

28 April 2026  
13:30 a.m. – 15:00 p.m. (EAT)  
Addis Ababa, Ethiopia  
Virtual Event

## Twelfth Session of the Africa Regional Forum for Sustainable Development

### Side Event Concept Note

## The digitally deliverable services frontier: Unlocking the least developed countries' services trade potential under the Africa Continental Free Trade Area

### Background

The traditional view that industrialisation is the most viable path to structural transformation is fading fast, especially for least developed countries (LDCs), 32 of which are in Africa. Services now account for approximately two-thirds of global output; in LDCs, they comprise 48.9% of GDP, whereas the manufacturing sector's contribution was only 10.9% in 2023. In many LDCs, this shift is characterised by the movement of labour from agriculture into services, while global trends are being fuelled by digital transformation, technological change, and high productivity. The Least Developed Countries Report 2025, titled “Are services the new path to structural transformation?”, examines whether—and under what conditions—services can drive structural transformation in LDCs. This side event will explore the specific benefits for African LDCs and outline how they can strategically harness services to drive long-term development.

### Objectives

Given the strategic importance of trade to the development of low-income countries, this side event will discuss how African countries—particularly LDCs—can leverage this new pathway to achieve SDG 9 (Industry, Innovation, and Infrastructure) and SDG 17 (Partnerships for the Goals). Focused on three key pillars, the session aims to explore strategies and policy options in the following areas:

- Investment and transition: Scaling up investment in the services sector, addressing informality, and transitioning from low-productivity sectors toward knowledge-intensive services.
- Integration: Strengthening the services-manufacturing nexus through better-integrated services value chains.
- Partnerships: Leveraging the African Continental Free Trade Area (AfCFTA) and global trade partnerships to bolster services trade.





## Expected outcomes

- A clear set of recommendations on how LDCs can transition from low-productivity sectors and the informal economy into knowledge-intensive services like ICT, finance, business process outsourcing (BPO), and other professional services.
- Practical examples of strategies and policies for fostering the services-manufacturing nexus and integrating services into manufacturing value chains.
- Identification of barriers to trade in services within the AfCFTA, along with proposed solutions to facilitate a truly borderless African services market.
- Identified investment clusters to achieve SDG 9, including potential public-private, regional, and global partnerships (SDG 17) to deliver the scale required for services to drive structural transformation in Africa.

## Potential partners

- Economic Commission for Africa

## Format of the Side Event

This virtual side event will convene policymakers, researchers, and key stakeholders to discuss transitioning Africa's services sector from low-productivity activities toward knowledge- and technology-intensive services, while strengthening the continent's overall services trade potential.

## Agenda

### Welcoming remarks

- **Junior Davis**, Head- Policy Analysis and Research Branch, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD

### Presentation

- **Benjamin Mattondo Banda**, Economic Affairs Officer, Least Developed Countries Section, Policy Analysis and Research Branch, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD

### Panel/List of speakers

- **Jean luc Mastaki Namegabe**, Director, Sub-Regional Office for Central Africa, Economic Commission for Africa.
- **Bertha Bangara-Chikadza**, President of the Economics Association of Malawi, and Senior Lecturer, Department of Economics, University of Malawi
- **Seyoum Mangsha Tachie**, CEO, Digital Economy Development, Ministry of Innovation and Technology, Ethiopia

### Discussions



## Discussion questions

1. A critical mass of 24 AU members has already submitted Schedules of Commitments for the five priority services sectors—financial, communications, transport, tourism, and business—with the next phase of negotiations set to focus on education, construction, and distribution. At the same time, the adoption of **8 key annexes to the AfCFTA Digital Trade Protocol** now provides a framework for cross-border data transfers, digital payments, and fintech.<sup>1</sup> As services trade liberalization progresses across the continent, how should LDCs utilize these opportunities to ensure they are not just consumers, but also competitive exporters within these sectors, especially those that are digitally deliverable?
2. Which high-impact partnership—such as national, regional, global—best supports the manufacturing-services nexus in LDCs? How must global partnerships (SDG 17) evolve to unlock the massive investments needed for this transformation?

## Contacts

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**Benjamin Mattondo Banda**  
UNCTAD,  
Division on Africa, Least  
Developed Countries and Special  
Programmes  
[benjamin.banda@unctad.org](mailto:benjamin.banda@unctad.org)

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<sup>1</sup> The annexes are on: Rules of origin, Online safety and security, Digital identities, Cross-border digital payments, Cross-border data transfers, Criteria for determining the legitimate and legal public interest reasons for disclosure of source code, Financial technology, Emerging and advanced technologies.