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Enhancing the Role of Women and Youth in Trade under the AfCFTA – PACC’s Perspective



The African Continental Free Trade Area (AfCFTA) is a landmark initiative aimed at creating a unified and competitive market across Africa, with the potential to drive economic growth, increase trade, and foster regional integration. However, for the AfCFTA to fulfill its promise of inclusive and sustainable development, it must actively address the structural challenges faced by marginalized groups—particularly women and youth. The **Protocol on Women and Youth in Trade** under the AfCFTA seeks to address these challenges by providing a framework to empower women and youth as key drivers of economic growth across the continent.

The Pan African Chamber of Commerce and Industry (PACCI), which represents the voice of businesses across Africa, sees the protocol as a critical step toward creating a more inclusive trade environment.

The protocol's commitment to promoting equality, enhancing market access, and providing support for women and youth-led businesses is aligned with PACCI's goals of fostering a competitive and business-friendly environment across Africa. However, PACCI also recognizes that additional steps are necessary to ensure the effective implementation of the protocol and to address the deeper economic and social challenges that women and youth face. In this brief note, PACCI highlights the key contributions of the Protocol on Women and Youth in Trade and proposes areas where further actions are needed to ensure the protocol's success and maximize its impact.



Key Contributions of the Protocol and PACCI's Perspective

1. Addressing Structural Inequality: The protocol's emphasis on affirmative action and the elimination of discrimination against women and youth is a vital step in leveling the playing field. Women and youth have long been excluded from formal trade activities due to systemic barriers such as limited access to finance, skills, and market information.

1. By providing targeted interventions and capacity-building programs, the protocol helps to ensure that women and youth are not left behind as Africa's trade landscape evolves. PACCI strongly supports these efforts and emphasizes the importance of complementary national policies that address broader social inequalities, such as land ownership, education, and labor market participation for women and youth.



2. Formalizing Informal Trade: PACCI recognizes that the majority of women and youth in Africa participate in the informal economy, which often leaves them vulnerable to exploitation and economic instability. The protocol's focus on integrating informal cross-border traders into formal markets is critical for improving their economic security and expanding their access to opportunities.

However, PACCI advocates for a gradual and inclusive approach to formalization. Governments must reduce bureaucratic hurdles, offer incentives for formalization, and ensure that informal traders are not unduly burdened by new regulations. Additionally, tailored support programs should be established to assist informal businesses in transitioning to the formal economy.

To promote inclusive growth, the AfCFTA competition policy should mandate the inclusion of women-led, youth-led, and rural enterprises in all trade and market access initiatives. This could be achieved through binding quotas that require large corporations to source a certain percentage of their inputs from businesses owned by these groups. Further, a continental-wide program could be established to train and empower women and youth entrepreneurs, equipping them with the skills, resources, and networks needed to thrive in the AfCFTA market. This approach would ensure that economic opportunities are distributed more equitably, helping to reduce social and regional disparities.

3, Fostering Value Addition and Innovation: The protocol rightly identifies value addition and innovation as key strategies for increasing the competitiveness of women and youth in trade. By promoting the integration of women and youth into regional and continental value chains, the protocol enhances their ability to compete in higher-value markets. PACCI believes that this approach is essential for driving local industrialization and reducing Africa's reliance on raw material exports.



However, it is crucial to ensure that value addition initiatives are accessible to businesses of all sizes, particularly small and medium-sized enterprises (SMEs). PACCI encourages the establishment of regional innovation hubs, business incubators, and technology transfer programs to help women and youth-led businesses thrive in the competitive global market.



4, Improving Access to Finance: The protocol's commitment to improving access to affordable finance for women and youth is one of its most significant contributions. Many women and youth-led businesses struggle to secure the financing needed to scale up their operations, especially in sectors with high growth potential.

PACCI welcomes the protocol's efforts to collaborate with financial institutions and establish funding schemes tailored to the needs of women and youth in trade. However, PACCI emphasizes that financial solutions should go beyond traditional credit models.

Innovative financial instruments, such as blended finance, crowdfunding, and cooperative lending schemes, should be explored to ensure that all businesses—especially those in underserved regions—can access the capital they need to grow.

5. Enhancing Digital Trade: In an increasingly digital world, access to technology and digital platforms is essential for businesses to succeed in regional and global markets. Leverage digital platforms effectively.

The protocol's focus on digital trade and providing women and youth with the tools and knowledge to engage in online trading is a forward-thinking approach that aligns with PACCI's vision of a digitally-enabled Africa.

However, for digital trade to be truly inclusive, PACCI urges governments to invest in digital infrastructure, particularly in rural areas, and to provide affordable internet access. Furthermore, digital literacy programs should be implemented to ensure that women and youth have the skills to leverage digital platforms effectively.

6. Simplifying Trade Processes: The protocol's emphasis on reducing non-tariff barriers and simplifying trade processes for women and youth in cross-border trade is a necessary step in making trade more accessible.

PACCI supports the simplification of documentation, procedures, and customs processes to facilitate the participation of small-scale traders.

However, PACCI calls for the creation of one-stop trade centers where traders can access all necessary services, including customs clearance, trade-related information, and financial services, in one location.

This would reduce the time and cost associated with cross-border trade and encourage greater participation by women and youth in formal trade activities.

PACCI's Recommendations for Strengthening the Protocol

While the Protocol on Women and Youth in Trade is a significant step toward empowering these groups in the context of AfCFTA, PACCI believes that several additional measures are necessary to ensure its success:

- Establish a Continental MSME Development Fund to provide direct financial support and technical assistance to women and youth-led businesses, particularly in underserved regions.
- Create preferential trade schemes and incentives that encourage large corporations to source goods and services from women and youth-led businesses, fostering greater market integration.
- Implement regional value chain development programs to help women and youth access high-value sectors such as manufacturing, agriculture, and services.
- Promote public-private partnerships (PPPs) that engage the private sector in capacity-building initiatives for women and youth in trade.
- Monitor and evaluate the protocol's implementation through regular reporting and consultations with women and youth-led business associations to ensure that their voices are heard and their needs are addressed.

The Protocol on Women and Youth in Trade presents a transformative opportunity to address some of the deep-seated economic challenges that have historically excluded women and youth from Africa's formal trade activities. By fostering an inclusive trade environment, promoting access to finance and technology, and ensuring the protection of vulnerable groups, the protocol aligns with PACCI's mission of building a more equitable and prosperous Africa. However, its success will depend on how well it is implemented, and whether governments, financial institutions, and private sector stakeholders can work together to remove the barriers that continue to limit the participation of women and youth in intra-African trade. PACCI remains committed to supporting the implementation of the AfCFTA and advocating for policies that drive inclusive economic growth for all Africans.

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