scale cold chain storage and transport facilities</li> <li><b>T4</b> Enable greater data sharing between logistics stakeholders</li> <li><b>T6</b> Support and advocate for implementation of the Single African Air Transport Market</li> </ul>
 <b>Cross-cutting</b>	<ul style="list-style-type: none"> <li><b>C1</b> Increase desirability of Africa-made products via Buy Africa campaign</li> <li><b>C2</b> Develop digital platform as enabler that traders, manufacturers, and investors to benefit from the interventions led by the Secretariat</li> </ul>

## Other Potential Value Chains



COCOA



COFFEE



NUTS



WHEAT



RICE



TEFF

**Many opportunities in Africa for value chain expansion !**



**THE END**