



Advancing the implementation of the Agreement Establishing the African Continental Free Trade Area: proposing transformative strategic actions

Fifty-seventh session of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development

12 - 18 March, 2025, Addis Ababa

## SIDE EVENT

*Organized by the Subregional Office for Southern Africa, the Subregional Office for North Africa and the African Trade Policy Centre of the Economic Commission for Africa and the Regional Office for Africa of the International Labour Organization*

# Empowering businesses in Africa to trade successfully under the Agreement Establishing the African Continental Free Trade Area to foster inclusive growth and decent work

## Background

The Agreement Establishing the African Continental Free Trade Area represents a major step towards economic integration across Africa, offering increased opportunities for businesses, including micro-, small and medium-sized enterprises, to trade and invest in the continental market, as well as opportunities for Governments to press on with the far-reaching reforms that the continent needs to enhance the competitiveness of its business environment. On the basis of simulations carried out by the Economic Commission for Africa, the implementation of the Agreement is expected to boost intra-African trade, gross domestic product, output and welfare and reduce poverty and inequality across the continent. The potential gains, however, will not be automatic. They hinge on the capacity of businesses in Africa to implement the Agreement and to take advantage of it while also taking into consideration its effects on the labour market. Micro-, small and medium-sized enterprises represent the backbone of most African economies, but most such enterprises operate in the informal sector and face barriers to their survival and growth in a dynamic and innovative environment. The numerous challenges that businesses in Africa face as they seek to remain profitable and to trade across borders include non-tariff barriers; barriers that hinder access to finance,

market information and technology; and the high costs of moving goods across borders owing to deficient infrastructure and regulatory bottlenecks. In their efforts to create decent jobs, they also face such challenges as a skills gap, international labour standards and occupational health and safety standards.

In addressing the broad range of challenges, businesses in Africa should begin by understanding the regulations, provisions and procedures for trading under the Agreement, the institutional arrangements for doing so and the future support they might need. Two important tools can help them to engage in regional trade and promote decent work. The first is described in the document “Methodology for developing step-by-step guides for trade in goods under the African Continental Free Trade Area”, developed by the Economic Commission for Africa. The methodology set out therein will be used to create guides that contain information that businesses can use to navigate rules of origin, customs regulations and other regulatory and procedural requirements. The second is the Guided Trade Initiative,<sup>1</sup> from which lessons have already been learned that should be integrated into the step-by-step guides. The Trade and Decent Work Toolkit, developed by the International Labour Organization (ILO), is a comprehensive source of current analytical data and tools designed to facilitate the examination of

1 Konrad-Adenauer-Stiftung. “The Guided Trade Initiative: documenting and assessing the early experiences of trading under the AfCFTA” (Addis Ababa, 2023).



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labour provisions in trade agreements and the impact of trade policy on labour markets. Governments in Africa seek not only to create jobs but also to achieve inclusive growth and create decent jobs under the Agreement as part of the broader development objectives of the Agreement and in line with the decent work agenda of ILO. African businesses should adhere to international norms and standards when they trade under the Agreement. The Area presents an opportunity to advance international labour standards and promote decent work and social inclusion. It also gives African businesses opportunities to enhance their global competitiveness while fostering inclusive growth.

## Objective

The objective of the side event is to allow participants to explore how businesses in Africa, including micro-, small and medium-sized enterprises, can take advantage of the Agreement and what support mechanisms they will need to do so, so that they can grow and contribute to broader development goals – not only those for the Area but also those of other international agendas, including the Sustainable Development Goals, especially Goal 8, on decent work and economic growth. Participants will also examine the ways in which the Agreement can strengthen international standards, including labour standards, to support the creation of decent jobs and foster inclusive growth.

## Expected outcomes

The expected outcomes of the side event are:

- (a) Enhanced understanding of the potential of the Agreement to drive inclusive growth and promote decent work across Africa;
- (b) Exploration of opportunities to provide targeted support to micro-, small and medium-

sized enterprises through step-by-step guides on trade under the Agreement and of the role of the guides in helping such enterprises to participate effectively in the continental market;

- (c) Enhanced understanding, among micro-, small and medium-sized enterprises, of the impact of trade policies on the labour market and how the Trade and Decent Work Toolkit of ILO can support their objectives on decent work;
- (d) Recommendations on ensuring that businesses in Africa are empowered to trade under the Agreement and thus to contribute to the achievement of the Sustainable Development Goals, including Goal 8, on decent work and economic growth.

## Speakers

The details of the speakers who will feature in the side event will be published in due course.

## Target audience

The target audience will consist of representatives of Government, the private sector, workers' and employers' organizations, civil society, academia, and regional, subregional and global organizations who are attending the fifty-seventh session of the Economic Commission for Africa.

## Further information

For further information, please contact:

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